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PROCEEDINGS AND DEBATES OF THE SIXTY-SEVENTH CONGRESS SECOND SESSION.

SENATE.

THURSDAY, *May 25, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

INVESTIGATION INTO ALLEGED UNLAWFUL HANGING OF SOLDIERS.

Mr. BRANDEGEE. Mr. President, my attention has been called to an editorial which appears in the New York Times of yesterday, Wednesday, May 24. It is found in the fourth column of the editorial page of the Times and is headed "Were WATSON'S charges proved?" In the course of the editorial it is stated that—

> The investigation went on for more than two months. It ended in February, three months ago, but not a word about the evidence given by the Watson witnesses has come from the Brandegee committee.

As the Senate knows, a committee was appointed, of which I was chairman, to inquire into the truth of the charges made by the Senator from Georgia [Mr. WATSON] in relation to the unlawful hanging of soldiers in the expeditionary forces in France. The committee had hearings for weeks and took a large amount of testimony.

The Times is in error in stating that the investigation had ended or that the hearings were closed. The testimony was taken down by a stenographer, whose stenographic notes were transcribed, and a copy of the typewritten testimony was sent to each member of the committee. It has not yet been printed for distribution, because the committee has not closed the hearings.

The committee was compelled to suspend further proceedings in the matter because of measures which came before the Senate that required the presence of the members of the committee on the floor of the Senate. The treaties were taken up and occupied a long time, and then came the tariff bill, and the committee found it impossible to sit in the Senate Office Building all day long hearing the testimony of witnesses who were summoned from all over the country when interrupted every few minutes by the ringing of the bell to call them to the Chamber to make a quorum or vote on questions before the Senate.

That situation still exists. We are holding sessions in the Senate every day from 11 o'clock in the morning until 10 o'clock at night, and have great difficulty in maintaining a quorum. It is perfectly impossible for the committee to resume sessions upon the question before the Watson investigating committee or the Brandegee investigating committee, whatever it may be called, until the tariff bill is out of the way.

The committee will in the near future hold an executive session to determine its future course. I do not know whether it will be decided that further hearings are necessary or advisable or not.

I do not know when after the hearings shall be finally closed a report of the committee can be made. It may not be possible to hear any further evidence that may be desired and close the hearings, have the testimony printed, and a report made to the Senate at this session of Congress, in view of the situation of the business of the Senate. If it shall be found to be impossible to report at this session, a report can be made in December after the opening of the next session of Congress.

I make this statement because I think it is quite natural for the press of the country and others to assume that if the hearings are closed now they should expect a report in the near future. In order to avoid confusion about it, I am making this statement for the information of the press. I had already notified the representatives of the press and the superintendent of the press gallery with reference to the situation, and it was understood by the press representatives here; but this editorial writer is laboring under an impression that the hearings were closed several months ago, which was not the case.

BUSINESS OF THE SESSION.

Mr. HARRISON. Mr. President, on yesterday in the Washington Post there appeared an editorial on "Republican Absenteeism." I understand the Republican Members of the Senate held a caucus this morning and dealt with the subject. In view of the importance of the subject at this time, I think it is well that the editorial should be read, especially for the benefit of the Republican Members of the Senate. Therefore I ask that it be read at the desk.

The VICE PRESIDENT. The Secretary will read the editorial, as requested.

The reading clerk read as follows:

[From the Washington Post, Wednesday, May 24, 1922.]

REPUBLICAN ABSENTEEISM.

The comment of many newspapers throughout the country is strong in criticism of Congress for its alleged failure to come up to national requirements. Some of the more observant journals now conclude that it was not a rebuke to the Harding administration but a rebuke to Congress that was administered by the Republican primaries in Indiana and Pennsylvania. Whether the voters of those States were primarily anxious to rebuke Congress or not, the effect of their vote seems to be a rebuke which Congress may heed.

The situation in the Senate at this moment constitutes an indictment of the good sense of the Republican Party. At this moment, when Congress is under the fire of criticism and the record of the Republican Party is under scrutiny, when millions of voters are making up their minds on the evidence presented, the Republicans of the Senate are making a record of absenteeism and neglect of public business that will surely return to plague them.

* * * * * * *

Obviously it should be the strategy of the Republicans, if they believe in the bill, to push it through to early enactment so that the country may feel the benefits and reward the party by electing a Republican Congress.

Yet, in spite of the advantage that could be gained by prompt action—always assuming that the tariff bill would benefit the country—the Senate Republicans habitually absent themselves from the debate and from the Senate. Many of them are absent from Washington, neglecting not only tariff making but all other public business. Some of these Senators are away mending their fences, while others are enjoying more or less well-earned vacations.

Of the 60 Republicans in the Senate there has not yet been present on any roll call during the tariff discussion the number required for a quorum, 49. The Senate has before it a measure that is to readjust commercial relations with foreign countries and contributs to the revenues, thus enabling Congress to cut down taxation in other directions. It is a vitally important measure if it does nothing more than settle for a considerable period the policy of the Government in tariff matters, thus permitting industry to conform itself to the conditions created by the law. Yet the party that is responsible for this legislation is neglecting it on the eve of an election at which one-third of the Senate will be on trial before the voters.

How can any Republican Senator absent himself from the Senate at this juncture and then ask his constituents to reelect him on the theory that he has done good and faithful service? How can he expect to see his party supported enthusiastically at the polls if the Republican majority permit the tariff bill to dawdle along under a Democratic filibuster while American business stands halting, not knowing what to do?

On yesterday, when a call of the Senate was made, only 30 Republican Senators answered to their names. Possibly each of the absentees had a good excuse for his absence; but in the list appeared the names of several who have been habitually absent, although they are reported to be in good health and anxious to serve their country as Senators. So anxious are some of them, in fact, that they have deserted the Senate Chamber for the stump, where they rely upon their eloquence to convince the voter that this is the best Congress that has ever met.

A fair example of the comment in many newspapers is the following editorial in the Chicago Tribune, dated May 22:

"Why all the impassioned efforts of political soothsayers and self-seekers to explain the outcome of recent primary elections in various States as a repudiation of the Harding administration? If there is a repudiation involved, why not pin it upon those to whom it belongs? This is not an absolute monarchy. President Harding is not a czar or a kaiser. He is a President, with limited powers. He is an Executive. At best he can only recommend legislation. He does not initiate or pass laws. That is the duty of Congress, and the responsibility lies with Congress.

"The President's record is clean and constructive. We can hardly say as much of the present Congress. If repudiation is seen in recent State primaries, it is repudiation not of President Harding but of a Congress which has been marked by delays, bickerings, private interests, injustice, and lack of construction. * * *

"The President's attitude offers a refreshing contrast. He has been sound and constructive on the most vital issues.

"Between the two—President Harding and the present Congress—it is easy to choose. It should be apparent that if State primary returns are repudiating anything they are repudiating the unconstructive record of Congress, not the superior record of the President."

Individual Republican Senators can meet this criticism in any manner they choose. The rules are easy, and absenteeism is not usually regarded as a legislative or party offense. But at this juncture, when the public welfare is involved in tariff legislation, and the Senate Republicans neglect the bill upon which they rest their party's fate at the polls, absenteeism becomes extremely dangerous to individual Republican Senators seeking reelection, and also to their party.

POLICY OF PRESENT ADMINISTRATION—THE MORSE CASE.

Mr. WATSON of Georgia. Mr. President, with the editorial just read at the desk I would take issue at some length if it were not for the fact that I am not willing to obstruct the Republicans in passing a bill which taxes everything between heaven and hell.

The writer of the editorial said that the President is not responsible for what the Congress has done. Every Member of Congress, every occupant of the press gallery, every interested American citizen who has been in the public galleries, knows that the President is responsible for what the Congress has done and has not done. Time and again his attention has been drawn to the fact that the Federal Reserve Board, in October, 1920, began to destroy the paper money in the country at the rate of $80,000,000 a month, and has continued that ruinous policy until two thousand million dollars of the people's money has been drawn in and destroyed—the most criminal contraction of the currency that was ever known in the history of mankind; and therefore values have disappeared, business has been prostrated, unemployment has arrayed its army of millions.

Every week some millionaire banker, who made his money out of this contraction of the currency, appears in the newspapers, saying that he "sees" prosperity right around the corner. But prosperity stays right around the corner. Nobody ever sees it on this side of the corner. The President himself is reported as having said that we are on the eve of a great revival of business. No such revival need be expected while the contractionists continue to inflate the value of gold by destroying paper money.

Mr. President, who came in here from the east portico and personally took his stand there by yourself, sir, and embarrassed Senators by asking them to confirm at once and without debate such Cabinet officers as the Englishman, Herbert Hoover, and the man who in violation of law is holding the position of Secretary of the Treasury, Mr. Mellon, Morgan's partner, and Secretary Fall, and Harry Daugherty, of whom I am going to say something else before I take my seat? Had the President not come here in person and made that appeal to our forbearance and our courtesy there would have been objection, prompt and strong, to the confirmation of Hoover, the charity broker, who never publishes any accounts or any vouchers of what he does with the hundreds of millions of American money that he has handled; and of Andrew J. Mellon, richer, perhaps, than Rockefeller, holding his office in violation of one of the first laws ever passed by the first Congress of this Republic; and of Secretary Fall, so oiled over with Standard Oil in Mexico and in Colombia, reeking and dripping with Standard Oil scandals; and Daugherty, of whom, I repeat, I shall say something else somewhat later.

What has been the President's course on the soldiers' bonus? That issue has been a live wire throughout the Republic. On that subject the Republicans have wobbled, backed, and filled, and made false statements to the country and false promises to the Senate. What did the President do on the soldiers' bonus? While the measure was pending, and while it was being debated, the President came here and took part in the debate, making a speech against the bonus, a thing that he had no right to do. The President may suggest and may recommend, but his objection to a law must take the form of a veto. Let me read a passage from the historical and biographical essays of John Forster, the great biographer of Charles Dickens. He is speaking of Charles I, the Stuart King who took this the first false step that led him to the block, where his head was chopped off:

But again the ill-advised monarch precipitated this determination. The bill for raising such soldiers by impressment—

That is the English word for conscription—

The bill for raising such soldiers by impressment was under debate on the morning of Tuesday, the 14th of May, when a message was unexpectedly brought in to the effect that His Majesty desired the Commons to attend him in the Lords' House. There, in brief, in temperate phrase, he adverted to the impressment bill which they were then discussing, warned them that in the event of its passing he should give his consent to it only with the express saving of his prerogative, and significantly added that he was little beholden to him whoever at this time began this dispute. The Commons immediately returned to their house, voted it, upon the motion of Pym, a breach of all the ancient privileges both of Lords and Commons that His Majesty should have so taken notice of a bill whilst it was in progress.

That was in the good year 1641. Since that time never has an English king dared to go into the House of Lords or the House of Commons and speak against a bill which was being debated in Parliament.

No American President ever did so until President Harding came in here last year, while the bonus bill was pending, while the debate was in progress, and made a speech against the bill, whereupon the Senator from North Dakota [Mr. MCCUMBER] in charge of it immediately withdrew the bill, with a promise that it would soon be re-reported. That promise has not been kept, and yet the Senator from Indiana [Mr. WATSON] in opening the campaign in Indiana is reported in the newspapers to have again promised the country that the bonus bill would pass. That makes the fourth or fifth promise that has been made on that subject. Whether this promise will be kept any better than the others, time will tell.

Who was it, Mr. President, that recommended to Congress the relief of the war profiteers to the extent of $495,000,000 of the taxes that they were paying on their excess profits? Why should not war profiteers pay a tax on their excess profits? The Republicans have put a tariff tax on sand, which every bricklayer must use, which every plasterer must use, which every builder of a concrete house must use, which every layer of a pavement must use. Every carpenter uses sandpaper; every locomotive carries its sand box; every chimney, pier, pillar, and cement walk calls for sand. Every manufacturer of fertilizer uses sand as a filler, and when the Republicans put a tax on it they add to the burdens of the farmers, who will have to pay more for guano if the manufacturer is compelled to pay more for sand.

Almost every hearthstone in America, almost every monument, almost every tomb has called for the use of sand, and when the Republicans tax it they do what was never done before in any country on earth. Even the patriotic American chicken must pay a tax on the sand in his gizzard. [Laughter.]

And salt! I should like to have somebody tell me what article of food can dispense with salt, from the soup to the walnuts and the wine? The wine having been abolished by our genial friends on the other side, the salt is now confined to the walnuts; but if you are wise you take salt with your pecan nuts, your almond nuts, your hickory nuts, your peanuts, and your walnuts. No fresh meat may be used without salt; no meat can be cured without salt; no fish can be kept without salt.

The herdsman on the plains must have salt for his cattle. The housekeeper on the farm must give old "mooley" her regular allowance of salt. The rich man's pleasure horse must have his salt; the poor man's work horse must have his salt. Salt must be consumed by the very sheep for which the Senator from Idaho [Mr. GOODING] so much yearns that he wants to put a tax on every blanket, on every wool hat, on every scarf, on every shawl, on the woolen mittens to keep warm the hands of the sick and the aged, and the woolen socks that keep warm the feet of those who have been chilled by the growing years. Yet the sheep have to have salt, and the majority propose to tax salt. Of course, the tax on salt is passed onto the sheep, passed into the wool, and passed into the palace of the rich and the cottage of the poor. And he calls himself a statesman; and he says that it was his misfortune—his, GOODING'S, misfortune—to be born in the land of King Alfred the Great, of Shakespeare, of Milton, of Shelley, of Keats, of Carlyle, of Macaulay, of Spurgeon, of John Wesley, of John Bright, of Richard Cobden, of Charles James Fox, of William E. Gladstone. It is GOODING'S misfortune—GOODING'S—to have been born in England. Poor Mr. GOODING! I wonder if England is as much ashamed of him as he is of England.

Every table in America has its salt cellar or cruet; the rich man's steak and the poor man's crust is seasoned with salt; the butter and the eggs clamor for salt; the roast and the stew, the oyster and crab, the veal and the mutton, the kid and the pork call for the salt. The slop of the swine and the food of the poultry and the bread of the dog are the better for salt. The Republican Party has done what has not been heretofore done in America or in Europe since 1789, when the French peasantry, partly because of the intolerable tax on salt, rose in avenging wrath and dethroned the Bourbon King.

These monarchs had compelled the people to buy 7 pounds of salt yearly for each member of the family, and to pay 13 cents a pound for it.

When our people learn that the Republicans have taken salt from the free list and taxed it, woe unto that party.

Who was it that hatched up that four-power pact? The Borah resolution did not call for any four-power pact with Great Britain, France, and Japan. It called for a conference on the limitation of naval armament. When President Harding issued his proclamation, did he put the country on notice that a four-power treaty, revolutionizing the historic policy of our Government, would come forth from a secret conference? He did not. There is not a word in that proclamation about this four-power pact. Yet it came out, was debated here, and

the President came in person to tell the Senate to ratify it. He took upon his shoulders the responsibility which the Washington Post now seeks to place upon those who obeyed him, those "rubber stamps," over there.

We heard a great deal about "stereotypes" and "rubber stamps" and "stencil plates" during the Wilson administration. I should like to know what set of Senators were ever more completely "rubber stamped" than those Republicans over there.

Mr. President, who authorized the President of the United States to fail even to collect the interest on the billions of dollars that we had loaned to Europe? And now since we loaned to England, to France, to Italy, and to almost every other country in Europe huge sums of money, drawn from the American people on those Liberty bond issues, drawn by moral coercion and propaganda, the negroes of Liberia, being imitative creatures like their brethren in America, are now knocking at the doors of the Treasury, asking for $5,000,000, and the Republicans of the House have voted that they shall have it. Well, they have not got it yet.

Another one of the administration's bills was the revolutionizing of our judicial system, depriving the Federal judges of their independence. For hundreds of years the liberty-loving people in England, from which we derive our systems to a very large extent, have fought with brain and with muscle, and have paid in toil and have paid in blood for the independence of the judges. That is all gone. The Federal judiciary has been centralized. The district judges have been put under the feet of the circuit judges, and the circuit judges under the feet of Chief Justice Taft. That is what the bill meant. That was an administrative measure. The independence of the judiciary, for which Webster spoke and for which John Hampden fought, has passed away like a cloud, like a glance of the sun on rippling waters, and hardly a word was said about it in the administration press.

There are various other things that I could mention for which the President has been directly responsible. One is a persistent demand for a huge standing army in time of peace. How long has it been since the press, with unanimous acclaim, was saying that the peace conference had been completely successful, and that wars and rumors of wars should never plague us more; that never again should American boys be snatched by the conscription act, the voice of opposition being hushed by the espionage act and sent across the seas to fight the battles of other nations with which we had nothing to do? We were told that complete peace would reign hereafter; and yet Secretary Weeks and General Pershing are clamoring for a larger army than was maintained in time of peace by Louis XIV, or Napoleon, or Cæsar, or Alexander.

What do you want with this large standing army? Do you fear England? No one will say "Yes." Do you fear France? No one will answer "Yea." Do you fear Japan? Shame upon the man who says it! Whom, then, do you fear? You are afraid of your own proletariat. That is what you are afraid of. You are afraid of the dissatisfied workman, thrown out of employment by these soulless, these heartless, these insatiable trusts and combinations of capital; you are afraid of the millions of men and women and children who do not have enough to eat in this land of bounteous harvests; not enough to wear in the very cotton fields where their hands bring forth the staple that clothes the world.

I wonder if they think that a hundred million people will meekly starve while such men as Mellon, and Hoover, and Elbert Gary, and J. P. Morgan lord it over the earth? The American people will not submit. Therefore these vast combinations of capital want a standing army in order to beat down the dissatisfied, who have a right to be discontented.

The refusal of this administration to recognize the Government of Russia is becoming more and more distasteful to the American people. Our Government is founded upon the principle that the just powers of all governments are founded upon the consent of the governed. They say that the present Soviet Government is not that of the people of Russia. How has that fact been ascertained? By what methods has that been learned? Who are the witnesses? It has been a de facto government for nearly five years. It repulsed the Polish invasion, financed by France, partly with American money. The Russian Government repulsed the attacks successively made by Kolchak, Denekin, and Wrangel. Is not that a de facto government? Mr. Monroe did not wait for over four years to recognize the South American Republics, nor for four years to recognize Greece, nor did the Taft administration wait four years to recognize the Portuguese revolution, in which a king had been killed; and President Washington never broke off relations with the French Revolution, in which a king and queen were killed. He maintained relations with France throughout, as the record shows.

Why not recognize the Soviet government of Russia and open up that vast market to whatever surplus of products we have and get in return her vast resources of minerals, including gold? What is the sense of treating in that manner a country which has always been the friend of America, a country which sent four millions of soldiers to the battle fields, to die in the great World War on the side which we afterwards took? Why do we side against our ally and in favor of our enemies? Is it due to the international bankers? It looks very much that way.

Mr. President, having said that much about this editorial in the Post, I am going to see if I can not destroy the usefulness of T. Bosh Felder as a national lobbyist here in Washington City. He is hardly worth noticing, except that he seems to have an irresistible influence in the Attorney General's office; and I will say to the Senator from New Hampshire [Mr. MOSES], who undertook to defend him here the other day, that he is welcome to interrupt me at any stage of my speech. Let him come right on in, if he wants to get in.

Mr. MOSES. Oh, no, Mr. President; I hope the Senator from Georgia does not think that my conversation with his colleague from Arkansas [Mr. ROBINSON] was by reason of comment on his speech, in which I was taking exception. As a matter of fact, in spite of the modesty of the Senator from Georgia, I will say that I was commenting with the Senator from Arkansas upon the wealth and accuracy of the historical allusions with which the Senator from Georgia was enriching his discourse.

Mr. WATSON of Georgia. Mr. President, if the standard of modesty had not been already set so high by the Senator from New Hampshire, I might feel a little bit abashed by his statement regarding mine.

Mr. President, this morning I received a letter marked "personal," and therefore I will not give the name of the writer, but he referred me to the Senators from South Carolina, and upon consulting my colleague from South Carolina [Mr. DIAL], he says the man is all right. In part, the writer says:

> I am deeply interested as a citizen in the graft investigation and in the attack on the Attorney General. From the evidence of Daugherty's association with Felder, I am satisfied in my own mind that there is something dead up the branch. I have known Tom Felder since his college days and have been a close student of his methods, and he has only a few tricks in his stock of trade.
>
> You will recall that Felder came to South Carolina and was employed to assist the attorney general of the State in the investigation of the dispensary graft scandal several years ago. I am one of the few people in the State that realized that he, by virtue of this employment, protected grafters, hoodwinked the attorney general, and got away with it.

He is still getting away with it. It is a habit he has. Whether or not that habit will persist remains to be seen.

Much has been said about the Morse case, Mr. President, but the facts have not been laid before the public. The subject is interesting, and I will briefly relate them.

Charles W. Morse was the man who organized the Ice Trust in New York. During the winter he cornered all the visible supply, and he sent boats up the Hudson to break up the natural ice that was forming across the river. Many hundreds of those who in former years had made their living by harvesting natural ice and selling it in the summer were reduced to beggary. The papers stated that they stood on the banks of the stream, wringing their hands and shedding bitter tears, as Morse's boats broke up the ice. Next summer he refused to sell any block of ice for less than 10 cents, and the consequence was that many poor people could not buy ice at all. What the suffering was in the crowded tenements of the poorer quarters of New York can be imagined. The sick got no ice. Infants got no ice. The New York papers published editorial after editorial imploring Morse to relax his rules and let the poor have 5-cent blocks of ice. He coldly refused, and, according to the New York papers, there was the horseman and pale horse riding his rounds in many of the poorer precincts of that great city during that torrid summer. A man who would do that has no heart, no conscience; I will not say no soul, because I do not know.

Morse was prosecuted and convicted of one of the crookedest financial deals ever pulled off in Wall Street. No fiercer wolf ever hunted down victims in Wall Street than Charles W. Morse. He was tried, convicted, and sentenced to a long term of years. He was sent to the Federal prison in Atlanta. In a short while it was announced that he was ill of Bright's disease, and the Atlanta Georgian, owned at that time by Fred Seeley, who left the city at about the same time that Felder left it, came out from day to day announcing the progress of Morse's sickness. He was wasting away; he was dying of Bright's disease; he could not possibly live. I was conducting

a weekly paper in Atlanta at that time, Mr. President, and from week to week I stated that Felder and Seeley and Morse and Daugherty were conducting an elaborate fraud; that the man was not sick at all. My intuition as a lawyer convinced me that he was not sick; that the whole thing was a fake, a sham, a make-up, a pretense.

Mr. MOSES. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from New Hampshire?

Mr. WATSON of Georgia. With pleasure.

Mr. MOSES. The real action which should be taken in this case, I gather from what the Senator says, is that Morse should be sued for breach of contract, he having been released from prison under a contract that he would die within 30 days.

Mr. WATSON of Georgia. Mr. President, that is not the view of a lawyer. The view of a lawyer would be this: That the pardon, having been obtained by fraud, is null and void, and Morse ought to be put back in the penitentiary. The contract has nothing to do with it. I hope the Senator will not think I am saying that abruptly. I am just saying it briefly and emphatically.

Mr. MOSES. No; but my understanding of the incident at the time it occurred was that Morse's release from prison was under a contract that he would die within 30 days, and not having carried out his contract I should say he was liable.

Mr. WATSON of Georgia. The pardoning power has nothing to do with a contract between Morse and his lawyers; but if the President was imposed on, then the pardon itself is null and void, and Morse can be put back into the penitentiary. Morse and four sons have put themselves in five different States and are fighting extradition. If I were President, I would annul the pardon, I would send a military squad after Morse, and I would have him back in the penitentiary, either dead or alive.

Mr. President, the city of Atlanta has scores of first-class doctors and surgeons, but not one of them was called in to see Morse. Felder and Daugherty picked out a doctor who said Morse was dying of Bright's disease; and the doctor whom Felder picked was very much the same sort of a doctor that Felder is of a lawyer. There are doctors and surgeons in Atlanta who would never be induced by money or by intimidation to sign a certificate that was false. They were not called in. The man whom Felder picked monopolized the job.

No Army surgeon ever came from Washington to see Morse. A specimen was sent from Atlanta to these Army doctors. That specimen may have been brought about by the eating of a bar of soap, as has been rumored; or, in as big a city as Atlanta, where there are so many hospitals; or, in the State of Georgia at large, where there are so many people, there never would be a time when you could not find somebody who had Bright's disease. Therefore he could have gotten a genuine specimen to send to these surgeons here in Washington. They never went to Atlanta. They never saw Morse. They saw the specimen which Felder sent. Where did Felder get it?

Had the case been based on facts, had there been truth at the bottom of it, at the very time when criticism was leveled upon it, Felder and Daugherty would have said, "We will show you that Morse is sick, by calling in Doctor Westmoreland, or Doctor Durham, or some other Atlanta doctor of high character," some impartial, disinterested, incorruptible doctor. They would have said, "We will show you that Morse is sick." Did they do it? No; they did not. When the pardon had at length been obtained, during the time that Morse had been secreted behind a human fence which no outsider could penetrate, he was taken to the Piedmont Hotel in a closed limousine. If he was sick, why did he object to being seen? Bright's is not a shameful disease. It is not one of which a man need be ashamed. It is one which commands sympathy for him who has it. It is not like smallpox, contagious. If Morse was really sick, why did not his lawyers say, "Here is our sick man. You can see he is sick. You can see from his yellow color that he has Bright's disease. You can see from the general flabbiness of his physique that he is ill unto death."

No; the human fence stood around him, walked with him, put him in the closed limousine, and he was carried to the hotel and into the hotel, and no man saw him. In his room at the hotel no outsider saw him. The reporters were eager for news, and there were curious people who wanted to know the facts, because I had been stating from week to week that the whole thing was a fake, a sham, a humbug, a fraud. Naturally, curiosity was aroused. People wanted to see him.

Did anybody get a glimpse of him? No one. Nobody could penetrate that human screen, that wall which had been built around him by Felder and Daugherty. He was taken to the railroad depot in the same way. He had a car all to himself. Nobody saw him on his way to the depot. Nobody saw him on the car. He was curtained in and taken to New York. Did anybody see him get off the train in New York? Nobody did. The reporters there tried it, but they could not penetrate that human barrier. Again the closed limousine sped away with him to his residence.

He was taken to a steamer, and nobody saw him go on board. He was carried to a stateroom which had been reserved for him, and the reporters again assiduously tried to see him, but they could not do it; but they did make the statement that from the outside they heard his voice, strong and robust, giving directions to his valet about his baggage.

He went to Europe, stayed a few weeks, pretended to drink mineral water, came back in full health, acted the unscrupulous rascal during the war, out of which he and his boys managed to keep themselves, while they devoted their energies to robbing the Government.

That is the Morse case. It has been stated that the lawyers did nothing wrong. A lawyer is supposed to be the sworn officer of the court. He is honor bound not to deceive the court. He is honor bound not to use a perjured witness, if he knows he is perjured; not to use a bribed juror, if he knows he is bribed; not to make a statement to the court if he knows it to be untrue. He is considered a sworn officer of the court. The pardoning power is, of course, the highest of all, and no honorable lawyer would deceive the President, as President Taft was deceived in this case. The men who did it have no honor in them.

In the New York Tribune, which is a Republican paper, the leading editorial yesterday reads as follows:

TIME TO RESIGN.

Unless Attorney General Daugherty has a better defense of his relation to the unsavory Morse pardon than thus far has come from him or his friends he should relieve President Harding of embarrassment by a prompt resignation.

It is not necessary to go into extensive argument. Facts which are so far not effectively contradicted speak for themselves. It is surely an amazing thing that when the conspiracy to get Morse out of prison was hatched it happened that the conspirators went to Ohio and hired a lawyer, without prior connection with the case, who happened to be a friend of the pardoning power.

Mr. Daugherty should never have been named as Attorney General. The appointment was one of the few mistakes President Harding has made. It was a personal selection, and such for high office are seldom happy. The only way to rectify the blunder, if the documents published in the CONGRESSIONAL RECORD are genuine and accurate, is to ask for a speedy resignation, if one is not tendered. Granted that Mr. Daugherty was one of those who were fooled, he is manifestly in that event too gullible to be at the head of the Department of Justice.

Mr. President, this man Felder has published as many statements as the newspapers would carry. No two of those statements can be reconciled with each other, and when he speaks at any length, he contradicts himself in the same statement. He has told three different tales about those bonds he took from Morse. He has told two or three different tales as to the fee he received. He has first admitted and then denied that Daugherty was in the case. His own statements show what kind of a creature he is.

But what is his mysterious influence with the Attorney General? Day before yesterday I responded to a card from the reception room and met a young man, who duly introduced himself to me, and said that he himself had wondered what was the secret of Felder's influence with the Department of Justice, until he had read the speeches of the Senator from Arkansas [Mr. CARAWAY] and myself. Then he told me this—and, of course, I can not vouch for it, but I can give the name of the man, and tell where he can be found: He said that not long ago a British ship, the *J. M. Young*, sailing under a British license, came into New York with a cargo of whisky from abroad. He even stated the number of cases, which I have in memory, but it is unnecessary to state. It was a cargo of whisky. The dry agents got onto it. They seized the whisky, libeled the ship, and swore out warrants for those in charge of her.

The accused ran to the office of Felder and employed him. Why? God knows; I do not. Felder came to Washington, so the young man said, had an interview with Attorney General Daugherty, and from Daugherty's office went to New York with positive instructions to dismiss the proceedings and to release the whisky; and the orders were obeyed.

That is the charge repeated here on the floor of the Senate. If it is not true, let Mr. Daugherty say it is not. I do not say it is true; I do not know; but it is reported to me by a reputable young man whom I can place any time the Attorney General wants him, provided he will promise me and convince me that he will not persecute him with Secret Service men and spies.

The Senator from Arkansas says they have a negro spy on his trail. I do not think many Senators are going to submit to having spies, black or white, on their trails.

This young man told me of another case, where $200,000 worth of wine was seized upstate in New York, and again the

accused hotfooted it to Felder's office and employed him. Felder came to Washington, saw the Attorney General, and again the Attorney General ordered the warrant dismissed and the wine delivered to those who had it in charge.

Those are specific charges. The Attorney General can not afford to ignore them. I bring them to his attention. I do not vouch for them, because I can not; but I am sufficiently impressed to state them. They are cumulative of what the Senator from Arkansas has placed in the RECORD, in writing, and which no man has denied.

When I told the Senate and the country some time ago, on May 17, as I remember the date, what sort of man Felder was, he induced the senior Senator from New York [Mr. WADSWORTH] to place in the RECORD a lot of testimonials from prominent men in Georgia, which testimonials bore no date. I happened to know that they were signed in 1912, and that some of the men are dead, some have been voted out of office, and that none of them would repeat what they said then for Felder, when he was leaving the State. He probably drew up those testimonials himself. He probably typed them himself, and perhaps he represented to the men who signed them that they were letters of introduction. There is great facility in getting signatures to petitions and letters of introduction. One will sign almost anything to get rid of importunity.

On the 17th of this month I challenged Felder to get fresh testimonials from lawyers of good standing in New York, where he has lived for 10 years, or in Georgia, which has been the better off by his absence for 10 years. Has he got them? No. Can he get them? No. Neither by telegram nor by letter can he get them, else he would have done so. Would you live in a great city like New York and practice law for 10 years without having established your character? Why did he not bring some New York testimonials? Because he could not.

Mr. President, there is an editorial in yesterday's New York Times headed "The fee that failed," and I ask the indulgence of the Senate while I have it read from the Secretary's desk.

The VICE PRESIDENT. The Secretary will read the editorial.

The ASSISTANT SECRETARY (reading from an editorial of the New York Times of Wednesday, May 24):

THE FEE THAT FAILED.

Without any question of right or wrong or law or the merits of the case, the letter from Mr. Felder, written in October, 1917, will give pleasure to the discerning sociologist, to the students of incident and motive and character, to the novel reader and the novelist. Could anybody have invented and put into a book the narrative of a search for fees so original and amusing? At the instance of a benevolent Atlantan, Mr. Felder, a distinguished lawyer, tries to get Mr. Charles W. Morse, a native of Maine, out of the penitentiary. Mr. Felder masters the details, "gets in touch" with Mr. Daugherty, a private citizen of Columbus, Ohio, agrees with him to divide whatever "compensation" the former may get from the prisoner to be released. After certain steps have been taken at Washington the captive, who had agreed to pay, and did subsequently pay, $6,000 for expenses, and $25,000, still unpaid upon his release, promised, "in the presence of the penitentiary guard," to pay $100,000 in addition. "Gentlemen," he is reported as saying, with the airiness of Colonel Sellers, "I will make you both rich if you will get me out of here."

How they "got him out"; the discrepancy of civil and military doctors on the state of his kidneys; the regretable reports or legends about the sophistication of those organs by "soapsuds or chemicals or something"; the inevitable appearance in the drama of another citizen of Ohio, that center of politics; cruel tales of "fraud," of threatened revocation of the pardon; other scenes, the means or hindrances to the peripetia, the afterpieces—the fascination of all these must not withdraw us from pursuit of the "compensation." Soon after the penitentiary gates opened outward to him the grateful promiser told Mr. Felder that when he got back to New York he would send him a check for $25,000, to be followed soon by the $100,000. He acknowledged his promise to make his two lawyers rich. The scene must have been rich. The promiser, doubtless too much interested in his health to have a fully competent memory, went to Europe. The check did not arrive, but a son promised that father would settle when he came back. Father came back. His two lawyers met him in this city. He showed them certain stocks, not his own, which he had been allowed to borrow and use. They "had no market value," he said, "but an actual value of par," a curious reversal of the present system of stocks of "no par value," but actual market value. The lawyer from Columbus left in disgust. Finally he refused to take the stocks, either as payment or collateral, in spite of Mr. Felder's urging.

Then the man who was going to make them both rich left the stocks on the dresser in Mr. Felder's room, making him an involuntary bailee, so to speak. Mr. Felder took them home, afterwards hypothecated them. Mr. Morse was always promising to pay, but never paid; and never pretended that the stocks were payment. So, year after year, the compensation never came; and Mr. Morse's lawyers are out of pocket, besides, for a lot of expenses. Modesty, a desire—uphappily ungratified—to avoid notoriety, an altuistic tenderness toward the client, prevented the bringing of a suit for the long-promised, the much-promised, fees. No reader will be inclined to deny that these were "richly earned." Yet no reader who loves a story but will be glad that they were not paid. The search for them is full of romantic interest. We are all the richer for its incidents, and the hero's lawyers will be rich when their client's promises are redeemed at par. Mr. Felder not only has an acute legal mind but he is a letter writer with genius, and his epistle to Mr. Bailey ought to be included in future editions of Professor Saintsbury's "Letter Book."

Mr. WATSON of Georgia. Mr. President, the most amusing thing about the whole episode is this, and, having stated it, I will conclude. Here were three notorious crooks, and Morse outcrooked the other two.

BUSINESS OF THE SESSION.

Mr. HARRISON. Mr. President, I offered this morning and had read to the Senate an editorial from the Washington Post, because of its high Republican authority, and in the hope, too, that it might influence some of the Republican Senators to remain in the Chamber so that we might facilitate the passage of the bill. I understand that the Republicans had a caucus this morning and passed a resolution calling on Republican Senators to be and remain in their seats. I look on the other side of the aisle now and I see only four Republican Senators. There are 56 vacant seats now on the Republican side of the Chamber. We are not surprised that you hold caucuses and pass resolutions calling on your members to stay here and assist in the passage of the bill.

So it is little wonder that you hold caucuses and call on your Republican friends to come in from the seashores and other places and plead with them to stay here. It is little wonder that the New York Tribune, the Chicago Tribune, the Washington Post, and every other Republican newspaper in the country are carrying editorials condemning you for the way you are absenting yourselves from the Chamber and failing to discharge to the country your duty.

Now, Mr. President, I understand that in the conference of the Republican Members of the Senate this morning the question of cloture came up, and that you adjourned that meeting until to-morrow morning, when you are going to try to pass a resolution pledging your Members to change the rules of the Senate and adopt a cloture rule to pass the tariff bill. If you would stay here and vote upon these measures and try to facilitate the passage of the tariff bill, you would not need any cloture. A large percentage of the time of the Senate since the bill was first brought up for consideration has been taken up in roll calls. If you will take the CONGRESSIONAL RECORD and examine it, you will hardly find an instance where 30 Republican Senators out of 60 have answered to their names.

Mr. WATSON of Georgia. Mr. President——

Mr. HARRISON. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. I call my colleague's attention to the fact that there are only four Republicans over there now, and two of them are up for election and think they are going to be beaten.

Mr. HARRISON. I am not surprised. They realize what a handicap they have to make reasonable answer to their constituents.

If you are going to enforce a cloture, let me suggest to you that you do not attempt it upon this bill. Of course, you did not want the bill discussed in the committee, but you brought your representatives from the special interests there to tell you what to do, and you framed it behind closed doors. You did not want the counsel and advice of Democratic members of the committee, but certainly the American people are entitled to a fair discussion and consideration of the bill since it has come before the Senate. I submit that the country will never indorse a cloture, placing a strangle hold upon the minority Members in a discussion of this bill, when every line of it repudiates your campaign promises. If it were not for taking up the time of the Senate, which I desire not to do, it would be apropos in this connection to read the utterances of your presidential candidate in the last campaign and of your vice presidential candidate, as well as all of you who promised to reduce the high cost of living as soon as you came into power. How the people were fooled! Instead of reducing it you are adding, by the provisions of this bill, greater taxes upon meats, flour, shoes, boots, clothing, sugar, and everything that goes upon the breakfast table and on the backs of the people.

So I suggest to the distinguished leader over there not to carry your party to further destruction by the imposition of a cloture rule which will prevent legitimate discussion of the nefarious provisions of the bill, which press down upon the people greater burdens and higher costs of living. Let me appeal to the Senator and to other Members over there to stay in your seats and stop this absenteeism, and we will facilitate the passage of the bill.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. HARRISON. I have finished.

Mr. LENROOT. Will the Senator yield?

Mr. HARRISON. Yes; if the Senator wants me to yield.

Mr. LENROOT. I would like to ask the Senator if he takes the position that the discussion which has thus far been had on

his side of the aisle while the bill has been under consideration has been legitimate and necessary discussion?

Mr. HARRISON. I will say to the Senator that I have never seen in my experience in this body any discussion so confined to the bill before the Senate as it has been since this bill was taken up for consideration. Of course, there are times, and necessarily so, when speeches have been made upon subjects different from the matter under consideration, but with Senators absenting themselves from the other side of the aisle, showing by roll call after roll call that only 30 out of 60 Republican Members are present, necessarily the time of the Senate will be taken up in roll calls and the whole discussion will be prolonged for weeks and for months.

Important questions which are constantly arising must be discussed upon the floor of the Senate. The Senator can not imagine a more wholesome discussion than that in which the Senator from Georgia [Mr. WATSON] this morning indulged, informing the people of the Attorney General's action in defending Morse in his operations in controlling the great Ice Trust of New York and the other grave matters to which he referred.

Mr. LENROOT. Will the Senator now yield for another question?

Mr. HARRISON. Yes.

Mr. LENROOT. If the Democrats continue to act in the future as they have in the past in connection with this bill, how many years, in the Senator's judgment, will it take to get a final vote upon the bill?

Mr. HARRISON. Well, if it would take a hundred years to get a vote upon the pending bill, it would be well and in the interest of the people, because the Republican Party never started out upon a program that carried heavier consequences to the American people than the passage of this iniquitous tariff bill.

Mr. LENROOT. Then, it is the Senator's position that the Democratic side of the aisle propose to occupy the remainder of this Congress in the discussion of the bill?

Mr. HARRISON. The Senator from Wisconsin knows that the Democrats in larger number in proportion to membership than Republicans have stayed in attendance and have aided the Republicans in forming quorums from the time the bill came up. There has been equally as much if not more discussion by Senators on the other side than there has been on this side of the aisle. There has not been the slightest evidence of any effort at any filibuster or prolonged debate unnecessarily upon the part of Members upon this side of the aisle.

I know the Republicans cringe under the debate, because the Members on this side are giving the facts—they are revealing, day by day, to the American people the unfair, unequal, and outrageous provisions which are carried in the bill.

Mr. FLETCHER. May I ask the Senator from Mississippi to remind Senators on the other side of the fact that it took their party over 12 months to formulate this bill, even to submit it here. They now expect to have it disposed of after a discussion of three or four weeks.

Mr. HARRISON. I do no blame Senators on the other side of the Chamber for wanting a cloture rule so that this bill may be pressed through without the people ascertaining what is in it. They will find out and you will feel in November the reaction from it.

Mr. CURTIS. Mr. President, I merely wish to call the attention of the Senator from Mississippi to the fact that there has been just as much absenteeism on the other side of the Chamber as there has been on this side, and that there has been more absenteeism on the other side without cause than there has been on this side.

Mr. McCUMBER. Mr. President, the Senate has been in session for 1 hour and 20 minutes this morning; we have under consideration paragraph 212 of the bill, yet there has not been one word said about that paragraph this morning. I think I am clearly within the facts when I say that if Senators will go over the speeches which have been made and count the time that has been occupied since the pending tariff bill has been reported they will find that not one word in fifty uttered upon the floor of the Senate has had any relation to the particular item before the Senate. The time has generally been taken up by extraneous matters such as we have had discussed this morning, or other matters which have no reference whatever to the pending bill.

What the Senator from Kansas [Mr. CURTIS] has said is true. There has been practically as much absenteeism on one side of the Chamber as there has been on the other. I have made no complaint because of the absence of Senators on the other side of the Chamber. They are not responsible for this proposed legislation, but the Republican Party is responsible for any legislation that is to be enacted, and so I look to the Republican side and not to the Democratic side of the Chamber to maintain quorums day after day.

However, I want to say to the Senator from Mississippi, who has just spoken, that if we will give our time to the consideration of the tariff bill and when an amendment comes up if we will discuss that amendment and the subjects that bear directly upon it, there will be no occasion for any cloture rule, and we shall get through with the bill as rapidly, probably, as we ought to get through with it. All that we on this side of the Chamber are asking is that we stick to our text, the matter that is before the Senate.

It is true that it often happens during the discussion of such matters as have been before the Senate this morning that a great many Republicans are not present. I sometimes regret that we have fixed up the rooms just outside the Chamber so comfortably, with newspapers handy for Senators to read, enticing them to go outside instead of sitting here in the Chamber. As I now look through the doorway I can see three or four Senators sitting outside. Those Senators are ready to come in and will come into the Chamber just as soon as we get down to business; as soon as we begin to discuss the real subject which is before the Senate, we shall then find Republicans will be ready to come in here and vote.

Mr. HARRISON. The four Senators of whom the Senator from North Dakota is speaking, who are sitting outside now, are Republicans, are they not?

Mr. McCUMBER. Yes; but there are also several Democrats sitting outside as well. If the Senator from Mississippi will go out and look around upon those comfortable seats he will find there just as many Democrats as he will find Republicans. Those Democrats will come back and help us make a quorum if Senators on the floor will speak to the question which is before the Senate. I do not blame Senators for going away; no one can blame them when we hear a lot of stuff in which no one is interested, while the country is interested that we do something with the pending bill. If Senators will merely discuss the matter which is before us, we shall be able to keep a quorum present all the time.

Mr. UNDERWOOD. Mr. President, I merely want to say a word in reference to this matter. The Senator from North Dakota has referred a number of times to debate on extraneous subjects. The Senator has been a Member of the Senate much longer than have I, but in my limited experience in the Senate, during the consideration of any important question before the Senate, I have never seen the time when during the course of the day there were not subjects talked about that had nothing to do with the subject matter before the Senate. That is a habit of the Senate; I presume it has been the habit of the Senate since it was organized, and it will probably continue to be the habit of the Senate. Of course, I recognize that sometimes the debate on extraneous matters runs to a greater length than at other times; but when the Senator criticizes Senators for debating this bill because they do not stick to a particular amendment which proposes to increase a duty 20 per cent or 25 per cent, I think he expects the Senate to narrow the debate within limitations which are not reasonable.

The Senator must bear in mind one or two things in connection with the consideration of this bill. In the first place, he must remember that the bill has been prepared by the majority party; that they prepared it in their own committee—which they had a right to do, and I am not critical of that—that they went into caucus in their own committee and prepared the bill to suit themselves. As I understand, it was afterwards submitted to their colleagues; but it came here with the approval of Senators on the other side of the Chamber who had been informed as to what would be done. Furthermore, this bill affects constituencies which are represented by Democratic Senators as well as by Republican Senators. More than that, it involves great questions of party policy, and, though involving such questions, it was brought before the Senate without any general debate or any provision for general debate on the policy of the bill or the great principles involved. As soon as it came before the Senate the Senator from North Dakota, in charge of the bill, asked that the formal reading of the bill be dispensed with, and the Senate granted the request by unanimous consent. Then he asked that the bill be read for amendment, and that the committee amendments be considered first, excluding all other amendments, which was granted to him by the Democratic Senators on this side, thus bringing the committee amendments before the Senate at once before there was any general discussion whatever of the policies and principles involved in the bill. In view of the circumstances, therefore, I do not think it lies in the Senator's mouth to say that when a Senator desires to discuss the general policy of this proposed

legislation at any time during the debate he should not be permitted to do so and is not justified in doing so.

Mr. McCUMBER. Mr. President, the Senator is always so fair in his discussion of these questions that I want him to be perfectly fair with me in regard to the attitude which I have assumed.

Mr. UNDERWOOD. I am not criticizing the Senator from North Dakota.

Mr. McCUMBER. I understand that; but let me suggest to the Senator that I have stated over and over again that I expected those who are opposed to this bill to make their general opposition and general discussion of the whole policy and then to consider the particular item under consideration. In other words, I expect those who are opposed to the protective policy first to damn this bill and then I expect them to damn each amendment in particular. That is very natural; but what I have objected to is this: I can take some of the speeches that have been made on this bill on the general subject and general policy, the damnation in general, and I can demonstrate that the same speech has been made not less than ten times by the same Senator. Now, when he has said it once or twice it seems to me that he ought to quit and then get down to the particular amendment.

Mr. UNDERWOOD. I am not complaining about the Senator for that criticism; but I am merely saying that that is a habit which the Senate has been indulging in for many years. I thought the Senator's criticism, however, was directed to the fact that some Senators, myself included, in discussing an amendment—although I am sure that I have not in my discussion varied from the bill—have attempted to point out with the amendment as the picture the general effect of this class of legislation on the American people.

I contend that is a perfectly legitimate argument, and I have not attempted to argue in any other way. Although I do not intend to take up a great deal of the time of the Senate, yet when various schedules come up in discussing some of the items I expect from time to time to refer to the general principle involved in the legislation. I can not do otherwise and clearly explain my position to the public. I think that is a perfectly legitimate line of debate.

Mr. McCUMBER. But that does not mean that the Senator will repeat himself twenty or thirty times over on the general proposition. I know he will not. If every Senator was as choice in his discussion as is the Senator from Alabama and would hold as carefully to the subject matter without unnecessary repetition we would be through with this bill by the 1st of July.

Mr. UNDERWOOD. I thank the Senator for his compliment. I wish to say to him what I have said a good many times heretofore, that I think there is no effort to kill this bill by a filibuster. This side of the Chamber is determined that they are going to debate the bill until they can fairly present their viewpoint of it to the constituencies that will decide the issue; but if we were trying to filibuster it would be easy enough to kill this bill or make it run until fall without opening our mouths. There are 2,000 amendments to the bill, and it would be perfectly legitimate to demand a quorum before each vote and it would be perfectly legitimate to call for a roll call on every amendment, and if we were not satisfied with the decision arrived at in Committee of the Whole we could repeat the performance in the Senate. Thus, on the amendments that have been reported by the committee itself there could be forced in the regular order and in a perfectly parliamentary way 8,000 votes on this bill as it stands to-day without the minority offering a single amendment, and a thousand votes would consume at least 2,000 hours.

We are not doing that. We do not propose to do it. The only times when we want record votes—and intend to have them—are either when we want to show our own position on the bill and make a record so that we can show it, or when we want to force your position so that we will have the right to criticize your action politically when the time comes. That is perfectly legitimate, and I want to say to the Senator that although I am very much opposed to the passage of this bill—from my theory of customs legislation I think this is the most offensive bill that has ever been offered to Congress—I recognize the fact that in this country of ours, which is governed by majorities, if you can command a majority on your side of the Chamber you are entitled to put the bill on the statute books; and all I am asking is that we may have the time to present properly our viewpoint.

I realize that when we think the argument on our side is vital, many gentlemen who do not agree with us may think that we are unnecessarily taking time. Probably we have occupied the same attitude toward criticisms coming from your side of the Chamber in the past. That is perfectly natural; but I have no doubt that within a reasonable time, if you insist on passing this bill, you will have the opportunity to vote, and I really believe that the Senator from North Dakota would make more progress on the bill and have less roll calls for quorums if we kept within more reasonable hours. I think the extremely long hours tire out the Senators. They naturally wander out of the Chamber and get away, and we have to wait until they come in again; but I am not criticizing the Senator as to the terms on which he runs his bill. He is driving the team, and he has the right to exercise his own judgment in driving it, and I try to throw no impediment in his way in that respect.

As to the roll calls and attendance, this side of the Chamber is opposed to this bill. What we have under consideration are the amendments proposed by the majority party. We know that they are going to be adopted by the majority party.

Senators on this side, not having that responsibility, being opposed to the bill and having other matters of business to attend to, naturally go off at times to attend to their business; but so far as the majority party is concerned, it has a very large majority in this body. It has 24 majority, 60 votes, and it requires only 49 to make a quorum; and, if I am not mistaken, there has not been a vote cast since this bill has been under consideration when the vote disclosed the fact that there were 49 Republicans in the Chamber. So I do not think the criticism rests on us.

I will say to the Senator that if we had been trying to break his quorums—they have sometimes been broken at dinner-time——

Mr. McCUMBER. I have no criticism about your not maintaining a quorum.

Mr. UNDERWOOD. It would have been easy enough for half a dozen Senators to walk out of the Chamber many and many a time and break your quorum for an hour or two. That has not been done, and will not be done.

Mr. NORRIS. Mr. President, I want to say just a word on this question, as one who is interested only in ordinary expedition of business.

I am anxious, and I think a good many of us who have not taken an active part in this debate are anxious, to have this bill disposed of. Some who feel that way are favorable to it, and others, like myself, are opposed to it; but I wish we could dispose of it, as far as I am concerned, this week. I believe, Mr. President, while I have not heard all of the debate this morning, that the Senator from North Dakota [Mr. McCUMBER] is justified under the circumstances in asking for the long sessions that he is trying to hold; and yet I have found it a physical impossibility to stay here all the time, as many other Senators have. The reason is, as he has somewhat outlined it, that there is so much debate taking place that is irrelevant, and so often repeated arguments are made that are irrelevant, all of which takes up time; and a Senator who sits here for 10 hours a day, ready to vote after the first five minutes, and probably does not succeed in voting during the whole day, realizes the next day, when he has something else to do and the same question is probably up for debate again, that he does not feel like sitting here for 10 more hours, with no certainty whatever that there is ever going to be a vote.

I think we could well take a lesson from the rules of the House of Representatives. I do not mean that we ought to adopt them. This body is much smaller, and the rules can be much more liberal; but in that body when a bill comes before the House there is general debate, and although the speeches are limited to an hour, any Member having the floor can talk about anything he pleases during that general debate. There comes a time, however, when that general debate stops, and when they take up a bill for amendment, as we have taken up this bill, and when that time comes the speeches there are limited to five minutes, except by unanimous consent, and the addresses must be directed to the question then pending.

I do not think it would be advisable for the Senate to go that far, but we can go in that direction, not injure any legitimate debate, and get somewhere with the bill; and I am going to test the sentiment of the Senate on that question now by submitting a unanimous-consent request, Mr. President, that will apply only to this calendar day. I should like to have it apply to more than this calendar day, but I should like to have the Senate try it for one day and see what happens, see if we can not get somewhere, and see, too, that we are not losing any opportunity for fair debate. There may be questions coming up in this bill on which Senators would be justified in talking for two or three hours. I would not want to interfere with them if they were talking about the bill, so it probably would not be wise to have in effect permanently such a proposition as I am going to submit; but I now ask unanimous consent that

during this calendar day all speeches be on the question then pending, and that each Senator be limited to 15 minutes in the aggregate on any pending question.

The VICE PRESIDENT. Is there objection?

Mr. SIMMONS. Mr. President, that rule could not possibly be adopted to-day.

Mr. NORRIS. Will the Senator let me modify it just a little—that each Senator be limited in the aggregate to 15 minutes on each pending motion, unless by unanimous consent his time is extended?

Mr. SIMMONS. Mr. President, that would not help it very much, because I imagine that it would be difficult for one to get unanimous consent to extend the time.

The Senator from New Mexico [Mr. JONES] began on yesterday the discussion not of one amendment, not of one paragraph, but of a number of amendments and a number of paragraphs relating to earthenware, pottery, glassware, bottles, and related subjects. The Senator, I know, has investigated these questions very thoroughly and has accumulated a great deal of valuable data, the benefit of which the Senate and the country are entitled to have. He is making an able general speech upon this very important part of the bill. I take it when the Senator has made his speech relating to these vital questions we shall have very little discussion before voting upon the various amendments which the committee has proposed to the paragraphs dealing with the subjects that he is now discussing in such a very informative way. He certainly ought not to be hampered by any unanimous-consent rule limiting discussion to 15 minutes. That might operate very well when we are discussing a particular amendment, and yet 15 minutes each is not sufficient time to discuss many of the amendments in this bill, amendments of great importance to the people of the United States.

I could not possibly consent to-day to the proposition of the Senator. I should be very glad, however, to talk with representatives of the other side with a view to reaching some understanding by which the debate may be regulated; but I would not consent to any arrangement that did not afford what I consider ample time to discuss the various subjects with which these amendments deal.

Mr. President, I am sure the Senator from Alabama [Mr. UNDERWOOD] has stated the situation correctly when he says that there is no disposition on the part of this side of the Chamber unnecessarily to delay this bill. It is going to require considerable time to discuss it, if it shall be discussed, as it ought to be, in such a way as to enlighten not only Senators who have to vote upon it but the people who have to pay the taxes carried in the measure. The discussion we have had up to this time has been, in my judgment, of very high value. It has caused the press of the country to begin to investigate provisions of the bill and to discuss them.

Senators say this bill ought to be hurried through. There is a large section of the press of the country—newspapers representing the Democratic Party, representing the Republican Party, representing independent and nonpartisan thought, trade journals, and commercial journals—which, since it has been enlightened by these discussions, has expressed the opinion that the bill ought not to pass at all; certainly that it ought not to pass without very full discussion and full notice of what it means.

As much as Senators on the other side may criticize us, I do not think that the consensus of opinion in the country is that the discussions we are having here are unduly prolonged or that they are lacking in that information which the people who are to pay these taxes think it necessary to be had in order that the bill may be properly understood.

I do not desire any extraneous matter to be injected into these discussions. I wish the discussion could be confined to the bill. I earnestly hope that Senators who wish to discuss other questions will wait until we get through with this bill; but I know perfectly well that neither on this side of the Chamber nor on the other side of the Chamber shall we be able, unless we come to some unanimous-consent agreement, to exclude the discussion of extraneous matters. I do not think this side of the Chamber has indulged in that sort of discussion any more than the other side of the Chamber. Nearly every day some Senator on the other side rises and enters into a discussion of something which does not relate to the tariff at all, and likewise that has happened on this side of the Chamber. It has ever been so since I entered the Senate, more than 20 years ago. Nothing but a unanimous-consent agreement would terminate that situation, and nothing but a unanimous-consent agreement will prevent the discussion of extraneous matters.

I am ready to begin right now and quit the discussion in which we are engaged and get down to the bill, and I assure Senators on the other side that there is not a desire over here—and I speak from knowledge—to unnecessarily debate the bill.

We feel, however, that it is absolutely essential that there should be sufficient discussion of it to let the country know what is in the bill. The country is not going to read a tariff bill of 450 pages. The people expect it to be discussed by their representatives here, and they expect to get their information with reference to it through the congressional debates, and that is the only way they are going to get it.

The Senator from North Dakota complains of repetition. He says that we make general speeches, and then when we get to the particular items we repeat the general principles. That is absolutely necessary. We are trying to test certain rates in the bill. We have to test them by certain rules, certain measurements, and as an item is reached, if we want to test the question of whether or not that rate is excessive, we must first refer to the rule. That is the only means of testing it. We discuss those rules in our general speeches, but we have to apply the rule to the particular item as reached, and in applying the rule to the particular item necessarily we have to refer again to the general rule.

It is not repetition when a merchant sells by weight. As each customer comes in, he has to weigh what the customer wants; he must test what is purchased by applying the standard weights. If it is to be measured in yards, as cloth is, of course, every time a customer comes in the merchant gets down his yardstick and measures the cloth, as he must get his weights, and weigh the sugar.

The Senator complains that that is repetition. That is exactly what we are compelled to do with reference to these items. Every time we discuss an item we have to pull down the yardstick and measure it by the yardstick, and determine whether it conforms to the yardstick or not, and sometimes we have difficulty in getting the facts in order to determine whether or not it does conform to the yardstick.

Mr. JONES of New Mexico. May I not suggest that in the discussion of this bill it has developed that they have had a number of yardsticks of different lengths.

Mr. SIMMONS. Quite so. That is one of our chief difficulties. When we try a rate by one yardstick and show that it is not justified by that measure, then they say that it is justified by some other plan of measurement, and we have then to test it by that other yardstick, and every time we test it we naturally must state the general principle with reference to the measurements. I am ready to proceed with the bill.

Mr. KELLOGG. Mr. President, this bill has been before the Senate now for six weeks, and for more than two weeks the Senate has been in session 11 hours a day. The Senator says he wants to have reasonable discussion. I do not object to that, although I have not taken one minute of the Senate's time in discussing the bill. I have spent my time in examining the items and the evidence on them. But it is the privilege of any Senator to discuss it reasonably, and I think it should be discussed reasonably.

The Senator knows that for six weeks debate has gone on from day to day with speeches lasting hours and hours and days which had nothing at all to do with this bill. He knows that hours and hours have been spent by a Senator on items when he could debate the merits of it in 20 minutes, or 30 minutes, or 10 minutes, or 5 minutes, and present his views on it to the Senate. Long speeches do not enlighten the Senate. The Senator knows that at the rate we are going on this bill—and that may be his idea of reasonableness—it could not be put through the Committee of the Whole in less than a year and a half, if we should sit every day. It does not take a year and a half or a year, sitting every day, to have the Senate fully informed and the country fully informed and for the other side to make all the political speeches they need to make, or that will be useful for them, and the Senator knows it.

Mr. President, I do not want unreasonably to limit debate, but there is not another national legislative body in the world where business must be done by unanimous consent and where there are no rules providing for a limitation on the nature of the debate or the length of the debate. I am heartily in favor of a reasonable rule to confine Senators, after cloture is put on, to the subject before the Senate, giving thereafter a reasonable time for every Senator to present his views on the bill and amendments; but at the rate we are going the bill could not be passed, of course, in two years. Perhaps the Senators on the other side take the position that it should not be passed in two years and that they are justified in filibustering. Of course there has been a deliberate filibuster on the bill from the day it was brought in; the country knows it and everyone knows it.

Mr. SIMMONS. Mr. President, I want to say to the Senator from Minnesota that the statement that there has been a delib-

erate filibuster on this side of the Chamber is without the slightest foundation in fact. I assert that there has been no deliberate filibuster.

Mr. KELLOGG. Will the Senator state how many months or years the bill should be debated?

Mr. SIMMONS. I will say that I have no question but that the bill will be passed some time in the month of July, if the Senator will possess his soul in patience.

Mr. KELLOGG. I hope the Senator is correct.

Mr. SIMMONS. I do not mean to say that it will go through the conference by that time, but I do mean to say that I think the bill will pass this body some time in July, unless the Senators on the other side of the Chamber consume time unnecessarily; and they have not been doing that on the subject of this bill up to this time, I admit. In fact, it was two weeks after we began the discussion of the pending bill before we could get Senators on the other side to open their mouths.

Mr. HEFLIN. Mr. President, I have just listened to the speech of the Senator from Minnesota [Mr. KELLOGG], in which he said that it would take a year and a half to get this bill through the Committee of the Whole the way it was now proceeding. I said once before, and I am going to repeat, if the Senate should stay in session that long and defeat this bill outright it would be the greatest service it could render to the people of the United States; but I am sure that they are going to pass this bill ultimately, and I am hoping that we can get through with it by the middle of June. There has been no filibuster here. We have undertaken to discuss the schedules they have already put in the bill, and I submit that practically every one of them which has been put in up to this time is wrong.

If they are wrong, or if we believe they are wrong, and that they should not be put upon the American people, what should we do as Senators representing sovereign States, sworn to do our duty and look after the interests of the people? Should we just sit here and quietly acquiesce in what you are doing, and permit these monstrous schedules to go in, increasing the taxes of the taxpayers of America, without protest upon our part, and without trying to inform the voter what is going on here in his legislative body? Who is it that demands that a cloture rule be put upon the Senate in order that you may hurry the Senate in imposing unjust and burdensome taxes upon the American people?

Mr. KELLOGG. Mr. President, have I suggested that there should not be reasonable debate upon the bill and upon every item?

Mr. HEFLIN. The Senator was complaining that at the rate we are going it would take a year and a half to get the bill through.

Mr. KELLOGG. Is that not true?

Mr. HEFLIN. I hardly think it would take that long because I believe the other side would do as we made you do on the revenue bill. You carried that back to the committee and remodeled it and brought it back and it finally passed, monstrous thing as it was, though it was not as bad as it was at the outset. So we are hoping that we have converted enough of you, or interested enough of you who have to run for reelection this year, so that you will take this thing back and strike out hundreds and hundreds of these oppressive and monstrous schedules, and then bring it back and submit it to the Senate. The bill you have here can not be defended, and you do not want it discussed.

Mr. President, they have for a long time talked on the other side about cloture. The Senate has been in time past a place where great questions were discussed and where great deliberation was had. Great matters have been worked out patiently, ably, conservatively; but there are those in the country now who are greedy for the flesh pots of Egypt, thirsting for the blood that they used to suck under high protection from the body politic of America. They are anxious to come back. We have had them held off under the Underwood-Simmons tariff law, and they are hungry to get back to the public pap. They are now in the saddle. They are in control, and so greedy and avaricious are they that they are even willing to invoke upon this time-honored law-making body a cloture rule in order to put through, under whip and spur, this monstrous thing which they have here in the form of a tariff bill, and we are asked to sit supinely down and fold our arms and let this thing go through, and by so doing hasten the work of robbery upon the masses of America.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Alabama yield to the Senator from Minnesota?

Mr. HEFLIN. I gladly yield to the Senator.

Mr. KELLOGG. Is it not true that when the Democratic Party was in power in the Senate it proposed a majority cloture much more stringent than has been proposed by any Senator at this time? I would like to have the Senator answer that.

Mr. HEFLIN. I do not know what you considered in your conference. I understand that you are threatening to bring in a cloture rule and submit it to the Senate, and if you do I believe it will be discussed somewhat at length.

Mr. KELLOGG. Let me say to the Senator that if my recollection is correct, the Democratic majority since I have been in the Senate proposed a majority cloture, which would limit debate, after cloture was voted, to one hour on the bill and all amendments.

Mr. HEFLIN. What bill was that?

Mr. KELLOGG. Any bill coming before the Senate.

Mr. HEFLIN. Was not that while the League of Nations treaty was up for consideration?

Mr. KELLOGG. No; it was not. It was a general cloture rule, and it was modified to two-thirds, and is now one of the rules of the Senate; but it was proposed as a majority cloture.

Mr. OVERMAN. Not by the Committee on Rules.

Mr. KELLOGG. It was proposed by a Democratic caucus.

Mr. OVERMAN. The Committee on Rules, when the caucus reported in favor of a two-thirds cloture, agreed to it, and we have that rule to-day.

Mr. HEFLIN. That is one of the rules of the Senate to-day.

Mr. KELLOGG. The Democratic majority favored a cloture rule of the majority.

Mr. OVERMAN. It never did.

Mr. UNDERWOOD. Mr. President, the Senator from Minnesota was not here at the time, and very naturally has made that mistake. The cloture rule was up for consideration, and both sides thought it was a good plan to have cloture. There was a committee appointed from the Democratic caucus to confer with a committee from the Republican caucus, and the present rule was the result of an agreement reached between the two parties.

Mr. OVERMAN. That is all it was. I was then chairman of the Committee on Rules, and I know all about the rule.

Mr. KELLOGG. The Senator from Alabama proposed a majority cloture rule and voted for it.

Mr. UNDERWOOD. So far as I am concerned, that was my proposition. It was not as strenuous as the Senator suggests, but it was a real cloture. I am not opposed to real cloture myself. I am not speaking for my party, because it was not a party action; but so far as I am concerned I would oppose any effort, and do it strenuously, so that nobody could doubt it, to bring in a cloture rule to apply to this bill as a party proposition, when it has never been done before. When this bill is out of the way, and we can consider, without the purpose of putting over a party bill, what is best for the interests of the Senate, I shall be very glad as an individual to discuss a proper cloture rule with the Senator; but I will say now that if an attempt is made to put a gag rule on this bill, although I believe in reasonable cloture, I shall resist it to the utmost.

Mr. OVERMAN. In order to have history correct, let me say that the Senator from Minnesota said the majority reported out a cloture rule. The Senator from Alabama [Mr. UNDERWOOD], was a member of the Committee on Rules and insisted upon a cloture rule, and the committee voted it down. There was no more action ever taken except to recommend a two-thirds rule, which is now one of the rules of the Senate. The Senator from Alabama will agree with me, I am sure.

Mr. UNDERWOOD. It was then before the Senate. I proposed a rule, and it came up and was voted on in the Senate and was defeated by 7 votes.

Mr. OVERMAN. That is correct.

Mr. McCUMBER. Mr. President, will the Senator from Alabama [Mr. HEFLIN] yield to me that I may ask what is the pending question?

Mr. HEFLIN. Mr. President, the Republicans are in the majority and have control of this body, and they can adopt any rule they want, but if the Republicans on the other side of the Chamber desire to change the rules to limit debate hereafter, let them take that step, and we will discuss it when they bring it in. The idea of invoking cloture upon a tariff bill that taxes all of the necessities of life, that affects vitally every fireside in the Republic.

Why should we have cloture upon a bill like this? Who is it that is getting impatient in the East? Who is it that is afraid of an exposure of what is going on every day at the Capitol? Who is it that is afraid there will be such a protest from the people that this bill will be withdrawn or changed greatly, and their feast will not be as great as they hope and expect it will be? Who is it, I repeat? It is not the American

people. They are not asking for this monstrous thing to be jammed through. They want to know what is in it.

Mr. President, I know, and the country must know, that this bill was framed behind closed doors when Republicans alone were present. No Democrat was permitted to sit at the table when they arranged to put these schedules in the bill. Not until that had been done was a Democrat apprised of what was in it and invited to come in, and that was just before the bill was brought in and laid before this body. There are hundreds and hundreds of pages of testimony. There are 4,000 items in the bill. Are not the people entitled to know what testimony was had? Are they not entitled to know upon what things they are being taxed? Is not the common man and woman, the average citizen, entitled to know how much his expense bill has been increased by this measure? Certainly he has a right to know.

When those in power become so arrogant that they want to shut off the representatives of the people, suppress free speech in this body, and hide from the public what they are doing until the taxgatherer knocks at the door of the American consumer, then things have come to a pretty pass. Oh, Mr. President, if this monstrous thing should go through as it is, when the expense accounts have been run up on the necessities of the people and they come to pay them, if we should go and submit our claims to them for reelection, they would say, "Where were you when they were robbing me through this measure? Where was your protest? I fail to find it. Where are your votes opposing this monstrous thing?" We would just say, "The Republicans were in power, they had the majority, and they could put it over." "But why did you not let us know what they were doing?" A number of them would say, "I am a Republican, but I am not that kind of a Republican. I do not believe in perverting my Government from the ends of its institution and using the taxing power to enrich one class to the ruin of another."

What right have you to use the taxing power to increase the profits of the manufacturers of the East to the detriment and injury of the masses of American consumers? What right have you to do that? You are growing impatient and you are urging us to quit discussing this bill and let you hurry it through. You are getting so impatient and the pressure is becoming so strong that you are now ready in this great deliberative body to invoke upon it a cloture rule in the interest of the tariff barons of the United States. Pity, God pity the Republican Party if you come to that, that you will invoke a cloture rule in order to abuse and misuse the taxing power.

Oh, Mr. President, the history of the Governments that lie stranded along the shores of time tells us that the time came for their fall when discussion of public matters was suppressed, when the corrupt power in control muzzled the press and kept the truth from the people. Then the downfall was due to come. That is the history of them all. Is anybody going to be intimidated by these threats from the other side of the Chamber? Let them frame their cloture and see how soon they will put it through this body. Thank God, there are those on this side of the aisle and a few on the other side whom you will not be able to lash into line to put cloture upon the Senate in order that you may take unjust taxes from the great army of American consumers.

The Senator from North Dakota in his brief talk said that we discuss things here in which nobody is interested. Every speech I have made here was thought by me to be in the interest of the people. Every speech that I have heard on this side of the aisle has been in the interest of the people. Are they nobody? Has the Republican Party become so arrogant, so puffed up on account of the big majority by which they came in by accident, when the world was out of joint and the people wanted a change and are now sorry that they got it? The Republican Party, now drunk on power, in every branch of the Government is taking that attitude toward the people whose strength and glory make this great Republic the splendid thing that it is.

The Senator from North Dakota tells us that the things we discuss are things in which nobody is interested. Mr. President, this Republic was built for the citizen, and the whole aim and end of it is the welfare of the citizen, I do not care how humble he is. I do not care whether he lives in a cabin on the hillside or a mansion on the mountain top. He is under that flag and he is entitled to a fair deal. We are pleading for that for him. Those out yonder have nobody to speak for them, and it is up to the Democrats, it is up to the few Republicans on the other side of the Chamber, to lift their voices in this historic Hall and plead for justice for them. Let the tariff barons of the East scold all they please. They do not own the Government. They think they do. They are able at times to get control of it through the power of the purse, but there never has been such an awakening amongst the American people as is going on to-day. The rank and file amongst the men and women of the country are thinking as never before, How fares the Republic? Who is in charge? Whither are we drifting? What policies are controlling? Is the Government being run in the interest of the citizen or is it being run in the interest of the favored few? Bring on your cloture and we will see if we can not discuss it some.

Mr. McCUMBER and Mr. SIMMONS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. SIMMONS. Mr. President——

Mr. HEFLIN. I am glad to yield to the Senator from North Carolina, who is lifting up his voice in the interest of an honest tax measure and in the interest of the whole people of his country.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. HEFLIN. The Senator from North Carolina asked me, just as I closed, to yield.

The PRESIDING OFFICER. The Senator from Alabama took his seat, and the Chair recognized the Senator from North Dakota.

Mr. McCUMBER. Will the Secretary state the pending amendment?

The READING CLERK. On page 36, line 8, strike out the word "if."

Mr. McCUMBER. Mr. President, the pending amendment is to strike out the word "if." We find that it is an unnecessary word placed in the House text of the bill, and therefore we ask that it be stricken out. We have been 2 hours and 15 minutes this morning in session, and we have not yet succeeded in striking out that word "if."

The Senator from North Carolina [Mr. SIMMONS] says, "We are not filibustering. Oh, no!" And the Senator from North Carolina is an honorable gentleman. The Senator from Alabama [Mr. HEFLIN] says, "Oh, no; we are not filibustering. We are only taking 2 hours and 15 minutes to determine whether we shall strike out the word 'if.'" And the Senator from Alabama is an honorable gentleman. They are all honorable gentlemen, and none of them are filibustering; but the fact still remains that we have taken 2 hours and 15 minutes on this subject. And then the Senator from North Carolina, to excuse these long discussions upon subjects that are not pertinent to the question, and especially to excuse the repetition of the same argument over and over again, says that if a merchant is selling cloth he has to use the same yardstick each time that he measures a yard. I do not complain of that; but if he takes his yardstick and measures his yard of cloth, and then takes the same yardstick when he weighs out a pound of sugar, and then the same yardstick when he draws a jug of molasses, and the same yardstick when he counts out a dozen eggs, I would say that he is crazy.

Further than that, the Senator thinks he is justified every time that he measures off a yard of cloth in unwinding 40 rods of a tape measure; then every time that he gets ready to measure off another yard of cloth he unwinds 40 rods more of tape measure; and he repeats that day after day. Well, if the merchant should repeat that for about a week, his concern would be in the hands of a receiver and the second week he himself would be in the lunatic asylum.

Mr. President, it seems to me that we ought to get right down to this bill and determine whether or not the word "if" ought to stay where it is, and that we do not need to take four hours to determine that question.

Mr. SIMMONS. Mr. President, the amendment to strike out the word "if" might have been voted on two hours ago if the Senator from North Dakota [Mr. McCUMBER] had not precipitated and caused the discussion which has detained the Senate for two hours. The whole discussion to which we have listened during the past two hours has been the result of a lecture which the Senator from North Dakota, upon the conclusion of the speech of the Senator from Georgia [Mr. WATSON], undertook to deliver to the Senate of the United States. If the Senator from North Dakota had kept his seat, and had merely asked for a vote upon his amendment to strike out the word "if," we should have disposed of that matter in a minute and then, within the same short space of time, would have stricken out the other "ifs" that he has put into the bill; but the Senator must understand that he can not rise on the floor of the Senate whenever he sees fit to do so and inject extraneous matters and criticize Senators on this side and yet expect us to remain silent under his attack on our integrity and our honor in the management of this bill.

Mr. President, I want to say that I recognize that the Republican Party in the last election won before the people; I recognize that they have a right to say, as they do say, that they hold a commission from the people of the country to enact a measure of tariff taxation applying the principle of protection; but, Mr. President, the mandate which the people gave to the Republican Party was not a mandate to fix protective rates according to their own will and pleasure, but to fix protective rates according to the well-established principle and rule laid down in the platform of the Republican Party. If the Republican Party in the Senate will undertake to frame a bill carrying out that mandate, I will recognize the fact that they are doing no more than their party directed them to do; and while I shall disapprove of their action, because I do not approve of the protective tariff principle, so far as I am concerned, if the measure shall be of that character, it will receive no extended discussion from me.

But, Mr. President, the Republican leaders in the Senate when it came professedly to carry out that mandate of the people trampled under its feet the very essential condition and principle on which the people authorized them to act. It is because they have trampled upon that principle and are seeking here to impose upon the American people a protective tariff that does not comply with the mandate, that ignores the mandate, and that seeks to place taxes upon the people that are dictated not by the principle laid down by the Republican Party but by the greed and avarice of those who are asking that these taxes be imposed upon the people, that I insist we have the right, as the representatives of the people, to take up each item of the pending bill and ascertain whether or not they have transgressed the mandate which they received from the people; whether or not they have applied the rule and condition upon which the people gave them authority to act; and if we discover, as we have discovered, that they have not done so, we have the right to sharply challenge and call the attention of their own party and of all the people of the United States to the fact that the power intrusted to the Republican Party is being abused and exceeded by the Republican leaders in Congress to the great hurt and oppression of the American people.

That is the reason we are taking the time which we consume. We are taking the time with a view to showing that these rates are not in compliance with the declarations of the Republican platform and the mandates which Senators on the other side have received from the people.

Mr. President, that we are performing a function that the people of the country approve and think is a valuable public service is shown by the uprising against this bill not on the part of the Democrats alone, not on the part of nonpartisans alone, but on the part of Republicans themselves. The protests that are coming against this bill, indeed the loudest protests, the protests of most bitterness, are from leading Republicans and orthodox protectionists who joined in this mandate, but who are now denouncing their representatives in this Chamber for attempting to make a tariff in utter violation and abuse of the authority which was conferred upon them.

Mr. HEFLIN. Mr. President, my attention has just been called to the resolution which was submitted this morning by the Senator from Kansas [Mr. CURTIS] to and adopted by the Republican conference, and which reads as follows:

> Whereas the Republicans have a membership of 60 in the United States Senate, which gives them a majority of 24 in the Senate; and
>
> Whereas there is and has been a much larger absenteeism than is justified under existing circumstances, and it is important that all Senators whose health will permit should be present at all sessions of the Senate: Therefore be it
>
> *Resolved by this conference of Republican Senators*, That it is the sense of this conference that the chairman be, and he is hereby, instructed to notify all Republican Senators who are absent from Washington and those who are in the city but have been missing roll calls of the Senate that it is important that absentees at once return to their duties and that those who are in the city be requested to remain within call of the Senate during its sessions; be it further
>
> *Resolved*, That if the absentees fail or refuse to report for duty at once that proper steps be taken to have the Sergeant at Arms of the Senate compel the attendance of such Senators.

I am glad to see some Senators on the other side, the Senator from Kansas [Mr. CURTIS], who is always here, the Senator from Utah [Mr. SMOOT], and the Senator from North Dakota [Mr. MCCUMBER], getting after Republican Senators who are off gallivanting somewhere along the seashore or rolling golf balls on the green and having a delightful time, while we are here in session working day in and day out. The other night the Republican leader from North Dakota [Mr. MCCUMBER] complained that his colleagues were not here attending to their duties. Mr. President, it is a sad spectacle to me. The Republican Senators have a majority of 24 in this body——

Mr. WATSON of Georgia. Mr. President——

Mr. HEFLIN. I am glad to yield to my friend from Georgia.

Mr. WATSON of Georgia. Was not the Senator from North Dakota [Mr. MCCUMBER] absent a month or two last year looking after his badly battered fences in his own State?

Mr. HEFLIN. I believe he was away for some little time. However, I was just about to remark, Mr. President, that it is a sad situation that, with the overwhelming majority the Republicans have, they can not keep a quorum without the aid of Democrats. They want us to stay here and help them make a quorum, but they want us to sit silent while they put this bill through after having obtained a quorum by our presence. I submit that if we have got to make a quorum for Republicans, we are entitled to consume some of the time in discussing what they are trying to do after we give them a quorum.

Now, here comes a Macedonian cry to Republicans, "Come in; leave your summer resorts; get out of your limousines; come back from the golf course and help us, for we are about to sink. SIMMONS and JONES of New Mexico and FLETCHER and WATSON of Georgia and others here who have hammered this tariff bill, have battered us until we need recruits. Come in, you fellows, you who have been sunburned at the ocean side, swimming in the surf, and having a glorious time while you draw down $7,500 a year out of the purse of the people."

We Democrats are here staying all day and attending sessions at night, and the Republicans are off somewhere, Mr. President, just having a good time, and every time they plunge into the surf they exclaim, "Hurrah for the Republican Party!" [Laughter.]

Well, it is a great old party, is it not, that will permit that for the mighty rich—these pampered, purse-proud fellows think nothing about anything except their swollen fortunes. They do not think of matters that affect the common mass of the people; they are thinking in big terms of stocks and bonds. They are speculating in the market trying to boost the price of Liberty bonds, which were driven out of the hands of those who bought them when the country was imperiled by a foreign war. Now, they have driven up the price of those bonds until they are above par, and they bought them for $85 on the $100. Oh, yes; some can afford to stay away; but I am glad there are some on the other side who have the courage to demand that these Republican Senators come back and stay here and attend to their duties.

I want to see them in their places; I want to hear them vote when the roll is called to impose a cloture on this body in order to pass such an iniquitous measure as that now pending in this Chamber. I want the name of every Republican Senator and every Democrat who will dare to go on record for such a measure to have his name recorded in the CONGRESSIONAL RECORD.

So, Mr. President, I congratulate the Senator from Kansas [Mr. CURTIS] for the step which he has taken to bring these recalcitrant Republicans back to the place where the people sent them. Let them stay here and work like we do, and then you will have an adjournment earlier than some of you expect. How do you expect to have an adjournment when you can not keep a quorum of your own side here; when every few minutes you give a Democrat the opportunity of getting up here and making you consume 15 minutes, postponing the day of judgment that much for the taxpayer, by demanding that you produce a quorum? If you kept a quorum here, all of that time would be saved. During most of the day when we look across the aisle we see only the Senator from Utah [Mr. SMOOT] and the Senator from North Dakota [Mr. MCCUMBER] and Senator CURTIS.

In the burden and heat of the day they are about the only three Republicans over there, and the first two would just sit there, and now and then you will see one of them whispering back and forth to the other, and God only knows what sort of tariff concoctions they are hatching out to put upon the American people. [Laughter.] We are trying to get you to change some of these items and we are trying to defeat others, and you complain that we are filibustering.

Mr. President, whenever they want to stop a fight in behalf of the people they either charge that you are filibustering or that the measure is unconstitutional. Did you ever notice that? Whenever you see them bring in a well oiled, crooked scheme, and you stand up and fight it, they say, "You are filibustering now," or they look wise and perch their spectacles high upon their noses and say, "It is unconstitutional." One of those two things they say: "You are filibustering," or "The measure is unconstitutional." If you oppose something that the special interests are trying to put over on the people, why, you are a filibusterer or a demagogue.

Mr. President, it is a compliment to be called a demagogue and a filibusterer by some people; and whenever you want to put something through that will make the special interests stand upon the common plane and be measured by the same standard by which you measure the common citizen, they stand up and tell you that it is unconstitutional.

Senators, it will be a sad day in this body when by their hard and fast rules they will prevent Senators from rising up here and speaking about matters that vitally affect the country, and that is the motive behind this suggestion of cloture.

I say again before I sit down, if you are ever going to try to put cloture upon us, wait until the ordinary matters of legislation are on and submit it then for the calm and deliberate judgment of the Senate. Do not invoke it now to further the pillage and plunder of the American people.

Mr. STANLEY. Mr. President——

Mr. HEFLIN. I am glad to yield to the Senator from Kentucky.

Mr. STANLEY. The Senator from Alabama is a great statesman but a poor politician. He should not have called attention to the attendance on the other side of the Chamber when it is so unusually full. It is very rarely that I have ever seen both the Senator from North Dakota and the Senator from Utah here and their colleagues at the same time. I congratulate the Chamber on having one member of the Finance Committee here at one time. It is unusual, and the country is to be congratulated; and I hope that after awhile we will get two or three members of the Finance Committee here at one time, instead of having them take turns at enduring the service of the people.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. SMOOT. Mr. President, may we have a vote now?

The PRESIDING OFFICER (Mr. LADD in the chair). The question is on the amendment of the Committee on Finance striking out the word "if" before the words "plain white," on page 36, line 8.

The amendment was agreed to.

The next amendment was, on page 36, line 12, to strike out "25" and insert "45," so as to read—

plain white, plain yellow, plain brown, plain red, or plain black, not painted, colored, tinted, stained, enameled, gilded, printed, ornamented, or decorated in any manner, and manufactures in chief value of such ware not specially provided for, 45 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I have been listening to the discussion here for an hour and a half or two hours, most of it bearing upon the question of delay, and confining the discussion to the subject under consideration.

I have heretofore disclaimed any intention of delaying the passage of this bill. I have at times felt discouraged, in the hope that anything of good might be accomplished by discussion, but I believe that those of us who have been discussing the bill may now feel encouraged. There are some indications, at least, that our efforts are reaching the period of fruition. On a number of paragraphs amendments have been adopted which have reduced the taxes proposed by the Finance Committee. At times the negative votes have increased. We are hearing from the country. Opposition is developing to this bill, and there are indications that it is having effect within the inner circles of the Republican Party. I believe that there is some hope that this measure will never be imposed upon the American people. There is some hope that the Republican leaders themselves will repudiate this measure before a much greater length of time has expired.

I have here a clipping which comes from a well-known paper, one of the metropolitan journals of the country. The article is signed by a well-known correspondent, and it gives some indication that the consideration of this measure is receiving attention within the sacred circles of the Republican Party itself. I want to read just a paragraph from that clipping:

No one has any illusions about the tariff bill which is being framed. It is going to be disapproved by the country when it is passed. Yet everyone is impotent to recast it and make it acceptable and everyone is afraid to confess failure and lay it aside until after election.

A curious situation exists with regard to this bill. We have theoretical party government, with the President head of his party. Yet the whole executive branch of the Government is almost solidly against the bill which the rest of the party in Congress is forming.

Mr. Harding, it is said on creditable authority, is in the same state of mind over the McCumber-Fordney tariff bill as Mr. Taft was in over the Payne-Aldrich tariff bill. He is very much annoyed at MCCUMBER, personally, but nothing is done nor can be done. MCCUMBER is so afraid that only chaos will ensue if he attempts to change his program at this stage that there is no moving him. The machine moves forward as if fascinated by its own doom and unable to avoid it.

Mr. President, I am not in close enough touch with the administration officials to confirm what has been said as to the anxiety there regarding this bill, or the opposition which has arisen there regarding the bill; but I hope that everything said in this article is true. I hope that somebody is willing to take quiet and calm consideration of this bill and measure its enormity, and if this discussion has resulted in consideration of that sort there remains the hope that this monstrosity may never be perpetrated upon the people of this country.

They talk about taking up time in discussion. Mr. President, the history of the discussion on this paragraph is justification for everything which has occurred. Here are paragraphs putting taxes upon something that goes into every home. Every breakfast table, every lunch table, every dinner table, is taxed under the provisions of this bill, and the taxes sought to be imposed are higher than were imposed under the old Payne-Aldrich bill, which met with such immediate condemnation on the part of the people of this country. Yet, when that appeared, when the distinguished Senator from New Jersey [Mr. FRELINGHUYSEN] rose in his place last night at my suggestion to tell the Senate why these taxes were increased, we were met with the sole reply that the Finance Committee had recommended these rates, and if we had any objections to them we should submit our objections. Later on in the discussion it appeared that the evidence in the case did not warrant such rates of taxation. Then the distinguished Senator from New Jersey rose and said that he knew something that would justify these taxes; and yet they criticized us for calling attention to these things.

I called attention last night to paragraph 210, which deals with the most common kind of tableware which are used in the humblest homes in the land. The committee had recommended increases of rates a hundred per cent higher than existing law. It finally developed that the committee itself recommended that its proposed amendments be rejected.

In that situation they complain of discussion of this bill. The manufacturers themselves said that, as to the articles included in paragraph 210, they either had no competition or else that the present law afforded them all the protection they wanted. The statements are officially published, and in this record, to that effect; yet the Finance Committee have brought in a bill increasing the present taxes by 100 per cent.

In the absence of any reasons given by any member of the Finance Committee as to why the increased rates proposed under paragraphs 212 and 213 should be agreed to, and after the distinguished Senator from New Jersey [Mr. FRELINGHUYSEN], a member of the Finance Committee, and to whom apparently is delegated the duty of defending the impositions of the bill, insisted that my objections to the measure should be stated, I undertook to formulate a definite course for demonstrating that the rates were not justified.

There is no lawyer in the land but recognizes the greater difficulty in proving a negative than in proving an affirmative, and the law does not put the burden of proof upon those who take the negative side. The law puts the burden of proof upon those who affirm something, and time and again in this Chamber I have referred to that, and I am going to refer to it more during this debate. I say that nobody has a right to use the great taxing power of this Government to impose taxes upon the people of this Nation unless he has a ready and convincing reason for it. None such are even proffered here. They say, "We propose these taxes. We invite you to accept them," and we are deliberately called upon. In this case the Senator from New Jersey absolutely declined to make any statement justifying these rates, but he said that the Senator from New Mexico had studied the question, and that it was incumbent upon him to present his objections. It was one of the most pitiful, woeful spectacles which could occur in the great Congress of the United States.

Do the people of the United States want legislation of that kind? Yet we must assume the burden of proving a negative, that the rates are not justified. I accepted the situation last night, and I undertook to do that in two ways; first, to demonstrate that the pottery industry in this country is not suffering for want of profits. I showed last night that in the years 1911, 1912, and 1913 the average profits of the concerns engaged in this industry were 11.12 per cent. In 1918 they were 25.59, in 1919 they were 24.3, and in 1920 they were 32.76 per cent. That is the condition of the industry. From a financial standpoint, the industry is not suffering.

It seems to me that one other point, if established, ought to be sufficient, and that is that there is no unusual flood of imports into this country; that there is no unusual or disastrous competition in these wares. If those two things are established, is not that sufficient? I have established the one; I shall proceed now to establish the other, and in order to do that it is necessary to consider the whole ceramic industry, the pottery industry, and that comes within the three paragraphs—paragraph 210, paragraph 212, and paragraph 213. Paragraph 214 is a basket provision.

I say that it is necessary to include the whole industry, because the industry is conducted as a whole. It is impossible to segregate costs of one class of wares from the costs of another. It is a whole industry together. So we must take up this discussion with respect to the different kinds of wares and see whether or not there is undue competition at the present time.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from North Dakota?

Mr. JONES of New Mexico. I yield.

Mr. McCUMBER. I would like to have the Senator discuss this situation, which we find in this industry: Suppose that a very fancy dinner set costs $100 in Germany and that a comparable one in the United States costs $400; or, I will say that it is sold to the public in Germany, at a reasonable profit, for $100, and that the same set is sold in the United States, with a reasonable profit, for $400.

Mr. JONES of New Mexico. I believe I will ask the Senator to excuse me.

Mr. McCUMBER. I really wanted the Senator's view upon that feature, because——

Mr. JONES of New Mexico. I shall reach that phase of this discussion a little later, and I am sure it will facilitate matters, and I know the Senator from North Dakota does not want to delay; I hope he does not.

Mr. McCUMBER. I will subside very quickly if the Senator will assure me that it will facilitate matters.

Mr. JONES of New Mexico. I shall reach the discussion of just that situation. I may interpolate at the moment, though, that the illustration which the Senator gives will serve no useful purpose in the consideration of these paragraphs of the bill, because cases of that sort do not exist.

I think it may be well enough for me to refer to some general observations, and, as preliminary to that, I desire to call attention to the fact that there has been no industrial subject in America which has been examined with more care officially than the subject of pottery.

Back in 1912 the Congress made an appropriation and directed the Department of Commerce to ascertain all of the material facts bearing upon this industry, both in the United States and abroad. An exhaustive examination was made of the industry in the United States, including various economic facts and factors bearing upon the question of costs, the general surroundings of the industry, its prosperity, and so forth. They went abroad and did the same thing in England and France and were proceeding in Germany at the outbreak of the war. In this volume which I hold in my hand is the report of the Department of Commerce upon that investigation. So we have a vast amount of official information bearing upon this subject; more, I believe, upon this than upon any other industry in the United States.

In addition to that, the Tariff Commission has made a survey on the subject very much briefer and brought nearer to date than that volume. So we have fairly complete information at this time, at least as much so as can be obtained without waiting to get data up to date or more recent than would seem to be practical under the circumstances.

In the first place, we have a statement here giving us some of the factors about manufacturing costs, both in this country and abroad, and also the situation in Germany with respect to the export trade, and this survey from the Tariff Commission makes this statement:

> No manufacturing costs are available at the present time, and it is doubtful whether they could be obtained even under normal trade conditions. Part of the product is rejected at each stage of the process, and cost distribution is rendered more difficult by the fact that the rejects are often finished into ware entirely different from the main product.

I shall not read a great many of the details bearing upon these general questions, but I want to refer to one now which the Senator from North Dakota suggested awhile ago in his illustration.

Mr. McCUMBER. Let me call the Senator's attention to the fact that I made no suggestion. I started to make one, but I did not finish it. So the Senator must not assume that an incomplete sentence constitutes a suggestion.

Mr. JONES of New Mexico. I am sorry I made the remark. I hope to pass along rapidly and avoid delay in the discussion if I can. I read from that document:

> Recent European export selling prices are approximately equivalent to 250 per cent of the pre-war price, but the German home market price is less than the pre-war price in gold.

I want to get that subject out of the way before I proceed with the general discussion. It has been referred to often, and in other discussions I have called attention to the fact that wages are continually rising in Germany by leaps and bounds, and, so far as the difference in exchange is concerned, there can not be any advantage from that for any long period of time. It is only while the rate of exchange is on the decline that there can be very much advantage from it. But Germany has realized that some of her people were selling goods on this rapid decline in her exchange and has developed a system for the control of the export commodities from Germany. Now, those exports are controlled and are not exported at any price which is destructive of the industry at home or abroad. But we are told by the Tariff Commission itself that the export prices of these commodities are 250 per cent of the pre-war price. I read last night a statement from a witness in the United States that his prices had increased 111 per cent in the United States, but the German export price is 250 per cent of the pre-war price. So that so far as prices are concerned in the export trade this market is not adversely affected.

Moreover, Mr. President, the situation in Germany is vastly changing. So far as this particular commodity is concerned, the German industry is not able to turn out anything like the quantity which it was turning out prior to the war. Here we are at a time three and one-half years after the close of the war. The industry is crippled there yet. In this industry good fuel is one of the prime factors. With Silesia shut off, with the mines of the Ruhr Valley under contract to supply France, Belgium, and Italy with coal, the German industries are handicapped for that fuel. Reports have come that in many of the burnings of this particular industry one-half of the kiln would be destroyed because they did not have good fuel.

I hold in my hands the Times Trade Supplement, dated Saturday, April 22, 1922, in which is discussed the situation in Germany. The Trade Supplement is a part of the London Times. It says:

> The German market is at present in a state of uncertainty. Though the factories are still working busily, and there is no unemployment among skilled workmen, German prices in general are now at the world's level or close to it, and export is beginning to fall off. An increase in freight rates and in the coal tax (each of 40 per cent) came into force on April 1, whilst the official index number of wholesale prices for March already shows a 32.4 per cent increase on February.
>
> Wages and salaries were put up recently 15 to 20 per cent in order to counterbalance the rise in the cost of living. In view of the fall in prices in the world's markets, all these developments will further decrease the difference between German and foreign quotations.
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> * * * * * * *
>
> EXPORT QUOTATIONS.
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> Last year export prices were arrived at by increasing inland prices by 100 or 200 per cent, and in some cases even more. This method is becoming a thing of the past now that German prices are approaching the world's level, and only a few classes of goods (e. g., fine glassware) bear an addition to the inland price (30 to 150 per cent) if exported. The losses the German Government sustained by allowing her exporters to sell their goods too cheaply abroad can not be correctly ascertained. A financial paper (Bank) estimates that on the average Germany sold 30 per cent too cheaply and bought 20 per cent too dearly, and that in this way the State lost about 3,200,000,000 marks. Close supervision by the export offices (Aussenhandelsstellen), which also issue export permits, now insures a more uniform system of invoicing for export, and at prices fixed in conjunction with the trades associations. All Aussenhandelsstellen have now definite instructions to refuse export permits unless the goods are invoiced in the currency of the country to which they are going. Only in the case of a few commodities or of goods consigned to low-currency countries may the price be given in marks.

So, Mr. President, it seems to me that we ought not to be afraid of anything of that sort. In corroboration of that statement I want to quote the distinguished Senator from North Dakota. Some days ago when this question of German prices was being considered, that Senator himself said:

> Mr. McCUMBER. The Senator from Nevada asked a question which I think was very pertinent, and that was this: By providing a duty of only 10 per cent ad valorem will we not, if we allow the German manufacturers still to undersell, put the Canadians out of business? I think that would be absolutely true if they were going to sell as cheaply as they could sell; but there is a general error in supposing that because the German manufacturer can manufacture and sell for a third or a quarter less than the American manufacturer can, he thereby will necessarily put the American manufacturer out of business. I do not think he will do it, even though I think the German manufacturer has the power to do it, for this reason: Germany wants gold; she wants all the gold she can get; she wants just as big a profit as she can get; but even if she can produce at 7 or 8 or 9 or 10 cents a pound, and even

though she could sell the article in the American market at such a price that she could drive out the American manufacturer in time, what she wants now is the very best possible price that she can get, and she is selling very closely up to the American price.

So far as the paragraphs of this bill are concerned which we are now considering, I will say that she is selling in the American market above the American price. He continued:

In the case of some imported articles, as has been suggested, she is even selling higher. At any rate, she is selling for all she can get; and I do not think that the American industry is going to be put out of business immediately by any German concern, even though the duty were so low that it would be in Germany's power to do so. However, we fixed the duty at such rate as we thought would enable the Canadian product to come in, so that there would be fair competition between the Canadian product, the German product, and the American product.

Mr. President, if we can once get out of our minds that idea of an excessive and undue competition between this country and Germany, it seems to me then we are in a position to discuss the bill in a sane way.

Last night I showed that the importations from Germany are at the present time nothing like the importations before the war, that even in dollars the amount of importations is not nearly so great as prior to the war, but the prices are 250 per cent of the pre-war prices, which shows that in quantity the importations into the United States from Germany can not exceed one-half what they were prior to the war.

There are many things to be considered in the question of competition in earthenware. Some of the factors are mentioned here:

Packing and transportation costs are usually a relatively unimportant factor in the value of highly manufactured products. An exception must be noted, however, in the case of pottery. The fragile nature of the product necessitates very careful packing and the resulting packages are so bulky that the freight rate per unit of value is very high. Under the best of conditions, the breakage is an important item, and since the ware is often sold in 100-piece sets, the breakage of one piece often causes far more damage than the value of the article broken. This is especially true when the pattern is not one carried in open stock.

Under the present law the Tariff Commission has figured out how much a commodity in the United States must sell for as compared with the cost price in Germany. I just want to call attention to some of those facts.

From France $100 worth of ware would have to bring $176.13 upon landing in the port of New York, Boston, or Philadelphia, and after it is landed then the importer must pay his overhead expenses and must get his profit. Under the existing law the landed cost of French ware valued at $100 in France must stand a valuation of $176.13 in New York as the cost to the importer, who must pay his expenses and make his profit above that. From Japan $100 worth must have a landed cost of $233.33 and from England the English earthenware must have a landed cost of $164.25.

The table was made up incorrectly so far as German ware is concerned. It assumes that the tariff was based upon the selling price in Germany, and at the time the table was made up there was a difference between the selling price in Germany and the export price. But when the emergency tariff law was enacted some months ago the law was changed in that regard so that the duty is imposed on the export price or the home selling price, whichever is the highest, and the figures here regarding Germany do not apply. That, if correct, would show that the German landed cost under existing law is about $170 or $175 for a hundred dollars' worth of goods exported from Germany.

In regard to retail prices in this country the Tariff Commission makes this statement:

The retail prices are the only accurate measure of the competitive positions of the various kinds of pottery, on the price basis, and in this it must be assumed that the percentage retail profit is the same in each case. The following statement applies to first-quality ware and not to seconds and thirds, which are often sold at prices below the cost of production.

It is practically impossible to obtain retail prices which will show accurately the competitive strength of the various grades because the decoration, especially where gold is used, forms a considerable part of the value, and no two designs are exactly alike. In every case investigated, however, with the possible exception of fancy tea sets often sold as advertising features, domestic ware sells at distinctly lower prices than imported ware of the same body and decoration. This is particularly true of the very high grade English ware, and in many cases the difference between the domestic and imported product is so great that the imported has practically disappeared from the domestic market, the business reverting to domestic and French manufacturers. The difference in price between domestic china (as distinguished from earthenware) and Japanese china is about 25 per cent in favor of the domestic product. Domestic earthenware is sold at prices at least 10 per cent below the English.

So when we consider the question of importations from the standpoint of prices we do not find that the importer is cutting the price in this country. To the contrary, the imported ware is selling higher than is the domestic ware which may be comparable with the imported.

In regard to exports—at least as to some kinds of ware—we compete with the world without any tariff help at all.

Exportations of chinaware have increased from $901,537 during the fiscal year 1910 to $2,235,646 during the calendar year 1919. The bulk of the exportations consists of earthenware, this class of pottery having reached a higher state of perfection in domestic plants.

Concerning importations the Tariff Commission say:

Imports of pottery products remained nearly constant at about $10,000,000 yearly during the period from 1910 to 1914. There was a pronounced increase during the fiscal year 1914, but after war was declared imports decreased to less than $8,000,000 annually, and during 1919 amounted to only $7,000,000. The first post-war importations consisted to a larger extent than formerly of earthenware and other ware having a porous body. This ware originates in England and competes actively with the domestic product. The importations for consumption of kitchen and other natural clay wares are fast decreasing to a negligible quantity.

The general importations of earthenware during the first nine months of 1920 amounted to $3,076,330, and of porcelain and other vitrious wares, $4,891,105. Japan supplied over 65 per cent of the porcelain and England 77 per cent of the earthenware. The present volume of pottery imports are less than appears when values alone are considered, because foreign prices have increased to at least 250 per cent of the pre-war figure.

Mr. President, those are some facts bearing upon the general situation. I wish now to take up briefly the different classes of this ware. As to "common yellow, brown, or gray earthenware," I hope I can set at rest any apprehension by reading just this brief paragraph from the Tariff Commission:

The figures of domestic production and imports, together with the statements of manufacturers, indicate that the existing rates of duty are sufficient.

That would seem to be so, for the imports amount to only about $14,000 in one year, and up to $50,000 or $60,000 in another year, out of a total production of nearly $5,000,000. Then, as I called attention last night, the evidence is in the record of a larger number of manufacturers stating that they do not want any increase of duty.

The same thing may be said with regard to Rockingham ware, which I will not undertake to discuss, although, in my opinion, the duty which is put upon that commodity in the amendment to paragraph 210 is higher than it should be. It should not be higher than the duty on common yellow earthenware, because it is made by the same processes and serves the same purposes; but a special duty has been put upon it, which is higher than that of the other common ware, and it should not have been done.

Now, Mr. President, we come to certain items which should be put in a paragraph by themselves, for they have no place in either paragraph 212 or paragraph 213. The industry has practically been developed since those two paragraphs were originally framed in our tariff legislation. They were not then thought of. They are what might be called industrial products, used in industry, as distinct from tableware and decorated ware and commodities of that kind. They are produced in very large quantity and are used for industrial purposes. The business as to two of them at least was developed in this country, and there never has been any competition and there can not be in the very nature of things any serious competition even without any tariff duty. Yet they constitute one of the greatest class of commodities produced by the pottery industry, and under this bill extremely high taxes are imposed upon them. I refer to chemical stoneware, sanitary earthenware, and electrical porcelain. Electrical porcelain is used in connection with various electrical appliances and is strictly an industrial product.

As to these three commodities—electrical porcelain, chemical stoneware, and sanitary earthenware—we have some very valuable information. The Tariff Commission has made a very careful study of these three different classes of products of the potteries of the country. As to domestic production the Tariff Commission tells us:

The demand for sanitary ware, electrical porcelain, and chemical stoneware has become so large that plants now specialize on each of these products. The domestic production is sufficient to supply the home market and furnishes a considerable volume of exports of sanitary ware.

As to sanitary ware, we produce a considerable volume for export in competition with the world, and, of course, as to a commodity of that sort, there is no necessity for a tariff duty.

The raw materials are all found in considerable quantities within the borders of the United States. High-grade china and ball clays are imported to some extent, but domestic deposits of fire clays and coal are equal or superior to any found abroad.

The equipment and structural materials necessary to the manufacturing process are all produced or manufactured in the United States.

The manufacture of sanitary ware and chemical stoneware is largely hand work. Plain shapes are sometimes produced in high-pressure plunger presses, but most of the material is built up and shaped by hand. Electrical porcelain insulators are almost all plain shapes that can be produced in automatic presses similar to those used in pressing brick and tile. This method of manufacture increases the production

per operative. The ware is burned at very high temperatures in standard chinaware kilns, all white ware being protected during the burn by fire-clay saggers.

The industries covered in this survey are operated in large plants usually located near sources of raw material and fuel. Ohio is the largest producer of electrical porcelain and chemical stoneware and is an important factor in the sanitary-ware trade. New Jersey is the largest producer of sanitary ware.

Exports of sanitary ware exceeded the imports by more than $550,000 in 1919. Figures for the other products are not available, but estimates of the trade indicate that there is little if any export or import of chemical stoneware. Electrical porcelain is exported to some extent to localities using domestic electrical machinery.

Now, as to imports.

England formerly exported considerable quantities of sanitary ware to the United States, but with the improvement of the domestic product, only small amounts, chiefly specialties, are now imported. Electrical porcelain and chemical stoneware have been developed in the United States, and foreign material has never been able to find a profitable market here.

Bear in mind that these three items constitute a very large percentage of the total pottery product and that this bill, which proposes generally to raise duties higher than ever before known in the history of this country, also raises the duties upon these three items of industrial earthenware.

In speaking of the competitive conditions, it is said:

Sanitary ware and chemical stoneware are both very heavy per unit of value and are manufactured in single units weighing as much as 200 pounds. In order to prevent breakage in shipment the ware must be carefully packed. These are powerful factors in favor of the domestic industry, since domestic ware may be shipped by rail direct from the manufacturing plant to the consumer. Foreign ware must be handled at least three times. * * *

England possesses fuel, clays, and other necessary raw materials in close proximity to one another. China clays are cheaper than in the United States but fuel is more expensive, and labor costs have increased proportionately more than they have in the United States.

Mr. President, I have here some tables showing the foreign trade, both imports and exports, in sanitary earthenware. That is the only one of these three kinds in which there has been any appreciable foreign trade one way or the other. This table shows that the production in the United States from 1910 of sanitary earthenware has increased from less than $7,000,000 to about $11,250,000, and that the imports—which are doubtless these novelties referred to a few moments ago—amount only to $5,000 or $6,000 per annum, and the exports range from more than $200,000 to nearly $800,000.

As to the electrical and chemical stoneware and porcelain, there are no statistics regarding the export trade, because it has not been important enough to justify the gathering of statistics.

These three commodities ought by all means to be taken out of these paragraphs, and they constitute 22 per cent of the whole of that industry.

I do not believe I care to comment further upon that.

We proceed now to the consideration of some other general conditions regarding the white earthenware. That is the kind that is found on a great many of the tables of the country. It is a little less attractive article than the chinaware, but it serves a useful if not a decorative purpose, and we are given some very important observations regarding that.

The Tariff Commission and the Commerce Department give us the various items of cost in this country and abroad as they existed prior to the war. I shall not go into details, but will make the general remark that the present tariff more than offsets any difference in cost, as found by that investigating department of the Government.

Now, with special reference to earthenware pottery, which comes under paragraph 212, which would increase the rates above the existing law by about 30 per cent.

The comparative costs of production are also stated with regard to this earthenware from the Department of Commerce, and it states the amount that the cost of production in the United States was above the cost in the foreign countries; but the landed cost of the ware under existing law more than offsets that, and the figures are given in this examination of the subject.

A great deal has been said about this class of labor, and the survey shows how much more efficient the American labor is than labor anywhere else in the world—how much more efficient than the English labor, how much more efficient than the French labor, the German labor, and the Japanese labor—and compares their wages and takes all of that into consideration. This would be decidedly informing if I cared to consume the time in dwelling upon it.

To show how our industries are prospering as compared with these industries of other countries, I think it is well enough to present what is said upon that subject:

Ten American establishments, owning 46 per cent of the investment in the total of 28 potteries, obtained net earnings in 1913 ranging from 10 to 21 per cent on their investment. The value of white ware is enhanced by decoration. The more artistic the decoration the better the price obtained. Through their greater success in decorating the ware, German and Austrian china potteries obtain a large percentage of earnings above the cost of manufacture, including decorating, packing, and selling expenses. Deducting all costs from the selling prices, German china potteries secured net earnings of 21.47 per cent, Austrian china potteries secured 20.63 per cent, German earthenware potteries 15.27 per cent, English earthenware potteries 8.97 per cent, 6 typical American earthenware potteries 17.06 per cent, and 28 American earthenware potteries 14.47 per cent.

That would indicate, at least, that the industry in this country under existing law is not at any serious financial disadvantage. It is suffering no loss; and for subsequent years the same thing may be said, as shown by the figures which I have previously put into the record.

Another demonstration that the American producers are not suffering under competition is derived from the fact that the retailers of this country are paying less for their comparable domestic wares than for the foreign product—not very much, but it is a very significant statement:

The data obtained in 1914, while not conclusive, indicated that relatively higher prices were obtained in the United States for foreign than for domestic ware. The average difference between the cost to the retailer and his selling price was 65.81 per cent in the case of American earthenware, 65.24 per cent for Austrian china, 78.18 per cent for German china, 89.16 per cent for French china, and 67.28 per cent for English earthenware.

So, so far as the retailers of this country are concerned, they have to pay more for the comparable foreign product than they do for the domestic product; and under those conditions it is impossible for the American producer to be hurt by this competition.

Another factor which is significant:

Of the earthen pottery, in 1910 the domestic production amounted to about $15,000,000. In 1918 it amounted to more than $25,000,000, and it shows a very healthy progression during those years prior to the war, while the imports for consumption have ranged right around $2,000,000 for all of the years prior to the war and since.

Then the value of the imports for consumption and the duty paid, and the rate of duty, indicates this: That nearly all of the imported earthenware is of the decorated kind, because the duty on decorated ware is 40 per cent under existing law, and on the undecorated ware it is 35 per cent. The average duty collected on the imported article is about 39½ per cent, showing that the importations are confined almost entirely to the decorated ware—a very important point, which I shall refer to in another connection.

That information relating to white ware, as it is called, is supplemented by a distinct table showing the growth of the industry in the United States by yearly periods. For the five years 1897 to 1901, inclusive, the growth of the industry was 34.48 per cent, and for the five years 1902 to 1906, inclusive, 14.40 per cent, and then by yearly periods on up until, as I said awhile ago, the output of this white ware has increased from about $10,000,000 to about $18,000,000.

In regard to the relation of the domestic production to domestic consumption, this survey says:

The tableware in habitual family use in American households and subject to a great deal of wear and tear and breakage is, as a rule, of domestic production, and for purposes of utility none other is needed. It is not so expensive as the higher grades of imported ware. Prior to the war, however, large quantities of cheap Austrian, German, and Japanese china tableware, especially cups and saucers, sold in 10-cent and department stores, were imported into the United States.

Mr. SUTHERLAND. Mr. President, I would like to ask what page the Senator is reading from.

Mr. JONES of New Mexico. From page 44. I proceed:

Earthen tableware of general utility, which includes plates and dishes as well as cups and saucers, is displaced only to a limited extent by imported English earthenware. This displacement is not owing to either the quality or durability of the imported ware, but to special decorations and the names of historic potteries, printed on the back of the ware. The products of a number of domestic potteries compare favorably with imported ware in quality and artistic design.

Then the survey shows the exports of this ware, where it goes to, and so on. It goes principally to Canada.

In regard to the imports of this earthenware, it says:

Germany's exports of earthen tableware to the United States for the calendar year 1912, amounted to only $182,546, while its china tableware exported to the United States was valued at $3,017,364. Much of the latter was cheap china and competed with American earthenware, although prices charged were generally higher.

Austria's exports of earthenware of all kinds to the United States for the calendar year of 1913 were valued at $8,491, while its china tableware to this country was valued at $458,825, and a large proportion of the latter was cheap china and competed with American earthenware.

The exports of France to the United States in 1913 amounted to $1,704,440, not segregated by classes or varieties. Very little of this was earthen tableware. It was principally chinaware of an excellent grade, not competitive with American earthenware. Much of it was of a luxurious character and not produced in this country.

In regard to Japanese chinaware, it says:

Japanese chinaware is competitive in that it displaces domestic china and earthenware. The prices charged for Japanese ware of similar decoration is fully 25 per cent higher than that of domestic china and three times that of earthenware—

with which it comes in competition. There can be only one explanation for that, that that Japanese ware has a decoration which appeals to the American housewife when she wants to get a cheap ware. The use of Japanese chinaware instead of the earthenware is because it is cheap and serves only for such purposes as are generally known in households when you do not care so very much for your ware, where breakage is considered, and so forth. But there is something about the decoration which causes the American housewife to pay 25 per cent more for the Japanese chinaware than for the American product, and three times as much as for the American earthenware used for the same general purposes.

Regarding the domestic prices, the survey says:

Plates, cups, and saucers form about 62 per cent of total domestic tableware output. For a period of 26 years the wholesale selling prices of these articles have been compiled from authentic sources by the Bureau of Labor Statistics. It shows that the average price of white earthenware plates per dozen from 1890 to 1899 was 44.79 cents. In 1905 it was 45.86 cents. In 1910 it was 46.21 cents; in 1915, 46.33 cents; and in 1916, 48.44 cents per dozen.

In 1914, the manufacturers' wholesale selling price at factory in Ohio of a 100-piece dinner set of white earthenware, not decorated, was $3.58, and in the same year at Stoke-on-Trent, England, the wholesale selling price at factory of the same kind of a set of white earthenware was $2.55. When the import duties, transportation, and other charges of delivery at New York were added to the wholesale selling price at the factory in England, the landed cost was $4.31. The addition of the invoice charge for crate and packing and railroad freight charges to the wholesale selling price at the factory in Ohio made the delivery cost at New York of the American ware $3.92—

As compared with the foreign price of $4.31, demonstrating that there is no competition as far as price is concerned.

In this connection I desire to call attention to some very significant figures in this table, giving these prices for that long period of years. It is quite significant, it seems to me, that during the years from 1905 to 1909, inclusive, the price of plates, white granite, should have remained at 45.8 cents per dozen, or a little less than 46 cents per dozen, for that period of five successive years, precisely the same price for each of the five successive years, and then for the next three years, 1910, 1911, and 1912, the price had been increased less than a cent per dozen; but it remained at precisely the same fraction for that period of three years. Then for the next three years the price had increased just a small fraction more, but the price remained precisely the same for the whole of the next three years, and from 1890 down to 1916 the price had varied but little. In 1890 the price per dozen of those white granite plates was a little less than 49 cents, and in 1916 just a little less than 48.5 cents per dozen.

As to the cups and saucers, I notice a very significant thing. For the year 1905 and the two succeeding years the price of cups and saucers remained precisely the same, and then came an advance for one year of about 5 cents, and then the price went back a little, and for three more years remained at precisely the same fraction, running into the ten-thousandths of a cent. For the next three years, 1913 to 1915, the price varied a little, and then for 1916 the price was increased a little. But the price on the cups and saucers, white granite, from 1890 down to 1916, has remained the same for all practical purposes. The price in 1890 was 62 cents, 61 cents in 1891, and in 1916 about 60 cents.

It seems to me that if figures of that sort mean anything they mean that the industry in this country is a closely controlled one; that there is some sort of an association here which is absolutely controlling these prices. They control the American industry, and it is that kind of a management which is before the American Congress to-day seeking the higher duties, when the facts of the case do not show that they are suffering from any competition under existing law.

I could give very many more facts bearing upon this subject, but I will not do so.

Mr. FRELINGHUYSEN. Mr. President——

Mr. JONES of New Mexico. Will the Senator pardon me just a moment? As to the common ware, the Finance Committee itself, by its request that its proposed addition to the duty be not agreed to, confesses that there is no competition in that. As to those three great lines of industrial commodities, I think I have demonstrated that there is no competition.

As to earthenware, the competition comes, if at all, in the decorated earthenware, and that comes not through competition in prices but through competition in spite of its prices, because of the peculiar designs which appeal to the housewives of the country and that sort of thing should not be controlled by legislation.

That leaves the one great field of industry still to be met concerning chinaware. We get the most of our imports in chinaware. Let us inquire whether or not that situation should be met by an increase of the tariff.

I have only to quote to you one sentence from the Tariff Commission, as follows:

The postwar competition—

That is, in chinaware—

is based on quality and decoration rather than on price, the foreign ware selling for a higher price than the domestic product of a similar grade.

Mr. President, I have here a number of calculations made from prices in this country of those wares compared with the prices of the domestic product. They were taken from the so-called Reynolds report. In no case, I believe, was it found that the existing law did not more than equalize the selling price of the foreign article and the domestic article. On the other hand, the great mass of figures obtained show, just as the survey which I have read shows, that the selling price of the foreign article is higher than that of the domestic article.

Now, I wonder if the people of the United States want to control that sort of thing by legislation. The domestic comparable article is selling cheaper than the foreign article. The domestic housewife is willing to pay more for the foreign article than for the domestic article. It is a matter of quality. It is a matter of decoration. It is not a question of price. I should like to know whether the majority in this Chamber are willing to try to control by legislation the quality and decoration of the chinaware which shall go upon the tables of the country.

Is there a woman in all the land who does not take pride in her tableware? She lives with it. She has selected that ware because of the little clinging vine which is burned into it, the little band of gold, the design, the decoration. She puts it upon her table. That is where the family gathers round. The ware upon that table is the decoration with which the family lives. In many households it takes the place of the flowers found in the center of the table.

Are we going to deprive the housewives of their choice? Are we going to say to them, "You shall not have this decorated ware produced in France or England or Germany, but you have to take this American ware, whether you want it or not. It is true you are willing to pay more for the foreign ware than the domestic ware, but we are going to stop that, and by law we are going to prevent the women of the country from selecting the ware that shall go upon the breakfast table, around which the family assemble and where they gather their friends." By so doing you enter those homes and destroy the spirit which binds the family together. That is what you are attempting to do by proposing amendments to the bill providing rates higher than ever proposed before, as I read to you last night from testimony, rates higher than the managers of the business themselves say they want. The testimony is that they will be satisfied, even on this chinaware, with the Payne-Aldrich rate, but the rates which you propose are 16⅔ per cent higher than the Payne-Aldrich rates.

Mr. President, I ask how this is going to be justified. You may complain about discussion, but the people of the country want to know about these things. Here is a commodity which enters every household in the land, from the highest to the humblest, a necessity of life, an article which bears the food to support life, and yet you propose in this state of the case to make the duties higher than they have ever been before.

With these facts existing, doubtless known to exist by the majority of the Finance Committee, they come in with these exorbitant rates of taxation, lay them before the Senate, and tell us to take them without investigation.

Mr. President, I have stated in brief form the objections which I have to the increases in these two paragraphs. The distinguished Senator from New Jersey [Mr. FRELINGHUYSEN] asked me to do it. I have done so, and now if he has any facts to justify these rates, let us have them, and let us put them beside those which I have presented.

OPERATIONS OF GENERAL ELECTRIC CO.

Mr. LA FOLLETTE. Mr. President, I have just received a very important letter from Mr. Samuel Untermyer, of New York, which I wish to have read into the RECORD. I will read it in my own time or send it to the desk, if there is no objection, and ask the Secretary to read it.

The VICE PRESIDENT. The Secretary will read the communication.

The Assistant Secretary read as follows:

NEW YORK, *May 24, 1922.*

Hon. ROBERT M. LA FOLLETTE,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: As counsel for the joint legislative committee on housing of the State of New York, I desire to have promptly placed before Congress, with a view of securing such action as Congress may deem appropriate, the following state of facts with respect to the General Electric Co. and my comments thereon:

The company has a virtual monopoly in the manufacture and sale of electric-light bulbs in the United States. It manufactures and sells upward of 97 per cent of all such bulbs. The manufacturers of the remaining 3 per cent of bulbs are financially so weak and are being so harassed with lawsuits by the General Electric Co. that they are on the verge of extermination and are continuing their precarious existence subject to the will of the General Electric Co. A limited part of the product is manufactured and sold under licenses from the General Electric Co.

The distribution system employed in order to maintain this monopoly provides for two classes of selling agents known as class "A," located in the large distributing centers, and class "B," who are supplied by the jobbers, the latter in turn making distribution to the consumer. Prior to the entry in the Federal court at Toledo of the decree, to which reference will hereafter be made, the General Electric Co. sold its product outright through these distributing agencies, but since that decree the sales have been made under cover of a pretended consignment plan whereby the bulbs remain the property of the General Electric Co. The latter, after allowing itself a clear profit of over 50 per cent above the cost of production and overhead charges, requires the distributing agencies to exact from the consumer retail prices that add at least another 70 per cent over the selling price of the manufacturer, which the consumer is required to pay.

The prices charged the latter throughout the United States are shown to be grossly extortionate, but a large part of the profit is hidden under fictitious or exaggerated depreciation, overhead, and other illegitimate charges.

The situation can best be illustrated by a few figures. The total business of the General Electric Co. in all lines for the year 1920 was $268,000,000, of which $60,000,000 of its total sales (which excludes those of its chief licensee, the Westinghouse Co.) consisted of electric-light bulbs, from which it will be noted that about 22 per cent of its total sales consisted of bulbs. Its total net profits for that year were about $25,000,000, of which it is forced to admit that about 80 per cent was derived from the manufacture and sale of bulbs, so that 22 per cent of its total business yielded 80 per cent of its total profits.

This does not take into account the added burden of 70 per cent allowed to its distributing agents, which is at least twice what it should be, and is more than double the cost of distributing the various other lines in which it deals. These other products, which are largely competitive, are practically "carried" on the back of the extortionate profits allowed to the agents on bulbs.

As one of the many evidences of the concealment of profits in the bulb business the following figures for the year 1920 are instructive: The total plant account of the company on which $182,271,111.59 had been expended up to the end of that year stands on the books at $66,536,682.23, as of December 31, 1920, which is less than the actual cost of new construction for the four years next preceding that time. There was deducted in that year the sum of $15,577,359.92 by way of depreciation on the plant account; for the year 1919, $7,688,893.68; for the year 1918, $15,224,162.54. Similar deductions have been made in other accounts in order to make it appear that the company is earning only about 31 per cent upon the manufacture of bulbs in addition to the arbitrary allowances made to its distributing agents.

It is believed that a legitimate system of bookkeeping would show a manufacturing profit of 100 per cent or more on bulbs. Since the investigation by our committee, there has been slight reductions in price; the cost of current has been materially cheapened by improvements in the manufacture of bulbs under patents taken out or acquired by the General Electric Co., but the effect of this intolerable monopoly has been and is to paralyze and render impossible any independent effort to cheapen such cost.

A brief summary of the history of the method by which this monopoly has been fastened upon the people of this country will be instructive at this point:

The original Edison patents on bulbs, having expired in 1894, various illegal combinations were entered into for the express purpose and which had the effect of maintaining the monopoly. The conditions continued so oppressive that in April, 1911, the Government filed a bill in equity in the United States district court at Toledo against the General Electric Co., the Westinghouse Co., and a number of other corporations through which this monopoly was being maintained, in which numerous charges of gross fraud and misconduct of the most serious character were made.

Among other things, it was there charged that in 1894, when the carbon filament patents expired, the General Electric and the other defendants formed an association for the purpose of fixing and prescribing prices and allotting business and customers in the lamp business; that this combination was made effective by means of fines imposed on members for violating the price-fixing regulations and that it remained in effect by agreement for three years from August 4, 1896, and was continued thereafter until the form of the unlawful combination was changed; that prior to the formation of the combination the participating defendants had been active competitors; that in 1901 there were still certain active competitors of the lamp makers in the combination, and that in order to make their combination more permanent and enduring and to crush competition, present and future, the General Electric and other defendants carried out the following scheme:

The National Electric Lamp Co. was organized as a holding company and took over all of the members of the combination except the General Electric and its partner in the bulb business, the Westinghouse; that from time to time the National Electric Lamp Co. acquired the control of the independent competitors in the lamp business for the purposes of suppressing competition and continued this plan not only with respect to companies existing at the time of its organization but also with respect to competitors organized later; that in order to further monopolize the business unlawful agreements were entered into with companies not acquired by the National Co. whereby prices were maintained; that the General Electric in or about the year 1905, having acquired a virtual monopoly of the carbon filament lamps, acquired from time to time all of the inventions and patents covering the tantalum and tungsten filament lamps, which were lamps of types competing with the carbon filament lamp, and that by acquiring such patents the General Electric forestalled the possibility of any competition in the manufacture and sale of tungsten and tantalum lamps; that after acquiring such patents the General Electric refused to sell the improved tungsten filament lamps unless purchasers would buy all their carbon filament lamps from it; that further, in order to destroy competition the General Electric falsely represented itself as an active competitor of the National Electric Lamp Co., although it actually controlled that company; that for the like purpose of destroying competition of independents the General Electric sold inferior lamps under false brand names to the customers of such independents, made contracts (a) with the manufacturers of machinery and material necessary in the manufacture of lamps whereby lamp-making machinery makers refused to sell machinery to others than those designated by the unlawful combination; (b) whereby manufacturers of bulbs and tubing refused to sell to others, except at greatly increased prices; and (c) whereby manufacturers of bases in consideration of getting the entire business of the defendants charged excessive prices for lamp bases to the few remaining competitors.

The relief there asked was:

(1) A general injunction against the unlawful combination.

(2) A cancellation of the agreements between the General Electric, National Electric Lamp Co., and others.

(3) An injunction restraining the defendants from using their patents to suppress competition.

(4) An injunction restraining the defendants from imposing the condition in the sale of their tungsten and tantalum lamps, requiring the purchase of all carbon lamps from defendant.

(5) A dissolution of the contracts between the defendants and manufacturers of lamp bases, lamp-making machinery, glass bulbs.

At the time of the filing of this bill it was charged in the bill and admitted by the answer that the General Electric Co. monopolized at least 60 per cent of the business of the country. In June, 1911, a decree was entered by consent in favor of the Government in that action in which it was adjudged, among other things, as follows:

That the National Electric Lamp Co. and its subsidiaries be dissolved, and that the General Electric Co. be enjoined from conducting business except in its own name, and specifically that all factories now operated or owned by the General Electric be made known to the general public; that the General Electric be enjoined from making or carrying out any contracts with manufacturers of lamp-making machinery, tubing, or bulbs whereby such manufacturers were bound not to sell goods manufactured by them to others than the defendant, or were obligated to sell to the defendants at other prices than those to which they sold to other purchasers; that the defendants be enjoined from fixing prices at which any lamps, whether made or sold under patent or otherwise, should be sold or dealt in at wholesale or retail; that the General Electric be enjoined from enforcing any contract or arrangement whereby dealers or consumers buying tantalum or tungsten lamps were compelled to purchase all their carbon lamps from the defendants, and that the General Electric be enjoined from exercising an option to purchase the capital stock of the defendant Franklin Electric Manufacturing Co.

It will be observed that the decree carefully abstains from mentioning or granting relief against the main charge of the bill, to wit, that the monopoly was being maintained through the acquisition by the General Electric Co. of competing and potentially competing patents. The company now has in its archives more than 300 patents, many of which are competing, having purchased everything to be had in every direction.

Whilst the decree to which the companies consented is fierce and noisy in its denunciation of the monopoly and the frauds and oppression by which it was maintained and purports to order its dissolution, its significant omission to require the offending companies to dispose of the competing patents, by which the monopoly was accomplished, and other facts disclosed by the record that might be mentioned if space permitted, demonstrates that the Government was either hoodwinked into accepting the shadow for the substance, or that it knowingly permitted itself by this decree to encourage a monopoly still more complete than that which it was pretending to dissolve. It is but one more in the formidable array of object lessons of the futility of these decrees, and again demonstrates that criminal prosecutions and prison sentences are the only deterrents against the pernicious form of law violation.

Scant as was the protection intended to be granted by that decree, it has been, and is being, persistently violated by the General Electric Co., both in letter and spirit, in the following, among other, particulars:

(1) By operating companies controlled by it under their original names without announcing the General Electric Co.'s interest or control.

(2) By distributing lamps under agency or consignment agreements, which are but a cover for price fixing, in violation of the decree.

(3) By acquiring the Franklin Electric Co. in violation of the decree.

(4) By discriminating against dealers who failed to maintain its price-fixing program.

But, bad as is this situation, the main offending is found in the subsequent action of the company in acquiring still further competing patents, a few of which are in use, but most of which are held in its archives as a standing threat against competitors. It was also shown that competitor after competitor who had managed to struggle into existence was either driven out of business or, if he proved to be a good fighter, he was bought out. In that way $1,520,000 was paid to one competitor in 1918 and $3,700,000 to another in 1920. These and many more facts of an equally significant character were developed in the investigation by the committee that I represent.

In January, 1922, the mass of testimony taken by our committee was forwarded to the Attorney General of the United States with a request for immediate action. He was specifically asked to institute proceedings to punish the company and its officers for criminal contempt of that decree and to institute criminal prosecution for the violation of the antitrust laws in maintaining this monopoly through the acquisition of competing patents and the extermination of competitors. It was suggested that he instruct the United States district attorney at New York, in whose charge other prosecutions for other violations of the antitrust laws developed by the committee had been placed by him and who had shown a commendable disposition to press those cases. This the Attorney General declined to do.

After considerable delay and repeated further efforts to induce him to act, I offered to take over the prosecution on behalf of the committee represented by me without cost to the Government, in order to secure a prompt abatement of the extortion to which the public was being subjected, but have been unable to secure his assent.

It is now almost five months since those requests were made. This apparent unwillingness to act is quite in line with the history of the persistent but unsuccessful attempts that have been made by the committee to secure action in other cases, extending over a period of one year or more.

To be brutally frank about the business, I am satisfied that the overshadowing power of J. P. Morgan & Co., who are the financial managers of this company and who really control its destinies and one of whose members is a director in the company, will make it impossible ever to secure any sort of effective relief through the agency of the Department of Justice. Experience over the past two decades and upward has demonstrated that the great corporations under its guardianship somehow or other manage to do just about as they please and to remain above and beyond the law.

To get the protection of that great international banking firm seems to be equivalent to a policy of insurance against legal restraint. It matters not whether we happen to be under a Republican or a Democratic administration, their influence is apparently quite as potent with the latter as with the former and at times it has seemed as if it were a little more so. There is no difficulty in multiplying proof in support of this assertion. The history of the years of abortive litigation arising out of their mismanagement of the New Haven road and the flagrant violations of law that accompanied the debacle of that once great property is an apt illustration.

The last chapter opened a few days ago with the smashing of the wholesome safeguards against monopoly provided by the law against interlocking directorates of competing properties, where the court, on motion of the Attorney General, abrogated that restriction as between the New Haven and Boston & Maine roads. The ink had barely dried on the signature to the law, which was one of the most constructive results of the Money Trust investigation, when the law was so amended as to permit of this action.

My suggestions as to the way to meet this General Electric situation are: (1) That the patent law be so amended that if the owner of a patent directly or indirectly acquires a distinctly competing patent or an interest therein, the patent or patents held by him be thereby ipso facto invalidated; (2) that the Attorney General be directed to place the case in the hands of distinguished independent counsel with instructions to proceed forthwith if the testimony that we are prepared to submit to him justifies that course, as no doubt it does, unless he prefers to place it with our committee without cost to the Government.

There is something incongruous about a situation that permits an individual or a corporation to hold the country by the throat for almost 50 years, as the General Electric Co. has done, first under cover of patents that expired 20 years ago, and then by "scooping up" everything in this and other countries that makes its appearance in the way of new inventions, and to tighten this hold decade by decade until it seems to be impossible for the victimized public ever to escape from its grip.

In this case the bulb manufactured under an Austrian patent acquired by the General Electric Co. was in actual competition with it when that patent was purchased, whilst the process and product patented by another foreign inventor whose invention was also bought by the General Electric Co. was another powerful potential competitor.

I am herewith inclosing copies of letters from me to the Attorney General, of March 23 and 31, from which you will be able to learn more fully our position.

Yours very truly,

SAM'L UNTERMYER.

Mr. LA FOLLETTE. Mr. President, I now ask to have the copies of the letters addressed by Mr. Untermyer to the Attorney General read into the RECORD by the Secretary.

The VICE PRESIDENT. Without objection, the Secretary will read the letters.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McKinley	Sheppard
Brandegee	Gerry	McLean	Shortridge
Broussard	Glass	McNary	Simmons
Bursum	Gooding	Moses	Smith
Calder	Hale	Myers	Smoot
Capper	Harris	Nelson	Spencer
Caraway	Harrison	Newberry	Sterling
Colt	Heflin	Nicholson	Sutherland
Cummins	Johnson	Norris	Townsend
Curtis	Jones, N. Mex.	Oddie	Wadsworth
Dial	Jones, Wash.	Overman	Walsh, Mass.
Dillingham	Kellogg	Page	Warren
Edge	Kendrick	Pepper	Watson, Ga.
Elkins	Ladd	Phipps	Williams.
Ernst	La Follette	Pittman	
Fletcher	Lodge	Ransdell	
France	McCumber	Rawson	

Mr. MOSES. I wish to announce the absence of my colleague [Mr. KEYES] from the Senate to-day on account of illness. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Sixty-five Senators have answered to their names. A quorum is present. The Secretary will read the letters sent to the desk by the Senator from Wisconsin.

The Assistant Secretary read as follows:

GENERAL ELECTRIC CO.

NEW YORK, *March 23, 1922.*

Hon. HARRY M. DAUGHERTY,
The Attorney General, Washington, D. C.

MY DEAR GENERAL: I understand you are familiar with the attitude of the Lockwood committee based upon the evidence taken by it and the exhibits, all of which have now been for some time in your possession.

You will doubtless have noted from the comprehensive statement of our attitude made by me at the session of the committee held on January 26, 1922, which is found on pages 6213–6219, that our contentions are:

(1) That there has been a glaring and continuous violation of the consent decree of October 12, 1911, made by the Federal court at Toledo, Ohio, in a number of particulars; and

(2) That the acquisition of the competing and potentially competing patents that were set forth in the bill of complaint on which the decree was entered, and the use of these patents that has been and is being made constitute a willful and persistent violation of the anti-trust laws, that should be the subject of immediate criminal prosecution.

If you have examined the record you will also take note of our contention that for years the figures have been juggled by excessive charges to depreciation and in other ways, with a view of absorbing the bulk of the exorbitant profits that have been exacted in this business, and that one competitor after another has either been bought out or driven out of the business under prosecutions based upon these potentially competing patents.

It would be difficult to imagine a more oppressive monopoly or one that is, to my mind, more flagrantly violative of the law. Whilst a patent may lawfully be made the basis of a legalized monopoly, owners of patents that are actually or potentially competing have no more right to combine and thus deprive the people of the benefit of that form of competition than if the particular commodity were unprotected by patents.

The story, as told in the bill of complaint filed by the Government in 1911, is one of the most amazing recitals of fraud and oppression in the history of the courts. At that time the company by direct ownership monopolized only 60 per cent of the business. Now it monopolizes about 98 per cent of the entire business of the country, the volume of which has meantime increased manyfold.

If you will direct your attention to the difference between the manufacturing cost of these bulbs and their uniform selling price, which is maintained through an agency system that is a thinly veiled violation of the consent decree of 1911, you will realize the extent to which the public is being unjustly taxed and the relief that could be secured by smashing this defiant, high-handed monopoly.

I realize the powerful financial and other influences that are behind this company and the clever legal minds that are guiding it through the labyrinth of evasions of the law so as to give it the appearance of legality, but am relying on the Department of Justice to strip bare the pretexts under which it is attempting to shield its operations.

I respectfully submit that there should be summary action in two directions: (1) By a motion to punish for contempt in the Federal court at Toledo for violation of the decree and (2) by criminal proceedings in the Federal court at New York.

I am hoping that you will place these prosecutions, as you placed the others, in the hands of the United States district attorney of New York, and will supply him with special counsel to conduct these important cases. Although the organization here is quite inadequate to cope with the violations already exposed by the Lockwood committee, the evidence of which has been handed over to the Federal district attorney here, I do not mean to imply that Colonel Hayward, with his able and untiring special deputy, Mr. Podell, and their staff are not exerting themselves to the utmost with the limited facilities at their command.

They are doing their utmost, but they have not the necessary assistance in the way of competent, expert trial lawyers, nor have they been able to secure the judges or the other legal machinery necessary to press these cases as rapidly as they should be prosecuted.

At the present rate of progress it will take years to present to grand juries and to bring to trial the many violations of law already brought to their attention that are contributing so largely to the maintenance of the high cost of living.

If in order to expedite action against these powerful offenders connected with the General Electric Co. you would prefer to deputize any member of the legal staff now connected with the State prosecutions that are being conducted on behalf of the Lockwood committee to take charge of these particular prosecutions, I will see to it that the proceedings are promptly undertaken and pressed to a conclusion without expense to the Federal authorities; but I would rather see it accomplished through your own agencies, with such assistance as we may be able to render whenever called upon to do so, provided this can be promptly done.

I assume you have estimated at its proper value the gesture of the General Electric Co. in applying to you to investigate these alleged violations of law after they had been exposed by the Lockwood committee and after it had been publicly announced that prosecutions would be demanded. The published statement made in connection with that gesture to the effect that the company had not been given a fair opportunity to present its side of the case is without the slightest basis, as you will observe by reference to the minutes of the proceedings before the committee.

You will there find that the company was invited to present any witnesses whom it saw fit to have called, and that each witness from the ranks of the company who was examined was urged at the conclusion of his examination by the counsel of the committee to read over his testimony and make such explanation as he cared to present, and that whilst several witnesses were not permitted to be examined by their own counsel—which would have been contrary to all the precedents of legislative investigations and would render such investigations impossible—the company was invited and availed itself of the opportunity of putting to the several witnesses such questions as it saw fit to submit through the counsel for the committee, and that all the questions requested to be asked of the witnesses were, in fact, asked. The committee went further in this direction than any investigation committee has ever gone.

Very respectfully yours,

SAM'L UNTERMYER.

GENERAL ELECTRIC CO.

NEW YORK, *March 31, 1922.*

Hon. HARRY M. DAUGHERTY,
Attorney General, Washington, D. C.

MY DEAR GENERAL: I have your letter of the 25th instant, from which I regret to learn of the serious handicaps in your department due to the illness of assistants and others upon whom you depend in the matter to which I refer in my letter to you of the 23d instant. I note also that I am to hear from you a little later.

It is now almost three months since the detailed disclosures of the offenses complained of against the General Electric Co. were made by the Lockwood committee, at which time the facts were doubtless brought to your attention through the United States district attorney at New York. Complaint is constantly being made against Federal and State public officials charged with the administration of the criminal laws that whilst there is ample time at the disposal of these officials for the punishing of small and helpless offenders there is great difficulty in putting the machinery of justice in motion against the men of power and influence.

That feeling is constantly growing on the community, and I am particularly anxious that this reproach shall not attach to the work of our committee, which accounts for my solicitude with respect to the

prosecution of the grave offenses that we believe have been established against the General Electric Co. and its officials. But for the fact that these are distinctly violations of interstate law and of a decree of the Federal court which is not enforceable by State process, our committee would have dealt very promptly with this situation with the machinery we have set up for the purpose and that operates very much more rapidly than the processes in the Federal courts in connection with these cases.

I regret that you have not been able to see your way clear to adopt my suggestion that this particular business be turned over to the Federal prosecuting officers of this district, but am hoping that you will soon be able to deal promptly and effectively with the situation.

I repeat our offer to furnish you with every assistance and facility within our reach of which the Department of Justice is willing to avail itself.

Very truly yours, SAMUEL UNTERMYER.

Mr. HARRISON. May I ask the Senator from Wisconsin if he is about to speak?

Mr. LA FOLLETTE. I want to say just a word.

Mr. HARRISON. What is the date of the letter from Mr. Untermyer to the Senator which was just read?

Mr. LA FOLLETTE. It was written yesterday and received to-day.

Mr. Untermyer's eminence in his profession and his distinguished services to the public, which he has freely rendered as a private citizen, extending over many years, are a sufficient warrant for bringing any communication from him to the attention of the Senate. Moreover, it relates to a subject which ought to be intensely interesting to the Senate at any time, and particularly at this time, when we are considering a bill which provides highly protective duties on the products manufactured by the General Electric Co.

This company, on its record, as shown in Mr. Untermyer's letter, is one of the most oppressive monopolies in the country. His letter will especially attract public attention at this time, because of the failure of the Department of Justice to respond to Mr. Untermyer's urgent and repeated appeals, addressed to the Attorney General himself, to prosecute this company under the Sherman antitrust law.

PROPOSED MERGER OF INDEPENDENT STEEL COMPANIES.

Mr. President, I am very glad to bring the communication to the attention of the Senate for another reason. I believe it is high time for the Senate to take account of the conduct of the head of the Department of Justice. The facts set forth in Mr. Untermyer's letter are highly important and opportune as bearing upon the failure of the Attorney General to forestall the organization of the independent steel corporations into a combination or trust.

Fifteen days ago the Senate passed a resolution calling upon the Attorney General for information and also for an official opinion as to the threatened formation of a new steel merger. I am informed by the Secretary of the Senate that the action of the Senate in passing that resolution directed to the Attorney General and the request which it makes upon him for an opinion have been entirely ignored by him.

I do not know how he has been occupied, but in the meantime, judging from the reports published in the press, the steel merger has been effected. I ask to have read into the RECORD at this point an article which appeared in the New York World on yesterday.

The VICE PRESIDENT. The Secretary will read as requested.

The Assistant Secretary read as follows:

SIX-COMPANY STEEL MERGER CLINCHED; EIGHT NOW LIKELY—BETHLEHEM AND LACKAWANNA EXPECTED TO JOIN GIANT COMBINE IN A FEW MONTHS—PAPERS SIGNED BY CHIEFS OF TWO CORPORATIONS—OTHERS WILL ACT SOON—MIDVALE HELPS BRING REPUBLIC IN—TRUMBULL CO. JOINS.

Thomas L. Chadbourne has guided the merger of independent steel companies over a rough road, and it is now practically an accomplished fact. Although no official announcement has been made, it is known that the Midvale Steel & Ordnance Co., the Inland Steel Co., and the Republic Iron & Steel Co. have come to terms.

To this three-company combination the Trumbull Steel Co. will be added this afternoon, according to good authority, and two days later the Brier Hill Steel Co. and the Steel & Tube Co. of America will come into the fold.

SIX-COMPANY AFFAIR AGAIN.

Trumbull had not been mentioned publicly before in connection with the merger. Its entrance, following the defection of Lackawanna to Bethlehem, again makes the project a six-company affair. Originally it was a three-company, then, under the inspiration of Mr. Chadbourne, a seven-company merger. Practical difficulties reduced the number to five, and for a while it appeared there would be no agreement among these.

Now it is likely that eventually there will be eight independents in the combination. Persons in close touch with the situation say that the Bethlehem Steel Corporation and Lackawanna, its newly adopted child, will join the group within a few months, thus forming a steel-producing organization that will be a formidable rival of the United States Steel Corporation.

Successful completion of the merger is a tribute to the persistence of Mr. Chadbourne. Although unable to persuade Lackawanna of the advantages of joining the group and unable to prevent the defection of the Youngstown Steel & Tube Co., which decided to steer an individual course, he kept the others in line successfully despite great difficulties in arranging terms satisfactory to all.

* * * * * * *

PARTICIPANTS JUBILANT.

The participants in the merger are jubilant at its successful completion because of the strong financial position of each company and because of the operating economies that can be effected.

The three companies now committed to the deal have a total ingot production of about 5,000,000 tons a year. Without Bethlehem and Lackawanna, the six-company group will be third in production in the country. If these two companies come in, as it now seems probable, the resultant organization would be little below the Steel Trust in size and importance.

Mr. LA FOLLETTE. Mr. President, the Attorney General thus far has given no more heed to the resolution of the Senate relating to the steel merger than he gave to Mr. Untermyer's appeal to prosecute the General Electric Co.

I take occasion, sir, to read the resolution of the Senate passed on May 12 regarding the merger:

Resolved, That the Attorney General of the United States and the Federal Trade Commission be requested to inform the Senate as soon as possible what steps they have taken or propose to take to ascertain the purposes and probable effects of the proposed merger; what have been the results of any investigations which they may have conducted; and what actions they have instituted to protect the public interests.

Resolved further, That the Attorney General be further requested to inform the Senate whether or not it is advisable, in his opinion, to proceed under the appropriate provisions of the Sherman law and the Clayton law to prevent and restrain this impending combination.

Mr. President, apparently the only notice which the Attorney General has thus far taken of this resolution is to be found in the newspapers. I can not say that the interview which I read was authorized. I know from experience that public officials are not always correctly quoted. But on the day following the passage of the Senate resolution on the steel merger, Attorney General Daugherty is reported as having given out an interview at Atlantic City as follows:

ATLANTIC CITY, N. J., May 12.—Attorney General Daugherty, who joined President Harding's party here this evening after arguing the New Haven Railroad case in New York for the Government, said, regarding the proposed merger of the seven independent steel companies, that should the matter come before him he would hold an open hearing.

Discussing Senator LA FOLLETTE'S resolution, the Attorney General said:

"Mind you, I do not say where [whether] I think I should or should not be called upon to give an opinion in this case. Should it become my duty, however, to hear the case, the hearings will be open to Mr. LA FOLLETTE, to the press, and to anyone else interested."

The interview, if it emanated from Attorney General Daugherty, is most unworthy of one in his high official position. It bespeaks very little conception of his duties as Attorney General. In the hope that it may be brought to his attention, I read into the RECORD a provision of existing law under which it is manifestly his duty to proceed in this case. I quote section 4 of the Sherman antitrust law, as follows:

SEC. 4. The several circuit courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations. Such proceedings may be by way of petition setting forth the case and praying that such violations shall be enjoined or otherwise prohibited. When the parties complained of shall have been duly notified of such petition, the court shall proceed, as soon as may be, to the hearing and determination of the case; and pending such petition and before final decree, the court may at any time make such temporary restraining order or prohibition as shall be deemed just in the premises.

Mr. President, I believe that the Attorney General should proceed to enjoin the formation of this merger of the steel companies, and that if he fails so to do it will be a suitable case for action on the part of Congress. That is all I care to say about the matter at this time.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 8086. An act to prohibit the shipment of filled milk in interstate or foreign commerce;

H. R. 11408. An act granting the consent of Congress to the county of Winnebago and the town of Rockton, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River, in said town of Rockton; and

H. R. 11409. An act granting the consent of Congress to the city of Ottawa and the county of La Salle, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Fox River.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 6523. An act for the relief of John Burke, former Treasurer of the United States, for lost bonds without the fault or negligence on the part of said former Treasurer;

H. R. 6524. An act to permit the correction of the general account of John Burke, former Treasurer of the United States;

H. R. 10442. An act to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916, as amended by an act to amend said act approved July 21, 1921; and

H. R. 11065. An act making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1923, and for other purposes.

PETITIONS AND MEMORIALS.

Mr. BALL presented a memorial of sundry citizens of Picher, Okla., remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of the congregation of the First Reformed Church of the District of Columbia praying for the prompt passage of House bill 6508, relating to the exclusion of fraudulent devices and lottery paraphernalia from the mails; and Senate Resolution 142, directing an investigation of the alleged political activities of the motion-picture industry, and also protesting against the passage of Senate bill 3577, allowing and regulating boxing and sparring matches in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. NICHOLSON presented petitions of sundry citizens of Denver, Colo., praying that only a moderate duty be imposed on kid gloves in the pending tariff bill, which were referred to the Committee on Finance.

Mr. COLT presented petitions signed by 180 citizens of the State of Rhode Island praying for the imposition of only a moderate duty on kid gloves in the pending tariff bill, which were ordered to lie on the table.

Mr. CAPPER presented resolutions of the Mozart Club and the Federation of Parent-Teacher Associations, of Kansas City, Kans., favoring the enactment of legislation creating a department of education, which were referred to the Committee on Education and Labor.

Mr. McLEAN presented a resolution adopted by Raymond W. Harris Post, No. 145, Veterans of Foreign Wars of the United States, at Bridgeport, Conn., protesting against the proposed removal of the United States Veterans' Bureau office from Bridgeport to New Haven, Conn., which was referred to the Committee on Finance.

He also presented a petition of sundry employees of the National Co., of Waterbury, Conn., praying for the prompt passage of the so-called Fordney tariff bill based on American valuations, which was ordered to lie on the table.

He also presented a resolution adopted by the Common Council of Hartford, Conn., favoring the anchoring and keeping of Admiral Farragut's historic flagship, the frigate *Hartford*, on the Connecticut River at Hartford, Conn., which was referred to the Committee on Naval Affairs.

He also presented a letter in the nature of a petition of Local No. 237, National Federation of Post Office Clerks, and the Connecticut Federation of Post Office Clerks, of New Haven, Conn., praying for the enactment of legislation providing retirement for Government employees 50 years of age or over, and also relative to the so-called case examinations of postal clerks, which was referred to the Committee on Civil Service.

He also presented petitions of B. F. Kidder, pastor Methodist Episcopal Church of New Canaan; W. B. Pruner, pastor First Methodist Episcopal Church, of Litchfield; and F. F. Vorhees, pastor South Park Methodist Episcopal Church, of Hartford, all in the State of Connecticut, praying for the granting of relief to the suffering peoples of Armenia, which were referred to the Committee on Foreign Relations.

He also presented telegrams in the nature of petitions from A. Krpata & Son and Joseph Pauer, of Middletown; Farra Bros., of South Wilmington; and Anton Hak & Co., of Willimantic, all in the State of Connecticut, praying on behalf of themselves and their employees for the prompt passage of the pending tariff bill and stating that they do not understand the reason for delay in the Senate, which were ordered to lie on the table.

He also presented a letter in the nature of a petition from the State Federation of Women's Clubs, signed by Mrs. L. S. Cummings, chairman legislative committee, of Southington, Conn., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. LODGE presented resolutions adopted by the Presbytery of Boston, Presbyterian Church, at Boston, Mass., favoring amendments to the Constitution prohibiting polygamy and providing for uniform marriage and divorce laws, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Presbytery of Boston, Presbyterian Church, at Boston, Mass., favoring the enactment of legislation providing for Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

RICHARD J. EASTON.

Mr. FRANCE, from the Committee on Naval Affairs, to which was referred the bill (H. R. 1949) for the relief of Richard J. Easton, reported it without amendment, and submitted a report (No. 724) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DILLINGHAM:

A bill (S. 3642) granting a pension to Clara C. Loomis (with accompanying papers); to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 3643) for the relief of James J. Meehan; to the Committee on Naval Affairs.

By Mr. FRELINGHUYSEN:

A bill (S. 3644) granting a pension to Frances B. Eaton; to the Committee on Pensions.

ADDRESS BY SECRETARY OF STATE HUGHES (S. DOC. NO. 206).

Mr. LODGE. I ask that the address of the Secretary of State, Mr. Hughes, before the Chamber of Commerce of the United States in regard to the work of the Department of State may be printed as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

EXAMINING DIVISION OF CIVIL SERVICE COMMISSION.

Mr. STERLING. Mr. President, I think the time allowed the special committee to act under Senate Resolution 199 expires to-day. The committee is not ready to report, and on its behalf I request that the time be extended for 60 days.

Mr. HARRISON. What is Senate Resolution 199?

Mr. STERLING. A resolution introduced by the Senator from Arkansas [Mr. ROBINSON] relative to an investigation of the proceedings of the examining division of the Civil Service Commission. I may say to the Senator from Mississippi that I spoke to the Senator from Arkansas in regard to this extension, and it is satisfactory to him.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed acts of the following titles:

On May 19, 1922:

S. 3505. An act to amend the Code of Law for the District of Columbia.

On May 22, 1922:

S. 2919. An act to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended.

On May 24, 1922:

S. 1162. An act declaring Lake George, Yazoo County, Miss., to be a nonnavigable stream.

ACCOUNTS OF CONFERENCE ON LIMITATION OF ARMAMENT (S. DOC. NO. 205).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Appropriations and ordered to be printed:

To the Senate and House of Representatives:

In conformity with the proviso of the appropriation made in the urgency deficiency act approved August 24, 1921, for the Conference on the Limitation of Armament, I transmit here-

with a report by the Secretary of State, presenting the statements of the expenditures made under his direction on behalf of the conference.

WARREN G. HARDING.

THE WHITE HOUSE, *May 25, 1922.*

METHODS OF THE CIVIL SERVICE COMMISSION.

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Civil Service:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a report prepared by the United States Bureau of Efficiency in compliance with the provisions of the legislative, executive, and judicial appropriation act approved March 3, 1917, directing the Bureau of Efficiency to investigate the methods of the Civil Service Commission and to report its findings to Congress through the President.

WARREN G. HARDING.

THE WHITE HOUSE, *May 25, 1922.*

[NOTE.—Report accompanied similar message to the House of Representatives.]

HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 8086. An act to prohibit the shipment of filled milk in interstate or foreign commerce; to the Committee on Agriculture and Forestry.

H. R. 11408. An act granting the consent of Congress to the county of Winnebago and the town of Rockton, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River in said town of Rockton; and

H. R. 11409. An act granting the consent of Congress to the city of Ottawa and the county of La Salle, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Fox River; to the Committee on Commerce.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, the pending question being on the amendment in paragraph 212, page 36, line 12.

Mr. FRELINGHUYSEN. Mr. President, the Senator from New Mexico [Mr. JONES] has very ably, from his standpoint, discussed the paragraph in the tariff bill now under consideration. Last night he presented in the course of his argument certain figures to show that the pottery industry in the year 1920 was making unusual profits. I ask that, prior to my remarks upon this question, the figures which the distinguished Senator from New Mexico procured from the Internal Revenue Department be placed in the RECORD, and I shall hope to refer to them before I finish my remarks.

The VICE PRESIDENT. Without objection, it is so ordered. The table referred to is as follows:

Manufacturers of chinaware and earthenware—Invested capital, net income, gross sales, and cost of goods reported in corporation returns for pre-war period (1911–1913) and 1918–1920.

Serial No.	Pre-war period (1911–1913).		1913				1919				1920			
	Average invested capital.	Average net income.	Invested capital.	Net income.	Gross sales.	Cost of goods.	Invested capital.	Net income.	Gross sales.	Cost of goods.	Invested capital.	Net income.	Gross sales.	Cost of goods.
1	$34,705	$3,923	$61,682	$3,174	$47,702	$36,835	$64,958	$12,989	$106,912	$84,095	$77,946	$32,876	$221,616	$173,041
2	123,029	2,719	152,500	24,222	217,439	154,859	183,768	51,077	323,696	206,247	208,076	28,113	327,851	237,065
3	250,000	50,095	408,065	69,671	443,369	183,579	444,228	120,367	561,075	159,951	520,932	101,733	791,083	254,619
4	197,000	21,033	182,550	32,396	275,706	204,644	200,501	95,350	406,106	250,843	254,035	115,124	568,655	373,951
5	132,055	6,833	132,055	12,999	301,813	95,724	137,912	21,297	360,380	228,765	156,672	34,951	520,486	357,832
6	58,469	8,773	126,936	18,112	141,984	19,396	145,049	16,936	126,918	7,854	153,001	25,221	260,132	187,851
7	179,978	9,386	221,807	88,317	452,961	306,741	274,070	96,511	544,588	374,362	317,287	77,668	649,094	493,060
8	15,174	2,118	98,906	36,293	274,790	205,093	161,730	37,002	327,376	258,055	251,915	94,373	640,480	511,079
9	96,084	4,297	242,532	100,305	321,531	167,373	296,285	117,178	394,560	198,201	354,279	108,683	603,713	351,724
10	288,058	48,460	366,263	171,518	600,231	393,711	439,845	149,572	644,996	459,352	456,466	251,015	936,297	619,513
11	78,423	5,800	124,200	12,763	292,192	30,563	124,891	28,120	292,550	208,035	163,393	34,761	432,900	308,424
12	204,649	21,025	312,831	40,600	310,190	249,576	287,908	66,279	400,856	295,817	310,195	110,032	524,214	390,520
13	38,051	6,435	124,068	40,341	203,495	133,114	149,026	50,623	242,712	172,948	212,398	113,680	526,918	364,768
14	214,098	2,790	228,454	46,616	419,413	306,528	282,104	48,433	543,488	395,228	298,890	109,227	857,845	592,699
15	211,840	26,651	819,925	240,873	1,288,630	892,715	873,705	322,584	1,481,364	1,008,341	994,962	438,096	1,850,325	1,227,908
16	41,806	9,121	113,829	17,393	142,087	51,402	123,721	37,749	280,611	93,619	192,747	35,528	362,185	166,394
17	2,046,507	232,989	2,508,287	650,893	3,533,713	2,608,656	2,725,822	659,879	4,042,553	3,094,054	2,885,815	1,024,920	5,004,166	3,610,752
18	297,264	30,800	442,885	81,557	665,039	384,199	499,209	90,940	761,549	466,283	511,644	85,713	1,061,624	771,081
19	21,785	3,507	97,919	19,095	109,546	55,988	98,786	19,094	112,676	94,396	86,436	35,877	148,540	97,092
20	302,314	30,058	722,138	434,267	1,280,141	787,607	631,401	70,554	418,087	293,303	384,944	113,032	452,982	279,389
21	175,081	22,128	218,002	132,973	336,998	157,957	252,557	109,177	310,317	156,368	268,930	125,317	364,811	185,867
22	143,546	12,093	198,333	28,760	350,877	256,647	211,419	50,170	426,160	302,926	234,685	64,142	581,141	427,663
23	63,308	22,260	62,962	10,939	120,151	82,784	76,358	15,522	144,097	51,802	76,358	38,277	264,050	163,033
24	16,229	9,552	57,745	6,740	89,585	50,662	57,619	16,689	92,660	9,442	58,346	76,514	220,860	93,871
25	698,270	106,727	963,618	86,493	1,286,742	894,038	994,229	185,085	1,577,500	1,053,511	1,193,925	278,604	2,171,988	1,479,453
26	121,850	12,367	185,004	55,559	406,093	330,616	214,947	28,691	421,339	373,431	207,682	35,770	688,653	516,170
27	15,600	4,081	15,600	3,224	89,052	81,175	79,839	35,775	169,116	63,162	119,057	31,346	200,418	107,649
28	50,682	1,501	56,274	4,542	117,785	87,871	66,592	6,051	176,774	47,825	70,092	6,853	216,581	76,979
29	294,204	[1]13,932	224,794	56,400	488,217	398,782	266,319	53,549	622,370	243,683	296,631	48,839	930,842	365,981
30	15,135	3,518	23,832	2,040	25,495	13,120	24,725	3,133	32,235	5,453	25,691	4,051	42,203	8,671
31	161,286	20,521	211,210	28,770	416,997	266,035	234,210	41,932	524,138	333,195	279,034	87,335	855,790	535,734
32	368,563	42,414	471,721	80,875	771,098	453,763	539,174	102,770	877,023	642,320	569,997	207,191	1,177,914	811,243
33	44,455	2,482	51,652	9,651	50,717	29,883	59,303	10,582	58,949	34,762	66,341	9,938	67,010	40,895
34	293,947	47,647	508,632	96,667	869,954	677,372	520,684	109,720	1,033,703	803,284	552,649	125,348	1,234,185	977,734
35	250,203	10,075	374,333	89,441	644,993	514,976	483,374	63,404	734,876	200,723	458,674	212,559	1,008,257	675,341
36	199,369	30,829	190,121	58,025	332,928	214,652	187,258	72,241	423,387	290,895	200,249	101,703	519,253	348,823
Total	7,743,017	861,076	11,301,665	2,892,557	17,720,688	11,778,576	12,413,586	3,017,035	19,997,697	12,894,531	13,480,855	4,416,430	27,294,935	18,124,415

[1] Loss.

Net income on capital invested 1911-1913 (average), 11.12 per cent; 1918, 25.59 per cent; 1919, 24.3 per cent; 1920, 32.76 per cent.

Mr. FRELINGHUYSEN. Mr. President, I represent a State which, I think, has as many varied industries as any other State in the Union. These industries have been prosperous. The manufacturing plants are scattered all over the State, employing nearly a million wage earners and their dependents. They have become prosperous by reason of the fact that they have been protected against European competition. As the representative in part of that sovereign State I feel it my duty, so far as I can, to represent faithfully those wage earners in my service in the United States Senate. I do so with no desire to create any monopoly or to place any unjust taxation or burden upon the consumers of my State. I shall continue to represent them in that manner and, as far as I am able, to protect the workers of my State and see that those industries are properly protected. If I am to be abused and villified for that position, I am perfectly willing to let the people judge as to the merit of my service.

I am as much opposed to monopoly, I am as much opposed to extortionate prices, as any other man. I shall go as far, or farther, to prosecute, to help prosecute, or to bring to justice

any combination or any monopoly that is guilty or may be shown to be guilty of placing any extortionate prices upon the people of my State.

New Jersey is a great industrial State, and the people of that State are interested in the maintenance of its industries. As a member of the Finance Committee it has been my duty to pass upon the tariff schedules affecting the various industries. The paragraph now under consideration, embracing pottery, is of vital importance to New Jersey. So far as I have been able I have tried to make a study of the industrial conditions surrounding the production of pottery, not only in New Jersey but in every other State in the Union where the industry is conducted; and I believe that in paragraphs 212 and 213 we have imposed fairly reasonable duties and that those duties are necessary. I may say that pottery manufacturing plants are located not only in my State but that such plants also are operated in New York, Pennsylvania, Ohio, West Virginia, Maryland, Indiana, North Carolina, Connecticut, New Hampshire, California, Illinois, Massachusetts, Michigan, Tennessee, Colorado, and Iowa. Those plants are dependent for their raw material on other States, namely, Maine, Delaware, North and South Carolina, Georgia, Florida, Kentucky, Missouri, and others.

The distinguished Senator from New Mexico [Mr. JONES] has made a very able argument from his viewpoint, and possibly from the viewpoint of the importers, who desire low rates of duty in order that they may compete with the American product and gain control of our market; possibly, also, an argument from the standpoint of the department stores, which very largely sell imported pottery and thereby make larger profits from the imported ware than upon the domestic. The Senator from New Mexico in his argument has made two or three points against the rates in the pending paragraphs which I, with the limited knowledge I possess on the subject—and I confess to limited knowledge, although I have made a very earnest effort to study these conditions—shall endeavor to controvert.

The Senator from New Mexico contends there is no competition; that the prices of the imported articles are practically on a level with the prices of our domestic articles; that the foreign product does not undersell the American product. I shall show that a very menacing competition does exist. I shall endeavor to make that showing, not from the Tariff Commission's surveys or from reports of the Department of Commerce, but from the actual import invoices and from analyses which are made by the customhouse appraisers who are familiar with these goods.

The Senator also attacks the duties proposed on the ground that the pottery industry in this country has enjoyed unusual profits and therefore needs no protection. In the course of my remarks I shall attempt to show that through the course of years, in the last decade, the profits of the pottery industry have not only been moderate, but that no great fortunes have been made by those who have invested in this great industry or by those who are officers of pottery concerns.

The pottery industry is age old and is intertwined more or less with the traditions of history throughout the years which have passed. From the famous Hispano Moresque, the product of the potteries of Spain 600 years ago, coming down through the past 150 years, we find the traditions of this industry existing on the Continent of Europe.

Everyone has heard of the great Sevres and Limoges pottery industry of France; everyone has heard of the famous Royal Worcester and Wedgewood pottery; everyone has heard of the Dresden pottery, the Meissen pottery, and the famous pottery which enjoyed the favor and patronage of the late Kaiser of Germany.

It has been the national policy of European countries to encourage and educate their workers in the craft. We find in the Kensington Museum, London, and the famous Wedgewood Institute of Staffordshire, a school of ceramics; we find similar schools in Holland, France, and in Germany; and this country within the past two decades has tried through its educational institutions to build up the craft and to improve the art. In Ohio, the Ohio State University, I believe, was the first to initiate this great educational branch. That action was followed by the University of Illinois, and my own State, where the people are very proud of this great industry and wish to encourage it, has appropriated $100,000 for a ceramic department at Rutgers College—an old institution of which I have the honor to be one of the trustees. There is also the Ceramic School of Arts at Trenton. Therefore we might assume in the beginning that the pottery industry is of interest to the Nation and should be encouraged, developed, and protected.

Now, let us see what the history of the industry in the United States has been and its progress since the year 1890 to the present time. The employees of the pottery industry in 1890 approximated 10,000, upon whom 50,000 persons were dependent. The latest Government figures show that in 1919 there were 27,537 wage earners in the pottery industry, who directly supported over 100,000 of our population.

As to capital investment and turnover, starting with the very insignificant capital of a few thousand dollars, the capital invested has increased from $10,000,000 in 1890 to approximately $25,000,000 to-day. I am referring to the investment in institutions producing the tableware, commonly known as dishes, covered only by paragraph 212 and paragraph 213.

The capital investment in the pottery industry is one of slow turnover, depending upon the character of the production, the ordinary grade of pottery having a turnover of from one and one-half to two times the capital invested; that is, with a capital investment of $200,000 goods can be produced of a selling value of from $300,000 to $400,000.

The industry has not been one of mushroom growth nor of large profits. Of the men who have made their money out of the pottery business no millionaires can be found, and the history of the industry shows more financial failures than successes. The industry is one of uncertainty and great risk, depending largely on the successful burning in the kilns.

DEVELOPMENT OF THE INDUSTRY.

Although sporadic attempts to establish the industry were made during the early part of the nineteenth century, it did not become a commercial factor until the outbreak of the Civil War. Under the protection afforded through the high premium on gold the industry secured a foothold. The development, however, was slow on account of the want of skilled labor and the continued foreign competition. The protection afforded the industry was only sufficient partially to equalize the difference in the foreign cost of the principal competitor, namely, Great Britain. But although the duty was increased from 24 per cent to 40 per cent, and again to 55 per cent, the American consumer secured a greater benefit than did the manufacturer, and actual facts and figures refute very clearly the statement so often made that the "tariff is a tax, and the consumer pays that tax." To illustrate: A given assortment of standard pottery ware, made in England in 1852 before the industry was established in this country, sold in a wholesale way for $95.30; the duty then being 24 per cent.

In 1864, with a duty of 40 per cent and the high premium on gold, the same assortment of imported ware sold for $210.75. The American industry began to develop in a very small way, but sufficient to reduce the selling price in 1872 to $143.08, and regular reductions through competition shown on a table before me. I will not read all the figures, but starting with 1852, under a duty of 24 per cent, the assortment sold for $95.30; in 1920, under a 35 per cent duty, it sold for $80.30; and in 1922, under the same rate of duty, it sold for $49.70.

I ask unanimous consent to insert in the RECORD at this point in my remarks the table to which I have referred.

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). If there is no objection, it is so ordered.

The table referred to is as follows:

Selling prices of similar assortment of goods.

1852, with 24 per cent duty, sold for	$95.30
1864, with 40 per cent duty, sold for	210.75
1872, with 40 per cent duty, sold for	143.08
1875, with 40 per cent duty, sold for	129.61
1882, with 40 per cent duty, sold for	51.89
1890, with 55 per cent duty, sold for	46.30
1896, with 30 per cent duty, sold for	44.00
1900, with 55 per cent duty, sold for	41.67
1909, with 55 per cent duty, sold for	37.59
1913, with 55 per cent duty, sold for	35.72
1915, with 35 per cent duty, sold for	35.00
1920 (the high war prices are accounted for entirely by the increased cost of labor and materials), with 35 per cent duty, sold for (peak war prices)	80.30
1922 (the high war prices are accounted for entirely by the increased cost of labor and materials), 35 per cent duty, sold for	49.70

Mr. FRELINGHUYSEN. While the foregoing figures show a general advance in the duty rates, and, on the other hand, a great decrease in the wholesale selling price, another fact is worthy of note, namely, the greatly increased quality of the ware produced. Before, during, and for some time after the Civil War the pottery was of a heavy and coarser quality, known as ironstone china. Since that time the wares produced have steadily increased in quality, until to-day they are, to all outside appearance, equal to china—thin, well finished, and of a china-white color, known as semiporcelain ware.

From 1890 to 1897 the industry had a struggling existence, as I will show by a table a little later on. From that time, under the protection afforded by the Dingley law, the industry developed slowly, but steadily. The imports, however, continued to hold their own, but changed materially in character. The

products of Germany and Japan increased with great rapidity, while the importations from England declined, so that at the end of 1908 the English imports were approximately the same amount as in 1884, being only 5½ per cent greater than in 1884, whereas the imports of German china had increased during the same period 643 per cent; from Austria, 514 per cent; and from Japan, 2,569 per cent.

The Government statistical figures are confusing, as their methods of classifying have changed, and are, therefore, not comparable. Some of the census figures embrace goods of an entirely different character from those we are now considering, namely, white and decorated earthenware and white and decorated chinaware, including dinner, hotel, and ornamental wares. More recently the various classes of wares have been segregated and more exact data are available.

In comparing the domestic production with foreign importations we again meet with unfair comparisons. The domestic figures indicate the actual selling price in the United States of the American product to the American wholesale dealer, whereas the import figures are based presumably upon the wholesale "market value" of the goods in the country of origin and do not in any way indicate the actual wholesale selling price of the goods in the United States. There is no exact way of knowing the displacement value of these imported goods in this country, as they are sold for as high a value as can be secured from the trade. This additional value is, on an average, two and one-half times the foreign value. In many cases much higher prices are obtained. Thus, if the figures show that the domestic production was $10,000,000 and the import figures were, for a corresponding period, $5,000,000, the actual selling price of the foreign article in the United States would be, at the lowest estimate, $12,500,000, or a total consumption by the American people of $22,500,000, of which only $10,000,000 was produced in this country. This is an important fact to have in mind when considering any import figures under our present method of assessing duties.

Mr. President, at this point I should like to insert a comparison of domestic production and importations of china and earthenware, showing the foreign import value, the American selling and competitive price of imported merchandise, and the American production from 1890 down to date.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Comparison of domestic production and importations, china and earthenware.

Year.	Foreign import value.	American selling and competitive price, imported merchandise.	American production.
1890	$7,030,985	$17,577,462	$8,479,519
1891	8,381,388	20,953,470	8,600,000
1892	8,708,588	21,771,470	8,800,000
1893	[1] 9,509,431	23,773,577	[1] 3,500,000
1894	[1] 6,879,437	17,198,592	[1] 4,200,000
1895	[1] 8,956,105	22,390,262	[1] 4,600,000
1896	[1] 10,605,861	26,514,652	[1] 4,824,554
1897	[1] 8,463,280	21,158,200	[1] 4,025,488
1898	6,907,938	17,269,845	6,553,936
1899	7,866,776	19,666,940	9,234,109
1900	8,676,908	21,692,270	6,070,602
1901	9,479,592	23,698,980	13,233,422
1902	9,511,608	23,779,020	13,862,788
1903	11,131,811	27,829,528	14,356,014
1904	11,188,290	27,970,725	13,777,944
1905	11,875,444	29,688,610	14,755,344
1906	13,134,702	32,836,755	15,940,279
1907	13,472,135	33,680,338	15,844,349
1908	10,452,162	26,130,405	13,055,167
1909	10,508,496	26,271,240	15,495,082
1910	10,976,544	27,441,360	16,743,105
1911	10,473,745	26,184,363	16,424,236
1912	9,403,364	23,508,410	17,006,736
1913	9,946,671	24,866,678	17,490,871
1914	8,045,111	20,112,778	17,352,757
1915	4,574,387	11,435,968	17,654,398
1916	3,467,217	8,668,043	21,669,762
1917	3,567,185	8,917,963	25,726,575
1918	3,469,336	8,673,340	31,613,275
1919	6,912,681	17,281,703	37,556,093
1920	10,431,373	26,078,433	49,665,473
1921	11,840,276	29,600,690	[2] 38,000,000

[1] Wilson law, Cleveland administration. [2] Estimate.

Mr. FRELINGHUYSEN. This table, therefore, indicates in the first column the foreign import values; in the second column, the American selling, competitive, and displacement value of the imported merchandise; and in the third column, the American production.

As in many other American industries, it is not universally known that the American potter can, and does, produce as fine wares as are made in any part of the world. Illustrative of this fact is the very beautiful dinner service now used at the White House, which was made in Trenton, N. J. From that quality wares of all varieties and grades are produced down to the ordinary kitchen ware.

The industry has suffered in the production of the finer grades of ware for two reasons, the first being the extremely low cost of European and Japanese chinawares—which are the superior grades of ware—and second, the almost universal prejudice of the consuming public in favor of anything that is "imported."

An international investigation made by the Department of Commerce just before the outbreak of the war indicated that cost of production, f. o. b. factory, per unit of production, was 129 per cent higher than it was in the best potteries of Austria and 197.4 per cent higher than the German china potteries. The labor cost in the manufacture of china was shown to be 73.3 per cent higher than the cost of producing American earthenware and 182.3 per cent higher than the labor cost of Austrian china and 314 per cent higher than that in the German potteries.

The pottery industry has always paid relatively high wages, and has worked under biennial agreements with the International Brotherhood of Potters, thus keeping in friendly relation with the wage earners. The wages have steadily increased, but have receded 17 per cent from the peak prices. Taking all classes of common and skilled labor, the American wages are approximately 65 cents an hour, as compared with Great Britain, 18 cents an hour; France, 15 cents an hour; Germany, 6 cents an hour; Japan, 5 to 6 cents an hour; that is, based on the American dollar's purchasing power of labor at home and abroad.

The earthenware end of the business has had a large development in this country, but not so with the chinaware, and unless additional protection be given this branch of the industry, as provided for in the House or Senate rates, it will not be able to compete with the principal low-priced china-producing countries, namely, Germany and Japan.

That brings me to the point which the Senator has made in reference to his statement that the industry does not need the protection accorded in this bill. He will note that in the Dingley bill the rates are high compared with other rates in that bill, and under those protective duties the industry was afforded a fair chance. These rates were continued until 1913, when they were reduced by the Underwood law. In addition to these reduced rates we are now confronted with an unusual condition. Europe has a cartel system, and under that cartel system there is an agreement among the industries—the dye industry, the chemical industry, and this industry—that the export selling price shall be higher than the domestic selling price; and on articles exported from Germany we find that there is a fixed percentage added to the cost of articles exported to the various world markets.

This is where the discrepancy exists between the Senator's figures and the actual menace in lowering this tariff as he desires. He will find that Germany has built up these prices through this added export percentage and that she is selling in this market at a figure closely approaching the American domestic selling price of the comparable article; but a comparison will show that the selling price of the same article in the American market is 238 per cent higher than in the German home market. Therefore if that great trade organization at any time finds it can not overcome the American tariff at the present export selling prices, it has a leeway of 238 per cent on this pottery, which it can reduce at any time to stifle American competition and capture our home market.

I was informed of that condition in a letter, and I doubted it. I said, "It can not be possible that this wide differential exists," and I was desirous of having actual figures. It was shown in the Reynolds report that these differentials in price were not so great and that this tariff would appear too high upon those figures. So, in order that I might have an investigation made of the articles in the Reynolds report which actually represents the invoices of the chinaware by the numbers of the invoices, identified in that way, I called in the aid of the men who appraised these articles and I asked them to make an analysis and an investigation of that situation. I submit for the RECORD their tabulation of this condition.

These tables are as follows:

China and earthenware.

TABULATION 1.

Item No.	1 Articles.	2 Country.	3 Unit of quantity.	4 Foreign value.	5 Landed charges.	6 Selling price of imported article in United States.	7 Selling price of comparable domestic article.	8 Rate required to equalize, allowing reasonable profit.	9 Senate rate	10 Actual overhead and profit on landed costs.	11 Profit and overhead allowed on landed costs.
	Paragraph 212.							*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
1	White earthenware, dinner ware, hotel ware	England	Sets	$12.41	$1.24	$26.91	$20.17	12	45	50	33⅓
2	White earthenware tableware	Holland	Dozen	.641	.144	1.475	1.155	14	45	47	33⅓
3	do	Germany	do	.54	.19	1.28	1.38	57	45	44	33⅓
4	Decorated earthenware tableware	Holland	do	.88	.18	2.20	1.76	30	50	57	33⅓
5	do	England	do	1.11	.10	2.69	1.74	8.6	50	63	33⅓
6	Decorated earthenware, dinner ware, hotel ware	do	Sets	16.82	1.22	39.01	36.07	54	50	58	33⅓
7	Decorated earthenware, tableware	Germany	do	1.88	.37	4.03	3.97	39	50	31	33⅓
8	do	Czechoslovakia	do	2.06	.62	5.50	6.82	118	50	57	33⅓
	Paragraph 213.										
9	White china hotel ware	Germany	Dozen	2.36	.43	4.75	4.90	39	60	20	33⅓
10	do	France	do	1.59	.23	3.42	2.92	24	60	35	33⅓
11	Decorated china tableware	Japan	do	.55	.34	1.57	1.90	98	70	32	33⅓
12	do	England	do	24.72	.98	57.72	36.86	8	70	40	33⅓
13	Decorated china, hotel ware	Germany	do	3.97	.61	8.34	6.84	14	70	23	33⅓
14	Decorated china, dinnerware	do	Sets	32.89	3.15	68.00	49.22	None.	70	29	33⅓
15	do	Czechoslovakia	do	17.96	2.36	40.51	39.51	52	70	40	33⅓
16	Decorated china, dinnerware (including seconds)	Japan	do	14.58	4.88	44.83	41.82	81	70	60	33⅓
17	Decorated china dinnerware (not including seconds)	do	do	16.49	5.03	51.60	44.78	73	70	69	33⅓
18	Decorated china dinnerware, seconds	do	do	8.84	4.40	24.50	32.93	130	70	35	33⅓
19	Decorated china dinnerware	France	do	22.37	1.41	65.05	52.60	70	70	91	33⅓

TABULATION NO. 2.

Paragraph No.	Articles.	2 Country.	3 Unit of quantity.	4 Foreign home value.	5 Landed charges.	6 Selling price of comparable domestic articles.	7 Rate required to equalize, allowing reasonable profit.	8 Senate rate.	9 Profit and overhead allowed.	10 Number of item in Tabulation No. 1.
							Per cent.	*Per cent.*	*Per cent.*	
212	White earthenware tableware	Germany	Dozen	$0.16	$0.19	$1.38	428	45	33⅓	3
212	Decorated earthenware tableware	do	Sets	.555	.37	3.97	370	50	33⅓	7
213	White china hotel ware	do	Dozen	.70	.43	4.90	364	60	33⅓	9
213	Decorated china hotel ware	do	do	1.17	.61	6.84	286	70	33⅓	13
213	Decorated china dinner ware	do	Sets	9.73	3.15	49.22	247	70	33⅓	14

TABULATION NO. 3.

RELATION OF GERMAN CHINA HOME MARKET VALUE AND EXPORT VALUE AS OF AUGUST 1, 1921.

The basis of comparison is the pre-war German mark at a fixed value of $0.25 to the mark, or 4 marks equal $1.

Home market value is 15 times the prewar mark value, or 15 times 4 marks equal 60 marks.

Export value is 150 per cent above prewar value, or $1 plus 150 per cent equals $2.50; therefore, 60 marks home value equal $2.50 export value.

Gold value of the mark as of Aug. 1, 1921	$0.01234
60 marks home value at	.01234
Equal	.74
Export value as of Aug. 1, 1921	2.50
Home gold value	.74
Difference	1.76

$1.76 divided by $0.74 equals 237.8 per cent.

Export value exceeds home value by 237.8 per cent.

TABULATION NO. 4.

1 Articles.	2 Country.	3 Manufacturer.	4 Consular invoice No.	5 Invoice date.	6 Invoiced export value.	7 Home value.	8 Export value exceeds home value.
							Per cent.
White china tableware	Germany	Hutschenreuter	1408	Mar. 20, 1922	$908.35	$218.00	316.5
Do	do	Gunthersfeld	1731	Mar. 30, 1922	273.05	60.07	354.5
Decorated china tableware	do	F. Thomas Zeb Schezer & Co.	2429	Mar. 18, 1922	383.61	88.23	335
Do	do	Kahla	1733	Mar. 30, 1922	605.19	151.29	300
Do	do	do	1929	Apr. 11, 1922	2,209.08	508.09	335
Do	do	Tirscheureuth		Mar. 29, 1922	3,628.70	762.03	376

Mr. FRELINGHUYSEN. Two of these tabulations are based upon the actual invoices in the Reynolds report of importations coming under paragraph 212 and also actual importations coming under paragraph 213, both of which are covered by these items.

Tabulation No. 1 shows averaged prices of imported earthenware and chinaware and similar competitive domestic ware taken from the Reynolds valuation report for each kind of ware in dozen lots and sets from various countries. These prices are of August 1, 1921. Column No. 11 shows overhead and profits importers should be allowed in arriving at a fair rate of duty to equalize the competitive differences between the foreign and domestic wares. After conferences with Examiner Tuescher, of New York, and Examiner Koch, of Baltimore, the overhead and profit was placed at 33⅓ per cent on landed costs, including duty, although the examiners believe that 40 per cent would be closer to the necessities of the import china business. Column No. 8 shows the rates of duty that would be required to equalize the competitive differences that existed at the time

the Reynolds investigation was made. While that profit is figured at 33 per cent, the actual overhead and profit runs as high as 91 per cent and the lowest is 20 per cent. Who gets it? The importers who sell these goods at these prices with these immense profits. Why did not the Senator, when he sent to the Internal Revenue Department, ask for the income-tax returns of the importers and the department stores who are making such extortionate profits?

Tabulation No. 2 represents items 3, 7, 9, 13, and 14 of tabulation No. 1. These prices are the home prices of the German wares of August 1, 1921. The export prices to the United States were 238 per cent higher than the German home prices.

In other words, the wares sold to the people of this country were at a price 238 per cent higher than they were sold for consumption in Germany.

In the tabulation "Earthenware," in paragraph 212, and "Decorated earthenware," in paragraph 212, we find column No. 7. This is compiled by the customs appraisers.

Rate required to equalize, allowing reasonable profit on white earthenware is 428 per cent. Senate rate, 45 per cent.

Decorated tableware: Rate required to equalize, 370 per cent. Senate rate, 50 per cent.

White china hotel ware, in paragraph 213: Rate required to equalize, 364 per cent. Senate rate, 60 per cent.

Decorated hotel ware: Rate required to equalize, 286 per cent. Senate rate, 70 per cent.

Decorated dinner ware: Rate required to equalize, 247 per cent. Senate rate, 70 per cent.

Tabulation No. 3 shows the formula in effect August 1, 1921, to arrive at the percentage differences between the home prices in Germany and the export prices to the United States.

This formula, which was fixed by the Germany pottery syndicate on December 21, 1919, is the basis upon which all goods are sold for export.

Tabulation No. 4 is very interesting. It gives a series of recent invoices, showing the actual differences now existing between the home prices and the export prices to the United States of German wares. It will be noted that the export prices to the United States are now between 300 and 400 per cent higher than the home prices.

I take just one, consular invoice 1408, white china tableware, from the Hutschenreuter factory in Germany. Invoice date, March 20, 1922. The invoice export value was $908.35. The home value, for which the article was sold to the consumers in Germany, was $218, or a difference of 316.5 per cent.

I will not enumerate them all, but I will take the other article covered in paragraph 213, decorated china tableware. Here is one from the Kahla factory. The invoice number is 1929, date April 11, 1922. Invoice export value, $2,209.08. Home value, $508.09, or 335 per cent above the home value.

Here is another where there is a still wider differential, the Tirschenreuth factory, decorated tableware, without number. Date, March 29, 1922. Invoice export value, $3,628.70. Home value, $762.03, or 376 per cent difference between the price the manufacturers ask for these goods at home and the price at which they export them to the United States. Yet they are below our prices here.

Let us now turn to Japanese china, which has been mentioned. The Senator from New Mexico has stated that the people prefer it in their homes for its beauty—that they want to buy it. I think he stated that it was not as durable as American china. I think it would be a good plan to educate the people to buy American china, because it would be more economical, being more durable. But imagine our putting Japanese china in the White House. We have the Lenox pottery there, the finest pottery in the world, made in this country, comparable with the best English china manufactured in those ancient potteries on the other side. Let us see what these customs appraisers found out about Japanese china:

JAPANESE CHINA.

Imports of Japanese china in 1921 far exceeded in value imports from any other country. In 1919 Japanese imports totaled $1,827,435, increasing to $3,877,020 in 1920, but declining to $3,121,765 in 1921. Total imports of Japanese china in 1914 were valued at $1,267,091, remaining fairly constant until 1918, when imports increased to $2,133,121.

In volume the imports in 1920 and 1921 slightly exceeded those of 1914. But a small proportion of chinaware from Japan is comparable to the wares manufactured in the United States, and its comparability exists only in regard to dinner ware and some hotel ware. I note that under these prices Japan and Germany have in many instances outfitted many of the hotels which buy china in large quantities. Under this tariff the American manufacturer has not been able to compete in the home market with Japanese and German china, and I have some illustrations of that.

Only four items of dinner ware and one item of table ware—cups and saucers—comparable to domestic ware are set forth in the report. These items were selected as typical, though one of them, the item marked with an asterisk in tabulation No. 1, is a second. Mr. Tuescher believes that only 15 to 20 per cent of the dinner ware imported from Japan is comparable to domestic ware. The balance of the Japanese wares are typical of the country, and while some of them may be competitive in a displacement sense, the greater portions are probably purchased in this country for their oriental qualities and effects. They do displace American china produced in American factories.

Considering the items alone in the Reynolds report, 70 per cent does not equalize the competitive differences, as shown in tabulation No. 1.

This information is from the customs appraisers' report, and I am referring to paragraph 213, covering item No. 11.

It would require 98 per cent to equalize the difference between the Japanese import price of cups and saucers and the American selling price.

It would require 73 per cent as to dinner ware.

It would require 130 per cent as to dinner ware, seconds.

That is the estimate and analysis made by the customs inspectors who pass on this. Now, let us see about Czechoslovakia.

Decorated china imported from Czechoslovakia totaled $194,170 in 1920, as compared with importations from the Bohemian pottery district, formerly a part of the Austrian Empire, amounting in 1914 to $532,000. Allowing for the advance in value over 1914 prices, the volume imported in 1921 is about 20 per cent of 1914 quantities. In regard to these importations it will be noted in tabulation No. 1 that the Senate rate of 50 per cent on decorated earthenware falls far short of equalizing the competitive difference; 118 per cent is necessary; while on decorated china the figures show that but 52 per cent would be required.

Imports of decorated German china for several years prior to the war averaged $3,000,000, declining to $2,352,970 in 1915 and $15,600 in 1917. It is true they were insignificant; but importations were resumed in 1919, reaching a total of $671,756. At the beginning of the year 1920 the export price on German china was established, but the statistical value of importations for this year, amounting to $799,750, was based on German home-market value, which was about 50 per cent of the export price. In 1921, however, total imports valued at $1,902,320 were based partly on home and partly on export value. They were steadily increasing. Of this amount approximately $430,000 was imported during the first five months of the year, and entered on the basis of the home-market value. The balance was entered at the export price, the equivalent home-market value of which was approximately from 25 per cent to 40 per cent of the export price, varying according to the fluctuations in the exchange value of the German mark. The volume of imports in 1921 was, therefore, about one-third the average annual pre-war imports.

The export price prior to August, 1921, was 150 per cent above pre-war values, subsequently reduced to 87½ per cent, which is at present from 300 to 400 per cent above home-market gold value. This reduction in export values enabled the German manufacturers to meet the change in the basis of valuation for dutiable purposes as embodied in the emergency act of May, 1921.

As the export value at the present time averages from 300 to 400 per cent above the home-market value, it is apparent that the rate of the Senate bill for china and earthenware could readily be met by a counter reduction in the export price, destroying our domestic market entirely if the Germans so desired.

Their export price is just under our domestic manufacturing prices but with a differential between the cost of production and the selling price over there; they can simply lower that export price and meet almost any competition and duties levied.

Mr. JONES of New Mexico. Mr. President, I should like to ask the Senator why it is that Germany is not sending more of that ware to this country if there is such a margin of profit in it.

Mr. FRELINGHUYSEN. I think she is. I think I have just read that she has gradually increased her imports. I think my previous figures show that she increased from $15,000 in 1917 to $1,902,000 in 1921.

Mr. JONES of New Mexico. Germany is not sending to the United States anything like the quantity she was sending here prior to the war.

Mr. FRELINGHUYSEN. Oh, no.

Mr. JONES of New Mexico. Why should she not send as much and a great deal more if there is such an enormous advantage in the present conditions over the pre-war conditions?

Mr. FRELINGHUYSEN. Mr. President, the history of these importations shows a progressive increase from 1917, and Germany is prepared, with this great power she has in this cartel agreement, whereby she simply keeps up prices above her home market prices and is enabled to flood this market, and I do not want her to do it. I want to protect the American products. That is what my argument is based on, and while the importations from Germany have not reached those prior to the war, they are gaining by leaps and bounds, and they have this differential export advantage. That is the point I am making in justifying these rates.

Should the German manufacturers reduce their export price to the present status of their home market value, it would necessitate the imposition of an ad valorem rate of from 300 per cent to 500 per cent. Tabulation No. 2 shows the rates that would have been required at the time the Reynolds investigation was made had the German wares been invoiced at their home prices. The export values at that time were 238 per cent higher than the home values.

Mr. JONES of New Mexico. Mr. President, will the Senator yield for a question?

Mr. FRELINGHUYSEN. I yield.

Mr. JONES of New Mexico. I ask the Senator how he expects to remedy that situation by an increase of the tariff to the amount which he is suggesting? If those conditions exist without the modification or limitations, why will an increase of this tariff above the present rate to that proposed affect the situation at all, so far as Germany is concerned?

Mr. FRELINGHUYSEN. I want to be fair about this. Undoubtedly the German production costs will increase. Germany will not continue to have these low protection costs, but I doubt whether 70 per cent—even when Germany gets back to normal—will be sufficient to protect the American manufacturer against German competition. But it is a rate that was fixed as the basis of a fair average, and it undoubtedly is not too high, judging from this very alarming record.

Now, Mr. President, there is a statement regarding English china and French china which I shall not read in detail, but which shows that the imports of decorated china in 1914 from England were valued at $1,181,000, and that they have decreased to $256,000 in 1919. As the 1919 values were practically 100 per cent higher than those of 1914, the actual volume in 1919 was but 10 per cent of the 1914 values. In 1920 the imports amounted to $567,424, indicating that the imports were about double those of 1919 and 20 per cent of those of 1914.

Imports of decorated English china in 1914 were valued at $1,181,000, declining to $484,225 in 1915 and $256,260 in 1919. As 1919 values were practically 100 per cent higher than those of 1914, the actual volume imported in 1919 was but 10 per cent of the 1914 quantities. In 1920 imports amounted to $567,424, indicating that the volume was about double that of 1919 and 20 per cent of 1914 imports. Imports in 1921, totaling $648,659, show a comparatively slight increase in values over 1920 imports. This shows an appreciable increase in volume, as the difference in value is attributable to the rise in sterling exchange, materially increasing the landed costs at the present time.

French china is considered fairly comparable with the vitrified china made in this country. Imports of decorated ware in 1914 were valued at $1,439,780, dropping to $879,820 in 1915, and remaining fairly constant to the year 1918, in which year imports amounted to but $572,884. Following this decline in value, imports in 1919 increased to $731,036, again followed by a decline in 1920 to $578,267, while in 1921 values increased to $861,462. The volume of French china imported in 1921, taking into consideration the increase in unit values over 1914 prices and the average exchange value of the French franc during that year, is approximately one-third that of shipments imported in 1914. Tabulation No. 1 shows that a 70 per cent rate on French china is justified.

The aim of a rate of duty should be to take care of the greatest competitive difference, not the smallest. These high competitive differences expressed in rates can be summed up as follows:

Tabulation No. 1.

	Per cent.
No. 8. Czechoslovakia: Decorated earthen tableware	118
No. 11. Japan: Decorated china tableware	98
No. 16. Japan: Decorated china (dinner ware, including "seconds")	81
No. 17. Japan: Decorated china (dinner ware, not including "seconds")	73
No. 18. Japan: Decorated china (dinner ware "seconds")	130
No. 19. France: Decorated china (dinner ware "seconds")	70

Tabulation No. 2.

If export prices fall to home level:	Per cent.
No. 3. Germany: White earthen tableware	428
No. 7. Germany: Decorated earthen tableware	370
No. 9. Germany: White china hotel ware	364
No. 13. Germany: Decorated china hotel ware	286
No. 14. Germany: Decorated china dinner ware	247

Mr. President, I was somewhat amazed last night when the Senator from New Mexico spoke of the enormous profit of the pottery industry and when he read that résumé of the income-tax report I thought that the profits were unusually large. But upon investigation I found that of the eighty-odd million dollars he mentioned $36,000,000 was the amount of the product represented under these two items. The Senator did read some income-tax return figures showing that the net income on the china and earthen ware business in 1920 amounted to 32 per cent. I was somewhat interested to know how those figures were compiled, and so I called this morning at the internal-revenue office and asked Mr. Blair upon what basis the figures were compiled. Mr. Blair sent for the income-tax statistician, Mr. White.

Mr. White stated that he had received a letter from the Senator from North Carolina [Mr. SIMMONS], in which certain figures were asked for, and I asked him to show me a copy of that letter. Of course, I felt that I had a right to secure it, inasmuch as the majority members of the committee had not been furnished with these figures. I think Mr. Blair has a right to reveal income-tax figures, although I understand there is a restriction against it in law. I understand there is some policy of giving the figures of industries grouped, and I intend to investigate that, because the Ways and Means Committee have steadily refused to allow industrial figures to be revealed that might be used in competition. However, I shall pass that by, because I feel the Senator was engaged in a sincere and honest endeavor to get at the truth.

But the statement submitted does not fairly represent the profits of the industry. Net income is not profits, and these figures were taken out of the maximum year. Other years have shown a loss and still other years small profits, and over the entire period I am informed that the average net earnings are about 10 per cent.

I do not believe the Senator from North Carolina will have any objection if I read the letter he wrote. I only desire to read the items which he requested. I do not believe I violate any privilege. May I ask the Senator if he has any objection to the letter being read?

Mr. SIMMONS. Oh, no; I have not. I do not recall the letter, but I have no objection to the Senator reading any letter I may have written.

Mr. FRELINGHUYSEN. It is in order to clarify the schedule. I read:

The following information is desired on the several industries mentioned below—

I call attention to this—

taking a representative number of the largest manufactures from each industry.

A representative number of the largest manufactures, but not all of them. This was presented last night as representing 340 industries in the country engaged in this business and every grade of pottery under the sun.

The names of the manufacturers, of course, need not be given. Capital invested, production, sales, and net profit for the following years: 1914, 1919, 1920, and 1921.

I asked the statistician to send to Mr. Blair, the commissioner, a statement of how this data was compiled and what portion of the industry it represented. I have received this letter from Mr. Blair to-day:

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, May 25, 1922.

Hon. JOSEPH S. FRELINGHUYSEN,
United States Senate.

MY DEAR SENATOR: Relative to the data compiled in response to the request of the Hon. FURNIFOLD MCL. SIMMONS, copy of whose letter is attached hereto, I desire to say that the information submitted for the several industrial groups requested by him, among which is the chinaware and earthenware industry, was transcribed from the returns of net income filed by corporations for excess-profits tax purposes, and was limited to the following:

First. Those whose predominating business conformed to the industrial classification.

Second. Only those reporting net income.

Third. Only those whose returns were available for each of the years 1920, 1919, 1918, and the pre-war period (1911, 1912, 1913).

Fourth. No consolidated returns embracing subsidiaries engaged in diversified businesses.

The information gave the data as reported and before audit or adjustment, and as the amount of tax was not requested it was not furnished.

The tabulation respecting the chinaware and earthenware manufacturers embraced 36 concerns, whose total invested capital for 1920

amounted to $13,480,865 and whose net income aggregated $4,416,430. The total tax of these concerns was $1,331,929, the gross sales amounted to $27,294,995, and the cost of goods $18,124,615.

In other words, those who reported no net income, those who practically had no profits, were eliminated from these figures, and those are the ones we are trying to protect. It is claimed that 25 per cent is not an unusual profit in this industry. Why? It is because it has rapid annual fluctuations. It is a technical industry, highly technical, highly artistic. A mistake in the manufacturing process may cause a great loss. Therefore, with that hazard and that risk, it is conceded that 20 to 25 per cent is a fair profit, considering, too, the fact that they have the years of depression as well.

But, Mr. President, 32 per cent net income does not represent the average net income, because there are double the number of factories beyond those reported in these figures, and therefore, if the Senator had wished to be fair, he would have asked them to give a report on the entire industry and not eliminate half or more of the industries. I am told that this represents only one-tenth of the entire pottery industry and only those which reported excess profits. Is that fair? Is that accurate? Does it truly represent the condition of the entire industry? I claim that it does not.

Now, let us see what Mr. Blair said:

As stated above, the concerns listed were those which filed returns for excess-profits tax purposes; that is, their net income required the submission of data relative to their invested capital, and were limited to those for which comparative data were available for prior years, and contained, with a very few exceptions, no returns other than those reporting net income. The group in the chinaware and earthenware industry for 1920 did not contain any concerns other than those reporting net income.

Sincerely yours,

D. H. BLAIR, *Commissioner.*

Mr. President, the question of profits is one that leads us into a speculative realm and is confusing. I have discussed many figures this afternoon. I dislike to discuss them because they are confusing. These figures were compiled by men who have searched the actual records and the actual invoices, and I challenge anyone to show, with the present condition as it exists in regard to German export values, that 70 per cent is an excessive duty upon chinaware—with that condition menacing this great industry in the country, with 14 or 15 States concerned in its production, and over 100,000 people dependent upon its prosperity.

But let us look into the condition of the German factories. I have here a translation from the Berliner Morgenpost of May 7, 1922, which I wish to read:

TINKLING DIVIDENDS.

PROFITS IN POTTERY.

A noisy wedding-eve demonstration was at one time regarded, to a certain extent, as an essential preliminary to a happy marriage. Glass and broken porcelain, including undamaged pieces, were sacrificed to that end, and no account was taken of a few pieces of pottery, more or less, costing as they did only a few marks. But times have changed.

To-day a bridal couple is contented if they can provide themselves with the most necessary things in this line. Monstrous prices prevail. A table set, such as is beyond the means of the majority of those about to marry, demands many thousands, while few can entertain the idea of buying luxury articles. The pottery factories are to blame for this condition in completely neglecting domestic needs—

They are exporting the high-priced pottery—

Practically, only necessary goods are being turned out, the production of luxury articles for domestic use being reduced to a minimum.

The enormous outlays which must be incurred to-day in buying pottery find their explanation, in part, in the following table, showing a persistent advance in the dividends of the large pottery works:

Factory.	1921	1920	1919	1918
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*
Hutschenreuther	25+15	20	17	17
Kahla (t31+13)	33+13	35	25	20
Koenigszell	25+10	25	15	12
Rosenthal	50	30+20	30	25
Schomburg	48	20+20	20+20	20+15
Schoenwald	20	15	10	6
Volkstedter	24	18	16	12

Notwithstanding these beautiful returns, the pottery industry complains; it complains of impossible wages and of inadequate domestic profit. It has recently—perhaps because it regards the situation as altogether too sad—again increased prices by 33⅓ per cent. As a matter of fact, however, the pottery industry is doing splendidly. It has the advantage over other branches of industry of being dependent to a relatively small extent upon foreign raw material. The necessary quartz is obtained in Germany and only certain varieties of earth and feldspar have to be sought abroad, the former from Czechoslovakia, the latter from Sweden and Norway. The industry is very well occupied on domestic orders, but its chief interest is plainly devoted to foreign trade. This throws into its lap enormous exchange profits, seeing that, in accordance with a resolution of the association, only foreign currency can be applied to export-sale transactions. The sale of German pottery to northern countries, to the United States, and to South America has recently made great strides, and the large firms are devoting themselves more and more to establishing sales agencies abroad.

A careful study of the above table will lead many to inquire, not wholly without reason, whether it is unavoidably necessary to pour out dividends of 50 per cent to the stockholders. Should it not be possible for the pottery association, responsible as it is for the fixing of domestic and foreign prices, to maintain the former at a reasonable level in view of the large profits accruing from the latter?

Mr. President, we have here stated from the Berliner Morgenpost of May 7, 1922, the dividends of the German potteries, showing that the foreign business is developing and that they have made these huge profits out of it. I have no objection to Germany doing business here, but I first want the American market to be commanded by American factories. The committee has tried to fix the rates imposed in the pending bill on a fair basis, considering the prices of the imported article and the domestic selling prices of the American article. Pottery is one of the largest industries of my State, employing some 7,000 hands, and, as a representative of that State, I want the industry fairly and adequately protected. Under the figures I have presented it would be necessary to accord a protection of over 100 per cent, but I think, in the adjustments of time and the restoration of normal conditions, 70 per cent eventually may protect the industry. It will not do so now; but I claim that, with the low exchange values abroad and the present condition of the European market and the great danger of flooding the American market with these foreign goods, our first duty is to protect the American industry and not the foreign importer and the American retail department store.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing landed cost, duty-paid, under the proposed rates of imported pottery ware.

The PRESIDING OFFICER. If there is no objection, it is so ordered.

The table referred to is as follows:

Actual landed cost, duty-paid, based on rates as proposed in the Senate bill of imported pottery ware, together with American wholesale selling price at factory of similar and competitive American goods.

[The German prices are actual sale prices in Germany and not the export price, which is 150 per cent higher.]

Country.	Description of foreign article.	Unit.	Foreign value in United States currency.	Amount of duty.	Freight, transportation, and insurance charges.	Total landed cost, duty-paid.	American factory selling price similar article.
	EARTHENWARE, UNDECORATED. (Proposed rate 45 per cent.)						
Holland	White cups and saucers	Dozen	$0.719	$0.323	$0.162	$1.204	$1.71
Germany	do	do	.192	.086	.18	.458	1.61
Holland	White plate, 9-inch actual	do	.563	.253	.126	.942	1.40
Germany	White plate, 9¾-inch actual	do	.154	.069	.182	.405	1.40
Do	do	do	.254	.114	.24	.608	1.26
Do	White plate, 9¾-inch actual	do	.255	.115	.163	.533	1.26
England	Plain white	100-piece dinner set	7.89	3.55	.79	12.23	11.90
Do	Plain white hotel ware	16-dozen assortment	21.45	9.65	2.15	33.25	37.90
	EARTHENWARE, DECORATED. (Proposed rate 50 per cent.)						
England	2-color line	16-dozen assortment	24.79	12.39	2.23	39.41	60.06
Do	Printed border	do	25.39	12.68	2.29	40.36	63.56
Do	Color band, 3 lines	do	25.39	12.68	2.29	40.36	63.56

Actual landed cost, duty-paid, based on rates as proposed in the Senate bill of imported pottery ware, together with American wholesale selling price at factory of similar and competitive American goods—Continued.

Country	Description of foreign article.	Unit.	Foreign value in United States currency.	Amount of duty.	Freight transportation and insurance charges.	Total landed cost, duty-paid.	American factory selling price similar article.
	EARTHENWARE, DECORATED—continued.						
England	Transfer border, underglaze	16 dozen assortment	$28.20	$14.10	$1.97	$44.27	$71.50
Do	do	do	24.21	12.10	2.18	38.49	64.89
Do	Transfer border, gold edge	100-piece dinner set	11.95	5.87	.72	18.54	21.66
Do	Gold band mat. handles	do	12.96	6.48	.78	20.22	23.82
Do	Transfer border, liquid gold edge	do	12.32	6.16	.68	19.16	24.59
Do	do	do	13.13	6.56	.72	20.41	24.59
Do	do	do	11.24	5.62	.79	17.65	21.67
Do	7-inch plate, trade size, underglaze print	Dozen	1.20	.60	.09	1.89	1.76
Holland	do	do	.87	.44	.18	1.49	1.76
Germany	6 nested nappies; stencil border	Set	.276	.14	.26	.676	1.12
Do	15-piece cereal set, 2-color underglaze	do	1.22	.61	.48	2.31	2.12
England	Bowls, 36's	Dozen	.94	.47	.09	1.50	1.72
	WHITE CHINAWARE, UNDECORATED. (Proposed rate 60 per cent.)						
Germany	8½-inch plate, roll edge, white hotel china	Dozen	.944	.56	.43	1.934	4.90
France	8-inch plate, cord edge, white hotel china	do	1.65	.99	.24	2.88	3.07
Do	7½-inch plate, cord edge, white hotel china	do	1.52	.91	.22	2.65	.277
	CHINAWARE, DECORATED. (Proposed rate 70 per cent.)						
Germany	8½-inch plate, transfer border	Dozen	1.61	1.13	.65	3.39	7.30
Do	8½-inch plate, transfer border, underglaze print	do	1.50	1.05	.60	3.15	5.50
Do	8½-inch plate, 2-color line, underglaze	do	1.32	.92	.53	2.77	5.60
Do	8½-inch plate, band and line	do	1.50	1.05	.60	3.15	6.30
Do	8½-inch plate, 2 gold lines, transfer border	do	1.77	1.24	.60	3.61	8.83
Do	8½-inch plate, blue band and crest	do	1.69	1.18	.68	3.55	7.05
France	Dinner ware, decalcomania sprays	100-piece dinner set	11.73	8.21	.82	20.76	39.03
Do	do	do	11.00	7.70	.66	19.36	39.03
Germany	do	do	7.30	5.11	2.52	14.93	42.93
France	Dinner ware, ½ mat. handles	do	20.48	14.33	1.70	36.51	46.88
Japan	Decalcomania spray, liquid gold	do	12.18	8.52	4.67	25.37	39.52
Do	do	do	8.81	6.19	4.40	19.43	32.93
Czechoslovakia	do	do	11.72	8.20	.96	20.88	32.93
Do	Decalcomania spray, liquid gold, ½ mat. handles	do	15.17	10.62	2.77	28.56	40.30
Germany	do	do	6.16	4.31	2.33	12.80	35.90
France	Decalcomania spray, ½ mat. handles, liquid gold	do	21.74	15.22	1.70	38.66	43.10
Germany	Decalcomania spray, detailed handles	do	10.05	7.03	2.52	19.60	40.13
Japan	do	do	15.07	10.55	4.91	30.53	40.13
Czechoslovakia	do	do	14.97	10.48	1.20	26.65	34.77
Germany	do	do	8.31	5.82	1.65	15.78	37.45
Do	do	do	6.86	4.80	2.63	14.29	34.77
France	Mat. gold band, ½ mat, handles	do	20.44	14.31	1.43	36.18	50.73
Do	Decalcomania border, mat. gold band, ½ mat. handles	do	18.89	13.22	1.13	33.24	50.73
Germany	do	do	14.12	9.88	2.50	26.50	50.73
Do	do	do	14.27	9.99	3.71	27.97	50.73
France	Decalcomania border, gold band, mat. handles	do	20.99	14.69	1.47	37.15	51.99
Do	Mat. gold band, overedge, ½ mat. handles	do	18.67	13.07	1.12	32.86	51.99
Do	do	do	26.82	18.77	1.70	47.29	54.71
Germany	Gold band, ½ mat. handles	do	18.78	13.14	2.50	34.42	54.71
Japan	do	do	22.23	15.56	5.52	43.31	54.71
Germany	Broad gold band, color line, ½ mat handles	do	12.38	8.66	2.45	23.49	49.26
Do	Broad gold band, gold line, ½ mat handles	do	10.21	7.14	3.37	20.72	52.56
Do	do	do	15.63	10.94	5.08	31.65	59.83
France	Gold band, black overprint	do	37.87	26.51	1.70	66.08	79.92
Germany	do	do	17.65	12.35	4.65	34.65	80.49
France	Gold color, decalcomania	do	31.28	21.90	1.88	55.06	60.41
Do	do	do	28.53	19.97	1.73	50.23	60.41
Germany	do	do	29.32	20.52	2.50	52.34	60.41
Japan	Cups and saucers, decalcomania border, liquid gold	Dozen	.55	.38	.34	1.27	1.90

Mr. JONES of New Mexico. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). The absence of a quorum is suggested. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McKinley	Simmons
Ball	Gooding	McLean	Smith
Borah	Hale	McNary	Smoot
Brandegee	Harris	Moses	Spencer
Broussard	Harrison	Nelson	Sterling
Bursum	Johnson	New	Sutherland
Calder	Jones, N. Mex.	Newberry	Swanson
Capper	Jones, Wash.	Norris	Townsend
Cummins	Kellogg	Oddie	Underwood
Curtis	Kendrick	Overman	Wadsworth
Dillingham	Ladd	Pepper	Walsh, Mass.
Elkins	La Follette	Phipps	Warren
Ernst	Lenroot	Poindexter	Williams
Fletcher	Lodge	Sheppard	
France	McCumber	Shortridge	

The VICE PRESIDENT. Fifty-eight Senators have answered to their names. A quorum of the Senate is present.

Mr. JONES of New Mexico. Mr. President, I merely wish to say a word, and I hope that inside of two minutes, or not much longer than that, we may be able to get a vote on the amendments in the pending paragraph. With regard to the criticism by the Senator from New Jersey of the statement which was received from the Treasury Department as to the profits of the ceramic industry or that part of it engaged in producing earthenware and chinaware, I have only this to say, that the Senator from North Carolina made a request of the Treasury Department to select the representative concerns so as to portray the conditions in the industry. I think we had a perfect right to rely upon what the Treasury Department furnished in response to the request, and I do not believe that the criticisms of the Senator from New Jersey have met the situation at all. Of course, he mentioned some concerns that did not return any profits, but the Treasury Department was requested for returns of corporations representing the industry, and that was the information which was furnished. However, it is not contended that the industry is not in a prosperous condition.

Mr. President, there is only one other point attempted to be made by the Senator from New Jersey. He had some information, which does not appear in this record, to the effect that owing to the cost of wages, and so on, in Germany it would require a tariff ranging from 200 to 600 per cent to equalize the difference in the cost of production here and in Germany. I can simply reply to that by saying that if that is the situation

to be met this bill does not meet it at all, and there is no use in presenting an argument of that sort. It simply renders puerile any attempt of this kind to meet that situation if that is so; but I think that the competition from Germany should not be determined by any outside information as to the potentialities, but there are practical things to be considered—the question of quantity production, for example. How much of this can Germany produce? How much is Germany producing? She has her limitations on output, and the proof of that is in the amount of the wares arriving in the United States. If there were four, five, or six hundred per cent profit in sending those goods to the United States, and if there were no limitation upon the quantity of production, this country would be flooded with those goods at present prices.

The truth is that Germany is sending to this country to-day in money value only 60 per cent of what she sent here in 1913, and admittedly the prices to-day are two and a half times what they were in 1913; so Germany with all these advantages, theoretical or imaginary, is sending to us to-day only 60 per cent in value, and calculating that on the basis of 2½ to 1 we are bringing in from Germany of these wares just about one-fourth of what we were before the war. Where is the great menace from that practical side of the proposition?

There must be something beyond these figures which are stated here, factors to which I referred earlier in the day—a lack of fuel, a lack of something else—because, if I know the German character, if the German manufacturer saw a profit of 600 per cent, and had the facilities with which to produce the commodity, he would be flooding this market; but here, three and a half years after the war, he is only sending in 60 per cent in value and about one-fourth of the quantity of the wares he was sending over here in 1913.

Mr. President, it is admitted also that those wares are selling in the American market to-day, under existing law, for a higher price than the alleged comparable American article. Why should this duty be increased? If you accept the major premise, you want a duty here of three or four hundred per cent; but what you are going to do is to shut out England altogether, shut out France altogether, and turn the market over to Germany, what little will be left. That is what this means, because the English importations are decreasing, notwithstanding our high prices. The French importations are decreasing, notwithstanding these prices. The Senator referred to Japan. Japan is sending more ware in here to-day, measured in dollars, than prior to the war; but in quantity Japan is not sending in as much now as she was prior to the war.

Mr. President, the necessity for this increase of duty is not apparent.

The Senator from North Dakota [Mr. McCUMBER] the other day, in a very considerate statement, dismissed from his mind any apprehensions with regard to Germany. Talk about the cartel system in Europe. It relates only to Germany. I read an article this morning from the April 22 supplement to the London Times, showing that the costs in Germany now are just about on the world's level.

Wages have been increasing 20 and 30 and 40 per cent a month. All cost prices have been mounting, mounting, and it goes without saying that in any country in a short time the commodities must become stabilized with world conditions. When exchange is dropping, dropping, dropping—of course, measured in the currency of the particular country—there is an advantage; but when you stop somewhere, as the drop in German currency has stopped, you soon reach the world level of prices, and that is just what is being done in Germany to-day; and according to the statistics of the Federal Reserve Board, so far as textiles and leather goods are concerned, they are above world prices in Germany to-day with the low-value mark. In other words, the prices of those commodities in Germany to-day are 89 or 90 times the prices prior to the time when the mark became depreciated, whereas even at the present price of the mark the depreciation has been only about 70 to 1.

Mr. President, I do not care to detain the Senate any longer, but I want to say this:

The Reynolds report has been referred to here. I have had some calculations made upon that report showing the import value of these wares from these different countries, and I have figured out the necessary percentage of tariff which would be required to meet the differential in prices. Mark you, the goods are selling in the United States above the domestic price; but in the importation, and so on, and the prices on which duty is levied there is a difference in some instances, and I want to show just what it is, figuring the importer's overhead and profit at 33⅓ per cent of his landed cost. These figures are based upon that.

As to that I want to say that where the importation is of a staple kind and there is a quick turnover the importer's profit is very much less than where a specialty comes in and is kept in the warehouse or on the shelves for some period of time before it is turned over. If it is a novelty, the same thing may be said, and everybody as to such commodities as those charges a higher profit than otherwise. If they are fashionable or seasonable goods, the turnover is slow, and when the season is over what remains must be thrown away, and there must be a high overhead on such commodities as those; but the general level of charges for overhead and profit of the importer is 50 per cent on his landed cost or 33⅓ per cent of his selling cost. On that basis here is what I find, taking these various commodities from the Reynolds report.

First, take these things coming from France. There were 12 samples taken in the Reynolds report, and I have taken here the average of those 12 samples. I find that the foreign cost average was $22.50; the landing charges, $1.22; the landed cost without duty, $23.79; the average selling domestic price, $52.41. Deducting from that 33⅓ per cent as the overhead and profit for the importer leaves the value of the American ware at $34.94, a differential of $11.15, and in that case 50 per cent of duty is indicated.

In the next case—that is, a 100-piece dinner set——

Mr. FRELINGHUYSEN. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from New Jersey?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. FRELINGHUYSEN. I know that the Senator wants to be accurate. I asked the appraiser to figure that item, and he claimed that a 25 per cent profit was a fairer profit on that class of goods, and the differential would be 65 per cent.

Mr. JONES of New Mexico. Mr. President, I do not know that the witness of the Senator from New Jersey is entitled to any more credence than my witness on a subject of that sort. At any rate, I have taken the evidence furnished to me by people engaged in the business, who tell me what it is, and I do not have to depend upon some customs official to tell me what it ought to be.

Mr. FRELINGHUYSEN. I will name my expert if the Senator will name his.

Mr. JONES of New Mexico. I have no objection to that, but I do not think we are testing here the credibility of witnesses; but I want to say that if the Senator from New Jersey is framing a tariff bill upon a foundation of that sort, if that is all that he has on which to base his claim for this increase in tax, I think he had better try to hunt up some other excuse.

Mr. FRELINGHUYSEN. Mr. President, I do not want to prolong the debate, but I think we can not get any better authority than the appraiser who knows the foreign selling price and the profits of the importers, as well as the domestic selling price, and whose duty it is to know those things.

Mr. JONES of New Mexico. I do not know of any better authority than the importer who has been in the business on a large scale for 25 or 30 years.

Mr. FRELINGHUYSEN. I am very glad that the Senator has mentioned the source of his information.

Mr. JONES of New Mexico. I am quite free to say that that is where it comes from, and I am quite free to say that I have talked with not only one of them but a number of them.

On a dozen plates, white china, not decorated, figuring on the same basis, indicates a duty of only 9 per cent to meet the differential. That is from France.

From Czechoslovakia, figuring in the same way, taking as a unit a 100-piece dinner set, the duty indicated is 35.5 per cent.

From Germany, on a unit of a 100-piece dinner set, it says that no duty is required. On a dozen plates, hotel ware, decorated, no duty is required. On a dozen china plates, not decorated, a duty of 21 per cent is all that is indicated. These figures are based on the prices on which the duties are levied and figured up, the actual transactions.

Let us take Japan: A duty of 57.7 per cent would be required on a 100-piece dinner set.

From England no duty would be required.

Those are all the countries from which it is claimed any ware is expected to come in. But I want to say this, in conclusion, to those Senators who were not here this afternoon, there is little, if any, of this ware actually comparable. The quality, as well as the design, differs with respect to the domestic ware, and the wares from the different foreign countries have their peculiarities. It is a matter of taste; it is a matter of choice.

In the Reynolds report, in order to find any so-called comparable article with which a comparison could be made, the investigator added the original 10 or 20 or 30 or 40 per cent, so

that in his judgment it would equalize the thing. You can not equalize taste and choice of the housewife in any such manner as that. She knows the kind of a decoration she wants and the quality of ware she wants, and in a commodity of this sort, where it involves the artistic temperament of the people in this country, the women particularly, do you want to try to regulate price by a tax?

I move, in paragraph 212, on page 36, line 12, to strike out the numerals "45" and insert "35." That is the present duty on that class of wares.

Mr. McCUMBER. Mr. President, I would especially like to have the attention of this side of the Chamber for about five minutes in presenting a situation which arises under the two paragraphs which have just been discussed, and which, I think, should have the attention especially of those Senators who think that in some instances we have made rates that were seemingly high.

I first want to call attention to the tariff rates in the three tariff bills in relation to these two particular paragraphs, and especially to call attention to the fact that although the cost of production in this country has enormously increased in proportion to the cost of production of our competitors, we have made very little difference in the matter of rates of duty.

We will take paragraph 212, covering earthenware. Under the Payne-Aldrich law the duty on the not decorated was 55 per cent. Under the Underwood law it is 35 per cent, and in the Finance Committee amendment the rate is 45 per cent. In other words, the committee rate is 10 per cent ad valorem less than the Payne-Aldrich rate and 10 per cent more than the Underwood rate. The Payne-Aldrich law levied a duty of 60 per cent on the decorated, the Underwood law 40 per cent, and the committee reports in this bill a rate of 50 per cent.

Mr. JONES of New Mexico. Mr. President, may I make the suggestion that under the Payne-Aldrich law these two paragraphs were combined, according to my recollection.

Mr. McCUMBER. But the rates were the same.

Mr. JONES of New Mexico. The rates were the same under both paragraphs in the Payne-Aldrich law.

Mr. McCUMBER. In other words, whether decorated or not decorated; and I am giving the rates.

Mr. JONES of New Mexico. Between the decorated and the nondecorated, or between the vitreous and the nonvitreous, there was no division in the Payne-Aldrich law.

Mr. McCUMBER. The Senator is mistaken when he says there was no division. There was a division, although they were all in one paragraph. Each one was described, and I am giving the Senate exactly what the rates were, if the Senator will now allow me to proceed.

Mr. JONES of New Mexico. The Senator is right about the rate. I am not undertaking to controvert that.

Mr. McCUMBER. That is what I am speaking of now.

Mr. JONES of New Mexico. What I meant to say was that on the cheaper wares the rate under the Payne-Aldrich law was as high as the rate on the more expensive articles.

Mr. McCUMBER. Yes. I will give the rates again. On earthenware, decorated, the Payne-Aldrich law levied a rate of 60 per cent and under the Underwood law it was 40 per cent. The committee now reports in this bill 60 per cent.

Let us take china, mentioned under paragraph 213. Under the Payne-Aldrich law the not decorated carried a duty of 55 per cent. Under the Underwood law it carries a duty of 50 per cent. Under the committee bill it carries a duty of 60 per cent, which is 5 per cent more than the Payne-Aldrich rate and 10 per cent more than the Underwood rate.

In the matter of the decorated the Payne-Aldrich law carried a duty of 60 per cent, the Underwood law a duty of 55 per cent, only 5 per cent difference, and the committee bill carries a rate of 70 per cent.

Thus it will be seen that the rates which we report range all the way from 45 to 70 per cent. Seventy per cent seems to be a rather high duty, but I want the Senators to look the situation squarely in the face. The Senator from New Mexico quoted the statement which I made a few days ago, and, of course, quoted it accurately, the substance of which was that in at least the matter that was under discussion I felt that Germany would not attempt to drive down the market to an extent that she would drive the American industry out of existence, because she would make more by unholding the high prices which she was receiving in that market.

Where the field is small and is capable of absorbing both the imports and the American products at these high prices, I do not think there will be a great deal of danger of driving the American product out of the market, even though the German may be able to do so. But where the field becomes very important, and one of the competitors can increase his product in such quantity that he could cover, if necessary, the entire field, and drive the other competitor out of that field, that might present an entirely different question.

This forenoon I started to ask the Senator from New Mexico a question, based on a certain state of facts, and get his reply to it. The Senator declined to yield at that time, and while it would not have been important to have presented the situation to the Democratic side, I want to present it to the Republican side.

Let us take such a business as we have here in the pottery and chinaware industry in the United States. Let us assume that Germany can manufacture and sell at home, with a reasonable profit, a dinner set, we will say of 100 or 150 pieces, for $100. American manufacturers can manufacture and sell practically the same set, at least of the same inherent value, for $400. Germany exports those to the United States, but the German Government says to the manufacturer, "You have got to put an export price on that article which will amount to 200 per cent, in addition, and sell that to the American market for at least $300, plus the duty"—which we will say, at 30 per cent, would be $90—"and that will give you the profit you are making on selling it for $100 and $10 in addition to that, and then you will divide with the Government this $210 profit."

The German Government, as I stated, wants the gold. She needs the money, and under the present situation I do not believe she is going to drive down the prices in the United States to such an extent that she will lose by it. But here is the situation we must meet. We are making this bill, not for the year 1922 but maybe two, three, or four years, and possibly longer. Here, then, is a situation to meet. The Senator from New Mexico said there was no such condition, and that therefore it was a waste of time to argue the matter upon any such hypothesis. Let us see about that.

The Senator from New Jersey has already read into the RECORD some of the facts and figures obtained but a few days ago from the appraisers of merchandise which had been imported into the United States, getting the selling price in Germany, the export price from Germany, and the price for the comparable American article.

I will refer to only one or two. Here is an article whose export invoice price is $908.36. The price at which it is sold in wholesale quantities at home was $218. The export price exceeds the home price by 316 per cent. Do you not see that the German merchant, if the Government will allow him, can reduce that 316 per cent and yet sell at the same profit at which he is selling to-day in the home market? Can you not see that it is in his power, if in a year or two it seems to the Government's advantage or his advantage to take off this export price, or one-half or one-fourth of it, to drive the American manufacturer out of his own country?

Now, let us take another—white china tableware. These figures are taken from actual invoices. This one was on March 30, 1922, and is $273.05. The same article sold in Germany at wholesale for $60.07. That means 354 per cent over the home price. The German merchant, if his Government should take off his export price, can reduce his price $254 and yet sell it at a profit to the American consumer.

What are we going to do in these cases? I admit that under the present situation the German perhaps will say, "I can better afford to get this big profit for my country and for myself, and I will sell up to the American price now, and I will sell even above the American price at the present time." But can you not see that we are absolutely at the mercy of those manufacturers? Do we want to say to all of the Americans engaged in this business, "We will place you in a position where at any time you can be undermined and destroyed," or shall we give him what we consider might possibly be a proper protection in case there is a considerable lowering in the export prices of the product from Germany? That is a question that the American who believes in a protective principle must meet. We have given but 70 per cent.

I have another table which shows the per cent that must be required in case the German should take off the export price and sell for the home price. Let us take the same table, No. 2: If the export price fell to the home level on this white earthern tableware it would require a duty of 422 per cent to meet the American price; on decorated ware it would require 370 per cent; on white china earthenware, 364 per cent; on decorated hotel ware, 286 per cent; on decorated dinner ware, 247 per cent. We have given a duty that ranges from 45 to 70 per cent.

I do not know how long it will be before these heavy export duties may be taken off. I simply know that if they are taken off, the German merchant can absolutely destroy the American manufacturer. The only question is whether we shall go this slight per cent, 10 or 15 per cent, higher than the Underwood

rates and at least give that protection. That is practically all there is to it.

Mr. JONES of New Mexico. Mr. President, I merely wish to say that I have not been able to gather any such figures as the Senator from North Dakota has produced. I do not know where they come from or on what they are based. I do not know what the surrounding circumstances are, and I do not know the date when the trades were made, the rate of exchange, or anything of that sort surrounding the transaction. But if that is the situation in Germany, and if that is the situation which we have to meet, it should be done by an embargo or something of that sort, if you are determined to meet it, because this little increase in duty will not begin to touch that situation if it is a true reflection of the real situation.

Mr. McCUMBER. Mr. President, the Senator said he did not know where my figures came from. May I tell him?

Mr. JONES of New Mexico. I shall be delighted.

Mr. McCUMBER. The figures which I gave came from the New York appraisers of chinaware and earthenware.

Mr. JONES of New Mexico. May I inquire when the transaction occurred?

Mr. McCUMBER. I have all the dates of the invoices which I read.

Mr. JONES of New Mexico. I mean when the trades were made—when the orders were given.

Mr. McCUMBER. The invoices show the times at which they were purchased in Germany, and all of them are after March, 1922.

Mr. JONES of New Mexico. The invoices, if I am correctly informed, simply show the date of the exportation. They do not show when the trades were made.

Mr. McCUMBER. The invoice shows when the sale was made. It is not the date on which the ship leaves, necessarily; it is the date of the sale.

Mr. JONES of New Mexico. It is the date of the exportation that the invoice gives.

Mr. McCUMBER. Our duties of course are levied as of the date of the exportation.

Mr. JONES of New Mexico. If this is the basis of the bill, I think we had better go out of business.

Mr. McCUMBER. That is the question for us to decide.

Mr. JONES of New Mexico. Yes; that is the question. If the bill is intended to meet that situation with Germany, I am glad to know it. The distinguished Senator from North Dakota presented absolutely nothing to those on whom he relies for votes except this situation in Germany. I may add that that situation is the one thing that is always presented to us in the discussion of the bill if there is a yard or an ounce of the product coming from Germany.

I think it is a pitiful situation. Imagine the great Congress of the United States dealing with this situation in Germany. Just think what a puerile thing we are doing. If that is the purpose of the bill, we need not tire ourselves out here day after day. Does anybody believe that that is dealing with the German situation? If that is a true picture of the trade situation in Germany, if that is what we are dealing with, do we want to do this thing? Just seriously think of that. We are told here in solemn terms that Germany can produce these things for 300 or 400 per cent less than they can be produced in the United States, and now we are going to equalize that situation, we are going to meet that situation, and we will raise our tariff wall about 12 or 15 per cent higher.

I do not know what others think about it, but as for myself I would be humiliated to assume any such position as that. That is the situation we are going to deal with. We are solemnly told by the chairman of the Finance Committee that we have to deal with the situation in Germany, the only country to which he referred. We are told solemnly and assured that they have the proof that the goods can be produced there three or four hundred per cent cheaper than here, and now the great Congress of the United States, assembled here in solemn conclave to deal with the situation, raises the tariff 10 or 12 or 15 per cent.

It is humiliating to me to be a party to such a thing. I do not intend to be a party to it. I am going to vote against it. I would rather leave things just where they are now. We are not being hurt now, because the goods are not coming in. I would wait until I could find some logical remedy for the situation. The goods are not coming in. Germany is exporting to the United States in value, as I said awhile ago, only about 60 per cent of what she was exporting prior to the war.

Would a man really acting on business principles and for a business purpose undertake to consider a potentiality of three or four hundred per cent? Would he think of dealing with that at all by simply raising the tariff 10 or 12 or 15 per cent higher? When you have done this thing, how proud will you feel over it? It will be a great thing to accomplish that, to deal with the German situation in that way, to write such a record as that for your children to read, perhaps, in years to come. Go home and tell it to your constituents, that here was a great problem with which the United States Congress was dealing, confronted with the great problem that Germany can produce these goods three or four hundred per cent less than the United States. Now, as business men, as representatives of the citizens of this great Republic, we take up the solemn task of dealing with this subject, and what do we do? We raise the tariff 10 or 12 or 15 per cent. Who wants a record of that kind behind him? It will do you no good as a politician, because you have not met the situation. You have not shut out the German imports. If that is what you want to do, you have not accomplished it. Then, why do this thing? Is that writing a record of statesmanship? I ask you just to ponder for a minute on what you are doing. Where is the man who is going to be proud of that record?

Mr. SIMMONS. Mr. President, it seems to me very remarkable that after we have discussed this measure for over a month and a half upon the theory that the rates provided would be sufficient to protect the American producer against Germany—all our discussions have been with reference to German products—we are now told that the rates in the bill are about 200 per cent lower than they ought to be; that in order adequately to protect the American against the German producer we ought to have, instead of a rate of 70 per cent upon earthenware a rate of at least 300 per cent. That, too, is after the committee has let the country know and let the Senate know that the rates that it has fixed in the pending bill have been designed to meet the German situation. Now we have a statement that the committee has come into the possession of startling information to the effect that the rates are at least 200 per cent lower than they ought to be.

Mr. President, we have this situation: It has now been quite a while since all impediments to interchange of products between this country and Germany have been removed; at least during the whole of the year 1921 there was no real impediment to interchange of goods between the two countries; and yet during that period of time there came to us from Germany only $88,000,000 worth of her products, as compared with the year before the war of nearly $400,000,000 worth of such products. If it be true that Germany can produce and is producing at 300 per cent less than we are, and that Germany is anxious to take advantage of our markets, that she has abundant products which we need, it is very remarkable to me that less than one-fourth of the amount of German goods have come into this market during the last year which came during the year before the war.

It is more remarkable to me, Mr. President, when I consider that during the period when Germany was shipping us between one-fifth and one-fourth of what she did before the war, namely, during the year 1921, we shipped to Germany and sold in the German market, as I now recall, $347,000,000 worth of American goods; and yet, according to the Senator from North Dakota, we can produce only at a cost of from three to four times the cost at which Germany can produce.

Mr. McCUMBER. Will the Senator from North Carolina allow me to correct him there?

Mr. SIMMONS. Yes.

Mr. McCUMBER. The Senator from North Dakota did not make the statement attributed to him by the Senator from North Carolina. I think that we can produce, that we have been producing, and that we will continue to produce at a less cost than the Senator has indicated. All I could give the Senator was the tabulated statement as to the difference between the American selling price and the foreign selling price, and I have held to that because, let me say to the Senator, the rate of from 45 per cent to 70 per cent would be no good on earth as a matter of protection in the event of the contest arising unless we could produce at a very much less cost than that.

Mr. SIMMONS. Mr. President, the Senator has contended that the article which we are now discussing, which sells in the American market for $400, could be produced in the German market for $100, or one-fourth of what it is selling for in this market. If that be true, as to that product, it must be true as to other products produced both in this country and in Germany. How, then, is it that we can sell in that country—and it has not been suggested that we are selling to Germany at a loss—that we can sell in that country and did sell in that country four times the quantity of products of American soil and American factories that we purchased from Germany?

Mr. President, I expect to be able to show that we are selling commodities in Germany to-day, which are produced on the American farm and in American factory, at a less price than Germany is selling the products of her factories in this country. If it be true that Germany can produce crockery and other commodities at one-fourth of what they can be produced for in America, then, Germany can produce crockery and other things at one-fourth of what they can be produced for in nearly all the industrial countries of the world. Nobody has contended here that there is any very great difference between the cost of production of manufactured products in Great Britain and Canada and in this country; nobody has contended here that there is any great difference between the cost of domestic production of this product and of many other products and the cost even in Italy and in the Scandinavian countries or in France; but in Germany it is said it costs only about from one-fourth to one-third what it costs here. If that be true as to the United States, I say it is true as to the other industrial countries of the world; and the only safety which mankind living on any part of the globe has against Germany is for all the nations of the earth to declare an embargo against German products.

To my mind, the argument which is now presented at the eleventh hour to excuse the exorbitant rates imposed by this bill is preposterous. Whatever the appraisers from whom the Senator got his information may have said, I do not believe that anybody in this country can be led to the conclusion that Germany can produce and sell the product we are now discussing or other products of the factory at practically one-third of what they can be produced and sold for in this country.

Mr. McCUMBER. Mr. President, if the Senator will allow me, does he claim that the appraiser has made a false report to the Senate?

Mr. SIMMONS. I am not attacking the veracity of the appraiser; I am merely saying that the information he has given the Senator is so incredible that I do not think it will be believed; I do not believe it.

Mr. McCUMBER. He has the invoices; he knows what they show; and he is a very trustworthy appraiser.

Mr. SIMMONS. The Senator's argument is not based upon invoices; his argument is based upon the German selling price in the German market, and not the invoice price at which it is imported into this country.

Mr. McCUMBER. The Senator is mistaken as to that; it is based on both.

Mr. SIMMONS. I have the invoice prices here furnished me by the Treasury Department.

Mr. McCUMBER. The Senator has not those which I quoted.

Mr. SIMMONS. No; I have not those which the Senator quoted, because the Treasury Department does not quote any such statistics.

The Senator argues that the German Government takes $200 out of the price at which the Germans sell in this country for the benefit of the German Government. I have heard that for some little while after the agreement between nations of Europe with reference to German reparations Germany imposed an export tax upon the products shipped from Germany, just as we impose an import tax in this country, and just as Brazil imposes an export tax on coffee; but I never yet heard that export tax estimated at more than 33⅓ per cent. I did hear at one time that it was 33⅓ per cent; then I heard that it was reduced to 25 per cent; and still later I heard that plan of raising German revenues had been very largely abandoned; but that Germany has ever taken $200 out of a $300 price at which the German product is exported is incredible, Mr. President.

I have here, in response to a letter which I addressed to the Treasury Department, a statement with reference to prices, based upon the Reynolds investigation. There was an investigation conducted by the Reynolds committee, inaugurated at the instance of the Finance Committee of the Senate. That investigation cost us $100,000. The purpose of the investigation was to secure data for use in the framing of the pending bill upon the principle upon which the committee had decided to frame it; that is, of raising the foreign price up to the domestic price. The Reynolds committee was to secure information particularly as to German prices, because the testimony which had been taken before the Finance Committee in the general hearings had been chiefly as to German prices. Nobody seemed to fear any other competition except German competition; and the Reynolds committee was raised by a resolution of Congress at the instance of the Finance Committee for the very purpose of ascertaining the necessary facts with reference to German selling prices at home and abroad, in order to enable the committee to frame tariff rates that would meet the situation. There is not a line or a syllable in the Reynolds report, which we have upon our tables here, that indicates that they found any such condition as the Senator from North Dakota has attempted to have the Senate believe exists. I want to ask Senators on the other side, if any such situation as that existed, how it escaped the attention of this committee, especially commissioned to ascertain these facts with reference not only to the invoice price at which these products were exported but with reference to the domestic price?

Our tariff laws heretofore have been based upon the domestic selling price in the foreign country. We have changed that in this law and made it either the domestic selling price or the export selling price, whichever is higher; and the Reynolds investigation was directed to ascertain both the home selling price and the export price, in order to give the committee the information which they needed. When they got that, having ascertained that in many instances the export price was a little above the domestic selling price in the country of exportation, they said: "Take one or the other in levying these duties, whichever happens to be the higher."

Mr. President, it would be a most remarkable thing if this great committee, that had hundreds of experts and appraisers, men whose business it was to familiarize themselves with all the conditions concerning our imports, and especially with reference to Germany, special attention being directed to that country at this time, should have permitted a situation like this to absolutely escape them; and it is still more strange that this condition, if it exists over there, has never come to light except through some particular appraiser who has advised the Senator from North Dakota, when he gets into serious trouble with reference to these rates, that he can get out of it in this way.

Mr. President, let me go back. I wrote the Secretary of the Treasury. I have not my letter here, but in his last reply—I wrote him twice—he refers to my letter. This letter is dated the 18th of May, and is addressed to me:

MY DEAR SENATOR: Referring to the department's letter of the 13th instant and previous correspondence, in which were transmitted certain reports covering information desired by you with respect to values of merchandise covered by the various schedules of the Reynolds investigation, I inclose herewith further reports from the appraiser of merchandise at the port of New York covering paragraphs 213 and 337.

This information given me by the Treasury Department is headed:

TYPICAL MERCHANDISE COVERED BY VALUATION INVESTIGATION REPORT SHOWING VALUES AS OF APRIL 1, 1922.

Foreign merchandise: Chinaware, plain white; hotel china; vitrified body; best selection one-quarter thick; roll-edge plates; 25 cm.

Then, in the first column:

Landed cost of imported article, including duty, $3.44.

In another column:

Actual selling price of comparable domestic article—

Actual selling price now—

$4.40.

That has the profit of the wholesaler in it. The other item has no profit of the wholesaler in it. Taking out for overhead and profit of the wholesaler 33⅓ per cent, which is the rule, you have the American selling price $2.94 as against the foreign selling price of $3.44.

The next item in this table sent me by the Treasury Department is:

Foreign merchandise: Bone china, decorated; 9-millimeter gold acid border over edge; gold shoulder line.

Landed cost of imported article, including duty—

This is the foreign article, with no importer's profit, and the importer is the wholesaler in the case of imports—

dozen, $46.46.

Another column:

Actual selling price of comparable domestic article, dozen, $37.80.

I do not know whether that particular article came from Germany or came from some other country. I assume from the argument of the Senator from North Dakota that practically all of this chinaware and crockery ware comes from Germany. No other country seems to be making it; but in this particular case the foreign article sold in our market for a very decidedly higher price than the domestic article sold in our market, including profits in the case of the domestic article, and no profits of the wholesaler in the case of the foreign article.

The next article we have is as follows:

Foreign merchandise: China, decorated; vitrified, hard glost-fired china; aerograph color fonds; transfer floral design, retouched—

And some other descriptive terms which I will not trouble the Senate to read—

Landed cost of imported article, including duty, dozen, $4.91.

No comparable article is produced in this country, so that they give the selling cost in this market of the foreign product. In that column are these words:

If no comparable article, give domestic selling price of imported article.

Then is given the domestic price of the imported foreign article. The landed cost with the duty added was $4.91.

The selling price of that same foreign article in this market was $5.58. That included the importer's profit. It did not meet any competition of a comparable domestic article. There was no comparable article in this market.

The next is in the same situation. It is:

Foreign merchandise: China, decorated—

And then descriptive terms.

Landed cost of imported article, including duty, dozen, $4.74.

There are no comparable articles in this market, so that it comes under the head:

If no comparable article, give domestic selling price of imported article.

The domestic selling price is $6.25, as compared with the landed cost of $4.74.

The same thing happens as to the next article given:

Foreign merchandise: China, decorated—

And some other additional descriptive terms. There is none produced in this country. The landed cost is given at $8.99, and the selling cost of the article in the American market is given at $10.08.

That runs on through the next schedule in the same way. There is no comparable article. The landed cost is $18.19. The selling cost of the same article in this market is $23.94.

In the case of the next—this is all china—the landed cost is $22.83; there is no comparable article, and it sold in this market at $36.

The next is china, decorated. There is no comparable article. The landed cost is $20.17, and the price at which it is sold in our market is $30, showing that the 33⅓ per cent is about the average selling profit.

The next is the same thing. There is no comparable article.

The next is the same thing. There is no comparable article.

The next is the same thing. There is no comparable article.

I ask to have this table printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. SUTHERLAND in the chair). Without objection, it is so ordered.

The table is as follows:

Typical merchandise covered by valuation investigation report showing values as of April 1, 1922.

INVESTIGATOR NO. 35.

PAGE NO. 35, PARAGRAPH 213, LINE 1.

	Landed cost of imported article, including duty.	If no comparable article, give domestic selling price of imported article.	Actual selling price of comparable domestic article.
Foreign merchandise: Chinaware, plain white; hotel china; vitrified body; best selection; ¼ thick; roll edge plates; 25 cm.....	$3.44	.....	.....
Domestic merchandise: Chinaware, plain white; hotel ware; vitrified body; best selection; ¼ thick; 8½-inch (actual, 10 inches), plates...	.....	.....	$4.40

PAGE NO. 39, PARAGRAPH NO. 213, LINE NO. 2.

Merchandise, foreign. Bone china decorated: 9 m/m gold acid border over edge; gold shoulder line.....dozen..	$46.46	.....	.....
Domestic: China, decorated; 9 m/m gold acid border over edge; gold shoulder line.....dozen..	.....	.....	$37.80

REMARKS.—No reduction in domestic articles selling prices.

PAGE NO. 39, PARAGRAPH NO. 213, LINES NOS. 6, 7, AND 8.

Foreign merchandise: China, decorated; vitrified, hard glost fired china; aerograph color fonds; transfer floral design retouched; liquid gold edge line; 21 cm.; fancy coupe plates.....dozen..	$4.91	$5.58	.....
Domestic: None found.			

Typical merchandise covered by valuation investigation report, etc.—Con.

INVESTIGATOR NO. 35—Continued.

PAGE NO. 39, PARAGRAPH NO. 213, LINES NOS. 6, 7, AND 8—continued.

	Landed cost of imported article, including duty.	If no comparable article give domestic selling price of imported article.	Actual selling price of comparable domestic article.
Foreign merchandise: China, decorated; vitrified, hard glost fired china; air brush edge fond; ordinary transfer sprays; liquid gold edge; sugars and creams .....dozen..	$4.74	$6.25	.....
Domestic: None found.			
Foreign merchandise: China, decorated; vitrified, hard glost fired china; air brush edge fond; ordinary transfer sprays; liquid gold edge; berry sets of one bowl, 23 cm.; 6 saucers, 13 cm..dozen..	8.99	10.08	.....
Domestic: None found.			

PAGE NO. 39, PARAGRAPH NO. 213, LINE NOS. 10, 11, AND 12.

Foreign merchandise: China, decorated; vitrified, hard gloss fired china; underglazed; hand-drawn design in blue color, with stampings; 100-piece dinner set....set..	$18.19	$23.94	.....
Domestic merchandise: None found.			
Foreign merchandise: China, decorated; hand colors; liquid gold; 100-piece dinner sets.....set..	22.83	36.00	.....
Domestic merchandise: None found.			
Foreign merchandise: China, decorated; underglazed print; 100-piece dinner sets.....set..	20.17	30.00	.....
Domestic merchandise: None found.			

PAGE NO. 40, PARAGRAPH NO. 213, LINE NOS. 1–4.

Foreign merchandise: China, decorated; color fond; colored stamped flowers; liquid gold edge and line; gilt handles; salad sets of 1 salad bowl and 6 saucers.....set..	$1.54	$2.52	.....
Domestic merchandise: None found.			
Foreign merchandise: China, decorated; full color fond; decorated with hand-finished flowers and designs in color and gold and gold lines; full gilt handles; cake sets of 1 cake plate, 6 cake plates; 17 cm.....set..	2.43	4.12	.....
Domestic merchandise: None found.			

PAGE NO. 40, PARAGRAPH NO. 213, LINES NOS. 5 AND 6.

Foreign merchandise: China, decorated, enameled colors and coin gold decorations; gilt edge and handles; bonbon dish.each..	$0.90	$1.52	.....
Domestic merchandise: None found.			
Foreign merchandise: China, decorated; color fond; color stamped flowers; liquid gold edge and line; gilt traced handles; tea sets of 1 teapot, sugar and cream, 6 teacups and saucers.....set..	2.35	3.87	.....
Domestic merchandise: None found.			

PAGE NO. 40, PARAGRAPH NO. 213, LINE NO. 7.

Foreign merchandise: China, decorated; underglazed printed tea plates, No. 55/16; or cup and saucer.....dozen..	$1.42	$1.65	.....
Domestic merchandise: None found.			

REMARKS.—Landed cost and selling price increased since Aug. 1, 1921.

Mr. SIMMONS. Mr. President, you can go on through this table, and you will find, wherever there is a comparable article in the American market, that when you take out the cost of overhead and profits on the American article the cost of the foreign article with the duty added is practically the same.

Mr. President, here is another table upon which the experts have made some figures, making the subtraction. This comes from the department and was transmitted to me in response to my letter.

The first article is chinaware, decorated, and so on, just like the other, with some variation in the trimmings, so to speak. There the landed cost of the foreign merchandise is given as $5.80 per dozen. The wholesale price in the domestic market of the domestic article is $7.95, but if you take out the profit you will find that the balance will be $5.30, or a little bit less than the foreign price plus the duty.

In the case of the next item, the landed cost is $21.09. There is a comparable domestic product, and that product is sold for $39.03. Take out the overhead and profit of the American wholesaler and you have $26.02 as against $21.09. The present duty is added there to the landed cost.

In the case of the next item, the landed cost plus the duty is $23.73. The comparable domestic product sells in our market for $42.93. Take out 33⅓ per cent for overhead and profit and you have $28.62.

In the case of the next item, the landed cost of the foreign article, plus duty, is $33.61. The price of the comparable domestic product is $46.88. Take out the wholesaler's profit and overhead and you have $31.26, or a little more than $2 less than the price of the foreign article.

In the case of the next item, the landed cost of the imported article, including duty, is $20.43. The price of the comparable domestic product is $39.52. Take out the wholesaler's profit and overhead and you have $26.35.

In the case of the next article, the landed cost of the foreign article, plus duty, is $18.68. The price of the comparable domestic product is $32.93. Take out the wholesaler's profit and overhead and you have $21.96.

The figures run on in that way, Mr. President, and I will ask that that table be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

Typical merchandise covered by valuation investigation report showing values as of April 1, 1922.

INVESTIGATOR NO. 35.

PAGE NO. 35, PARAGRAPH NO. 213, LINE NO. 13.

	Landed cost of imported article, including duty.	If no comparable article give domestic selling price of imported article.	Actual selling price of comparable domestic article.
Foreign merchandise: Chinaware, decorated; vitrified hotel china; roll edge; transfer border center of rim, between 2 gold lines; decoration broken; plain gold badge; 25-centimeter plates, dozen	$5.80		
Domestic merchandise: Chinaware, decorated; vitrified hotel china; roll edge (decoration same as foreign); 8¼-inch plates, dozen			$7.95

PAGE NO. 36, PARAGRAPH NO. 213, LINES NOS. 3, 5, AND 6.

Foreign merchandise: Decorated china; vitrified china; hard-glost fire; nonabsorbent dinner ware; decalcomania sprays, set	$21.09		
Domestic merchandise: Decorated china; vitrified china; soft-glost fire; nonabsorbent dinner ware; decalcomania sprays, set			$39.03
Foreign merchandise: Decorated china; vitrified china; hard-glost fire; nonabsorbent dinner ware, set	23.73		
Domestic merchandise: Decorated china; vitrified china; soft-glost fire; nonabsorbent dinner ware; decalcomania sprays, set			42.93
Foreign merchandise: Decorated china; decalcomania sprays; liquid gold egde; with one-half matched handles, set	33.61		
Domestic merchandise: Decorated china; decalcomania sprays; liquid gold edge; with detailed handles, set			46.88

REMARKS: No change in price of domestic articles since August, 1921. No reply received from domestic manufacturer. Information furnished by prominent New York dealer.

Typical merchandise covered by valuation investigation report, etc.—Con.

INVESTIGATOR NO. 35—CONTINUED.

PAGE NO. 36, PARAGRAPH NO 213, LINES NO 7, 8, AND 9.

	Landed cost of imported article, including duty.	If no comparable article give domestic selling price of imported article.	Actual selling price of comparable domestic article.
Foreign merchandise: Decorated china; decalcomania sprays; liquid gold edge; detailed handles, set	$20.43		
Domestic merchandise: Decorated china; decalcomania sprays; liquid gold edge; with detailed handles, set			$39.52
Foreign merchandise: Decorated china; decalcomania sprays; liquid gold edge; detailed handles, set	18.68		
Domestic merchandise: Decorated china; decalcomania sprays; liquid gold edge; with detailed handles, set			32.93
Foreign merchandise: Decorated china; decalcomania sprays; liquid gold edge; detailed handles, set	13.90		
Domestic merchandise: Decorated china; decalcomania sprays; liquid gold edge; with detailed handles, set			32.93

REMARKS: No change in price of domestic articles since August, 1921. No reply received from domestic manufacturer. Information furnished by prominent New York dealer.

PAGE NO. 36, PARAGRAPH NO. 213, LINES NOS. 10 AND 11.

Foreign merchandise: Decorated china; decalcomania sprays; liquid gold edge; with one-half mat. handles, set	$19.54		
Domestic merchandise: Decorated china; decalcomania sprays; liquid gold edge; with detailed handles, set			$40.30
Foreign merchandise: Decorated china; decalcomania sprays; liquid gold edge; with one-half mat. handles, set	$18.69		
Domestic merchandise: Decorated china; decalcomania sprays; liquid gold edge; with detailed handles, set			35.90

REMARKS.—No change in price of domestic articles since August, 1921. No reply received from domestic manufacturer. Information furnished by prominent New York dealer.

PAGE NO. 38, PARAGRAPH NO. 213, LINE NO. 13.

Foreign merchandise: China, decorated; vitrified china body; hard glost fire; nonabsorbent (short line or scheme trade china); very inferior quality; decalcomania border; liquid gold edge; tea cup and saucer, dozen	$1.43		
Domestic merchandise: China, decorated; vitrified china; body soft glost fire; nonabsorbent; dinnerware; decalcomania border; liquid gold edge; tea cup and saucer, dozen			$1.90

REMARKS: Landed cost and selling price of imported article increased since Aug. 1, 1921.
No change in price of domestic article.
Note typographical error in Reynolds report of Aug. 1, 1921, price whereby the selling price of domestic article reported comparable, reading $38.90, should read $1.90.

Mr. SIMMONS. I am advised by the experts, however, who have examined this for me, that some of the landed costs, as given in this letter, are decidedly lower than the prices fixed in the Reynolds report.

I do not wish to prolong this discussion, and I am perfectly willing that we shall have a vote.

Mr. McCUMBER. Mr. President, I wish to prolong it just one minute, and I want the Senator's attention, too, while I prolong it. I will see whether the Senator from North Dakota has difficulty in squeezing out of any hard position, or whether that can better be said of the Senator from North Carolina.

I have given here, and am going to give again, the report of the appraisers. The Senator from New Mexico [Mr. JONES] may ridicule the appraisers; the Senator from North Carolina may intimate that they have made a false report, or that they

do not know what they are doing; but let me tell the Senator that the committee asked these appraisers for an up-to-date report upon some of this china that is coming in, and has been coming in lately, not in August, 1921, but right up to date. Whom did we ask to look after that? We asked Mr. Davis. The Senator knows him. The Senator knows he is an honest man. The Senator knows he is a qualified man. The Senator had him as an assistant in making the Underwood-Simmons bill, and the Senator has often complimented him, and I think that he was a splendid man to get this matter for us.

Whom did we ask to make the reports which he reviewed, and reviewed carefully? Remember, Mr. Davis was in the customs valuation division, and has been there for a great many years. The men who gave us the data upon these importations are Max Teuscher, of New York, and Mr. Koch, of Baltimore, both experts in the matter of appraising chinaware and earthenware. Those people have not made a false report to the committee, and I have not presented figures here based upon any report that is not absolutely reliable and true to the penny.

Mr. SIMMONS. Let me ask the Senator a question. Did not your committee have Mr. Davis with you all the time when you were writing these schedules? Did he then give you any information that supports this statement?

Mr. McCUMBER. Remember that the bill was reported some time ago. We have the data right up to date. The Senator was reading from the Reynolds report, which he says is so ancient that it is not reliable. That statement has been made upon the floor again and again. So, since this debate began, we asked them to try to get us something right up to date upon this schedule, and that is what we have, and I am going to read it to the Senator. It does not make any difference whether we had it before or whether we have it now; the question is, is it true or false?

Mr. SIMMONS. Will the Senator permit an interruption?

Mr. McCUMBER. Certainly, if the Senator desires to ask me a question.

Mr. SIMMONS. The Senator says that the Reynolds report has been characterized as ancient. It was made last August, and I have said, and said repeatedly, and I say again, that the prices of the German products which are imported into this country have risen very materially since the Reynolds report was made. I got that information in the first instance from Mr. Davis.

Mr. McCUMBER. Yes; and I agree with him; but that does not change these figures

Mr. SIMMONS. The Senator is now contending, as I understand him, that German prices are less than they were last August.

Mr. McCUMBER. I am not contending anything of the kind. Do not try to squeeze out with that kind of an excuse. I am contending that these figures, furnished right up to date by the appraisers, are true, and they speak for themselves. I am contending that they are not false, and I am going to put them into the record now, one at a time, and let them soak in.

Mr. SIMMONS. I will ask the Senator, if he is satisfied that that is a true statement with reference to German imports, whether he does not think he had better rewrite his bill?

Mr. McCUMBER. I am satisfied with the bill as it now is, and I think the Senator from North Carolina ought to be satisfied with it when he compares the figures with those in his own bill.

I have stated who the appraisers were. I have given the Senator the name of Mr. Davis, the statistician and the expert upon this subject, whom we all trust. Here is the data with relation to white china tableware. He gives the manufacturer's name, which I will not try to pronounce. He gives the number of the consular invoice, which is 1408. He gives the date, which is March 20, 1922. He gives the invoice export price, which is $908.35. He gives the home price at that date, which was $218; and he shows that the export price exceeds the home price by 316 per cent.

If it was imported from Germany at 316 per cent above the German home price it was sold in this country for more than that, was it not? They did not bring it over here and give it away. It sold in this country for at least that much above the home price in Germany—that is, 316 per cent more than the profitable price in their home country. What does the Simmons-Underwood law ask of them in the shape of a duty? That law levies a duty of 50 per cent, and I want the Senator's attention to this. Is that all right? Is it proper that they should pay 50 per cent under the law fathered by the Senator from North Carolina?

When the importer makes 316 per cent, I contend that he ought to be willing to pay 50 per cent for the privilege of the American market, which gives him 316 per cent over his home market. The Senator says that is all right, because it is in his bill. We said, instead of 50 per cent, that they must pay 60 per cent, and now the Senator says that is monstrous. Fifty cents taken out of 316 cents is all right, a splendid provision, but 60 cents taken out of 316 cents is monstrous and ought to be condemned. I think the Senator ought to find something else besides that to criticize.

Let us consider decorated china. Here are some figures of a shipment by F. Thomas Zeb Schezer & Co. The consular invoice number is 2429. If the Senator thinks that the appraisers have made a false report, he can go and examine the consular invoice number. The invoice date is March 18, 1922. That was invoiced for export at $383.61. The home value was $88.23. That was 335 per cent in excess of the home value.

The Simmons bill levied a tax of 55 cents upon that 335 cents, and the Senator says that is all right; and it is. We would take 70 cents out of that 335 cents, and the Senator says that is monstrous. I do not think it is. I think both of them are all right, and if the Senator had known when he wrote his bill that conditions would so change that they could import into this country and make such enormous profits, then, from the standpoint of revenue only, he would have asked a bigger rate, just as we have done. I do not think either of the bills is subject to criticism because of that.

The point I want to make is that the statement is true; that they are coming in at this rate; and coming in at this rate, leaving protection out of consideration, for the privilege of such a splendid market for such a cheap product in the home country they ought to be willing to pay the revenue rate we have fixed in this bill, whether it means protection or not.

I have not stated what the Senator said I stated, that we could not produce this article in this country for less than four times what it costs in Germany. I will agree with the Senator that the German low cost of production can not possibly get any lower and human beings live. I believe it is going to rise. I further believe that ours will come down, and when they do come down and the other rises to more of a normal condition, probably this duty will fairly protect us.

Of course, there will be a great many articles coming in in great quantities, and that is what I am pleading for in regard to this. The Senator is mistaken when he assumes this is not true, because it comes from the very best source, and comes with a statement of the experts in valuation, and with the numbers of the invoices, and everything connected with it.

We have been a long time on this one little item—from 11 until 7 o'clock, eight hours—and we have not gotten one vote as yet.

Mr. SIMMONS. Mr. President, just a word. With reference to Mr. Davis. I would not say one word of criticism. I would only say that Mr. Davis was with the Finance Committee during all of its secret sessions, participating in the making of these rates, and I am sure that he did not disclose to the Finance Committee any such situation as the Senator now says exists. He came over to me and spent a couple of days with me after the Finance Committee had reported this bill, and the only information he gave me about the German situation was that the Reynolds report was based upon values of August, 1921, and that the selling prices of the German product in this market and in the German market since that time had greatly increased. My recollection is that he said in many instances it had increased as much as 50 per cent.

We had a report from the Federal Reserve Board, which I read into the record some time ago, which indicated that in one month—the month of February or March of this year—the German selling prices in foreign countries had advanced 20 per cent.

The Finance Committee gave the most thorough consideration to the Reynolds report. Most of its rates are based upon the Reynolds report, and now we are to understand that the Reynolds report is entirely wrong, that it does not reflect the prices of German products exported into this country at all, that the German domestic prices should have been stated as one-third or one-half of the prices stated in the Reynolds report and lower than the German prices upon which the committee fixed its rates.

I say it is a most remarkable situation, if credence is to be given to it. I know myself that there is some mistake about it. I do not attack Mr. Davis's credibility. I think every Senator on the other side of the Chamber knows that these figures do not reflect the situation.

The Senator says that the Underwood rate was 50 per cent on one class of this earthenware and that he only added 10 per cent, making it 60 per cent; that the other rate was 55 per cent in the Underwood bill, and they only increase that to 70 per cent; in other words, that an increase in duty adding 10

per cent and 15 per cent is not worthy of consideration by the American people, who have to pay the taxes.

This is a much more moderate increase than the ordinary increases in the bill over the rates in the Underwood law. This is a case where they have not increased the Underwood rates in very great amount compared with the increases they have made in their bill as a whole. Taking the bill as a whole, they have doubled the Underwood rates; in many instances they have trebled the Underwood rates, and in some instances they have even gone higher than that. Here we have a product, shown by the figures I gave a little while ago as furnished me by the Treasury Department, many grades of which are not produced in this country at all, with no comparable product at all in this country, and in some of the instances it is shown that by the addition of the Underwood duty to it the selling price of that product in the American market is higher than the selling price of the American product.

The data I gave related to some 25 or 30 articles. If anyone can take that data, furnished to me by the Treasury Department, and say there is any necessity for any higher rate than is proposed in the Underwood law, I would be glad to have him do it. If we have a present rate that is sufficient to bring about absolute parity in competitive conditions in this country between foreign and domestic products, why should that rate be raised? Is this a time when the people of the United States should be made to pay heavier taxes than are necessary to accomplish a policy, whether it be a policy of the Republican Party or a policy of the Democratic Party?

But, Mr. President, I want to say to the Senator from North Dakota, if he believed that the facts which he gave here to-day reflected the conditions of competition between this country and Germany, if Senators on the other side of the Chamber believed it, there is not one of them who would not say, "If we are to protect ourselves against German competition, assuming these conditions to exist, then our rates ought to be jacked up from 100 to 200 per cent or even as high as 300 per cent greater than they are now." I can not understand why the Senator presenting this argument and making this contention does not instantly say, "I believe to be true. Believing this to reflect conditions in the German market, believing this to be a true statement of the German cost of production, the bill which we have presented here, based upon the Reynolds report, has a false basis. It will not accomplish its purpose. It will not afford the relief that the industries of the country are demanding. It will not protect them from ruin by German importations. The bill must be withdrawn and rewritten."

I desire to ask the Senator from Kansas [Mr. CURTIS] if he wants to withdraw the bill to rewrite it in order to meet German conditions such as the Senator from North Dakota has said exists?

Mr. CURTIS. Mr. President, we shall stand by the bill as we reported it.

Mr. SIMMONS. Yes; and when you stand by the bill as you have reported it, you say in effect that you have no confidence in the figures which the Senator from North Dakota has given to the Senate. If you had confidence in them, if you believed they reflected a true situation, the clock would not strike another hour before your bill would be back in the Committee on Finance and your rates would be jacked up 100 or 200 or even 300 per cent.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. JONES] to the amendment of the committee.

Mr. SIMMONS. Let us have the yeas and nays.

The yeas and nays were ordered.

Mr. WALSH of Massachusetts. May we have the amendment to the amendment reported?

The VICE PRESIDENT. The amendment to the amendment will be read for the information of the Senate.

The READING CLERK. In paragraph 212, page 36, line 12, in the committee amendment strike out "45" and insert "35," so as to read:

Earthenware and crockery ware composed of a nonvitrified absorbent body, including white granite and semiporcelain earthenware, and cream-colored ware, and stoneware, including clock cases with or without movements, pill tiles, plaques, ornaments, toys, charms, vases, statues, statuettes, mugs, cups, steins, lamps, and all other articles composed wholly or in chief value of such ware; plain white, plain yellow, plain brown, plain red, or plain black, not painted, colored, tinted, stained, enameled, gilded, printed, ornamented, or decorated in any manner, and manufactures in chief value of such ware not specially provided for, 35 per cent ad valorem.

The reading clerk proceeded to call the roll.

Mr. MOSES (when Mr. KEYES's name was called). I am authorized by my colleague [Mr. KEYES], who is absent on account of illness, to state that if present he would vote "nay" on this amendment to the amendment.

Mr. LODGE (when his name was called). Transferring my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the senior Senator from Minnesota [Mr. NELSON], I vote "nay."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Maryland [Mr. WELLER], and vote "nay." I ask that this announcement of my transfer may stand for the balance of the day.

Mr. McKINLEY (when his name was called). I have a general pair with the junior Senator from Arkansas [Mr. CARAWAY]. I transfer that pair to the junior Senator from South Dakota [Mr. NORBECK], and vote "nay."

Mr. PHIPPS (when his name was called). I have a pair with the junior Senator from South Carolina [Mr. DIAL], which I transfer to the junior Senator from Delaware [Mr. DU PONT], and vote "nay."

Mr. SUTHERLAND (when his name was called). I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Oklahoma [Mr. HARREL] and vote "nay."

Mr. CURTIS (when Mr. WILLIS's name was called). I was requested to announce that the junior Senator from Ohio [Mr. WILLIS] is paired with the senior Senator from Ohio [Mr. POMERENE].

The roll call was concluded.

Mr. JONES of Washington. The senior Senator from Virginia [Mr. SWANSON] is necessarily absent and asked me to take care of him with a pair for the evening. However, I find that I can transfer that pair to the junior Senator from New Hampshire [Mr. KEYES], which I do, and vote "nay."

Mr. FRELINGHUYSEN. I have a general pair with the senior Senator from Montana [Mr. WALSH]. I transfer that pair to the junior Senator from Idaho [Mr. GOODING] and vote "nay."

Mr. HALE (after having voted in the negative). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Colorado [Mr. NICHOLSON] and allow my vote to stand.

Mr. BALL. I have a general pair with the senior Senator from Florida [Mr. FLETCHER]. I transfer that pair to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. JONES of New Mexico. I desire to announce the transfer of my general pair with the Senator from Maine [Mr. FERNALD] to the senior Senator from Missouri [Mr. REED]. I ask that this announcement may stand for the remainder of the calendar day. On this question I vote "yea."

Mr. CURTIS. I was requested to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The junior Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 13, nays 39, as follows:

YEAS—13.

Ashurst	Jones, N. Mex.	Sheppard	Walsh, Mass.
Borah	La Follette	Simmons	
Harris	Overman	Smith	
Harrison	Pittman	Stanley	

NAYS—39.

Ball	France	McCumber	Rawson
Brandegee	Frelinghuysen	McKinley	Shortridge
Broussard	Hale	McLean	Smoot
Bursum	Johnson	McNary	Spencer
Calder	Jones, Wash.	Moses	Sterling
Capper	Kellogg	Newberry	Sutherland
Cummins	Kendrick	Oddie	Townsend
Curtis	Ladd	Page	Wadsworth
Elkins	Lenroot	Pepper	Warren
Ernst	Lodge	Phipps	

NOT VOTING—44.

Cameron	Gerry	Nelson	Shields
Caraway	Glass	New	Stanfield
Colt	Gooding	Nicholson	Swanson
Crow	Harreld	Norbeck	Trammell
Culberson	Heflin	Norris	Underwood
Dial	Hitchcock	Owen	Walsh, Mont.
Dillingham	Keyes	Poindexter	Watson, Ga.
du Pont	King	Pomerene	Watson, Ind.
Edge	McCormick	Ransdell	Weller
Fernald	McKellar	Reed	Williams
Fletcher	Myers	Robinson	Willis

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 36, line 12, to strike out the word "if."

The amendment was agreed to.

The next amendment was, on page 36, line 13, to strike out the words "or ornamented" and insert the word "ornamented" and a comma.

The amendment was agreed to.

The next amendment was, on page 36, line 15, to strike out "28" and insert "50," so as to read:

Painted, colored, tinted, stained, enameled, gilded, printed, ornamented, or decorated in any manner, and manufactures in chief value of such ware, not specially provided for, 50 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, in line 15 I move to strike out the numerals "50" and insert in lieu thereof "40."

The VICE PRESIDENT. The amendment will be stated.

The READING CLERK. On page 36, line 15, strike out of the committee amendment the numerals "50" and insert the numerals "40."

Mr. JONES of New Mexico. Upon that I ask for the yeas and nays.

The yeas and nays were ordered and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "nay."

The PRESIDING OFFICER (when the name of Mr. JONES of Washington was called). The present occupant of the chair makes the same announcement as before with reference to his pair and its transfer, and votes "nay."

Mr. MOSES (when the name of Mr. KEYES was called). My colleague [Mr. KEYES] authorized me to state that, if present, he would vote "nay" upon this question.

Mr. LODGE (when his name was called). Making the same announcement as to the transfer of my pair as before, I vote "nay."

Mr. MCKINLEY (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "nay."

Mr. PHIPPS (when his name was called). Making the same announcement as before as to the transfer of my pair, I vote "nay."

The roll call was concluded.

Mr. SUTHERLAND. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. BALL. Making the same announcement as heretofore with reference to my pair and its transfer, I vote "nay."

Mr. FRELINGHUYSEN. I transfer my general pair with the Senator from Montana [Mr. WALSH] to the Senator from Pennsylvania [Mr. CROW], and vote "nay."

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

The result was announced—yeas 10, nays 40, as follows:

YEAS—10.

Borah	Jones, N. Mex.	Sheppard	Walsh, Mass.
Harris	La Follette	Simmons	
Harrison	Pittman	Stanley	

NAYS—40.

Ball	France	Lodge	Phipps
Brandegee	Frelinghuysen	McCumber	Rawson
Broussard	Gooding	McKinley	Shortridge
Bursum	Hale	McLean	Smoot
Calder	Johnson	McNary	Spencer
Capper	Jones, Wash.	Moses	Sterling
Cummins	Kellogg	Newberry	Sutherland
Curtis	Kendrick	Oddie	Townsend
Elkins	Ladd	Page	Wadsworth
Ernst	Lenroot	Pepper	Warren

NOT VOTING—46.

Ashurst	Culberson	Fernald	Heflin
Cameron	Dial	Fletcher	Hitchcock
Caraway	Dillingham	Gerry	Keyes
Colt	du Pont	Glass	King
Crow	Edge	Harreld	McCormick
McKellar	Overman	Shields	Watson, Ga.
Myers	Owen	Smith	Watson, Ind.
Nelson	Poindexter	Stanfield	Weller
New	Pomerene	Swanson	Williams
Nicholson	Ransdell	Trammell	Willis
Norbeck	Reed	Underwood	
Norris	Robinson	Walsh, Mont.	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment of the Committee on Finance passed over was on page 36, line 22, after the word "plaques," to insert "pill tiles."

The amendment was agreed to.

The next amendment of the Committee on Finance was on page 37, line 1, before the word "plain," to strike out the word "if."

The amendment was agreed to.

The next amendment of the Committee on Finance was on page 37, line 4, before the words "per centum," to strike out the numerals "35" and to insert the numerals "60"; so as to read:

PAR. 213. China, porcelain, and other vitrified wares, including chemical porcelain ware and chemical stoneware, composed of a vitrified nonabsorbent body which when broken shows a vitrified or vitreous, or semivitrified or semivitreous fracture, and all bisque and parian wares, including clock cases with or without movements, plaques, pill tiles, ornaments, toys, charms, vases, statues, statuettes, mugs, cups, steins, lamps, and all other articles composed wholly or in chief value of such ware, plain white, or plain brown, not painted, colored, tinted, stained, enameled, gilded, printed, or ornamented or decorated in any manner, and manufactures in chief value of such ware not specially provided for, 60 per cent ad valorem.

Mr. JONES of New Mexico. I move to substitute the numerals "50" for the numerals "60" in the committee amendment, and upon the amendment to the amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "nay."

Mr. HALE (when his name was called). Transferring my pair to the Senator from Oregon [Mr. STANFIELD], I vote "nay."

The PRESIDING OFFICER (when the name of Mr. JONES of Washington was called). Making the same announcement as before with reference to his pair and its transfer, the present occupant of the chair votes "nay." The present occupant of the chair will let that announcement stand for the evening.

Mr. MOSES (when the name of Mr. KEYES was called). I am authorized by my colleague, the junior Senator from New Hampshire [Mr. KEYES], to state that if he were present, he would vote "nay" upon this amendment.

Mr. MCKINLEY (when his name was called). Making the same announcement as before with reference to my pair and its transfer, which announcement I ask may stand for the evening, I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement with reference to the transfer of my pair as before, I vote "nay."

The roll call was concluded.

Mr. PHIPPS. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. BALL. Making the same announcement as to the transfer of my pair as on the previous vote, I vote "nay."

Mr. LODGE. Making the same announcement with reference to my pair and its transfer as heretofore, I vote "nay."

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

Mr. OVERMAN (after having voted in the affirmative). I transfer my pair with the Senator from Wyoming [Mr. WARREN] to the Senator from Nebraska [Mr. HITCHCOCK], and allow my vote to stand.

The result was announced—yeas 11, nays 39, as follows:

YEAS—11.

Ashurst	Jones, N. Mex.	Sheppard	Stanley
Harris	Overman	Simmons	Walsh, Mass.
Harrison	Pittman	Smith	

NAYS—39.

Ball	France	McCumber	Phipps
Brandegee	Frelinghuysen	McKinley	Rawson
Broussard	Gooding	McLean	Shortridge
Bursum	Hale	McNary	Smoot
Calder	Jones, Wash.	Moses	Spencer
Capper	Kellogg	Newberry	Sterling
Cummins	Kendrick	Nicholson	Sutherland
Curtis	Ladd	Oddie	Townsend
Elkins	Lenroot	Page	Wadsworth
Ernst	Lodge	Pepper	

NOT VOTING—46.

Borah	Gerry	Nelson	Swanson
Cameron	Glass	New	Trammell
Caraway	Harreld	Norbeck	Underwood
Colt	Heflin	Norris	Walsh, Mont.
Crow	Hitchcock	Owen	Warren
Culberson	Johnson	Poindexter	Watson, Ga.
Dial	Keyes	Pomerene	Watson, Ind.
Dillingham	King	Ransdell	Weller
du Pont	La Follette	Reed	Williams
Edge	McCormick	Robinson	Willis
Fernald	McKellar	Shields	
Fletcher	Myers	Stanfield	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

Mr. JONES of New Mexico. Mr. President, I am going to move to substitute the rate of the Payne-Aldrich bill. I move that the numerals "60," in line 4, page 37, be changed to "55."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. On page 37, line 4, in the committee amendment, it is proposed to strike out "60" and to insert in lieu thereof "55."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The READING CLERK. On the same page, line 5, it is proposed to strike out the word "if."

The amendment was agreed to.

Mr. SIMMONS. Mr. President, I want to call attention to the fact that we did not spend an hour and a half in discussing the amendment to strike out "if," but that we agreed to it in less than a minute's time.

Mr. SMOOT. I want to call attention to the fact that we have had two days' discussion on it already.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The READING CLERK. On page 37, line 8, it is proposed to strike out "40" and insert "70," so as to read:

Painted, colored, tinted, stained, enameled, gilded, printed, or ornamented or decorated in any manner, and manufactures in chief value of such ware not specially provided for, 70 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I move to amend the committee amendment by striking out "70" and inserting "60."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

The amendment was agreed to.

Mr. JONES of New Mexico. Mr. President, as to paragraphs 212 and 213, I will ask for separate votes on these amendments when the bill gets into the Senate.

Mr. SMOOT. Mr. President, I understand, as to the glass schedules—both glass bottles and glassware and cylinder glass and polished glass and plate glass—that the Senator from New Mexico [Mr. JONES] desires that they go over until to-morrow.

Mr. JONES of New Mexico. Mr. President, I may say that the Senator from New Jersey [Mr. FRELINGHUYSEN] is interested in the glassware paragraphs, and he and I conferred about the matter, and I suppose that it may be considered as a joint request that they go over until next week.

Mr. SMOOT. The reason why I said what I did is that the Senator said that if we really wanted to go on with the glass schedules to-night, he would; and, as the Senator knows, it does not make any difference whether he wants to or not; I am going to respect the wishes of the Senator.

Mr. JONES of New Mexico. Very well. I should like myself to have the matter go over. I certainly would not care to take it up to-day.

Mr. SMOOT. Then I ask to take up paragraph 226—lenses.

Mr. JONES of New Mexico. May I ask whether paragraph 214 has been disposed of?

The PRESIDING OFFICER. The clerks at the desk inform the Chair that paragraph 214 has been agreed to.

Mr. SMOOT. The lens paragraph might as well go over with all the others. I will ask to take up the metal schedule, beginning with paragraph 301.

The PRESIDING OFFICER. The Senator from Utah asks that the Senate proceed to consider the metal schedule.

Mr. SIMMONS. Mr. President, I want to say that the Senator from Alabama [Mr. UNDERWOOD] is prepared to discuss the first six or seven or eight paragraphs of the metal schedule. He left here, saying that he would get back by 8 o'clock. I will have him telephoned for at once, but I should not like to have those paragraphs taken up in his absence, and I suggest to the Senator from Utah that if he wishes he can take up lenses.

Mr. SMOOT. I thought that paragraph would go in with the glass paragraphs, and a request has been made to let them all go over.

Mr. SIMMONS. Very well.

Mr. JONES of New Mexico. That paragraph will not involve the same questions which I care to discuss.

Mr. SMOOT. No; but if we are going to let any of them go over we ought to let them all go over, because I think the Senator from New Jersey is interested in this paragraph, being a special industry and a new industry in the country.

Mr. President, we can not proceed with paragraph 229, incandescent electric-light bulbs, until we take up paragraph 218, because incandescent electric-light bulbs have been transferred to that paragraph, and a request has been made that that go over. I do not know what else we can do.

Mr. FRELINGHUYSEN. Mr. President, I should like to ask the Senator from Utah or the chairman of the committee—he and the chairman are conferring on these questions—when they propose to take up the dye paragraph?

Mr. SMOOT. Mr. President, we can hardly do that until the junior Senator from Utah [Mr. KING] is well enough to come to the Chamber.

Mr. FRELINGHUYSEN. What report is there on the condition of health of the junior Senator from Utah?

Mr. SMOOT. I really have none.

The PRESIDING OFFICER. The Chair has no information on that subject.

Mr. SIMMONS. I am not able to answer the Senator definitely, but I was informed that the Senator from Utah expected to be in the Chamber on Friday.

Mr. FRELINGHUYSEN. Mr. President, that paragraph is of great interest to my State. It has been passed over in the chemical schedule, and my information is that the junior Senator from Utah has recovered. Is there any way of ascertaining when an agreement can be reached to take up that paragraph?

Mr. SIMMONS. I would suggest to the Senator that he call up the Senator from Utah and make inquiry, or I will do it if the Senator does not desire to do so.

Mr. FRELINGHUYSEN. If the Senator is willing to do that and can give me some assurance, I should like to know.

Mr. SIMMONS. I will do it immediately, and ascertain.

Mr. FRELINGHUYSEN. Will the Senator ask if the Senator from Utah is willing to take it up some fixed day next week, say Monday or Tuesday?

Mr. SIMMONS. I think there will be no trouble about taking it up some day next week. I think we can take it up to-morrow, if that will suit the convenience of the Senator from New Jersey. I think the Senator from Utah will be here to-morrow. I have been so advised.

Mr. FRELINGHUYSEN. I can not be here to-morrow.

Mr. SIMMONS. Then we can take it up next week, I think.

Mr. SMOOT. To-morrow we have cyanide and magnesite, and before we can dispose of fire brick we must dispose of magnesite.

Mr. LA FOLLETTE. Magnesite will take some time.

Mr. SMOOT. Some time.

Mr. SIMMONS. I assure the Senator from New Jersey that, so far as I am concerned, I am anxious to accommodate every Senator as far as possible. I have had no word from the Senator from Utah [Mr. KING], but I was told that he expected to be in the Chamber to-morrow. I think that paragraph has

been marked to be taken up to-morrow, but if the Senator from New Jersey is going to be away I can say to him that I am sure the Senator from Utah [Mr. KING], if he is present, will not take it up until he returns.

Mr. FRELINGHUYSEN. I should like, if it can be arranged, to have some definite understanding as to when it will be reached. The Senator asked for a postponement of three days. He was undoubtedly ill. I understood that it would be taken up immediately after his return, and that he would return in three days. In preparing for that the expert on dyes has been ready, and the papers are all here, and they are voluminous; and if we are to have a debate on it I should like to know when the Senator from Utah can definitely take it up. Of course, if he is not able to go on with it at present I do not want to take it up until he returns.

Mr. SIMMONS. I have requested the operator to call up the Senator from Utah.

Mr. SMOOT. Did I understand the Senator from New Jersey to say that he can not be here to-morrow?

Mr. FRELINGHUYSEN. No; I can not. I should like to take it up Monday morning.

Mr. SIMMONS. I think we can agree to take it up Monday morning.

Mr. SMOOT. Let it be understood that unless something unforeseen happens we will take up dyes on Monday morning.

Mr. SIMMONS. I wish to say that, of course, if the Senator from Utah [Mr. KING] is not ready at that time I should feel that it would be doing him a great injustice to take up the question in his absence.

Mr. SMOOT. Oh, the Senator knows that if he is ill there will be no doubt about its going over.

Mr. LA FOLLETTE. Certainly not.

Mr. SMOOT. I want to ask the Senator from North Carolina if there is any objection to taking up paragraph 319 or paragraph 320?

Mr. SIMMONS. What are they about?

Mr. SMOOT. Iron or steel anchors and parts thereof, and electric storage batteries and parts thereof. They are not the regular steel paragraphs, but they are special items in the iron and steel schedule.

Mr. SIMMONS. Mr. President, I should like to do anything I can to accommodate the Senator from Utah and facilitate action here, but I doubt very much whether there is anyone here who has given any consideration to that matter, because we were not expecting the metal schedule to be reached to-night.

Mr. SMOOT. Of course, we expected to take up magnesite to-day, but it is so late in the evening that the Senator from Washington [Mr. POINDEXTER], having just come out of a hospital, felt that it was unwise on his part to remain here and spend the evening in the discussion of this matter. I was wondering whether there was anyone else who can begin the discussion on magnesite. If there is, we will take it up to-night.

Mr. SIMMONS. I can not answer the Senator right now, but if the Senator wants to take it up I will do my best myself; but I thought we might take up lenses.

Mr. SMOOT. I do not want to force the Senator to take up the question merely in order to use up time.

Mr. SIMMONS. I have not examined it at all, and I am not able to tell the Senator in the absence of the Senator from New Mexico, who has charge of this schedule. Could not the Senator take up the matter of lenses that I spoke about? I shall take some little time to discuss that matter.

Mr. SMOOT. Then, Mr. President, until the Senator from New Mexico comes, the Senator from North Carolina can discuss lenses.

Mr. SIMMONS. What is the paragraph?

Mr. SMOOT. The paragraph is 226. I ask that paragraph 226 be taken up at this time.

The PRESIDING OFFICER. Without objection, paragraph 226 will be taken up. The Secretary will state the amendment of the committee.

The READING CLERK. On page 45, paragraph 226, line 12, it is proposed to strike out "40" and insert "60," so as to read:

Lenses of glass or pebble, molded or pressed, or ground and polished to a spherical, cylindrical, or prismatic form, and ground and polished plano or coquill glasses, wholly or partly manufactured, with the edges unground, 60 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. SIMMONS obtained the floor.

Mr. SMOOT. Mr. President, before the Senator proceeds to the consideration of the item, I want to give notice that the 60 per cent rate on lenses will be reduced somewhat to make it conform to the changes made in the optical glass provision the other night.

Mr. SIMMONS. What reduction will the Senator propose?

Mr. SMOOT. I think it will be 50 per cent instead of 60 per cent; but I will have to figure it out. I want to equalize it, and I think it will be 50 instead of 60; but the Senator can continue his remarks. I simply wanted to make that announcement at this time.

Mr. SIMMONS. The rate fixed on lenses of glass or pebble, molded or pressed, or ground and polished to a spherical, cylindrical, or prismatic form, and ground and polished plano, and so on, is 60 per cent, instead of 40 per cent, as provided in the present law. The Senator from Utah says that that rate may be reduced to 50 per cent.

Mr. SMOOT. I think that is the differential.

Mr. SIMMONS. On the same lenses, with the edges ground or beveled, the rate is 10 cents per dozen pairs and 55 per cent ad valorem; on strips of glass not more than 3 inches wide, ground or polished on one or both sides to a cylindrical or prismatic form, including those used in the construction of gauges, and glass slides for magic lanterns, 55 per cent ad valorem.

The highest rate is that with reference to lenses of glass with the edges ground or beveled, 10 cents per dozen pairs and 55 per cent ad valorem. I would like to ask the Senator from Utah if he can advise me what will be the ad valorem equivalent of the 10 cents per dozen pairs?

Mr. SMOOT. Is the Senator speaking of the Payne-Aldrich law or of this bill?

Mr. SIMMONS. Of this bill.

Mr. SMOOT. The equivalent will be about 47 per cent.

Mr. SIMMONS. That would make the total duty, then, 47 per cent plus 55 per cent?

Mr. SMOOT. No; the 10 cents is equivalent to only about 2 or 3 per cent ad valorem, so that it would bring the rate up to 51 per cent.

Mr. SIMMONS. You have fixed the rate at 10 cents a dozen pair, plus 55 per cent ad valorem.

Mr. SMOOT. Ten cents per dozen pair would amount to from 2 to 6 per cent ad valorem. In other words, the higher would be 6 and the lower 2, so it would be from 47 to 51 per cent.

Mr. SIMMONS. Mr. President, the Reynolds report and the reports of the Tariff Commission were somewhat discredited this afternoon in a discussion emanating from the other side of the Chamber; but I have no information about this matter except that which I can obtain from the Tariff Commission reports. They say:

Lenses of glass are fashioned from rough optical glass and used chiefly in the manufacture of scientific, professional, and optical instruments and goods.

A pebble lens is a spectacle lens made of rock crystal, which is harder than glass.

The Tariff Commission further says:

Production figures for the particular items in paragraph 226 are not available, because part or parts of each are reported under "Instruments, professional and scientific," and "Optical goods." Statistics for these industries are as follows—

I wish to call the attention of the Senate to these figures. They give the number of establishments making these professional and scientific instruments and the number of establishments making optical goods from 1914 to 1919. Then they give the value of these products.

In 1914 there were 307 establishments making professional and scientific instruments using these lenses, and there were in that year 314 establishments making optical goods. In 1919 the number of establishments making instruments, professional and scientific, had increased from 307 to 350, and the number making optical goods had increased from 314 to 506.

I especially desire the attention of the four Senators who are now on the Republican side to the value of the product.

Mr. SMOOT. And the four on the Democratic side.

Mr. SIMMONS. And the three besides myself on this side of the Chamber. In 1914 there were produced in this country professional and scientific instruments amounting to $17,495,000 in value. Of optical goods, in that year there were $18,188,000 worth produced. In 1919 there were produced in this country professional and scientific instruments of the value of $58,135,000. Of optical goods there were produced $53,718,000 worth. So that nearly $114,000,000 worth of these goods were produced in this country in 1919, and I call attention to the fact that the production seems to be increasing very rapidly. During the period elapsing between 1914 and 1919 the increase was between 200 and 300 per cent.

I desire to call especially the attention of the Senator from South Carolina [Mr. SMITH] and the Senator from Arizona [Mr. ASHURST] to what I am now stating. With a production in this country of these products in 1919 of $114,000,000, the imports for 1917, which is the last year for which figures are given,

amounted to only $40,971. In 1914 they amounted to $169,000, in round numbers; in 1915 they amounted to $120,000; in 1916 they amounted to $54,000; and in 1917, growing less all the time, they amounted to $40,971, against a production of $114,000,000.

This report says that exports are not recorded. I expect the exports are pretty heavy. With declining imports, with imports going down until they are $40,000, with a production of $114,000,000 in this country, I can not understand why we need from 50 to 60 per cent protection in order that the American producer may live.

I have said all I desire to say, and I invite the Senator from Utah to give the Senate and to give the country some reason why he thinks that with a production of $114,000,000 of these products and an importation constantly decreasing, only $40,000 in 1917, we ought to put a duty of 60 per cent on this in order to prevent these importations from destroying the American industry engaged in the production of these items.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. SIMMONS. Is the Senator from Utah ready to give that information? We might just as well get rid of this now while we are on it. It will take only a few minutes, if the Senator can enlighten the Senate about that.

Mr. SMOOT. I prefer now to take up paragraph 301, and I ask that we proceed to the consideration of that paragraph.

Mr. SIMMONS. Is the Senator proposing to drop this item just as we were about to conclude it?

Mr. SMOOT. I know it is very painful to the Senator, but I am going to ask that it shall go over.

Mr. SIMMONS. I am willing that the Senator may have time in order that he may get some information in order to justify this rate. In all kindness and frankness, it seems to me it is a case where it will be very difficult for the Senator to find the information to justify the rate. I think this probably was just an inadvertence or a mistake, Mr. President.

Mr. SMOOT. I now ask that we return to paragraph 301.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Secretary will report the amendment in paragraph 301.

The READING CLERK. On page 48, "Schedule 3, metals and manufactures of." The amendment of the committee is, in line 12, to strike out "per cent" and insert in lieu thereof "per centum."

The amendment was agreed to.

The next amendment of the committee was, on page 48, in line 12, after the word "carbon," to insert "$1.25 a ton," so as to read:

Iron in pigs, iron kentledge, spiegeleisen containing more than 1 per cent of carbon, $1.25 per ton.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. UNDERWOOD. Mr. President, this amendment in fact does not change the House rate on pig iron. The amendment is placed in the bill at this point evidently in order to make a discrimination between pig iron proper and wrought and scrap iron and scrap steel, which are reduced from $1.25 to $1 per ton. I do not intend in the end to resist the amendment, but I do not care to have the paragraph passed without making some comment on it.

Of course, if the policy of the bill is to make everybody believe that his industrial life is dependent upon a tariff of some kind levied at the customhouse, then there may be some justification for writing into the bill a tariff upon pig iron. But if that is not the case, then there is absolutely no justification for taking this article off the free list, where it is now, and putting it on the tax list.

We have had experts and experts testifying about the various commodities that come before the Congress. The only business that I know very much about, outside of my present business of representing the people of Alabama on the floor of the Senate, is making pig iron. My family were engaged in the business for many years and my wife's family for generations past. The Senate committee may bring their experts here, but I think I know what I am talking about when I say that in the manufacture of the heavy materials in the iron and steel schedule the industry of America has no competition in the world's markets which can stand against it.

This is an original base. Of course, I do not say that you are going to do much harm by putting this tax in your bill. You are certainly going to do no good, and, in my judgment, it is only camouflage or a smoke screen to deceive the American people, or one portion of them, into believing that industries in America can not survive without a tax. That is all there is in the proposition. Ten years ago I was not only chairman of the Ways and Means Committee of the House but I was on the subcommittee which wrote the metal schedule. I heard all of the testimony. I examined all of the details to the last degree. I will say that at that time I became thoroughly convinced that there were no furnaces in the world which were making pig iron cheaper than the up-to-date American furnace.

I say up-to-date American furnace advisedly, because we have some furnaces that can only run in exceedingly good weather when some abnormal condition or cause boosts the price of pig iron away above what is the ordinary price for it. Of course, if this tax is put on to take care of lame ducks, furnaces ill-advisedly built, furnaces in a broken-down condition, furnaces that have not adopted improved methods, then I will say to you candidly the tax is not high enough, because to take care of some of those furnaces you would probably need $10 or $15 a ton, because some of them can hardly run at all. I am discussing the question from the standpoint of the modern up-to-date American furnace.

The real competition at that time, if there were any, was not from the English furnaces, but from German production. But when we balanced the ocean freight rate against the cost of production, the modern up-to-date American furnace was able to compete not only in American markets but was able to compete in the markets of the world.

I shall not detain the Senate by going into the details of the cost of production. I would have to send to my office to get the data to give the cost of production 10 years ago, and I have not the cost of production to-day. But I do know that the large majority of the raw materials going to the English furnace in the way of iron ore come from Spain or Norway and are transported long distances overseas. The English coal mines are thousands of feet in the ground, where men can not work as advantageously in the production of coal, where they can not get out as much coal and bring it out per man per day, and where the cost of bringing it to the surface is in great excess of the cost in the American mines, only a few of which are any great distance beneath the earth's surface.

The efficiency of the labor in the furnaces of Europe is not equal to that in America. More than that, the up-to-date furnace in America has the advantage of every modern improvement. The real competitor of 10 years ago is gone so far as the production of heavy iron and steel is concerned. Why do I say that? I say it because under the treaty of Versailles Germany has lost a large portion of her iron mines and a large portion of her production of coal. She has to go into foreign countries to secure her raw materials and no longer controls them, and as long as the map remains as it was fixed at Versailles Germany no longer will be a competitor in America in the heavy production of iron and steel in the markets of the world.

Of course, the committee has very properly made some slight reduction in the schedule, and I admit that it is not a matter of any great importance, but I do not believe that you are going to benefit the industry by pretending that you are wet-nursing it. An old-time, broken-down furnace that was inadvisedly located must go out of business, and go out forever, just as the New England furnaces went out of commission more than half a century ago when the development of iron and coal fields around Pittsburgh supplanted them. So there are many ill-advised furnaces that are going to perish, not through any tariff or lack of tariff, not through anybody's hands, but because of new developments and new fields of developments that they can not meet.

It is from furnaces of that kind—I will not name them, because I do not care to reflect on them—that evidence was obtained before the committee. There is not a man on the committee who has studied the question who, I am sure, has not had that class of furnace man before him. I am not criticizing them. They come and want to be saved. They have just gone through the Great War. Probably most of their furnaces had been out of blast for many years before. The exigencies of the Great War and the pyramiding of prices of iron during the war put some of them back into commission, and they would like to have you stimulate them with a tariff so they can remain in commission. But the rate of $1.25 a ton would do them no more good and would be of no more service to them than if you left them on the free list.

I want to say another thing to the committee. I am talking about the modern, up-to-date furnace. The modern, up-to-date furnace is making by-product coke, and there have been times in recent years when the profit from the by-product coke amounted to more than the profits from the pig iron. I do not say that is the case to-day or that it will be in the immediate future, but they have a profitable business in by-product coke, and in this bill as to another industry you are proceeding to give them a monopoly of the American market, not by putting on a tariff but by putting an embargo upon the foreign prod-

ucts which come in to compete with products made out of by-product coke.

Mr. NICHOLSON. Mr. President, will the Senator yield for a question?

Mr. UNDERWOOD. I yield to the Senator.

Mr. NICHOLSON. The Senator has referred to the efficiency of the American furnace as compared with the European furnace, and our advantages as to raw material, and so forth. What is the difference in the cost of labor at home and abroad on the products to which he has made special reference?

Mr. UNDERWOOD. It will be very small. My recollection—and I am speaking only from recollection—is that 10 years ago the actual furnace cost of labor, not including, of course, the mining cost, in the production of a ton of pig iron was $1.25. Of course it costs something on the other side; in fact, I think on account of the efficiency of labor here the actual difference is not very great, because the Senator will understand that in the furnaces the principal charge after payment is made for the raw material is the cost of the investment in the plant—the interest charge. Comparatively few men are required to handle a furnace. To-day furnaces are run by machinery; machinery has taken the place of men around the furnaces as they were run 20 or 30 years ago.

Mr. NICHOLSON. But is it not a fact that the European laborers work longer hours than do the American laborers?

Mr. UNDERWOOD. I think not. If the Senator had read the newspaper the other day he would have seen that the President of the United States appealed to the iron producers of the country to put their labor on shorter hours than 12 hours a day. I should be very glad to see that done, if it were possible. Furnaces must work their men in shifts; they can not work them on an 8-hour day; they have got either to work on a 12-hour day or on an 8-hour day. The present practice is to work a 12-hour day. I do not know of any European furnaces that are working their men longer than 12 hours, for, as I have stated, they have to work in shifts. So the question of labor is simply a protection joke. When it comes to this industry it does not exist; it is immaterial. There may be some high-grade goods in the production of which labor counts for a great deal, but it is a very small question in this industry yet, as I have stated, it is proposed to give enormous protection through the by-products which are made out of coke to every man who runs a furnace. Of course, in the case of the man who operates the old-style furnace and makes beehive-oven coke and lets the by-products go up into the air, who has not put in automatic hoists and automatic tipples, I agree with the Senator that there is considerable difference; but American industry has passed that point. Of course, if it is desired to protect a back number, then you can write your tariff bill on the basis of the back numbers; but it is not true that the great American industry is conducted on that basis.

I am not going to take much further time in regard to this matter, except to say that long before the World War the furnaces in which I have an interest were exporting iron to Italy. Since the war has closed the thing which has brought the district in which my home is located back into industrial life—for the furnaces there were closed up pretty nearly tight for a year—has been the export of these iron and steel products to the Orient, to Japan and China, and also to Cuba. In my judgment, the same cause has revived the industry elsewhere, although not entirely so; but now when we can go across the seas and sell abroad, the Committee on Finance comes here and says the industry must be fostered by a protective tariff.

In speaking in this manner I desire to say that I myself am not making any sacrifices. It would not hurt the business in which I am engaged by so much as the snap of my finger if the article were put on the free list or if the duty were left where it now is. Senators on the other side in advocating the rates proposed are simply playing a little joke on the American people; that is all it amounts to.

Before the Great War, 10 years ago, when the present tariff law was written, and this article was put on the free list, the industry produced $25,000,000 or $30,000,000 worth of commodities, and the imports were under $50,000 a year, as I recollect.

There was some little iron imported; I think it was called "Scotch gray" iron, which, as I recall, was used as a mixture. It used to come across the border, and it comes now, because we do not make an iron of that kind, and for certain grades of iron it is needed. A very small quantity of it comes in, and it will always come. It is not a direct competitor with merchantable bar pig iron.

There are some figures which have been obtained by the Tariff Commission which I want to place into the record, and then I shall let the Senate do what they please in reference to the item. There is no use of my reading into the record the description and the uses of pig iron, because everybody knows them. I wish to say, though, in passing that pig iron is no longer used as pig for the manufacture of steel. The pig metal comes out of the modern up-to-date steel furnace in a molten shape and passes, without being cooled, into the steel converter and then into the roller. As a rule, the pig iron that we speak of to-day is the merchant bar pig that is used in foundries and machine plants and pipe works; of course, it is pig metal, but it is not converted into pig bars. Therefore there is practically no competition in that line at all. Of course, there are occasional cases where pig metal is heated over again and used, but they are exceptional cases.

Let us see what the production of pig is. The domestic production in 1913 was 30,966,152 long tons, out of an estimated world's total of 72,400,000 tons. So we find that nearly 10 years ago, when the present law was written, we were producing in this country nearly half of the entire world's production of pig. In 1918 that production had increased to 39,054,000 long tons, valued at $1,180,000,000 in round figures. In 1920, after conclusion of the war, the production had dropped to 33,925,000 long tons. We can say that, in round figures, America to-day has a production capacity of about 40,000,000 tons of pig. I do not mean that it is making that much, but I mean that it could make that much if the market were here to consume it.

In 1913 the pig production of Germany was 18,987,000 tons; in the United Kingdom it was 10,316,000 tons, and in France 5,227,000 tons. In 1917 the output of Germany was 12,932,000 gross tons and of the United Kingdom 9,640,000 tons, showing that both countries had fallen off in production, notwithstanding they were in the midst of a war.

The figures I have given represent practically the output of the world. There are furnaces elsewhere; there are furnaces in Belgium and some in Japan; but, practically speaking, the figures I have read represent the total output of the world; and the American iron manufacturer stands the master of the world; yet the committee comes here now and proposes to wet-nurse the ironmaster of the world.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. UNDERWOOD. I do.

Mr. STANLEY. I do not know whether the Senator touched upon the subject before I came into the Chamber; but I am under the impression—and the Senator from Alabama will correct me if I am wrong—that in the production of pig iron in the United States the natural conditions are such that no other country in the world can approach us in the cheapness or the facility with which the commodity is produced. In this country we find the ore, limestone, and coal, in Birmingham, for instance, adjacent, almost infinitely cheapening the assembling of the essential elements necessary to the operation of a blast furnace and to the production of the metal.

In Chicago, Pittsburgh, and other places the utilization of a peculiar formation of ore, which is almost like sand, instead of being found in hard banks or walls of taconite or jasper or other hard substances, and which is consequently produced very cheaply, puts us in an absolutely unique position so far as production of pig iron is concerned.

Mr. UNDERWOOD. Undoubtedly, in normal times that is true.

Before I take my seat I wish to say that unquestionably during the war there was an advance of wages in the pig-iron industry and in the iron and steel industry such as occurred in other industries; but, as in the case of other industries, wages are falling and will reach their natural level the same here as in other countries; but, as I have already said, the cost of labor in producing pig iron is not an essential element of importance, and the conditions to-day are such that the imports are going back to where they previously were.

Bear in mind that in 1920 we produced in America 36,925,000 long tons of pig iron, while the total importations were 107,547 tons. That was a very large importation, the largest, I think, in our history, because in the next year, 1921, for nine months the importations fell off to 20,000 tons, and in 1919 they were only 58,000 tons. So it will be seen that with a production and consumption of over 36,000,000 tons in 1920 the entire imports amounted to only 100,000 tons of strictly pig iron.

Mr. STANLEY. Mr. President, may I interrupt the Senator there? I should like to ask a question.

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. UNDERWOOD. I yield for a question.

Mr. STANLEY. It is my impression—and I will ask the Senator if it is not correct—that this little dribble of pig iron

which comes in reaches the Pacific coast, to which section, on account of the haul of several thousand miles from the producing centers of pig iron in this country, the freight rates are so great as to make the importations possible?

Mr. UNDERWOOD. I think that is more a theory than a fact, although it has been often asserted. Some pig is imported on the Pacific coast, but it must be borne in mind that Japan, the country from which such importations are supposed to come, has no real coking coal, but has to go to China to get coal. It must also be remembered that Japan has a very inferior grade of ore and is trying to increase her ore supply from a foreign country, and that the only way the product can be brought to the Pacific coast at all is by Japanese ships carrying it in ballast to a very limited area.

Mr. SMOOT. It comes from Belgium.

Mr. UNDERWOOD. Of course, the Belgian furnaces may send some around the Horn, but I have never heard in all my life that Belgium was a rival of this country in the production of pig.

Mr. SMOOT. Only on the Pacific coast.

Mr. UNDERWOOD. Of course, only on the Pacific coast, and why? Because certain vessels can sail from Belgium to the Pacific coast in ballast, and the small amount carried in the hold of a vessel in ballast can be carried practically without cost and dumped. To say that we must protect the American industry against such importations, when they can not amount to one-hundredth of 1 per cent of the American production, is simply absurd. It is one of those jokes around which tariff duties are sometimes written, but it is not a fact that on account of such importations our industry can be put in jeopardy.

Now listen to this. I have just pointed out the year of greatest importation, which was 1920, when 107,000 tons were imported, as compared with a domestic production of 36,900,000 tons. We exported that year to other countries 212,000 tons, valued at $9,000,000, against the importation of 107,000 tons, valued at $4,000,000; and in the year 1918 we exported 261,000 tons; in 1919, 316,000 tons. So it goes. For years the exportations of this article have far exceeded the importations.

As to the question of scrap, I have no objection to your putting scrap iron 25 cents cheaper than you do pig iron, if you want to put any tax on pig. Scrap iron is just waste iron that can be used for exactly the same purposes for which pig iron is used, and some people will ask a lower price for imports; others do not want it to compete with pig at all. When I had the writing of a bill I thought they both ought to go on the free list, and I put them there, but if you are going to put $1.25 on pig iron there is nothing out of the way, so far as the comparison is concerned, in putting a dollar on scrap, except that it is simply an idiotic, foolish performance on the part of the Congress of the United States.

Mr. McCUMBER. Mr. President, I should like to ask the Senator a question before he takes his seat. The Senator has considerable knowledge about this subject that is not possessed by some of the rest of us, and he can speak as an expert.

I want to ask the Senator whether or not the companies in his State are in any trust or combine with the other great producers of pig iron in the United States?

Mr. UNDERWOOD. If I answered the question technically, I should say "no." The United States Steel Corporation owns the Tennessee Coal & Iron Co., and that is the largest company in the Birmingham district or in Alabama; but ordinarily the Tennessee Coal & Iron Co. does not produce merchantable pig. It converts its pig into steel. It does make pig iron, but it converts its pig, as a rule, into steel and sells it as steel. Sometimes, when the steel market is not very good and there is a better demand for iron I think it does make merchantable pig. That is true of the Tennessee company. The other big companies in that district are the Republic Iron & Steel Co., which has connections throughout the country, but is not in the United States Steel Corporation—entirely independent of it. Then there is the Schloss-Sheffield Iron & Steel Co., which is entirely local to Alabama, and entirely independent; and then there is the Woodward Iron Co., which is entirely independent. These independent furnaces make practically all of the pig metal that is produced in Alabama that is sold as pig and not as steel.

Mr. McCUMBER. Then the Senator believes that there at least is the usual competition that you will find in any large industry?

Mr. UNDERWOOD. In pig?

Mr. McCUMBER. Yes; in the production of pig.

Mr. UNDERWOOD. In the production of pig—there is no question that that is a highly competitive article. The Steel Corporation produces very little pig in the market as pig iron to sell. The pig metal that is converted into pig iron is sold to foundries and pipe manufactories and independent iron-rolling mills, and is mostly sold to a class of trade that is independent of the Steel Corporation, and they are entirely independent plants.

Mr. McCUMBER. Does the Senator think, then, that the competition, taking into consideration the very small amount of imports and this tariff duty, would keep the prices down to about what they are now? In other words, the price in the United States will not be increased because of the $1.25 per ton?

Mr. UNDERWOOD. No; I do not think it will in pig iron. I agree with the Senator in pig iron. Except some special grades, or a little iron that may come in in the ballast of ships, I do not think any pig iron can get into this country at all; and there is a high degree of competition in the production of pig iron in the United States. I am not charging the Senator in this case—I would charge him with it in a minute if I thought he was guilty—with putting this $1.25 on pig iron and saying that it is going to affect the price. I think it is just a fool thing to do. I think that is all there is to it.

Mr. McCUMBER. Let us see, now, whether it is or not. The Senator made the statement just a short time ago that it would amount to an embargo.

Mr. UNDERWOOD. Oh, no; I have not said that.

Mr. McCUMBER. If $1.25 a ton would amount to an embargo, how does it happen that $2.50 a ton, which is double the amount, did not amount to an embargo?

Mr. UNDERWOOD. I will say to the Senator that I have not said that this would amount to an embargo.

Mr. McCUMBER. I so understood the Senator.

Mr. UNDERWOOD. I say that it is on the free list to-day, and the free list is practically an embargo on pig iron, except some little that can drift in as ballast, and some little special grades that are brought in here as Scotch gray; but, practically speaking, there is no importation of pig iron in comparison with the great American production. None comes in under the free list. None is going to come in under the $1.25, and very little came in under the $2.50.

There was a time when you had a five-dollar rate on pig iron, and there was importation; but that was back in the days before the American iron and steel business had grown to a point where it supplied the American market, and where it was strong enough and up-to-date enough and forceful enough to go out and fight its own battles in the markets of the world. There was a time in America when the normal price for pig iron was $40 a ton. Of course, sometimes they got $40 per ton during the late war, but only for a very short time. If I recollect aright—I have not recently looked at the figures—I think that pig iron in my home district has dropped down to something like $15 or $16 a ton, and probably at Pittsburgh it is somewhere in the neighborhood of $19 or $20 a ton to-day, and under normal conditions that is not a bad market if we could get a market and sell what we have. The difficulty that is confronting us is not a question of somebody on the outside fighting us; it is somebody on the inside fighting us and destroying the markets to which we want to sell our products.

Mr. McCUMBER. Mr. President, I will consider this, then, from the Senator's own standpoint—that is, that we do not need the protection—and we will assume that this is a tariff for revenue only. The Senator thinks that because the imports, as compared with the production, are light, therefore we should have no duty upon the imports. I do not think it is going to affect the price, and that is the reason why I asked the Senator, to get his expert knowledge upon that subject. He does not think that this duty is going to raise the price in the United States, but he objects to it and calls it foolish because it is only 2 or 3 per cent, or whatever it may be, on the enormous entire output of the United States. Why, we have levied duties here upon articles that will only bring us in a few hundred dollars; some of them a few thousand dollars; so, if it is not going to affect the price, it seems to me that from a purely revenue standpoint we ought not to object to a duty that would bring us in from half to three-quarters of a million dollars a year when we shall need a great many of those half-millions and three-quarter millions in the next year or two.

Mr. UNDERWOOD. The Senator knows perfectly well that he will never get anything like that out of this tax. In no average year will the importations amount to 50,000 tons, and at $1.25 a ton the tax would be somewhere about $60,000.

Mr. McCUMBER. Let us look at the statistics a minute.

Mr. UNDERWOOD. Here they are. There is one year, the highest year, when you had imports as shown by the figures of the Tariff Commission of 107,000 tons, and at the $1.25 a ton that you propose to levy your income would amount to $134,000.

Mr. McCUMBER. I take the Tariff Commission Summary of date 1921; and on page 53, under the pig-iron summary table,

I find that in 1910, when the duty was $2.50 a ton, the value of the imports for consumption was $6,723,946, and the amount of duty was $719,789.72. That, of course, took in all——

Mr. UNDERWOOD. No; I will tell the Senator what he is wading into. He is off on his figures.

Mr. McCUMBER. I am not off on the figures.

Mr. UNDERWOOD. I think the Senator will find out that there was not more than 200,000 tons, or not much over that; but, more than that——

Mr. McCUMBER. Mr. President——

Mr. UNDERWOOD. If the Senator will listen to me a moment, I will tell him the situation.

Mr. McCUMBER. I certainly will.

Mr. UNDERWOOD. At that time I think scrap was included in there; but, more than that, at that time practically all the ferro-alloys in the iron and steel business were included under that item, and continued to be included under that item until I took them out of the pig-iron schedule and made a special schedule for them myself; and of course the alloys were of very much greater value than the pig, and of course they were importations that came in in a very different way. I think you have put entirely too great a tax on the alloys now, but I discriminated between the alloys and the pig by putting a reasonable tax on the alloys and putting pig on the free list, and in your statistics at that time they were all classed as pig.

Mr. McCUMBER. This does include kentledge, ferromanganese, ferrosilicon, and spiegeleisen. It takes in everything.

Mr. UNDERWOOD. They are all included.

Mr. McCUMBER. It is all put in at $2.50 under the Payne-Aldrich bill, and we received $719,789 that year. Of course, as that includes all of them, I do not know just what the proper division is.

The next year we got $573,000.

In 1912 we got $329,000.

In 1913 we got $481,000.

In 1914 we got $138,000.

Then came the new bill, and in 1915 it dropped to $54,000; but if we can get even half of that or a quarter of that under this bill, and it is not going to change the price materially, the amount that we will secure from it is worth the revenue duty, irrespective of any matter of protection.

Mr. UNDERWOOD. Of course, if the Senator carries that out, he should advocate a duty on coffee and tea, and on everything else it is possible to raise revenue on, if he is going to carry out that theory of raising revenue.

Mr. McCUMBER. If we put a duty on coffee or tea, it would raise the price of the coffee or tea; but the Senator says it will not raise the price of this product.

Mr. UNDERWOOD. I shall not attempt to make a statement here which I can not justify. I know this is such a foolish proposition, and the competition is so little, that the only thing in the world you can do, and the only thing this is put in here for is to fool some lame-legged people who happen to be in the furnace business and are unfortunate, to make them think they are going to get some protection under this bill; and that is all there is to it. This $1.25 will not help them a particle. You will have it as an excuse, as you go along, and say that since you tax the raw material you must put compensatory duties as you climb the ladder into high protection.

Mr. SMOOT. Mr. President, in the main I agree with the Senator from Alabama, and I do not want the Senate to think for one minute that the committee did not recognize the fact that pig iron can be produced in the United States, under normal conditions, as cheaply as anywhere in all the world. There is no doubt about that at all. You ask why we put a duty of $1.25 a ton on pig iron, then. We did it for the very purpose of collecting revenue, because of the fact that the Pacific coast market is virtually controlled, not by Japan, as the Senator said, but by Belgium. Pig iron goes there from Belgium as ballast, and they get the market price there, no matter what that price may be. They take the foreign price, they figure what the freight is, and they charge the foreign price plus the freight. I feel that if they are going into that market, and have that market for themselves, they ought to pay the Government of the United States $1.25 a ton for having that market.

Mr. UNDERWOOD. If the Senator will allow me to interrupt him, they do not have that market to themselves. The Birmingham district is shipping its iron into that market through the Panama Canal right now. So you need not think that Belgium or any other country have that market to themselves. They may be able to get in to a small extent.

Mr. SMOOT. The fact is that in 1920 there were 107,000 tons of pig iron imported into the United States, and almost all of that went to the Pacific coast, and most all of it came from Belgium. With a rate of $1.25 a ton, we would have collected $134,000, and it would not have cost the California people one penny more, but the Belgians would have paid that amount of money into the Treasury of the United States.

Mr. UNDERWOOD. I am not sure it would not have cost the California people more, because people are practical. If pig from a competitive district, say, the Birmingham district, is going there and meeting the foreigner, and iron pipe is going there and meeting them now, and you put an embargo on that competitive point of $1.25 a ton, do you think the man who is going to sell out there will not take advantage of the $1.25 a ton?

Mr. SMOOT. Not at all.

Mr. UNDERWOOD. Why will he not?

Mr. SMOOT. Because, if there is an embargo, Birmingham, Ala., will get her pig iron in there just as cheaply as she possibly can.

Mr. UNDERWOOD. But she can sell it $1.25 a ton higher than she can now.

Mr. SMOOT. If the Senator thinks there is no competition, then he is right; but I have understood that there was competition.

Mr. UNDERWOOD. I was speaking to the Senator of general competition in the United States, but when you come to that particular market, there is no over-all rate for pig iron across the continent now, when it goes by rail.

Mr. SMOOT. Of course, there is a smelter in Colorado, too.

Mr. UNDERWOOD. It costs more for the smelter in Colorado to reach Seattle than it does by water from Alabama.

Mr. SMOOT. Yes; I agree that it would to Seattle.

Mr. CUMMINS. Mr. President, I would like to ask a question of the Senator from Utah, as this is one of the few schedules that I know something about. Is it true that in fixing the duties upon the manufactured forms of steel, the bars, and plates, and sheets, and all other forms of steel, no allowance has been given in this schedule for the $1.25 levied upon pig iron?

Mr. SMOOT. No compensatory duty whatever has been allowed, and the committee recognized the fact that they could make it as cheaply in the steel factories here, under normal conditions, as anywhere in the world. It is only a question of collecting money for the Treasury of the United States.

Mr. CUMMINS. I assumed it would be recognized that we did not need a duty on pig iron for competitive purposes, but I was a little curious to know how the committee justified some of the duties on the manufactured forms of steel which are found in this schedule, without the aid of the duty of $1.25 a ton on the raw material.

Mr. SMOOT. When we reach those items, we will discuss that. I assure the Senator that there is no compensatory duty given for the $1.25 a ton on pig iron.

Mr. CUMMINS. I am glad to hear that. I think it is logical.

Mr. SMOOT. As the Senator from North Dakota said, in 1910 we collected $235,806 on pig iron alone, and in 1917, with the duty of $1.25 a ton, we collected a little over $50,000. In 1909 we collected $58,000, and in 1920 we collected $107,000 on pig iron alone.

Mr. UNDERWOOD. As to 1920, that is a legitimate argument, but in 1910, as I called the Senator's attention to it, I know you have ferro-alloys in that schedule.

Mr. SMOOT. Not in the $235,806. In the seven hundred and odd thousand, of which the Senator spoke, we did.

Mr. UNDERWOOD. I am talking about that paragraph. They were in that paragraph.

Mr. SMOOT. But I am speaking of pig iron alone.

Mr. UNDERWOOD. Of course, the iron industry had not progressed to the point where it has now; and I do not say that some will not come in, but when you put the tax on pig, if you allow me to express it, it is foolish to say it aids. It does not help the broken-down furnace, and the good furnace does not need it. It is just a camouflage to hold up a line of industry where the products ought to be free. You ought to take the shackles off it. This is a grown man, and he wants to get out in the world and fight with the world instead of being shackled down with a tariff duty.

Mr. SMOOT. As far as the obsolete plants are concerned, I fully agree with the Senator that $1.25 a ton is no good to them whatever. We could put $5 a ton on this and it would not do the obsolete plants any good whatever. In fact, there was not one of them which even came before the committee and asked for a higher rate. Probably they knew very well they would not get it.

As far as our exports are concerned, they go to Canada and South America and the Far East, and it is a question of freight entirely. The whole question as to competition in pig iron is freight. Another thing to be considered is the fact that

we never export a pound of pig iron to any country where pig iron is made. That, of course, is another evidence that freight is the controlling factor.

Mr. UNDERWOOD. The Senator should not say we never export a pound of pig iron to any country.

Mr. SMOOT. Outside of Canada.

Mr. UNDERWOOD. The Senator should not say that, either. I do not think it has often been done, but I know pig iron has been exported from the Birmingham district to England—not recently, but it has been done.

Mr. SMOOT. When there was overproduction, it may have been shipped in ballast, a dumping proposition. Of course that may happen, but not in the regular order of business.

Mr. UNDERWOOD. I agree with the Senator that that is true, and that is just the reason why they do not send it in here in the ordinary course of business.

Mr. SMOOT. As far as the committee is concerned, they are only asking this for revenue purposes.

Mr. UNDERWOOD. Of course, if I move to strike out $1.25, which the committee has put in, under the rule by which we are operating it would fall under the basket clause and have a higher rate of duty, so we can not vote on it now; but when the committee amendments are disposed of and we can offer amendments from the floor, I hope the committee will propose an amendment to put it back where it is now—on the free list.

Mr. STANLEY. Mr. President, I hope at a later date to give the Senate some reasons for this apparently innocent duty of $1.25 a ton on pig iron. The Senator from North Dakota [Mr. MCCUMBER] asked the Senator from Alabama [Mr. UNDERWOOD] a very pertinent question—whether or not this duty of $1.25 a ton would have any effect on monopoly or the fixing of prices. I can say, I think authoritatively, that the whole fabric of steel prices, from top to bottom, is based upon the price of pig iron. It was until very recently—and from speaking with the Senator from Alabama I understand it is still the case—that if you buy, for future delivery, billets, beams, structural shapes, or rails, or any character of what they call semifinished steel, ship plates, ingots, or bars for the making of wire, horseshoes, or anything of that kind, you are not given a fixed price; you are given a price for future delivery based upon the price of pig iron, and the control of the price of pig iron is the key to the control of the price of every other fabrication of iron or steel.

This is so true that in an effort to control the price of steel products, theories as to a coal trust are found to be utterly without foundation. The price of coke is not controlled in this country. The price of coal is not fixed by an ironclad trust, as far as I can see, except at times. The prices of ores are competitive and in a way the prices of iron are competitive; that is, the great purchasers of pig iron let the little furnace man here and there and yonder think he is selling in a competitive market, but the great steel corporations' production of steel is greater—or was until very recently, and I think it is still—than its production of pig iron, although the ton of pig iron going into the furnace will not produce a ton of steel, of course. There is waste in the process. With a capacity more than sufficient to produce all the raw pig iron they can dispose of, they deliberately shut down their furnaces and tie up the pig iron of their competitors. The price of pig iron is absolutely controlled by the great producers of this commodity. Senators must understand that a man can produce coke, he can produce ore, but he can not produce pig iron without millions of investment.

I know of no apparatus as costly, as intricate, as difficult of operation as a great iron furnace. When you think of the rail facilities that are necessary to assemble the raw materials, of the cost of the furnace itself, it requires many millions. The producers of pig iron for years have been assured of a more regular market than those who produce and sell steel products in order to absolutely control the price of pig iron. When you place a duty upon pig iron, it amounts to a practical embargo except in a few ports, and you lend direct aid and comfort to the most powerful organization on the face of the globe. In the most delicate and intricate point in the whole arrangement of prices there is nothing that so assists the makers of steel in this country in the control of the price of their product as an absolute ironclad control of the price of pig iron and of pig metal.

In addition to that, as the Senator from Alabama has well said, and it is not necessary to repeat it, the duty is indefensible for another reason. There are a few communities on this continent, highly progressive, on the Pacific coast, that are under a tremendous handicap on account of the inordinate cost of iron and steel products, being removed thousands of miles in many instances from the production centers of iron and steel. With the exception of the Colorado blast furnaces, I know of no place west of Chicago or west of Duluth, between there and the Pacific Ocean, where iron and steel is produced in any great quantity for shipment abroad or for distribution over the country.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. STANLEY. I yield.

Mr. SMOOT. I want to say to the Senator, however, that within a very few years there will be another Pittsburgh in the southern part of Utah. We have there iron ore and coal sufficient to produce all the pig iron that will be needed in the United States for the next hundred years.

Mr. STANLEY. Yes; you have a great iron dike.

Mr. SMOOT. A mountain.

Mr. STANLEY. Yes; a mountain of iron, of almost pure iron. It runs almost like a dike, being, as I understand it, a solid wall of iron.

Mr. SMOOT. A range of mountains.

Mr. STANLEY. Yes; but the iron is such that if you can blast it out and crush it and get it to the furnace for the cost of producing pig iron you will have performed a miracle. How are you going to compete with the Mesabi Range, where they dip it up with a scoop shovel? More than that, you have never yet been able to get a coal that is free from ash and that will produce a coking coal that will bear the weight of a furnace.

Mr. SMOOT. We shall have it in a very few years.

Mr. STANLEY. That is a dream worthy of the genius of the Senator from Utah. You have never produced a pound of ore yet of merchantable quality, and I doubt if you ever will, although I am not such an expert as the Senator from Alabama [Mr. UNDERWOOD].

Under present conditions this vast area on the Pacific coast is entitled to get its iron as cheaply as it can. This tax will place an additional burden upon those great cities on the Pacific coast, in addition to the handicap they already bear. Owing to the impossibility of getting iron by rail, they are forced to get it by long, circuitous routes from Alabama, taking it down the Warrior River, through the Gulf of Mexico, through the canal, and up to the western coast for thousands of miles. So the placing of an additional tax is essentially unjust, and they are entitled to the little dribble of pig iron that they can get from India, China, Belgium, or from any other country that can afford to ship it into that section of our country.

But the worst of it all is this: It will not be denied by any man, with even a casual knowledge of the iron business, that the price of pig iron fixes the price of all steel products, and when you put this duty of $1.25 a ton on pig iron that duty will be reflected in the prices charged by those who control the pig-iron market. They will demand compensatory duties all the way up to razor blades, and it will be paid over and over again by the consumer, while so far as protection to the producer is concerned, so far as saving him from cheaper labor or a cheaper product anywhere in the world, it is a pure joke.

It can not help any manufacturer who is selling in a competitive market. It can only help the trust that fixes the price of this product, if it does fix it, and until recently it did.

There are many reasons why, from the trust standpoint and from the standpoint of those who wish to have an absolute control of this output, this duty should be fixed. There is none from any rational standpoint. There is no argument that can be made in favor of it as a revenue duty or an essential protection to the home producer, or any other reason that will justify the imposition of the duty.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 48, lines 13 and 14, to strike out "including scrap tin plate, $1.25," and insert in lieu thereof "$1," so as to read:

Wrought and cast scrap iron, and scrap steel, $1 per ton.

The amendment was agreed to.

The next amendment was, on page 48, line 16, to strike out "45" and insert "30," so as to read:

Provided, That spiegeleisen for the purposes of this act shall be an iron manganese alloy containing less than 30 per cent of manganese.

Mr. UNDERWOOD. That is substantially my recollection of the present law, and although I think it a full tax I shall not raise any question about it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, in paragraph 302, page 48, line 20, to strike out "manganese ore or concentrates containing in excess of 30 per cent of metallic manganese, 1 cent per pound

on the metalic manganese contained therein; molybdenum," and to insert the word "molybdenum."

Mr. SMOOT. Mr. President, at the request of a number of Senators I ask that paragraph 302 may go over to-night.

Mr. UNDERWOOD. I am not objecting to that, but I want to ask a question about the paragraph before it goes over. If we strike manganese ore out of the paragraph and do not do anything else with it, it will fall into the basket clause and be taxed a high rate. I want to ask the Senator where the committee sent manganese when they struck it out here?

Mr. SMOOT. It was sent to the free list.

The PRESIDING OFFICER. Without objection, paragraph 302 will go over. The next amendment will be stated.

The next amendment was, on page 50, after line 22, to strike out:

PAR. 303. Muck bars and bar iron, square iron, rolled or hammered, comprising flats not less than 1 inch wide nor less than three-eighths of 1 inch thick, round iron not less than seven-sixteenths of 1 inch in diameter, one-fourth of 1 cent per pound; round iron, in coils or rods, less than seven-sixteenths of 1 inch in diameter, and bars and shapes of rolled or hammered iron, not specially provided for, five-tenths of 1 cent per pound; iron in slabs, blooms, loops, or other forms less finished than iron in bars, and more advanced than pig iron, except castings, two-tenths of 1 cent per pound: *Provided*, That all iron bars, blooms, billets, slabs, or loops in the manufacture of which charcoal is used as fuel shall be subject to a duty of three-tenths of 1 cent per pound.

And in lieu thereof to insert:

PAR. 303. Muck bars, bar iron, and round iron in coils or rods, iron in slabs, blooms, loops, or other forms less finished than iron in bars and more advanced than pig iron, except castings; all of the foregoing, valued at not over 1 cent per pound, two-tenths of 1 cent per pound; valued above 1 cent and not above 1½ cents per pound, three-tenths of 1 cent per pound; valued above 1½ and not above 2½ cents per pound, five-tenths of 1 cent per pound; valued above 2½ and not above 3½ cents per pound, eight-tenths of 1 cent per pound; valued above 3½ cents and not above 5 cents per pound, 1 cent per pound; valued above 5 cents per pound, 1½ cents per pound.

Mr. UNDERWOOD. Mr. President, I desire to say a few words in reference to this paragraph. In the first place, I want the Senate to remember that we have already had it stated that the tax on pig iron was put in here purely for revenue and not for the purpose of protection, according to the viewpoint of the committee, and was not put here to carry a compensatory duty into other schedules. I take that as the basis on which the next grade of iron comes, namely:

Muck bars, bar iron, and round iron in coils or rods, iron in slabs, blooms, loops, or other forms less finished than iron in bars and more advanced than pig iron.

This is not steel. It is wrought iron. It is what the blacksmiths use and that grade of iron. The advancement over pig is merely a question of the rolling mill—of going through the roller. The cost of conversion is not very great. When the present law was written, this class of iron was put in this form:

Muck bars, bar iron, square iron, rolled or hammered, round iron, in coils or rods, bars or shapes of rolled or hammered iron not specially provided for in this section, 5 per cent ad valorem.

Then slabs, blooms, loops, and other forms of finished iron of that kind were put on the free list. I do not know that it seriously affected the industry whether it had the rate of 5 per cent ad valorem or whether it was on the free list, but in the bill which the Senate Committee on Finance now reports it must be borne in mind that this is the basic paragraph, according to the views of the committee, because they have said that they did not carry the tax on pig iron into compensatory duties and that the other paragraphs are to be considered just as if we had no tax on pig iron at all. I have not worked out all the details to make the illustration in this matter, but it will be understood that the Finance Committee in writing the new bill have put muck bars, bar iron, and that class of iron on a specific rate basis, whereas the present law puts it on an ad valorem rate basis. In other words, the tax under this bill will be so much a pound, while the tax under the present law is a certain per cent of the value.

Bar iron is wrought iron in the form of bars. The rough iron bloom coming from the puddling furnace is first rolled into a flat bar, known as a muck bar or puddle bar. It is then cut into short lengths and the pieces piled together to be reheated. After reheating and rerolling the material is known as refined iron, refined bars, or, more commonly, merchant bars.

The production of the merchant-bar iron in 1917 amounted to 983,926 gross tons; in 1920, when the depression came, the production fell off to 663,032 tons. The imports may be tabulated under three general heads—muck bars, bar iron, and slabs.

Bear in mind that the production in 1917 was nearly 1,000,000 gross tons, and that it was 663,032 gross tons in 1920. The imports of muck bars under the 5 per cent ad valorem duty in 1920 were only 717 tons. Of bar iron in 1920 the imports amounted to 3,900 tons, and the imports of blooms amounted to 401,000 tons, showing that outside of blooms there were practically no imports as compared to the American production of this article.

At the same time we exported abroad in 1918, 141,000,000 pounds of this article; in 1920 we imported 104,000,000 pounds, which amounted in short tons to about 52,000 tons. So that it is shown by the figures of the Tariff Commission that the imports were comparatively small, and that we were enabled to export large quantities of this iron to Japan, Canada, the United Kingdom, Brazil, and Cuba.

Now, I want to call attention to the difference in the tax. The first tax that appears in this bill on muck bars and bar iron, not less than 1 inch in width nor less than three-eighths of 1 inch in thickness, round iron not less than seven-sixteenths of 1 inch in diameter, the duty is one-fourth of 1 cent per pound.

That is twenty-five one-hundredths of 1 cent. The value of muck bars for 1921, the latest figures, was about 4.6 cents, which would make the duty at 5 per cent about twenty-three one-thousandths of 1 cent. So the first bracket is not very different from the present tax on the valuation of 1921; but in the next bracket, where the same classification prevails, the duty is increased from twenty-five one-hundredths of 1 cent to five-tenths of 1 cent. There is not a great deal of difference in these brackets, but as to certain classes of them the increase will amount to half a cent a pound; that is, the blacksmith or the farmer who uses this class of iron—and it is made into iron articles for use around the farm and around the house—will be taxed a half cent a pound, which will be about double the tax on that grade as compared to the tax levied under the present law.

This tax is just beginning to pyramid. The increases, as I have stated, in this particular schedule are not so very great; but I move to substitute for paragraph 303, which is entirely a Senate committee amendment, the paragraph of the present law, which reads as follows:

PAR. 103. Muck bars, bar iron, square iron, rolled or hammered, round iron, in coils or rods, bars or shapes of rolled or hammered iron not specially provided for in this section, 5 per cent ad valorem.

That does not take care of the blooms and the slabs, but if the Senate shall adopt this substitute for paragraph 303, I then shall offer a similar paragraph covering blooms and slabs. If the Senate rejects it—and I suppose it will do so, as it has heretofore done in reference to amendments offered to this bill—it would be unnecessary to offer an additional amendment proposing to provide for blooms and slabs. The amendment which I offer is to make this paragraph conform to the present law.

Mr. McCUMBER. Will the Senator yield to me to ask unanimous consent that when the Senate closes its session for the calendar day it take a recess until to-morrow at 11 o'clock a. m.?

Mr. UNDERWOOD. I should like to ask if the Senator from North Dakota desires to go further to-night than paragraph 306?

Mr. McCUMBER. No; if we can get through so far as that, I think we may then take a recess.

Mr. UNDERWOOD. Then I shall not object to the Senator's request. I asked the question because I did not care to go into paragraph 307 to-night.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

Mr. SMOOT. Mr. President, I simply wish to say in reply to the Senator from Alabama that the rates provided for in the bill as a substitute for the House provision are the rates that will be found in paragraph 304 covering steel products of the same character. The only change between the two rates is to be found in the last item, of wrought iron valued above 5 cents per pound, on which a duty of 1½ cents per pound is imposed, while in the case of the steel product the duty is 1.7 cents per pound. Outside of that, the rates on wrought iron, muck bars and bar iron, and round iron are exactly the same as on the steel of the same size and value. Of course, of the product valued above 5 cents a pound very little comes into the United States, and that which does come over that value is Swedish bar iron.

Mr. President, wrought iron, so far as labor is concerned, is nearly twice as expensive to produce as is steel of the same character. The Tariff Commission in their report say:

The process commonly employed at the present time is called "hand puddling," in which the iron is heated on the working hearth until it becomes pasty but not liquid. In order to obtain effective oxidation fresh surfaces must be exposed to the hot gases and the oxidizing agents (mill scale and ore). The boiling of gases (oxides of carbon) in the mass is not sufficient, so the mass must be agitated with iron bars (rabbled) almost continuously after it begins to fuse and until all impurities are removed from the iron and the mixture of iron and slag is balled up and removed from the furnace to the squeezer. The intermediate steps are called "graining," "boil," and the "turn." The

work involves an enormous amount of heavy physical labor, combined with a high degree of skill on the part of the operators, in spite of all the care that can be given in the selection of raw materials and chemical control.

I will not take the time to read further, but the Tariff Commission impressed upon the committee and upon all who have read their report that the making of wrought iron is very much more difficult than the making of steel, and whatever rate there is upon steel certainly ought to be applied to wrought iron, because of the fact that a great element in the cost is labor. Wrought iron is not handled as steel is handled, by machinery, but the work has to be performed by manual labor, as the Tariff Commission report.

Mr. STANLEY. Mr. President, is the Senator under the impression that without the imposition of the duty suggested American labor would be at a disadvantage as compared to foreign labor?

Mr. SMOOT. There is no doubt of that at all, I will say to the Senator.

Mr. STANLEY. Does the Senator think merchant bars would be imported in any great quantity if there were no duty whatever on them?

Mr. SMOOT. They would be imported; they are the very things that would be imported if any commodity in this whole schedule should be imported. We could not produce them in this country without an adequate duty. In the case of the foreign article the labor is 19.23 per cent of the cost, while in this country it is a little over 45 per cent of the cost. In many items, such as pig iron, labor cuts not a great figure, because most of the work is done by machinery; but the kind of iron we are now discussing must be produced by labor, and skilled labor at that. If there is one item in this schedule that requires a productive duty it is wrought iron.

Mr. STANLEY. I have not the figures before me, but I was under the impression from what the Senator from Alabama said that the importation of merchant bars and bar iron were comparatively trifling as compared to our exports.

Mr. SMOOT. Of course, most of the exports go to Canada. They are right here at our door and they buy the commodity just as they want to, a little at a time, and do not have to wait to send over to Sweden for it.

Mr. STANLEY. What I wish to suggest to the Senator is that if the bar iron could be dug up like coal or produced like wheat, or something of that kind, the situation would be different, but that by reason of the fact that there is a considerable labor cost in its conversion, as the steel people call it, from iron into merchant bars, there would be danger of foreign competition; but the infinitely cheap methods by which we produce the molten iron in this country as against the methods by which they produce the iron coming from the furnaces in other countries render the importation of merchant bars practically impossible, I should say, without any duty of that kind.

Mr. SMOOT. No; if the Senator will read the report he will find out that the raw product here, as I may call it, is 50–50 as between Sweden and this country—just about the same.

Mr. STANLEY. What is the rate of duty on it?

Mr. SMOOT. The rate of duty on this product now is exactly the same as the rate of duty on steel of the same size—if valued at not over 1 cent per pound, two-tenths of 1 cent per pound; valued above 1 cent and not more than 1½ cents, three-tenths of a cent a pound; and then it is graded according to the size, of course, just the same as steel is. The House carried out the plan of having wrought iron carry a lower rate than steel, and they made a mistake, and we are simply correcting it.

Mr. STANLEY. I entirely concur with the Senator in the propriety, from his point of view, of a higher duty upon wrought iron than upon steel of the same quality.

Mr. SMOOT. Yes; and that is what we have done.

Mr. STANLEY. I do not think either duty is necessary.

Mr. SMOOT. Of course that is another question. That is a question of opinion. I do know this: If our steel schedule, the next schedule, 304, as agreed to in the House, is correct, then we must put this in here, because of the fact that this ought to carry in reality a little higher rate than the steel.

Mr. UNDERWOOD. Mr. President, I listened to the Senator's defense of this increased duty, and his defense is based on the fact that the House committee and the Finance Committee supporting it have taxed bar steel somewhat similar to this at a certain rate of duty, and therefore we must tax wrought iron at the same rate of duty, although up to this time the Senate has not passed on the steel schedule.

Mr. SMOOT. That is true.

Mr. UNDERWOOD. As far as the cost is concerned, of course, the Senator is right. It is generally known that in the case of most steel products now it is cheaper to make steel than it is to make iron, but that is no argument to justify this proposition. The argument I make is simply this—that you have a tax on a part of this item and the rest of it is on the free list, and the total importations coming in under this condition with a lower rate of tax are less than 1 per cent.

Mr. SMOOT. Does the Senator mean last year? I was going to call his attention to the importations back in 1910 and 1911, as compared with our exportations. Our importations during those years were twice what our exportations were.

Mr. UNDERWOOD. I understand that, but I am talking about it under the lower rate of duty. Of course, the Senator knows, and everybody else knows, that in the sixties and the seventies the iron and steel business had been growing and growing and growing, reducing costs by modern machinery, cutting down expense by modern methods, reducing costs of production in every direction; and to go back 20 years, or 10 years, to find a basis on which to justify a tax to-day is no better argument for the tax than to say that because you are going to fix a tax on slabs of steel you must now fix it on slabs of iron.

All I have to say is this: Under the present rate of duty the imports in 1920 amounted to less than 1 per cent of the American production, and if you raise it you are simply going to cut off your imports. If you are going to levy a tax, either for revenue or for protection, that is not going to let 1 per cent of imports come in, then why levy a tax at all? Why not just do what you do in the case of the dye schedule, and establish an embargo and stop fooling about it, and say that you are going to let nothing come in?

Of course, if less than 1 per cent will come in at the present rate of taxation, you will certainly bar out importations under the ad valorem rate. There is no justification for it on the ground of protection or revenue, either; but I am not trying to put it on the free list. I am leaving it in my motion at the rate that exists to-day, and I do not think any argument has been made showing why you should put a higher tax on it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Alabama to the amendment of the committee.

Mr. UNDERWOOD. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). I transfer my general pair with the junior Senator from Montana [Mr. WALSH] to the junior Senator from Oregon [Mr. STANFIELD], and will vote. I vote "nay."

The PRESIDING OFFICER (when the name of Mr. JONES of Washington was called). The present occupant of the chair transfers his pair with the Senator from Virginia [Mr. SWANSON] to the Senator from Oklahoma [Mr. HARRELD], and votes "nay."

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Delaware [Mr. DU PONT], and will vote. I vote "nay."

Mr. NEW (when his name was called). Transferring my general pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from New Hampshire [Mr. KEYES], I will vote. I vote "nay."

Mr. PHIPPS (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. MOSES. I am authorized by my colleague [Mr. KEYES] to state that if present he would vote "nay."

Mr. COLT. Making the same announcement as before, I vote "nay."

Mr. EDGE. I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Vermont [Mr. PAGE], and will vote. I vote "nay."

Mr. SUTHERLAND. I transfer my general pair with the Senator from Arkansas [Mr. ROBINSON] to the Senator from Minnesota [Mr. NELSON], and will vote. I vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The Senator from Ohio [Mr. WILLIS] with the Senator from Ohio [Mr. POMERENE].

The result was announced—yeas 14, nays 43, as follows:

YEAS—14.

Dial	Heflin	Robinson	Stanley
Fletcher	La Follette	Sheppard	Underwood
Harris	Overman	Simmons	
Harrison	Pittman	Smith	

NAYS—43.

Ball	France	McKinley	Ransdell
Brandegee	Frelinghuysen	McLean	Rawson
Broussard	Gooding	McNary	Shortridge
Bursum	Hale	Moses	Smoot
Calder	Johnson	New	Spencer
Capper	Jones, Wash.	Newberry	Sterling
Colt	Kellogg	Nicholson	Sutherland
Curtis	Kendrick	Oddie	Townsend
Edge	Lenroot	Pepper	Wadsworth
Elkins	Lodge	Phipps	Warren
Ernst	McCumber	Poindexter	

NOT VOTING—39.

Ashurst	Gerry	Myers	Swanson
Borah	Glass	Nelson	Trammell
Cameron	Harreld	Norbeck	Walsh, Mass.
Caraway	Hitchcock	Norris	Walsh, Mont.
Crow	Jones, N. Mex.	Owen	Watson, Ga.
Culberson	Keyes	Page	Watson, Ind.
Cummins	King	Pomerene	Weller
Dillingham	Ladd	Reed	Williams
du Pont	McCormick	Shields	Willis
Fernald	McKellar	Stanfield	

So Mr. UNDERWOOD's amendment to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The READING CLERK. On page 52, line 1, it is proposed to strike out the word "bars" and insert "bars, whether solid or hollow," so as to read:

Steel ingots, cogged ingots, blooms and slabs, by whatever process made; die blocks or blanks; billets and bars, whether solid or hollow, and so forth.

Mr. UNDERWOOD. Mr. President, I should like to ask the chairman of the committee on what basis they changed that classification. Bars could not be anything but solid or hollow, and they make it read "bars, whether solid or hollow." What was the cause of the change of classification?

Mr. SMOOT. This is a new product, and it is Swedish drill steel, and that is the way the commission desired to have it.

Mr. UNDERWOOD. I know, but it is bars. It does not change the rate. It does not change the language materially. It originally read in the House "bars," and you only add there "whether solid or hollow." They could not be anything but solid or hollow.

I have no objection to the amendment, but I should like to find out, for my own information, why you amended the language. It seems to me it must mean the same thing, but if there is something new in the business I should like to learn it.

Mr. SMOOT. I will say to the Senator that I am informed, although I do not know whether this is the proper explanation or not, that this language was adopted in order to show definitely that this steel is meant, and it is not to be classed as pipe if it is hollow. I presume that is why it is worded in this way.

Mr. UNDERWOOD. I thank the Senator for the explanation, because if there is any possibility of its being classed as pipe, it would fall under a higher rate, and I thank the committee for this act of justice.

The amendment was agreed to.

The next amendment was, on page 52, line 17, to strike out "1½" and insert "1.7."

Mr. UNDERWOOD. As was explained by the Senator from Utah awhile ago, these steel ingots, blooms, and slabs correspond to the same thing we have just voted on in the other paragraph. I see no reason for the rate. When the opportunity affords itself, when Members of the Senate in their individual capacity can offer amendments, I shall suggest an amendment to reduce the rate provided in this paragraph, but I can not do it now under the rule which has been adopted by the Senate for the consideration of the bill. I shall content myself at the present time by merely voting against this increase, which I think is unnecessary. It probably makes it conform to the balance of the paragraph. I shall discuss the paragraph when I can really offer an amendment which is broad enough to cover it.

The amendment was agreed to.

The next amendment was, on page 52, in line 18, after the word "pound," to strike out the figure "2" and to insert "2½"; in line 20, before the word "cents," to strike out the figures "2½" and to insert "3½"; in the same line, after the words "above 16," to strike out "and not above 20 cents per pound, 3½ cents per pound; valued above 20 and not above 24 cents per pound, 4 cents per pound; valued above 24 and not above 32 cents per pound, 5 cents per pound; valued above 32 and not above 40 cents per pound, 6 cents per pound; valued above 40 cents per pound, 20" and to insert "cents per pound," so as to make the paragraph read:

PAR. 304. Steel ingots, cogged ingots, blooms and slabs, by whatever process made; die blocks or blanks; billets and bars, whether solid or hollow; shafting; pressed, sheared, or stamped shapes, not advanced in value or condition by any process or operation subsequent to the process of stamping; hammer molds or swaged steel; gun-barrel molds not in bars; alloys not specially provided for used as substitutes for steel in the manufacture of tools; all descriptions and shapes of dry sand, loam, or iron molded steel castings; sheets and plates and steel not specially provided for; all of the foregoing valued at not over 1 cent per pound, two-tenths of 1 cent per pound; valued above 1 cent and not above 1½ cents per pound, three-tenths of 1 cent per pound; valued above 1½ and not above 2½ cents per pound, five-tenths of 1 cent per pound; valued above 2½ and not above 3½ cents per pound, eight-tenths of 1 cent per pound; valued above 3½ and not above 5 cents per pound, 1 cent per pound; valued above 5 and not above 8 cents per pound, 1 7/10 cents per pound; valued above 8 and not above 12 cents per pound, 2½ cents per pound; valued above 12 and not above 16 cents per pound, 3½ cents per pound; valued above 16 cents per pound, 25 per cent ad valorem: *Provided*, That on steel circular saw plates there shall be levied, collected, and paid an additional duty of one-fourth of 1 cent per pound.

Mr. UNDERWOOD. Before the question is put on that amendment the language that was proposed to be stricken out of the bill by the committee is as follows:

and not above 20 cents per pound, 3½ cents per pound; valued above 20 and not above 24 cents per pound, 4 cents per pound; valued above 24 and not above 32 cents per pound, 5 cents per pound; valued above 32 and not above 40 cents per pound, 6 cents per pound; valued above 40 cents per pound, 20.

It will read then:

Valued above 16 cents per pound, 25 per cent ad valorem.

Which is clearly an increase in the rate.

Mr. SMOOT. It may be in one bracket, and very much less in another bracket. For instance, if the Senator will take the last bracket, valued above 32 cents per pound and not above 40 cents, he will see that the spread between those two is 8 cents a pound, and yet they all come in at 6 cents a pound duty. In other words, if they had a 31¾-cent value, see how much easier it would be to make it 32½ and get a 6-cent a pound duty instead of 5 cents—by the increase of a quarter of a cent.

Mr. UNDERWOOD. I see how it is very much easier to estimate the rate, but this is based very much on the same value as was employed in the preceding paragraph. There a half a cent a pound was equal to something like 10 per cent ad valorem, and when you put it at 25 per cent here, you have undoubtedly increased the rate, as far as I can see.

Mr. SMOOT. All crude steel, valued at above 30 or 40 cents, as provided for here, is alloy steel. It can not be otherwise.

Mr. UNDERWOOD. You provide for alloys in the next paragraph.

Mr. SMOOT. That is paragraph 305; but that has been decreased there from 15 to 10 per cent.

Mr. UNDERWOOD. But no alloys will fall in paragraph 304, because you have them specially provided for in another paragraph.

Mr. SMOOT. If the Senator will read paragraph 305, he will find that a surtax is provided in that paragraph.

Mr. UNDERWOOD. But it provides for alloys.

Mr. SMOOT. The Senator knows that all steels between 30 and 40 cents a pound have to be alloy steel.

Mr. UNDERWOOD. I do not see any reason for this increase, but I am not going to argue it to-night, because part of the paragraph I can not amend, according to the rule we are working under, and there is no use at this late hour going into a discussion of it, because when we come back to it a proper amendment can be offered to the whole paragraph. But I just want to say that, as I am satisfied this particular amendment pending before the Senate is a very considerable and unjustifiable raise, without wanting to delay the Senate at this time, I intend to vote against it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, in paragraph 305, page 53, line 6, after the word "in" where it occurs the first time, to strike out "this title" and to insert "paragraph 304"; and in line 12, after the word "paid," to strike out the figures "15" and insert "10"; so as to read:

In addition to the rates of duty provided for in paragraph 304 on steel in all forms and shapes, by whatever process made, and by whatever name designated, whether cast, hot or cold rolled, forged, stamped,

or drawn, containing more than six-tenths of 1 per cent of nickel, cobalt, vanadium, chromium, tungsten, molybdenum, or any other metallic element used in alloying steel, there shall be levied, collected, and paid 10 per cent ad valorem.

Mr. UNDERWOOD. In this paragraph the rate provided is a little higher than the rate in the present law. I do not see any reason shown why it should be accomplished, but the amendment the committee offers in the first part of the paragraph is a reduction. Of course I think the Senate should agree to that reduction. We can not now offer a satisfactory amendment, and therefore will have to let the paragraph go until all the committee amendments are finished, and then we can propose a satisfactory amendment.

The amendment was agreed to.

The next amendment was, in paragraph 305, page 53, line 17, after the words "excess of," to strike out the figures "1½" and to insert "six-tenths of 1"; in line 19, after the words "excess of," to strike out the figures "1½" and to insert "six-tenths of 1"; in line 20, after the word "levied," to strike out "collected" and to insert "collected,"; and in the same line, after the word "any," to strike out "articles" and to insert "material provided for in paragraph 304," so as to make the additional proviso read:

Provided further, That an additional cumulative duty of $1.25 per pound on the molybdenum content in excess of six-tenths of 1 per cent, and 72 cents per pound on the tungsten content in excess of six-tenths of 1 per cent shall be levied, collected, and paid on any material provided for in paragraph 304 containing molybdenum and tungsten.

Mr. UNDERWOOD. The comment I just made would apply to the proposed changes in lines 17 and 19.

The amendment was agreed to.

Mr. UNDERWOOD. Now we have reached the point where we concluded that we would suspend for the day.

DUTIES ON EARTHEN, STONE, AND CHINA WARE.

Mr. FRELINGHUYSEN. I ask unanimous consent to have inserted in the RECORD a protest from the Trenton Chamber of Commerce against the statement of Mr. H. E. Miles, representing the Fair Tariff League, before the Committee on Finance. I also ask that the memorial be referred to the Committee on Finance.

There being no objection, the memorial was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

TRENTON CHAMBER OF COMMERCE,
STACY-TRENT HOTEL,
Trenton, N. J., April 14, 1922.

Hon. JOSEPH S. FRELINGHUYSEN,
United States Senate, Washington, D. C.

DEAR SENATOR FRELINGHUYSEN: We are just in receipt of "Part 58, Tariff H. R. 7456, Statement of Mr. H. E. Miles before the Committee on Finance, United States Senate, for a Just Tariff."

In behalf of Trenton's biggest industry we desire to register a very definite protest against Mr. Miles's reference to the pottery and chinaware industry, as quoted on pages 5252 and 5253 of this pamphlet. Particularly do we challenge the following statement:

"Pottery, earthen, stone, and china ware: Value of product in 1914, pre-war, $174,750,000; and in 1919, $292,116,000. Most of the increase in these figures is an increase in prices only, for the industry is close-knit and is believed to have indulged in price fixing in rather extreme measure.

"On plain sanitary ware the cost of production is as low here as anywhere in the world, while price fixing is so extreme that one not in the business can not buy for cash from the producers, who are tied in with local dealers and others, with final prices to the consumer bearing no relation to the cost of production.

"The protection given this industry amounted to $65,000,000 in 1914 and $94,000,000 in 1919, while the Fordney rates would give them $108,000,000, which this industry says is the least it can prosper under. All these figures would be doubled on reaching the consumer at retail. Against these great sums the Government collected in duties $5,600,000 in 1914, $3,400,000 in 1919, and $5,200,000 in 1920."

For the past five months representatives of the Department of Justice have off and on been investigating the local pottery industry, and as has been stated by one of these representatives instructions had been issued that they "must secure evidence of price fixing" within this industry. To date, however, no action against the industry has been forthcoming, undoubtedly because of the lack of evidence sufficient for conviction.

We should indeed appreciate to have you bring to the attention of the Finance Committee this criticism of Mr. Miles's statement, which, in fairness to Trenton's leading industry, could not go unchallenged.

Very respectfully yours,

TRENTON CHAMBER OF COMMERCE,
W. O. LOCHNER, *Secretary.*

TARIFF BILL AMENDMENT.

Mr. FLETCHER submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was referred to the Committee on Finance and ordered to be printed.

ESTATE OF CAPT. JOHN W. LOVELAND, JR., DECEASED.

Mr. FRELINGHUYSEN. I ask unanimous consent that the Committee on Finance be discharged from the further consideration of the bill (S. 3242) to provide for payment of the amount of a war-risk insurance policy to a beneficiary designated by Capt. John W. Loveland, jr., deceased, and that it be referred to the Committee on Claims. It is a claim that should go to the latter committee.

The PRESIDING OFFICER. Without objection, the Committee on Finance will be discharged from the further consideration of the bill and it will be referred to the Committee on Claims.

RECESS.

Mr. McCUMBER. I understand that there is no desire for an executive session, and I therefore move that the Senate take a recess, the recess being under the previous order until to-morrow at 11 o'clock.

The motion was agreed to, and (at 9 o'clock and 55 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Friday, May 26, 1922, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

THURSDAY, *May 25, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, Thy name is love divine, hence we do not fear nor tremble in Thy presence. While the day is sending forth the tokens of Thy infinite power, Thou hast overlaid them with great gentleness. O make us strong by the sense of Thy strength, wise by the sense of Thy wisdom, and better by the sense of Thy goodness. Bless all institutions which nurture Thy truth and care for humanity. May they be united in faith, hope, and charity, and work in sympathy with men, their duties, and their needs. In Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

PURCHASING VALUE OF THE DOLLAR—CHANGE OF REFERENCE.

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that the bill (H. R. 4396) stabilizing the purchasing value of the dollar, heretofore referred to the Committee on Coinage, Weights, and Measures, be re-referred to the Committee on Banking and Currency.

The SPEAKER. Is this with the consent of the chairman of both committees?

Mr. GOLDSBOROUGH. Yes.

The SPEAKER. The gentleman from Maryland asks unanimous consent that H. R. 4396, stabilizing the purchasing value of the dollar, which was referred to the Committee on Coinage, Weights, and Measures, be re-referred to the Committee on Banking and Currency. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 2263) to amend the Federal reserve act, approved December 23, 1913.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 6523. An act for the relief of John Burke, former Treasurer of the United States, for lost bonds without the fault or negligence on the part of said former Treasurer;

H. R. 6524. An act to permit the correction of the general account of John Burke, former Treasurer of the United States; and

H. R. 10442. An act to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916, as amended by an act to amend said act approved July 21, 1921.

ORDER OF BUSINESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to address the House on a matter relating to the business of the House.

The SPEAKER. The gentleman from Wyoming [Mr. MONDELL] asks unanimous consent to address the House. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Speaker, Tuesday is Memorial Day and many Members expect to be away that day. In fact, they feel that it is rather essential that they should be. They are expected to be at home if their homes are near enough so that they can be reached without too great an amount of travel. Those who do go home will find it difficult to return in time for a session on Wednesday. With those matters in mind, it is my purpose to suggest an adjournment from Sunday—when we have a meeting for a memorial service—until Wednesday, with the understanding that when we meet on Wednesday there will be an immediate adjournment until the following day. That arrangement does not leave us with a Calendar Wednesday next week, and in order that Calendar Wednesday business may be considered, I shall also, not as a part of the first request but as a further request, ask that on Thursday of next week we may consider Calendar Wednesday business instead of considering it on Wednesday.

Mr. SNELL. Can the gentleman give us any further information as to when he expects we may possibly look forward to taking three-day recesses?

Mr. MONDELL. That depends very largely on when the Senate passes the Army and Navy bills.

Mr. MADDEN. Will the gentleman yield to me?

Mr. MONDELL. I yield to the gentleman from Illinois.

Mr. MADDEN. My information is that the Army bill will be passed by the Senate by the 1st of June. Of course, then it will have to go to conference. I do not know when they will be able to pass the naval bill, but, of course, it will have to go to conference. I should like to suggest the probability of those bills becoming laws about the 1st of July.

Mr. MONDELL. We have been very hopeful that they would become laws sooner than that.

Mr. SMITH of Michigan. Can the gentleman tell us whether we will be in session on Saturday?

Mr. MONDELL. An election case will be considered on Saturday.

Mr. SMITH of Michigan. The House will be in session then?

Mr. MONDELL. The House will be in session.

Mr. BEGG. Can the gentleman give us any idea when we will have a day for the Private Calendar?

Mr. MONDELL. I hope week after next.

Mr. GARNER. Let me ask the gentleman a question. If I understand the gentleman from Illinois [Mr. MADDEN], he virtually gives the House notice that so far as passing the appropriation bills is concerned, it will approach the 1st of July before the appropriation bills will become laws; and the result is, as we gathered from the gentleman from Wyoming some days ago, that there will be no recess until after the appropriation bills are laws. Is that correct?

Mr. MONDELL. That is correct.

Mr. GARNER. And that will wind up the little ball of yarn as far as getting a recess to go home before the 1st of July?

Mr. MONDELL. Of course, the House will have disposed of its essential program of matters now prepared, considerably earlier than that, but we can not control the action of the other body.

Mr. GARNER. If I understand the status, then, it is that the House will not undertake a recess until the appropriation bills become laws, and the gentleman from Illinois [Mr. MADDEN] thinks it will approach the 1st of July before those bills become laws, so we might just as well understand the situation now, that there is no hope of a recess 10 days from now or 20 days from now. I think the gentleman ought to be frank with the House and tell us that.

Mr. MONDELL. The gentleman from Wyoming is still in a hopeful state of mind.

Mr. GARNER. He exists in that state of mind all the time. [Laughter.]

Mr. MONDELL. It is a fact that so far as the House is concerned the entire program of our legislation might have been disposed of by the 1st of June.

Mr. GARNER. Oh, easy enough.

Mr. COOPER of Wisconsin. What appropriation bills are still out?

Mr. MONDELL. The Army and Navy bills have not been passed by the Senate.

Mr. COOPER of Wisconsin. Are those the only two?

Mr. GARNER. There are two appropriation bills in conference, the independent offices bill and the District of Columbia appropriation bill.

Mr. COOPER of Wisconsin. That makes four, then.

Mr. GARNER. I know there is not a complete report on the independent offices bill or on the District of Columbia appropriation bill.

Mr. COOPER of Wisconsin. That makes two, and the Army and Navy bills make two more, or four altogether. Are there any others?

Mr. GARNER. Not that I know of.

Mr. MADDEN. The Post Office appropriation bill has only one item in controversy, and that is the matter of roads.

Mr. COOPER of Wisconsin. How long has that been in conference?

Mr. MADDEN. We have not had any conference since the House authorized us to substitute the House bill for the Senate bill.

Mr. COOPER of Wisconsin. I ask that question because it does not seem to me that one item need hold up the intelligent conferees for more than six weeks.

Mr. MADDEN. We have not had a conference since then.

Mr. MONDELL. As a matter of fact there are only two appropriation bills that are in a situation likely to cause delay. The other two appropriation bills can be finally acted upon very shortly and will be.

Now, Mr. Speaker, I ask unanimous consent that when the House adjourns on Sunday it adjourn to meet on Wednesday next.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns on Sunday next it adjourn to meet on the following Wednesday. Is there objection?

Mr. WOODRUFF. Reserving the right to object, I should like to ask the gentleman from Wyoming if he can give the House any idea as to when the Rules Committee will report upon the Woodruff-Johnson resolution?

Mr. MONDELL. I am afraid I can not, Mr. Speaker.

Mr. WOODRUFF. In that event, Mr. Speaker, I object.

The SPEAKER. The gentleman from Michigan objects.

BUSINESS ON CALENDAR WEDNESDAY.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that business which would be in order on Calendar Wednesday next be in order on Thursday.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that business of Calendar Wednesday next be in order on Thursday instead. Is there objection?

There was no objection.

FILLED MILK.

The SPEAKER. The unfinished business is the bill H. R. 8086, the filled milk bill. The gentleman from Massachusetts calls for the reading of the engrossed copy. Does the gentleman still desire the reading of the engrossed copy?

Mr. WALSH. I do.

The Clerk read the engrossed copy of the bill.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and on a division (demanded by Mr. BLANTON) there were 85 ayes and 12 noes.

Mr. BLANTON. Mr. Speaker, I object to the vote because there is no quorum present, and I make the point that no quorum is present.

The SPEAKER. The gentleman from Texas makes the point that no quorum is present. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 250, nays 40, answered "present" 1, not voting 140, as follows:

YEAS—250.

Almon	Burtness	Drewry	Greene, Mass.
Anderson	Burton	Dunn	Greene, Vt.
Andrews, Nebr.	Butler	Dupré	Griest
Ansorge	Byrns, Tenn.	Dyer	Hadley
Anthony	Cable	Fairchild	Hardy, Colo.
Appleby	Campbell, Kans.	Fairfield	Harrison
Bacharach	Campbell, Pa.	Faust	Haugen
Barbour	Cannon	Favrot	Hawes
Beedy	Cantrill	Fenn	Hawley
Begg	Carew	Fish	Hays
Benham	Chalmers	Fisher	Henry
Bird	Chindblom	Fitzgerald	Herrick
Bixler	Christopherson	Foster	Hersey
Black	Clague	Freeman	Hickey
Blakeney	Clarke, N. Y.	Fuller	Hicks
Bland, Va.	Clouse	Fulmer	Hill
Blanton	Codd	Funk	Hoch
Bowers	Cole, Ohio	Gahn	Huddleston
Bowling	Colton	Garner	Hukriede
Box	Connally, Tex.	Garrett, Tex.	Hull
Brennan	Connolly, Pa.	Gensman	Humphreys
Briggs	Cooper, Wis.	Gernerd	Husted
Brooks, Ill.	Curry	Gilbert	Hutchinson
Brown, Tenn.	Dallinger	Glynn	James
Browne, Wis.	Darrow	Goldsborough	Jeffers, Ala.
Bulwinkle	Davis, Tenn.	Graham, Ill.	Johnson, Ky.
Burdick	Doughton	Graham, Pa.	Johnson, S. Dak.
Burroughs	Dowell	Green, Iowa	Jones, Tex.

Kearns	Magee	Raker	Strong, Kans.
Keller	Mapes	Ramseyer	Summers, Wash.
Kelley, Pa.	Martin	Ransley	Sumners, Tex.
Ketcham	Mead	Reece	Swank
Kiess	Merritt	Reed, W. Va.	Swing
Kincheloe	Michener	Rhodes	Temple
King	Miller	Ricketts	Ten Eyck
Kirkpatrick	Millspaugh	Riddick	Thompson
Kissel	Mondell	Roach	Timberlake
Kleczka	Montague	Robertson	Tincher
Kline, N. Y.	Montoya	Robsion	Towner
Kline, Pa.	Moore, Va.	Rose	Vinson
Knutson	Morgan	Rosenbloom	Voigt
Kopp	Mott	Rossdale	Volstead
Lampert	Nelson, Me.	Rucker	Walsh
Lanham	Newton, Minn.	Sanders, N. Y.	Walters
Larsen, Ga.	Nolan	Sanders, Tex.	Ward, N. Y.
Larson, Minn.	O'Connor	Sandlin	Watson
Lawrence	Ogden	Schall	Weaver
Lea, Calif.	Oliver	Scott, Mich.	Webster
Lee, Ga.	Olpp	Scott, Tenn.	Wheeler
Lee, N. Y.	Osborne	Shaw	White, Kans.
Lehlbach	Overstreet	Shelton	White, Me.
Lineberger	Padgett	Shreve	Williams, Ill.
Little	Parker, N. Y.	Sinclair	Williamson
London	Patterson, Mo.	Sinnott	Winslow
Longworth	Patterson, N. J.	Smith, Idaho	Woodruff
Lyon	Perkins	Smith, Mich.	Woods, Va.
McClintic	Petersen	Snell	Woodyard
McCormick	Porter	Speaks	Wurzbach
McKenzie	Pou	Sproul	Wyant
McLaughlin, Mich.	Pringey	Steagall	Yates
McLaughlin, Nebr.	Purnell	Stedman	Young
MacGregor	Quin	Steenerson	
Madden	Radcliffe	Stephens	

NAYS—40.

Aswell	Hardy, Tex.	Moores, Ind.	Thomas
Bell	Jacoway	Newton, Mo.	Tillman
Buchanan	Johnson, Miss.	Norton	Tyson
Byrnes, S. C.	Lankford	Parker, N. J.	Underhill
Collier	Lazaro	Parks, Ark.	Ward, N. C.
Crisp	Logan	Rankin	Williams, Tex
Deal	Lowrey	Rayburn	Wilson
Dominick	Luce	Sabath	Wingo
Echols	McDuffie	Sisson	Wise
Hammer	McSwain	Stevenson	Wright

ANSWERED "PRESENT"—1.

Tucker

NOT VOTING—140.

Ackerman	Drane	Kinkaid	Reber
Andrew, Mass.	Driver	Kitchin	Reed, N. Y.
Arentz	Dunbar	Knight	Riordan
Atkeson	Edmonds	Kraus	Rodenberg
Bankhead	Elliott	Kreider	Rogers
Barkley	Ellis	Kunz	Rouse
Beck	Evans	Langley	Ryan
Bland, Ind.	Fess	Layton	Sanders, Ind.
Boies	Fields	Leatherwood	Sears
Bond	Focht	Linthicum	Siegel
Brand	Fordney	Luhring	Slemp
Britten	Frear	McArthur	Smithwick
Brooks, Pa.	Free	McFadden	Snyder
Burke	French	McLaughlin, Pa.	Stafford
Carter	Frothingham	McPherson	Stiness
Chandler, N. Y.	Gallivan	Maloney	Stoll
Chandler, Okla.	Garrett, Tenn.	Mann	Strong, Pa.
Clark, Fla.	Goodykoontz	Mansfield	Sullivan
Classon	Gorman	Michaelson	Sweet
Cockran	Gould	Mills	Tague
Cole, Iowa	Griffin	Moore, Ill.	Taylor, Ark.
Collins	Hayden	Moore, Ohio	Taylor, Colo.
Connell	Himes	Morin	Taylor, N. J.
Cooper, Ohio	Hogan	Mudd	Taylor, Tenn.
Copley	Hooker	Murphy	Tilson
Coughlin	Hudspeth	Nelson, A. P.	Tinkham
Crago	Ireland	Nelson, J. M.	Treadway
Cramton	Jefferis, Nebr.	O'Brien	Upshaw
Crowther	Johnson, Wash.	Oldfield	Vaile
Cullen	Jones, Pa.	Paige	Vare
Dale	Kahn	Park, Ga.	Vestal
Davis, Minn.	Kelley, Mich.	Perlman	Volk
Dempsey	Kendall	Rainey, Ala.	Wason
Denison	Kennedy	Rainey, Ill.	Wood, Ind.
Dickinson	Kindred	Reavis	Zihlman

So the bill was passed.

The following pairs were announced:

On this vote:

Mr. Hooker (for) with Mr. Tucker (against).

Mr. Rouse (for) with Mr. Brand (against).

Mr. A. P. Nelson (for) with Mr. Bankhead (against).

Mr. Cullen (for) with Mr. Rainey of Illinois (against).

General pairs:

Mr. Chandler of New York with Mr. Garrett of Tennessee.

Mr. Treadway with Mr. Cockran.

Mr. Langley with Mr. Clark of Florida.

Mr. Evans with Mr. Gallivan.

Mr. Connell with Mr. Kitchin.

Mr. Moore of Illinois with Mr. O'Brien.

Mr. Cooper of Ohio with Mr. Oldfield.

Mr. Coughlin with Mr. Fields.

Mr. Cramton with Mr. Carter.

Mr. Johnson of Washington with Mr. Sears.

Mr. Murphy with Mr. Riordan.

Mr. Kelley of Michigan with Mr. Ward of North Carolina.

Mr. Wason with Mr. Mansfield.

Mr. Kendall with Mr. Griffin.

Mr. Perlman with Mr. Drane.

Mr. Moore of Ohio with Mr. Tague.

Mr. Atkeson with Mr. Kindred.

Mr. Frothingham with Mr. Linthicum.

Mr. Ackerman with Mr. Park of Georgia.

Mr. Goodykoontz with Mr. Smithwick.

Mr. Dickinson with Mr. Barkley.

Mr. Knight with Mr. Stoll.

Mr. Reed of New York with Mr. Collins.

Mr. Beck with Mr. Driver.

Mr. Paige with Mr. Sullivan.

Mr. Bland of Indiana with Mr. Hayden.

Mr. Fess with Mr. Kunz.

Mr. Siegel with Mr. Taylor of Arkansas.

Mr. Bond with Mr. Hudspeth.

Mr. Snyder with Mr. Upshaw.

Mr. McFadden with Mr. Taylor of Colorado.

Mr. French with Mr. Rainey of Alabama.

Mr. TUCKER. Mr. Speaker, I voted "no," but I find I am paired with my colleague, Mr. HOOKER. I therefore withdraw my vote and answer "present."

Mr. ROSSDALE. Mr. Speaker, my colleague, Mr. PERLMAN, was called away on pressing business. If he were here, he would vote "aye."

Mr. CLARKE of New York. Mr. Speaker, I am requested by my colleague, Mr. REED of New York, to say that if he were present he would vote "aye."

Mr. MAPES. Mr. Speaker, my colleague, Mr. CRAMTON, authorized me to say that if he were here he would vote "aye."

The result of the vote was announced as above recorded.

On motion of Mr. VOIGT, a motion to reconsider the vote whereby the bill was passed was laid on the table.

DISPOSITION OF CERTAIN SUGAR IMPORTED FROM ARGENTINE REPUBLIC.

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 12, authorizing the President to require the United States Sugar Equalization Board (Inc.) to take over and dispose of 13,902 tons of sugar imported from the Argentine Republic.

The SPEAKER. The gentleman from Iowa calls up a joint resolution, which the Clerk will report by title.

The Clerk read as follows:

Joint resolution (S. J. Res. 12) authorizing the President to require the United States Sugar Equalization Board (Inc.) to take over and dispose of 13,902 tons of sugar imported from the Argentine Republic.

Mr. GARNER. Will the gentleman yield for a question?

Mr. HAUGEN. Certainly.

Mr. GARNER. The gentleman will recall that yesterday morning I tried to get into the RECORD, for the purpose of informing the House, a list of the bills that he proposed to call up, and the order in which they were to be called up under the rule. I thought the House and the country were entitled to know just how the gentleman was going to proceed. The RECORD this morning shows that he intended to take them up as they were reported, and he then proceeded to enumerate just how they were reported, and that he was asked by his committee to take them up in that order. Why is he now varying from that order?

Mr. HAUGEN. The committee met this morning and directed the chairman to call up the two sugar claims first.

Mr. GARNER. What has been the cause since yesterday to change the program and take up a bill which they consider of more importance than others?

Mr. KINCHELOE. I will say a majority of the committee, not all of them.

Mr. GARNER. May I ask the gentleman a question? Does he contemplate the committee will change their attitude on the other bills, or will they continue in the order given yesterday after this bill is considered?

Mr. HAUGEN. The committee decided to take up the two sugar bills first, then the bird refuge bill, next the bee bill, next the bill defining crop failures, and after that the other bills on the calendar.

Mr. ASWELL. I would like to say to the gentleman from Texas that the Committee on Agriculture at no time until this morning had fixed any order for any of these bills under this rule.

Mr. JACOWAY. I will say further, for the information of the gentleman from Texas, that when the order of business was arranged about three weeks ago it was understood that the grain bill was not to be considered at this time, and when

we went back into the committee this morning the record was corrected to let the record recite the facts.

Mr. HAUGEN. I desire to ask the gentleman from Arkansas if an agreement may be reached as to limitation of the time for general debate?

Mr. JACOWAY. I understood the agreement was for an hour and a half on a side.

Mr. HAUGEN. I ask unanimous consent that debate be limited to three hours, the time to be controlled one-half by the gentleman from New York [Mr. WARD] and one-half by the gentleman from Kentucky [Mr. KINCHELOE].

The SPEAKER. The gentleman from Iowa asks unanimous consent that general debate be limited to three hours, one-half to be controlled by the gentleman from New York [Mr. WARD] and one-half by the gentleman from Kentucky [Mr. KINCHELOE]. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WALSH. Is it too late to raise the question of whether this bill is on the proper calendar now?

The SPEAKER. The Chair thinks so. The Chair thinks the rule provides for the consideration of the bill.

Mr. WALSH. Well, if the committee has reported a bill and placed it upon the calendar of which it has no jurisdiction to place it, is that cured by the adoption of the rule which was brought in yesterday?

The SPEAKER. The rule was peculiar in its language and said "bills now on the Union or House Calendars." The Chair thinks under that——

Mr. KINCHELOE. Mr. Speaker, I will say to the gentleman from Massachusetts, to my surprise the gentleman from Kansas, as his remarks appeared this morning, says the Agricultural Committee has no right to report a bill on the Private Calendar.

The SPEAKER. Is there objection?

Mr. SUMMERS of Washington. Mr. Speaker, reserving the right to object, I desire to ask if this will permit me to have 20 minutes time on a matter?

Mr. HAUGEN. The gentleman from New York and the gentleman from Kentucky will control the time. It is understood the time will be divided equally between those in favor of the bill and those opposed to it.

Mr. SUMMERS of Washington. I will ask the gentleman from New York if it is possible for me to have 20 minutes?

Mr. WARD of New York. The time is all taken; the gentleman might ask the other side.

The SPEAKER. Is there objection?

Mr. STEENERSON. Mr. Speaker, reserving the right to object, I would like to inquire of the chairman if this order of calling up these bills was changed this morning by order of the committee?

Mr. HAUGEN. It was.

Mr. STEENERSON. And otherwise the grain grading bill would have come up?

Mr. HAUGEN. That is, if the bills had been taken up in the order in which they appear upon the calendar, but under the program which was decided upon this morning by the committee——

Mr. STEENERSON. But for this action this morning the grain grading bill would have been called up as understood yesterday?

Mr. HAUGEN. If they had been taken up in their order on the calendar; yes.

The SPEAKER. Is there objection?

Mr. STEENERSON. Reserving the right to object, I want some information about the change of the order. My information was that the grain grading bill would come up this morning, and now we are informed the committee has changed the rule so that the sugar bill comes up. I want to know if there is any prospect of the grain grading bill coming up and how soon?

Mr. HAUGEN. The committee has been granted three days. We have used one day. I take it that to-day will be used in the consideration of these sugar bills. Later we will have another day. We have quite a number of bills on the calendar—14 in all. We will try to dispose of most of them.

Mr. STEENERSON. Well, my constituents are very anxious in regard to it, and I want to do everything I can to get it up at an early day.

Mr. WALSH. Reserving the right to object, will the gentleman yield?

Mr. HAUGEN. I will.

Mr. WALSH. Will the gentleman from Iowa inform the House what measure would be taken up if the motion to go into the Committee of the Whole House on the state of the Union should be voted down? What bill would he then call up?

Mr. HAUGEN. According to the instructions of the committee, the next bill would be the other sugar bill, the next would be the bird refuge bill, then the bee importation bill, then the bill defining crop failures, and after that the other bills the committee has on the calendar.

Mr. WALSH. And the grain grades bill is not on the program at all?

Mr. HAUGEN. There are a number of them. The order in which they are to be called up has not been definitely decided by the committee.

Mr. JONES of Texas. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JONES of Texas. What is the question up for consideration at this time?

The SPEAKER. The vote on going into the Committee of the Whole House on the state of the Union is the one under consideration. Is there objection to the division of time? [After a pause.] The Chair hears none. The gentleman from New York [Mr. WARD] has an hour and a half and the gentleman from Kentucky [Mr. KINCHELOE] an hour and a half.

The question now is, Shall the House resolve itself into the Committee of the Whole House on the state of the Union?

The question was taken, and the Speaker announced that the ayes seemed to have it.

On a division (demanded by Mr. WALSH and Mr. JONES of Texas) the House divided, and there were—ayes 103, noes 49.

Mr. JONES of Texas. Mr. Speaker, I object to the vote, and I raise the point that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point that there is no quorum present. Evidently no quorum is present. The Doorkeeper will close the doors, and the Sergeant at Arms will notify the absentees. Those in favor of the House resolving itself into the Committee of the Whole House on the state of the Union will, as their names are called, answer "yea," those opposed will answer "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 137, nays 136, answered "present" 2, not voting 156, as follows:

YEAS—137.

Ansorge	Favrot	Kline, N. Y.	Rodenberg
Aswell	Fenn	Kline, Pa.	Rossdale
Bacharach	Fish	Larson, Minn.	Sanders, N. Y.
Beedy	Fisher	Lee, N. Y.	Schall
Begg	Fitzgerald	Longworth	Shaw
Benham	Free	Luce	Shelton
Bixler	Freeman	McCormick	Shreve
Blakeney	Fuller	McLaughlin, Mich.	Sinnott
Bland, Va.	Gernerd	McLaughlin, Nebr.	Smith, Idaho
Bowers	Gilbert	MacGregor	Snell
Brennan	Glynn	Madden	Speaks
Brown, Tenn.	Gorman	Magee	Sproul
Burdick	Graham, Pa.	Mapes	Stephens
Burroughs	Green, Iowa	Martin	Swing
Burton	Greene, Mass.	Merritt	Taylor, N. J.
Butler	Greene, Vt.	Michener	Temple
Byrns, Tenn.	Hadley	Mondell	Ten Eyck
Cable	Harrison	Montague	Thompson
Campbell, Kans.	Haugen	Montoya	Timberlake
Campbell, Pa.	Hawes	Moores, Ind.	Towner
Cannon	Hays	Morgan	Voigt
Chalmers	Henry	Mott	Walsh
Chindblom	Hickey	Newton, Mo.	Walters
Clarke, N. Y.	Hicks	Nolan	Ward, N. Y.
Clouse	Hill	Norton	Watson
Cole, Ohio	Husted	Parker, N. Y.	Weaver
Colton	Hutchinson	Patterson, N. J.	Webster
Connolly, Pa.	Jacoway	Perkins	Wheeler
Crowther	Johnson, S. Dak.	Pou	White, Me.
Darrow	Kahn	Purnell	Williams, Ill.
Dunn	Ketcham	Ransley	Winslow
Dupré	King	Reed, W. Va.	Yates
Dyer	Kirkpatrick	Rhodes	
Fairfield	Kissel	Ricketts	
Faust	Kleczka	Robertson	

NAYS—136.

Almon	Crisp	Hukriede	Lyon
Anthony	Curry	Hull	McClintic
Appleby	Dallinger	James	McDuffie
Arentz	Davis, Tenn.	Jeffers, Ala.	McSwain
Bankhead	Deal	Johnson, Ky.	Mead
Barbour	Dominick	Jones, Tex.	Miller
Bell	Doughton	Kearns	Millspaugh
Bird	Dowell	Keller	Moore, Va.
Black	Drewry	Kelly, Pa.	Nelson, Me.
Blanton	Fulmer	Kincheloe	Newton, Minn.
Bowling	Funk	Kopp	O'Connor
Box	Gahn	Lampert	Ogden
Briggs	Garrett, Tex.	Lanham	Oliver
Brooks, Ill.	Gensman	Lankford	Osborne
Browne, Wis.	Graham, Ill.	Larsen, Ga.	Overstreet
Buchanan	Hammer	Lawrence	Padgett
Bulwinkle	Hardy, Colo.	Lazaro	Parker, N. J.
Burtness	Hardy, Tex.	Lea, Calif.	Parks, Ark.
Byrnes, S. C.	Hawley	Lee, Ga.	Patterson, Mo.
Carew	Hayden	Lineberger	Porter
Carter	Herrick	Little	Pringey
Christopherson	Hersey	Logan	Quin
Collier	Hoch	London	Raker
Cooper, Wis.	Huddleston	Lowrey	Ramseyer

Rankin	Scott, Tenn.	Thomas	Williamson
Rayburn	Sinclair	Tillman	Wilson
Reece	Steagall	Tincher	Wingo
Riddick	Stedman	Tucker	Wise
Roach	Steenerson	Tyson	Woodruff
Robsion	Stevenson	Underhill	Woods, Va.
Rose	Strong, Kans.	Vinson	Wright
Sabath	Summers, Wash.	Volstead	Wurzbach
Sanders, Tex.	Sumners, Tex.	Ward, N. C.	Wyant
Sandlin	Swank	White, Kans.	Young

ANSWERED "PRESENT"—2.

Knutson Rucker

NOT VOTING—156.

Ackerman	Dunbar	Kitchin	Reber
Anderson	Echols	Knight	Reed, N. Y.
Andrew, Mass.	Edmonds	Kraus	Riordan
Andrews, Nebr.	Elliott	Kreider	Rogers
Atkeson	Ellis	Kunz	Rosenbloom
Barkley	Evans	Langley	Rouse
Beck	Fairchild	Layton	Ryan
Bland, Ind.	Fess	Leatherwood	Sanders, Ind.
Boies	Fields	Lehlbach	Scott, Mich.
Bond	Focht	Linthicum	Sears
Brand	Fordney	Luhring	Siegel
Britten	Foster	McArthur	Sisson
Brooks, Pa.	Frear	McFadden	Slemp
Burke	French	McKenzie	Smith, Mich.
Cantrill	Frothingham	McLaughlin, Pa.	Smithwick
Chandler, N. Y.	Gallivan	McPherson	Snyder
Chandler, Okla.	Garner	Maloney	Stafford
Clague	Garrett, Tenn.	Mann	Stiness
Clark, Fla.	Goldsborough	Mansfield	Stoll
Classon	Goodykoontz	Michaelson	Strong, Pa.
Cockran	Gould	Mills	Sullivan
Codd	Griest	Moore, Ill.	Sweet
Cole, Iowa	Griffin	Moore, Ohio	Tague
Collins	Himes	Morin	Taylor, Ark.
Connally, Tex.	Hogan	Mudd	Taylor, Colo.
Connell	Hooker	Murphy	Taylor, Tenn.
Cooper, Ohio	Hudspeth	Nelson, A. P.	Tilson
Copley	Humphreys	Nelson, J. M.	Tinkham
Coughlin	Ireland	O'Brien	Treadway
Crago	Jefferis, Nebr.	Oldfield	Upshaw
Cramton	Johnson, Miss.	Olpp	Vaile
Cullen	Johnson, Wash.	Paige	Vare
Dale	Jones, Pa.	Park, Ga.	Vestal
Davis, Minn.	Kelley, Mich.	Perlman	Volk
Dempsey	Kendall	Petersen	Wason
Denison	Kennedy	Radcliffe	Williams, Tex.
Dickinson	Kiess	Rainey, Ala.	Wood, Ind.
Drane	Kindred	Rainey, Ill.	Woodyard
Driver	Kinkaid	Reavis	Zihlman

So the motion was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Knutson (for) with Mr. Rucker (against).

Mr. Fess (for) with Mr. Hooker (against).

Mr. Rogers (for) with Mr. Cramton (against).

Mr. Murphy (for) with Mr. Perlman (against).

Mr. Rainey of Illinois (for) with Mr. Bland of Indiana (against).

Mr. Fairfield (for) with Mr. Andrews of Nebraska (against).

Until further notice:

Mr. Griest with Mr. Connally of Texas.

Mr. Radcliffe with Mr. Williams of Texas.

Mr. Sanders of Indiana with Mr. Goldsborough.

Mr. Volk with Mr. Johnson of Mississippi.

Mr. Maloney with Mr. Drane.

Mr. McArthur with Mr. Garner.

Mr. Kiess with Mr. Riordan.

Mr. McPherson with Mr. Kunz.

Mr. Stiness with Mr. Cullen.

Mr. Morin with Mr. Brand.

Mr. Chandler of Oklahoma with Mr. Sisson.

Mr. A. P. Nelson with Mr. Cantrill.

Mr. Michaelson with Mr. Humphreys.

The SPEAKER. On this vote the yeas are 137, nays 136, answering "present" 2, a quorum.

Mr. BLANTON. Mr. Speaker, I ask for a recapitulation of the vote.

The SPEAKER. The Chair thinks that is proper. The Clerk will recapitulate the vote.

The affirmative vote was recapitulated.

Mr. BLANTON. Mr. Speaker, did not the roll show Mr. LARSEN of Georgia as having voted "yea"?

The SPEAKER. The Clerk made the correction there. It was an inadvertence.

Mr. BLANTON. Mr. LARSEN voted "nay."

The SPEAKER. That has been corrected.

The negative vote was recapitulated.

So the motion was agreed to.

The SPEAKER. The "yeas" have it, and the House resolves itself into Committee of the Whole House on the state of the Union, and the gentleman from New York [Mr. HICKS] will please take the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the resolution (S. J. Res. 12), with Mr. HICKS in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of Senate Resolution 12, which the Clerk will report.

The Clerk read as follows:

Resolved, etc., That the President is authorized to require the United States Sugar Equalization Board (Inc.) to take over from the corporation, American Trading Co., and the copartnership, B. H. Howell, Son & Co., a certain transaction entered into and carried on by said corporation and copartnership at the request, under direction, and as agents of the Department of Justice and Department of State, which transaction involved the purchase in the Argentine Republic, between the 13th day of May, 1920, and the 22d day of May, 1920, of 13,902 tons of sugar, the importation thereof into the United States and the distribution of a portion of the same within the United States, and to require the said United States Sugar Equalization Board (Inc.) to dispose of any of said sugar so imported remaining undisposed of, and to liquidate and adjust the entire transaction in such manner as may be deemed by said board to be equitable and proper in the premises, paying to the corporation and copartnership aforesaid such sums as may be found by said board to represent the actual loss sustained by them, or either of them, in said transaction, and for this purpose the President is authorized to vote or use the stock of the corporation held by him, or otherwise exercise or use his control over the said United States Sugar Equalization Board and its directors, and to continue the said corporation for such time as may be necessary to carry out the intention of this joint resolution.

The CHAIRMAN. Under the agreement reached in the House for the control of the time of debate, 90 minutes is under the control of the gentleman from New York [Mr. WARD] and 90 minutes in the control of the gentleman from Kentucky [Mr. KINCHELOE]. The Chair will recognize the gentleman from New York for 90 minutes.

Mr. WARD of New York. Mr. Chairman, for the twin purposes of brevity and accuracy I have prepared a very concise statement setting forth the reasons that have made this resolution necessary, and also stating a few of the reasons why I believe it should receive your favorable consideration.

Early in April, 1920, the State Department learned of a surplus of sugar in Argentina, which information was communicated to the Department of Justice. An acute shortage existed in this country, with sugar retailing from 25 cents to 30 cents per pound. The Department of Justice, with the cooperation of the State Department, acting under authority of the Lever Act, arranged for the importation of a large part of this surplus sugar to relieve this situation and to break the price.

These departments lacked both funds and an organization to promptly carry out such an undertaking. Upon assurances by the State Department that the Argentine sugar embargo would be lifted on request of the United States Government, the American Trading Co., of New York, with a branch office in Buenos Aires for 30 years, was appointed purchasing agent of the Department of Justice to buy and import the sugar. The Department of Justice then asked B. H. Howell, Son & Co., of New York, to distribute the sugar to a list of purchasers approved by it. The commission fixed by the Department of Justice at 1 cent per pound for each company, the testimony shows, was very reasonable.

The Department of Justice, by letter dated May 11, 1920, instructed the American Trading Co. to immediately buy as much sugar as possible, and simultaneously requested, through the State Department, the lifting of the Argentine embargo. Through inability of these departments to secure the permit promptly, the company was delayed more than a month and a half in arranging the importation of the total purchase of 13,902 tons. Meantime much publicity was given the transaction, the market weakened, and when the sugar was offered in the United States only 5,000 tons could be sold.

To avoid any loss the companies urged the resale in Argentina of the unshipped sugar, but the State Department and Department of Justice refused this suggestion by letter of August 2, 1920, thus preventing such resale. On August 11, 1920, this Government officially offered the unshipped sugar to the Argentine Government at approximate cost, but this offer was declined. All of the sugar—13,902 tons—was brought to the United States and sold at a loss of approximately $2,500,000. The break in the market which this importation is acknowledged to have started saved hundreds of millions of dollars to the American people, and these two Government agents should not be required to stand the loss incurred in performing this service. This measure only provides reimbursement without compensation, and enables these agents to repay the money borrowed to finance the transaction.

This resolution passed the Senate during the last Congress and was favorably reported to the House a few days before adjournment, too late to be considered. It has again passed

the Senate, and the Agriculture Committee, after further hearings, has again reported it to the House. During the extensive hearings Attorney General Daugherty and Attorney General Palmer appeared and urged as a matter of equity and justice that relief should be granted these two companies, who acted merely as the agents of the Government. All of these facts were established in the hearings, by letters, official cables, and other documentary evidence.

This bill does not require an appropriation, but simply provides administrative authority for the liquidation of the transaction from the surplus funds of the United States Sugar Equalization Board. This board has examined this case and are unanimously in favor of relieving these companies.

The Sugar Equalization Board, I believe, have about $9,000,000 to-day in their treasury, and through the sale of sugar in 1919, which they prefer to call a saving rather than a profit, laid up $39,000,000. This is a gain on the difference between the price they paid for sugar and the price they sold it at, which is thirty-eight one-hundredths of a cent. They have turned $30,000,000 into the Treasury of the United States, and are now holding the balance in their treasury, pending certain litigation and legislation before they can close up the board.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. WARD of New York. Yes.

Mr. NEWTON of Minnesota. The gentleman has made a very plain and concise statement of the facts. I wonder whether the statement of facts made by the gentleman is admitted or whether it is refuted in any way?

Mr. BUTLER. Yes. Is the agency admitted? Is that in dispute?

Mr. WARD of New York. The agency is not disputed by the Department of Justice or the Department of State. They both agreed to it.

Mr. NEWTON of Minnesota. Are the facts as stated by the gentleman practically without dispute in the record and in the hearings?

Mr. WARD of New York. The facts as stated are facts taken in the hearings.

Mr. JACOWAY. Mr. Chairman, will the gentleman yield?

Mr. WARD of New York. Yes.

Mr. JACOWAY. The agency is admitted by both Attorneys General?

Mr. WARD of New York. Yes; also by the ambassador in the Argentine.

Mr. NEWTON of Minnesota. Was anybody at the hearing who disputed any of the facts that the gentleman has given here?

Mr. WARD of New York. No.

Mr. RAKER. Mr. Chairman, will the gentleman yield for a question?

Mr. WARD of New York. Yes.

Mr. RAKER. The gentleman stated it, but did not make it quite plain. Why was not this sugar sold when it was brought into the United States, without holding?

Mr. WARD of New York. The market was down. That was what caused this terrible loss. It was sold at a great loss.

Mr. JACOWAY. Mr. Chairman, will the gentleman yield again?

Mr. WARD of New York. Yes.

Mr. JACOWAY. I want to state that the condition precedent to this was the agency conferred upon Howell and the American Trading Co., and the Federal Government, through this agency, stated that they would get a speedy lifting of the embargo in Argentina. Difficulty occurred in having that done, and, as I recall the record now, it was 1 month and 13 days before that was done. In the meantime sugar commenced to decline, and when it got to the port of New York sugar had declined and they were unable to sell it on the market.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. WARD of New York. I yield to the gentleman for a question.

Mr. WALSH. I want to ask this question of the gentleman from New York: By whom was this agency admitted? By the agent of the United States?

Mr. WARD of New York. It was confirmed by the Attorneys General, both Daugherty and Palmer.

Mr. WALSH. Attorney General Palmer acted in this matter, did he not?

Mr. WARD of New York. They were appointed agents of the Government under Attorney General Palmer when he was in office.

Mr. WALSH. So that it is really the agent of the United States that is admitting the agency?

Mr. WARD of New York. Yes; if you choose to term it so. It is a Cabinet officer.

Mr. TEMPLE. Mr. Chairman, will the gentleman yield right there?

Mr. WARD of New York. Yes.

Mr. TEMPLE. I would like to call attention to the cablegram from Mr. Polk to the American Embassy at Buenos Aires, Argentina, under date of May 13, 1920, in which the American ambassador is informed that the American Trading Co. has been appointed purchasing agent by the Department of Justice, and in the second paragraph of the cablegram the American ambassador is instructed to bring that matter to the attention of the Argentine Government. The decree of the Argentine Government, issued June 23, 1920, mentioned the American Trading Co. as the purchasing agent on the part of the United States.

Mr. WARD of New York. Yes. I am going to call on the gentleman from Kentucky [Mr. KINCHELOE] to make his statement, and I reserve the balance of my time. [Applause.]

The CHAIRMAN. The gentleman from New York reserves the balance of his time. He has used 11 minutes.

Mr. KINCHELOE. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. TINCHER].

The CHAIRMAN. The gentleman from Kansas is recognized for 15 minutes.

Mr. TINCHER. Mr. Chairman and gentlemen of the committee, of course there is a sharp difference of opinion in the Committee on Agriculture on this claim. I had the pleasure of signing the minority report in the last Congress, and the minority report in this Congress, and I still think we are right. To start with, I just want to show you how we can differ on matters that there can not be any difference about. The gentleman who just preceded me [Mr. WARD of New York] stated to this committee that the agency was admitted, that there was a legal agency of the Government created to buy this sugar. If that is true, if there was a legal agency, it is admitted by both the Attorney General and by every lawyer who has had anything to do with this case that it would be a matter presenting itself purely to the Court of Claims and we would not be here considering it. It is admitted that there was no legal agency and that there is no legal liability on the part of the Government to pay these claims; but on the other hand it is claimed by the most serious adherents of this resolution that there is a moral obligation on the part of the Government to pay the claims, and that is what you are here to consider.

Now let me tell you a little about how they got into the transaction. A gentleman by the name of Franklin was at the Department of State and told this Mr. Polk or some other gentleman at the Department of State of some sugar that existed in the Argentine. It was suggested to him that he ought to tell some one connected with the Department of Justice of that sugar. In a few days his business brought him in contact with the party at the Department of Justice, and he was telling them, and they said, "We are trying to get people to import sugar from the Argentine to break the price of sugar." But there was an embargo on sugar out of the Argentine at that time unless you would buy so many pounds of a certain kind of sugar and leave it in the Argentine, that you could not get out. By an arrangement made there this Government undertook to favor those gentlemen and to get that embargo raised in such a way that they could buy their sugar and have an advantage over any other man that was buying sugar and shipping it from the Argentine. And I want to say to you now that this Government fulfilled every obligation in that regard, and that these people could have sold every pound of sugar that they had at a big profit had they been willing to do so, but the only time this company ever offered any sugar——

Mr. WARD of New York. Will the gentleman yield?

Mr. TINCHER. No; I prefer to proceed with my argument. The hearings will disclose that the only time they ever offered any sugar to the people of the Argentine was at an enormous profit, even greater than in the United States.

Mr. JACOWAY. Will the gentleman yield? The gentleman does not want to misquote the testimony.

Mr. TINCHER. No; I do not intend to.

Mr. JACOWAY. I think one brief question will clear it up.

Mr. TINCHER. All right.

Mr. JACOWAY. I want to ask if the Department of State and the Department of Justice did not tell B. H. Howell & Co. and the American Trading Co. that under no conditions would they be permitted to sell this sugar in the Argentine, because to do so would break faith with that Government, and serious complications would be the result?

Mr. TINCHER. No; they told them first that they would not ask for leave to sell it in the Argentine. At that time they told the offer they wanted to make. A short time later, though, this Government, through its agents and the department men, got leave for them to sell it in the Argentine, something that was not contemplated when they undertook to help them get it out of the Argentine.

Now, about this 1-cent-a-pound profit. The object of having two companies in this was because under the Lever Act no company was permitted by the regulations of the Attorney General to make more than 1 cent a pound on sugar. But in order to get 2 cents a pound they had two companies here, and that is the only company in the United States that did that, and the only time that arrangement was made for that profit. I will tell you what they went into. They went into a deal to make over a million dollars out of the importing of sugar into the United States.

Who were they that went into this deal? If you pass this bill, to whom do you pay it? You will pay it to the biggest sugar raiser in the world, Mr. Post. Who is Mr. Post? He is the biggest sugar refiner in the world. He raises sugar in Cuba, as the hearings disclose, and is president of the biggest sugar-producing concern in the world. He ships his sugar to New Jersey and refines it and distributes it, and the hearings disclose that before this deal was made his company had sold to the people of this country more sugar than any other man in the world at a bigger price than was ever paid for sugar in the United States of America. That is the man for whose benefit you are taking money out of the Treasury. Oh, they say, one reason for voting for this bill is that the money has not got into the Treasury yet. They say that Mr. Glasgow is holding it until Congress gets through and he can give it to Post. Reilly, another one of these Deputy Attorney Generals, testified before the committee several times. He says Glasgow is doing that for a fee. I said, "Surely not an attorney for the Sugar Equalization Board, for a private fee, would not appear here and try to get us to pay this claim?" "Oh, yes," he said, "he does not care about that. Why, when he was attorney for the board he took a fee over in Pennsylvania to fight the law and question its constitutionality." That is in the record and undisputed.

Since that time we have invited the Sugar Equalization Board to come before the committee and tell us where they stand and what they were doing, and with reference to the other claims. Let me tell you something that happened the other day. A business man came down from New Jersey who has identically the same arrangement with the Government that these people had, only he got a lot of sugar into this country and sold it. He claims he had something to do with breaking the market. The gentleman from Kentucky [Mr. KINCHELOE] asked him why he did not file his claim with Congress a long time ago. Well, he said he had a talk with Post, and Post said, "You wait until I get my claim through, and then we can all get in." He said that he read in the hearings what Post said, that his was about the only claim, and he read what Glasgow said, and that that was the only claim, and he then went to Post and said, "I am going to file my claim in Washington." I heard a member of the Agricultural Committee say to another one, "If we don't hurry up there will be hundreds of these claims." There might as well be 5,000 with as much merit.

Let me tell you something. I am not going to claim that the lobby that has been here in behalf of this claim is corrupt; but what is the lobby? Post is a man of influence, a man of wealth, a man of standing, the biggest sugar dealer in the world. I got a letter from a wholesale sugar man in my district, and he wanted me to vote for the sugar claims. There he was, way out there in that district, and I wondered what he knew about it. I went home last February and dropped in, and I said, "John, how did you happen to write me a letter to vote for the sugar claims; you don't know anything about them?" He said, "I told the girl when I wrote the letter that you would have too much sense to pay any attention to it." He said, "I had to do it because it is necessary that I have my standing as long as I am in the wholesale business." That is the class of letters that you get asking you to vote for these claims. If you are going to pay moral obligations, some of them have a more moral backing than this. This is the worst claim in the bunch. Why is it the worst claim in the bunch? Because the man that imported this sugar made more money out of sugar in 1920 than any other organization or man in the world. Go home to your people and tell them that you paid that man that produced more sugar in 1920 than any man in the world, when you were paying 20 cents a pound, and you paid him three and a half million dollars, because on his last shipment he lost a little money—go home and tell them that and see how it sounds. Talk about moral obligation. I have pretty nearly reached the conclusion that war is what Sherman said it was. There is not a wholesale sugar man in the United States but that when the drop came had sugar on his hands and lost money. There is not a retail sugar man in the United States but that when the drop came had sugar on his hands and lost money on that sugar. There is not a sugar producer in the United States but what some time, when the deflation came, lost money. Reimburse them? Because somebody has written a letter from some little wholesale house in your district or he has dropped into your office and said, "Won't you vote for the sugar claims?" The boys that write on account of the lobby know that you know the reason they write them, and they know that the Congressmen are too big to be affected by them.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. GRAHAM of Illinois. Is this another hold over from the last administration?

Mr. TINCHER. Yes; it is a hold over in a way, but it will not justify the Republican Party yielding to a holdup to get rid of a Democratic hold over. [Laughter and applause.]

Now, what happened? I can remember hundreds of farmers in my section of the country during the war that were ready to market their hogs. They started the fattening process. Along came an agent from the department from Washington and said to the local representative, "We have fixed the price of grain and hogs, and won't you raise fat and win the war? You can not lose anything; you will not only show your patriotism, but as we have fixed the price of feed and hogs, you will make money." They took them out and fattened them, and there is not a farmer but that will tell you that everyone he took out cost him a $10 bill. Suppose they all came in and said that there was a moral obligation and we must pay them out of the Treasury. We were after money. All we were after was money. Now, more than that, every grain dealer in the United States on a certain day in July, 1917, was informed by wire from Washington that while you are fixing the price of wheat for the next year it would not affect the price of 1917. Then, in order to win the war you would have no question about table products and about breadstuffs going too high for the consumption by common people. Overnight the administration in Washington reduced the price of that product a dollar a bushel. I introduced a bill to pay that moral obligation, and when we came to examine how much it would cost we found that it would cost $250,000,000. Think of it. That in the afternoon you hear your Government say they would not cut the price of $3 a bushel. The next morning you hear your Government say the price had been reduced a dollar. Not only that, but you must sell your wheat at once. Then compare this sugar proposition, this gigantic proposition that we were told is a moral obligation. When you come to analyze war, it is hell. No country can afford to select a class and attempt to recompense that moral obligation, and if my country does decide to do that, God forbid it shall pick out the sugar profiteers of America and start the compensation with them.

Mr. LONGWORTH. Will the gentleman yield?

Mr. TINCHER. I will.

Mr. LONGWORTH. I do not know that the gentleman has made it quite clear the connection of whom he is speaking with these particular companies; who are the beneficiaries of this legislation?

Mr. TINCHER. Well, the gentleman knows it is very clear in the hearings.

Mr. LONGWORTH. I do not understand it myself——

The CHAIRMAN. The time of the gentleman has expired.

Mr. KINCHELOE. I yield the gentleman two additional minutes.

Mr. TINCHER. If the gentleman will read the hearings, it tells us about who he is. Of course, this company is a very small partnership. He is president, the biggest landlord, of the biggest producing company in Cuba. He is president of the biggest sugar-refining company in the United States. In this company you are going to pay to if you pass this bill; he is only a partner with two other little fellows.

Mr. LONGWORTH. But I understand this is a payment to one of these companies and not to the other. Do I understand he has no connection with the other?

Mr. TINCHER. I think that is true. Both of these companies went into it to get the extra cent; they were not satisfied with the one cent. Let me tell you something: Post is the money, Post is the brains, Post is the business man and the man behind the gun in this connection. Franklin is a nice-looking and, as far as I know, a high-class gentleman, but he would not have gotten a claim through the committee without the superior brain power and ability of this distinguished gen-

tleman, Post. I have no personal grievance. He is an able man—a business man. If he can get the committee to report out a resolution paying a lot of money, all right. I am not criticizing him; but the ramifications of the sugar organization with which he is connected reach to every wholesale house in every district in the United States. I do not charge anything unlawful or corrupt; but I think it is only fair to suggest to Members of Congress that when the wholesale men drop you a letter, it is so that he may write Mr. Post that he has complied with his suggestion and request, and I am rather proud of my own wholesale man in my district who said to the girl to whom he dictated that he knew his Member of Congress would have sense enough not to pay any attention to it. Gentlemen, I thank you. [Applause.]

Mr. WARD of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. ASWELL]

Mr. ASWELL. Mr. Chairman and gentlemen of the committee, these two sugar claims are real obligations of a Democratic administration. There is no shadow of doubt as to the fact of that statement. A good many things have been said critically on my side of the Chamber of the rule brought in yesterday. There is ample justification for the rule and for its expediting this bill. The Sugar Equalization Board has $9,000,000 in its treasury and is uselessly continuing to exist. These years that have passed since this transaction and since the war are amply sufficient for the Sugar Equalization Board to disband and go out of existence. It is maintaining offices in New York and in Philadelphia; and on the 13th of April a resolution was passed by the Committee on Agriculture asking the Sugar Equalization Board to give an accounting of its present expenditures, and on the 19th of April the president of that company wrote the chairman of our committee and said he had the matter under consideration.

That is six weeks ago, and this Congress should settle these sugar claims now one way or the other and immediately disband that Sugar Equalization Board, for if we let it continue long enough it will expend the $9,000,000 in expenses. So I think it is necessary for the Congress to take some sort of action and take it now. I am for these bills for the simple reason that the Attorney General asked them to bring this sugar in to break down the high prices existing at that time. The records of the hearings show that one of the companies knew nothing about sugar. This company never handled a pound of sugar before or since, but it had a ship in Argentina and responded at once to the Department of Justice to bring in this sugar from Argentina to down the high prices. The publicity given when these gentlemen agreed to bring in the sugar, the publicity so extended and exaggerated, that the people who were holding sugar in this country became alarmed and sold out and broke the price down and down until it was 10 cents a pound down before the Argentine sugar arrived in this country.

Mr. BURTNESS. Will the gentleman yield?

Mr. ASWELL. I have not the time. The obligation, whether right or wrong, was made by a Democratic Attorney General. These gentlemen responded. They are not like the other claims. These are not private claims. These men represented the Government completely and in detail, and Attorney General Palmer testified to the fact before our committee, and all of his associates who came testified to that effect. Then came Attorney General Daugherty, the present Attorney General, who corroborates all that was said by the former Attorney General, and said that Congress was in honor bound to settle these claims. A Democratic Secretary of State made the same declarations.

These are the reasons why I believe they should be settled and settled now. At any rate, gentlemen, there is no justification, as I see it, for dillydallying and for criticism and reflections upon gentlemen who have come here honestly and sincerely. For weeks and weeks we have held hearings, and I have merely stated briefly what the hearings prove. There is no question about it. I want the Sugar Equalization Board to disband and cease spending the people's money, and take a part of the $9,000,000 out of its treasury and settle these claims.

It is a definite moral obligation on the part of the Government, entered into solemnly by our Government, and I believe it will be a sad day in this country when we come to face the fact that the Government of the United States fails to meet its obligations as it expects its citizens to meet theirs. If we are to have honesty in private life, how can the Government afford to be dishonest when its highest officials, who made the obligation, come and testify that we owe it? The Government should respond and respond now. I try to meet my obligations, and I want my Government to meet its well-established obligations to private citizens.

Mr. Chairman, I ask unanimous consent to print this correspondence to which I have referred.

I print the following to show the necessity of action by the Congress to close out the Sugar Equalization Board:

APRIL 17, 1922.

Mr. THOMAS HEADS,
Comptroller United States Sugar Equalization Board,
16 Beaver Street, New York City, N. Y.

MY DEAR MR. HEADS: During the hearing this morning before the Committee on Agriculture on House Joint Resolution 284, the Lamborn sugar claim, the United States Sugar Equalization Board came up for discussion. Mr. Aswell offered the following resolution:

"That the chairman request the head of the United States Sugar Equalization Board to report the names and salaries of all persons paid by the board and other expenses incurred by it during the past two years, and also the balance in the Treasury to the credit of the board."

This was adopted after considerable discussion.

The Washington office of your board advises me that you are the proper person to whom this request should be referred. I am therefore writing you pursuant to the instructions contained in the resolution.

Very truly yours,

———— ————, *Chairman.*

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UNITED STATES SUGAR EQUALIZATION BOARD (INC.),
16 Beaver Street, New York City, April 19, 1922.

Hon. G. N. HAUGEN,
Chairman Committee on Agriculture,
House of Representatives, Washington, D. C.

DEAR SIR: This is to acknowledge receipt of your letter of the 17th, addressed to me, requesting certain information in regard to the United States Sugar Equalization Board, in accordance with a resolution adopted at the hearing before your committee on the Lamborn sugar claim.

I am having this data prepared and will forward same to you within the next few days.

Yours very truly,

THOMAS HEADS,
Comptroller United States Sugar Equalization Board (Inc.).

Mr. KINCHELOE. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. JONES].

Mr. JONES of Texas. Mr. Chairman and gentlemen of the committee, at first blush, on reading the first evidence, I was inclined to think that there was some merit in these claims because of one or two communications that had passed, but on going into the matter thoroughly and hearing the different witnesses I came to the conclusion that it is the best organized raid on the United States Treasury that has ever come under my observation. I have read the testimony that was heard before the Senate committee and before the former Agricultural Committee. Let us see what the situation is and how it happened, how this American Trading Co. and B. H. Howell, Son & Co. happened to be at the State Department or the Department of Justice, and how the Department of Justice or the State Department happened to be involved in this matter at all. Now listen: Any company could take sugar out of the Argentine at any time after May 22, 1920, by depositing 30 per cent of pilet sugar in the Argentine, so that the Argentine might control the situation in the event the exportation of sugar from that country caused the price to go wild.

Mr. JACOWAY. Will the gentleman yield?

Mr. JONES of Texas. I regret that I have not the time.

Mr. JACOWAY. I do not think the gentleman wishes to make a misstatement.

Mr. JONES of Texas. Certainly not. I yield to the gentleman.

Mr. JACOWAY. The gentleman made a remark there that anybody could take sugar out of the Argentine by depositing 30 per cent of pilet sugar.

Mr. JONES of Texas. Under the general order in force at that time; that is, after May 22, 1920.

Mr. JACOWAY. Did not this embargo allow the 100,000 pounds to come out of the Argentine after this contract was entered into with B. H. Howell, Son & Co.?

Mr. JONES of Texas. The embargo was lifted after the contract was made, but these claimants did not want to comply with these restrictions, and their special permit was granted later, whereby they did not even have to deposit the 30 per cent required of the other companies.

Mr. KINCHELOE. Will the gentleman from Texas yield right there?

Mr. JONES of Texas. Yes.

Mr. KINCHELOE. Is it not a fact that the Argentine lifted the embargo the same day B. H. Howell, Son & Co. made the last purchase?

Mr. JONES of Texas. Yes; May 22.

Mr. JACOWAY. Will the gentleman yield?

Mr. JONES of Texas. The gentleman can get his own time. And I hope he will go into that.

A general order was issued on May 22, permitting any company to take sugar out of the Argentine into this country pro-

vided they deposited 30 per cent of pilet sugar. Lamborn & Co., a company which has a claim before the committee that has not been passed upon, deposited that sugar, brought the shipment in, and sold it before the market broke, to the extent that it had broken when these claimants brought this sugar in. The American Trading Co. and B. H. Howell, Son & Co. wanted to wait until they could get the United States Government to do away with the necessity of depositing 30 per cent pilet sugar.

Mr. WARD of New York. Will the gentleman yield?

Mr. JONES of Texas. I am sorry that I have not the time.

And in order to get that removed, in other words, to do away with the requirement of the depositing of that sugar, they delayed several weeks, and although they bought the sugar on or before May 22, although they had the conversation here in the State Department on May 7, the price of sugar did not break until July 13, long after the time within which it could have been brought in. So the Department of Justice and the Department of State gave them satisfactory favors and concessions which the other companies did not have the advantage of.

They talk about the limit of 1 cent per pound of profit on sugar. Every company in the United States, whether they were importing sugar or not, were required at that time under the Lever law to operate on a profit of 1 cent per pound. By some sort of a hocus-pocus the American Trading Co. and the Howell Co. got 1 cent a pound for bringing it in and another cent for distributing it. How they worked it I do not know, but they are big operators, and you know big operators have a way about them. Somehow they secured a double profit in addition to special concessions.

Now there has been a sort of strange working by various parties that are interested throughout the consideration of this measure—a sort of a lobby. You can hear the swish of their vanishing wings here, there, and anywhere. I heard it intimated that a certain politician from Ohio, for whom we created a position here, has gotten interested and has seen some of the Members. I do not know whether it is true or not, but I have heard it. All kinds of people have been around here in order to get somebody to see somebody else about these sugar claims.

There is no legal claim here. And this is not a party question. Both Attorneys General say it was a moral obligation, and both say there is no legal obligation. Nobody had authority to make any contract with these people. It is a pure question of an alleged moral obligation. I believe the sugar companies admit that. It is a question of adopting a policy. You heard the claims that were discussed by the gentleman from Kansas [Mr. TINCHER] that have a much more and a higher moral standard than these claims. The grain men, who before the price of grain was fixed bought wheat at $2.85 a bushel and the next day were required to sell at $2, lost money on the direct action of the Government after they had had a conference with Mr. Hoover beforehand in which he informed them that that price would not be fixed.

Such men have a sort of kick, it seems to me. Farmers and grain men all over the country had the price fixed upon them and thereby sustained heavy losses. And there are many others. There are claims involving untold amounts pending now before the Committee on Agriculture, to say nothing of what is pending before the Committee on Claims. If you are going to adopt a policy of paying claims of the character of the ones before us here, you would just as well construct a new Treasury Building and get another Bureau of Engraving to get out the necessary bonds. You can not make fish of one and fowl of the other and show consistency. My friends, there is not an intimation in any of these transactions that the United States was to get a cent of profit or stand a cent of loss anywhere. There is no agency. They were simply licensed like all other sugar dealers, and the same invitation extended to all. No matter what happened, the Government itself was not to get a profit. Therefore, no matter what happened, the Government should not stand the loss. Nothing was ever said in any of these communications about it, and I ask you to go through and read them. Every reference to loss was made as the company loss. The money was furnished by the American Trading Co. The sugar was purchased in the name of the American Trading Co. The American Trading Co. was to have whatever profit there was and should therefore stand any loss. They paid in Argentina between 13 cents and 14 cents per pound for this sugar. According to their own figures, the total cost of landing in New York, including ocean freight, was just above 19 cents per pound. They were to sell at about 21.3 cents per pound, so as to allow them 1 cent profit and the Howell Co. 1 cent per pound profit. They actually brought in 13,909 tons, which at 2,240 pounds per ton makes 31,156,000 pounds, which meant a profit of $311,560 to each company, or a total profit of $623,120 to the two companies. Where was Uncle Sam to come in on this deal? Oh, not at all until it was found there would be a sack to hold.

As a matter of fact, is it not plausible to assume that, in view of the interest which Mr. Post and others had in companies which were dealing in Cuban sugars, that when they found the market was about to break they might desire to let this sugar remain in the Argentine? In fact, is it unreasonable to assume that these companies might want to get into the Argentine deal so that they might, as nearly as possible, control the entire sugar situation and thus delay the shipment from Argentina until they were ready for it to come in?

They were to receive a double profit on all their transactions. At the same time they were to receive a concession from the Argentine Government whereby they were not required to make the 30 per cent deposit. That is one of the reasons why these companies happen to be here. They played the "cinch game" all along.

Now, listen. On May 7 they arranged to try to get this embargo lifted down there. On May 15, 18, and 22 they bought sugar; they bought the last sugar on May 22. On that very date the Argentine Government issued an order permitting sugar to be shipped out provided the 30 per cent were deposited. This sugar could have been shipped then, but the American Trading Co. wanted to wait until the last restrictions should be removed. They wanted to avoid depositing the 30 per cent of pilet sugar. So they waited until June 26, when the last restriction was removed. Even then the sugar market did not begin to break until July 13. In the meantime Lamborn & Co. and others had come in, but these people had not. It seems strange that these people who waited until all the restrictions were removed should stand on a better footing than those who went ahead and complied with the conditions.

Now, let me call attention to this fact, that these people at that time owned vast sugar estates in Cuba and were bringing in sugar from Cuba and from Java and from other places to sell at prices that they themselves practically fixed until the sugar market broke. They deliberately delayed the shipment of this Argentine sugar, and now they are attempting to saddle the loss on the United States Government. It appears that they might have held this back while they disposed of their other sugar.

Why, this man Post admitted here, on page 21 of the hearings, held on February 3, 1922, that he was a director in a number of different sugar companies, including the Cuba-American Sugar Co., and others that I have not the time to read. But I will ask you to look it over and see the different companies he is interested in. They did not actually ship this sugar until away along in August. Does it not seem plausible that the company's interest might be to hold this sugar back while they shipped in their other sugar on which they had no chance to recoup from the Government? Now, listen. The American people used 100,000 tons of sugar a week during this period of the year.

According to the testimony here, here were 13,000 tons shipped in. When they were finally pinned down they had to admit that they did not have anything like a week's supply that they actually brought in from down in Argentina. Yet when they first came up here in the hearings this company tried to assume the rôle of a company that was not interested in the sugar business. On page 27, the first hearing that I attended on this subject, I asked Mr. Franklin—

> Does your firm deal in sugar?

His answer was—

> No, sir; we simply export and import. We do not deal in sugar at all.

I asked him this question—

> You imported a great deal of other sugar besides this?

His answer was "No, sir." I asked him this question—

> This was all the sugar you imported in 1920?

His answer was—

> We imported three or four hundred tons of sugar from Java, which was placed as a firm order.

That is what he stated about dealing in sugar. He stated he did not deal in sugar at all. That is his own statement. Well, the company—his company—was associated in this deal, the B. H. Howell & Co. imported a great deal of sugar. Also Mr. Post, who has much to do with the management of B. H. Howell & Co., is a director in about 14 other companies, many of which are interested in the products of sugar companies dealing in Cuba, Java, and elsewhere.

This man Post, when he was presented with a copy of Who's Who, which shows his connection with these sugar companies, said, "Sure; I never tried to make anybody believe I was not." Yet the American Trading Co. was here trying to persuade the

committee that they shipped no sugar and were not interested in it in any way. His testimony was meant to inure to the benefit of both companies, or, at least, the resolution which he supported so provided. I say this would be an outrage upon this country to settle claims of this character, and in my judgment is an effort to unload on the United States Government.

Mr. WALSH. Mr. Chairman, will the gentleman yield there?

Mr. JONES of Texas. I can not yield. They say the agency is admitted. It is not admitted. There could be no legal agency. Nobody had authority to enter into such contracts as are here sought to be established. The principal place where the American Trading Co. is referred to as the purchasing agent of the United States Government is in this cablegram from Mr. Polk to the American Embassy at Buenos Aires. The other testimony shows clearly that they were not really the purchasing agents of the United States. The State Department did them certain favors, and they now seek to strike the hand that favored them. It is true the United States Government was anxious to have sugar brought in, and it did in this case just what was done on various propositions where an attempt was made to get people to obtain necessary commodities. Much has been said about the Government refusing to let these people resell in the Argentine. Of course, after the United States Government had asked the removal of restrictions by the Argentine Government for these people the State Department could not afford to let them resell without permission of the Argentine Government.

These claims should be defeated. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired. The Chair recognizes the gentleman from New York.

Mr. WARD of New York. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. HUSTED].

The CHAIRMAN. The gentleman from New York is recognized for five minutes.

Mr. HUSTED. Mr. Chairman, the speech of the gentleman from Kansas [Mr. TINCHER] was an appeal to passion and prejudice and not an appeal to reason. As an appeal to passion and prejudice it was a first-rate effort. But this is a question, I submit, that should be decided on the facts and in accordance with right and justice. This is, in a sense, a private claim for a large amount of money—$2,500,000. It is a claim which has been very closely scrutinized by the Congress, as every claim should be; but it is, I submit, a claim which will not only bear the closest scrutiny but which, as the result of that scrutiny, will appeal to the House as a claim which should not only be paid in full but paid without the delay of an unnecessary day.

Oh, it is a private claim, but it is not a private claim in the ordinary sense. It is not a claim for compensation for services rendered. It is not a contractor's claim for reimbursement on the ground that labor costs or the cost of materials had advanced as a result of the war. It is not a claim for losses incident to the ordinary conduct of business. It is not a claim for losses due to the fault or negligence of those companies in any way. It is a claim for reimbursement for losses incurred in a Government transaction which were solely and exclusively due to the action of the Government of the United States itself.

The Government of the United States, by its own specific action, created the condition which resulted in these losses, and that action was twofold: First, it failed to raise the embargo so that these sugars could be sold in the United States without loss, although that was the basic condition under which the work was undertaken by these companies; and, second, it refused absolutely to allow these companies to sell these sugars in the Argentine when they could have been sold not only without loss but with a splendid profit to the Government of the United States. Oh, the gentleman from Kentucky [Mr. KINCHELOE] said there was a lobby here. I have the highest respect and regard for the gentleman from Kentucky; but so far as this claim is concerned, of what does that lobby consist? It consists of one man, Mr. Walter S. Franklin, a vice president of the American Trading Co., the man who conducted all the negotiations with our Government. And who is Mr. Franklin? Mr. Franklin is the man who had charge of the transportation of our troops across the English Channel during the war, and after the armistice was signed he was the man who had entire charge of the bringing back of our troops from England and from France, so far as the Army transport service was concerned.

He was decorated by Field Marshal Haig and given the distinguished service order. He was decorated by France and given the cross of the legion of honor. He was decorated by the United States Government and given the distinguished service medal. He was a member and an officer of the American Expeditionary Forces; and when he has been here in Washington he has not practiced any deception upon anybody. He has been guilty of no subterfuge. He has made no misstatement. He has conducted himself in every way as a gentleman and as a man of honor. And that is the only lobby that has been here so far as this claim is concerned.

And who are these claimants? One is the American Trading Co. which was organized in 1857, one of the oldest, if not the oldest, trading company in the United States. It is a company of which every American may justly be proud, because it has a record of spotless business integrity. The other company, B. H. Howell & Co., are sugar men, of course. Why were they sugar men? Because they were selected, not by the American Trading Co. but by the Government of the United States to distribute these sugars in the United States. And who could distribute these sugars intelligently and efficiently for the benefit of the Government except a sugar company?

Mr. Post, of that company, on the very first day of the hearings, admitted frankly that he was a sugar man. Why should there be any reason for his concealing it? The Department of Justice would have failed in its duty if it had selected any kind of a company except a company with practical experience in the distribution of sugar to do this work for the United States. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. KINCHELOE. I yield five minutes to the gentleman from North Dakota [Mr. SINCLAIR].

Mr. SINCLAIR. Mr. Chairman, it is admitted by both sides of this controversy that the basis of this sugar claim is a moral one. No one has said that it is a legal claim that this company has against the Government. Now, I want to say that we would be going far afield if we attempted to pay all the moral claims growing out of the war. There are thousands and thousands of claims throughout the country everywhere in which people were induced by the agents of the Government to enter into different lines of activity and lost money thereby. If we start by taking care of one moral claim, we may as well go down the line and take care of all of them.

Mr. LINEBERGER. Will the gentleman yield?

Mr. SINCLAIR. Yes.

Mr. LINEBERGER. Does not the gentleman think it would be highly inopportune and unfortunate to start in adjusting a moral claim of this kind, assuming that this is a moral claim, before paying the moral claim of adjusted compensation to the soldiers?

Mr. SINCLAIR. I agree heartily with the gentleman. I believe the highest moral obligation this Nation owes is to the men who offered their lives in defense of their country. [Applause.]

Mr. WALSH. At $1.25 a day.

Mr. SINCLAIR. Now, regarding a statement on the first page of the majority report. It says:

> After this information had been given by that department—

Meaning the State Department—

> to the Department of Justice, the latter decided to import some of this surplus sugar into the United States.

This is hardly a fair statement. The testimony and the facts in the case do not show that the Government at any time decided to import sugar. Its entire activity was limited to interesting private concerns in that work.

I believe it was the duty of the Department of Justice all the time to endeavor to break the corner in sugar which existed. There was a widespread clamor for a reduction in the cost of sugar, and it was presumed that the Department of Justice was doing all it could to that end. The American Trading Co., in order to get sugar from the Argentine Government, invoked the aid of the State Department to have the embargo raised. While they were getting that embargo raised there was sugar coming out of the Argentine all the time, and we have the evidence before our committee that Lamborn & Co. and other companies were getting all the sugar they needed simply by complying with the regulations of the Argentine Government.

Then a strong argument is made for this claim because the State Department refused to permit the American Trading Co. to sell the sugar in the Argentine. Of course, the Government would necessarily have to do that after it had succeeded in inducing the Argentine Government to lift the embargo as a special favor to this company. It would then come with poor grace for the United States Government to permit the company to resell the sugar in the Argentine at an increased profit. Now, there is no evidence that I can find of any obligation of this Government to stand the loss in all of the negotiations between the Department of Justice and the various companies that were induced to bring in sugar. There was no thought of loss taken into consideration. From the testimony of Mr. Riley, one of the Assistant Attorney Generals, it was clearly evident that it was

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merely an attempt to break the sugar price, and he was using moral suasion to induce this company, as well as others, to bring in sugar. That is about all there is in the case. I do not believe it to be the policy of the Government or Congress to consider as binding on the Government any inducement that the Department of Justice may have used at that time to bring in the sugar. The agents of the Government during the war were all through the country urging the people to produce more and more of the necessities. They went to the wheat growers of the Northwest, the stock raisers of the West and Southwest, urging them to put their products on the market, and to go beyond the usual and customary limit in seeding and planting, and the slaughtering of live stock, in order to create a surplus of food supplies with which to win the war. They have moral claims against this Government equally as valid as this one. In my opinion, it would take a billion dollars to pay the debt the Government owes the farmers. For that reason, looking at it as an unprejudiced and impartial juror, I can not see that there is any legal or moral obligation resting on the Government. [Applause.]

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. WARD of New York. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. CHALMERS].

Mr. CHALMERS. Mr. Chairman, it seems to me that the problem is simple. Some of the authorities who were principals in the deal differ with the gentleman from North Dakota, who last spoke. The Secretary of State under the former administration, Mr. Colby, the man who occupied the position now held by Charles Evans Hughes, says that this is a just claim. Let me read from the hearings, and I think if gentlemen of the House will follow the hearings as to the responsibility of the Government it will not matter what the amount is. We want to do the square thing as between man and man. Now, listen to what Mr. Colby said:

This Government would be glad to resell to the Argentine Government, if it so desires, or on the market under its supervision, such quantities of sugar which have not already been exported to the United States—

And so forth.

You notice he says:

This Government would be glad to resell.

That would indicate that this sugar belonged to the Government of the United States. Did the Secretary of State wish to mislead the Argentine Government in representing in this telegram that this was a State matter?

The Argentine Government came back with a telegram which will be found in the hearings, as follows:

MINISTRY OF HACIENDA OF THE ARGENTINE NATION,
(Exp. 2757 R–1920),
Buenos Aires, June 23, 1920.

Having seen the request of his excellency the ambassador of the United States of America regarding the necessary authorization for the American Trading Co., purchasing agent of the Department of Justice, to export 13,909 tons of sugar of national production; and

Considering that the Government is animated by the desire to fulfill satisfactorily the foregoing petition made direct by a sister nation, the executive power of the nation, in general agreement with the ministers, decrees:

"ARTICLE 1. That the necessary permission be given to the American Trading Co., purchasing agent for the Department of Justice of the United States of America, to export to the said country 13,909 tons of sugar of national production.

"ART. 2. That this be communicated, published, and filed.

"(Signed) IRIGOYEN.
"D. E. SALABERRY."

That is the way the Argentine Government regarded this; they were exporting it to the United States Government. Now, I want to give you the opinion of A. Mitchell Palmer, head of the Department of Justice. It is in the hearings:

I have no hesitation in saying, Mr. Chairman, I think this resolution is entirely proper; that it ought to pass; that it is absolutely just and fair to these parties who desire to cooperate with the Government for the relief of a very serious situation in the country.

That is the opinion of the former Attorney General. It was known also that his assistant, Mr. Howard Figg, was of the same opinion, and I wish I had time to read the hearings to show you what he said. Our present Attorney General, who came into the Government probably prejudiced against the claim, inasmuch as it was a problem of the former Government to work out, says that it is a just claim. I will say to you that our present Secretary of State, Mr. Hughes, and perhaps Attorney General Daugherty, came into the Government prejudiced against the claim, but after listening to the testimony and reading the evidence in the case, they came to the conclusion that it was a moral obligation of the Government. I am again reading from the testimony of Mr. Daugherty:

Mr. DAUGHERTY. Mr. Chairman and gentlemen of the committee, I have had an opportunity somewhat hurriedly to go over this matter. I think I have had two or three conferences, and I have gone over the record rather carefully. Of course, you know the record better than I do. I rather think the Government, using these two companies for the purpose they were used and under the circumstances they were used, is, I think, morally, and I am quite well convinced, legally, under obligation to take care of this loss, with the understanding that no profit is to be made by either of these companies; and from the record, and only from the record, I am rather impressed that while this is a distinctive loss to the Government, yet the action of the Government in this regard probably had quite a little to do with reducing the price of sugar which the whole people got the benefit of.

In the hearings another official of the Government stated that in all probability the consumers, the householders of the United States, were saved a billion dollars by the corner being broken in this way—the corner on sugar.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. KINCHELOE. Mr. Chairman I yield five minutes to the gentleman from Montana [Mr. RIDDICK].

Mr. RIDDICK. Mr. Chairman and gentlemen, the resolution before us, introduced by the gentleman from New York, is but one of several of the same character. They propose that certain sugar dealers shall be reimbursed with public funds for losses resulting from transactions they made at the suggestion of Government officials in 1919, in an effort to reduce the prices charged the American public for sugar at that time.

As a member of the Committee on Agriculture I have listened carefully to all the evidence presented to that committee in behalf of those claims, and I assure you that in my judgment a case has not been made.

Early in the hearings we were told by the lawyers who appeared in behalf of the claims and by the lawyers in Congress familiar with the facts, that this was not a legal claim, but that it was a moral claim. Of course, if it were a legal claim the sugar people would have had it in the courts long ago. But they know their claim has no standing in any court in the land. They did take it to the Department of Justice—first before Attorney General Palmer and later to Attorney General Daugherty. Then they went to the Sugar Equalization Board, which was one of the war-time agencies organized to look after sugar matters. This agency had ample funds, its members are lawyers and experienced sugar men, and knew the facts in this case. They refused relief. Now the sugar people come to Congress and ask us to dip our hands into the Public Treasury and hand out millions of dollars to recoup their losses in transactions they entered into of their own free will and accord, for the purpose of making large private gain, but which failed to pan out as they expected. We ought not to do it.

One of my colleagues has just quoted Attorney General Daugherty as saying in his testimony before the committee that in his judgment this appeared to be a moral claim against the Government. In Mr. Daugherty's testimony before the committee in June a year ago, he did say (see page 80 of the hearings) that he reached that opinion "from the records before him" at that time. That was a year ago. I will say in all frankness that upon the record as it appeared at that time it appeared to some of the rest of us that it might be a claim which the Government ought to pay. But since that time many new facts have been brought into the record. Now, after weighing all the evidence, my judgment as a plain farmer, and one who knows little of fine legal points, is that it is so far from being a moral claim that it is one of the most immoral, unconscionable attempts to grab the taxpayers' money I have ever heard of. [Applause.]

I listened to the evidence as a jury of farmers would listen to a case in court, and I repeat that in my judgment a case has not been made.

In 1919 the American sugar market was cornered by the sugar interests and prices soared to 25 cents and 30 cents a pound. Who were the people taking advantage of the war-time conditions and charging those profiteering prices and making those unreasonable profits off the American people? Was there any connection between those sugar profiteers and those who now ask millions of dollars of the taxpayers' money on the pretense that they have suffered sugar losses which the Government ought to make good to them? The record of testimony answers those questions and I will read it presently.

In a nutshell, the case of the sugar claimants is this: When sugar prices soared so high the Department of Justice asked certain persons to buy cheap sugar in Argentina, to ship it here, and to sell it with the restriction on their profit to 1 cent a pound. They bought the sugar in Argentina, an embargo which our State Department promised to have lifted was not lifted, and that prevented them from shipping their sugar to America before the price dropped. Our Government asked them not to resell in Argentina, and when they finally got rid of their sugar they suffered a loss of between $4,000,000 and $5,000,000.

It is true the Department of Justice did ask, not one but many sugar men, to bring cheap sugar to America to reduce the prices. The particular company referred to in this resolution purchased 14,000 tons of sugar, and claims it was to have sold it at not to exceed 1 cent a pound profit. That would be $280,000. Later investigation disclosed that two companies were to be involved, one to bring the sugar in and the other to distribute it, and each was to have 1 cent a pound profit. That would make a profit of twice $280,000. It was planned to purchase 70,000 tons, which would run the profit up to near the $3,000,000 mark. Investigation proved the alleged 1 cent a pound arraugement to be fiction, and that some of these companies were even then making profits of 5 cents and 7 cents a pound. Let me quote the testimony on that from the record—page 92 of the hearings. Mr. Figg, whom I quote, was the Government representative in the Department of Justice who made whatever arrangements were made on behalf of the Government:

Mr. RIDDICK. As to the profit that the American Trading Co. was to receive, was not the original arrangement with them that they were to go down there and buy the sugar and have a reasonable profit, nothing being said about 1 cent a pound profit?

Mr. FIGG. That is true; yes, sir.

Mr. RIDDICK. Is it not true that that company and other companies who were importing were making a profit of around 3 cents a pound?

Mr. FIGG. Some of them as high as 5 and 7 cents.

Mr. RIDDICK. When was the first suggestion that this company should receive 1 cent profit rather than 3 or 5 cents?

Mr. FIGG. It was after they had purchased considerable sugar; I am not sure of the date.

Mr. RIDDICK. As a matter of fact, was it not after they had a hint in their own minds that they might sustain a loss?

Mr. FIGG. That is possible.

And so forth.

Now, as to the embargo which the State Department agreed to have lifted. These sugar people could have shipped their sugar out of Argentina at any time if they had complied with certain reasonable rules that other companies were complying with. But in addition to the big profit they sought, they wanted a special advantage which the State Department promised to get for them but failed to get. Then this sugar company proposed to resell its sugar in Argentina, not at 1 cent a pound profit but at an unreasonable profit. Our representative there learned of this and cabled our State Department that because this sugar was purchased in Argentina to relieve the situation in America and because the announcement of large proposed purchases had raised sugar prices there, it would create a bad impression for the American company to resell its sugar at a profiteering price there. That was what the State Department objected to, and very properly.

Now, let these facts be kept closely in mind. These men who agreed to buy cheap sugar in Argentina to bring to America to reduce the cost of sugar for the American people were not novices in the sugar game. They were experienced business men and they knew everything about sugar from A to Z. They knew more about sugar than anybody connected with the Government. They decided they would try to bring in sugar, but before doing so they sought an arrangement whereby they would make a profit of at least 2 cents a pound and secure a special advantage over other companies with the aid of our State Department.

Mr. HUSTED. Will the gentleman yield?

Mr. RIDDICK. I can not yield.

Mr. HUSTED. I wanted to correct the gentleman's statement. I knew he would not like to make an incorrect statement.

Mr. RIDDICK. I ask not to be interrupted. These gentlemen had an arrangement with the Government whereby they would make tremendous profits on their transaction. As I say, they were not novices. In taking the evidence I asked the claimant myself the question if it was contemplated that the Government would take care of the loss if there were any loss, but they said, "Oh, no; they were sure that there would be no loss," and they admitted then that they did not expect at that time the Government would pay any loss.

Let me read from the record of the testimony, near the bottom of page 64:

Mr. PURNELL. What was said, if anything, about any loss which you might suffer?

Mr. POST. It did not occur that there would have been any loss possible, and there would not have been if the export license had been secured promptly. The grocers were ready for it, as were also the canners and manufacturers, and they had been asking the department to secure the sugar for them.

Mr. RIDDICK. As an experienced business man, do you not know that where there was room for profit there might also be room for loss?

Mr. POST. It seemed to be so well protected from the fact that there were so many who were so glad to take it——

Mr. RIDDICK. Is it not a well-known business axiom that where there is room for profit there might also be room for loss?

Mr. POST. It did not occur to us in this case; and we thought we would surely get expenses at least in doing the business.

Mr. RIDDICK. I can not see how an experienced business man would look at such a matter as having no possibility of a loss.

From this shrewd business man here is full admission from his own lips that it was never contemplated by either party that an arrangement was being made whereby anybody was to be safeguarded by the Government against loss.

A little further in the hearings I learned some things about high finance and interlocking companies that almost made me dizzy. I found some things about our sugar friends and their numerous companies and their methods of taking profits off the public all along the line. One man, a Mr. Post, who appeared before our committee, was president, as I recall, of over 40 different sugar companies of one kind or another, all doing business with the American people. One company owned about all the producing plantations in Cuba. Another handled the sugar in one way and another in some other way, and all added to the profits of the sugar interests.

I charge here that while these people did suffer a comparatively small loss through one of their companies, while appearing to be interested in finding cheap sugar in Argentina in order to relieve the American people from the sugar profiteering price charged by their other companies, that other of their companies were at the same time and before making tremendous profits by charging those enormous prices, which were breaking the backs of American home owners and housewives in every city, hamlet, and home in our land. I will show that fact from the lips of Mr. Post, the sugar king, by his own admissions. Let me read some of the questions that I asked him in regard to this matter and his answers.

Mr. WYANT. Will the gentleman yield?

Mr. RIDDICK. I can not; my time is limited.

Mr. MOORE of Virginia. What page of the hearings?

Mr. RIDDICK. Page 25:

Mr. RIDDICK. Let me ask you a question right there. Do I understand that some of your companies were selling sugar at the high profiteering prices, and at the same time your other companies sought to break the market and expected to make a good profit out of the transaction, and then when you did not make a profit you come in here and ask the Government to take care of your losses? Is not that the case?

Mr. POST. We were distributing sugar at that time at about 21 cents. This sugar was bought particularly for canners and preservers. A committee of the canners came to New York and urged us to help them get this sugar to keep their canneries going. It did have the effect of breaking the price, but we were all very willing to have the price lowered for sugar.

That was evasive. It did not answer my question, so I pressed him still further, as follows, and I read from the hearings:

Mr. RIDDICK. Were not your other companies selling sugar at the high prevailing prices?

Mr. POST. They were selling raw sugar at the market price, whatever it was; yes. And they were selling refined sugar at the market price, which was considerably lower than could have been secured for it.

Mr. RIDDICK. Then the fact is simply that your companies were selling sugar at profiteering prices, and at the same time you sought to break the market and expected to make a good profit out of that transaction?

Mr. POST. In the refined sugar business there was no profit at times, because the record shows millions of dollars were lost by all the companies in that year—1919.

Mr. RIDDICK. But at this particular time prices were extremely high?

Mr. POST. Oh, at that time the refiners were paying very high prices for raw sugar, bringing a great deal of it in from Java and anywhere else that they could get it, and their margin of profit was very small.

Mr. RIDDICK. But I understand that some of you people were connected with the production of sugar. They were getting tremendous prices, were they not?

Mr. POST. Only for a little of it, because most of the crop had been sold.

Mr. RIDDICK. But they were getting high prices for some of it?

Mr. POST. For a part of it; yes.

"Yes." He finally admitted it.

The American people were using 100,000 tons of sugar every week. During the profiteering period on sugar these same gentlemen who are asking us to vote them millions of dollars of the taxpayers' money raised and imported and sold hundreds of thousands of tons of sugar to the American people. On the sugar they raised and manufactured and brought from Cuba, for instance, there was never any limit to the price they could charge. No one will ever know how great their profits were during the war years on their many, many large transactions among all their companies, but on a measly 14,000 tons they figure a loss of some millions of dollars, which they ask Congress to pay out of public funds as a moral obligation due them. The claim is not a just one against the taxpayers of the Nation, and Congress must not authorize it. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. WARD of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. MCLAUGHLIN].

Mr. MCLAUGHLIN of Nebraska. Mr. Chairman and gentlemen of the committee, I was one of the members of the Committee on Agriculture who was at first naturally prejudiced against this claim. I voted several times to defer the claim and postpone final action on it from time to time, and even signed

the minority report in the Sixty-sixth Congress; not that the evidence at that time convinced me that the claim was not just, but certain members of the committee had said to me that they had something to disclose. They said, "You act with us and hold this matter back, because we have some testimony that can be brought in after a while to show that there is something underhanded—something crooked in this transaction." I waited until the final hearing was held before the committee, at which time a gentleman came before the committee and gave testimony on hearsay which he afterwards came in and asked to have stricken from the record because he admitted he knew nothing about it, and that what he said was utterly unfounded. This statement, which was withdrawn from the record, was all the adverse testimony that was presented in this entire case. You have heard here that the American Trading Co., which was not in the sugar-importing business, undertook to import sugar at the request of the Government to break the price of sugar in this country. The sugar was imported, the price dropped, and when the American Trading Co. applied to sell the sugar in the Argentine to save themselves the Government would not let them sell it back because the State Department feared it might interfere with our international relations. Within the past 24 hours I have gone over 100 pages of letters and cablegrams passing between the State Department of this country and the Argentine, in which it appears that the Secretary of State refers to the American Trading Co. as the purchasing agent of the United States Government.

Mr. JONES of Texas. Will the gentleman yield? Why did not the gentleman come before the committee?

Mr. McLAUGHLIN of Nebraska. There were copies of this correspondence made, and I have had access to them——

Mr. JONES of Texas. But the committee passed a resolution that all the papers be referred with reference to these matters——

Mr. HAUGEN. The gentleman will recall that the committee appointed a subcommittee, and that committee made investigation and report.

Mr. McLAUGHLIN of Nebraska. Yes, sir.

Mr. HAUGEN. And they failed to report what the gentleman is indicating.

Mr. McLAUGHLIN of Nebraska. The subcommittee did report their examination of these official documents. Two copies of these letters were placed in your office, and I obtained the correspondence from your office, 100 pages of it, and found it to contain exactly what I have stated.

Mr. McLAUGHLIN of Michigan. The gentleman from Iowa certainly can not say that. I was chairman of that subcommittee, and I reported, and I filed with your office the originals from the State Department, and they have all been in your possession for a long time.

Mr. McLAUGHLIN of Nebraska. One of the cablegrams sent by the Department of State to the Argentine Government contained these words:

> On the arrival in New York of these sugars they will be distributed by the United States Government to essential industries.

Phrases of that kind occur throughout the correspondence, and the American Trading Co. is referred to repeatedly as the "purchasing agent of the United States Government."

Something has been said here about this company being promised a profit of 2 cents a pound instead of 1 cent, as was authorized to other companies. Gentlemen who say this must know in their hearts that they are misrepresenting the case. When our Government conferred with the American Trading Co. and asked them to export this sugar Mr. Franklin, who conducted the negotiations for the American Trading Co., said they had no distributing agencies. They said, "We were not in the business of buying or distributing sugar, and if the company imported sugar it would be necessary for the Government to get somebody else to distribute it." This the Department of Justice agreed to do. They negotiated with and finally secured the B. H. Howell, Son & Co. The Department of Justice introduced these two companies to each other. They had no interlocking directorates and had never done business together before. They were introduced to each other by the Government, and the Government arranged to allow 1 cent per pound gross commission to the American Trading Co. for buying the sugar and 1 cent to B. H. Howell, Son & Co. for distributing. The American Trading Co. used its own credit in the purchase of this sugar, and they are the heavy losers in the transaction. I challenge any man, a member of the committee or otherwise, to find any testimony in the record by anybody that appeared before the committee that denies the facts that I have set forth here. These people were acting as the agents of the Department of Justice. They went ahead in good faith, and because of the failure of the Government to live up to its agreement sustained this loss. Like the gentleman from Louisiana [Mr. ASWELL], I say, for one, that it will be a sad time in this country when the United States Government breaks faith with its citizens in a transaction like this.

Mr. RAKER. Will the gentleman yield for a question right there?

Mr. McLAUGHLIN of Nebraska. Not now, thank you.

I want to emphasize the fact, gentlemen, that the American Trading Co. had not prior to this time dealt in sugar, and that they entered into this transaction at the suggestion and request of the State Department and the Department of Justice, and when they discovered that through the advertisement of these Government departments and the publicity given by the newspapers, to the effect that vast stores of sugar were coming in from the Argentine, the price broke, they asked permission to sell the sugar back to the Argentine Government for just enough to save themselves. As the gentleman from Ohio said, when sugar had risen in the Argentine to 20 to 25 cents a pound, the State Department offered to sell the sugar still remaining down there for 16 cents a pound, when it had been bought at about an average of 13½ cents a pound, which would have barely saved these companies. But they were denied that privilege. So they came before us with this loss, a loss which every member of the Sugar Equalization Board says should be paid. Every member of the board now says, and has said, that this company should be reimbursed. Owing to the fact that the board had ceased to function, they voted by a vote of 5 to 4 that they did not believe they had the authority to pay the claim without an act of Congress. That is why the claim is here. They said it should be paid by all manner of means, but they did not believe they could pay it without authority of Congress.

And the statement put in the RECORD by the gentleman from Kansas [Mr. TINCHER], on hearsay of someone, that Mr. Glasgow might be getting a fee from somebody, is absolutely preposterous. Mr. Glasgow was the fifth one of that majority of four that voted not to allow this claim until there was action by Congress. And if he had had any thought of not playing square in the matter, if there was anything in it for him, does not everyone here know that he would have settled the claim then and there, without referring it to Congress for authority?

Reference has been made to a certain Mr. Riley, who at a late hour appeared before the committee—a successor, I believe, to Mr. Figg. Mr. Riley was peeved over something, and while he had all the records in the Department of Justice and could see all the records in the Department of State—as I have seen them and others have seen them—instead of looking them over, he went up to New York and asked the American Trading Co. to turn over all the copies of their records, when he had them down here and could refer to them every day. Because it was suggested that he look over the records in Washington, he came before the committee and put in some adverse testimony by mere inference and not based on fact. So that everything that has been said here this afternoon directly or by way to the effect that something might be dark or underhanded in this transaction is absolutely without foundation. Mr. Chairman, no more just claim has ever been considered by any Congress than the one now before the House, and the resolution should pass unanimously.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. KINCHELOE. Mr. Chairman, I yield to the gentleman from Missouri [Mr. HAYS].

Mr. HAYS. Mr. Chairman, the object to this resolution is to reimburse certain sugar companies for losses sustained in 1920 upon sugar they were holding when the break came in the high prices that had obtained for some months previous. The amount of loss the Government is asked to meet approximates $2,250,000, and is based upon a transaction involving between 13,000 and 14,000 tons of sugar. In April, 1920, and for some months earlier sugar was retailing in this country for prices ranging from 25 to 30 cents per pound. In that month the Department of State and the Department of Justice learned of a large surplus sugar supply in Argentina, but at that time there was an Argentine sugar embargo which prevented sugar from being shipped out of that country.

In April of that year the United States Government invited the American Trading Co., of New York, to purchase a large quantity of Argentine sugar for shipment to this country, and authorized it to take a profit of 1 cent per pound. At the same time it invited the B. H. Howell Son & Co. to distribute the sugar to the American dealers at a profit of 1 cent per pound. Our State Department was negotiating with the Argentine Government to have the embargo lifted, and it agreed with these two concerns to secure a concession whereby the sugar

in question could be brought out of Argentina and shipped to the United States. Thereupon the American Trading Co. and the Howell Co. undertook the enterprise of bringing in this sugar to our markets. Some delay occurred in getting the embargo lifted, but on May 22, 1920, a concession was obtained by our Government whereby these concerns might purchase sugar and bring it out of Argentina within the 90 days following. Other delays occurred which were the fault of the sugar dealers themselves, and it was not until late in August that the sugar was shipped. In the meantime the sugar market in this country had declined so that the sugar in question was sold at a price whereby the claimants under this resolution sustained a loss on the shipment amounting to $2,225,000, and it is for this sum that they are asking reimbursement.

The first question that naturally arises is, Do they have a legal claim, or do they have only a moral claim, or do they have a claim without any justification whatever? When this resolution for relief first came before our Committee on Agriculture for consideration Attorney General Palmer testified before the Committee on Agriculture. More recently Attorney General Daugherty has appeared before the committee. Representatives of the State Department have also been heard, as well as numerous witnesses offered by the claimants.

It is not contended by the claimants nor by any representative of the Department of Justice or the Department of State that our Government assumed any obligation to meet any loss these claimants might sustain in the transaction. No thought of loss seems to have occurred to any of the parties involved when the arrangement was made. Not only did the Government fail to guarantee against loss but it does not appear that either of the departments possessed any authority to make such a guaranty. The claimants themselves concede in fact that the Government is not legally liable for their losses. They are proceeding solely on the ground of a moral obligation. If legal liability did exist, these claimants would not seek recovery through a bill in Congress, but would seek their proper remedy by suit against the Government in the Court of Claims.

Then, since both proponents and opponents of this resolution agree that there is no legal liability on the part of the Government, the next inquiry is whether there is a moral obligation. The transaction between the Government and these claimants was not a contract whereby the claimants were to become agents of the Government. Under any consideration whatever the Government did not stand to reap a penny of profit from the deal. The Government, desiring to see a reduction in sugar prices, merely invited these men to undertake the transaction and offered to aid them by securing a removal of the Argentine embargo. The claimants were to take the profits if any should accrue. Even in their testimony before our committee the claimants did not pretend that this engagement was undertaken in a spirit of altruism or public charity. They assumed the job solely for the money they expected to make.

Along about the same time the farmers of the country were invited to plant crops to capacity limit. The factories were invited to increase their output. But in that same year of 1920 many farmers sold their crops for less than the cost of production. Many mills and factories and other lines of endeavor had a similar experience. These farmers and other business men who responded to the call of the Government for an increase in output and who sustained loss as a result have precisely the same right to ask for reimbursement for their losses as do these sugar companies.

Then, too, how about the wholesale houses and the retail dealers who were trying to accommodate their trade when the sugar market was at its peak? They stocked up with sugar, as far as they were able to buy it, in order to meet the demands of their customers; and when the bottom fell out of the market they sustained heavy losses on the sugar they held in stock. If the claimants under this resolution are allowed to recover, then every other dealer who sustained a loss might with equal propriety ask for relief.

But there is yet another angle to this question. I do not know the complete personnel of these claimant firms, but the two outstanding figures in the Howell Co. are James H. Post and B. H. Howell. These two men, as appears from the evidence given by Mr. Post before our committee, had been long engaged in the sugar business and were members and officers in other sugar concerns. Mr. Post had been for 20 years an officer in the Cuban-American Sugar Co. This company owns six sugar producing estates in Cuba. Mr. Howell is vice president of the company. Mr. Post is president of the National Sugar Refining Co. of New Jersey, and Mr. Howell is a member of the firm. Both of them are interested in the Constantina sugar estate in Cuba and also a refinery in Louisiana. The evidence showed their connection with numerous other sugar plantations and sugar refining companies. Their great prominence in the sugar field had given them tremendous power in the determination of prevailing sugar prices.

On September 8, 1920, I called on the Federal Trade Commission for information as to the per capita consumption of sugar and was furnished a written statement by that body showing the average per capita consumption for a period of 10 years. It showed that the average use of sugar per individual in the United States for 10 years past had been 81.23 pounds each year. Mr. Post testified that the weekly consumption of sugar in the United States amounted to 100,000 tons of 2,240 pounds per ton. That means 224,000,000 pounds per week, or 32,000,000 pounds per day. For weeks and months during 1920 the housewives of America were paying from 25 to 30 cents per pound for sugar, and on all they bought at that price the sugar profiteers were robbing them of at least 15 cents per pound. A simple calculation in arithmetic will show that during the peak of sugar prices the sugar profiteers were robbing the American public of from $3,000,000 to $4,000,000 every day. I do not know how much of this went into the pockets of Mr. Post and Mr. Howell and their associates, but I do know that good conscience and good Americanism on their part should have saved the buying public immense sums of money.

And now, when these people come to Congress asking relief for a loss sustained in this one transaction, which was made at the invitation of the Government, I think we are justified in considering the whole course of their dealings with the people whom the Government represents. That they do not have a legal claim is conceded; and from the four corners of the evidence I am not of the opinion that they have a moral claim. They do not come to court with clean hands and their claim is without equity. When this resolution comes to a vote I will vote against it.

Mr. KINCHELOE. Mr. Chairman, I yield one minute to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Chairman, I desire to ask the chairman what were the functions of the Sugar Equalization Board and why did that board act as the agent of this concession?

Mr. WARD of New York. Because they had no authority and no funds.

Mr. LONDON. No funds?

Mr. WARD of New York. And no organization.

Mr. LONDON. What were their functions?

Mr. WARD of New York. To control the distribution of sugar.

Mr. LONDON. And they could not make a purchase?

Mr. WARD of New York. They had no funds or no organization by which to purchase.

Mr. PURNELL. Let me state as a further reason why they required prompt action. The Sugar Equalization Board, even though it might have had the authority—and that is the question—had no organization in the Argentine with which to purchase the sugar. It took quick action to bring it back here and break the market.

The CHAIRMAN. The time of the gentleman from New York [Mr. LONDON] has expired.

Mr. WARD of New York. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. VOIGT].

The CHAIRMAN. The gentleman from Wisconsin is recognized for five minutes.

Mr. VOIGT. Mr. Chairman and gentlemen of the committee, as a member of the Committee on Agriculture I have given very careful consideration to the claim involved in this resolution, and I have come to the undoubted conclusion that this claim is a highly meritorious one and should be allowed.

I want to state briefly the salient facts in this case. In the spring of 1920 there was a serious sugar shortage in the United States. You will recall that at that time sugar went to 25 and 30 cents a pound. President Wilson had transferred the authority under the Lever Act exercised theretofore by the Food Administration to the Department of Justice. The Attorney General appointed several special assistants for the purpose of exercising the authority that had been transferred to that department by the proclamation of the President. Yet sugar soared up to 25 and 30 cents a pound. The Attorney General learned, through the State Department, that there were something like 150,000 tons of sugar in the Argentine that could be obtained at a reasonable price. The Attorney General, through his special assistants, then got into communication with the American Trading Co., one of the claimants involved in this resolution, and requested them to import this sugar, or some of it, from the Argentine. The American Trading Co. had never dealt in sugar. They were novices in the sugar business. They at first refused to go into the business. The testimony shows that Howell & Co., who were asked

to distribute the sugar, when brought into the proposition, refused to do it, and they finally agreed to do it only as a patriotic duty, and they were limited in their compensation. They had to put in their money; they had to furnish the ships; they had to furnish the insurance, and they had to furnish the men in the Argentine to buy this sugar, and they agreed to limit themselves in their profit to 1 cent a pound gross, which probably gave them one-half a cent a pound profit.

Now these men are held out to the House of Representatives as profiteers. I submit to you, genetlemen, that if anybody in this country at that time in that situation would import sugar to this country from Argentina and invest in that transaction $6,000,000 of his own money, and netted only half a cent a pound profit, he could not be classed as a profiteer. That is what the evidence shows in this case.

At that time there was an embargo on sugar exports levied by the Argentine Government. These people could go down there and buy that sugar, but the Argentine Government would not let it go out because there was a threatened sugar shortage in the Argentine. Our State Department told these people, through the Department of Justice, to go on and buy this sugar and said to these people, "You buy the sugar and we will have this embargo removed. We will guarantee that you can get that sugar out of Argentina. We have the promise from the Argentine Government." The Argentine Government treated this as an importation of sugar for the Government of the United States. You will find it in the record.

Our own Government, our own State Department, fell down on the raising of that embargo. These men bought the sugar at the then existing market price, and instead of the department, as promised the claimants, having this embargo speedily removed in Argentina, it took our State Department a month and a half to have this embargo removed. In the meantime the price of sugar fell, and these men could not get the sugar out of the Argentine, although they had the assurance of the State Department of the United States that this embargo could be released.

They shipped some of that sugar up here. While it was on the way the price of sugar began to fall. The Attorney General's department spread information in this country, when sugar was up to 25 and 30 cents a pound, that the Government was taking means to import 150,000 tons of sugar from the Argentine. The effect of that was to break the market in the United States, and that fact alone inured to the benefit of the people of the United States, I think, in the sum of several hundred million dollars.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. VOIGT. Mr. Chairman, may I have one or two minutes more?

Mr. McLAUGHLIN of Nebraska. I yield to the gentleman one minute.

The CHAIRMAN. The gentleman from Wisconsin is recognized for one minute more.

Mr. LONDON. On what basis——

Mr. VOIGT. I regret I can not answer a question in one minute.

So that these people, these claimants, were prejudiced by the conduct and by the promise of the State Department of the United States to raise this embargo. They lost their money. Then these people, when they had part of the sugar down in Argentina and the price dropped in the United States—the price in Argentina was at that time 26 cents a pound—offered to sell this sugar that they had left in Argentina to the Argentine Government at 16 cents a pound, which would leave them out, without making a dollar and without losing a dollar, and our State Department refused to let them resell that sugar. They lost their money because our State Department failed to make good on raising the embargo and refused to allow them to resell the sugar down there. I will hold the Government to the same rule of conduct as an individual making good a moral obligation. It is the conduct of the Government of the United States that has caused this loss to these people, and there never was a more honorable and equitable claim presented to this Government. [Applause.]

The CHAIRMAN. The time of the gentleman has expired. As the time now stands the gentleman from New York [Mr. WARD] has 44 minutes remaining and the gentleman from Kentucky [Mr. KINCHELOE] has 46 minutes remaining.

Mr. KINCHELOE. I yield one minute to the gentleman from Pennsylvania [Mr. KIRKPATRICK].

Mr. KIRKPATRICK. Mr. Chairman, I should like to ask the gentleman from Wisconsin [Mr. VOIGT] this question, whether he agrees to the statement made by the gentleman from Montana [Mr. RIDDICK] that at the time they entered into this arrangement these parties did not expect to be reimbursed in case of loss?

Mr. VOIGT. I will say this, that at that time sugar could be bought in the Argentine for 14 cents a pound and the price in this country was between 25 and 30 cents, and naturally there was no talk and nobody ever thought of any loss. There was no conversation on the subject. But our own State Department told these people, "You buy the sugar and you can get it up here. We have the promise of the Argentine Government to raise the embargo so you can get it up here." Our State Department did not have the promise of the Argentine Government, and it took a month and a half to release the embargo, and in the meantime these people lost money.

Mr. KIRKPATRICK. The gentleman has not answered my question.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. KIRKPATRICK. May I have one minute more?

Mr. KINCHELOE. I yield to the gentleman from Pennsylvania one minute more.

Mr. KIRKPATRICK. The gentleman has not answered my question. The gentleman from Montana [Mr. RIDDICK] stated definitely that these parties testified that they did not expect to be reimbursed in case of loss. Is that a fact? Does the gentleman agree to that?

Mr. VOIGT. There was not any talk about any expectation, and they never testified to any such state of facts.

Mr. KIRKPATRICK. Does not the gentleman think that the total omission of that fact from the arrangement amounts to an understanding that these parties were taking the risk of loss in return for the profit that they expected to make?

Mr. VOIGT. I do not think they took the risk, because from start to finish they were the agents of the United States Government. They were in the hands of the Government in the purchase, and in the agreement for the sale of this sugar. They were practically Government agents or factors, investing their money on the faith of the Department of State and the Department of Justice.

Mr. KIRKPATRICK. In the hearing the gentleman from Montana asked this question:

> Mr. RIDDICK. As experienced business men did you not know that where there was room for profit there might also be loss?

Mr. Post replied—

> It did not occur to us in this case, and we thought we would surely get expenses, at least, in this case.

In other words, if it did not occur to them that there was going to be any loss, it certainly did not occur to them to expect the Government to reimburse them for the loss, and therefore they did not expect to be reimbursed in case of loss.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KINCHELOE. I yield 10 minutes to the gentleman from Iowa [Mr. HAUGEN], chairman of the Committee on Agriculture.

Mr. HAUGEN. Mr. Chairman, it is not my purpose to make an extended argument against the bill under consideration, the bill to reimburse the American Trading Co. and B. H. Howell & Sons over $2,000,000 lost by them in importing sugar from the Argentine. It seems to me that the facts stated in the hearings are sufficient to convince any unbiased mind that the bill should not pass.

The gentleman from Wisconsin [Mr. VOIGT] says that the Government appealed to these people as patriotic men to handle the sugar. The Government also appealed to millions of other patriotic men. It appealed to practically every farmer and every good American citizen to aid in carrying on the war. One can not claim that there is anything more than a moral obligation here. The Government owes that same moral obligation to every farmer who raised wheat and sold it at the price fixed by the Government, which price was probably half what it would have been had the Government not interfered.

One contention is that the purchase of the 13,902 tons of sugar was made in the name of the Government, and if so, the Government should be held liable for the loss. We had some statements touching on that, and the evidence is that nobody claims to have a contract with the Government and that nobody representing the Government had authority to enter into a contract. I refer you to page 95:

> The CHAIRMAN. What authority did that proclamation give you to buy or sell or to guarantee any profit?
> Mr. FIGG. We did not at any point have the power to guarantee against loss by that act.
> The CHAIRMAN. Did you have the power to buy?
> Mr. FIGG. No; we did not; not as the Department of Justice.

The CHAIRMAN. Then you agree with Mr. Palmer and Mr. Glasgow that there was no power granted anywhere to purchase or to guarantee against loss?
Mr. FIGG. I think that is probably true.
The CHAIRMAN. Did the Government have any power to purchase or to guarantee against loss?
Mr. FIGG. I think not; no, sir (p. 95).

One contention is that the American Trading Co. was prevented by the Government from selling the sugar in the Argentine, and for that reason the Government should make up the loss.

Mr. Franklin was asked this question:

Why were you prohibited from selling the sugar in the Argentine?
Mr. FRANKLIN. Because the ambassador and the State Department told us, through the Department of Justice, that it would be impossible to sell down there without causing difficulties.

Certainly no one will contend that the department should have aided these people at the expense of possible trouble.

Mr. Armstrong, their attorney, said:

May I interrupt to say that this sugar was bought in the name of the United States Government, and it was the question of the United States Government directly selling back to the Argentine Government. It was a Government transaction.

Now, what has the Attorney General to say about it? The testimony of Attorney General Palmer is—

I think it is very questionable whether the purchase was made in the name of the Government.

So much for that.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. HAUGEN. I prefer to finish my statement.

Mr. VOIGT. Will the gentleman yield for just a brief question?

Mr. HAUGEN. Yes.

Mr. VOIGT. Just one question. I call your attention, on page 6 of the report, to a telegram from our State Department to the American Embassy at Buenos Aires—

Mr. HAUGEN. I am going to clear that up.

Mr. VOIGT. One second.

Mr. HAUGEN. Go ahead.

Mr. VOIGT. It says:

The American Trading Co. has been appointed purchasing agent by the Department of State.

Mr. HAUGEN. Yes. I will refer to that. And let me quote you another statement by Mr. Glasgow, attorney of the Sugar Equalization Board:

Mr. GLASGOW. And let me ask you another thing. It has been a long time since this transaction, and any claims ought to have appeared a long time ago; but if you pass any other do not leave any discretion with the board, if you want it paid, because I have told you the board will never pay out a cent other than this claim as long as it is not directed absolutely to do it by Congress.

Now, these claims, the claim of the American Trading Co. and B. H. Howell & Sons, and the claim of De Ronde are on a par with thousands of other claims. Who called attention to this supply of sugar first? Was it the department, as alleged, that called attention to it? Let us take Mr. Franklin's statement of it. He is a member of the American Trading Co. and one of the claimants. What does he say about it? Mr. MCLAUGHLIN of Michigan asked him how did this thing start and how did it develop? Mr. Franklin replied:

Well, it started exactly as I have told you. In April I told the Department of Justice that this sugar was there in the course of a conversation had with the State Department.

Evidently Mr. Franklin made the first move and not the department, as has been suggested.

Now, how about the guarantee? Take the testimony of Mr. Figg. Mr. Figg is a special attorney in the Department of Justice. He had charge of these transactions and was the only one connected with it. What has Mr. Figg to say about it? He was asked what authority the proclamation gave, referring to the proclamation of the President, to buy or sell or guarantee any profit?

Mr. Figg replied:

We did not at any point have any power to guarantee against loss by that act.

He was asked, "Did you have the power to buy?" He said:

No; we did not; not as to the Department of Justice.

Then the question was asked:

You agree with Mr. Palmer and Mr. Glasgow there was no power to purchase anywhere or guarantee against loss?

He said:

I think that is probably true.

He was asked:

Did the Government have any power to purchase or guarantee against loss?

His answer was:

I think not; no, sir.
The CHAIRMAN. Mr. Figg, you stated you had no intention of buying the sugar?
Mr. FIGG. That is right.
The CHAIRMAN. You do not claim you had any authority to enter into any agreement to buy or guarantee against loss?
Mr. FIGG. That is right (p. 96).

How can it be stated any more definitely than that? Mr. Figg was acting for the Department of Justice, and should know.

There has been much said about delay. It is alleged that the $2,500,000 claim is due to the delay in lifting the embargo. Here is the testimony.

The CHAIRMAN. I understood you to say that no agency of the Government or department of the Government was in any way derelict, but that they all did everything they could to assist these people.
Mr. FIGG. I think the Government was trying in every way possible. If there was any failure anywhere on the part of the Government, it was through the American ambassador in Argentina.
The CHAIRMAN. Did not the American ambassador assist them as far as he could?
Mr. FIGG. It was the result of his telegrams, or cablegrams, which were misleading.
The CHAIRMAN. In what way was it misleading?
Mr. FIGG. He had cabled the Department of State that the permit would be issued by the Argentine Government on the naming of the firm or firms to which it should be issued by the United States Government. When that request was made it was found that it could not be issued except with these restrictions, which were impossible of fulfillment (p. 97).

What were the restrictions which were impossible of fulfillment? Exactly what was required of others—nothing more nor nothing less. De Ronde and others imported under the restrictions without any inconvenience. Had the American Trading Co. made the required deposits of 30 per cent it would have had no trouble in importing its sugar.

The American Trading Co. and the B. H. Howell Co. were not satisfied with a 2 per cent profit, or twice the profit made by others, but also desired to be relieved from the requirement of depositing 30 per cent. Who were responsible for the delay?

Mr. Figg said in his letter to Mr. Franklin:

After talking over with your representatives, Mr. Lynn and Mr. Giddings, it was deemed that your agent already on the ground should be advised to contract for or buy as much of the entire surplus as possible before any further request was made that the embargo be lifted, as, of course, upon the general knowledge that this has been done will create a speculative market.

It is clear that it was at the suggestion of the American Trading Co. and B. H. Howell & Sons that the delay occurred, and not the fault of the department.

Mr. BEGG. Will the gentleman yield?

Mr. HAUGEN. Yes.

Mr. BEGG. This House has passed bills for the relief of miners who did not have as much of a contract as these people have. Is not that true?

Mr. HAUGEN. Oh, Congress has passed bills to pay other claims. Some have merit.

Mr. BEGG. Will the gentleman stick to the question? We undertook to compensate for monetary loss men who had implied contracts working for the Government during the war. Will the gentleman admit that statement?

Mr. HAUGEN. Congress has passed claims that it ought never to have passed.

Mr. BEGG. I do not think the gentleman could dig up his own votes too closely when it comes to that. Now, let me ask another question. If these people were trying to perform a service for the general public in breaking the price of sugar from 29 cents wholesale down to 17 cents wholesale, if these people were bona fide trying to do that, and then if the price broke before they could get to cover, does not the gentleman feel that there could not be a more binding contract in the face of the letters that have been written? The gentleman is a lawyer and he knows that all contracts do not have to be in contract form.

Mr. HAUGEN. The gentleman is taking up my time. I am not responsible for the bills the gentleman has in mind.

Mr. BEGG. That is about the only way you can get time on this bill. [Laughter.] Will not the gentleman admit that I am right?

Mr. HAUGEN. Let me answer the question. These people bought sugar and were to have a profit of 2 cents a pound, while others who bought it were to have only 1 cent a pound. They also wanted the special privilege of being relieved from making a deposit of 30 per cent, which others were required to make; in addition they were to get 2 cents a pound, while others were required to make the 30 per cent deposit and get 1 cent a pound. If it broke the price of sugar, it also bankrupted thousands of others. Are we under any moral obligation there?

Mr. BEGG. Will the gentleman let me ask him a question about that?

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. KINCHELOE. I will yield to the gentleman five minutes more.

Mr. RAKER. Will the gentleman yield?

Mr. HAUGEN. For a brief question.

Mr. RAKER. In relation to the embargo, from what source did the gentleman state the fact that the American Trading Co. and Howell were responsible for the embargo being continued?

Mr. HAUGEN. First let me clear up the matter of agreements and profits.

Mr. PURNELL asked:

Was there anything said to you by Mr. Figg or any other representative of the Department of Justice that would lead you to believe that the Government would take care of you in case there was a loss sustained?

Mr. FRANKLIN. No, sir.

The CHAIRMAN. I understand you to state that so far as the Sugar Equalization Board is concerned, that no obligation has been incurred?

Mr. GLASGOW. None, sir.

The CHAIRMAN. And that there is no legal obligation anywhere, though there may be a moral obligation?

Mr. GLASGOW. That is my judgment. I would not want to commit anybody else to that.

The CHAIRMAN. You are more familiar, I think, with the Food Administration than any other man.

Mr. GLASGOW. However that may be, that is my judgment (p. 32).

Mr. GLASGOW. In my judgment there is no contract in the commercial sense of an enforcible contract at law against the Government.

That is what he said, gentlemen. Now, there is another question that I put:

The CHAIRMAN. I understand you to state that so far as the Sugar Equalization Board is concerned no obligation has been incurred?

Mr. GLASGOW. None, sir.

The CHAIRMAN. And there is no legal obligation anywhere, though there may be a moral obligation?

Mr. GLASGOW. That is my judgment.

Mr. PURNELL (to the Attorney General). * * * Do you know whether there was any arrangement of any kind made whereby they were to be protected against any loss?

The ATTORNEY GENERAL. No, sir (p. 49).

* * * * * * *

Mr. TINCHER. There was no different arrangements concerning the profits that these importers would have on this sugar with the Department of Justice than the Department of Justice's effort to regulate all transactions in sugar—it was all the same profit?

The ATTORNEY GENERAL. It was the same profit.

Mr. TINCHER. So they were to have the same profit other men were to have in handling sugar, so far as you are able to enforce your ideas of the Lever food control law?

The ATTORNEY GENERAL. That is correct. Of course, we could not control all (p. 50).

* * * * * * *

Mr. TINCHER. You never guaranteed these gentlemen against any loss?

The ATTORNEY GENERAL. Certainly not (p. 52).

* * * * * * *

I asked Mr. Franklin:

The CHAIRMAN. Have you a contract with the Government guaranteeing you against loss?

Mr. FRANKLIN. No, sir (p. 22).

The CHAIRMAN. Do you claim to have a contract with the Government made by any official authorized to make a contract?

Mr. ARMSTRONG. Only as the facts show which I am developing before you at this time.

The CHAIRMAN. Do you claim to have a contract with the Government?

Mr. ARMSTRONG. That is rather a difficult question to answer.

* * * * * * *

Mr. WARD. Didn't you have an agreement specifying in some way the remuneration for your services?

Mr. ARMSTRONG. At the time we undertook the purchase of these sugars no arrangement had been made for compensation for our services. * * *

That is the testimony. I yield to the gentleman from California.

Mr. RAKER. The gentleman stated this embargo was not raised earlier because of the fact that the American Trading Co. and Howell were perfectly willing for the embargo to remain?

Mr. HAUGEN. Exactly. Here is Mr. Figg's letter to Mr. Franklin.

Mr. JACOWAY. The chairman does not mean to answer the way he did; I think the chairman is wrong.

Mr. HAUGEN. I have here Mr. Figg's letter to Mr. Franklin, notifying him that Argentina would lift the embargo. He also says:

After talking this over with your representatives, Mr. Lynn and Mr. Giddings, it was deemed advisable that your agent already on the ground should—

What?

should be advised to contract for or buy as much of the entire surplus as possible before any further request was made that the embargo be lifted.

Mr. RAKER. Then, according to that the American Trading Co. and their agent wanted the embargo released, so as to get more sugar at a cheaper price?

Mr. HAUGEN. Certainly; and enable them to buy sugar at a low price.

Mr. RAKER. Did the American people get the benefit of the cheaper price; did not the speculator get any?

Mr. HAUGEN. Now, Mr. Chairman, in conclusion I desire to say that in the absence of any agreement or authority to buy or sell sugar on the part of the Government, or to guarantee against any losses, and in the absence of any legal liability on the part of the Government to pay these claims, I see no just reason for paying out of the Federal Treasury the two and one-half million dollars carried in this resolution or the $2,000,000 carried in the other two resolutions. If these three claims are to be paid, it goes without saying that every groceryman, every merchant—yes, every sugar-beet grower—who lost money on sugar should be reimbursed. If these moral obligations are to be redeemed, hundreds of thousands of others with equal if not greater merit certainly should be redeemed. The committee has a bill before it to reimburse the farmers who lost money on the wheat crop in 1917 through the Government fixing the price. The farmers were appealed to in my State and other States to raise hogs and supply the country with fats. If these three claimants are entitled to reimbursement, then I submit to you that every moral claim, great or small, on a par with these should be satisfied.

The CHAIRMAN. The time of the gentleman has expired.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. WALSH, having taken the chair as Speaker pro tempore, sundry messages in writing from the President of the United States by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills of the following titles:

On May 15, 1922:

H. R. 4382. An act to provide for the application of the reclamation law to irrigation districts.

On May 20, 1922:

H. R. 4069. An act authorizing the Secretary of the Interior to sell certain lands on the Wind River Reservation, Wyo.

On May 22, 1922:

H. R. 11645. An act making an appropriation to enable the Department of Justice to investigate and prosecute war frauds.

On May 24, 1922:

H. R. 10329. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for other purposes.

On May 25, 1922:

H. R. 9951. An act to amend section 22 of an act approved February 14, 1920, entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes," for the fiscal year ending June 30, 1921; and

H. R. 11152. An act to authorize the Bear Mountain Hudson River Bridge Co. to construct and maintain a bridge across the Hudson River near the village of Peekskill, State of New York.

DISPOSITION OF CERTAIN SUGAR IMPORTED FROM ARGENTINE REPUBLIC.

The committee resumed its session.

Mr. KINCHELOE. How many more speeches does the gentleman from New York expect to have?

Mr. WARD of New York. I will use one more speech now. I yield five minutes to the gentleman from Indiana [Mr. PURNELL]. [Applause.]

Mr. PURNELL. Mr. Chairman and gentlemen of the committee, I think I can say as one member of this committee that I have given as careful consideration to this bill as any member of it. I have tried as hard as it is possible for me to do with my limited powers to find some sufficient reason to be against this bill. I signed the first minority report. I did it because it was whispered around this Chamber and elsewhere that we as members of the Committee on Agriculture had not yet gone into the facts in connection with this case. It was said if a little more time was granted they could dig up the facts and it would disclose clearly that this is a graft, that these men stand in the same relation as every other American stood then who was asked to do something to help win the war, and I worked as hard as any member of the committee to prevent this bill being considered, because I believed there was something yet that the members of the Committee on Agriculture ought to find out. When we had exhausted every opportunity, when Chairman MCLAUGHLIN of Michigan and

the distinguished gentleman from Arkansas [Mr. JACOWAY] and another member of the subcommittee went through every paper of the files from the State Department and the Department of Justice and finally reported I was absolutely convinced that this is a strong moral if not a legal obligation upon the part of the Government. [Applause.] Now stripped of all extraneous matters that have been brought into it, let me state briefly what this involves. The United States Government by and through its representatives in the State Department and in the Department of Justice, for the purpose of breaking the price of sugar in this country in order that it might result to the benefit of the people of the United States, sent the American Trading Co. down into the Argentine Republic to buy sugar, not for themselves but on behalf of the Government of the United States, and they went as agents for the Government. Here is an excerpt from a cablegram from the Acting Secretary of State, Mr. Polk, to the American Embassy at Buenos Aires. How do you square this with the contention that these people were not acting for the Government? Let me read:

The American Trading Co. has been appointed purchasing agent by the Department of Justice, and it is being instructed by that department to obtain quietly as many options as possible before the market is aware that the embargo has been lifted in order to avoid unduly high prices, otherwise it will be impossible to buy Argentine sugar.

Mr. RAKER. What is the gentleman reading from?

Mr. PURNELL. From an official communication sent by the State Department to our representatives in Argentina. I prefer not to be interrupted. The Department of Justice and the Department of State exercised supervision over this transaction. They not only told the American Trading Co. and B. H. Howell what they were to do in the Argentine Republic, but they also told them to whom they must sell the sugar when it was brought back. They fixed the amount of the profit they should have, and when the news was spread throughout this country that something like 100,000 tons of sugar had been bought from Argentina—which was a mistake, notwithstanding the press carried the report—the price of sugar began to fall in this country, and as a result hundreds of millions of dollars were saved to the consumers of sugar. Immediately when the American Trading Co. saw they could not bring the sugar back to the United States and sell it at a profit they asked the Department of Justice and the Department of State, who had exercised every control over this transaction, for permission to sell that sugar to Argentina or in Argentina and thus save a great deal of money. This was certainly a very reasonable request, but the Department of Justice and the Department of State said they could not sell it but must hold it.

Now, a great deal has been said in this debate to-day of other people in this country who were asked to do things for the Government and lost money. This bill will not be popular in my district, I am sure. Many of my farmers lost money, thousands and thousands of dollars, on hogs and grain trying in a big patriotic way to follow the lead of those who were directly charged with the conduct of the war. They, too, may have moral or legal claims; if so, we will meet them when they are brought before us. We must decide now what we are to do with this one. I regard it as a meritorious proposition. If the Government of the United States owes to any individual or group in this country or elsewhere any money, I want to see it paid. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. KINCHELOE. Mr. Chairman, I yield five minutes to the gentleman from Tennessee [Mr. CLOUSE].

Mr. CLOUSE. Mr. Chairman and gentlemen of the committee, when the question of going into the committee this morning arose the matter was somewhat doubtful as to whether we would go into the committee for the consideration of this bill. On the original vote I cast my vote against going into the committee, because of the limited investigation that I have made of this question I was opposed to the legislation. But feeling that every American citizen should have the right to be heard by the Congress of the country, before the vote was announced I decided to change from nay to aye and go into the Committee of the Whole, in order that both sides of this controversy might be presented to the membership of the House.

Since the hearings have been discussed both pro and con I have gone back to the original views that I entertained on this proposition, although I am not exactly in accord with any of the gentlemen, either the proponents of the bill or those in opposition to it. I have heard some say that perhaps there is a legal obligation attached to this. Well, I deny that, and I think any man who will construe the correspondence, the language, the contract that led up to inducing these gentlemen to go to the Argentine and buy this sugar will be convinced that there is absolutely no legal obligation. I do not think that they were agents of the Goveriment of the United States in this transaction, but that they were rather brokers, dealing with the United States, and I want to try to make myself clear upon that proposition.

Mr. HARDY of Texas. Will the gentleman yield for a short question?

Mr. CLOUSE. Yes.

Mr. HARDY of Texas. If they were agents of the United States, then there is a legal obligation?

Mr. CLOUSE. I would not concede that to be true, but they were not the agents of the United States, because they contracted for this material from the Argentine sugar growers in their own name and not in the name of the United States. And had they been the agents of this Government they could not have contracted in their individual names.

Mr. HUSTED. Will the gentleman yield for a brief question?

Mr. CLOUSE. In just a moment.

Another reason why I say they were not the agents of the Government is because they did not believe they were, for what became of this sugar? Why, if they had been the agents of the United States to purchase this sugar for and on behalf of it the title to the sugar would have been in the United States Government. But these gentlemen did not so regard it, or otherwise they converted the property in violation of such an agreement. If they were agents of the United States Government, as is said by some, why did they sell the sugar themselves without the consent of the Government?

Now, let us see, Mr. Chairman, another thing: I believe in this Congress carrying out every moral obligation that this administration or any preceding administration made. But is there a moral obligation attached to this? Well, I do not think there is. The whole theory of the transactions appears to me to be a scheme whereby they intended to protect the sugar industries then operating in the United States and at the same time make money off of the Federal Government in connection with the contract that they were trying to execute in the Argentine Republic. Who are these gentlemen? I turn to the hearings, and I find that Mr. Post appeared before the committee, and, though very reluctantly, he did finally say that he was connected with the Cuban-American Sugar Co., and that this company owned six vast estates in Cuba, which were being used for the growing of sugar.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLOUSE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HAUGEN. Mr. Chairman, I make the same request.

The CHAIRMAN. The gentleman from Iowa makes the same request. Is there objection? [After a pause.] The Chair hears none.

Mr. KINCHELOE. Mr. Chairman, I yield five minutes to the gentleman from Mississippi [Mr. QUIN].

Mr. QUIN. Mr. Chairman, let us understand each other. The committee has brought in a bill to allow some rich, plutocratic speculators, who pretended to be patriotic to help the Government at this late day, rob the American people. These big concerns had sugar up to 32 cents a pound within 15 yards of a sugar plantation. These two big concerns that you are claiming helped the United States Government were holding the purchasers of sugar, the poor people, up for 32 cents a pound, and they had them limited to the purchase of 2 pounds at a time. How can you in good conscience reach into the Treasury of the United States and take out of it the taxpayers' money and give it to these men who were getting double commissions, and in the same breath will not give the cotton farmer a dime when you reduced his cotton, the short-staple, if you please, from 48 cents down to 9; when you reduced the price of wheat from $2.25 down to 90 cents; and the price of hogs, sheep, and beef cattle; when you reduced the price of wool in the same proportion? How is it that Congress can come up at this late hour and help these great, rich companies that need no help from any source and pretend that you do it under the guise that they were helping the United States Government? I never did indorse what the Attorney General did, although he was a member of my own party, when he fixed it that certain sugar raisers should get 18 cents a pound. They were all under his sanction getting 18, and the speculators getting a big rake-off by the time it reached the retailer, who sold sugar to the consumer for 28 to 32 cents a pound, and you now pretend in good conscience and morality that B. H. Howell & Co., and the American Trading Co., and one other big concern are entitled to all this money out of the pockets of the people. According to the evidence you are fixing to give them $4,000,000. Gentlemen, you can not afford to pass such a bill as this. Who will indorse you in this sort of a move? Will it be the plain

people who toil from early morning until dark at night? Will it be the man back on the farm who begins work at daylight and works as long as he can see? Will it be the man or woman in the factory? Will it be the man in the sawmill? Will it be the man in railroad shops and the operators of railroad trains? Will it be the man in the coal mine? Will it be the people in the office or the citizens in moderate circumstances? No. You will be indorsed by a few great big bankers interested in these three big sugar trading companies. You will be indorsed by these fellows that prey and trade on the people in a time of stress and war and who in peace come and ask you to further rob the people and assist the rich. That is what your resolution does. I hope you will vote it down. You know they have no legal contract or they would be in a court. The Attorney General and Secretary of State have no authority to bind this Government. It is no moral obligation on us. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. QUIN. Mr. Chairman, I do not think there is a quorum present, and I raise the point of no quorum.

The CHAIRMAN. The gentleman from Mississippi makes the point of no quorum, and the Chair will count. [After counting.] One hundred and six Members present, a quorum.

Mr. KINCHELOE. I will ask the gentleman from New York if he has more than one speech remaining?

Mr. WARD of New York. I have only one more.

Mr. KINCHELOE. Mr. Chairman, I yield to myself the balance of my time.

The CHAIRMAN. The gentleman from Kentucky has 21 minutes.

Mr. WARD of New York. How much time have I remaining, Mr. Chairman?

The CHAIRMAN. The gentleman has 24 minutes.

Mr. KINCHELOE. Mr. Chairman and gentlemen of the committee, I am sure, being a member of the Agricultural Committee, that I entered the hearings with an unbiased mind and with the sole purpose of seeking information. I am sure that I sat as a member of the committee and acted in the capacity of a juror during the hearings, and after having heard a great deal of it and reading the balance I have come to my own conclusion about the matter, and in the time I have I will try to present it to you in the same way that I would as an attorney presenting a case. I never saw any member of the firm of B. H. Howell & Co. or the American Trading Co. or the Lamborn people until the hearings began. I am frank to say that if this claim is allowed I think in fairness and justice the rest of the claims ought to be allowed.

This is going to take two and one-half million dollars out of the Treasury. The De Ronde claim will take $1,700,000 out of the Treasury, the Lamborn claim will take $570,000 out of the Treasury, or, in other words, you will take practically $4,000,000 of the people's money out of the Treasury of the United States to reimburse some people who entered into this scheme to buy up sugar from Argentina for their own individual profit.

Now, I want to separate the State Department proposition from the American Trading Co., B. H. Howell & Sons, and show you where they come in. Why, to hear some gentlemen you would think that the Department of Justice absolutely conscripted these three companies to buy this sugar. Now, let me show you Mr. Franklin's testimony on that proposition.

Mr. Franklin was down at the State Department attending to some other private business. While he was there Mr. Franklin mentioned to the State Department—Mr. Franklin, mind you, said to the State Department that there was some surplus sugar in Argentina and in Java; and when he told the State Department about it they said, "If that is true, you go over to the Department of Justice and tell them." Now turn to the hearings, page 20, dated January, 1921:

Mr. MCLAUGHLIN of Michigan. Who first brought up the subject of sugar from the Argentine?

Mr. FRANKLIN. I am unable to say that. It was in connection with a discussion in the State Department as to duties, and we were asking about export and import duties, and the question came up then. I do not know but what I may have said that there were sugars in the Argentine and sugars in Java, etc., and so on. They suggested that we tell the Department of Justice about it. We told the Department of Justice about that transaction in April, and then heard nothing more from it at all until May 7, at which time we were called down here to the meeting. It was about April 20, as I remember it, when I was in Washington in connection with other matters.

In other words, after Franklin had given the information the State Department requested him to tell the Department of Justice about it. The State Department did not telephone over to say that Mr. Franklin was coming.

Mr. MCLAUGHLIN of Michigan. How did this thing start and how did it develop?

Mr. FRANKLIN. Well, it started exactly as I have told you. In April we told the Department of Justice that this sugar was there, because of a conversation that was had with the State Department.

So on May 7 the representatives of the American Trading Co. came down here and saw the Department of Justice—not Mr. Palmer—Mr. Figg had control of it. There was an agreement. The American Trading Co. and the B. H. Howell Co. went in together and were to receive, not 1 cent a pound like De Ronde, or to receive 1 cent a pound like Lamborn, but they were to receive a cent a pound above each to go into this proposition. They went into it. I asked every witness who came on the stand during the weeks we were in session—and I challenge gentlemen on the other side to contradict it—I asked the representatives of the American Trading Co., the representatives of B. H. Howell Co., the De Ronde people, Lamborn, was there ever a word said between you and any representative of the Government, either the Department of Justice or the State Department, whether you were to be reimbursed if you suffered any loss in this transaction, and every one of them said that there was not a word ever said.

Mr. JONES of Texas. If the gentleman will permit me to suggest that the testimony of Mr. Franklin is that they paid between 13 and 14 cents for the sugar in Argentina, and the total cost brought it up to 19, and the 2 cents a pound was profit to the two companies.

Mr. KINCHELOE. Absolutely, and not one-fourth of a cent. They were to get 1 cent each when the others were getting a cent. Now let us see how the State Department came into this matter. They did not make this agreement. They talk about an agency of the Department of Justice and these people. Why, an agency would involve a guaranty of some sort of profit, and if there was a loss some guaranty of reimbursement. They were licensees, if anything, of the Government. But they did go into it, this American Trading Co. and B. H. Howell & Co. Then on May 14 they bought 7,900 tons in Argentina, on the 15th and 18th 3,300 more, and on May 27 1,000 tons, making a total of 13,200 tons. On May 22, on that very day the Argentine Government, of its own initiation, lifted the embargo on sugar and told every dealer in sugar, no matter from America or the Fiji Islands, you have the privilege of coming here and buying as much as 100,000 tons of sugar, provided you deposit 30 per cent of what is known as pilet sugar in the Argentine Republic, so that if the price of sugar started up by reason of the exportation out of Argentina the Argentine Government could protect itself. Lamborn took advantage of that and De Ronde took advantage of that. On the 22d of May—the same day, as I say, when the last purchase of sugar was made—the American Trading Co. and Howell & Co. stood together and said, "No, we will not do that. We can go and get the State Department of our own Government"—they knew they could not do it themselves—"and get an absolute embargo raised," so that they could take all their sugar out of Argentina at once and sell it for a profit and make millions. Now, then, on May 22, when they lifted this embargo, the price of sugar at that time and up to July 13 in this country was selling at 26 cents a pound, and then it began to fall July 13. The American Trading Co. and Howell & Co. had from the 22d of May to the 13th of July to get their sugar out of the Argentine and could have sold the pilet sugar at a profit practically all of that time.

Mr. MOORE of Virginia. If the gentleman will permit, there was shipping available at that time?

Mr. KINCHELOE. Certainly it was available, but they would not ship because they wanted the State Department to come in and——

Mr. JACOWAY. One month and thirteen days elapsed from the time the embargo was raised before the State Department——

Mr. KINCHELOE. Absolutely, but there was not any time elapsed between the time the American Trading Co. bought their last pound there and the time the Argentine Government raised its embargo——

Mr. JACOWAY. That is the 100,000 tons.

Mr. KINCHELOE. No—when they could have brought it out of there, 100,000 tons, by the deposit of 30 per cent of pilet sugar. But they did not do it; oh, no.

Mr. JACOWAY. Will the gentleman yield again?

Mr. KINCHELOE. I have not the time. What did they do? They said, "We will not abide by the Argentine embargo. We will just go down to the State Department of the Government and get them to get the Argentine Republic to lift the embargo entirely and do away with it." They bought the last

pound of sugar on May 22, and it was in August before they got any of the sugar to the port of New York, and now they come here and say that this Government ought to reimburse them, and after the sugar began to take a tumble on the 13th day of July, after they had gotten the State Department on their own initiative, of their own act, to raise the embargo entirely, then, in order to get under cover after they had stayed around and would not take advantage of the embargo that was raised by the Argentine Government, they went to the State Department and asked if it would not ask the Argentine Republic to let them resell that sugar down there.

Would not the State Department have been in a ridiculous position, after the Argentine Government had recognized the State Department and said, "Yes; we will raise the embargo," and then after the price of sugar began to fall, if these fellows had gone to the State Department and said, "Let us sell the sugar back there." What would you have thought of the State Department?

Mr. HARDY of Texas. Was there anything to prevent these companies selling at least 70 per cent of their sugar between the 23d of May and the 13th of July?

Mr. KINCHELOE. Not anything on earth.

Mr. HARDY of Texas. They could have brought out 70 per cent?

Mr. KINCHELOE. They could have brought out 70 per cent of 100,000 tons if they had wanted to.

Mr. MONTAGUE. Will the gentleman permit me to ask a question in explanation of what this means? Mr. Figg wrote a letter on July 29, 1920, in which he says:

I am very sorry to inform you that under no circumstances could the Government concur in the thought of even allowing any portion of this sugar to be sold in the Argentine.

What authority did he have to prevent the sale of sugar in the Argentine? Was he in the Department of Justice?

Mr. KINCHELOE. He was in the Department of Justice.

Mr. MONTAGUE. You do not think that he had the authority to prevent it?

Mr. KINCHELOE. I would not think the State Department would go and take back, at the instance of a private individual, what they said they were going to do.

Mr. MONTAGUE. Here is something which says they would not allow them to do it.

Mr. KINCHELOE. I can not answer for Mr. Figg on that proposition.

Mr. MONTAGUE. Was there any power in the State Department to prevent anybody who controlled the sugar situation as stated from selling sugar, or could the department tell them where to sell it?

Mr. ASWELL. In reply to the gentleman from Virginia, that position was assumed because those parties were agents of the Government for the Department of Justice.

Mr. KINCHELOE. Now they come and tell you that by reason of the fact that these people wanted to bring the 13,209 tons of sugar here that they broke the sugar market and it went down. Why, the people of this country at that time were consuming 100,000 tons of sugar a day, and yet they say to bring 13,209 tons of sugar in here absolutely scared everybody to death, and that it therefore broke the market. You take this fellow, Mr. Post, who is one of the copartners of the B. H. Howell people; he made the most peculiar witness that I ever heard. He is a good man, I presume. He is identified with 14 sugar companies in Cuba, in this country, and in Java. He and his associates had been bringing this sugar from Java, Cuba, and everywhere else, and selling it at the enormous price of 21 cents a pound, profiteering upon the American people, and yet he would have made you believe that he went into this for the patriotic reason of breaking the price of sugar and breaking down the profits of the 13 other companies with which he is associated. I asked him this question:

Mr. KINCHELOE. Mr. Post, I want to try to get your viewpoint as a business man, if I can, of this transaction. I am frank to say I do not understand it. Of course, the purpose of the purchase of this Argentine sugar to bring to this country was to break the market. That is conceded here. That was the purpose of it, to break the market for the benefit of the consumers of America. You, of course, knew that?

Mr. POST. That was the purpose of it; yes.

Mr. KINCHELOE. Now, with your holdings of sugar in Cuba, and with the war over, eliminating the patriotic end of it, knowing that the purpose of buying this Argentine sugar was to break the market, I can not understand your viewpoint as a business man. I can not understand why you should go into an arrangement of that kind unless you felt that the profits you would get out of this Argentine purchase would yield a greater dividend than you would get from your sugar in Cuba. What was really your purpose in it?

Mr. POST. In the first place B. H. Howell & Sons Co. never owned any sugar; we are commission merchants.

Mr. KINCHELOE. But the more sugar you handle the more you make?

Mr. POST. We get a commission; yes. We had not got over the feeling of loyalty to the Government that we had in the war, and the feeling that we ought to cooperate in every way we possibly could. That may seem very strange to you, but that was our purpose.

I confess it does seem strange. [Laughter.] Here is a man who is associated with 14 sugar companies, with sugar retailing at 35 cents, with Java, Cuba, and every other country scoured to get every possible bit of sugar that they could in order to sell it to a helpless public at an enormous price, and yet it was a patriotic motive that prompted Mr. Post to go into this to get only 1 cent a pound profit, and in order to break the market and kill the business of the 13 other companies with which he was associated. That is a question for you to determine. I have not any more responsibility in this matter than you have. There has been no politics, absolutely, in this. Talk about patriotic motives, why, when a war comes in any country it is a conglomeration of inequalities. You talk about the sacrifices of war.

I stood on the battle field of Chateau-Thierry in 1918 and saw that drive. I saw the American boys with arms shot off and legs cut off and eyes shot out brought back to the temporary hospital for treatment prior to sending them to Paris. Sacrifices? There are 50,000 firesides in this country to-day around which there is a vacant chair, showing a sacrifice of some father and some mother. There are thousands more in this country who are maimed for life. This Government spent $24,000,000,000 to win this war. And I thought that when the gentleman from New York [Mr. HUSTED] was praising Mr. Franklin that I would not pluck one laurel from his brow for his services to his country. But I will say that thousands of those that he brought back had empty sleeves and made a greater sacrifice than Mr. Franklin did in this war. [Applause.] You are forgetting that same American father and mother who to-day are grieved by reason of a vacant chair around the fireside. These people were feasting on 21 cents a pound for sugar and were making their millions, and then, not satisfied with that, they want this same sugar-consuming public to come and dig deeper down into their pockets and reimburse them to the tune of about $4,000,000 more. For me, as a responsible Representative to my constituency, I will never vote under those circumstances to take one dollar out of the Treasury that is put there by the sweat and toil of the sugar-consuming public in this country in order to reimburse these fellows who went in to win, when nothing was said about loss, and lost. [Applause.]

Mr. HUSTED. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from New York makes the point of order that there is no quorum present. [After counting.] One hundred and three gentlemen are present—a quorum.

All time has expired. The Clerk will read the joint resolution.

Mr. WALSH. Mr. Chairman, I move that the committee do now rise.

The question was taken; and on a division (demanded by Mr. KINCHELOE) there were—ayes 61, noes 52.

Mr. KINCHELOE. I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. WARD of New York and Mr. KINCHELOE.

The committee again divided; and there were—ayes 74, noes 54.

So the motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HICKS, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration Senate Joint Resolution No. 12, had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, Mr. FITZGERALD was granted leave of absence for two weeks on account of business in home district.

UNITED STATES BUREAU OF EFFICIENCY.

The SPEAKER laid before the House the following message from the President of the United States.

The Clerk read as follows:

To the Congress of the United States:

I transmit herewith, for the information of the Congress, a report prepared by the United States Bureau of Efficiency in compliance with the provisions of the legislative, executive, and judicial appropriation act approved March 3, 1917, directing the Bureau of Efficiency to investigate the methods of the Civil Service Commission and to report its findings to Congress through the President.

WARREN G. HARDING.

THE WHITE HOUSE, *May 25, 1922.*

The SPEAKER. Referred to the Committee on Reform in the Civil Service.

CONFERENCE ON LIMITATION OF ARMAMENT.

The SPEAKER also laid before the House the following message from the President.

The Clerk read as follows:

To the Senate and House of Representatives:

In conformity with the proviso of the appropriation made in the urgency deficiency act approved August 24, 1921, for the Conference on the Limitation of Armament, I transmit herewith a report of the Secretary of State, presenting the statements of the expenditures made under his direction on behalf of the conference.

WARREN G. HARDING.

THE WHITE HOUSE, *May 25, 1922.*

The SPEAKER. Referred to the Committee on Expenditures in the Department of State.

ADJOURNMENT FROM SUNDAY UNTIL WEDNESDAY.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns on Sunday next it adjourn until Wednesday next.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns Sunday next it adjourn to meet on Wednesday. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

EXTENSION OF REMARKS.

Mr. JONES of Texas. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the joint resolution under consideration to-day.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. EDMONDS. Mr. Speaker, I would like to ask unanimous consent to extend my remarks by publishing a report from Mr. E. E. Plummer, United States Shipping Board, on "Aids to shipping by the maritime nations."

The SPEAKER. Is there objection to the gentleman from Pennsylvania extending his remarks in the manner indicated?

Mr. WALSH. Mr. Speaker, reserving the right to object, what is it? On the ship subsidy bill?

Mr. EDMONDS. It is on the subject of aids to shipping by maritime nations.

Mr. WALSH. Is it in the hearings of the joint committee?

Mr. EDMONDS. No; it is not.

The SPEAKER. Is there objection?

Mr. GARNER. Is it to be printed in the RECORD or to be printed as a public document?

Mr. EDMONDS. No; it is to be printed in the RECORD in an extension of remarks; it is only a small article.

Mr. WALSH. Better have it in 8-point type or no one will read it.

Mr. EDMONDS. Yes.

Mr. BANKHEAD. Mr. Speaker, I could not hear the request of the gentleman from Pennsylvania.

Mr. EDMONDS. It is an article by Commissioner Plummer on the aids to shipping by the maritime nations. It is an historical article, to be printed in 8-point type.

Mr. BANKHEAD. Will it not go into the joint hearings on this proposition?

Mr. EDMONDS. It did not go into the hearings. It is only a small article and will not take up much space in the RECORD.

Mr. BANKHEAD. Well, it seems to me, I will say to the gentleman, if it is in line with these other statements that they have had after an extensive hearing that it ought to be incorporated in the hearings before the joint committee.

Mr. EDMONDS. It is simply an historical statement of aids given by different nations to shipping. It is not in the hearings and has not been published anywhere.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The article is as follows:

AIDS TO SHIPPING BY THE MARITIME NATIONS.

[By Commissioner E. C. Plummer, United States Shipping Board.]

From the time that the Lynch Commission, created by Congress in 1870, began its work of investigating the problem of American shipping the fact that through national legislation alone could our merchant marine in the foreign trade be restored has been recognized, but so much conflicting testimony has been forced upon Congress whenever it has really taken hold of the problem for the purpose of finding a comprehensive solution that prior to 1920 no general shipping bill reported ever has become law.

In deciding upon a course of action at this time it is of interest to note what other maritime nations have done to assist the establishment of their merchant fleets; and the memorandum here presented contains only the statements of recognized authorities; the data regarding England's subsidies, particularly the subsidies paid by Queen Elizabeth, which "resulted in large building of ships," and "in every direction English influence penetrated," is furnished by Douglas Owen, lecturer at Royal Naval War College, Portsmouth, England, lecturer at London School of Economics and secretary of British Society of Nautical Research, whose statements no one will challenge.

ENGLAND.

The history of Great Britain's modern merchant marine starts with the reign of Elizabeth. Prior to that time England's influence upon the sea was negligible. Spain far surpassed her in merchant tonnage, and, says Lindsay, the great British historian of shipping:

"While England was fighting for political freedom the Dutch became the real masters of the sea. They (the Dutch) were now at the height of their maritime glory; their merchant ships penetrated to every quarter of the globe, and they were able to grasp and keep to themselves large and valuable portions of the carrying trade (of England), thus laying the foundations for their wealth and greatness."

At that time (Elizabeth's) most English ships of burden were obtained by purchase at the south Baltic ports, and Raleigh immediately called attention to the fact that while Holland, "without a single tree within its own borders," was building ships for them the great oaks of England were rotting to the ground.

"When the English," says the Encyclopedia Britannica, "were at last awakened by the advice of Sir Walter Raleigh and other writers who followed him to a full consciousness of their own strength and of their previous legislative errors, they, with characteristic energy, resolved to adopt the most effective measures then in their power to remedy existing evils.

First came the direct subsidy act of Elizabeth, which provided a bounty of 5s. per ton to encourage the building of merchant ships of 100 tons and upward, and for the development of her fisheries, and the training of seamen the eating of flesh upon Wednesdays and Saturdays was prohibited. The effect of these laws is thus concisely stated by the Britannica:

"In the time of Elizabeth England began to achieve commercial independence. Great building of ships took place, for which bounties were granted by the Queen, and Elizabeth set herself against the Hanseatic League. In every direction English influence penetrated, and Englishmen before 1603 might be found in every quarter of the globe.

No sooner had Charles ascended the throne than there came the law of 1626, which increased the size of merchant ships that should be eligible for the bounty which Elizabeth had authorized, making the minimum 200 tons, and 1646 brought the law that none of the (English) plantations might permit their goods to be exported to foreign places except in English ships.

Then came the great navigation act of 1651. Of this the Britannica says: "Under this far-reaching act the trade between England and her colonies and the British coasting trade was strictly confined to English bottoms, English owned, and manned substantially by English seamen. The act contained further provisions in support of British shipping, the effect of which was greatly to prejudice foreign shipping in its competition for the British carrying trade. From the point of view of the Dutch, indeed, it was a 'vile act and order' to be resisted at all costs."

Says Lindsay: "The unequivocal object of this clause (quoted from the navigation act) was to secure to England, without, however, considering the interests of her colonies, the whole carrying trade of the world, Europe alone excepted. England had now asserted the practical right to carry on her own oversea trade in her own ships and to obtain as much foreign trade as she could by her own industry and energy."

Then, as a special inducement for vessels to strive for the carrying of those cargoes which were coming from foreign countries to England, Parliament enacted the law of 1662, which provided that 10 per cent of the customs duties collected on the vessel's cargo should be paid to English-built ships of two and one-half or three decks carrying 30 guns, armed merchantmen being in those days the only ships that could venture with safety into distant seas.

Says Meeker in his History of Subsidies: "The effect upon the Dutch, who were at that time the carriers of the sea, was immediate and disastrous. There is no means of learning how much it cost Great Britain to take possession of her foreign and colonial trade in this manner. Directly or indirectly the costs were enormous, but the results were tremendous, and no one can maintain that the end did not justify the means."

Says Lindsay: "It is undeniable that from the date of these laws the merchant navy of England steadily increased, and that

soon afterwards the power over the seas previously claimed by the Dutch was permanently transferred to the English."

Says the Britannica: "As a result of the navigation act and its successful maintenance a great increase had taken place in English tonnage, which in 1688 was said to be nearly double that of 1666."

Thus England became the commercial mistress of the seas, a position she has maintained to this day.

GERMANY.

No sooner had the German Empire become firmly established than the need of a German merchant marine became obvious to her statesmen, and Bismarck made these declarations: "The merchant service is the handmaid of all other industries, of agriculture, manufactures, and commerce," and "on the day when the freight trade is given over to foreigners a mortal blow will be struck at all the industries of the country."

Says the Britannica: "Unwilling that the profit of carrying her great and increasing trade should be reached by foreign bottoms, Germany turned herself to shipowning and shipbuilding, and with remarkable success. So great, indeed, was this success that important lines of German steamships rapidly grew up as competitors with British and other lines in foreign trades. Both in bringing home raw materials and in enabling German manufacturers to send their products to foreign consumers at low rates of freight, the German shipping was now greatly increasing the national prosperity. In return the State neglected nothing which would promote the success of its industrial centers in their competition for foreign markets or which would assist the development of the national shipping. Rates of carriage from inland centers to the shipping ports were, in the case of goods intended for shipment by German vessels, considerably reduced by the State railways; and whereas in Great Britain shipping subsidies or subvention are granted essentially if not solely for services to be rendered, in Germany the granting of subsidies has also in view the development of the national shipping. The notable growth in Germany's trade and shipping is, in fact, believed to be in no small degree attributable to a system of subsidies in conjunction with preferential railway rates on German goods dispatched for shipment under 'through' bills of lading under the national flag."

The thoroughness with which every Government regulation was employed to force business into German vessels, even to what was practically the forcing not only of emigrants from the Empire but any emigrants who happened to pass through Germany to travel on German ships, was typical of that people, and an idea of the differing rates of duties and transportation charges favoring those ships may be obtained from the tables appearing in the Further Reports of Her Majesty's Representatives of July, 1898.

The result was that within a generation Germany developed a magnificent steam fleet of more than 5,000,000 gross tons.

JAPAN.

In 1885 the statesmen of Japan began their study of the problem. Japan had labor far cheaper than any other nation attemping maritime activities; and she had a great field open to her operations in the Pacific, because American ships had at that time been largely driven from the sea; yet those Japanese statesmen found, after 11 years of investigation, that in order to establish their shipping they must give a Government subsidy to assist in building the hulls of their ocean-going steamships, another subsidy to help build the engines for those subsidy-aided hulls, and then pay a per mileage bounty on specified lines to help operate those subsidy-assisted ships.

The result is history. In 18 years Japan established herself in the foreign trade and created a fleet of which she is justly proud.

Of course, there is always an opportunity for those who wish to argue to say that Japan could have acquired her shipping in some other way, but the fact remains that she never did acquire it in any other way, and that this way was the one way which her statesmen decided, after 11 years of investigation and tentative legislation, was the only effective one.

How that final act of 1896 came into being and its general nature is thus stated by the Britannica: "Determined that when the crucial moment came she should not be found without ample means for transporting her enemies, the Government, under the leadership of Prince Ito and with the consent of the diet, enacted, in March, 1896, laws liberally encouraging shipbuilding and navigation. Under the navigation law 'any Japanese subject or any commercial company whose partners or shareholders were all Japanese subjects, engaged in carrying passengers and cargo between Japan and foreign countries or between foreign ports in their own vessels, which must be of at least 1,000 tons and registered in the shipping list of the Empire, became entitled to subsidies proportionate to the distance run and the tonnage of the vessels'; and under the shipbuilding law bounties were granted for the construction of iron or steel vessels of not less than 700 tons gross by any Japanese subjects or any commercial company whose partners and shareholders were all Japanese."

FRANCE.

It was in 1881 that French statesmen approached the problem of building up a merchant marine for their country. In some respects their shipping problem was more difficult than that which their chief competitors faced. Says the Britannica: "Being in the main a self-supporting country, France carries on most of her trade within her own borders and ranks below Great Britain, Germany, and the United States in volume of exterior trading. The prosperity of French shipping trade is hampered by the costliness of shipbuilding and by the scarcity of outward-bound cargoes."

Accompanying that statement this authority presents two tables showing the nations from which France at the time referred to (1905) received the bulk of her imports and to which she sent the bulk of her exports, and these tables show that Germany, Belgium, the United Kingdom, and Spain—all practically contiguous countries—furnished more than two-thirds of her imports, and that Germany, Belgium, and England received some three-fourths of her exports. The total of her ocean-borne commerce was but one-third that of the United States.

Yet the table presented in the report of the Commissioner of Navigation for 1920 shows that from 1890—the first year given in this table—up to the outbreak of the World War there was a steady and notably regular increase in the steam tonnage of France—an obviously healthy growth.

From the table appearing in the annual report of the Commissioner of Navigation for 1915 (p. 9), where the ocean-going steamers of from 3,000 to 10,000 tons and over are classified, it appears that up to September, 1914, France had a total of 228 of these great steamers, and the United States, including 90 foreign ships sent under our flag by the World War, had 305. Deducting these 90 foreign steamers, as suggested by the Commissioner of Navigation when presenting this table, we find that the United States is left with but 215 of these steamers to the 228 which France possessed; and of steamers of 10,000 tons or over, France had 16 while the United States had 14, several of which were owned by the International Mercantile Marine. France, therefore, with but a fraction of our ocean commerce, had more great ocean steamers than the United States, until the World War began to send foreign-built ships under our flag.

But the full significance of these facts will not be appreciated without the following analysis: In 1890 the average size of the French ocean-going steamship was 1,711 gross tons (p. 107, Report of the Commissioner of Navigation for 1915), that of American ships registered in the foreign trade but 848 gross tons (p. 186), or less than one-half; in 1900 the French average had risen to 1,945 gross tons per ship, and the United States average 1,009 gross tons; 1910 showed a still further increase in the average size of the French steamers, which reached 2,325 gross tons per ship, while that of the American steamers had reached 1,120 gross tons. In 1913 France, still progressing, showed an average of 2,513 gross tons per steamer, and the United States had dropped to 811 gross tons per ship registered in the foreign trade.

It will be noted that from the time selected by the Commissioner of Navigation in making these comparisons between the steam fleets of the world—namely, 1890 and 1913—that the steam fleet of France shows an unbroken and regular growth. Every year shows an increase in the total of her steam tonnage, as every year shows an increase in the average size of the ships she built.

In 1914 her steam fleet numbered 1,025 with a gross tonnage of 1,922,286 gross tons, as against the 1,103 steamers of Japan with a tonnage of but 1,708,386 gross tons, although the subsidies of Japan applied to foreign-built ships. Yet Japan is an island empire and France—to quote again from the Britannica—is a self-supporting country, carrying on most of her trade within her own borders.

While the Commissioner of Navigation in his report of 1921 shows that in 1916, the last year for which figures are given, the steam tonnage of Japan was 1,847,453 tons to 1,851,120 tons for France, France was still ahead despite the war losses, which are shown in the table. he had gone from 809,598 tons in 1890 to 1,922,286 tons in 1914—an increase of more than 1,000,000 tons.

Even as early as May, 1896, British Consul O'Neil, at Rouen, wrote as follows: "How often has it been said in England that the French shipbuilding interest has gained nothing by the

bounties of construction and navigation? Writing from Rouen I can but doubt the truth of such statements. We have seen here a shipbuilding plant established whose slips are two deep—for no sooner is one vessel launched than another takes its place—and not a rivet would be driven, nor a plank laid, nor a workman employed were it not for the construction and navigation bounties granted by the Government."

Now, the statement that the French subsidies proved a failure is not one of deliberate misrepresentation. Enthusiastic Frenchmen believed and predicted that with these bounties they could acquire a merchant marine comparable to that of England. For the reasons heretofore cited such an ambition could not possibly be realized. One important obstacle is that, so tersely stated by the Britannica, of her lack of outward-bound cargo, and here comes the fact which must be borne in mind by those who are inclined to expect too much from any shipping legislation that the Congress of the United States could enact for the purpose of developing an American merchant marine in the foreign trade.

Next to world-wide possessions which call her ships into every quarter of the globe, and which neither we nor France possess, the tremendous exports of coal from Great Britain have been a controlling factor in building up the freighting fleet of England. Prior to the World War coal constituted, in tons, fully 75 per cent of the cargoes she sent abroad. According to a report made to the Shipping Board under date of September 1, 1919, England's average exports of coal during the three years preceding the World War was 67,000,000 tons, "more than half of which was used for the bunkering of steamships." To continue this quotation: "For many years English coal alone was available for steamship fuel on the principal trade routes. The development of the coal fields of North America, Australasia, India, South Africa, China, and Japan, however, has resulted in the placing of cheaper coal than the English in many trade regions, and has consequently curtailed the market for the latter. Nevertheless, the exports of coal from the United Kingdom have steadily increased except during the period of the European war, and English coals to-day are still by far the best known, the most highly esteemed, and the most widely used steamship fuel in the world. This is due chiefly to the excellent quality of the coal, its careful handling and grading at the mine, and to the enterprise of British dealers in establishing coaling depots in the most important foreign ports."

When it is recalled that England's exports of coal alone as here given exceed the total amount of freight exported from the United States last year by 15,000,000 tons, the importance of this business as a shipbuilder becomes apparent; and especially significant is the fact that, scattered all over the world, are 324 of these English coaling stations, 12 of them in the Caribbean, 9 in Brazil, 3 in Uruguay, 8 in Argentina, and 7 in Chile. The effect is obvious; the English freighter supplying any one of these South American stations has a cargo which takes her down to those ports where American shipping is especially interested in securing business. Arriving loaded at these ports, the English freighter takes on a cargo for the United States, and in the United States loads again for her homeward voyage. She has a paying cargo all the way, her coal exports taking her to the points where return cargoes are to be obtained. This is one of the practical advantages which English shipping hitherto has possessed, and which will be lost only as oil stations supplant those supplying coal or as Americans institute effective competition.

Such facts clarify the statements of Professor Borchard, contained in his study previously presented, that "France's difficulty is primarily economic, having no iron industry, and being industrially less developed than Germany, England, or the United States. Even subsidies, which have been given since 1881, have not cured the economic deficiency." And "in the particular case, such as that of France, for example, other economic conditions entered to interfere with success. Different policies, moreover, are pursued by different countries according to their own needs, so that it is not possible to pass a general opinion on the subsidy policy as a whole, as it might operate under new conditions in a new service."

The question is often and naturally asked why, if some American ships can exist in the foreign trade, all American ships can not exist there. The answer is to be found in the evidence taken by the Merchant Marine Committee of the House of Representatives in 1914, where it appears that whenever a serious competitor entered a field the commercial use of which those European steamship companies, through combinations, had arrogated to themselves, and the rebate systems there in vogue were not sufficient to drive him out of business, the combined foreign lines furnished fighting ships to take the freight and passengers at any price and thus prevented the intruder's securing cargo. The loss thus incurred by the fighting ships was then jointly borne by the combined lines.

Of course, it would not be good business for this foreign combine to cut the general freight rates to such a point that no American ship could live in the trade, since it would be better business for them to lose the carriage of a few cargoes than to reduce the rates on all their millions of tons of freight. For that reason a few shipping firms have been able at times to secure employment in the foreign trade, but only to the extent that the foreign combination permitted.

The above are but modernized forms of the obstacles which were shutting out American shipping from foreign trade at the time when the First Congress, under the fearless leadership of Washington and Jefferson, placed the power of the National Government behind our commercial fleets, and the words of Madison, spoken in Congress in 1796, when, through the Jay treaty, the British were striving to have that national assistance withdrawn—and it later was withdrawn—may be read and pondered to-day. Said Madison: "It is well known that when our Government came into operation, the tonnage of America, employed in the British trade, bore a very inconsiderable proportion to the British tonnage. There being nothing on our side to counteract the influence of capital and other circumstances on the British side, that disproportion was the natural state of things. As some small balance to the British advantages our laws have made several regulations in favor of our shipping, among which is the important encouragement resulting from a difference of 10 per cent in the duties paid by American and foreign vessels. Under this encouragement the American tonnage has increased in a very respectable proportion to the British tonnage, and Great Britain has never deemed it prudent to frustrate or diminish the effect of this by attempting any countervailing measures for her shipping; being aware, no doubt, that we could easily preserve the difference by further measures on our side; but under this treaty she has reserved to herself the right to take such countervailing measures and we have surrendered the right to pursue further defensive action. It is justly to be apprehended, therefore, that under a restoration of things to their former state the American tonnage will relapse into its former disproportion to the British tonnage."

The condition of American shipping at the time Congress enacted the laws thus referred to by Madison is shown by the words of Edmund Randolph in his appeal for this legislation: "Cast your eyes to your seaports. See how commerce languishes. This country, with every advantage that can render commerce profitable, through defective legislation is deprived of all these benefits. As it is the spirit of all commercial nations to engross the carrying trade, this makes it necessary to defend our commerce."

On July 4, 1789, Washington signed the law which allowed a discount of 10 per cent on all tariff duties imposed upon cargoes brought to the United States in American vessels. Sixteen days later came the law assessing a tax of 6 cents per ton upon each American vessel when entering a United States port from a foreign country and 50 cents per ton on each foreign vessel so entered—in effect, a cash bounty of 44 cents per ton.

A year later, August 10, 1790, the 10 per cent discount law was superseded by a law making an additional tariff charge of 10 per cent upon cargoes brought from foreign countries to the United States in foreign vessels—the act commonly referred to as the discriminating duty law.

The effect of these laws, advocated by both Washington and Jefferson, was tremendous. Our exports for 1791 were but $17,571,551; for 1796 they were $67,064,097; for 1801 they were $93,020,513; and for 1806 they were $103,787,000—a gain of 500 per cent in 15 years.

The increase in the amount of our foreign commerce carried in American vessels from the years 1789 to and including 1796, when Madison spoke as above, is very significant. In 1789 we had 123,893 tons of shipping in the foreign trade, and we carried but 17.5 per cent of our imports and 30 per cent of our exports.

One argument upon which a discriminating duty law rests is that as the exports of a country exceed in bulk its imports, that country must adopt laws which will induce incoming cargoes to patronize its vessels and thus tend to equalize the number of cargoes going and coming so that vessels may be earning on each leg of the voyage; and that this theory of the forefathers was correct was at once demonstrated by our shipping records.

In 1790, with 346,254 tons of shipping in the foreign trade, we carried 41 per cent of our imports and 40 per cent of our exports—a very marked change from the record of the preceding year. The year 1791 showed 363,110 tons of United States shipping in the foreign trade, carrying 58 per cent of our imports and 52 per cent of our exports—and this growth continued until

in 1796, the year Madison made his protest, Americans were carrying 94 per cent of their imports and 90 per cent of their exports—the total value of our foreign commerce then being $140,010,789, of which our ships carried, going and coming, 92 per cent.

These early laws developed a great foreign commerce for the United States, and with it came that striking character in the commercial world, the American merchant shipmaster. He was a picked man who received his training in the counting rooms, where he learned business and foreign exchange; how, when, and where to buy and sell; conditions controlling trade in the foreign lands; and he received expert training on the sea; so that when, as captain, he left an American port he carried with him a knowledge which enabled him in foreign lands to act intelligently and on the instant. He was an owner as well as a master, and he took an intense pride in his ship.

The leading shipbuilders of this country were peerless, and their development of the clipper ship and the discriminating duty on tea which existed until the fifties took them into the Orient with the assurance that there would be a cargo to bring home.

The great superiority of American officers over British was so marked as to call for parliamentary action in 1837; the ability of American ships with American masters to make quick passages gave these vessels their choice of cargoes, and Americans built up a great world trade.

But the cable, iron, and the coming of steam changed all this. Ocean sailing became a sort of ferry service. Our Government, failing to appreciate the comprehensive character of its chief competitors' plans, ignored the lessons taught by our experience with the subsidy-aided Cunard and other lines, refused our ships the needed aid, and the prophecy of Madison became a reality.

And be it remembered that while we, in 1828, exposed our ships to world competition, England retained up to 1850 controlling privileges for her vessels (Lindsay, vol. 3, p. 107 et seq., extracted on attached sheet), with the result that she always had more tonnage than we could show, though we counted everything afloat, even including our coastwise craft (Report of Commissioner of Navigation for 1901, p. 471); that she never failed to retain for her ships far more than one-half of her foreign commerce (p. 483); and, even, when in 1855 we were at the pinnacle of our shipping glory, when the finest types of all vessels—both steam and sail—were flying our flag, the most that we and all other nations combined could get away from her was the carriage of 41 per cent of her foreign commerce; and that little island alone then had more than 3,000,000 tons of shipping engaged exclusively in foreign trade to the 2,500,000 tons that we had registered for that service (p. 480).

During the second Cleveland administration an attempt was made to ascertain the condition of seamen aboard American vessels, and the reasons why Americans were leaving the sea. Questionnaires were sent to shipping commissioners at the several ports of the United States, and a summary of the answers received appears in the report of the Commissioner of Navigation for 1894. They all agree that higher wages are paid and better food and better quarters furnished upon American vessels, and that the treatment thereon is better than upon foreign vessels. The answers may be typified in the following from Boston:

"The seamen shipped at this port prefer American vessels; the advantages, they claim, are many. Wages are always somewhat higher, the discipline not quite so severe, and the food on American vessels far superior to that of other nations, and the sailors' quarters, or forecastle, is larger, more comfortable, and more desirable in all its appointments."

This superiority of American ships is incidentally confirmed by the statement of Andrew Furuseth (p. 1985, Hearings, Merchant Marine Act of 1920) that he "came to the United States as a sailor in 1880 and sailed steadily in American ships after that for seven years."

Yet this was when American sailors were most rapidly leaving the sea.

In the same volume appear the tables showing that between 1875 and 1890 the number of American vessels, including both coastwise and foreign going, decreased 10,304 in number, or more than one-third of the total number of vessels that were flying the American flag in 1875. This reduction meant 10,000 less positions for captains, 10,000 less for first mates, 7,500 less for second mates, and 2,500 less for third mates—30,000 less positions for officers and some 75,000 less positions for seamen—all of which reductions took place in 15 years.

"And," says the Commissioner of Navigation, "the discouragement of yearly narrowing chances for employment at sea and the inducements on land * * * have almost extinguished the race of American seamen."

The fate of American firms, which during the past 60 years have tried to engage in the foreign trade of this country, is typified by that of the well-known house of Arthur Sewall & Co., of Bath, Me. This family had been steadily engaged in the business of building and sailing ships for nearly a century. Keeping step with improvements, it had fitted its yard for building steel ships. Having ample capital and its house flag being known in every important port of the world it was in a position to meet any fair competition. Building and repairing its own ships, it secured and maintained its fleet at the lowest possible cost under American conditions.

But the higher cost of operating ships under the American flag was too great to be overcome by this strongly established firm. Its experience was told to the Gallinger commission by Mr. Sewall (p. 103, Hearings of 1905), and the end, unless Government aid should be given, clearly foretold. That aid was not given, and in a few years this firm, like so many others who had attempted to keep the American flag flying in the foreign trade of the United States, was compelled to sacrifice its magnificent ships, give up a business that had been in the family for generations, and allow the junk man to strip that yard of its complete equipment for building steel ships. It still lies idle, abandoned, utilized for no purpose whatever.

Men do not make sacrifices like those needlessly or through obstinacy, despite the silly statements so often made by theorists or those who have no practical knowledge of the problem, that there is no reason why American ships can not engage in the foreign trade.

SPECIAL PRIVILEGES OF BRITISH VESSELS.

Up to 1850 British vessels, under the British navigation acts, enjoyed many exclusive privileges. These are summarized in Lindsay's History of Merchant Shipping (vol. 3, p. 107, et seq.), as follows: * * *

"First. Certain enumerated articles of European produce could only be imported into the United Kingdom for consumption in British ships, or in ships of the country of which the goods were the produce, or in ships of the country from which they were usually imported.

"Second. No produce of Asia, Africa, or America could be imported for consumption into the United Kingdom from Europe in any ships, and such produce could only be imported from any other place in British ships or in ships of the country of which the goods were the produce and from which they were usually imported.

"Third. No goods could be carried coastwise from one part of the United Kingdom to another in any but British ships.

"Fourth. No goods could be exported from the United Kingdom to any of the British possessions in Asia, Africa, or America (with some exceptions with regard to India) in any but British ships.

"Fifth. No goods could be carried from any one British possession in Asia, Africa, or America to another, nor from one part of such possession to another part of the same, in any but British ships.

"Sixth. No goods could be imported into any British possession in Asia, Africa, or America in any but British ships or in ships of the country of which the goods were the produce; provided, also, in such case that such ships brought the goods from that country.

"Seventh. No foreign ships were allowed to trade with any of the British possessions unless they had been specially authorized to do so by order in council; and

"Eighth. Powers were given to the Queen in council which enabled her to impose differential duties on the ships of any foreign country which did the same with reference to British ships; and also to place restrictions on importations from any foreign countries which placed restrictions on British importations into such countries.

"It will be remarked that in the regulations respecting the trade of Europe the restrictions only applied to imports. Exports were not affected. In fact, so far as the navigation act was concerned, foreign ships might export any goods from this country."

These privileges were abolished by the repeal of the navigation acts in 1849, taking effect in 1850. The restrictions on the coasting trade of the United Kingdom were not abolished, however, until 1854. In 1869 restrictions on the coasting trade of the colonies were relaxed to the extent that each colony was left free to deal with that subject as it chose. The Dominion of Canada, for example, now opens its coasting trade to the vessels of any nation which opens its coasting trade to British vessels.

ORDER OF BUSINESS.

Mr. KINCHELOE. Mr. Speaker, I ask unanimous consent to proceed for two minutes for the purpose of asking the gentleman from Wyoming a question.

The SPEAKER. Is there objection to the gentleman from Kentucky speaking for two minutes? [After a pause.] The Chair hears none.

Mr. KINCHELOE. I would like to know of the gentleman from Wyoming under this rule giving the Agricultural Committee right of way for three days—of course we have consumed two—if he can tell us when the Committee on Agriculture will have the other day, and if so, what business will come up? Will this joint resolution be the unfinished business?

Mr. MONDELL. I do not know, Mr. Speaker, just at this time when the Committee on Agriculture will have its next day. I can say to the gentleman I shall talk with the chairman of the committee about it. I have already talked with him and tried to arrange that to suit the convenience of the chairman and members of the committee, but can not say just at this time.

Mr. KINCHELOE. Would these sugar resolutions be the unfinished business at that time?

Mr. MONDELL. That is not for me to decide.

Mr. KINCHELOE. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. KINCHELOE. I would like to ask the Speaker if these sugar resolutions, in view of the situation of this Joint Resolution No. 12 here now, would be the unfinished business?

The SPEAKER. It is not unfinished business but is business which has simply been considered by the committee. The chairman of the committee can bring it up again if he wishes, but it is not unfinished business.

EXTENSION OF REMARKS.

Mr. KINCHELOE. Mr. Speaker, I ask unanimous consent to extend and revise my remarks on the joint resolution under consideration to-day.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 57 minutes p. m.) the House adjourned until to-morrow, Friday, May 26, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. O'CONNOR: Committee on Naval Affairs. H. R. 9053. A bill to provide for leasing of the floating dry dock at the naval station, New Orleans, La.; without amendment (Rept. No. 1031). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10585) granting a pension to Curtis E. Cook; Committee on Pensions discharged, and referred to the Committee on Interstate and Foreign Commerce.

A bill (H. R. 11751) granting an increase of pension to Margarett Davy; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

The bill (H. R. 11771) granting a pension to Lillian Rowley; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GOLDSBOROUGH: A bill (H. R. 11788) to stabilize the purchasing power of money; to the Committee on Banking and Currency.

By Mr. RAKER: A bill (H. R. 11789) to provide compensation in lieu of taxes for the several States with respect to certain lands of the United States within the borders of said States, and for other purposes; to the Committee on the Public Lands.

By Mr. ZIHLMAN: A bill (H. R. 11790) changing the name of Hiatt Place, in the city of Washington, D. C., to Fifteenth Street; to the Committee on the District of Columbia.

By Mr. TEMPLE: A bill (H. R. 11791) providing for purchase of site and for erection of a public building at Canonsburg, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. SWING: Joint resolution (H. J. Res. 333) appropriating $200,000 for protecting the lands and property in the Palo Verde Valley and elsewhere along the Colorado River within the limits of the United States; to the Committee on Appropriations.

By Mr. NOLAN: Joint resolution (H. J. Res. 334) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. DALLINGER: Joint resolution (H. J. Res. 335) proposing an amendment to the Constitution of the United States relative to corrupt practices; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FAIRCHILD: A bill (H. R. 11792) for the relief of James J. Meehan; to the Committee on Naval Affairs.

By Mr. LINTHICUM: A bill (H. R. 11793) granting a pension to Jerome P. Murphy; to the Committee on Invalid Pensions.

By Mr. PRINGEY: A bill (H. R. 11794) granting a pension to Frederick J. Dunscombe; to the Committee on Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 11795) granting a pension to Albert Newman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11796) granting a pension to Mary L. Cornell; to the Committee on Invalid Pensions.

By Mr. WINSLOW: A bill (H. R. 11797) for the relief of Michael Coye; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5774. By Mr. BARBOUR: Petition of the Civic Commercial Association of Bakersfield, Calif., in opposition to Senate bill 1150 and House bill 6861, amending the transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

5775. Also, petition of the Exeter (Calif.) Chamber of Commerce, opposing Senate bill 1150 and House bill 6861, amending the transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

5776. By Mr. GRAHAM of Pennsylvania (by request): Petition of Max Myers and 14 other citizens of Philadelphia, opposing the enactment of Sunday rest legislation; to the Committee on the District if Columbia.

5777. By Mr. HICKEY: Petition of H. P. Waldo and sundry citizens of South Bend, Ind., protesting against the passage of House bill 9753, House bill 4388, and Senate bill 1948, and other Sunday legislation; to the Committee on the District of Columbia.

5778. By Mr. KAHN: Resolution passed by the San Francisco Post No. 1, the American Legion, San Francisco, Calif., urging that the United States Government recognize the Government of Mexico; to the Committee on Foreign Affairs.

5779. Also, resolution by the National Society, United States Daughters of 1812, urging that all conditions agreed to by the recent Conference on Limitation of Armament be carried out; to the Committee on Foreign Affairs.

5780. Also, resolution by Corporal Harold W. Roberts Post, No. 466, Veterans of Foreign Wars of the United States, urging that the United States Army be maintained at a proper and adequate strength; to the Committee on Appropriations.

5781. Also, petition of Corporal Harold W. Roberts Post, No. 466, Veterans of Foreign Wars of the United States, protesting against two clauses contained in House bill 10871, affecting commissaries; to the Committee on Appropriations.

5782. Also, resolution by the Federated Council of the Churches of Christ in America, protesting against any drastic cut in the number of chaplains in the United States Army; to the Committee on Appropriations.

5783. Also, resolution by the Women's National Republican Club (Inc.), urging that the United States Army be maintained at a proper and adequate strength; to the Committee on Appropriations.

5784. By Mr. KISSEL: Petition of the president of the Submarine Signal Co., Boston, Mass., relative to German property in this country; to the Committee on Foreign Affairs.

5785. Also, petition of Oliver Bros. (Inc.), New York, N. Y., relative to the prevention of traffic in narcotics; to the Committee on Ways and Means.

5786. By Mr. LEA of California: Petition of 55 citizens of Oakland, Calif., protesting against the enactment of pending Sunday legislation bills; to the Committee on the District of Columbia.

5787. By Mr. SUMMERS of Washington: Petition of numerous citizens of Walla Walla and College Place, Wash., protesting against the passage of H. R. 9753, S. 1948, or H. R. 4388; to the Committee on the District of Columbia.

SENATE.

FRIDAY, *May 26, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Hale	McLean	Rawson
Ball	Harris	McNary	Robinson
Borah	Harrison	Moses	Sheppard
Brandegee	Heflin	Myers	Shortridge
Bursum	Hitchcock	Nelson	Simmons
Capper	Johnson	New	Smith
Culberson	Jones, Wash.	Newberry	Smoot
Cummins	Kellogg	Nicholson	Spencer
Curtis	Kendrick	Norbeck	Sterling
Dial	Ladd	Oddie	Sutherland
Dillingham	La Follette	Overman	Townsend
Elkins	Lodge	Page	Underwood
Fletcher	McCormick	Phipps	Walsh, Mass.
France	McCumber	Poindexter	Watson, Ga.
Gooding	McKinley	Ransdell	Williams

Mr. CURTIS. I was requested to announce the absence of the junior Senator from New Hampshire [Mr. KEYES] on account of illness. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Sixty Senators have answered to their names. A quorum is present.

TRADE WITH CHINA.

Mr. CUMMINS. Mr. President, I desire to give notice that to-morrow morning I shall endeavor to secure unanimous consent for the consideration of the conference report upon the disagreeing votes of the two Houses upon the amendments of the Senate to what is known as the China trade act, the bill (H. R. 4810) to authorize the incorporation of companies to promote trade in China. I give the notice so that those who are interested in the measure may be prepared.

Mr. UNDERWOOD. I did not hear the Senator. At what time does he desire to call up the conference report?

Mr. CUMMINS. To-morrow morning. I recognize that I can not bring it up unless I can secure unanimous consent, and I shall ask for it to-morrow morning.

Mr. UNDERWOOD. So far as I know, there is no objection to the Senator calling up the conference report for consideration if he will do it in the morning hour.

Mr. CUMMINS. We have no morning hour now.

Mr. UNDERWOOD. I mean at the time when there ordinarily would be a morning hour.

Mr. CUMMINS. That is my purpose.

Mr. UNDERWOOD. The reason why I say that is because many Senators are away in the afternoon. They may so adjust their engagements and business outside of the Chamber that if a matter of importance is taken up later in the evening Senators who are interested will be away. Under those circumstances I merely ask that if matters come up by unanimous consent they shall be called up in the morning hour so that a quorum call will give an opportunity for those Senators who are interested to be present.

Mr. CUMMINS. That is what I propose to do to-morrow morning.

PETITIONS.

Mr. CAPPER presented a petition of the Thirty-eighth Department Convention of the Woman's Relief Corps, of Parsons, Kans., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

He also presented resolutions adopted by the Ladies' Aid Society of the Washington Avenue Methodist Episcopal Church; James Ross Chapter, Daughters of the American Revolution; the Parent-Teachers' Association of the Bryant School; and the congregation of the First Congregational Church, all of Kansas City, Kans., favoring the enactment of legislation creating a department of education, which were referred to the Committee on Education and Labor.

He also presented a resolution adopted at the Thirty-eighth Annual Convention, Department of Kansas, Woman's Relief Corps, of Parsons, Kans., favoring the passage of House bill 7213, providing increased pensions for veterans of the Civil War and their widows, which was referred to the Committee on Pensions.

Mr. NEWBERRY presented petitions of sundry citizens of Gaines, Duffield, Swartz Creek, Bannister, Ashley, and Elsie, all in the State of Michigan, praying for the imposition in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, which were referred to the Committee on Finance.

Mr. HARRIS presented a memorial of sundry citizens of Dublin, Ga., remonstrating against the present high price of gasoline, which was referred to the Committee on Manufactures.

He also presented resolutions adopted at a mass meeting of members of the Cane Growers' Cooperative Association of Grady, Thomas, Lowndes, Brooks, and Decatur Counties, in the State of Georgia, favoring extension of the agricultural-credit powers of the War Finance Corporation, passage of the so-called Norbeck-King bill creating the national farmers' finance union for the purpose of financing dependable farm associations, and requesting the aid of the State and Federal departments of agriculture in marketing the products of the cane growers, which were referred to the Committee on Agriculture and Forestry.

ST. LAWRENCE RIVER IMPROVEMENT.

Mr. MOSES, from the Committee on Printing, to which was referred the concurrent resolution (S. Con. Res. 24), reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 5,000 additional copies of Senate Document No. 179, Sixty-seventh Congress, entitled "Report of the United States and Canadian Government Engineers on the Improvement of the St. Lawrence River from Montreal to Lake Ontario," of which 3,000 copies shall be for the use of the Senate document room and 2,000 copies for the House document room.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FRANCE:

A bill (S. 3645) granting a pension to Jerome P. Murphy; and

A bill (S. 3646) granting a pension to Joshua M. Ash; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 3647) for the reimbursement of Virgil L. Parker for the loss of property; to the Committee on Claims.

By Mr. ELKINS:

A bill (S. 3648) granting a pension to William Lowery; to the Committee on Pensions.

By Mr. DILLINGHAM:

A bill (S. 3649) granting a pension to Sabra Cross (with accompanying papers); to the Committee on Pensions.

By Mr. MOSES:

A bill (S. 3650) granting a pension to Mary Cannon (with accompanying papers); to the Committee on Pensions.

By Mr. McNARY:

A joint resolution (S. J. Res. 201) requesting the President of the United States to propose an international conference for the suppression of the use of certain narcotic drugs; to the Committee on Foreign Relations.

AMENDMENTS TO HOUSE RIVER AND HARBOR BILL.

Mr. TOWNSEND submitted an amendment providing for the improvement of Petoskey Harbor, Mich., intended to be proposed by him to the bill (H. R. 10766) authorizing appropriations for the prosecution and maintenance of public works on canals, rivers, and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

Mr. LODGE submitted an amendment ratifying a contract dated July 29, 1921, executed by the Boston, Cape Cod & New York Canal Co., on condition that said company consent to a certain amendment thereof, intended to be proposed by him to the bill (H. R. 10766) authorizing appropriations for the prosecution and maintenance of public works on canals, rivers, and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

EFFICIENCY RATINGS.

Mr. STERLING. Mr. President, there has recently come to my notice general circular No. 4 of the United States Bureau of Efficiency relating to efficiency ratings. I ask that it may be referred to the Committee on Civil Service for consideration in connection with the statute relating to the Bureau of Efficiency and executive orders, and in connection, too, with reclassification.

The VICE PRESIDENT. Without objection, it is so ordered.

DAYLIGHT SAVING.

Mr. DIAL. Mr. President, the other day I had something to say upon the proposed daylight saving plan. I feel that the President was imposed upon when he signed the order putting it into effect in the Government departments in this District. It has proved, I think, distinctly unsatisfactory, and I hope that the order putting it in operation will be rescinded quickly. I notice there has been some attempt in the House of Representatives to pass a bill on the subject, but that the effort dismally failed. I do not think there is much support of the proposition in the Senate. On yesterday in the Washington Star a straw vote on the question shows very conclusively that the people in the District of Columbia do not favor the plan now in vogue. I ask that the figures on this subject as published in the Star be inserted as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The figures referred to are as follows:

The vote on daylight saving.

TO-DAY'S VOTE.

	Present system.		Moving clocks ahead.	
	For.	Against.	For.	Against.
Government employees	84	958	92	645
Others	54	881	240	707
To-day's totals	138	1,839	332	1,352
PREVIOUSLY RECORDED.				
Government employees	24	618	184	444
Others	133	900	367	578
Grand totals	295	3,357	1,083	2,374

Mr. DIAL. Mr. President, whenever man undertakes to interfere with the laws of nature he always fails; and it does seem to me that it is time for us to go back to normal conditions and to exercise good common sense in the everyday affairs of life.

I took this question up with the superintendent of schools. Perhaps it would not be well to repeat what the school management had to say about the matter, but I do not find that the so-called daylight-saving system is supported by individuals or by any body of people to any great extent. My information is that the man who presented the request for the order to the President has already put his own business back on the old time; and I seriously hope that the Committee on the District of Columbia of the Senate will intercede in the matter to the end that we may revert to our long-established system of measuring time.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I would like to state to Senators that, beginning with next Monday, I am going to ask them to be here so that we shall not have to pass over item after item on account of the absence of Senators. I have tried to be just as accommodating as possible, but Senators recognize that passing over one single item, like magnesite, for instance, will necessitate passing over a number of other items, like fire brick, for instance, in which we use that article. We can not pass on the latter item until we have passed upon the former. It makes it very difficult to carry on in any logical order the consideration of the schedules if we are continually passing one over and then another on account of the absence of Senators. I hope that there will be no further request after the beginning of next week to pass items over.

Now, Mr. President, I ask that we may go back to one item in the glass schedule, page 45, paragraph 226. I shall ask the Senate to disagree to the three committee amendments in that paragraph.

The VICE PRESIDENT. The first amendment of the committee in that paragraph will be stated.

The READING CLERK. In paragraph 226, "Lenses of glass or pebble," page 45, line 12, the committee proposes to strike out "40" and insert "60" before the words "per cent ad valorem."

Mr. McCUMBER. I ask that the committee amendment be disagreed to.

Mr. SIMMONS. Mr. President——

Mr. McCUMBER. I am going to ask that in each of these instances the rate as fixed by the House, of course not on the American valuation, but upon the foreign valuation, be the rate adopted.

Mr. SIMMONS. I understand. I desire merely to express my gratification that the committee has decided to disagree to its amendments to this paragraph. We discussed the matter here last night and I think we clearly developed that neither the 40 per cent rate of the House nor the 60 per cent rate of the Senate committee is warranted, but I shall not make any objection, of course, to disagreeing to the amendment of the committee.

The amendment was rejected.

The next amendment of the Committee on Finance was, on page 45, line 12, before the words "per cent," to strike out the numerals "35" and to insert the numerals "55."

The amendment was rejected.

The next amendment was, on page 45, line 17, before the words "per cent," to strike out "35" and to insert "55."

The amendment was rejected.

Mr. McCUMBER. Mr. President, I should like to return to paragraph 307, which, I think, is the paragraph we had under consideration when the Senate took a recess last evening. That is the paragraph relative to "boiler or other plate iron or steel," and so forth.

The VICE PRESIDENT. The Secretary will state the committee amendment in that paragraph.

The next amendment of the Committee on Finance was, on page 54, line 13, after the word "and," to strike out "forty" and to insert "nine," so as to read:

PAR. 307. Boiler or other plate iron or steel, except crucible plate steel and saw plate steel, not thinner than one hundred and nine one-thousandths of 1 inch, cut or sheared to shape or otherwise, or unsheared, and skelp iron or steel sheared or rolled in grooves, valued at 1 cent per pound or less, seven-twentieths of 1 cent per pound; valued 1 cent per pound; valued at over 3 cents per pound, 20 per cent ad valorem.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. SIMMONS. Mr. President, I understand that amendment in effect is merely to strike out the words "forty-one thousandths of an inch" and to insert "nine one-thousandths of an inch," so as to read "one hundred and nine one-thousandths of an inch."

Mr. SMOOT. Yes; that is the form in which it is known to the trade.

Mr. SIMMONS. I have no objection to that amendment.

The amendment was agreed to.

The next amendment was, on page 54, at the beginning of line 21, to strike out the word "forty" and insert "nine," so as to make the proviso read:

Provided, That all sheets or plates of iron or steel thinner than one hundred and nine one-thousandths of 1 inch shall pay duty as iron or steel sheets.

The amendment was agreed to.

The next amendment was, on page 54, line 25, after the word "and," to strike out "forty" and to insert "nine," so as to read:

PAR. 308. Sheets of iron or steel, common or black, of whatever dimensions, and skelp iron or steel, valued at 3 cents per pound or less, thinner than one hundred and nine one-thousandths and not thinner than thirty-eight one-thousandths of a inch, forty-five one-hundredths of 1 cent per pound; thinner than thirty-eight one-thousandths and not thinner than twenty-two one-thousandths of an inch, fifty-five one-hundredths of 1 cent per pound; thinner than twenty-two one-thousandths and not thinner than ten one-thousandths of an inch, seventy-five one-hundredths of 1 cent per pound; thinner than ten one-thousandths of an inch, eighty-five one-hundredths of a cent per pound; corrugated or crimped, seventy-five one-hundredths of 1 cent per pound; all the foregoing when valued at more than 3 cents per pound, 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 55, line 14, after the word "and," to strike out "forty" and to insert "nine," so as to make the proviso read:

Provided, That all sheets or plates of common or black iron or steel not thinner than one hundred and nine one-thousandths of an inch shall pay duty as plate iron or plate steel.

The amendment was agreed to.

The next amendment was, on page 55, line 25, before the words "per cent," to strike out the figures "28" and to insert "30," so as to read:

PAR. 309. All iron or steel sheets, plates, bars, and rods, and all hoop, band, or scroll iron or steel, excepting what are known commercially as tin plates, terneplates, and taggers tin, when galvanized or coated with zinc, spelter, or other metals, or any alloy of those metals, shall pay two-tenths of 1 cent per pound more duty than if the same was not so galvanized or coated; sheets or plates composed of iron, steel, copper, nickel, or other metal with layers of other metal or metals imposed thereon by forging, hammering, rolling, or welding, 30 per cent ad valorem.

Mr. SIMMONS. Mr. President, with reference to that amendment, I wish to inquire of the Senator in charge of the schedule whether he has any information touching the necessity for an increase in this rate? I find very meager, in fact, practically no information in the report of the Tariff Commission, and the experts who have been looking up this matter for me say they are not able to obtain any information of importance with reference to it. All the information I now have is that the imports of this commodity for 1920 were 650 pounds, and that in 1921 they were 6,796 pounds. Can the Senator from Utah, if he is in charge of this schedule, give us any information as to the production and the consumption in this country?

Mr. SMOOT. The Senator will find that in the Summary of Tariff Information.

Mr. SIMMONS. I think not. There is some general information, but nothing that applies specifically to this item. This ought really to have been a separate paragraph; it deals with an entirely different subject; but it is separated from the remainder of the paragraph only by a semicolon.

Mr. SMOOT. Does the Senator have reference to the amendment inserting the words "thermostatic metal in sheets, plates, or other forms, 50 per cent ad valorem"?

Mr. SIMMONS. Exactly.

Mr. McCUMBER. If I may have the attention of the Senator, there is an amendment just before that. I was going to ask that the second amendment go over because the Senator from New Jersey desires to be heard on it.

Mr. SIMMONS. Does the Senator mean in paragraph 309?

Mr. McCUMBER. Yes; the amendment in regard to thermostatic metals; but the amendment in line 25, striking out "28" and inserting "30," I should like to have acted upon.

Mr. SIMMONS. That only seems to apply to "sheets or plates, composed of iron, steel," and so forth.

Mr. McCUMBER. That is all.

Mr. SIMMONS. I am saying that I can get no information as to the production or consumption in this country. The only information furnished in the Tariff Commission report is as to the imports, and the imports are negligible.

Mr. SMOOT. It is stated in the Summary of Tariff Information that the country's output of iron and steel, galvanized sheets, in 1920 amounted to 889,668 long tons.

Mr. SIMMONS. I see that we imported in 1920 only 650 pounds.

Mr. SMOOT. In nine months of 1921 there were 3,649,125 pounds imported.

Mr. SIMMONS. No; that is not the item to which I have reference.

Mr. SMOOT. The figures I have read cover "galvanized sheets, plates, hoops," and so forth.

Mr. SIMMONS. I call the attention of the Senator to page 394 of the summary and to the table headed:

Sheets or plates composed of iron, steel, copper, nickel, with layers of other metal or metals imposed thereon by forging, hammering, or welding.

The imports under that heading for nine months of 1921 are given at 6,796 pounds.

Mr. McCUMBER. The clause covering that class of material I desire to go over. The amendment just preceding strikes out "28 per cent ad valorem" and inserts "30 per cent ad valorem."

Mr. SMOOT. In other words, the House gave a 28 per cent ad valorem rate on the American valuation as compared to the 40 per cent ad valorem duty provided under the Payne-Aldrich bill. Under the plan adopted by the committee of basing the rates on the foreign valuation, the committee has recommended 30 per cent ad valorem.

Mr. SIMMONS. The Senator desires that amendment to go over.

Mr. SMOOT. We want that amendment to be agreed to, but the next amendment in regard to thermostatic metals to be passed over.

Mr. SIMMONS. I was not talking about the amendment concerning thermostatic metals. We have not reached that as yet. I was talking about the amendment striking out "28" and inserting "30." It appears from the manner in which the paragraph is written that that rate only applies to sheet or plates, and so forth, as described in the clause.

Mr. SMOOT. Certainly; "sheets, plates, bars, and rods, and all hoop, band, or scroll iron or steel, excepting what are known commercially as tin plates, terneplates, and taggers tin, when galvanized or coated with zinc, spelter, or other metals," bear a higher rate of duty than when not so coated; but the Senator asked me what the importations were under the particular item referred to by him, and I said that the importations of that commodity for nine months of 1921 was 3,649,125 pounds.

Mr. SIMMONS. Where does the Senator find that?

Mr. SMOOT. At the bottom of page 393 of the Tariff Information Summary, under the heading "Galvanized sheets, plates, hoops, and so forth."

Mr. LA FOLLETTE. That includes all the sheets covered by the entire paragraph.

Mr. SIMMONS. The Senator will notice that after the words "not galvanized or coated," there is a semicolon, and then the following words:

sheets or plates composed of iron, steel, copper, nickel, or other metal with layers of other metal or metals imposed thereon by forging, hammering, rolling, or welding.

The House provided a duty on those products of 28 per cent ad valorem, and the Finance Committee report a duty of 30 per cent.

I am calling attention to the fact that as the paragraph has been written the 30 per cent rate applies only to sheets and plates.

Mr. SMOOT. Oh, yes; we did not want it to apply to the ungalvanized products.

Mr. SIMMONS. Very well. The statistics which the Senator gave a little while ago relate to galvanized sheets, plates, and hoops, and the importations of that kind of material was 3,600,000 pounds; but if the Senator will turn over to page 394 he will see the table given with reference to "sheets or plates composed of iron, steel, copper, nickel, with layers of other metal or metals imposed thereon by forging, hammering, or welding," and the imports in 1920 are given as 650 pounds, and for nine months of 1921, 6,796 pounds.

Mr. SMOOT. Mr. President, of course, that is only one of them, because plates and sheets, cold rolled and smooth only, fall under that, and then there are plates of iron or steel pickled or cleaned by acid or by any other process.

Mr. SIMMONS. But the Senator will see that those other tables refer to metals treated differently.

Mr. SMOOT. The first one treats of galvanized sheets.

Mr. SIMMONS. And this rate does not apply to that. That is provided for in the preceding paragraph.

Mr. SMOOT. No; the first rate of two-tenths of a cent a pound——

Mr. SIMMONS. All I wish to say is this: I ask the Senator if he will read this carefully and see whether this rate as he has the provision punctuated does not apply solely to sheets or plates not galvanized.

Mr. SMOOT. No, Mr. President; that semicolon means that the "two-tenths of 1 cent per pound more duty than if the same was not so galvanized or coated" applies to all of the items above. Then, when the semicolon occurs, that is another paragraph, and it means that sheets or plates composed of iron, steel, copper, nickel, or other metal with layers of other metal or metals imposed thereon by forging, hammering, rolling, or welding shall pay a duty of 30 per cent ad valorem.

Mr. SIMMONS. In addition to the other?

Mr. SMOOT. No, Mr. President; it does not say in addition to it. That is a separate and distinct paragraph, carrying its own duty.

Mr. SIMMONS. Very well. If the Senator is satisfied with that construction after he has examined it more carefully, I shall make no further contention about it. I say, however, that according to my construction the rate is entirely too high. According to my construction of that, you have imposed a 30 per cent rate upon a product of which the imports into this country are absolutely negligible, only a few pounds—a third of a ton—and the Senator has told us what the production was. How many thousand tons did the Senator say were produced?

Mr. SMOOT. The whole production of iron and steel galvanized sheets in 1920 amounted to 889,668 long tons.

Mr. SIMMONS. Whatever the production is, Mr. President; I do not know. I am leaving that to the Senator. He has told us that it was very considerable, running up into thousands of tons, while there was imported of that article in 1920 650 pounds and in nine months of 1921 only 6,700 pounds, or a little over 3 tons. I can not see any reason why we should be imposing a 30 per cent duty to protect a domestic production of thousands of tons because of the importation into this country of 3½ tons. I should be glad if the Senator can furnish more satisfactory information about it. I confess that I have none, except what has been stated.

Mr. SMOOT. The statement I made was that the production of all iron and steel galvanized sheets in 1920 was 889,668 long tons. What the Senator is talking about now is the sheets or plates composed of iron, steel, copper, or nickel with layers of other metal or metals imposed thereon by forging, hammering, or welding. It is true that there was only 6,796 pounds imported in the nine months of 1921, but they are all luxuries. There is nothing there that goes into the ordinary commerce of this country or any other country. If we had a detailed statement of these things we would find that not one of the importations goes into anything outside of luxuries. To-day thermostatic metal in sheets or plates forms a part of this. Thermostatic metal is two metals welded together.

Mr. HITCHCOCK. That is another provision. Can not the Senator give us the figures?

Mr. SMOOT. That is what the Senator was talking about, and that is what this rate applies to.

Mr. HITCHCOCK. That is not thermostatic metal. That comes next.

Mr. SMOOT. That is going to be disagreed to by the committee, and then it will fall under that paragraph.

Mr. HITCHCOCK. Can we not find out exactly what are the imports and the production of this?

Mr. SMOOT. I want to say to the Senator that in the case of these particular items, outside of the thermostatic metal, there is no production in the United States. We have not any of these metals here that are hammered and rolled with layers of other metal, as provided for here. The consumption in the United States is so small that there has been no industry in it, outside of the starting up of a thermostatic-metal industry here during the war. The reason why the committee took that out and put it by itself was because of the fact that during the war this industry was established in this country, and I suppose the Senator knows what it is. Two metals are welded together, and the heat has an effect upon one quite different from the effect upon the other metal. It is used in regulators, such as I suppose the Senator has in his heater at home, where he sets it to 70 if he wants the heat of his house at 70° continuously. If the fire gets too hot and makes it rise above 70, it bends the metal and closes the draft; if it gets below 70, it bends the other way and opens the draft; and with this metal you can keep the heat of your house just whatever you desire during the day or during the night. The production of it in the United States is very small as to quantity. It is growing in the United States, and that is a great part of the production covered by this paragraph to which the Senator has reference.

Mr. HITCHCOCK. That does not satisfy me at all. Perhaps the Senator from North Carolina can understand it; but let me call to the Senator's attention exactly what he has done. We have not gotten to thermostatic metal yet.

Mr. SMOOT. I have told the Senator that we are going to disagree to that amendment.

Mr. HITCHCOCK. I know; but the Senator insists on talking about something else. I ask him to pay attention to these lines:

> On sheets or plates composed of iron, steel, copper, nickel, or other metal with layers of other metal or metals imposed thereon by forging, hammering, rolling, or welding, the tariff under the present law is 15 per cent.

Mr. SMOOT. Yes.

Mr. HITCHCOCK. The House raised it to 28 per cent. I suppose it had a reason for raising it.

Mr. SMOOT. Yes.

Mr. HITCHCOCK. The Senate committee raised it to 30 per cent. We are unable to find what the reason was. What is the production in the United States? What are the imports? We can not get figures on either one.

Mr. SMOOT. There are no figures here as to the production, because there has been no production, outside of that of the thermostatic metal, in the United States.

Mr. HITCHCOCK. Let us leave out the thermostatic metal. What are the imports, then?

Mr. SMOOT. Very small, indeed, because they are all luxuries.

Mr. HITCHCOCK. Then what was the evidence upon which the tariff was doubled?

Mr. SMOOT. Does the Senator mean from the present law?

Mr. HITCHCOCK. Yes. It is not because there is any great import that is ruining a local industry.

Mr. SMOOT. Absolutely; but we will get that much more money out of it for the Treasury of the United States.

Mr. HITCHCOCK. But the Senator says there are no imports.

Mr. SMOOT. I did not say there were no imports.

Mr. HITCHCOCK. Can the Senator tell what the imports are?

Mr. SMOOT. Yes. For 1920 there were 650 pounds imported, valued at $10 a pound, and in 1921 in 9 months there were 6,796 pounds imported, valued at $816. That is all there is to it; and they are all luxuries. There are not enough of them used in the United States to establish a business, outside of the thermostatic metal, and only one little concern up in New Jersey is making that.

Mr. HITCHCOCK. Mr. President, I realize that we are laying tariffs here for the benefit of one little concern here and another little concern there; but in the aggregate the result of these thousands of increases that are made is going to be that the American people will have to pay the piper.

Mr. SMOOT. The result of the establishment during the war of the thermostatic metal manufacturing industry in the United States has been that the German manufacturer has not had it his own way and charged whatever price he wished.

Mr. HITCHCOCK. Mr. President, if the Senator from North Carolina will permit me in his time, I should like to add to the collection of editorial comments from Republican newspapers which he has heretofore had put into the RECORD for the edification of the public and Senators; and I will read now, not from one of the metropolitan papers which the Senator from North Dakota says are seduced or bribed into antagonism of this bill by reason of any patronage; I will read from the leading Republican paper of Nebraska—the Lincoln State Journal. Its editorial comment on the speech made by the Senator from North Dakota [Mr. MCCUMBER] was as follows:

> Senator MCCUMBER'S preface to the tariff bill, as he introduces it in the Senate, is a remarkable affair. It will open the way to prosperity, he tells the country, but only in case certain other things are done. Among these other things are reductions of prices to consumers whose incomes are not now enough to furnish them the goods they need. Manufacturers must reduce their prices, says Senator MCCUMBER, and confine themselves to meager profits until the consumer gets on his feet again. The people, on the other hand, must work harder and produce more. This done, the new tariff will be a success, and we shall fly with the geese.
>
> This is as if the doctor told us to dig hard in our garden, eat only wholesome food, drink plenty of water, and keep our mind calm, and he would guarantee his pills to cure our alimentary disorders. Which, then, is the cure? If we should all go to producing at our level best, and all profiteering were stopped, would not the country hum with prosperity though the tariff remain as it is or even lower?
>
> There is even a touch of the pathetic in the Senator's plea. He is introducing a measure which, if it performs according to its professed purpose, will enable the manufacturers to increase their prices. There its supposed benefits lie. And the introducer tells the manufacturers, whom he is empowering to raise their prices, that prosperity depends upon their not raising prices.
>
> His bill is intended to increase the cost of living. It fails of its purpose if it doesn't do that. And its introducer announces, as he introduces it, that the cost of living is already too high to permit the farmers and the laboring classes to be the adequate consumers upon whom prosperity ultimately depends. The manufacturers are to hang their clothes on a hickory limb and not go near the water.

Mr. President, I desired to have this editorial incorporated in the RECORD not only because it is from a Republican newspaper but it is a Republican newspaper in an agricultural State and the leading Republican newspaper, and it deprives the Senator from North Dakota, who also comes from an agricultural State in the West, of the contention that only certain Republican newspapers in the East are condemning his bill.

Mr. SIMMONS. Mr. President, I shall have to discuss and will discuss this from the standpoint of the statements of facts made by the Senator from Utah. I want this item understood. Paragraph 309 reads:

> All iron or steel sheets, plates, bars, and rods, and all hoop, band, or scroll iron or steel, excepting what are known commercially as tin plates, terneplates, and taggers tin, when galvanized or coated with zinc, spelter, or other metals, or any alloy of those metals, shall pay two-tenths of 1 cent per pound more duty than if the same was not so galvanized or coated.

There we start on a new subject.

Mr. SMOOT. Does the Senator really want to know what that means?

Mr. SIMMONS. I am not discussing that now.

Mr. SMOOT. The Senator asked whether it had any reference to sheets or plate composed of iron, steel, and so forth, and whether it bore an additional duty. Paragraph 308 covers "Sheets of iron or steel, common or black, of whatever dimensions, and skelp iron or steel, valued at 3 cents per pound or less, thinner than one hundred and nine one-thousandths and not thinner than thirty-eight one-thousandths of an inch, forty-five one-hundredths of 1 cent per pound." That refers to the sheet made of steel.

When you take a sheet and galvanize it, there is an additional duty of two-tenths of a cent a pound over and above the duty imposed on the plain steel, iron, or steel sheet, but it has

nothing whatever to do with the items following the semicolon in this paragraph.

Mr. SIMMONS. Exactly; and the committee amendment raising the rate from 28 to 30 per cent applies to that part of the paragraph beginning on line 22?

Mr. SMOOT. That is true, after the semicolon.

Mr. SIMMONS. That is what I said a little while ago. Now, I want to read the language beginning in line 22:

Sheets or plates composed of iron, steel, copper, nickel, or other metal with layers of other metal or metals imposed thereon by forging, hammering, rolling, or welding.

Now, I want to read from the Tariff Commission's report under this head:

Sheets or plates composed of iron, steel, copper, nickel, or other metal with layers of other metal or metals imposed thereon by forging, hammering, rolling, or welding.

That is the identical language, word for word. Having given the subject matter of the statistics, the summary proceeds to give the imports:

For 1920 the imports were 650 pounds; for 1921, nine months, they were 6,796 pounds.

Mr. McCUMBER. This is an article not produced in the United States at all.

Mr. SIMMONS. That is what I wanted to get at a little while ago. I asked the sponsors of the bill to give me some data.

Mr. McCUMBER. Therefore, this particular matter covered by the 28 per cent or the 30 per cent ad valorem does not come in competition. They are little molds for making chocolates, for instance, which we purchase, and the use is exceedingly limited. Therefore the importations are exceedingly light. They are used only for little special purposes, such as making the molds into which you run chocolate to make the chocolate cakes which are sold, and for some few other light purposes. It is a revenue duty upon those particular articles.

Mr. SIMMONS. The question I asked the Senator from Utah, after I read that, at the beginning of my remarks, was, What is the extent of the production or consumption in this country? The Senator gave me some figures which were very large, and my argument has been that if there was any such production as that, there could be no justification for this duty.

Mr. SMOOT. The Senator ought to be fair. He asked me the production, and I gave the production in the United States of all the articles in that paragraph.

Mr. SIMMONS. The Senator doubtless misunderstood me.

Mr. SMOOT. I have already told the Senator they were luxuries, pure and simple, and the only metal we are making to-day falling under that paragraph is, as I said, thermostatic metal, and that is made by one concern in New Jersey.

Mr. SIMMONS. Then I understand this duty is imposed as a revenue duty?

Mr. McCUMBER. Pure and simple.

Mr. SIMMONS. Am I right about that?

Mr. McCUMBER. If we do not produce it in the United States, of course, it must be for revenue and for revenue only.

Mr. SIMMONS. That is what I assumed. Now, the balance of that paragraph, which imposes an additional duty of two-tenths of 1 cent per pound, is the subject I wish to discuss for a few moments, and I shall give the Senator some information upon that.

We have some data about it. I read now from the summary as to paragraph 309. It gives the production of the articles covered in the whole paragraph, and, of course, includes the little item we have just discussed, of which it now appears the production and importations are small. In reading I shall give only the round numbers. The summary states:

The country's output of iron and steel galvanized sheets in 1920 amounted to 889,668 long tons, or 2,000,000,000 pounds.

Again it says:

The production of galvanized sheets in 1914 amounted to 1,939,000,000 pounds, of which 130,000,000 pounds consisted of galvanized formed products.

So we have a production in this country, of these two items, of practically 4,000,000,000 pounds.

The figures of imports follow immediately after that. In 1913 the importation of plates, sheets, and so forth, covered by this paragraph, amounted to 28,000,000 pounds, valued at $973,000, and in 1914 to 49,000,000 pounds, valued at $1,000,000, in round numbers. It will be observed that in 1913 and 1914, respectively, we had imports of 28,000,000 pounds, and of 49,000,000 pounds, as against a 4,000,000,000-pound production. Let us go a little further.

In 1918 the imports fell off very materially, and they were, as given by the Senator, 649,000 pounds, valued at $206,000, a tremendous falling off since 1914. That falling off continued through the war.

What about the exports? Let me again say that for the nine months of 1921, as against a 4,000,000,000-pound production, we had an importation of only 3,640,000 pounds. Nobody could say for a minute that that quantity of importations, insignificant when compared with our domestic production, could possibly affect the price of the American product.

If that were all, it would not be quite so bad. Let us see about the exports of that product. The Tariff Commission summary states:

Exports greatly exceed imports. During the calendar years 1918–1921 the exports of galvanized iron and steel sheets and plates have been as follows:

	1918	1919	1920	1921 (9 months).
Quantity.....pounds..	153,982,456	227,669,237	242,745,308	102,074,891
Value.....	$12,609,628	$15,223,289	$16,727,590	$6,709,611

Which is many times the imports. There is your problem, 4,000,000,000 pounds production, imports of about 4,000,000 pounds during nine months of 1921, probably amounting to 5,500,000 for the year, though I have not calculated it closely, with exportations many times the quantity of importations.

If Senators think that those facts justify increasing the rate of the present law, or if they think they justify increasing the rate adopted by the House, I can not understand the theory upon which they are proceeding, and I quit the subject so that the Senator from Utah may have an opportunity, if he wants it, to tell the Senate and tell the country upon what rule or reason, with this state of facts, they impose this rate. The facts I have stated come from the record; they are the result of the investigations and findings of the Tariff Commission, not the statements of persons who are opposed or persons who are in favor of the bill, but supposed to be the statements of a non-partisan and impartial board. If he can explain to the country the reason for the rate, upon that basis of facts, I should be delighted to have him do it. If he can show that the Tariff Commission have misrepresented the facts, and that these are not the facts, but that there are other facts which would justify this rate, I would be happy to have him give those facts.

Mr. SMOOT. Mr. President, I do not know that I have anything more to say than I have already said, except that I want to refer now to the exportations for the years to which the Senator referred. The Senator referred to the pre-war exportations as being very small. When the war began, or beginning with the year 1914, our exports, of course, greatly exceeded the exports before that time. England could not ship any of this to Cuba and to Canada and to Argentina and to Mexico. The whole thing was thrown on the United States and they had to furnish it.

Mr. SIMMONS. If the Senator will pardon me, he must have misunderstood me. The exports I read were for the years 1918 to 1920, inclusive. There was nothing then in the way of England exporting to Canada.

Mr. SMOOT. I am not talking about that. Everybody knows they could not do that. I will say to the Senator that he did not call attention to 1921. The exports in 1921 were not half what they were in 1920.

Mr. SIMMONS. If I did not call attention to 1921, it was a mere inadvertence.

Mr. SMOOT. Those exports went to Canada, Cuba, Argentina, and Mexico.

Mr. SIMMONS. But the Senator called my attention to the first nine months of 1921.

Mr. SMOOT. It was only 102,000.

Mr. SIMMONS. For nine months, and for the year it would be a little more than that. But I called the attention of the Senator that that is many times the imports.

Mr. SMOOT. Yes; it is greater than the imports.

Mr. SIMMONS. It is probably twenty-five or thirty times greater.

Mr. SMOOT. But Canada is right at our door, Mexico is right at our door, South America is close to us, and we always export to those countries. We always will, I think. I do not think there is any question about it at all. The whole paragraph is built on paragraph 308, that we have just passed, giving two-tenths of 1 cent. The 30 per cent that the Senator speaks of has nothing whatever to do with the exports. The 30 per cent referred to by the Senator is for items that we do not make in this country. They are luxuries of the highest type, as I have already said.

Mr. SIMMONS. The Senator probably is correct about that, and probably I was incorrect when I referred to the 20 and 30 per cent, but the same thing applies to the other rate, and that is the additional rate of two-tenths of 1 cent a pound.

Mr. SMOOT. Certainly, as between 15 per cent and the two-tenths of 1 cent per pound. I am aware of that. I simply wanted to make the correction as to the 15 and 30 per cent on the items to which the Senator referred. That only refers to importations here of about 6,000 pounds of luxuries which we do not make in this country, with one possible exception that is made by one concern located in New Jersey.

Mr. SIMMONS. The Senator did not understand me as intending to discuss it. I was not discussing it. I was discussing the other part of it. I stated that the production of that article was very small and the imports negligible and that it was now claimed the duty was imposed as a revenue duty. I was discussing the additional duty of two-tenths of 1 cent, and I stated that the production of articles subject to that duty in this paragraph amounted to $4,000,000,000, while the imports are negligible and many times less than the exports.

Mr. CUMMINS. Mr. President, I wish to ask the Senator from Utah a question purely for information. I do not care anything about the duty upon the superimposed metals, but I am speaking of paragraphs 308 and 309, down to line 22. The duty imposed upon ordinary steel sheets is about $10 a ton or a little bit less than $10 a ton. That is a great article of commerce. Does the Senator from Utah believe that it costs in the United States $10 a ton more to produce an ordinary steel sheet than it costs in England?

Mr. SMOOT. I can not say whether it would or would not. That is the reason why I did not want to discuss the question involved in paragraph 309. As I said, the basis of this rate, outside of the luxuries, is found in paragraph 308. When the committee amendments are agreed to then I have not any doubt these matters will be discussed, and if they are changed of course we shall have to change paragraph 309 accordingly.

Mr. CUMMINS. We know that it costs in England, generally speaking, more for the raw material out of which the steel plate is made than it costs in the United States. It costs England a great deal more for coal and, therefore, for coke. I do not know of a single material that enters into the composition of a steel sheet, save labor—if you may call that an element—that costs in the United States more than it costs in England. I do not know anything about Germany. That is my difficulty in coming to any conclusion whatever about these duties.

I would like to vote for protection and I intend to vote for protection, but my judgment is—without specific information, and it seems to be inaccessible—that the United States can make steel sheets cheaper than they can make the same article in any other country in the world, unless it is in Germany under present conditions. I do not know what may be the labor costs in Germany and the coal costs in Germany and the cost of other materials that are necessary in the production of this article. I am under very great difficulty with respect to voting upon these duties. The highly fabricated articles, such as we find in many parts of the bill, I care little about, but the real volume of the production of steel in the United States, the steel sheets, the girders, and joists, all the building steel, is produced cheaper than they produce it anywhere else in the world, and, in my judgment, no duty whatever is required for the protection of the American industry.

Mr. HITCHCOCK. Mr. President, will the Senator permit an inquiry?

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. CUMMINS. I yield.

Mr. HITCHCOCK. Referring to the statement of the Senator from Iowa that we have not any knowledge as to the cost of production abroad compared with the cost of production at home, I would like to ask whether, in the absence of that information, we are not safe in taking the statistics of imports, and if the imports show a decline over a long course of years can we not safely judge that there is no danger of any destructive importations?

Mr. CUMMINS. If we were normal, I would regard the imports as secondary evidence, in the absence of the primary showing upon which I mainly rely, but I do not regard prices as of any value whatever in determining what the duties ought to be.

Mr. HITCHCOCK. Let me call the Senator's attention to the paragraph of which he is speaking, 308, which is very important, and which we shall take up later, I suppose. I notice that the imports in 1910 were considerable; that is, they were 13,000,000 pounds. Since that time they have been on an almost steady decline until in 1919 they were only about 2,500,000 pounds, showing that imports are becoming negligible in the items to which the Senator is now referring.

Mr. CUMMINS. The reason the imports are not a good guide, or not an accurate guide, at any rate, is that Europe is not normal. Europe is in a state of reconstruction.

Mr. HITCHCOCK. I ask the Senator not to reach that conclusion without bearing in mind the fact that I go back to 1910, when Europe was normal, and when the imports fell off in 1911. They were about the same in 1912. They fell off again in 1913, which was prior to the war, showing that the tendency was that their competition was failing as against the American output, even though the tariff duty under the Underwood law was only 12 per cent.

Mr. CUMMINS. In 1909 I examined the metal schedule with a great deal of care, and proposed a substitute for the schedule which expressed my views with regard to the duties which should be imposed at that time. But I do not know anything about the cost now there or here, and even if we knew what the cost there is to-day and knew what it is here to-day, we would not know what it would be to-morrow, because commercial conditions are shifting and changing so rapidly and so radically that I do not see my way clear to establish duties upon that basis. I am wondering whether there will not be found, before we are through with the bill, some other reasonable basis upon which we may proceed.

Paragraphs 308, 309, and 312 comprise a very large part of the production of steel, not only in our own country but in other countries as well. I hope that before we have finished the consideration of this particular schedule the members of the Finance Committee, who have examined the question as carefully and as thoroughly, I am sure, as it can be examined, will give us a little more information than we now have with regard to present costs and probable future costs in the competing countries of the world. I can only repeat that my general information has been that in the great heavy productions of steel which comprise probably ninety-nine one-hundredths in volume of the entire production, we have reached a position in which we produce as cheaply as others produce anywhere. That may be disturbed, that may not be true in the present moment. I do not know. I have not been able to find out.

But we ought to be careful with regard to the metal schedule, especially careful about it, because 50 per cent of our production comes from one corporation and it is perfectly well known that it for years has fixed the price of substantially all the commodities which it produced and in which it deals, and that the less favorably situated industries are glad to follow that price. They go up if the Steel Corporation permits them to go up, and they come down when the Steel Corporation compels them to come down. I do not regard that as effective competition. It is not what the country is entitled to in order to make competition an influential force in fixing prices. Now we are confronted with a situation in which it may be that all of the other steel companies of the country will combine, and then we shall have two great corporations, at the most three, producing these articles. It is idle to expect that under such circumstances there will be any effective competition, because the intimacy is so great that we shall have to depend upon something else than the competitive course in order to fix the price of the great bulk of the steel products. I myself do not want to go to the point toward which we are being driven every day at which the Government will be compelled to fix prices and to limit profits. That to me is an abhorrent suggestion. It may be that we must reach it and will reach it, but I do not want to see that policy established in the United States if it is possible to avoid it. Therefore I am in favor of adjusting these schedules upon the basis of affording whatever fair competition we may expect from abroad. I do not know that that will be effective, but it is one of the things that we ought to bear in mind, and that I intend to bear in mind when I come to vote on schedules like this one.

Mr. STANLEY. Mr. President, will the Senator from Iowa yield to me?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Kentucky?

Mr. CUMMINS. I yield.

Mr. STANLEY. In connection with what the Senator from Iowa has so pertinently observed, I call his attention to paragraph 312 of this bill as illustrating the vice of an excessive duty. That paragraph covers—

> Beams, girders, joists, angles, channels, car-truck channels, tees, columns and posts, or parts or sections of columns and posts, deck and bulb beams, and building forms, together with all other structural shapes of iron or steel.

Mr. President, the principal item there is structural steel, although there may be a few other things included. Structural shapes are, as the Senator from Iowa has so wisely said, more and more essential to every phase of our industrial life. With the perfection of the use of cement and other like materials in connection with structural shapes, residences, business houses, hotels, warehouses are all now built, to a greater or less extent, of steel. Our bridges, our culverts, and our highways are also all dependent upon these essential articles. No less an authority than Mr. Carnegie himself has stated that there is no competition whatever between the American producer and the foreign manufacturer. According to Carnegie himself, you may put structural shapes on the free list and yet not a beam, a girder, or any other form of a structural shape will be imported, for the reason that such shapes are standardized just as building materials of wood are standardized. We have 2 by 4's of the 10 and 12 foot lengths. The structural shapes on the continent of Europe are standardized on the metric system; so that the French manufacturer and the German manufacturer do not make the identical length that we need. If the builders of skyscrapers or bridges should attempt to import structural shapes, they would have to get a foreign expert to figure out just what they would need in meters and kilometers and the like instead of in inches and in feet.

The import statistics show how true that it. While a few structural shapes, which include many articles such as bulb beams or columns, or something of that sort, may have been imported into the United States, yet in 1920 we imported only $284,167 worth of structural shapes—about 3,000,000 pounds. In the same year we exported $28,956,819 worth of structural shapes. Our exports are 100 to 1—yes, 200 to 1—over our imports. The imports are absolutely negligible; they are not one-half of 1 per cent; and yet this bill proposes to place a duty of 30 per cent on every I-beam or every girder or every joist that goes into any character of building in this country, because Senators will notice the same old joker is in this bill, for its framers have provided first a duty of 1 cent per pound.

Mr. CUMMINS. The proposed duty is seven-twentieths of 1 cent per pound.

Mr. STANLEY. The Senator from Iowa informs me that it is seven-twentieths of 1 cent per pound duty. Then there is an additional provision which reads:

any of the foregoing machined, drilled, punched, assembled, fitted, fabricated for use, or otherwise advanced beyond hammering, rolling, or casting, 30 per cent.

Senators have noticed that in the construction of buildings the materials are assembled and then the pieces are riveted together. All they have to do is to punch one hole in a beam or a girder and it falls under the phrase "fabricated," and there is an additional duty of 30 per cent. So there is an additional 30 per cent duty on the most essential material for construction purposes which is known in this country, when not one cent is necessary, and, as the Senator from Iowa has well observed, it can only operate as a guaranty against any possible competition invited by inordinate home prices.

Mr. CUMMINS. Mr. President, the Senator from Kentucky probably has later information than I have, because I have not studied this subject for several years; but there was some structural steel imported along in 1909 and 1910. Of course, it could only be used in the seacoast cities. There were several large buildings in New York along in those years constructed out of imported structural steel, simply because the contractor believed that the home producer was charging too much for it, and he got it a little cheaper abroad than he could get it at home; but no part of the imported structural steel could get 50 miles away from the seacoast. The transportation charges, even upon equal terms, would forbid the English manufacturer getting his structural steel to Pittsburgh or Chicago. The steel that is manufactured at Chicago, at Pittsburgh, and other interior places would have so tremendous an advantage over any imported steel that no large volume could be imported or could be used except at the very seaboard.

I am saying this because I feel perfectly helpless with regard to this bill. I have a view with regard to the doctrine of protection, and I have not changed my opinion in any degree since I did what little I could to secure fair rates in 1909 and in 1913; but the whole basis upon which we acted at that time has disappeared, apparently, and we are not able to compare the costs so as to introduce a competitive system.

I had greatly hoped at one time that the Senator from Alabama [Mr. UNDERWOOD] would abandon the delusion of a tariff for revenue only, which has never been enacted in the United States and never will be, with any accuracy or fidelity, and would enlarge upon what he called in 1913 a competitive tariff. I can not see very much difference between a competitive tariff or a tariff levied upon competitive principles and a tariff for protection. However, my Democratic friends still insist upon harboring the delusion that we can enact a tariff for revenue only. There is no such thing; that is, no such thing that would be adopted by the people of the United States. A tariff for revenue only and free trade are synonymous terms in the terminology of political economy, and political economists generally use them as synonymous terms. Free trade does not preclude levying duties upon articles which the country levying the duties does not produce, and a tariff for revenue only, when it is properly applied, permits the levying of duties only upon articles which the country levying the duties does not produce, as is evident from a moment's consideration of the subject.

The great objection which our Democratic friends have to a tariff for protection is that it increases the price not only of the imported article but of the domestic article as well, and, unless that objection is overcome by corresponding benefits and advantages growing out of a tariff for protection, the argument is perfectly sound. The notion that we have a right to levy a tax for the benefit of one man or one producer or a dozen producers is obnoxious to every man who loves justice. We do not levy protective duties in order to make a producer rich or in order to give him profits; that is not the purpose of levying protective duties; but we levy them because we believe that they are just as advantageous to the consumer as they are to the producer. If they are not as advantageous to the consumer as they are to the producer we ought to abolish and abandon the notion of protective duties. The fundamental idea of protective tariff is to keep the people of the country which levies it at work; it is to give them employment and to enable them at least to supply themselves with the articles which they consume.

I know that mathematically it can not be accurately applied; but that is my notion, at least, of a protective tariff. It is to make our country as nearly as possible autonomous, self-sustaining; and every workingman who does not receive advantage or benefit from the levying of a protective tariff has just cause for complaint against it. We can not keep our people at work if we resort to the old plan of producing only those things that we can produce more cheaply than they can be produced in any other country in the world. We can neither develop our country, nor, having it developed, can we keep in employment our men and our women upon any such principle as that. If we had been devoted to free trade or the principle of a tariff for revenue only, we would have been an agricultural country alone, because I suppose that we can produce many kinds at least of products of agriculture cheaper than they can be produced anywhere else.

But that is all aside. I have waited for this opportunity to say just a word with regard to this particular matter. I have waited until the metal schedule was before the Seante, because I know more about the metal schedule than I know about any other schedule, unless it is one or two rather unimportant schedules that come later. I hope I shall be able to sustain the committee. My desire is to sustain the committee. I think that this is the most inopportune time of all the times I have ever known to enact a general revision of the tariff law, and in that respect I agree with the Senator from North Dakota [Mr. MCCUMBER], who expressed the same general idea the other day. I would not have entered upon a general revision of the tariff. The time has not come for it. The information that is necessary is not at hand, and even if it were at hand for this moment we could not depend upon it as a basis for action to-morrow, or next month, or six months hence.

If I could have had my way—and I have urged this upon my associates with all the strength I had—if I could have had my way about it, I would have allowed the existing tariff law to remain as the general law upon the subject, including the emergency tariffs which have been enacted since the revision in 1913. I would have then given the President or the Tariff Commission, preferably the latter, the authority to ascertain from time to time the difference between the cost of production in competitive products at home and abroad; and having ascertained that difference I would have had the President proclaim that difference, and then, by the law itself, I would have levied upon the products so examined the difference between the cost of production at home and abroad so ascertained, whatever it might be.

That, it seems to me, would have relieved the country of the disturbance through which we are now passing. It would have afforded reasonable guaranties to our producers that whenever they were unable to meet the competition from abroad by reason of comparative cost of production the duties would be raised to measure that difference. I think we have the authority under

the Constitution to clothe the President or the Tariff Commission with that power. I think the questions which arise with regard to the constitutionality of the present bill upon that subject would be entirely absent if the plan that I have suggested were employed. That is what I would have liked to do; but, inasmuch as I was powerless to affect the situation, I intend, whenever I am not clearly convinced that the committee has made a mistake, to follow the committee; but whenever I feel well convinced that the duties which it has imposed are too high, I intend to vote my own sentiments with regard to the question, handicapped as I am by inability to ascertain what the difference in the cost of production in this country and in other countries is at the present time.

Mr. HITCHCOCK. Mr. President——

Mr. CUMMINS. I yield.

Mr. HITCHCOCK. From the Senator's closer relations with the committee, has he been able to learn what emergency requires the introduction and consideration of this bill at the present time?

Mr. CUMMINS. I know—I think I know—that the Republicans generally do not believe that the Underwood-Simmons bill protects the industries of the United States, and I share that belief in very many respects, and I assume that the Republicans believed that the sooner the law was brought into harmony with the Republican doctrine rather than the Democratc doctrine the better it would be for the people of the United States; and that reasoning would have been absolutely sound had it not been for the disturbed, chaotic condition of the world that renders it impossible to ascertain just what duties ought to be levied in order to embody and to carry out what I understand to be our doctrine of protection.

Mr. HITCHCOCK. Will the Senator state in what the evidence consists that the existing law does not adequately protect, or in any way endangers, existing industries? What would be the evidence of it?

Mr. CUMMINS. That question I can not answer abstractly.

Mr. HITCHCOCK. Would it not inevitably be the evidence of imports coming in here in increasing volume?

Mr. CUMMINS. As I have remarked before, I do not look upon imports, under the present circumstances, as a reliable guide to the future.

Mr. HITCHCOCK. No; I was not asking that. What would be the evidence of danger? Would it not necessarily be excessive imports?

Mr. CUMMINS. It would be evidence of danger.

Mr. HITCHCOCK. In the absence of excessive imports—and we have shown that in one schedule after another—how can it be claimed that there is an inadequacy of tariff?

Mr. CUMMINS. This law, I take it, is being enacted to care for the future; and the committee, I believe, has done the best it could to peer into the future, and to predict or assume what the conditions of the future will be; and they must have done that, because there was no other basis upon which to proceed. I do not criticize the committee in any respect, but I particularly do not criticize the committee for refusing to accept as conclusive the fact that the imports of a particular article or commodity may have been very negligible, because, if the committee believed that to-morrow or next month or next year the imports would very greatly increase, from the standpoint that the committee was occupying I think it was entirely proper to provide duties upon that hypothesis.

Mr. HITCHCOCK. The Senator will recall that we have had before us the tariffs on such articles as cement and ink and wood alcohol, and others in which the United States manufactures half of all the product of the world, and in which it has a great export trade. Does the Senator think that taking those articles from the free list, or increasing the existing duties, is justified by peering into the future and making a tariff based on fears?

Mr. CUMMINS. I am not going to criticize or condemn the committee. I can only say what I think about that subject. So far as I am concerned, I think that to put a duty on Portland cement is little less than absurd. That is my judgment, but that is an individual judgment.

Mr. HITCHCOCK. It is a very wise judgment; I will say that to the Senator.

Mr. CUMMINS. And it, I understand, is justified only by the suggestion that there are certain small manufacturers of Portland cement along the border, and that there may be competition between Canadian cement and cement manufactured in our own country. I do not regard that as sufficient to warrant a duty. Save in those limited communities, the duty will have no effect. It will neither increase nor decrease the price of cement. That may be affected by combinations and understandings between American mnaufacturers; but the price of cement in Omaha, where the Senator lives, or in Des Moines, where I live, will not be in any respect affected by the duty which is put upon it. I know nothing about ink.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. CUMMINS. I yield.

Mr. ROBINSON. If it should appear conclusively, as I believe it does, that the cement industry is controlled by a trust, in violation of the provisions of the Sherman antitrust law, and the proper authorities of the Government should institute and prosecute successfully proceedings to dissolve the trust, it might result that from a low tariff competition would permit the people who use cement and the industries that use cement to obtain it at a lower price, might it not? The Senator does not mean to say that because of the price control that unquestionably exists in the cement industry that control should be fastened upon the public and made more secure by an increase of the duty on cement importations?

Mr. CUMMINS. No. On the contrary, I have just said that I was not in favor of a duty on Portland cement; but I repeat that the possibility of any competition preventing an increase in prices is so remote that I can not believe that, even assuming that there is a combination that controls the price, the combination could increase the price to the point of competition. It could not do that, because it would destroy the market for cement before it would reach the point at which the foreigner can import any considerable quantity of cement.

Mr. ROBINSON. Will the Senator be good enough to yield to me for a further statement?

Mr. CUMMINS. I yield.

Mr. ROBINSON. In view of the price history of this commodity extending over a period of the last five years, and in view of the complete control which the combinations in the industry now exercise over the price, any price may be charged that the industry will bear—that is, short of a suspension of the use of cement in the United States. If there is any virtue in the antitrust law, and that statute should be invoked and the trust dissolved, it is entirely possible, in my opinion, that the cement industry could be conducted profitably in this country upon the basis of two-thirds or one-half the price that is now being charged. In that event a diminution rather than an increase in the tariff might expedite and facilitate price reductions in this necessary commodity.

Mr. CUMMINS. I do not see the connection between the statements of the Senator from Arkansas. It may be that the proceedings which are now in progress will result in a dissolution of what is called the Cement Trust. I know nothing about the merits of that controversy, but my observations of the dissolutions which have taken place do not justify a belief that competition will be effectively restored by the dissolution.

What I mean to say is that before a combination, as it exists now, or as it may be hereafter, would be able to raise its price to a point that would enable manufacturers of cement in foreign countries to reach the United States, or any considerable part of the United States, it would have reached a price which would have been more than the traffic could bear, if I may use that expression.

Mr. ROBINSON. That price has almost been reached now, and there are substantially no importations, as the Senator states.

With respect to the effect of dissolutions of trusts, I presume the Senator means, epigrammatically speaking, that a dissolution does not dissolve; that the experience of the country, under the operation of the antitrust law, is that actions which have apparently been successful in efforts to dissolve trusts have resulted in the reorganization of the trusts, and their proceeding under other forms. If there is any virtue in the antitrust law at all, it must be admitted, particularly under the circumstances shown to exist in connection with the cement industry, that the dissolution of the trust would result in price reduction. If it does not, we would just as well submit to the power of this organization to fix any price it chooses, which, I think, in the end, would mean any price which the industry will bear, the highest price which can be charged without suspending the businesses which are conducted by reason of the production of cement.

Mr. CUMMINS. I sincerely hope that our experience in the future will be more fortunate, as far as the dissolution of trusts is concerned, than it has been in the past.

Mr. ROBINSON. I concur in that hope.

Mr. CUMMINS. My belief is that when these great combinations are dissolved, there is some one company producing the commodity a little more cheaply than any other company, and it controls the price, and every other producer is very glad to

go to that price. That is the reason we have had no great reduction brought about by the dissolution of the Standard Oil Co.

I suppose the United States Steel Corporation can still continue to exercise the influence it can and does wield over production and the price of steel. On an average I venture to say it can produce the heavier forms of steel for $10 or $12 a ton cheaper than its competitors can produce those same forms. It has allowed its competitors to live because it regarded it as for its interest to do so, but there has not been a time in 15 years in which within six months the United States Steel Corporation could not have bankrupted every independent organization in the land, or at least reduced its profits so that the continuance of the industry would have become impossible.

Those are conditions we have to deal with in some way or other. No man has yet been genius enough to present a plan which will deal with these situations short of the Government undertaking to fix prices or limit profits, and we are shrinking from that course now, and I think we may very well shrink from it. It is one of the problems we have yet to solve, and the man who does solve it successfully, or the Congress which is able to introduce and carry into effect a plan which will restore and preserve reasonable, fair competition, in the production of the United States, will be entitled to a great deal more than the plaudits of his fellow men. He will be entitled to a very secure and permanent seat in the heavenly land. While that has something to do with the tariff, its connection is somewhat remote. We have always to consider transportation when fixing tariff duties.

This bill in my judgment lacks an essential element, in not providing against the dangers which are always present of enabling carriers to neutralize the duties which are imposed upon a given product by the adjustment of rates of transportation. We were debating here yesterday the earthenware schedule. Some years ago I had occasion to look into that, and at that time the producers of earthenware in England, in France, and in Germany as well, could reach the interior points of the United States, as far west as Chicago, at a rate which absolutely destroyed the protection or the advantage which was attempted to be conferred by the levying of the duties. If one brings in a shipment of earthenware to New York, and if that importer can reach Chicago for one-half the rate which his rival in New Jersey must pay in order to reach Chicago, the effect of your duty is gone, and I think the consideration of that question is a part of the consideration of every tariff inquiry.

At one time I introduced a bill to cure that evil, but unfortunately, I could not secure consideration of it. The importer in New York, when he seeks to reach an interior point, ought to be required to pay the same rate of transportation that the producer in New Jersey or in New York pays. Simply because a part of the carriage is over the ocean, he ought not to be able to use the land lines of the United States in a way which discriminates against the home producer.

But I must suspend. I had no notion of going into this subject generally when I arose, but I wanted the opportunity, of which I have availed myself, to state in a general way my attitude toward this bill.

Mr. McCUMBER obtained the floor.

Mr. NORRIS. Before the Senator from Iowa leaves the floor, I want to ask him a question.

Mr. McCUMBER. That means several questions and answers, back and forth, and I shall not take more than five minutes myself.

Mr. CUMMINS. I yield to the Senator from Nebraska.

Mr. NORRIS. I think the Senator has just now stated a very interesting proposition, one which he knows about, too. He has said that a man over in London or Paris or Berlin could ship his goods from that place to Chicago at a lower rate than the rate at which the manufacturer of the same article could ship from New York, let us say. If that is the condition, it is to my mind intolerable. As I look at it, however, it is entirely a question of transportation. Does the Senator think that we can remedy that situation by a provision in a tariff bill? Should we not meet it in another way, and do we not have to meet it in another way?

Mr. CUMMINS. Naturally, we would have to meet it in another way, by an independent measure; but when we are endeavoring to levy duties which will protect American producers, and when we know that the foreign competitors secure an advantage, in the way I have suggested, which goes far to destroy the benefits of the duty, I think it would be entirely proper to put it into the tariff bill.

Mr. NORRIS. In that case, you make the consumers of the article pay an exorbitant price, because of transportation charges; and if that is wrong, if they ought not to be required to do it; in other words, if the thing itself is wrong, it does not seem to me the attempt to meet it in this indirect way would be a remedy.

Mr. CUMMINS. But the thing is not wrong. It costs so much to transport an article from New York to Chicago, and the rate is based in a general way on the cost of the service. It costs as much to take a car which has been loaded with goods coming from Europe as it costs to carry a carload of goods from New York or New England or New Jersey.

Mr. NORRIS. Mr. President——

Mr. McCUMBER. I yield to the Senator from Nebraska to ask another question.

Mr. NORRIS. I am not asking the Senator from North Dakota to yield.

Mr. McCUMBER. Then I decline to yield, as I have the floor.

Mr. NORRIS. I asked the Senator from Iowa if he would yield, and he has yielded.

Mr. McCUMBER. Mr. President, I was recognized, and I decline to yield if the Senator is not courteous enough to ask me to yield to him.

Mr. NORRIS. I make the point of order that the Senator from Iowa had the floor, and not the Senator from North Dakota.

Mr. McCUMBER. The Senator from Iowa had completed his speech, and the Senator from North Dakota obtained recognition, and started to make a statement when the Senator from Nebraska turned to me and asked if I would yield to allow him to ask a question of the Senator from Iowa.

Mr. NORRIS. I did not. The Senator is entirely mistaken.

Mr. McCUMBER. Then, if he did not, I have not yielded.

Mr. NORRIS. If the Senator has not the floor, of course, I have a right to ask the question.

The VICE PRESIDENT. The Chair understood that the Senator from Iowa had completed his discussion and had yielded the floor, and the Senator from North Dakota was recognized.

Mr. NORRIS. Then we will not get any information on that subject.

Mr. McCUMBER. Possibly the Senator will get some information if he will be a little patient.

Mr. President, I want the attention of the Senator from Iowa, because the Senator from Iowa has presented a sort of a rule which he thinks should be enacted into law, and which would authorize the President, or preferably, he says, the Tariff Commission, to fix these rates. The rule which the Senator from Iowa would adopt is that the President or the Tariff Commission should ascertain the cost of production of a certain foreign product in the foreign country, and ascertain the cost of production of the like article in the United States, and then apply a duty which would measure this difference.

As a general rule, or at least to some extent in some instances, that rule might work, but I think generally it would not work, and I will tell the Senator why. The Senator has already modified his rule himself, because, he says, we must take into consideration the question of freight rates. That means how we can get an article in competition with another article in a given territory.

That is all right if we stop right there and if we wish to divide 50–50 with the foreigner. But let us suppose that we have factories in the United States which are capable of producing all of a given commodity that we require for consumption in the United States at a reasonable price. Here is a foreign country that can produce the same article, we will say, at a lower price. The Senator would add to the cost of bringing that article into this country a duty which would equalize the two. Now what would be the result?

The result would be, other conditions being equal, that the producers in the United States who can produce all of a commodity at a fair compensation will share with the foreigner one-half of the market if both are able to fill that market. Would that be a good thing for the people in the United States? I do not think it would. We now, perhaps, produce very close to 95 per cent of all the articles we use in the United States. If we were to surrender 40 per cent of our trade and bring it down to about a 50 per cent basis, we certainly would be in a most precarious condition.

I would adopt the Senator's rule with this modification: I would give some advantages to the American producer beyond the mere advantage of equalizing the cost of placing an article in the market at any given point. I think the Americans should have a preference. Of course they have some advantage in being organized, and organized in their own country; but just remember that with American capital going into foreign countries, as it has been of late years, and American machinery,

too, there will be just as good an organization on the part of the importer to reach the American consumer as there will be on the part of the American producer.

So I would give an advantage to the American producer, but always keeping in mind that I would not have the rate so high that it would shut out importations entirely, because I believe there should always be a sufficient amount of importations to prevent any rise in price that would be an injustice to the American people. It is difficult to ascertain just what that should always be. Nevertheless we ought to come just as near to it as possible.

Take a case of the kind which the Senator from Iowa has just mentioned. Here is a product that is made in England and costs $1 per unit. Here is a like product that is made in San Francisco and costs $1.50 per unit. The Senator's rule, if there were no other modification, would simply add 50 per cent to the foreign unit and then they would equalize each other so far as the cost of production is concerned. But we will suppose that the consumption is all east of the Allegheny Mountains. Then we have to bring the American product from California to the eastern market at a freight cost, perhaps, of two or three dollars per unit. Immediately the American would be out of business.

So I agree that we must take into consideration the question of what the freight rates are, where the article is produced in the United States, the field of consumption, the importance of that field of consumption, and then determine what rate would give a fair competitive condition in that field of consumption. That means rates of duties which will take into consideration the matter of the freight rates as well.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. LENROOT in the chair). Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. McCUMBER. I yield.

Mr. CUMMINS. There is no difference substantially between the rule stated by the Senator from North Dakota and the one that I stated. I did not amplify it as he has done. I stated the rule laid down in the Republican platform many times, especially the Republican platform on which I came to the Senate of the United States, and to which I still give my loyal adhesion.

The real difference between the cost of production at home and abroad can not be mathematically applied. It must be applied with good reasonable sense so as to produce exactly the condition named by the Senator from North Dakota. When the foreign article comes into the United States it lands upon one coast or the other. The center of population in the United States is just a little east of Chicago. In distributing the American product as compared with the distribution of the foreign product the American producer must necessarily have an advantage. It is his by virtue of the situation. No one can take it away from him unless, as I said, in the adjustment of freight rates the importer who ships from the coast to the interior has an advantage over the American producer who ships from the coast to the interior.

Mr. McCUMBER. I agree with the Senator there, and I think we can amplify it in another direction. I am doing this for the purpose of drawing to the Senator's attention the fact that I think in the administrative provision which we have recommended we can iron out many of these inequalities and differences. After all, if we should adopt a different rule or standard and say the duty should be such as would equalize competitive conditions, then I think we would have it very much nearer what we want. That would take into consideration a great many different elements which enter into the question of competition in the American market.

But I do not entirely agree with the Senator's rule, if applied in some other respects. Here is one situation: We have to take into consideration not only the interests of the producer but the interests of the consuming public. If we find an article produced in the Rocky Mountain region that has its consumptive demand in the Allegheny region we have to take into consideration whether the thing produced is of such importance as that we can justify a protective rate at all. In some instances we have had to say that it is so unimportant as compared with the importance of the consumptive demand that we can not afford to develop that industry in the United States.

Then we find another situation. Sometimes the freight rates are such that it is impossible, without imposing upon the public, to give a rate that will allow the producer in the Rocky Mountain section to reach the consumer along the eastern coast. So we have given rates in some instances that will allow the western producer to reach, say, as far east as Chicago and have the western market, but have not given him a rate on which he can possibly compete with the foreigner along the eastern coast. In that way we have tried to protect the American industry and at the same time prevent such a high charge against the consumer in the eastern section of the country. So here again we would have to modify the rule laid down by the Senator from Iowa.

I will give one instance in which I think we could not apply the rule. Suppose a product is produced in Canada at the same cost for which it is produced in the United States. The Canadian can bring it over here freely. There is no difference in the cost of production, therefore there will be no duty at all. But let us take wheat, for instance. Let us suppose that the American producer, while it costs him no more to produce than it costs the Canadian producer, must purchase everything that he buys to live upon on a higher scale and standard of living, and pay for everything that he buys on the higher cost basis. I do not mean merely the implements necessary to run his farm; I mean other things that do not enter into the question of raising his crop. He pays a higher price because he lives on a higher standard of living, and, therefore, I would give him a protection as against the foreign product so as not to drive our product down to the price of the foreign product in a country where the cost of living is less than in this country. So the rule would not work in that particular case, if we are believers in the principle of protection.

I simply wanted to call attention, Mr. President, to the fact that while I agree with the Senator from Iowa as to what should practically be the rate of duty, I can see that the rule which he enunciates would require a great many modifications, as he himself says, to meet each particular case.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. NORRIS. I suppose it will now be conceded that I have the floor; and I suppose also that the Senator from North Dakota will let me ask the Senator from Iowa a question.

Mr. McCUMBER. In the Senator's own time, with pleasure.

Mr. NORRIS. I want to call attention to the fact, as the Senator did a while ago, that if he wants to interrupt when I have the floor he must get permission to do so. If he wants to interrupt me, he may look into the rules and find out how to do it.

Mr. President, I did what I have seen done a thousand times in the Senate. When the Senator from Iowa had announced that he was through, before he took his seat, I addressed the Chair and asked if I could ask him a question, and the Senator from Iowa consented. It seems that at the time when the Senator from Iowa announced that he was going to conclude the Senator from North Dakota addressed the Chair, and the Chair said that he had recognized the Senator from North Dakota. Of course, I had to accept the word of the Chair. It has been a custom hitherto, to which there has been no exception in this Chamber, when a Senator was addressing the Senate and concluded his remarks and was about to stop and some Senator wanted to ask him a question pertaining to what he had been discussing, that the Senator still held the floor, even though some other Senator had addressed the Chair. I have never known an exception of that kind until to-day. It seems that there is now a new rule.

If the Senator from North Dakota were as anxious to get information as he is to take advantage of a favorable ruling of the Chair, and a technical ruling at that, to shut some other Senator off who is trying to get information, he would get along with his bill a great deal better than he is doing.

Mr. President, the Senator from Iowa has told us of a very interesting situation, one which in the past at various times has been discussed to quite an extent. The Senator called attention to the fact that under former conditions it was possible for the manufacturer in Europe to ship his goods to Chicago under a combined freight rate from the place of manufacture in Europe to Chicago, which was less than his American competitor had to pay who was manufacturing his goods on the seacoast, or near to it; in other words, that a person in London could ship, let us say crockery, from London to Chicago and land it, of course, in New York from the boat, unload it from the boat and put in on the train, fill a car with it, while in the same train perhaps the next car to it might be loaded with the same product manufactured right there in New York or close by. The two lots of goods would go to Chicago in the same train, and yet the freight on the foreigner's product would be very much less from London to Chicago than the freight on the American product from New York to Chicago, and the foreigner could not only undersell the American on an equal market but that he could overcome the tariff that was imposed for the benefit of the American producer.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Iowa?

Mr. NORRIS. I yield.

Mr. CUMMINS. I think I did not state just what the Senator from Nebraska understood me to say. I did not say that I knew of any case in which the freight rate from London to Chicago was less than the rate from New York to Chicago; but what I did say was that the rate from London to Chicago was a great deal less proportionately, considered from the standpoint of the cost of service, than the rate from New York to Chicago.

I can not recall just what the differences were, but I know that I examined the question very carefully and introduced a bill to correct that practice. That was some years ago. I do not know what the rates now are, but I do know that the railroads were carrying imported goods from New York to Chicago for a great deal less than they were carrying domestic goods.

Mr. NORRIS. I think I have not misunderstood the Senator from Iowa. I did not mean to say that the Senator from Iowa had used London, for instance, as a place. I myself was merely illustrating the proposition that the Senator had laid down. I have looked into it, Mr. President, not so extensively, perhaps, as has the Senator from Iowa, but I know in a general way that what I am stating is true. I have investigated the matter; I have come in personal contact with it a good many times in the investigations which I have made. The Senator from Iowa, however, is an authority on rates, and I use his statement, illustrating it by a statement of my own. I do not want to misstate the Senator's position.

Mr. CUMMINS. I am sure that the Senator does not. I may have made my statement somewhat awkwardly. I do not remember whether the rate from London or any other foreign point to Chicago was absolutely less than the rate from New York to Chicago, but I know that what the railroad got for transporting the foreign goods from New York to Chicago was less than the railroad got for transporting the domestic product.

Mr. NORRIS. I very gladly accept what might be considered a slight modification of what I understood the Senator's original statement to be; but, Mr. President, I will make the statement on my own responsibility.

Mr. SMOOT. Will the Senator yield to me?

Mr. NORRIS. Yes.

Mr. SMOOT. I wish to state to the Senator from Nebraska that I can tell him that on crockery made in Germany and purchased by merchants in Salt Lake the freight rate from Germany to Salt Lake City was a little less than from Ohio to Salt Lake City.

Mr. NORRIS. I am glad to have the corroboration of the Senator from Utah for a statement I am about to make. I do not remember now, Mr. President, the particular place, but from a town on the main line of the Pennsylvania Railroad Co., somewhere between Chicago and New York, I think, in Ohio, although it may have been east of there, the freight rate on a shipment of crockery to a point in the West—I can not now state where; it may have been Chicago or it may have been farther west than Chicago; it might have been Omaha; but it was some place in the western part of the country, or the Middle West, as most people would understand it—was greater over that road from the particular point of manufacture to the destination of the shipment than the freight rate on a similar article from Europe passing through the same town over the same railroad to the same destination. There is no question about that being true. The records will show, Mr. President, that several years ago a carload of sugar was shipped from San Francisco to Kearney, Nebr., over the Union Pacific Railway. The freight rate charged on that carload of sugar was the rate from San Francisco to Omaha plus the local rate from Omaha back to Kearney. The train going to Omaha ran through Kearney. When the train reached Kearney the men who had purchased the sugar tendered the freight from San Francisco to Omaha. It was refused and they replevined the sugar. There is no question that such rate schedules existed; but I do not believe the Congress of the United States ought to try to remedy a situation of that kind in a tariff bill by levying a tariff duty. To my mind, it is illogical, it is foolish, to think of doing such a thing in a tariff bill. A condition of that kind, in my judgment, can not logically be defended on any ground whatever; but we ought not to levy a tariff high enough to compensate for that dishonest freight manipulation. What we ought to do is to remedy the freight situation, because it applies not only to commodities that come from abroad but to shipments that originate in our own country.

Mr. CUMMINS. Mr. President, will the Senator yield again?

Mr. NORRIS. I yield to the Senator from Iowa.

Mr. CUMMINS. I am afraid I was again misunderstood. I did not propose to change the tariff duties on account of the disparity in freight rates. What I suggested was that in a section of this bill it should be declared that the freight rate upon an imported article over the American railroads should not be less than the freight rate upon the similar domestic article. I had no thought, of course, of dealing with the situation through the medium of a duty levied upon commodities.

Mr. NORRIS. I entirely agree with the Senator in the statement that we ought not to try to rectify that situation by the levying of a tariff duty; we ought not in a tariff bill attempt to levy rates to equalize that kind of a situation; but, regardless of the kind of a bill to which a provision such as the Senator from Iowa has suggested may be attached, I should be glad to support it.

Mr. SMITH. Mr. President——

Mr. NORRIS. I yield to the Senator from South Carolina.

Mr. SMITH. Mr. President, I do not know why the particular phase of the situation to which reference has been made has escaped me, but nevertheless it has. I should like to ask either or both Senators, how does it come about that in our adjustment of freight rates a foreign shipper, say from New York to an interior town, is called upon to pay a less freight rate upon his shipment than the American shipper of similar domestic goods is called upon to pay? Is that on account of any international arrangement?

Mr. CUMMINS. I do not think it is on account of any international arrangement, but I think we have a foolish notion with regard to transportation in some respects. For instance, the Senator knows perfectly well that a lower rate is given from the West to the seaboard upon grain that is to be exported than is given to the same commodity to be consumed in the United States.

Mr. SMITH. Yes; I am aware of that.

Mr. CUMMINS. I do not believe at all in any such adjustment. I think that when the railroads are engaged in service of that sort which ends with the ocean line the rate for similar service should be the same.

Mr. SMITH. Since the Senator has mentioned it, I remember we have a lower rate on certain articles for export. It will be remembered that we had quite a controversy about the eastern division and the southern division; but I did not know that the practice was applied to imports as well. It certainly seems to me that, if such a practice is being kept up, as the Senator from Nebraska is showing, we are levying a tariff on certain goods for the benefit of the railroads and not for the benefit of the producers.

Mr. NORRIS. Certainly.

Mr. JONES of Washington. The great benefit comes to the foreign shippers.

Mr. NORRIS. Mr. President, if the railroad makes a profit on carrying a foreign shipment from New York to Chicago, then it ought to take similar freight belonging here and carry it from New York to Chicago at the same price. If it does not make a profit on the foreign shipment, then it ought to increase the rate so that it will. Nobody can expect the railroad to haul goods at a loss or for nothing.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield to the Senator from Washington.

Mr. JONES of Washington. If the Senator will permit me, I wish to suggest that the exercise of that power has brought more benefit to foreign ships than it has to the American railroads.

Mr. NORRIS. That is probable. I am not sure but that sometimes the railroads carry the foreign freight at a loss and make the local shipper pay the difference, because by that means in the aggregate they make more money, but if they do transport the foreign shipment at a loss, then the people here have to pay exorbitant freight rates on some other commodity to make up that loss.

Mr. JONES of Washington. That is true.

Mr. NORRIS. And if the railroads are carrying such shipments at a profit, then they ought to be able to haul American products at the same rate and get along all right.

Mr. JONES of Washington. And heretofore we have had exclusive contracts between railroads and foreign shipping lines by which the foreign shipping lines largely got the benefit of that reduced freight rate.

Mr. NORRIS. I remember that the Senator from Washington not very long ago introduced a resolution of investigation, in the discussion of which it was disclosed that at a time

when we were trying to build up a merchant marine some of the trunk-line railroads of the United States had secret contracts with foreign shipping companies by which they turned over to them at the seaports whatever foreign shipments they had. When the railroads were taken over by the Government, as I remember the correspondence that was disclosed at the time the Senator from Washington had the matter up, they were a little afraid that the people would catch on to that, and they knew that that did not look very well to Americans who were patriotic, and they suspended operations until the war was over and until they had gotten back again. I will ask the Senator from Washington if they are doing that now?

Mr. JONES of Washington. Some of these contracts are still in force, but most of the railroads have voluntarily—probably public opinion had a good deal to do with it—canceled those contracts, or they are not in force now. On a couple of the railroads we hope to have them abrogated and canceled by the 1st of July, but they are still in force.

Mr. NORRIS. Are they not illegal, as a matter of fact? What is the Interstate Commerce Commission doing about them?

Mr. CUMMINS. The Interstate Commerce Commission has no jurisdiction over the matter.

Mr. NORRIS. Then we ought to give them jurisdiction. We ought to give somebody jurisdiction, and declare it illegal.

Mr. CUMMINS. It is the old controversy with regard to who shall control a transportation rate that is partly by land and partly by water. None of our tribunals can control foreign ships.

Mr. NORRIS. No; but they can control the freight when it once gets into this country, whether it comes by a foreign ship or not.

Mr. CUMMINS. To be sure, and that is what we ought to do. We ought to consider the coast as the end of the journey.

Mr. JONES of Washington. As I understand, this preference on imports and exports lies within the discretion of the Interstate Commerce Commission as to whether or not it shall be granted.

Mr. CUMMINS. No.

Mr. JONES of Washington. Not by express, positive provision of law, except as the law leaves it in the discretion of the Interstate Commerce Commission.

Mr. CUMMINS. Only under that provision of the law which forbids discrimination.

Mr. JONES of Washington. The Interstate Commerce Commission, as I understand, could stop these rebates on imports and exports if they saw fit to do it. They could refuse to allow the railroads to give a preference on imports and exports.

Mr. NORRIS. If they can, I will say to the Senator, I can not conceive the frame of mind of anybody occupying a position to-day where he has a right to stop it who will permit it to go on. If they have not the right to stop it, then the fault lies here.

Mr. JONES of Washington. There has been a tremendous influence between the shipping lines of this country and foreign steamship lines in the past, and it has been very far-reaching in the country.

Mr. NORRIS. To my mind that kind of a contract is not only unpatriotic, it is disgraceful.

Mr. SIMMONS. Mr. President, I think there can be no question about the Interstate Commerce Commission having jurisdiction over these differentials allowed on imports and exports. I remember that only a year or two ago we had up the question of whether the Interstate Commerce Commission had the right to make a distinction in the export or import rate to one port as against another port. The southern ports were then complaining that they had discriminated against them and not given them the benefit of the lower rates that they had extended to imports and exports to and from New York and other North Atlantic ports, and that evil was corrected.

Mr. NORRIS. Mr. President, when I interrupted the Senator from Iowa when as a matter of fact he had the floor, and the Senator from North Dakota objected, and the Chair sustained him, I had just one question to ask him, and I will ask that now, although I think the Senator has really answered it in some things he has said.

The question that I wanted to ask the Senator, and have been kept from asking for nearly an hour, thus delaying the passage of this bill that much, was this: Does the condition that he describes about the freight rates giving preference to the importer over the American manufacturer still exist?

Mr. CUMMINS. I do not know, Mr. President. I have not examined the question for two or three years—not since the roads passed back into the hands of their owners—and I am not able to answer it. I know that it continued up to the time that the Government took possession on January 1, 1918, and so far as imports are concerned I do not know whether it is in existence now or not; but it is in existence so far as exports are concerned, as the Senator from Washington knows.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield to the Senator from Washington.

Mr. JONES of Washington. I have not gotten it from the commission; I have not inquired there; but I have been informed that the preferential on imports has not been put into effect since the war, and that it is not in effect now.

Mr. NORRIS. I am glad to get that information.

Mr. JONES of Washington. I am not positive that that is correct, but that is the information I have.

Mr. NORRIS. Now, Mr. President, having secured the information that I wanted to get when I tried to interrupt the Senator, I will close my remarks. Since the Senator from North Dakota left the Chamber immediately when I took the floor, he can be sent for now and told that I have quit.

Mr. ROBINSON. Mr. President, the pending question relates to the tariff on galvanized iron and certain other manufactures. The Senator from North Carolina [Mr. SIMMONS], who opened the discussion on this subject, has been very anxious to dispose of that paragraph. While he has not taken the floor and expressed himself in violent language, he has been constantly protesting to those about him the delay that has occurred while this subject has been pending, which delay comes entirely from the other side of the Chamber.

From the beginning of the debate on this bill, impatience to a degree approaching violence has been manifested by Senators directly in charge of the bill. They have repeatedly declared that proper procedure in this body requires Senators to confine themselves literally to the discussion of pending questions. So great has been the annoyance of Senators who are charged with responsibility for this bill over the delays that have heretofore occurred in the passage or disposal of items submitted to the Senate that on yesterday a caucus or conference of the majority party of the Senate was held, and at that conference, according to press reports and current information, a resolution bitterly condemning the majority Members of the Senate for absenteeism was adopted and a resolution contemplating cloture was proposed.

The New York Tribune of this date contains a statement relative to the subject of the conference which I believe is accurate. The headlines are:

SENATE TARIFF TRUANTS FACE BIG ROUND-UP—REPUBLICANS IN CONFERENCE DEMAND ABSENTEES RETURN TO CAPITAL AND HELP PASS THE MEASURE—THREATEN TO CALL SERGEANT AT ARMS—PARTY WHIP CHARGES SOME WON'T ATTEND ROLL CALLS OR ANSWER TELEPHONES.

The press story from the Tribune's Washington bureau in part is as follows:

WASHINGTON, May 25.—Troubles of the Senate Republican leaders who are intent upon passing the tariff bill came to a head to-day in a conference of Republican Senators. The conference was called especially for the purpose of considering absenteeism of Republican Members who, as Senator CURTIS, Republican whip, says, have come to a state where they not only do not appear at roll calls but will not even answer the telephone when summoned to the Senate.

The conference adopted a resolution by Senator CURTIS against absenteeism, instructing the chairman, Senator LODGE, to summon absentees back to Washington, and in favor of having the Sergeant at Arms compel attendance of absentees who fail or refuse to report for duty.

Senator KELLOGG also introduced a new cloture rule intended to apply drastic cloture to appropriation and revenue bills. This was discussed but not acted on.

Senator CURTIS, Republican whip, lectured his colleagues sharply about absenteeism. He said that from May 15 to May 20, on an average of 30 Republican Senators were absent at each roll call. On one day 49 were absent at each of two roll calls and 50 at another. He urged the necessity of maintaining a good attendance if the tariff bill is to be passed and other needed legislation enacted. Senator MCCUMBER, in charge of the tariff bill, joined in condemning absenteeism.

Then follows the resolution, which with the permission of the Senate I will have inserted in the RECORD.

In a subsequent portion of the article the Senator from North Dakota is reported as saying:

"Not one word in fifty uttered on the floor had direct relation to the particular tariff items under consideration.". He said, however, the Republicans, not the Democrats, were responsible for the passage of the tariff bill.

"All that we are asking is to stick to our text," said Senator MCCUMBER.

He expressed regret that the rooms leading from the Senate chamber had been made so comfortable as to influence Senators to leave the chamber and stay in those rooms reading the newspapers rather than in the Senate.

Senator UNDERWOOD, Democratic leader, denied there was a filibuster. He said debate could not be limited to the absolute details of an item under consideration and asserted that there was ample opportunity to filibuster if the Democratic Senators desired. He said there were 2,000 amendments to the tariff bill, that a quorum call and a roll call could be forced on each one and calculated that 2,000 hours, or 200 days,

could be consumed in roll calls if the Democrats wanted to do it. He said there was no such purpose and all that the Democrats would insist on was a thorough discussion.

Mr. President, the indictment of majority Senators in the resolution adopted by the conference and by the Republican whip in his statement at the conference yesterday is, when given its natural force and effect, an indictment against the pending bill. It shows that Senators who belong to the majority have so little faith in its provisions that they are not willing to furnish a quorum to make possible its prompt consideration and passage.

The debates which have occurred this morning unquestionably disclose that in the consideration of a bill involving 2,000 or more amendments, all intimately related to one general subject, it is a mental impossibility intelligently to confine the discussion to the immediate, pending question. Notwithstanding the fact that the Senator from North Carolina [Mr. SIMMONS], who, in a sense, has charge of paragraph 309 on this side of the Chamber, has been ready for a vote on this particular item for two hours, the vote has been deferred by a debate on general questions, by discussions of the relation of freight rates to the tariff and other kindred questions, and that debate has come almost entirely from the other side of the Chamber.

If we on this side felt the same irritation and annoyance which characterizes those who advocate the bill, we would be justified in describing the course of the debate this morning as a filibuster. It had no more relation to the question immediately before the Senate than many other discussions which have heretofore occurred at the instance of Members of the minority. But in fairness and in good faith, I must say that the debates which have occurred this morning have been illuminating.

If the Senator from North Dakota [Mr. MCCUMBER] was correct in his characterization of the debates heretofore as filibusters, I ask him how he characterizes his own conduct this morning when he spoke at great length in reply to the Senator from Iowa [Mr. CUMMINS] on general topics, rather than on the pending paragraph.

Mr. SIMMONS. I want to call the attention of the Senator to the fact that the debate we had here yesterday, which they complained of as delaying action for about two hours, was precipitated by the Senator from North Dakota.

Mr. ROBINSON. Which means that by some mysterious mental process the Senator from North Dakota and others associated with him in the conduct of the bill before the Senate assume to themselves a right in the advocacy of the legislation which they deny to those who oppose the bill.

This one fact stands out before the country, before every man in Washington representing the press of the Nation in these debates, that the bill as a whole does not command the respect, the confidence, or the good-faith support of the majority Members of the Senate; that they are so indifferent to it that they are unwilling to attend, even when the party whip is lashed above their backs.

The Senator from Idaho [Mr. BORAH] some weeks ago expressed his dissatisfaction with the bill because the committee report is not accompanied by sufficient information. The same attitude on the part of the Senator from Wisconsin [Mr. LA FOLLETTE] may be inferred from his votes.

The debate this morning discloses that great Senators on the other side of the Chamber, Senators like the Senator from Iowa [Mr. CUMMINS] and the Senator from Nebraska [Mr. NORRIS], are in doubt as to the value of the bill; and I have not the slightest doubt that a large number of other Senators would occupy the same attitude if they chose to give attention to the proceedings of the Senate, wherein the iniquities of this bill are being disclosed and made apparent to everyone who has sufficient intelligence to comprehend them.

The attitude of these Senators may be assumed to be fairly definitive and expressive of the position of all those Senators who think so little of the pending bill in its relation to the business and to the people of the country that they are unwilling to stay here and help work out the problems which it involves.

In addition to that, the abandonment of any effort at cloture and the resort to processes of debate upon the other side which have heretofore been characterized as filibustering disclose the fact that if this bill is intelligently discussed by the Senate, and if what it contains is made known to the public, it will not become a law in anything like the form in which the Finance Committee has presented it.

I reveal no secret when I say that Senators prominent in the management of the tariff bill before the Senate now, Senators in the Chamber at present, familiar with tariff history, connected with the passage of many important measures relating to the tariff, at heart in fact know that many of the proposed increases in tariff rates embodied in the report of the Finance Committee are unconscionable, unreasonable, and unjust.

With that condition existing, no one participates from the other side of the Chamber in the debates on the bill except the Senator from North Dakota [Mr. MCCUMBER] and the Senator from Utah [Mr. SMOOT]. Other Senators take part only when the items which affect the industries in their own States are involved. The mass of Republican Senators are disgusted, wearied, and unable to find justification for the enormous burdens of taxation which the Finance Committee's report contemplates. They take no part and make no effort to vindicate this outrageous, inexcusable, indefensible effort to impose high tariff rates at a time when there is less justification for tariff walls and artificial barriers to restrict and prevent the expansion of American commerce than at any other period in the history of the country. The Senators on the other side sit idly by and leave to two Senators the explanation of items which they do not understand—the vindication of rates which have received criticism from the most conservative business interests of the country.

This is the first time during the six weeks this bill has been before the Senate that I have done other than address myself to the paragraph immediately under consideration. In no instance heretofore has the necessity presented itself to me to consume the time of the State in discussing other than the pending question; but I affirm that the debates on the whole have been wholesome and enlightening, and they have revealed the fact that the proponents of this measure, the Senate Finance Committee, either know little about it or are unwilling or unable to furnish the Senate and the country accurate and detailed information concerning its most important provisions.

No wonder they talked about cloture. It is not surprising that the majority thought of limiting debate on the bill, its provisions being unjustifiable even from the standpoint of a large number of the majority Senators; it is not surprising that impatience to the point of irritation should be manifested by those charged with the responsibility of carrying out the will of the Republican Party. No wonder there should be talk of cloture, of stifling the voice of the American people in protest against the highest tariff rates, on the whole, ever proposed in the economic history of the country. But with Republican Senators unwilling to attend, out of sympathy with the bill, taking no part in its consideration, secreting themselves, as the Senator from Kansas is quoted as saying, when called by telephone to help make a quorum, it is no wonder that all thought of a cloture should be abandoned and the friends of the bill themselves be driven at once to an apparent effort to delay its consideration.

With the minority seeking a prompt vote on the pending paragraph, the majority Senators are discussing general topics, failing to "stick to their text," as the Senator from North Dakota is reported to have characterized it in yesterday's conference. We are now confronted with a change of attitude. This morning general debate, discussion of freight rates, ocean transportation, rail transportation, and kindred subjects, which naturally and logically are related and inseparably related to the question affecting the justice or the injustice, the reasonableness or the excessiveness of the tariff sought to be imposed, are taking the time of the Senate away from the tariff and away from the paragraph immediately under consideration.

I know it may be said that in making these remarks I myself have departed from the rule which I have heretofore pursued, namely, confining myself to a discussion of the question immediately pending, but in justification I say that the conduct of the chairman of the committee in charge of the bill and others on the other side of the Chamber this morning shows the mental and moral impossibility of confining discussion while considering this bill to a single item with no regard to those provisions related to it.

Mr. President, I ask permission to have inserted in the RECORD the article from which I quoted in part, namely, that article in the New York Tribune of May 26 relating to the majority conference.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Tribune, Friday, May 26, 1922.]

SENATE TARIFF TRUANTS FACE BIG ROUND-UP—REPUBLICANS IN CONFERENCE DEMAND ABSENTEES RETURN TO CAPITAL AND HELP PASS THE MEASURE—THREATEN TO CALL SERGEANT AT ARMS—PARTY WHIP CHARGES SOME WON'T ATTEND ROLL CALLS OR ANSWER TELEPHONES.

(From the Tribune's Washington Bureau.)

WASHINGTON, May 25.—Troubles of the Senate Republican leaders who are intent upon passing the tariff bill came to a head to-day in a conference of Republican Senators. The conference was called especially for the purpose of considering absenteeism of Republican Mem-

bers who, as Senator CURTIS, Republican whip, says, have come to a state where they not only do not appear at roll calls, but will not even answer the telephone when summoned to the Senate.

The conference adopted a resolution by Senator CURTIS against absenteeism, instructing the chairman, Senator LODGE, to summon absentees back to Washington, and in favor of having the Sergeant at Arms compel attendance of absentees who fail or refuse to report for duty.

NEW CLOTURE RULE DISCUSSED.

Senator KELLOGG also introduced a new cloture rule intended to apply drastic cloture to appropriation and revenue bills. This was discussed, but not acted on.

Senator CURTIS, Republican whip, lectured his colleagues sharply about absenteeism. He said that from May 15 to May 25 an average of 30 Republican Senators were absent at each roll call. On one day 49 were absent at each of two roll calls and 50 at another. He urged the necessity of maintaining a good attendance if the tariff bill is to be passed and other needed legislation enacted. Senator MCCUMBER, in charge of the tariff bill, joined in condemning absenteeism.

The following resolution was submitted by Senator CURTIS and adopted:

"Whereas the Republicans have a membership of 60 in the United States Senate, which gives them a majority of 24 in the Senate; and

"Whereas there is and has been a much larger absenteeism than is justified under existing circumstances, and it is important that all Senators whose health will permit should be present at all sessions of the Senate: Therefore be it

"*Resolved by this conference of Republican Senators*, That it is the sense of this conference that the chairman be, and he is hereby, instructed to notify all Republican Senators who are absent from Washington and those who are in the city but have been missing roll calls of the Senate that it is important that absentees at once return to their duties, and that those who are in the city be requested to remain within call of the Senate during its sessions; be it further

"*Resolved*, That if the absentees fail or refuse to report for duty at once, proper steps be taken to have the Sergeant at Arms of the Senate compel the attendance of such Senators."

After the matter of absenteeism had been thrashed over, Senator KELLOGG, acting for a group of Republicans who recently conferred at the instance of Senator TOWNSEND, introduced the resolution for cloture on appropriation and revenue bills.

SIXTEEN COULD ENFORCE CLOTURE.

The proposed rule provides that any time after a revenue bill or an appropriation bill has been before the Senate five calendar days, 16 Senators may offer a motion to limit debate. This would prevail by vote of a majority. Thereafter no Senator would be entitled to speak more than 1 hour on the bill or more than 10 minutes on any amendment or debatable motion affecting the bill.

The conference did not get far on the discussion of this proposed rule and then adjourned until to-morrow.

After the Senate opened Senator HARRISON stirred up a discussion of absenteeism and of cloture in connection with the tariff bill. He appealed to Republican Senators "to stay in their seats and help pass this bill." He declared if this were done there would be no occasion for cloture.

Senator LENROOT inquired how long it would take to pass the tariff bill at the present rate of procedure.

"If it took a hundred years," said Senator HARRISON, "it would be a good thing, because if ever a bill will increase the burden on the backs of the people it is the iniquitous tariff measure now before the Senate."

Senator HARRISON denied there was a Democratic filibuster and said he did not wonder that the Republicans were seeking cloture "to force this bill through without debate."

Senator CURTIS said there had been more absenteeism on the Democratic side than on the Republican.

Senator MCCUMBER said "not one word in fifty uttered on the floor" had direct relation to the particular tariff items under consideration. He said, however, the Republicans, not the Democrats, were responsible for the passage of the tariff bill.

"All we are asking is to stick to our text," said Senator MCCUMBER.

He expressed regret that the rooms leading from the Senate Chamber had been made so comfortable as to influence Senators to leave the Chamber and stay in those rooms reading the newspapers rather than in the Senate.

Senator UNDERWOOD, Democratic leader, denied there was a filibuster. He said debate could not be limited to the absolute details of an item under consideration and asserted that there was ample opportunity to filibuster if the Democratic Senators desired. He said there were 2,000 amendments to the tariff bill, that a quorum call and a roll call could be forced on each one, and calculated that 2,000 hours, or 200 days, could be consumed in roll calls if the Democrats wanted to do it. He said there was no such purpose and all that the Democrats would insist on was a thorough discussion.

Mr. WALSH of Massachusetts. Mr. President, the indifference of the majority toward the bill as pointed out by the Senator from Arkansas can be explained. The majority are hearing from home. They are receiving letters, and the letters and the resolutions which they are receiving are like those introduced the other day by the Senator from Nebraska [Mr. HITCHCOCK]. They are receiving letters from home tending to prove the Democratic contention here that this bill is going to increase the cost of living, and that this bill is going to continue high prices in this country.

I have before me a letter from one of the leading wholesale and retail clothing merchants in the city of Boston. It is a letter similar to many others which I have received. I did not think it was possible for the Democrats to prove conclusively, before the bill went into operation, what the effect of it was going to be upon prices in this country, but here is a letter from a merchant, not a statistician, not a theorist, not a Treasury expert, but a hard-headed business man, who states what is already happening in regard to the increased price of clothing as the result of the tariff agitation.

The letter is from the Leopold Morse Co., written by Mr. Julius C. Morse, of Boston. Mr. Leopold Morse, who was the founder of this firm, was at one time a Member of Congress. Mr. Morse says:

LEOPOLD MORSE CO.,
Boston, May 25, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: About six months ago Attorney General Daugherty started an investigation on retail prices throughout the country, and the National Association of Retail Clothiers, numbering about 6,000, of which I happen to be vice president, were very much exercised over the reports that were sent out stating that the retailer was to blame for high prices in existence, and that he should be investigated, as there might be evidence of profiteering.

Financial statements showing the retail business during the year of 1921, of course, went a great way to prove that this was a fallacy, and that the retailers were suffering from a loss of sales and a lower gross and net profit.

Even under these conditions, however, in order to meet the consumers' demand for lower-priced clothing, the retailers have done everything in their power to make prices more attractive, yet the public still demands a further reduction, and as a result the retail clothing business throughout this country is not in a good condition.

I should say offhand that the price of clothing is about 1.65 over pre-war prices, and at this mark the profit is very small and almost at the danger point. Doing a wholesale business as well as a retail business, we find that where retailers sell their clothing at a close mark collections are slow and failures have increased.

However, this is not the point of this letter. Owing to the agitation relative to the high tariff on wool and the embargo caused by the emergency tariff, cloths have risen by leaps and bounds within the last 60 days, and although the mills made very attractive prices when showing their goods the 1st of March, yet to-day we are obliged to pay all the way from 25 cents to 50 cents per yard more on the prices made by the mills when they opened their lines for fall during the month of March.

In consideration of the fact that it takes about 3½ yards of cloth to make a suit of clothes, you can readily see that there is an advance to-day of from $1 to $2 per suit on the cost of the cloth alone, caused by this advance, and I really feel that unless careful attention is paid to the tariff on wool that the retail consumer, instead of being able to get clothing for less than the fall of 1922 over the fall of 1921, will perhaps be obliged to pay the same price, if not more, because the reduction in labor has hardly overcome the advance in the price of cloth.

I am not an advocate for low tariffs and for the importation of foreign cloths and clothing, but feel that the situation as it confronts us to-day is very serious on account of the fact of the steadily rising price on one side and the consumers' demand for lower prices on the other.

With best regards to you, I remain,
Very truly yours,

JULIUS C. MORSE.

Mr. Morse is vice president of the National Association of Retail Clothiers, an organization comprised of 6,000 members.

Now we can understand why there is indifference on the part of the majority toward this bill. For one letter in favor of high tariff rates I have received five from the merchants and manufacturers of my State protesting against the various rates named in the bill.

Hardly a word has been said on the floor of the Senate during the debate upon the other side of the Chamber in regard to the rights of the consumers of the country. While we have been crying out to deflate war prices, while our people have been anxiously waiting to see the prices of the necessities of life come down, they have seen their wages come down—we have seen in the New England mills the wages reduced from 40 to 60 per cent—and now we have presented here a tariff bill which proposes to keep up excessive war prices, and, in some instances, to increase the war prices.

At the very time wages are being cut we are preparing to levy tariff duties that will increase the prices of those commodities our working people must have in order to exist.

Does anyone wonder that there is indifference? The sentiment that is being reflected in letters like the one which I have read must be reaching the Members on the other side of the Chamber, and they must be beginning to realize that the consuming public of the country are no longer interested in high tariff duties for a few industries when it means extortion from the consumers, when it means that though the laboring man may appear to receive a good wage, it is going to cost him twice as much to live as when he had a low wage. Our laboring people are possessed of intelligence, and they can not longer be fooled by a system that makes their cost of living disproportionate to their wage.

Mr. President, let us hear more about the consumer. Let us hear more about how these rates will be reflected in prices after the bill is passed and to what extent the burdens of this tariff bill are to be passed over to the consumer.

The principal trouble with the bill is that when the committee began to draft the chemical schedules and the schedules upon other raw materials they made a rate about 3 feet high instead of about 1 foot high, and they have builded up compensatory rate after rate, until a price level will be reached on the finished product that will require the consumers who buy the finished

manufactured product to pay even higher prices than during the war period.

Mr. President, I hope before we finish the debate we shall give some consideration to letters of the character which I have just read, which show that already the prices are beginning to increase and already the effect of the rates named in the bill is being reflected by demands upon the consuming public for increased prices for clothing. But the same story will be repeated when we come to the other schedules in this bill, particularly food and other necessaries of life.

Mr. UNDERWOOD. Mr. President, this morning we had quite an illuminating debate between two veteran Senators on the Republican side of the Chamber representing great agricultural States. From the general principles which they defined one would believe that the guiding star which would shape their course in the building of tariff legislation would be reasonable competition at the customhouse.

The distinguished Senator from North Dakota [Mr. McCUMBER], in charge of the bill, has repeatedly said in the course of the debate, and he repeated the statement this morning that he did not believe in the enactment of tariff rates that would cut off competition at the customhouse, but that he believed that a reasonable amount of imports should be allowed to come into the country, from which the Government could derive revenue. Mr. President, that was not a free-trade speech, but approached very closely to a speech that might be made by one who favored a tariff which was levied primarily for revenue. The Senator from Iowa [Mr. CUMMINS] this morning repeated, to a large extent, the same assertion, that he was not in favor of a prohibitive tariff, that he wanted some competition at the customhouse, and that, although he desired to follow the committee, he expected to exercise his own individual judgment. However, although the Senator from Iowa stated to the Senate that he was better informed on the iron and steel schedule than on any other schedule of the bill, he refused to say that he would vote against the rates in that schedule now presented by the committee to the Senate.

Mr. President, when I sat in my seat this morning and listened to the discussion, I drifted back in memory to more than a dozen years ago, when I saw the able Senator from Iowa stand side by side with the late lamented Senator Dolliver from Iowa and denounce the prohibitory duties in the Payne-Aldrich bill and back up his denunciation with his vote; and I could but question in my own mind as to where the senior Senator from Iowa of 12 years ago had disappeared when he is willing to-day to advocate the principle but bow in humble submission to the prohibitive rates in this bill, and especially in the iron and steel schedule, which he announced to the Senate he knew more about than he did about anything else in the bill.

Mr. President, I do not believe that the agricultural masses of the people are going to stand for a tariff bill which proposes to put prohibitive taxes on the raw materials from which their plows, their trace chains, their agricultural implements, in fact, practically all of iron and steel products which they use are made and to mulct them in heavy taxes for the benefit of somebody else. I do not believe that anybody is going to be able to fool the farmer of the Middle West about this tariff bill.

Ten years ago when the present law was written I realized then, as I realize now, that as to the heavy commodities in the iron and steel schedule the great American industry was full grown and could fight in the markets of the world its own battles. We are the master iron makers of the world, and I may say of all time.

In framing the act of 1913 I put some of the articles embraced in these paragraphs on the free list. There was but one reason why the remainder of them did not follow, and that was that I realized the tariff house had been built on stilts and that it had been on stilts for so many years if I had brought it down by cutting the timber from underneath with an ax and letting it drop I might shock the business sentiment of the American people and force a reaction on what I intended to do. Therefore I attempted to reduce these rates by lowering the tariff with a jackscrew, hoping that time would justify the course I had taken and that at a later date the entire list of heavy iron and steel commodities and other similar articles covered by the the bill might be put on the free list, when the people of America might understand that this country could get along without tariffs on everything, and that the American consumer could not be mulcted behind a tariff wall.

Now we have come to these paragraphs. Under the peculiar parliamentary conditions under which the bill is being now considered, when according to the unanimous-consent agreement only committee amendments may be considered, it is practically impossible to move an amendment that will cover the subject correctly, but that will be done in the end. However, I want to put the acid test right now to those Senators who occupy the position announced on the floor of the Senate this morning by the distinguished chairman of the Finance Committee [Mr. McCUMBER] and also by the Senator from Iowa [Mr. CUMMINS] that they believe in writing a tariff bill that is competitive at the customhouse. The Senator from Iowa said he regretted that I had abandoned that position. I have not abandoned it. A revenue tariff bill must be competitive. A tariff for revenue bill must imply reasonable competition at the customhouse, because if there is not reasonable competition in goods coming through there can not be reasonable revenue raised. I do not mean by competition at the customhouse that one tin can should be allowed to come through the customhouse when 100,000,000 tin cans are manufactured behind the tariff wall. I contend that no competition is reasonable as a basis for taxation unless at least 3 per cent, 5 per cent, or 10 per cent of foreign imports are allowed to come into the country. Any industry that can not stand 3 per cent of competition from abroad, or pretends it can not stand 3 per cent or 5 per cent of competition from abroad, in order that the Government may receive revenue and that there may be some imports coming in to adjust prices is an industry which is demanding monopoly for itself. There is no escape from that conclusion.

I will not take the time of the Senate to go through all of these items. I discussed pig iron last night with the distinguished chairman of the committee, and at that time he admitted that there was practically no pig iron coming into the country, and none would come in. He admitted also that we were the masters of the world in the production of pig iron. The same thing is true of all the heavier grades of steel and iron products.

However, I wish to call the attention of the Senate and the country to one paragraph embracing certain heavy iron and steel products. The Finance Committee have recommended that the rates on the products referred to be largely increased over those in the present law, and I want to know how the rates in this paragraph square with the declarations of the chairman of the committee in favor of reasonable competition at the customhouse and reasonable imports.

Take the paragraph that relates to iron and steel sheet plates. They constitute one of the important items of so-called raw material in the iron and steel schedule. They constitute the base material out of which plows are made, the base material out of which wagons are manufactured, the base material out of which ships are constructed, the base material out of which are built the freight cars for carrying the commodities of the country to market, the base material for almost everything found in the blacksmith shop, and the base material even for the iron roofs of our houses. On these commodities the schedule is built.

We find that the committee has largely increased the rates on iron and steel plates, and yet in 1920 under the lower rates of the present law—and the same thing is relatively true of other years, but I take 1920 for convenience—the production of plates and sheets covered by the paragraph to which I am now referring amounted to 9,337,680 gross tons. Please bear in mind the fact that 9,337,680 gross tons was what the mills of America produced and it was consumed either here or abroad. Now, what did the imports amount to for that year—the year 1920? They are given in pounds. I presume the man who prepared these figures was ashamed to give them in tons and so he gave them in pounds. He gives the imports in pounds for 1920 as 58,620, which reduced to gross tons is less than 29 gross tons. Think of it! Twenty-nine gross tons of imports as compared to over 9,000,000 tons of production! And in the same year we exported to foreign markets 2,062,947,743 pounds of sheets and plates, which, reduced to tons, is something like 1,000,000 gross tons. We produced over 9,000,000 gross tons of sheets and plates. We exported and sold in the open markets of the world over 1,000,000 gross tons of sheets and plates, and the imports amounted to 29 tons—29 tons—and on the basis of that, when the paragraph itself was pending before the Senate, the chairman of this committee announced that he was in favor, not of levying a prohibitive tariff at the customhouse, but of levying rates that would allow some importation to come through. Twenty-nine tons, under those circumstances, is not much—some importation!

Mr. FLETCHER. Mr. President, if I may interrupt the Senator, what is the rate under the Underwood law under which 29 tons came in?

Mr. UNDERWOOD. The rate at that time was 12 per cent ad valorem.

Mr. FLETCHER. And what is the proposed rate?

Mr. UNDERWOOD. They increase it by making it a specific rate from a cent a pound up to 20 per cent ad valorem.

Mr. FLETCHER. A cent a pound would be equivalent to how much?

Mr. UNDERWOOD. It is a higher rate than the 12 per cent ad valorem, and then they go up to 20 per cent ad valorem, in the open face of the declaration that the Senator stands for a tariff that will admit importations at the customhouse; and the distinguished Senator from Iowa [Mr. CUMMINS], who knows this schedule better than any other in the bill, is not in favor of a prohibitive tariff, and yet would not announce that he would vote against that paragraph, and did not. It has already been agreed to by the Senate.

Mr. President, the truth about the matter is this: I have had to fight this question out a good many times. For many years I represented an iron and steel constituency. I am in the business myself. As I said before, I would not willingly harm a people that I represented; but neither would I willingly betray a people that I represented by taxing them unjustly for special interests. I know this schedule and I know that that rate is a shame and a fraud on the American people. I know that it is not in the interest of this great industry in the end. It is very much better for this great industry to take the shackles of a tariff off its limbs. It is able to compete in the world by free competition. Let it sell to the mills at home, to the blacksmith, the carriage maker, the roof maker, at reasonable profits and develop a home market for its own products, and stand a giant in the world rather than being wet-nursed in a baby's crib when it is a full-grown industry.

Why, Mr. President, this idle talk about the labor involved in this schedule is as ancient as the grave. Thirty, forty, fifty years ago, when men stood with their brawny arms and handled the slabs and the billets as they went through the rolls, reducing them to plates or bars, the question of labor might be involved; but that argument will not appeal to a man to-day who goes to a modern mill and sees the whole machinery worked by steam or electricity—and the modern mill is worked by electricity—with one man sitting in the roof with his levers in his hands and sees the great ingots that roll out and go into one roll after another, untouched by human hands, entirely handled by machinery controlled by a man sitting in a lofty roof, until they come out in the form of plates for shipbuilding or steel rails to carry your freight on. Labor has become infinitesimal in this problem. The question really involved is that of the cost of the plant, the capital cost, the interest you must pay on capital for this production; and it is absurd to tell me now that in America, with all the gold in the world, with all the securities in the world, with the world begging on bended knees at our doors for the loan of money, we have to protect American manufacturers because they can not secure as cheap capital in America as they can secure abroad.

Take the very paragraph that I am talking about. The report of the Tariff Commission, which I hold in my hand, shows that in addition to the exports of iron and steel plates that I read awhile ago there were 72,000,000 pounds exported to Japan, Canada, and the United Kingdom—to the United Kingdom! We have been carrying coal to Newcastle, sheets and plates to Great Britain, to compete with the British mills; and then the Committee on Finance thinks it must raise an ad valorem rate from 12 per cent ad valorem to 20 per cent ad valorem! I suppose that is for the sake of raising revenue on 29 tons imported.

No, Mr. President; nobody is going to be fooled about this proposition. I do not reflect on my colleagues or intend to reflect on them when I say that I have not a fair jury to which to argue this case. It is not that your minds can not be convinced on this proposition, and not that your minds are not convinced on it; but I know how a tariff bill is written. Some of your constituents expect that you will get rates on certain products for them. Some of those rates may be justified and some may not; but in order that you can get what you want you have gotten aboard the tariff ship and are going to ride through with it, regardless of cost. If this were the only paragraph presented to the Senate at this hour I would have no more doubt that 90 per cent of the Senate would reject the paragraph than that I am speaking here; but it is in the bill and it must ride through.

They talk about German competition. As I pointed out last night, the raw material of Germany is destroyed. This is not a question of labor, because in the case of these great, heavy iron and steel products it is machinery that does the work now. The labor cost is infinitesimal; and Germany, without raw material in iron and coal, is out of the world's market as a competitor of America. So, Mr. President, I am only referring to one of these paragraphs. There are 10 or 15 of them where the same argument that I have made for sheets and plates can apply with equal force.

It is idle, however, for me to talk. I realize that in the Senate I am going up against a jury that has made up its mind. The verdict has been written; but I am taking your time because there is a court to which I can appeal. This injustice will not remain on the statute books of America unless you modify your position so that you do not construe a protective tariff to mean a prohibitive tariff, written in the interest of monopoly.

Mr. McCUMBER. Mr. President, I apologize to the Senator from Arkansas for having deviated from my usual course and what I have been preaching for some time by taking three minutes to answer the Senator from Iowa. I admit that I got off the track of holding close every minute to the particular subject.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. McCUMBER. Certainly.

Mr. ROBINSON. The Senator, like a good many other Senators when they address the Senate, evidently was unconscious of the passing of time. Instead of taking 3 minutes he actually took 30 minutes or more. I find no fault with the Senator's doing that, because, as I said during the course of my remarks, his discussion was illuminating but not convincing.

Mr. McCUMBER. I will increase it to 5 minutes if the Senator wants me to, but not to 30 minutes.

Mr. President, I realize that I ought to be a shining example of brevity in what I may say, but also a shining example of never crossing a bridge until you come to it. The Senator from Alabama has taken considerable of the time this morning in discussing the same subject that he discussed yesterday, and making many of the assertions that he made yesterday, with the usual force with which the Senator makes those assertions; but I am going to invite the Senator now to go right back to the real subject under discussion. We have offered an amendment to the House bill, on the bottom of page 55, line 25, to strike out the figures "28" and to insert in lieu thereof the figures "30," a difference of 2 cents.

This covers "sheets or plates composed of iron, steel, copper, nickel, or other metal with layers of other metal or metals imposed thereon by forging, hammering, rolling, or welding," and, as we would have it, it would be 30 per cent ad valorem. As the House wrote it, it was 28 per cent ad valorem.

Mr. UNDERWOOD. Will the Senator let me ask him if the present law, which he is now proposing to change, does not make the rate 15 per cent?

Mr. McCUMBER. I was just going to state that. That is exactly what it does. The Senator's whole argument seemed to indicate that where the importations were small there should be no duty whatever levied. One would draw that from the arguments he makes day after day, that we do not need the protection, and why, then, raise this duty? I am going to answer that part of the Senator's argument.

Mr. UNDERWOOD. I hope the Senator will.

Mr. McCUMBER. I shall do so.

Mr. UNDERWOOD. But I hope the Senator will bear in mind, at the time he is answering it, that the present rate was written at the other end of the Capitol by a committee of which I was chairman, and my committee put a rate of 15 per cent ad valorem on this article, which was agreed to by the Senate, which does not indicate that I thought it all ought to be cut off. I am free to say now that I think the rate was too high, but knowing that there are practically no importations even with the present low rate I am challenging the Senator to know why you are doubling the rate. That is the real issue.

Mr. McCUMBER. First, the importations are about the same; they are very small, anyway. I could ask the Senator why he put a rate of 15 per cent ad valorem on this article. We did not make any in the United States. Every pound of it was imported. It was not in competition with anything in this country. It is not in competition to-day with anything we produce. Why did the Senator from Alabama put 15 per cent ad valorem duty upon an article which we do not produce at all in the United States?

Mr. UNDERWOOD rose.

Mr. McCUMBER. I know what the Senator's answer will be—that it was for revenue purposes.

Mr. UNDERWOOD. Of course, Mr. President, this particular item is not the one I was discussing a moment ago; but we reduced the rate on this particular item, if I remember correctly, from that of the Payne-Aldrich law by more than a half. This is a basic material out of which many important things are made which the American people must consume. Why should I not have reduced the rate on the basic material and allow the other manufactories the benefit of a lower rate? I said a

while ago that I thought most of these heavy materials of iron and steel should be put on the free list for the benefit of the small industries, but I believe in approaching it gradually and not with an ax.

Mr. McCUMBER. But I am speaking of this particular item. The Senator put upon this particular item a duty of 15 per cent ad valorem in his bill. He put it upon that article for revenue. He wanted a 15 per cent duty upon that item for revenue only, at a time when we were operating the Government at a cost of less than a billion dollars a year. We double that duty at a time when the annual expenses of the Government are more than four and a half billion dollars a year. We have to get revenue. You can not appropriate four and a half billion dollars in the year 1922 unless you provide some means to get the money to pay it, and you have to increase many of the revenue rates in order to secure the necessary revenue.

What are these articles? They are articles which are used, as I stated before, to make the molds in which chocolates and chocolate candies are made. They are all imported. When you get one of those it lasts a lifetime. It is used for that purpose, and only in a very limited degree. It is not manufactured in the United States. I think the chocolate maker and the candy maker are probably getting a sufficient profit to enable them to pay the 15 per cent ad valorem duty once in a lifetime upon this little article.

That is all there is to that item. I will discuss the other items in the schedule when we reach them, but I do not want to waste the time to do it now. The question is, Should this rate be 30 per cent ad valorem or 15 per cent, or somewhere between the two? I am asking the Senate to support the committee upon the ground that there will be just as much imported whether it is 15 per cent ad valorem or 30 per cent or 40 per cent or 50 per cent, because we do not produce it in the United States, and it is not going to add a penny to the cost of chocolate or of some chocolate candies.

Mr. UNDERWOOD. Mr. President, I congratulate my friend from North Dakota on being a very artful dodger. With all due respect to him, and in a kindly spirit, I attempted to indict his position on these heavy materials of iron and steel.

Mr. McCUMBER. If the Senator will allow me, I told him that I would answer him when we come to those, but I am not going to take the time now.

Mr. UNDERWOOD. I am going to let the RECORD show where we stand. Of course we can not now offer amendments as to the heavier articles under the rule adopted by the Senate. Although we had a paragraph pending before us, and have now, which relates to a great many heavy articles, there is one section of that paragraph which relates to some materials of which very little, if any, is made in the United States. This paragraph as a whole is before the Senate, because you can not consider the bill just on the items which do not affect the people, you have to consider it on its entire contents, and I will read the paragraph.

Mr. McCUMBER. Will the Senator allow me to ask him a question in all good faith?

Mr. UNDERWOOD. Certainly.

Mr. McCUMBER. As I understand the Senator, he intends to offer an amendment to that paragraph at the time when individual amendments can be received.

Mr. UNDERWOOD. I will, if the Senator in charge of the bill on this side does not. I presume he will, and I will vote for his amendment.

Mr. McCUMBER. I was going to say that when the Senator offers that amendment he will then explain it, and at that time he will make the same argument he would make now, and I would probably make substantially the same answer I would make now if I were going to make it now, and thus we would have made it twice. I think that excuses me for not attempting to go into it at this time.

Mr. UNDERWOOD. The Senator, of course, can elect how he will argue. I am going to show that he said he would answer the question by applying his debate to the pending item. I want the RECORD to show that he does not answer the indictment I bring against his committee in reference to this iron and steel schedule.

Paragraph 309, now under consideration, reads:

> All iron or steel sheets, plates, bars, and rods, and all hoop, band, or scroll iron or steel, excepting what are known commercially as tin plates, terneplates, and taggers tin, when galvanized or coated with zinc, spelter, or other metals, or any alloy of those metals, shall pay two-tenths of 1 cent per pound more duty than if the same was not so galvanized or coated.

That is an increase in rate over the present law, which provides a tax of 15 per cent ad valorem, increasing the general schedule, just as in the case of the schedule I referred to a half an hour ago. The same thing applies to this schedule. We make those products in this country. We make them in vast quantities. In 1920 we manufactured 4,582,547 gross tons and we imported 217,621 pounds, or about 109 tons, as compared to 4,500,000 tons.

We exported in 1920 of iron plates and sheets 72,000,000 pounds and of steel sheets 379,000,000 pounds. So that the proposition on the general paragraph is just as it was on the paragraph I referred to about plates and sheets. The rate is practically prohibitive now. Instead of being raised, it should be reduced; but the Senator, in reporting this bill, has raised the rate in this paragraph. That is done because in the latter part of the paragraph there is a provision that "sheets or plates composed of iron, steel, copper, nickel, or other metal with layers of other metal or metals imposed thereon by forging, hammering, rolling, or welding, 30 per cent ad valorem." Because practically none of that is made here he would leave the impression that the entire paragraph was no tax on the American people.

That is no answer to the indictment I bring against the Finance Committee; and what I say is with entire respect to Senators on the other side. I do say that in the tribunal of public opinion the Finance Committee must stand indicted before the conscience of the American people when they attempt to largely increase the rates on the great, heavy products of the iron and steel schedule, when the present rates of duty are practically prohibitive, when there is no labor cost involved, and the American producer has a monopoly of the American market to-day.

I say that is a political indictment. I feel that I am entirely justified in making that statement, and although the Senator may not feel that this is the time for him to answer the indictment I bring as to the rates on these heavy products, he does not pass away from it by referring to the simple item that is to be voted on in a moment. What I am charging is that you have a dozen paragraphs here covering heavy iron and steel commodities in which you are not justified in any way in raising the rates, and I intend to continue the pronouncement of this indictment until the American people understand what you are doing, or you justify your position far better than you have done up to this time.

Mr. McCUMBER. I wish the Senator would quit trying me on his indictment until the case is called on the calendar, when I will have an opportunity to answer.

Mr. UNDERWOOD. The Senator can answer in his own time.

The VICE PRESIDENT. The question is on agreeing to the committee amendment, on page 55, line 25, to strike out "28" and insert "30" before the words "per cent."

Mr. UNDERWOOD. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. MOSES (when Mr. KEYES's name was called). I am authorized by my colleague [Mr. KEYES], who is absent because of illness, to state that if present he would vote "yea" on this amendment.

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. McKELLAR] to the junior Senator from Pennsylvania [Mr. PEPPER], I vote "yea."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the junior Senator from Arizona [Mr. CAMERON]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

The roll call was concluded.

Mr. HALE. I transfer my pair from the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Delaware [Mr. DU PONT] and vote "yea."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. I observe that he has not voted. I transfer that pair to the junior Senator from Oregon [Mr. STANFIELD] and vote "yea."

Mr. COLT. I transfer my general pair with the junior Senator from Florida [Mr. TRAMMELL] to the senior Senator from Pennsylvania [Mr. CROW] and vote "yea."

Mr. McCUMBER (after having voted in the affirmative). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Maryland [Mr. WELLER] and allow my vote to stand. I ask that this announcement of the transfer of my pair may stand for the day.

Mr. CURTIS. I wish to announce the following pairs:

The junior Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The senior Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

The result was announced—years 45, nays 21, as follows:

YEAS—45.

Ball	France	McKinley	Ransdell
Brandegee	Gooding	McLean	Rawson
Broussard	Hale	McNary	Shortridge
Bursum	Johnson	Moses	Smoot
Calder	Jones, Wash.	Nelson	Spencer
Capper	Kellogg	New	Sterling
Colt	Kendrick	Newberry	Townsend
Cummins	Ladd	Norbeck	Wadsworth
Curtis	Lenroot	Oddie	Warren
Dillingham	Lodge	Page	
Elkins	McCormick	Phipps	
Ernst	McCumber	Poindexter	

NAYS—21.

Ashurst	Harrison	Robinson	Underwood
Borah	Heflin	Sheppard	Walsh, Mass.
Caraway	La Follette	Simmons	Watson, Ga.
Dial	Norris	Smith	
Fletcher	Overman	Stanley	
Harris	Pittman	Swanson	

NOT VOTING—30.

Cameron	Glass	Nicholson	Trammell
Crow	Harreld	Owen	Walsh, Mont.
Culberson	Hitchcock	Pepper	Watson, Ind.
du Pont	Jones, N. Mex.	Pomerene	Weller
Edge	Keyes	Reed	Williams
Fernald	King	Shields	Willis
Frelinghuysen	McKellar	Stanfield	
Gerry	Myers	Sutherland	

So the committee amendment was agreed to.

The next amendment of the committee was, on page 55, line 25, to insert "thermostatic metal in sheets, plates, or other forms, 50 per cent ad valorem."

Mr. McCUMBER. Mr. President, on account of the absence of the senior Senator from New Jersey [Mr. FRELINGHUYSEN] I ask that the amendment just stated may be passed over.

The VICE PRESIDENT. Without objection, it is so ordered.

The ASSISTANT SECRETARY. The next amendment of the Committee on Finance is, on page 56, line 16, to strike out "tinplates" and insert "tin plates."

Mr. SIMMONS. There is no objection to that amendment.

The amendment was agreed to.

The ASSISTANT SECRETARY. The same amendment occurs in paragraph 311, lines 19, 21, and 24, striking out "tinplate" and inserting "tin plate."

The VICE PRESIDENT. Without objection, these amendments will be agreed to.

The next amendment was, on page 56, in line 16, after the words "taggers tin," to strike out "1.1 cents" and to insert "1 cent," so as to make that paragraph read:

PAR. 310. Sheets or plates of iron or steel, or taggers iron or steel, coated with tin or lead, or with a mixture of which these metals, or either of them, is a component part, by the dipping or any other process, and commercially known as tin plates, terneplates, and taggers tin, 1 cent per pound.

Mr. SIMMONS. Mr. President, I have no objection to a reduction from the House rate of 1.1 cents per pound to 1 cent per pound. I am willing to vote upon that amendment without offering any amendment, with the statement that later, when the committee amendments shall have been concluded, I shall probably offer an amendment to the paragraph.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 56, in line 20, before the word "sheet," to strike out "the," so as to make the paragraph read:

PAR. 311. No article not specially provided for which is wholly or partly manufactured from tin plate, terneplate, or sheet, plate, hoop, band, or scroll iron or steel, or of which such tin plate, terneplate, sheet, plate, hoop, band, or scroll iron or steel shall be the material of chief value, shall pay a lower rate of duty than that imposed on the tin plate, terneplate, or sheet, plate, hoop, band, or scroll iron or steel from which it is made, or of which it shall be the component thereof of chief value.

The amendment was agreed to.

ATTORNEY GENERAL DAUGHERTY—THE MORSE CASE.

Mr. LENROOT. Mr. President, this morning I was given possession of a copy of a letter written by Attorney General Daugherty to the senior Senator from Indiana [Mr. WATSON] relative to his connection with the Morse case. A little while ago I received a telegram from the Senator from Indiana, who is absent in Indiana, stating that it would be agreeable to him to have the letter placed in the RECORD. I therefore send the letter to the desk and ask unanimous consent to have it read.

The VICE PRESIDENT. Without objection, the letter will be read.

The Assistant Secretary read as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., May 22, 1922.

Hon. JAMES E. WATSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: To-day for the first time I have had an opportunity to read the CONGRESSIONAL RECORD of May 12, page 6175, relative to the colloquy in the Senate regarding my connection with the Morse case. I have read newspaper comment on this discussion, but it was of a general character, and I thought it required no particular attention on my part.

I remember very well a general discussion we had some time ago regarding the Morse case. I certainly did not in that discussion make the statement to you that I had no connection with the Morse cases, civil and criminal. My connection with these cases was well known throughout the country, because of extended publicity some years ago. I never denied it, and I have no disposition to deny it now. Nothing was done by me or anybody else in connection with these cases that could not be known to the whole world without reflection upon anyone.

Morse was released upon the recommendation of Attorney General Wickersham, who based his recommendation upon the reports of eminent physicians of the Government, including the Surgeon General of the Army, and the records in the department show all the facts pertaining to the physical condition of Morse when he was released, which was the sole ground for Executive clemency.

As for compensation, I never received anything from Mr. Morse personally. All I ever received from anybody in connection with the Morse cases, both civil and criminal, was about $4,000 advanced to me by Mr. Felder, and was about half enough to pay my necessary expenses and disbursements connected with over a year's active investigation, preparation, and service in the cases.

I regret, Senator, if you misunderstood me.

Sincerely yours,

H. M. DAUGHERTY,
Attorney General.

Mr. CARAWAY. Mr. President, I have before me a copy of the RECORD of May 12. I wish to read from it the statement then made by the Senator from Indiana [Mr. WATSON]. It is not a question of misunderstanding, because there can be none. Either the Senator from Indiana told the exact truth and reported just exactly what Daugherty said—that is, that he, Daugherty, had nothing to do with the Morse case—or he knowingly misrepresented the Attorney General. There can be no question of misunderstanding. There is also another Republican Senator—whom I do not see here now—who told the Senator from Georgia [Mr. WATSON] and myself that the Attorney General made exactly the same statement to him as the one reported detailed by the Senator from Indiana [Mr. WATSON].

May I ask the Secretary to give me the number of the volume and the page of the RECORD as mentioned by the Attorney General.

The VICE PRESIDENT. The number of the page of the RECORD as given in the letter is 6175, of date May 12.

Mr. CARAWAY. That is a mistake, Mr. President. That page does not appear in the RECORD of May 12 at all. I will find the right RECORD in a moment. I am going to be charitable and presume that the Attorney General never read the RECORD, since he can not even give the day of the month and the page of the RECORD where the colloquy occurred. He still evidently has not had the opportunity to read it as he suggested that he had not had until just now.

Mr. President, the colloquy to which I refer occurred on May 2 and not on May 12, but I think that whenever the Attorney General is within 10 days of being correct he is very accurate for him, and no question will be raised about that. However, this is what occurred:

Mr. WATSON of Indiana. Mr. President, will the Senator permit an interruption?

Mr. CARAWAY. I have the floor and will permit an interruption, although I do not intend to lose the floor.

Mr. STANLEY. If the Senator from Indiana will permit me, I shall be through in about a minute.

Mr. WATSON of Indiana. Certainly.

Now, I shall skip what the Senator from Kentucky [Mr. STANLEY] said. Then, on page 6175, the following colloquy occurred:

Mr. WATSON of Indiana. Mr. President, will the Senator pardon an interruption?

Mr. CARAWAY. I will.

Mr. WATSON of Indiana. We did not hear over on this side what it was that the Senator said about the Attorney General. Will he kindly repeat it?

Mr. CARAWAY. I know the Senator did not hear it, because all the Senators over there got busy in order not to hear what was being said. I said that I understood that the greatest achievement of the Attorney General was that he got a pardon for a criminal, and got a fee of $25,000 for doing it.

Mr. WATSON of Indiana. Does the Senator mean since he became Attorney General?

Mr. CARAWAY. Oh, no.

Mr. WATSON of Indiana. May I further question the Senator?

Mr. CARAWAY. Yes, sir.

Mr. WATSON of Indiana. To what case does the Senator refer?

Mr. CARAWAY. The Morse case.

Mr. WATSON of Indiana. Does the Senator charge on his responsibility as a Senator that Mr. Daugherty, even before he was Attorney General, received a fee for helping to get Mr. Morse out of the penitentiary?

Mr. CARAWAY. I charged that that was a matter of public information. I was not, of course, present when any contract was made. I will say that I have heard it so often that I think it is true, without question.

Mr. WATSON of Indiana. The Senator, then, accepts a rumor as true, and charges it on the floor of the Senate?

Mr. CARAWAY. Does the Senator from Indiana say that it is not true?

Mr. WATSON of Indiana. I do.

Mr. CARAWAY. On the Senator's own personal knowledge?

Mr. WATSON of Indiana. I do.

Mr. CARAWAY. That Mr. Daugherty did not represent Morse?

Mr. WATSON of Indiana. I did not say that he did not represent Morse; but I say on my knowledge of the situation that he received no fee for the service rendered, nor did he represent Morse directly, according to my understanding.

Mr. CARAWAY. Did he indirectly represent him?

Mr. WATSON of Indiana. No.

Mr. CARAWAY. Why did the Senator say, then, that he did not directly represent him?

Mr. WATSON of Indiana. I meant by that that my understanding of the situation is that he was representing his client, and that the testimony of Mr. Morse was necessary, and that in that way he had contact with Mr. Morse; but he did not get him out of the penitentiary; he had not anything to do with getting him out of the penitentiary; and he received no fee for getting him out of the penitentiary.

Mr. CARAWAY. How does the Senator know that?

Mr. WATSON of Indiana. I know it from the language of the Attorney General.

Mr. CARAWAY. Did he tell the Senator that he did not?

Mr. WATSON of Indiana. He did.

Mr. CARAWAY. That he never got a cent for it?

Mr. WATSON of Indiana. Not for that.

Mr. CARAWAY. For what did he get his fee, then?

Mr. WATSON of Indiana. He did not get any fee from Morse.

Mr. CARAWAY. Why does the Senator say "Not for that"? Why does the Senator juggle with language? Why does he not say that he did or did not get a cent?

Mr. WATSON of Indiana. That is the thing that the Senator is charging here. I say that for that he did not get a fee.

Mr. CARAWAY. For what did he get his fee?

Mr. WATSON of Indiana. I do not know whether he ever got a fee from Morse for another purpose or not.

Mr. CARAWAY. I did not think the Senator knew.

Mr. WATSON of Indiana. But I do know that what the Senator says here is not true.

Mr. CARAWAY. What is that?

Mr. WATSON of Indiana. Of course, I am not charging——

Mr. CARAWAY. What is it that the Senator says he knows is not true?

Mr. WATSON of Indiana. I am not charging that the Senator said anything he knew not to be true, of course.

Mr. CARAWAY. Oh, well, then, let the Senator be a little bit plain about his language.

Mr. WATSON of Indiana. I am charging that Mr. Daugherty did not get a fee from Mr. Morse for getting him out of the penitentiary or helping to get him out of the penitentiary.

Mr. CARAWAY. For what did he get his fee?

Mr. WATSON of Indiana. I do not know whether he ever got a fee or not.

Mr. CARAWAY. Oh, well, if the Senator does not know, how does he know that he did not get it for that?

Mr. WATSON of Indiana. I do not know whether he ever got a fee from Morse for some other purpose or not.

Mr. CARAWAY. If that is all the information the Senator has——

Mr. WATSON of Indiana. No; I have information on this matter that the Senator is talking about, and that is what he is charging.

Mr. CARAWAY. I ask the Senator, then, what he did get his fee for?

Mr. WATSON of Indiana. So far as I know, he never got any fee.

Mr. CARAWAY. Does the Senator know that he did not get any?

Mr. WATSON of Indiana. I know that he did not get any fee from Morse for getting him out of the penitentiary or helping to get him out.

Mr. CARAWAY. Did he get any fee at all from Morse?

Mr. WATSON of Indiana. He may have gotten one 10 years ago. I do not know anything about that. Whether he was ever Morse's attorney or not is a different proposition. As to that I do not know, but I know that in this instance he got nothing.

Mr. CARAWAY. When did the Senator discuss this matter with the Attorney General?

Mr. WATSON of Indiana. On various occasions.

Now, just to show that there can be no kind of misunderstanding between the Attorney General and the Senator from Indiana:

Mr. CARAWAY. How came the Senator to discuss it with the Attorney General?

Mr. WATSON of Indiana. Because I had heard the rumor.

Mr. CARAWAY. Did the Senator believe it?

Mr. WATSON of Indiana. The rumor?

Mr. CARAWAY. Yes.

Mr. WATSON of Indiana. I did not.

Mr. CARAWAY. Then why did the Senator go to the Attorney General with it if he did not believe it?

Mr. WATSON of Indiana. Because I am the kind of a man that if any one of my friends is involved in any trouble I go and talk to my friend about it.

Mr. CARAWAY. And the Attorney General told the Senator it was not true?

Mr. WATSON of Indiana. It was not true.

Mr. CARAWAY. Did the Senator then ask him what he did get the fee for?

Mr. WATSON of Indiana. I never asked him about any fee, of course, because he said he did not get any.

Mr. CARAWAY. Let me ask the Senator whether this was the truth, then—that he tried to get that fee, and it was so large that the prisoner would not pay it?

Mr. WATSON of Indiana. Oh, no; nothing of that kind, of course.

Mr. CARAWAY. All right.

That is a colloquy which does not admit of any explanation. It is either true or it is not true. It has been in the RECORD from the 2d of May until now; it has been a matter of controversy. The Attorney General has said nothing until the contract was produced in which it was shown that he did represent Morse; and he said nothing then until the letter of Felder was produced in which it is shown that he did get a fee of $6,000. None of those things is susceptible of explanation by merely saying somebody misunderstood him. I know that unless the Senator from Indiana was intentionally misrepresenting the Attorney General—and I do not believe he would misrepresent him—the Attorney General told him what he has stated; and there is another Senator sitting on the floor who told the Senator from Georgia [Mr. WATSON] and myself that the Attorney General told him that at a dinner. He said to him, "How is it that you got Morse out of the penitentiary and are now trying to get him back?" And the Attorney General replied, "I had nothing to do with that." That is a question for the Attorney General and his friends. If they are willing to bear the imputation that they willfully and deliberately misrepresented him in order to relieve him of a lack of veracity, I shall certainly let them do it.

Mr. CARAWAY subsequently said:

I ask permission to insert in the RECORD some editorials which appeared yesterday and the day before in various newspapers demanding that the Attorney General clear this question of veracity or resign, and he thus attempts to clear it up by asking his friend to admit he misrepresented him. The country will not accept such a statement.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the New York Times, Thursday, May 25, 1922.]

ATTORNEY GENERAL DAUGHERTY.

Mr. Daugherty is a busy man. Doubtless investigation and preparation of the war-fraud cases and the regular duties of his office leave him scant time to read the newspapers or even numbers of the CONGRESSIONAL RECORD that contain matter calculated to interest him. Apparently he has just read the RECORD of May 5, for he has reprinted in his statement letters written by Mr. Taft and Mr. Wickersham in 1915. He says nothing of the curious correspondence which Senator CARAWAY has inserted in the RECORD of May 22 and published by the press generally. Perhaps there was no need that he should take that up. The real essential charge against him appears in the RECORD of May 2. On that day in the Senate Mr. CARAWAY charged that it "was a matter of public information" that Mr. Daugherty, before he was Attorney General, got a fee for helping to get Mr. Morse out of the penitentiary. Mr. CARAWAY "understood that the greatest achievement of the Attorney General was that he got a pardon for a criminal, and got a fee for doing it."

We needn't bother about Mr. CARAWAY'S sneer or Mr. STANLEY'S imputation of "unprofessional conduct." As a private citizen practicing law, Mr. Daugherty had a perfect right to try to get Mr. Morse or any other convict released and to charge a fee for it and collect it if he could. Not a question of professional ethics, but a question of Mr. Daugherty's personal veracity emerges from Mr. WATSON'S remark. Mr. WATSON said that he had discussed the matter of the Morse case with Mr. Daugherty "on various occasions." To avoid the possible unfairness of a summary we reprint the essential part of the dialogue between the two Senators:

"Mr. WATSON. The Senator, then, accepts a rumor as true and charges it on the floor of the Senate?

"Mr. CARAWAY. Does the Senator from Indiana say that it is not true?

"Mr. WATSON. I do.

"Mr. CARAWAY. On the Senator's own personal knowledge?

"Mr. WATSON. I do.

"Mr. CARAWAY. That Mr. Daugherty did not represent Morse?

"Mr. WATSON. I did not say that he did not represent Morse; but I say on my knowledge of the situation that he received no fee for the service rendered, nor did he represent Morse directly, according to my understanding.

"Mr. CARAWAY. Did he indirectly represent him?

"Mr. WATSON. No.

"Mr. CARAWAY. Why did the Senator say, then, that he did not directly represent him?

"Mr. WATSON. I meant by that that my understanding of the situation is that he was representing his client, and that the testimony of Mr. Morse was necessary, and that in that way he had contact with Mr. Morse; but he did not get him out of the penitentiary; he had not anything to do with getting him out of the penitentiary, and he received no fee for getting him out of the penitentiary.

"Mr. CARAWAY. How does the Senator know that?

"Mr. WATSON. I know it from the language of the Attorney General.

"Mr. CARAWAY. Did he tell the Senator that he did not?

"Mr. WATSON. He did."

Mr. WATSON repeated several times in one form or another that Mr. Daugherty "did not get any fee from Morse." That is a mere quibble, though, of course, not so meant by Mr. WATSON. What services did Mr. Daugherty render to Mr. Morse, no matter what fee was charged or expected or uncollected? Mr. WATSON'S "understanding of the situation," purporting to be derived from Mr. Daugherty, is absolutely incorrect. The charitable supposition is that Mr. WATSON'S memory was inaccurate. Mr. Daugherty owes it to his reputation to clear up this misunderstanding and to correct these misstatements. This is a duty he owes also to Mr. Harding and to the American people. Not a violation of professional but of personal ethics seems to be disclosed. Mr. Daugherty's imputation of motives to his adversaries is beside the point. He is his own worst adversary so long as he lets the Watsonian apologia go uncontradicted.

[From the New York World, May 22, 1922.]

"EMBARRASSING THE ADMINISTRATION."

Presenting some striking exhibits in the Morse case to the Senate, Mr. CARAWAY, of Arkansas, says that "there is only one decent thing for the Attorney General to do—that is to resign and not embarrass the administration any further."

If normalcy were more than an iridescent and fleeting hope, no doubt Mr. Daugherty would prove most embarrassing. The unaccountable slowness of the Department of Justice in prosecuting building profiteers is irritating to builders and rent payers; the Attorney General has been strongly attacked from the Republican side of the House in connection with war fraud prosecutions; and the sensational disclosures of Senator CARAWAY in the ancient and odorous Morse case raise new doubts as to the wisdom of inviting political lawyers in general, and Mr. Daugherty in particular, into the Cabinet. But conditions are not normal. Mr. Daugherty may well ask why he should be singled out for attack when sources of embarrassment are so many and so grave.

It is embarrassing to Mr. Harding to have to say that he does not "know of a nation in the world that ever maintained eminence in trade without it was eminent as a carrier of trade" as if he had never heard of the United States. But the interests behind ship subsidy have a bigger mortgage upon the G. O. P. than any individual, even from Ohio.

The bonus proposal in Congress has so embarrassed Mr. Harding that he has repeatedly given notice that he will not accept it unless means are at the same time provided for meeting the cost, and it will be even more embarrassing if he is obliged to change his mind.

It is embarrassing to the administration to have the dominant party in the Senate confirm TRUMAN NEWBERRY in the seat that was bought for him, although such practices are "harmful to the honor and dignity of the Senate," according to its own resolution, "and dangerous to the perpetuity of free government." But NEWBERRY was used to help organize the Senate against the League of Nations, and that gave him also a mortgage to foreclose.

It is embarrassing to the administration to have to frame a tariff of abominations and impose it upon a protesting country. Everybody understands the political danger. The "woman with the market basket" wrecked one Republican Congress, and "the shopping woman" another, for tariff exactions. It is the same woman; she is older now and has a vote. But the party is committed. Nothing short of the farm bloc could stop it on the road to party ruin for private profit, and the farm bloc has been squared.

It is embarrassing to the administration to have its candidates for the Senate go down to defeat in primary contests in Indiana and even rock-ribbed Pennsylvania; so embarrassing that the President repents of the kind words he said for Senator FRELINGHUYSEN, and the White House intimates that there will be no more for anybody seeking renomination. Gifford Pinchot is trying to make the rebuke in Pennsylvania as easy for the President as he can by insisting that his own unexpected victory "is not a repudiation of President Harding." All the same, the people will continue to think what they think, and other old guard Senators must take their medicine, be it sweet or bitter.

It is embarrassing to the administration pledged to an honest observance of civil-service reform when employees of public offices are shoveled out in batches and the President himself is forced to say that there are "no charges" against them. It is embarrassing to have men with memories ask what has become of the League of Nations, which the 31 Republicans said we could best arrange to join by electing Mr. Harding; or even of the President's substitute association of nations. Either might be useful now to world peace and world solvency.

In fact, sources of embarrassment are so many that G. O. P. leaders—those who do not have to face an election this year—must sometimes be tempted to wish there might be a reversal at the polls in November. Then Congress would be unable to do anything, good or bad, and the G. O. P. could go to the people in 1924 on the issue that it saved the Union in 1861. Failing that, the embarrassments of the administration threaten to grow in number and in gravity. The letter and contract linking Attorney General Daugherty with the release of Charles W. Morse from prison 10 years ago, in spite of the strong denial of Senator WATSON of Indiana as an administration spokesman, is not the least of these.

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[From the Philadelphia Record.]

DAUGHERTY SHOULD RESIGN.

"We will give $2,500 in gold," remarked that blithesome Republican sheet, the Ohio State Journal, the other day, "for every grafting war contractor put in jail by Harry Daugherty, with an extra prize of a genuine Packard Single-Six in every case where said grafting war contractor so placed in jail is a Republican.

Not to be outdone in generosity we would be disposed to offer a Rolls-Royce if the said Harry Daugherty, who happens to be the Attorney General of the United States by the grace of Warren G. Harding, would state under oath his full and frank opinion of one Charles W. Morse, with whom he was on terms of great personal and professional intimacy 10 years ago. It was Daugherty who was instrumental in inducing President Taft to pardon Morse and free him from the Atlanta Penitentiary, for which, as Senator CARAWAY proves by the copies of letters read in the Senate, he was to receive a fee of $25,000. Daugherty has denied this, but now the letters, apparently given out by Morse himself, bob up to refute him.

If our amiable President is politically wise he will not seek to follow the example of General Grant, who, whenever one of his friends was attacked, refused obstinately to believe that he was capable of any wrongdoing. This trait, commendable as it is in some ways, brought great discredit upon the Grant administration, and Mr. Harding will find that a mistaken sense of loyalty will be equally disastrous to his administration if he persists too far in it.

Mr. Daugherty's record was such that he ought never to have been appointed Attorney General, and now that he has held office nearly 15 months he has confirmed the general impression that his selection was a great blunder. These latest charges are the most serious yet preferred against him. He ought to resign, as Senator CARAWAY says, to save the administration from further reproach.

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[From the Sun, Baltimore, Wednesday, May 24, 1922.]

PROSECUTION OF WAR FRAUDS.

Probably the public soon is going to know what it has a right to know—whether there are sufficiently powerful underground influences at work in Washington to prevent the Government from prosecuting certain well-known and well-defined war-fraud cases. The issue is squarely up to Attorney General Daugherty. Congress has granted him the $500,000 which he asked to pay the expenses of conducting the work. Certain excuses offered for the continued delay are becoming somewhat frayed about the edges. Unless the Attorney General acts, he is going to have a heap of trouble on his hands—unless he resigns in the meantime because of the storm clouds that are sweeping down upon him.

There has been a vast amount of loose and promiscuous talk about the extent to which the Government was mulcted during the war by unscrupulous contractors, but not until two fighting World War veterans now serving in the House began to badger the Attorney General with a number of unpleasant facts they had unearthed did the issue begin to assume tangible form. When Mr. Daugherty discharged two special investigators of the Department of Justice because of "disloyalty" in conveying information to these Congressmen, the public began to be interested. When it was further alleged that the Attorney General himself, apparently, had tempted one of these investigators to enter the employ of one of the concerns involved in the Bosch Magneto case, a concern against which this investigator had uncovered incriminating evidence, a sinister turn was given to the matter.

The Attorney General selected this evil hour in which to do a very foolish thing. He "inspired" the newspapers to print reports that he was going to turn his heavy artillery against certain unnamed officials and influential personages in the Wilson administration, because they were the prime movers in the various war-fraud cases. If Mr. Daugherty has any remote plan of carrying out this threat, let him tell the world all he knows. Unfortunately for him, however, circumstantial evidence seems to indicate that these threats were merely a political maneuver, intended to intimidate certain men who were in the possession of documents which the Attorney General desired to keep from the public for highly personal reasons.

The intimidation failed. Documents placing Mr. Daugherty in the most humiliating position that any Cabinet officer has been placed since Richard Achilles Ballinger was forced to resign are being published and many more are coming. The Daugherty-Felder-Morse correspondence constitutes one of the most shocking incidents in recent American political history. But they are merely a side issue to the problem confronting the Department of Justice, which is, Are the war-fraud cases to be prosecuted or are they not? Can political influence not only retard but absolutely block the processes of the law?

Taunts are being thrown at the Attorney General which must rivet the public gaze upon him. Samuel Untermyer, himself an investigator and prosecutor of eminence, ridicules the idea that Mr. Daugherty "means business." An Ohio newspaper in Mr. Daugherty's home town offers a prize of $2,500 for every convicted contractor placed in the penitentiary through his efforts, with a costly automobile thrown in as an "extra" if the contractor in question be of the Republican persuasion. This may seem frivolous and offensive, but it aptly characterizes a cynical attitude toward the Attorney General, which is expressed in Washington more and more frequently regardless of party lines. It has been some time since bald and open discussion of the manipulation of the Department of Justice through political influence has been heard so insistently. The President owes it to himself not to permit the situation to become more ugly and menacing than it is now.

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[From the New York Tribune, Wednesday, May 24, 1922.]

TIME TO RESIGN.

Unless Attorney General Daugherty has a better defense of his relation to the unsavory Morse pardon than thus far has come from him or his friends, he should relieve President Harding of embarrassment by a prompt resignation.

It is not necessary to go into extensive argument. Facts which are so far not effectively contradicted speak for themselves. It is surely an amazing thing that when the conspiracy to get Morse out of prison was hatched it happened that the conspirators went to Ohio and hired a lawyer, without prior connection with the case, who happened to be a friend of the pardoning power.

Mr. Daugherty should never have been named as Attorney General. The appointment was one of the few mistakes President Harding has made. It was a personal selection, and such for high office are seldom happy. The only way to rectify the blunder, if the documents published in the CONGRESSIONAL RECORD are genuine and accurate, is to ask for a speedy resignation if one is not tendered. Granted that Mr. Daugherty was one of those who were fooled, he is manifestly in that event too gullible to be at the head of the Department of Justice.

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[From the World.]

A DAUGHERTY INVESTIGATION.

The judges of the Federal courts of the United States take a solemn oath to "administer justice without respect to persons and do equal right to the poor and to the rich."

They can not fulfill this oath, however, no matter how sincere they may be, unless the Attorney General of the United States is devoting himself single-mindedly to the task of administering justice without respect to persons and doing equal right to the poor and to the rich.

The Attorney General is the Government's minister of justice, and quality of justice will be determined mainly by his attitude toward the duties and responsibilities of his great office. In the circumstances, therefore, Congress owes it to the country to make a searching and impartial investigation of the various charges that have been made against Harry M. Daugherty.

The Morse pardon necessarily has a direct relation to such an inquiry, for although the scandal was history long before Mr. Daugherty became a member of President Harding's Cabinet, all the sensational accusations and all the rumors in regard to his activities in behalf of Morse have a bearing on the degree of public confidence that can be attached to his services as Attorney General.

Nevertheless, the Morse pardon is not the whole of the case. Two Representatives in Congress, Mr. JOHNSON and Mr. WOODRUFF, have made sensational charges against the Department of Justice in respect to the prosecution of the so-called war frauds. Mr. Untermyer has been no less specific in his charges against the Attorney General in the prosecutions growing out of the work of the Lockwood committee. One of the special agents of the department has been dismissed by Mr. Daugherty for "disloyalty," because he gave information to Members of Congress.

Thus far there have been only ex parte statements on both sides of the controversy; but neither President Harding, Mr. Daugherty, nor Congress can afford to let it rest there. Mr. Daugherty is either fit to be Attorney General of the United States or he is not. He is either entitled to the full confidence of the American people or he is entitled to no confidence at all and should be compelled to resign. Only Congress has power to establish the facts and make possible an intelligent decision before the court of public opinion.

The ordinary citizen has no partisan interest in the matter. He would be quite as well pleased to have the Attorney General vindicated as to have him proved unworthy of his high office, and more so, because few Americans are capable of deriving personal satisfaction from a scandal

in the administration of the Government of the United States. It must be apparent even to Mr. Harding that in the midst of all the charges and countercharges there can be no public confidence in the administration of justice in Washington until the accusations against Mr. Daugherty are disposed of by a fair investigation or there is a new Attorney General of the United States. Nor can it be said that those who favor an inquiry are seeking to make political capital against the administration, for if Mr. Daugherty is sustained by an investigation the chief beneficiary will be the Harding administration.

There was a Daugherty issue long before Senator CARAWAY made his speech on the Morse pardon and there will be a Daugherty issue in increasingly acute form until the fitness or unfitness of Mr. Daugherty to be Attorney General of the United States is definitely established by a committee of Congress.

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[From the New York Herald, Friday, May 26, 1922.]

A POLITICAL BLUNDER.

The New York Herald sees no political wisdom in the purpose of Representative CAMPBELL to shield Attorney General Daugherty from the investigation called for by the Woodruff resolution, introduced in the House April 11. It sees it as a distinct political blunder.

This resolution proposes an inquiry as to the failure of the Attorney General to prosecute, civilly and criminally, persons and corporations alleged to have defrauded the Government in war contracts.

The Rules Committee of the House voted 6 to 5 on May 3 to report the resolution favorably. Mr. CAMPBELL is chairman of the Rules Committee. He recorded his vote on May 3 with the majority for favorable consideration of the Woodruff resolution. Now he comes out in opposition to it, and in this opposition it is reported he has the powerful support of Floor Leader MONDELL.

Since the Woodruff resolution was introduced April 11 the position of Attorney General Daugherty before the public has very materially changed. If there was justifiable cause on May 3 for the Rules Committee to report the Woodruff resolution favorably there is more cause now for putting it through. The question then was confined to the Attorney General's alleged failure to handle these war fraud cases with the vigor and the decision that the Nation demanded.

The question now, just or unjust, is whether Mr. Daugherty is a fit man for Attorney General of the United States. This is what the public wants to know. The facts in respect of the Morse pardon from the Atlanta Penitentiary by President Taft and Mr. Daugherty's connection with the case were so bungled by Senator WATSON in his defense of the Attorney General against Senator CARAWAY'S charges in the Senate that the public got an unpleasant picture of the whole matter.

What Mr. Daugherty needs more than anything else right now is a thorough, fair discussion of all the charges against him. He should not permit himself to become the storm center of politicians on either side of the Chamber. He should not permit his party to smoke screen him, for smoke screening by one's party serves only to give wings to suspicion.

In this awkward situation the only thing for Mr. Daugherty is to draw the fire of the men attacking him. His fitness or unfitness for the great office he holds in the Harding administration should be determined on the facts justly and fairly considered. Any other way of considering them would not give Mr. Daugherty a square deal. His fitness for Attorney General of the United States is a question of fact, not a question for partisan heat.

Harry Daugherty, with his warm human instincts and kindly feeling, has a world of devoted friends. That a situation should have developed that makes for Congress consideration of his management of the office of Attorney General and makes as well for consideration of his connection with the Morse case is distressing to his friends and to his party.

But the situation having developed, the way to meet the issue is the way his friends would have him meet it, by asking himself for the investigation and insisting on getting it. The New York Herald sees no other course open to Harry Daugherty if he wishes to retain the office of Attorney General with full public confidence. It is either this or surrender the office to his great chief and get out from under the burden of public service, get away from public jealousies and public criticisms.

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[From the Public Ledger, Philadelphia, Friday morning, May 26, 1922.]

MR. DAUGHERTY.

What has now come to pass is precisely what informed political opinion and intelligence feared would happen when Harry M. Daugherty was named Attorney General in Mr. Harding's Cabinet. We say "feared" would happen advisedly, for any scandal or threatened scandal in the President's official family is of necessity a matter of national regret and concern, regardless of politics and partisanship.

The plight in which Mr. Daugherty now finds himself is one that threatens and affects the integrity of the Federal administration. It is clearly a case that Congress should investigate impartially, promptly, and thoroughly, not as a political move, but as a matter of justice to clear away or confirm a public suspicion and public charges that now are directed against the Attorney General.

Mr. Daugherty's fitness for the high office he holds should not be questionable. It should be known and established. So long as it is a matter of doubt and a question of fact, it is bound to become a topic of political discussion. When the integrity, veracity, and the general qualifications of the Attorney General of the United States threaten to become a "campaign issue," the administration of Federal justice is embarrassed, impeded, and clouded.

Mr. Daugherty owes it to the President who has reposed confidence in him, he owes it to a suspended but questioning public opinion, and he owes it to his party to ask from Congress a full and exhaustive inquiry into the charges against him and the revelations about his activities that have been made on the Senate floor. The issues that have been raised against him should not be evaded. They should not be and can not be hushed up by inaction on the part of the Attorney General.

If the whole business is not cleared up now, it will go into the coming political campaign, and neither Mr. Daugherty nor his political and official associates will be the gainer. In his present estate and situation the Attorney General is a public liability and embarrassment.

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[From the New York World, Friday, May 26, 1922.]

DAUGHERTY AS AN ISSUE.

The Republican leaders of the House make no concealment of their intention to block the Woodruff-Johnson resolution providing for an investigation of Attorney General Daugherty and the Department of Justice.

Mr. MONDELL, the Republican floor leader, pleads that the proposed inquiry would be "a reflection on the President." Representative CAMPBELL, chairman of the Committee on Rules, who is holding back the resolution, adopts Mr. Daugherty's disingenious defense and pretends that an investigation would aid the war grafters that the Attorney General "is indicting and prosecuting."

The Woodruff-Johnson resolution was introduced by two Republican Members of the House, both of whom made specific charges that Mr. Daugherty had personally intervened to prevent the prosecution of men who had defrauded the Government. It had nothing to do with the subsequent revelations in regard to Mr. Daugherty's part in the Morse pardon scandal. It is in no sense "a reflection on the President," except as the President chooses to intervene in behalf of his Attorney General. In that case he must share both the political and the moral responsibility for the partisan decision to smother these proceedings.

Mr. Daugherty himself could relieve the President of embarrassment either by resigning or by demanding a searching investigation. That is what most of his predecessors in office would have done in similar circumstances. The more the issue is discussed in the House and the Senate the more inevitable it is that the Attorney General must soon come into the open and face his accusers. Senator NORRIS, of Nebraska, who is a Republican, summed up the situation concisely when he said that "there is no reason or sense in trying to head off this investigation. The men in the Republican Party who attempt to do it will be repudiated in the end."

Mr. Harding may not see this, but he can not keep his eyes closed indefinitely. He must be aware of the fact that Mr. Daugherty finds few apologists and no outright defenders among the leading Republican newspapers, and those Republicans who speak for him in Congress have never undertaken to meet any of the accusations against him. All they do is to set up the hollow and hypocritical claim that he is the victim of war-fraud beneficiaries who are seeking to prevent prosecution. Not one of them believes it, but they can think of nothing else to say, and Mr. Daugherty himself is of no assistance to them.

The most shocking part of this scandal is the moral obtuseness shown by the Republican leaders from the President down. Their attitude is that of men who are determined that the Attorney General must be shielded from investigation by a Republican committee of a Republican Congress, not because there is nothing to investigate but because he is the President's friend and is the managing politician who brought about Mr. Harding's nomination at Chicago. Even in the worst days of corruption under the Grant administration there was nothing so flagrantly impudent and defiant as that.

Mr. Daugherty has become the moral test of the Harding administration. He is now one of the issues on which the administration will have to go before the country in the fall, and while the President can possibly keep his Attorney General out of the rooms of an investigating committee, he will not be able to keep him out of the ballot box in November.

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[From the Philadelphia Record, May 24, 1922.]

Some one in an idle moment suggested, possibly as diversion for the early summer months, a straw vote as to the most unpopular man appointed to high office by President Harding. Quickly the contest has narrowed down to Ambassador Harvey and Attorney General Daugherty. Much is to be said as to the unpopularity of each of these beneficiaries of the President's well-known amiability, but the Record does not feel obliged to express an opinion as to who should or is likely to win in this rivalry and who is to get the consolation or booby prize. A disinterested observer would say that while Harvey had an early lead, Daugherty has been gaining.

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[From the Louisville Times.]

RAISING THE OLD HARRY.

The important thing about the charges of Senator CARAWAY against the Attorney General of the United States is not that Mr. Daugherty helped get Charles W. Morse out of prison on a fake illness but that Mr. Daugherty authorized his friends in the Senate to deny the connection.

Mr. Daugherty up to the time he was so signally honored by the presidential candidate he had managed was known as a lawyer largely engaged in cases like that of Morse. He made good fees, and his activities extended just as far as the abodes of people who got into trouble with the law. Mr. Daugherty was the sort of useful chap who could make a good deal of progress toward getting them out of trouble. He was known to have "influence" at Columbus and at Washington. So that if the name of Harry M. Daugherty did not figure in the Supreme Court record of great cases he was the counsel in many successful settlements out of court, and he found it very profitable.

Being engaged in so quiet, albeit so satisfactory, a practice, Mr. Daugherty was not as well known professionally as his talents entitled him to be when he was selected by President Harding to be the Attorney General. The Times on that occasion said that, because of the nature of his practice, it were better that Mr. Daugbetry had been made something other than Attorney General. This newspaper conceded that he was entitled to a place in the Cabinet, because the Presidency was his individual surprise party for Mr. Harding. But it feared that some of the liberal incidents of the Attorney General's practice would rise up to plague him, just as the Morse case has done.

Mr. CARAWAY has proved that Mr. Daugherty was very definitely engaged in the Morse case. He has produced photostatic proof of the contract in which the Attorney General and Tom Felder, of Atlanta, agreed to work for the pardon for a consideration of $25,000.

Tom Felder says in defense of Mr. Daugherty that the present Attorney General did not receive any part of the $25,000 fee. But he contracted to receive it, and the fact that he declined to accept the steamship stock which Morse gave to Tom Felder is more of a proof of Mr. Daugherty's business acumen than of any pang of conscience. The stock turned out to be worthless.

The employment, as was said before, is not astonishing. But for an old hand and a cool one like the Attorney General to authorize his friend, JIM WATSON, to deny the connection makes it appear as if the distinguished Cabinet Minister is losing the only two qualities he ever had—his boldness and his judgment.

Mr. Daugherty, so far as his connection with the Morse case is concerned, is just as fit to be Attorney General as he ever was. The President and the Republican Party leaders knew all about him and his type of practice when he was selected. But if Mr. Daugherty really made the political blunder of having WATSON deny a truth that was bound to come out he has disqualified himself as a wise politician. And that is the only reason he ever was made Attorney General.

[From the Courier-Journal, Wednesday, May 24, 1922.]

THE MORSE MYSTERY.

The chief interest in the charges which Senator CARAWAY is making against Attorney General Daugherty is not so much in the charges themselves as in the proof of them which the Arkansas Senator is producing. And the chief interest in Mr. Daugherty's present attitude in the matter is not his silence, but the fact that he has allowed his misinformed friends in the Senate to deny the charges which are now proven.

The character of Mr. Daugherty's practice as an attorney was pretty well known when Mr. Harding placed him in the Cabinet. The fact that it was so well known created a storm of protest when Mr. Harding's consideration of the appointment was reported. That protest was by no means partisan, for it was participated in by the better elements of the Republicans, as well as the legal fraternity, everywhere.

But Mr. Harding was obdurate. He even declared that the country's objections to the appointment merely strengthened his determination to make it. That appointment and the appointment of George Harvey to the British ambassadorship, in the face of the public clamor against them, constitute the two outstanding demonstrations which the President has furnished that, contrary to the popular estimate, he has a "backbone" when he chooses to stiffen it.

With the exception of Mr. Daugherty's victimizing of his friends in the Senate, his record as exposed by Mr. CARAWAY does not appear as materially different from what it was known to be when he was made Attorney General of the United States.

Who among those who aided in the fraud by which the convict Morse got out of the Atlanta prison were tarred with the same stick is of less interest to the public than would be a solution of the mystery of how the fraud was accomplished.

There is no popular desire to see the Attorney General proved a conspirator. It would add only a little to popular chagrin. Mr. Daugherty has no advocates among those who feel that none but a great lawyer should occupy the office he received as a political reward. But the irritation which arose from the appointment caused nobody to feel the slightest enmity toward Mr. Daugherty.

The President bore the brunt of the criticism that was occasioned by his calling Mr. Daugherty to the Cabinet. He caused it to be announced at the White House long afterwards, in connection with the intolerable Goldstein appointment, that he never boasts of an appointment or apologizes for one.

Fraud got Morse out of prison. Possibly he may be put in prison again as a result of fraud. In the meantime, who the conspirators were and how they did their work is a question which a vast number of Americans would like to see answered.

The resentment of President Harding's appointment of Mr. Daugherty would continue if it should be shown that he had nothing to do with the Morse fraud. It would not be intensified very greatly if it should be proved that Mr. Daugherty hatched the scheme to dose the convict into a state in which the diagnosis of Bright's disease could be presented as a means of persuading President Taft to turn out of prison a felon able to do handsomely by those who got him out, or willing to promise to do well for those who should get him out.

Mr. WATSON of Georgia. Mr. President, if I caught the wording of the Attorney General's letter correctly, he evades the issue as to whether or not he was paid. He says he was not paid "directly" by Morse. The natural inference to be drawn from that language is that somebody paid him for Morse. It is a very suspicious equivocation. Coming from a high official of the Government it is a statement that does not carry conviction.

In all of the metropolitan papers the utmost prominence is being given to these charges made against the Department of Justice. In the other House two Republican Representatives, against whom nothing can be said, have repeatedly attacked the Attorney General and demanded that he prosecute in specific cases; and Representative WOODRUFF has said that if the Attorney General does not prosecute in the cases mentioned he will impeach the Attorney General. Assuming that Representative WOODRUFF is in earnest, the Attorney General is steering himself up against a serious situation. He can not afford to ignore what has been said against him by such papers as the New York Herald, the New York Times, the New York Tribune, and the New York World. He can not afford to ignore the fact that prominence is given to these charges on the front pages of such papers as the Baltimore Sun and the Philadelphia North American.

Why, Mr. President, the News of this city carried the contracts which Senator CARAWAY introduced in the Senate, showing photostatic copies thereof, and on the front page of the News there was reproduced the colloquy between Senator JAMES WATSON, of Indiana, and Senator CARAWAY, of Arkansas. Does the Attorney General think that the Senate and the public believe that he does not read any newspapers at all? Does he think that the Senate and the country will believe that he has been so long in ignorance of what passed here between Senators CARAWAY and JAMES WATSON, of Indiana? Perhaps a month from now he will read what was put into the RECORD yesterday and what was in all the newspapers this morning.

I have this typewritten statement from the same gentleman who put me in possession of what I placed in the RECORD yesterday:

Add to what you have already said that the district attorney's office in New York recommended criminal prosecution and confiscation of cargo, yet Daugherty wired to release ship *J. M. Young* is a matter of record in the district attorney's office, and it might be a good idea to ask Major Clark, who is handling the case in the district attorney's office, for the facts in the congressional inquiry.

2. Wine seizure: The case referred to is the Continental Wine Co., of which Nathan Musher has been indicted only last Saturday in Philadelphia for conspiracy to violate the national prohibition act. Why did Mr. Daugherty cause the $200,000 worth of wine to be released?

This was one of the first acts of Mr. Daugherty when he came into office.

3. Director Harold H. Hart, Thomas Ready, and Michall Lynch, in New York, in the Federal prohibition department there, were indicted last November for a conspiracy to violate the Volstead Act. They released illegally 2,000,000 gallons of liquor.

When they were arraigned in court, Felder appeared for them. Since this time there has been nothing heard of the case, and criminal prosecution has come to a stop.

4. There seems to be a good bit of discussion about the George Myers pardon, multimillionaire of Ohio, who was sent to Atlanta for violation of the Mann Act.

Violation of the Mann Act—a multimillionaire of Ohio!

After the judge and district attorney recommended that he be kept in jail, Daugherty recommended to the President that he be pardoned.

One can hardly imagine a crime involving greater moral turpitude than for an intelligent, educated multimillionaire, moving in the highest circles, deliberately committing such a crime as is named and penalized in the Mann Act.

Mr. President, the Attorney General says there was nothing wrong in his conduct of the Morse case. The wrong consisted in this—in practicing a fraud upon the pardoning power. Fraud vitiates all things, a pardon as well as a deed or a contract. In the eyes of the law Morse is not pardoned. His sentence has not been served out. He was sentenced to serve 16 years, according to my recollection. He did not serve a year of it, or not much more, if that much. Why should he have had a pardon just because he was sick? Is there an unwritten law which grants pardons because felons are sick? Are there no sick men in jail now? Are none of those men sick who were convicted under the espionage act of saying something imprudent during the war and given harsh terms, which they are now serving out? They have languished in prisons year after year for merely a few words displeasing to the Government. When did sickness in a prison become a ground for a pardon?

This man Morse pretended to be dying when he was not even sick. His lawyers pretended that he was dying when they knew he was not. They claimed and he claimed that all he wanted to do was to escape the disgrace of dying in the penitentiary; he could live but a few days if pardoned, but he wanted to die a free man so that his family would not be disgraced. How did he use the clemency which the President extended to him? By keeping himself and his boys out of the war, and devoting their energies and his energies to robbing the people whose boys were on the firing line.

Mr. President, if the proper course were pursued, in my judgment, it would be this: For President Harding to have an independent investigation in Atlanta, in that penitentiary, as to what took place there while the case was being worked up in Morse's favor. He can readily secure testimony to show that the whole thing on the part of Daugherty, Felder, and the doctors that Felder selected was a willful, deliberate, consummate fraud; the pardon should be set aside, and United States marshals should be sent to Maine to bring Morse back and put him where he belongs.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The question is upon the amendment of the committee, which will be stated.

The ASSISTANT SECRETARY. On page 56, line 20, it is proposed to strike out the word "the" before the word "sheet."

The amendment was agreed to.

The ASSISTANT SECRETARY. In paragraph 312, page 57, line 7, it is proposed to strike out the word "manufactured" and the comma, and insert the same word, "manufactured," without a comma.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 9, it is proposed to strike out the word "if."

The amendment was agreed to.

The next amendment was, in paragraph 312, page 57, line 12, before the words "per cent," to strike out "25" and insert "30," and, after the words "per cent," to strike out "ad valorem" and insert "ad valorem; sashes, frames, and building forms, of iron or steel, 40 per cent ad valorem."

Mr. ROBINSON. Mr. President——

Mr. McCUMBER. Mr. President, if the Senator will yield to me a moment, I was about to suggest that the Senate disagree

to the amendment on lines 12, 13, and 14, commencing with the words "ad valorem" on line 12. That will leave the duty at 30 per cent ad valorem.

Mr. ROBINSON. Mr. President, I shall not, of course, object to the proposition now submitted by the Senator from North Dakota. I had intended to discuss the committee amendments at length. I will merely take occasion to put into the RECORD as briefly as I can some of the reasons why I think this increase contemplated in the committee amendment should not be granted, and therefore the motion of the Senator from North Dakota, now submitted, should be agreed to.

I ask the Senator from North Dakota, for my information and guidance in the discussion of these amendments, to say whether it is his expectation to make any concession on the next amendment, the one in line 13, proposing an ad valorem rate of 40 per cent on sashes, frames, and building forms of iron or steel?

Mr. McCUMBER. Mr. President, I do not think I correctly stated the change proposed by the committee. The committee will ask a disagreement to the entire proposed committee amendments on lines 12, 13, and 14. That will simply leave the rate 25 per cent ad valorem, just as the House left it. It strikes out all the rest and puts it all on a 25 per cent ad valorem basis.

Mr. ROBINSON. Very well, Mr. President. The rates proposed by the House, and which for the present will remain in the bill if the proposal now submitted by the Senator from North Dakota is agreed to, are, in my opinion, very much more reasonable than the rates reported by the committee. It may become advisable hereafter to submit an amendment covering those two items; but for the present I shall content myself with a discussion of the proposal of the Senator from North Dakota.

This paragraph relates to structural shapes. They are divided by the trade into "heavy" and "light," and they bear certain commercial names—beams, channels, joists, girders, angles, tees, and zees—which are said to be largely descriptive of their cross-section appearance. The heavy shapes are used in the construction of bridges, ships, cars, and similar structures. The light shapes are used in the manufacture of agricultural implements, fences, safes, automobiles, and related manufactures.

The conditions relating to competition in this industry are very well set forth in the Survey of the Tariff Commission, at page 7 of C-3. I shall not take the time of the Senate to read this paragraph of the Tariff Commission Survey, but I will ask that it be inserted in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

At the present time (1921) American producers have almost entire control of the home market and are able to export from 5 to 15 per cent of the country's output. For several years, however, European producers were able to market this product on the Pacific coast, the cost of transporting structural shapes from Europe to the Pacific coast being less than the cost of shipping the domestic product from Pittsburgh by rail across the continent. The war in Europe, however, brought about a lessened importation of structural shapes, and the high ocean freight rates have largely done away with any competitive advantage which foreign producers may have had with reference to cheaper transportation rates to the Pacific coast.

Mr. ROBINSON. Mr. President, the production relating to these commodities is the subject matter of considerable discussion in the Lockwood report, the intermediate report to which I have heretofore referred in connection with manufactures of brick and cement; and I ask unanimous consent to insert in the RECORD a paragraph on page 21, down to and including the bottom of page 22 of the intermediate report of the Lockwood committee.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

From 1910 to 1917 an average of 24,922 new apartments were built each year. From 1918 to July 1, 1921, the following construction in dwellings took place:

	Number of apartments.
1918	5,706
1919	1,624
1920	4,882
July 1, 1921	1,183

This shows an average of 3,642 new apartments constructed in the post-war period, so that the gross construction fell behind 73,832 apartments. The gross construction in three and a half years fell behind 4,034 more than the net construction, which, as above stated, fell behind 69,797. All these calculations are based on official figures showing a shortage of nearly 70,000 houses on July 1, 1921.

(3) Abnormal cost of construction of building.

With this astounding shortage in dwellings, there is a correspondingly astounding increase in the cost of the essential materials of building construction. The statistics of wholesale prices of building materials from January, 1917, to October 1, 1921, compiled by the Federal Bureau of Labor, show how greatly such prices have increased. Retail prices have more than correspondingly increased.

The United States Government uses 100 as a unit to indicate wholesale prices of commodities. In April, 1920, building materials reached a maximum of 341, while general commodities, notwithstanding the extent to which they, too, have been exploited in every direction, were at their highest point at 272. In December, 1920, building materials fell to 266, while general commodities fell to 189. In February, 1921, while general commodities were at 177 building materials were still at 222.

The following statistics are from the Bureau of Labor Statistics of the United States Department of Labor. They show the index numbers of wholesale prices of lumber and building materials and of commodities in general by months from 1917 to October, 1921:

Year and month.	Lumber and building materials.	All commodities.
1917.		
Average for year	124	176
January	105	151
February	108	156
March	110	161
April	114	172
May	117	182
June	127	185
July	132	186
August	133	185
September	134	183
October	134	181
November	134	183
December	135	182
1918.		
January	136	185
February	138	186
March	144	187
April	146	190
May	148	190
June	150	193
July	154	198
August	157	202
September	159	207
October	158	204
November	164	206
December	164	206
1919.		
January	161	208
February	163	197
March	165	201
April	162	203
May	164	207
June	175	207
July	185	218
August	208	226
September	227	220
October	231	223
November	236	230
December	253	238
1920.		
January	268	248
February	300	249
March	325	253
April	341	265
May	341	272
June	337	269
July	333	262
August	328	250
September	318	212
October	313	225
November	274	207
December	266	189
1921		
January	239	177
February	221	167
March	208	162
April	203	154
May	202	151
June	202	148
July	200	148
August	198	152
September	193	152
October	192	150

Mr. ROBINSON. I also call attention to two paragraphs on page 30, as follows. They are brief, and I will read them:

The total number of apartments—

That is, in New York City—

The total number of apartments, therefore, provided in new tenements erected during the past five years is only 29,120, or approximately 17 per cent more than the normal annual production before 1914.

Differently stated, there have been provided in the past five years 29,120 apartments, as against 125,000 apartments that were provided during the five years preceding the war; so that even if there had been no cessation of building the present rate of construction, taking the year 1920 or 1921, is equal to a trifle over one-fifth of the normal construction.

I also ask leave to insert in the RECORD the information furnished by the Tariff Commission in survey C-3, at page 26, being the first two tables printed on that page.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Structural iron and steel—Domestic exports (calendar years).

Exported to—	1918		1919		1920	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Gross tons.		Gross tons.		Gross tons.	
France	26,795	$2,282,957	79,665	$6,366,834	13,872	$1,347,385
United Kingdom	5,038	384,708	1,399	94,616	10,187	806,204
Canada	111,118	8,211,009	99,032	6,209,025	137,930	8,931,124
Panama	1,107	77,328	532	44,385	1,344	113,038
Trinidad and Tobago	195	27,911	41	5,017	275	38,166
Cuba	11,112	1,098,109	23,600	1,953,297	47,703	4,702,275
Argentina	3,645	391,665	13,265	1,107,146	32,320	2,532,719
Chile	5,156	659,756	9,917	1,377,593	2,489	235,552
China	4,561	562,287	6,033	576,890	*6,037	645,134
British India	865	97,947	5,365	447,470	39,840	2,547,840
Japan	24,197	3,398,470	49,920	4,360,251	89,839	6,295,271
Australia	1,537	128,122	3,216	193,764	4,020	266,988
All other	37,403	4,148,183	68,802	6,220,528	107,799	9,932,856
Total	232,729	21,468,452	360,787	28,956,816	493,655	38,394,552

Structural shapes (I beams)—Prices, wholesale, per pound, Pittsburgh, Pa.

[From Iron Age, Jan. 3, 1918, p. 69.]

	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919
	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.
January	1.550	1.40	1.15	1.75	1.20	1.10	1.90	3.25	3.00	2.80
February	1.510	1.40	1.11	1.71	1.20	1.10	2.06	3.25	3.00	2.80
March	1.500	1.40	1.15	1.70	1.19	1.10	2.40	3.54	3.00	2.71
April	1.500	1.40	1.21	1.68	1.15	1.20	2.55	3.88	3.00	2.45
May	1.500	1.39	1.25	1.50	1.14	1.20	2.60	4.00	3.00	2.45
June	1.480	1.35	1.25	1.45	1.11	1.20	2.53	4.31	3.00	2.45
July	1.410	1.35	1.30	1.45	1.12	1.25	2.50	4.50	3.00	2.45
August	1.400	1.35	1.35	1.45	1.19	1.30	2.52	4.30	3.00	2.45
September	1.400	1.34	1.42	1.41	1.20	1.35	2.64	4.00	3.00	2.45
October	1.400	1.21	1.48	1.37	1.15	1.44	2.75	3.60	3.00	2.45
November	1.400	1.13	1.57	1.29	1.10	1.60	2.86	3.00	3.00	2.45
December	1.400	1.15	1.60	1.25	1.07	1.78	3.25	3.00	2.90	2.45
Annual average	1.455	1.32	1.32	1.50	1.15	1.30	2.55	3.67	2.99	2.53
Highest monthly average	1.550	1.40	1.60	1.75	1.20	1.78	3.25	4.50	3.00	2.80
Lowest Monthly average	1.400	1.13	1.11	1.25	1.07	1.10	1.90	[1] 3.60	2.90	2.45

[1] Government price, $3.

Mr. ROBINSON subsequently said:

In connection with the remarks which I made respecting paragraph 312, I ask leave to insert in the RECORD, in addition to the matter which I then had inserted, pages 128, 129, and 130 of the Lockwood report, which relate directly to combinations among the manufacturers and dealers in structural shapes.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

(35) THE IRON LEAGUE.

The struggle of the United States Steel Co., the Bethlehem Steel Co., and other manufacturers of steel throughout the United States to enforce the recognition of the so-called "open-shop" principle not only in their own plants but in every building job in which structural steel is used, has led to many pernicious results. The proof put before your committee establishes that the so-called "open shop," as enforced by the steel companies in all their ramifications, is neither more nor less than a nonunion shop.

The union men claim that all the foremen of the steel plants are required to be nonunion men. The foremen have an association of their own into which union men say they are not admitted, and that no union man is eligible as foreman in any of the great steel works of the United States Steel or in any of their affiliated industries. A vast spying system is maintained both in the steel companies and in the unions, as a result of which men who are found to be active in the unions are discovered and deprived of work. Some of these men were witnesses before the committee. The methods by which they were detected and discharged were disclosed by their testimony.

It was in effect a black-listing system. Whether it still exists your committee is unable to determine, but intends to make further inquiry.

As before stated, it was largely because of the power of the men in the steel industry to enforce this so-called "open-shop" policy in the erection of structural steel in the city of New York that Brindell was able to blackmail many builders in the city of New York. When the pretext of calling a strike upon a building that the house wreckers of his "wreckers" union were not employed, failed him, he invariably resorted to the excuse that the builder was employing nonunion men in the steel erection.

In 1919 the labor unions made an effort to organize the great steel fabricators of the country on a union basis, but they failed. In furtherance of the struggle of the fabricators to maintain the open shop, they insisted that all steel be erected upon a nonunion basis. Officials of these corporations openly claimed on the witness stand that this interference with union labor in New York City was a necessary move on their part to prevent union conditions in their shops.

To carry this policy into effect the iron and steel industry is held in a country-wide network of organizations. Manufacturers, erectors, fabricators, and employers are interlocked in this network of organization.

Among the important members of this group are:
The National Erectors' Association.
The National Steel Fabricators' Association.
The Bridge Builders and Structural Society.
The Structural Steel Society.
The American Erectors' Association.
The above are all national associations.

In and about New York City, and organized on a similar basis and for a like purpose, there is the Iron League of New York.

Manufacturers and dealers associated in these organizations refused to deliver steel f. o. b. to any owner or builder who was under obligation to employ union labor or who independently of any such obligation operated on a union basis. He could not get his structural steel f. o. b. He was obliged to contract for it erected in place, which meant that it must be erected by what these gentlemen describe as "open-shop" labor, but which is in effect nonunion labor.

The president of the Bethlehem Steel Co. frankly admitted that the combinations referred to have been effective in maintaining the open-shop principle in connection with the erection of structural steel by refusing to sell steel to builders unless they unhesitatingly subscribed to that principle.

It appears from the testimony of Eugene G. Grace, president of the Bethlehem Steel Co., on pages 3625–3630 of the testimony, that at a meeting of the Steel Fabricators' Association held on November 28, 1919, a resolution was passed putting into operation the policy of selling fabricating material for erection only on the open-shop principle.

"Our company refused to sell fabricated steel to any builder or contractor in the New York district who will not erect it on what we call the open-shop principle.

"I do not know of any builder who can get any fabricated steel for construction in the city of New York without subscribing to that resolution. I do not know of any place where he can get it.

"The policy of selling to open-shop erectors has been the policy since September, 1919, when the American Federation of Labor attempted to organize our plants.

"Q. You deny your employees, don't you, the right of acting jointly with the employees of other concerns in dealing with you and your association?—A. We would not recognize it.

"If 95 per cent of my men belonged to a union, I would not recognize them as union men or as members of the union. I think that is better for the men."

The organizations above mentioned combine within their membership almost all the manufacturers, dealers, and erectors throughout the country, and although the open-shop policy was applied at the time of our inquiry only in the vicinity of New York, Philadelphia, and some other parts of the East it was admitted that it was intended to extend the principle throughout the country. The various associations have adopted resolutions directing their members to "adjust their business" so that the open-shop principle shall be maintained on all erection jobs.

Manifestly, this is an indirect way of excluding from the privilege of purchasing structural steel any builder who does not subscribe to the open-shop principle. Expert evidence on this subject shows the extent to which the maintenance of this policy is reflected in the cost of construction. Officers of the Fuller Construction Co. and the Thompson-Starrett Co. testified that by doing their steel-erection work themselves by skilled union labor, which is more efficient than nonunion labor, they could save large sums in the cost of construction.

Because of their inability to buy steel f. o. b. these important operators have been compelled to keep their expensive erecting equipment idle and to sublet the steel erection to a member of the Iron League, to whom alone the fabricators would sell the steel for erection in the city of New York and through whom alone they will permit it to be erected.

Since the exposures of your committee we are informed—although we have not yet had the opportunity to take proof on this subject—that the policy has been so far changed that the steel manufacturers will estimate for the furnishing of structural steel, either f. o. b. or erected in place, at the option of the builder, but this new order, it is claimed, amounts in practical effect to the same prohibition as heretofore existed.

Mr. ROBINSON. The commodities embraced in this schedule are primary structural material. It is doubtful, in my opinion, whether any tariff whatever is justified under the conditions that now exist. On page 7 of the Tariff Commission's Survey C–3 are contained figures relating to domestic production and consumption, imports, and statements relating also to the tariff history, which I ask to insert in the RECORD in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Domestic production and consumption: During the years 1910 to 1919, inclusive, the domestic production per annum has varied from 1,912,367 gross tons in 1911 to 3,110,000 gross tons in 1917. About 90 per cent of the country's output consists of heavy shapes. The consumption is about 85 to 95 per cent of the domestic production. Just prior to the war there was a marked tendency for exports to increase.

Imports: Imports are less than 1 per cent of the home production. Since 1915 Canada has been the leading contributor of the foreign supply, but during the years immediately preceding the outbreak of hostilities in Europe the greater part of the imported material came from Germany. During the years 1910–1915 over half the imported structural shapes entered the United States through the customs districts of the Pacific coast, from a third to over a half entering through the customs district of San Francisco.

Tariff: Prior to the act of 1913 specific duties were imposed on imported iron and steel beams, girders, etc. During the preceding 30 years these duties were gradually reduced from 1¼ cents to three-tenths and four-tenths cent per pound, depending on value. The law of 1913 imposed an ad valorem duty of 10 per cent, which, with the price then prevailing, was equivalent to a 60 per cent reduction in rates from those imposed by the act of 1909. The high prices resulting from the war, however, have made this ad valorem duty nearly equivalent to the specific duties imposed by the law of 1909.

Mr. ROBINSON. Under the parliamentary situation I am constrained to approve of the proposal of the Senator from

North Dakota which very materially reduces both of these items if amendments which I shall propose are rejected. I desire a vote on an amendment to the provision in line 12. I will not ask for a record vote on that amendment unless some reason develops hereafter for requiring it.

I move to strike out "30" in line 12 and insert "10" in lieu thereof, so that it will read "10 per cent ad valorem."

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The question is on agreeing to the amendment offered by the Senator from Arkansas to the committee amendment.

The amendment to the amendment was rejected.

The next amendment was, on page 57, line 13, after the words "per cent," to insert "sashes, frames, and building forms, of iron or steel, 40 per cent ad valorem," so as to make the paragraph read:

PAR. 312. Beams, girders, joists, angles, channels, car-truck channels, tees, columns and posts, or parts or sections of columns and posts, deck and bulb beams, and building forms, together with all other structural shapes of iron or steel, not assembled, manufactured or advanced beyond hammering, rolling, or casting, seven-twentieths of 1 cent per pound; any of the foregoing machined, drilled, punched, assembled, fitted, fabricated for use, or otherwise advanced beyond hammering, rolling, or casting, 30 per cent ad valorem; sashes, frames, and building forms, of iron or steel, 40 per cent ad valorem.

Mr. ROBINSON. There are no separate figures on exports and imports relating to sashes, frames, and building forms, of iron or steel, but nothing brought to my attention justifies any increase in the existing rate. I much prefer the House rate to the committee rate, and I therefore will support the proposal of the Senator from North Dakota that the Senate Finance Committee amendment be not agreed to; but before taking a vote on that I submit the following amendment: In line 13, page 57, to strike out "40" and insert in lieu thereof "15."

The PRESIDING OFFICER. The Chair suggests that the amendment striking out "25" and inserting "30" is an independent amendment, and probably should be voted on first.

Mr. ROBINSON. That is true, and I think that ought to be voted on first.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 57, line 12, to strike out "25" and insert in lieu thereof "30."

Mr. McCUMBER. I ask that that be disagreed to.

The amendment was rejected.

The PRESIDING OFFICER. The Secretary will state the next amendment to the amendment.

The ASSISTANT SECRETARY. The Senator from Arkansas proposes, on line 13, page 57, to amend the committee amendment by striking out "40" and inserting in lieu thereof "15."

Mr. ROBINSON. I think I have made a sufficiently full statement on that and put into the RECORD the reasons for offering this amendment, and I will content myself with a brief addition to my former amendment. No necessity or justification exists for even the rate proposed in the House provision. Under the parliamentary situation I am at liberty to offer a lower rate, which I do, and I am ready for a vote on it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. McCUMBER. I move to strike out "40" and insert in lieu thereof the figures "25."

Mr. ROBINSON. As heretofore stated, I am in accord with that motion, since my own amendment did not prevail.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 57, line 18, after the word "and" where it occurs the second time, to strike out "forty" and to insert "nine"; and in line 20, after the word "and," to strike out "forty" and to insert "nine"; so as to read:

PAR. 313. Hoop, band, and scrool iron or steel, not specially provided for, valued at 3 cents per pound or less, 8 inches or less in width, and thinner than three-eighths and not thinner than one hundred and nine one-thousandths of 1 inch, twenty-five one-hundredths of 1 cent per pound; thinner than one hundred and nine one-thousandths and not thinner than thirty-eight one-thousandths of 1 inch, thirty-five one-hundredths of 1 cent per pound; thinner than thirty-eight one-thousandths of 1 inch, fifty-five one-hundredths of 1 cent per pound.

Mr. ROBINSON. I make no objection to that.

The amendment was agreed to.

The next amendment was, on page 58, line 3, after the word "are," to strike out "made," and to insert "made:".

The amendment was agreed to.

The next amendment of the committee was, on page 58, line 5, before the words "per cent," to strike out "20" and to insert "35"; so as to make the proviso read:

Provided, That barrel hoops of iron or steel, and hoop or band iron, or hoop or band steel, flared, splayed, or punched, with or without buckles or fastenings, shall pay no more duty than that imposed on the hoop or band iron or steel from which they are made; bands and strips of iron or steel, whether in long or short lengths, not specially provided for, 35 per cent ad valorem.

Mr. ROBINSON. I do not believe this amendment ought to be agreed to.

Mr. SMOOT. Mr. President, before the Senator concludes what he has to say, I want to give notice now that the committee desires to make that 25 per cent instead of 35.

Mr. FLETCHER. That is better.

Mr. ROBINSON. The Senator from Utah has just informed me that the Finance Committee, in lieu of the amendment which it has heretofore reported, namely, to strike out "20" and to insert "35," will propose another amendment, striking out "20" and inserting in lieu thereof "25." Of course, the latter amendment is much more acceptable, from my standpoint, than the pending committee amendment, and while I think the rate would still be high and that the committee might very well afford to disagree to its amendment and thus leave in force the rate reported by the House, which, in my opinion, also would be higher than is necessary or justifiable, I would, of course, much prefer the amendment which the Senator from Utah says will be proposed to the one which is now pending.

This paragraph applies to barrel hoops, or such other hoops as are not otherwise provided for. The present rates are 10 and 12 per cent, respectively. The House inserted an ad valorem rate of 20 per cent, which I think is adequate, if not too high, in view of the information furnished the Senate respecting this item. The production is great, and the imports are small.

Mr. CUMMINS. May I ask the Senator from Arkansas a question in order to determine how I will vote on this question?

Mr. ROBINSON. I yield to the Senator.

Mr. CUMMINS. If the duty the Senator now mentions is reduced to 25 per cent ad valorem, would that be a higher or a lower duty than the House provides?

Mr. ROBINSON. The House having adopted its rate on the basis of the American valuation, and this rate being based on the foreign valuation, the practical effect of it would be a lower rate; but not only is the House rate based on the American valuation too high, in my opinion, but the proposed Senate rate would be too high.

Mr. CUMMINS. I have been wondering whether, if I voted to increase the rate from 20 per cent to 25 per cent, I would be voting for a higher or a lower rate.

Mr. ROBINSON. I can not answer that question any more than the Senator himself can, for the reason that the chairman of the Ways and Means Committee of the House, if I may be permitted to mention him, has announced that the American valuation will stay in this bill; that he proposes to persist in the attitude taken by the House on that subject until the snow flies, or the "cows come home," or some such characteristic statement. Of course, if we agree to a rate based upon the theory that the American valuation is not going to apply, and then the Senate conferees in the conference are compelled to recede from their position sustaining the foreign valuation, and the American valuation finally is adopted, the rate would be enormously high. In any event, even if the foreign valuation applies, I propose to show the Senate, in a very few words, that the rate proposed is too high.

On page 400 of the Summary of Information, furnished by the Tariff Commission, is contained the following statement:

Production figures of hoops and bands described in paragraph 313 are not available. In 1917 the entire output of hoops amounted to 347,186 gross tons; of bands and cotton ties to 490,893 gross tons. In 1920 the output of these products aggregated 333,440 and 388,862 gross tons, respectively.

Imports: Imports of hoop, band, and scroll iron and steel are small. In 1913 they amounted to 2,004 gross tons, valued at $300,161. These figures include some galvanized material. Since 1917 imports have been as follows:

HOOP, BAND, AND SCROLL IRON OR STEEL, N. S. P. F.

Calendar year.	Quantity.	Value.	Duty.	Ad valorem rate.
	Pounds.			*Per cent.*
1918	26,667	$2,086	$209	10
1919	55,207	5,399	540	10
1920	5,410	718	72	10
1921 (9 months)	153,719	6,995		

STRIPS OF IRON OR STEEL, N. S. P. F.

1918	81,085	$22,478	$2,697	12
1919	40,312	7,823	939	12
1920	315,293	64,430	7,735	12
1921 (9 months)	272,129	85,778		

In addition to this imported material there was a small amount of barrel hoops, fully or partly manufactured, coming into the country.

Exports of hoop, band, and scroll iron and steel in 1913 amounted to 41,019,908 pounds (6,259 gross tons), valued at $798,974. Exports in later calendar years have been as follows:

	1918	1919	1920	1921 (9 months).
Quantity .....pounds..	113,508,597	113,871,668	119,725,535	35,376,925
Value.....	$7,711,195	$6,875,586	$6,445,155	$1,656,892

With this statement and with these matters in the RECORD, and the announcement by the committee or its representatives on the floor that there is a purpose to offer, in lieu of the pending amendment, an amendment providing 25 per cent ad valorem, I shall discontinue further remarks.

Mr. SMOOT. Does the Senator want to offer his amendment to the 35 per cent rate now, or shall I offer my amendment proposing to reduce it to 25 per cent?

Mr. ROBINSON. I think I had better offer my amendment now because that in the parliamentary situation would be the proper procedure. On page 58, in line 5, I move to strike out "35" in the committee amendment and insert in lieu thereof "10," so as to read:

Bands and strips of iron or steel, whether in long or short lengths, not specially provided for, 10 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. SMOOT. Mr. President, on page 58, line 5, I move to amend the committee amendment by striking out "35" and inserting in lieu thereof "25," so it will read "25 per cent ad valorem."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. STANLEY. Mr. President, I was prepared to introduce an amendment to paragraph 312 and I was under the impression that the Senator from Arkansas [Mr. ROBINSON] was still discussing that paragraph after the amendment offered by the Senator from North Dakota [Mr. MCCUMBER] had been agreed to. I ask unanimous consent to return to that paragraph.

The PRESIDING OFFICER. The Senator from Kentucky asks unanimous consent to return to paragraph 312 for the purpose of offering an amendment. Is there objection? The Chair hears none, and it is so ordered.

Mr. STANLEY. As I understand, the Senator from North Dakota has already suggested an amendment to this paragraph striking out 30 per cent ad valorem in the case of steel "fabricated for use or otherwise advanced beyond hammering, rolling, or casting."

The PRESIDING OFFICER. The Secretary will state the parliamentary situation with respect to the amendments in paragraph 312.

The ASSISTANT SECRETARY. In line 12 the committee amendment was disagreed to, proposing to strike out "25" and insert "30," leaving 25 as the rate per cent ad valorem; in line 13, the numerals "40" were stricken out and "25" inserted in lieu thereof, leaving the rest of the amendment as it now reads.

Mr. ROBINSON. I myself offered amendments reducing 30 per cent, in the first instance, in line 12, to 10 per cent, and reducing 40 per cent, in line 13, to 15 per cent, and those were both voted down.

Mr. STANLEY. As it now stands it is 25 per cent ad valorem in each case?

Mr. MCCUMBER. That is correct.

Mr. STANLEY. Mr. President, the rescission from the position previously taken by the committee is indicative of a lack of confidence in the duties formerly proposed. This reduction should be infinitely more sweeping than it is.

It has been said that steel is the vertebræ of our industrial life. If there is any part of that steel which is essentially the very backbone of the steel industry it is the steel girder and the steel beam. One-tenth of all the pig iron produced—and we produce more pig iron than all the rest of the world—is converted into girders, I-beams, or other structural shapes. From one-seventh to one-tenth of all the steel made in the United States finds its market ultimately in some form of structural shapes.

The Tariff Commission in its report on structural shapes, says:

Structural shapes vary in size, weight, and form, according to the uses to which they are to be put, but they are broadly classified into heavy and light. Those classified as heavy have a leg or web of 3 inches or over and are used in the construction of buildings, bridges, cars, ships, etc. Light structural shapes have a leg or web less than 3 inches and are used in the manufacture of agricultural implements, bedsteads, fences, safes, automobiles, and other articles requiring light section.

This form of steel meets the eye wherever it is turned—upon a culvert or bridge, at every lofty structure, an agricultural implement of any complexity, and retiring to your bed at night, if it is an iron bed, you find some sort of steel fabricated into a structural shape.

Three million tons of steel are fabricated into these shapes, and there is absolutely no necessity from any point of view for one single solitary cent of protection. We could take off the 30 per cent duty, and that is practically what the committee have proposed, because it does not make any difference whether it is 25 or 30 per cent specific duty, or whether you propose seven-twentieths of a cent per pound, for that is 28 per cent of the cost of production.

A duty of 25 per cent on structural shapes guarantees to the steel corporation, which produces more than 50 per cent of the $60,000,000 worth of structural shapes, the right to extort 25 per cent more from every edifice that is constructed, from every road that is built, from every baby buggy or bed that is made, from every agricultural implement used in tilling the field or harvesting the grain.

The plants of the Old World are small, pitiful, and obsolete compared with the magnificant structures erected in this country for the fabrication of steel from the bloom and the billet. When you have finished steel, when you reach the point where you are making razor blades and knives and roller skates and articles of cutlery and things of that sort, they are made all over the country in little inexpensive establishments. But the concerns which are rolling steel must have from $20,000,000 investment up.

It must be remembered that steel is never touched by a man's hand in a properly operated mill from the time the ore leaves the mine or the range until it comes out complete and is lifted by a bar magnet upon the cars to be shipped to its ultimate destination. The iron comes from the blast furnaces in a great ladle, which is nothing more nor less than a moving car; several tons are dumped into a steel converter in an open-hearth furnace, and is poured from that furnace into a mold five feet high, and a great crane that can lift that mold as lightly as if it were a feather, handling it with absolute accuracy, drops it upon the rolls and then half a dozen men, as the Senator from Alabama [Mr. UNDERWOOD] has said, operate those rolls from their lofty perches near the roof of the building, and direct those mightly cranes and start them in motion, and the bloom is transformed into a plate of whatever shape it is desired and is cut ready for use.

The labor cost in producing a ton of pig iron is 71 cents, according to the authentic figures given by the Tariff Commission. The labor cost in producing a ton of structural shapes is two dollars and a few cents, and the great majority of the laborers who work on that are foreign born and were brought here a few years ago. There is no basis here for the argument you must pay American labor more than you pay the labor of France or England or Germany. Three-fourths of the men who handle the material up to this time, whether they are digging coal or the ore or operating the blast furnaces, with the exception of a few skilled men, are in the main foreign born. Be that as it may, the labor cost is but a fraction of the duty imposed.

Were you to place all structural shapes on the free list, the Senator from Utah or the Senator from North Dakota can not show me one spot in this country where they could establish the business of selling structural shapes outside of the Pacific coast. It would be impossible, unless the difference in the price charged by a monopoly here and by the producer abroad would overcome those handicaps which Mr. Carnegie himself said are prohibitive. It must be remembered that the man who made more structural shapes than any other man in the world was Andrew Carnegie. He started out with a concern that was making a few thousands tons of it, and he multiplied the production 1,000 per cent. If Andrew Carnegie had never stopped making structural shapes, in my opinion, we would have had no World War. There would have been no rivalry between England and Germany for a place in the sun. He would have been the ironmaster of the world.

A few years ago I discussed the necessity for a tariff upon these various structural shapes that are the backbone and vitals

of the industry. I venture the assertion that outside of steel rails there is nothing that enters so essentially into the industrial life of America as do the structural shapes which are covered by paragraph 212. The chairman of the Committee on Interstate Commerce [Mr. CUMMINS] honors me by his attention here this afternoon. He knows that the vital question now is, How can we reduce the rates charged by the railway carriers for the transportation of agricultural products without bankrupting the railroads? The question of economy of railroad construction is involved. The only difference between a steel girder or beam and a steel rail is that, as a rule, the beam or girder has the same flange on the top and bottom, whereas in the rail there is a little difference in the flanges; but the same construction applies. Railroad cars are in the main made from these structural shapes; ships are made from them. Why guarantee to the United States Steel Corporation the right to charge 25 per cent more than a foreign competitor would charge who can not enter the American market anywhere except, perhaps, on the Pacific coast?

I desire to read into the record some of the testimony of Mr. Carnegie, given January 11, 1912, when he testified here in the city of Washington on this subject, as appears on page 2446 of the hearings before the committee investigating the Steel Corporation. He had referred to the fact that at one time he had advocated a duty on steel. Mr. STERLING asked Mr. Carnegie:

The day of infancy has passed with the steel industry in this country, has it not?

Mr. CARNEGIE. Long ago.

Mr. STERLING. What do you think about it now?

Mr. CARNEGIE. Was I not before you in Congress two years ago, and did I not tell you that you need not have any duty on steel?

Mr. STERLING. I believe you did.

Mr. CARNEGIE. And I wish to confirm it. A gentleman on the New York Times—Mr. Smith, ex-president of the Chamber of Commerce of New York—a personal friend, when I had said to President McKinley when he went up to make his reciprocity speech at Buffalo, came out, saying, "I wish to corroborate what Mr. Carnegie has said." I was present and heard him tell President McKinley that there was no need for a tariff on steel.

I have never appeared before Congress without urging reductions. It was $28, and got down to $4—

He is speaking about rails now—

and there is no more use of keeping that $4 a ton on in the tariff than that you should protect your grain.

Mr. GARDNER. Are you speaking of steel rails entirely?

Mr. CARNEGIE. That is what he asked me about—steel rails.

Mr. GARDNER. I think he asked you a little more, generally, than that.

Mr. STERLING. Would you say the same thing with reference to all steel manufactures?

Mr. CARNEGIE. Yes; with reference to all steel manufactures, unless, unknown to me, for instance, there might be such a case as needles. I do not know whether we make any needles yet in this country. Do you?

Mr. STERLING. I do not.

Mr. CARNEGIE. Do you know, Judge?

Mr. REED, Sr. No.

Mr. CARNEGIE. It is a great business. If the men came to me and I was in Congress as you are, and said: "We want to go into making needles in America, and none are made now, and we need a tariff"; and if I looked into it and satisfied myself that they did, I would consider it statesmanship to give those men protection in the infancy of that manufacture.

Mr. STERLING. Are we manufacturing heavy steel, steel rails, and other steel, as cheaply now as they do in Germany?

Mr. CARNEGIE. I think so; except for a small concern in Germany that has a small deposit of ore that justifies two little furnaces only being built. That is very often quoted in connection with the statement that Germany can make steel so cheap. But the product is so small that it is a negligible quantity.

I believe if you had free trade for steel of all kinds throughout this Republic the amount imported would be trifling.

Mr. STERLING. We are paying higher wages, are we not, for steel workers than they do in Germany?

Mr. CARNEGIE. Higher per man; but the product per man is another thing.

You can not compare the machinery that we have for steel and the machinery that older countries have. They have not the market for the steel that justifies these enormous mills.

Mr. REED. Is Judge Sterling asking about Mr. Carnegie's knowledge of conditions when he left the steel business, or about the conditions of to-day?

Mr. STERLING. I am asking about the conditions now, at the present time. That is the way I put my question.

Mr. GARDNER. He testified that he did not know in regard to the last 10 years. I am giving you my opinion, remember, Judge.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Georgia?

Mr. STANLEY. Certainly.

Mr. WATSON of Georgia. The Senator from Kentucky no doubt remembers that when they were building the Manchurian railway American steel companies underbid England and Germany for the rail contract and furnished steel rails for those Manchurian railways.

Mr. STANLEY. Mr. President, Canada imposes a preferential in favor of Great Britain of 27 per cent on structural shapes and a general tariff of 42½ per cent, yet the Jones-Laughlin Co. testified that they overcame that differential and sold at a profit in Canada and are doing it right now. We can lay steel rails down in England cheaper than they can produce them there; we can put structural shapes in London cheaper than they can be produced at home.

It must be remembered that when it comes to talking about the labor costs in the iron and steel and coal business it is mere moonshine. We pay 40 per cent more to a coal miner in the United States than a miner receives in Wales, but the output of the American coal miner is 300 per cent as great as that of the Welsh miner. To-day we are producing coal at $1.50 a ton less than it is being produced at Cardiff, in Wales, at starvation wages. We are digging ore cheaper than it is dug anywhere in the world; we are producing coal cheaper than it can be produced anywhere in the world; we can produce pig iron cheaper in Pittsburgh than it can be produced anywhere in the world. Julian, the greatest expert on the production of blast furnaces that civilization ever saw, who is to his business what Edison is to electricity, who built the Lucy furnace for Carnegie, who built the great furnaces at Gary, Ind., and who has built furnaces in Great Britain and India, has said that OSCAR UNDERWOOD'S people in Birmingham, Ala., could produce pig iron $3 cheaper than they can produce it even in Pittsburgh.

Mr. WATSON of Georgia. They have a monopoly of the open-hearth process, as I understand.

Mr. STANLEY. Exactly. Now, to get down to structural shapes. Mr. STERLING asked Mr. Carnegie—

Do you think we could compete in structural iron and steel now with foreign countries without a tariff?

Mr. CARNEGIE. I do; I do.

The CHAIRMAN. I would like to have you amplify that statement, Mr. Carnegie. Why should not the Germans ship structural iron and steel here to build skyscrapers in Chicago and New York and Washington?

Mr. CARNEGIE. Because the United States Steel Co. would not let them.

Gentlemen, let me say one word about a protective tariff: It does not put the foreigner on the same basis as it does the native when the duty is removed. We are a community here.

If you want to build a house, Mr. Chairman, on Fifth Avenue, and you need steel beams, and you are living in New York, you want to buy them from your neighbors, do you not? Because some day your neighbor will be wanting something that you are interested in.

The CHAIRMAN. When I build my palace on Fifth Avenue, I am going to get a steel home.

Mr. CARNEGIE. Then, besides, you are patriotic. I never knew an American who was not, and I do not know what I would not do to an American that was not patriotic, with such a grand country as this, the land of triumphant democracy.

Then this very practical man, who had made and sold more structural shapes than any other man since Adam, goes on to tell of the disadvantage under which the foreign manufacturer labors in selling structural steel shapes in the American market:

Gentlemen, the foreigner who supplies this market must have an agency in New York and pay commissions. He must pay freight rates to the seaboard. He must pay freight rates inland. But, mark you, you give an order for steel, and you want to be mighty sure that the steel will be delivered, and if there is a mistake in the specifications and a lot of bars are wrong and do not fit and your edifice is delayed—you do not want to run that risk. If you are a wise man, you will get your steel from Charlie Schwab, at Bethlehem.

* * * * * * *

Mr. CARNEGIE. Then to do any effective business the foreigner must have a big yard here, with all the sizes that he can deliver for a prompt job—everything that is wanted.

Gentlemen, the difficulties, the disadvantages of buying foreign material to use in this country, positively none of you can grasp. You have to experience them to fully understand them.

Therefore we have a tariff against foreign steel, even if there was no rate of duty imposed. The foreigner labors under severe disadvantages, and you need have no fear on that score.

Take this from me: Don't you be alarmed. The foreigner will not send steel to this country.

Reference has been made here to some imports of steel amounting to a few hundred thousand dollars coming into this country. As bearing upon that question I desire to quote the following from Mr. Carnegie's testimony:

Mr. STERLING. Is it not true that the foreign manufacturer has controlled the iron and steel market on the Pacific coast, and is doing so now largely?

Mr. CARNEGIE. Let me show how you come into a different atmosphere there.

Mr. STERLING. That is true, is it not?

Mr. CARNEGIE. Well, yes. I think the Pacific coast is entitled to get foreign steel in there. You have 3,000 miles, you might say, in round numbers, 2,500 miles even from Pittsburgh, 2,000 from Chicago, and very high rail freights, and there your purchaser in San Francisco is at the same disadvantage, so far as American products are concerned, as is the eastern purchaser or the purchaser in other portions of the country away from the Pacific coast if he purchases from Britain, because he is far away from the source of supplies and mistakes can not be rectified, and so on.

Ships going away from San Francisco are loaded with produce, etc., but they come over here empty, and they are willing to take steel at excessively low rates. I think that no manufacturer on the Atlantic seaboard should deny the Pacific seaboard access to material that they need for building there.

But let us assume for the sake of the argument, Mr. President, that it is the policy of this country not only to equalize the cost of production at home and abroad but to equalize the cost of transportation, too, and to say that if any foreigner can ship to San Francisco a ton of steel for less than the manufacturer in Pittsburgh can send it 3,000 miles, then every other market in the United States must be artificially boosted until that manufacturer can charge in New York, and in New Orleans, and in Chicago, and in Louisville, and in Memphis a sufficient profit to enable him to pay a 2,500-mile rate and sell at a profit in San Francisco. What is the fact? How much is coming in at San Francisco? One-half of all the structural shapes that come into the United States come into the port of San Francisco, less than 7,000 tons; and if the chairman wants my figures I have them here and will put them in the record—less than 7,000 tons. As compared with our production of these vital things that make beds, and houses, and farming implements, and roads, and bridges, and warehouses, and ships, and cars, less than 1 per cent comes in. Less than $800,000 worth is the most that has ever come in during the last 10 years in any one year, and our exports amount to from 10 to 15 per cent of our entire production. In 1918 more than $23,000,000 worth were shipped abroad; and while we are building cars and erecting bridges and structures in Canada, in Quebec, in Rio de Janeiro, in Buenos Aires, around the world, while we are shipping to Canada and to Japan, while great merchantmen loaded with our steel products are landing them in the Land of the Midnight Sun at less than they get for them here at home, you say, in the face of such testimony as that: "If the Steel Corporation want to have their profits insured, we will guarantee them that no competition shall come in from abroad without paying 25 per cent on the value of the product to do it."

I am amazed, utterly amazed, at the brazen, callous unconcern that is exhibited. "Whom the gods would destroy, they first make mad." Do you think that the intelligent purchaser in this country is asleep, or dumb, or stupid? Do you dream that the purchaser of $60,000,000 worth of structural shapes will never know what you have done to him? There is a demand for economy.

Railroads are attempting to get the advantage of a cheaper market. The makers of these same structural shapes, I will say to the chairman of the committee, took this Government by the throat when it fought yonder at Verdun and at Sedan for its life, and your War Department secured a modification of the law by which they could secure competition and buy structural shapes for the construction of the works on the Panama Canal and for the construction of their ships. But yesterday the Senator from Wisconsin [Mr. LA FOLLETTE] introduced here a resolution to investigate the legality of another titanic combine that designed to share the enormous earnings of this concern. To-day the cost of producing these same structural shapes, according to your own figures, prepared by your own Tariff Commission, is about $25 a ton, taking one year with another. They are selling this stuff at over $30 a ton. They are making now from 20 to 30 per cent, and you guarantee them 25 more. "Walk blindfold on; behind thee stalks the headsman!"

There is nothing in all the ingenuity of the fallacy of protection; there was never a sophism invented to defend or to extenuate the despicable policy that applies to this schedule. The cost of production is admittedly lower here than abroad. We are producing structural shapes from $2 to $5 a ton cheaper than they are produced at this hour in Belgium or Germany or Great Britain, or anywhere else on the reeling earth.

You say you want to protect American labor, when American labor has as little to do with it as the single man driving one of these tractors with 10 plows behind it has to do with the labor cost of fallowing a field. I defy the chairman of this committee, with all his expert knowledge, to go through the thousands of pages in these reports and show me one industry to-day between Cape May and the Golden Gate where human labor is represented by as little cost as in the production of pig iron and semifinished steel.

The labor cost of producing a ton of pig iron, according to your own figures, is 71 cents; and do you know what happens in this great furnace? From the time the ore was dug on the Mesaba Range until it finds its gleaming, molten way into a great ladle it costs 71 cents a ton. When that ladle is full, an operative, as the Senator from Alabama has well said, touches a button, and a steam locomotive, with perhaps 20 cars spilling the gleaming, spitting stuff, roars into a great mill, and these cars are automatically dumped into open-hearth furnaces holding many tons, and there they boil and seethe like a caldron; and then that furnace is tapped and it is poured into another mold, and in that mold it cools until it has the consistency of pitch, and it is lifted white hot onto a set of rolls, and when it comes out it is structural shapes; and maybe a dozen men have had charge of it—an operation of an hour or two, a few cents of human labor, and 3,000 per cent added to its value! The labor cost is negligible.

They have not the same kind of machinery in the Old World. They are not comparable. There is no question of equalizing labor costs; no question of cost of production; no question of dumping. All the cartels of Germany can not dump a ton of structural shapes in the United States unless the Steel Corporation is willing to have it done. More than that, you can not sell structural shapes like you sell cotton or corn or wheat. You produce your wheat, and anybody can sell wheat. It sells itself. You sell it in the open market of the world.

We produce tobacco. We sell it in the open market of the world. We produce corn. It is sold in the open market of the world. You can not sell structural shapes in that way. Those shapes are sold, as the Senator from Alabama knows, before they are made, as a rule. They are sold on contract. They must be of a certain tensile strength, of certain dimensions, and then they go to jobbers who are controlled by the great corporations, who are part of the great corporations, like a great lumber yard, and these contractors contract with this jobber for so many girders of such a length.

Why, the other day I went down here to Ironton, Ohio, to the dedication of a bridge spanning the Ohio River that cost nearly $1,000,000; and every piece of iron or steel in that bridge was sold before the white-hot metal ever left the furnace. Every piece came there ticketed and numbered, a few carloads at a time; and when they finished the structure of that bridge you could carry off in a wheelbarrow everything that was left. The same thing is true of your buildings here. What fool, what driveling industrial ass, would construct a great depot or hotel or bridge and expect to convert specifications in the metric system into feet and inches and to supply his orders from Antwerp or Brussels or London?

I ask the chairman of this committee or any other champions of a protected Steel Trust, of a subsidized monopoly that is now under indictment for being a monopoly and in combination with the Brick Trust and the Cement Trust as well, to show me where one great single structure has ever been built in the last 10 years between the North Woods and the Gulf of Mexico out of imported steel. There is no excuse for it, except that the people that you love, and who love you, and who make 50 per cent or more of this stuff—the richest, the greatest monopoly that the world ever saw or ever will see, with two billions and over of wealth—have said, "We want our pound of flesh; we want to maintain our schedules; we want this guaranty of immunity from any possible competition"; and docilely, unquestioningly, and stupidly you will give it.

Mr. President, I wish to offer an amendment providing for one one-thousandth of 1 cent a ton on these various articles in place of 25 per cent ad valorem.

Mr. McCUMBER. I do not understand that there is any agreement to reconsider this section at the present time. We passed some time ago the section about which the Senator has been talking, and have passed another paragraph since then.

Mr. STANLEY. The Senator agreed to return to it, I understand.

Mr. McCUMBER. The Senator said he would return to it, and the Senator has returned to it.

Mr. ROBINSON. I suggest to the Senator from North Dakota that he permit a vote to be taken upon the amendment of the Senator from Kentucky.

Mr. McCUMBER. If the Senator will ask that the vote by which the amendment was agreed to may be reconsidered, so that he may offer an amendment, I will gladly consent.

The PRESIDING OFFICER. As to which amendment does the Senator desire the vote reconsidered?

Mr. STANLEY. I offer this amendment, in place of seven-twentieths of 1 cent a pound, to insert one one-thousandths of 1 cent a pound.

The PRESIDING OFFICER. That is an amendment to the text of the bill, and under the unanimous-consent agreement it will not be in order until the Senate committee amendments are completed.

Mr. ROBINSON. I call the attention of the Senator from Kentucky to the fact that, as I think I suggested in my remarks, the provision is not now subject to amendment under the rule under which we are operating.

Mr. STANLEY. I can not offer an amendment?

Mr. ROBINSON. The Senator can not offer an amendment at this time. After the committee amendments have been disposed of the Senator's amendment would be in order.

Mr. STANLEY. I understood Senators had been offering amendments to lower the rates in the bill.

Mr. McCUMBER. Only affecting committee amendments.

Mr. CUMMINS. Let me understand. When the time comes to offer an amendment on the floor, I expect to have some to offer to this schedule; but the duty of seven-twentieths of a cent per pound has not been changed by the committee, as I understand it, and there is no committee amendment pending.

Mr. McCUMBER. There is not.

Mr. CUMMINS. Therefore that could not be dealt with at this time?

Mr. ROBINSON. Not until all the committee amendments have been disposed of.

Mr. CUMMINS. Precisely. I wanted to keep the matter in order.

Mr. FLETCHER. I call the Senator's attention to the fact that it is in order to amend in line 12, where 30 per cent is provided for, so as to make that whatever he likes, and, in line 13, to change "40 per cent" to whatever he likes.

Mr. STANLEY. I thank the Senator. I will then offer an amendment——

The PRESIDING OFFICER. Those amendments have already been agreed to. Has the Senator asked that the vote by which they were agreed to be reconsidered?

Mr. STANLEY. I ask that the vote by which the last-mentioned amendment was agreed to be reconsidered.

Mr. SMOOT. I want to say to the Senator that his discussion had nothing whatever to do with the articles the rates on which he is now undertaking to amend.

Mr. STANLEY. I am talking about paragraph 312.

Mr. SMOOT. But the ad valorem rates, which have already been agreed to and reduced, have nothing whatever to do with the structural shapes of iron or steel.

Mr. STANLEY. Wherever there is a hole in them, wheresoever they are fabricated in any way, this new rate would apply.

Mr. SMOOT. The Senator does not think the foreigner would put a hole in them and pay a higher rate?

Mr. STANLEY. No; but the producer would cut a hole in them and get a better rate.

Mr. SMOOT. But whenever the hole is in it there is a higher rate, and no fool would put a hole in it and have to pay a higher rate.

Mr. STANLEY. I want to stop the fool from putting a hole in it and getting a better rate.

Mr. SMOOT. That is not the question. That story of people putting holes in these things was exploded in 1909.

Mr. McCUMBER. Allow me to suggest to the Senator from Kentucky that the amendment he wants to make would apply to the other portion of that paragraph, and it seems to me that inasmuch as that will come up again, he had better defer his amendment until general amendments are in order.

Mr. STANLEY. I am perfectly willing to defer it until it can be offered, but I wished to get a vote on it at this time if possible.

Mr. FLETCHER. Let me ask the Senator if he does not want to reduce the duty on this fabricated product?

Mr. ROBINSON. I offered an amendment myself reducing that.

Mr. SMOOT. And that has been voted on.

Mr. McCUMBER. I will say to the Senator from Florida that the Senator from Arkansas offered two amendments there, and they were voted on.

Mr. FLETCHER. I remember that, but I did not know that the Senator from Kentucky proposed to make the rate still less.

Mr. McCUMBER. I assume that the Senator from Arkansas made it as low as he thought it ought to be.

Mr. ROBINSON. The amendments I offered would not have made the rates as low as I thought they should be.

Mr. McCUMBER. Mr. President, the Senator from Kentucky has several times sent his defy across the aisle to the Senator from North Dakota, and I want to say to the Senator just now that that probably will be accepted some time later. I stated to the Senator from Alabama a short time ago that I did not desire to cross a bridge until I came to it, and I will say to the Senator from Kentucky that I do not wish to go back to a bridge which I have already crossed, especially as I am certain that in the cycle of events I shall get back to that bridge anyway, when I shall discuss that part of it.

The next amendment of the committee was, in paragraph 315, page 58, line 17, after the word "valued," to insert the word "at," so as to read "valued at over 4 cents per pound, six-tenths of 1 cent per pound."

The amendment was agreed to.

Mr. FLETCHER. Have we disposed of the amendment on page 58, line 5?

The PRESIDING OFFICER. That amendment has been disposed of.

Mr. ROBINSON. Mr. President, before proceeding to paragraph 315, I wish to make a brief statement respecting paragraph 314. No committee amendment to that paragraph is proposed, and therefore no amendment reducing the rate on cotton ties would be in order at this time. However, as the question will undoubtedly arise hereafter in connection with an amendment when the same is in order, I want to put into the RECORD a very brief statement relative to this subject.

The production of cotton ties, which are now on the free list, in the United States is limited to 6 plants—4 in Pennsylvania, 1 in Georgia, and 1 in Alabama. The total output of these factories is between 2,000,000 and 3,000,000 bundles annually, each bundle weighing 45 pounds, making, upon the maximum product, 135,000,000 pounds.

Under the rate imposed in the bill, line 11, page 58, there would be approximately $405,000 added to the cost of the producers of cotton in marketing the same by reason of the tax on ties if this provision prevails, and the amount of the tariff should be reflected in the price of the ties.

The imports, as appears from page 403, are almost negligible. I ask leave to insert in the RECORD a paragraph relating to imports found on page 402 of the Compilation of Surveys made by the Tariff Commission, and also the paragraph relating to exports, which shows that the exports considerably exceed imports of this commodity.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Imports of hoop or band iron, etc., in 1915 were 1,416,538 pounds, valued at $22,552. Later statistics follow:

Calendar year	Quantity.	Value.
	Pounds.	
1920	131,370	$5,952
1921 (9 months)	1,055,365	32,883

Exports are irregular; they depend almost entirely upon the cotton crop and English competition. It is roughly estimated that in recent years they have ranged somewhat over 1,500,000 pounds annually.

Important changes in classification: Hoop or band iron or steel used for baling cotton or any other commodity has been transferred from the free list of the act of 1913 (par. 509).

Mr. FLETCHER. Mr. President, before passing by these various paragraphs, I wish to read a copy of a letter which was written by the Cleveland Twist Drill Co., of Cleveland, Ohio, with reference to the duties in schedule 3 as affecting high-speed drill steel. In that letter the writer states:

CLEVELAND, OHIO, *April 18, 1922.*

Mr. JAMES L. BRUFF,
Counsel the Drill & Reamer Society,
116–120 West Thirty-second Street, New York City.

DEAR MR. BRUFF: There has just come to hand a copy of the Fordney tariff bill as reported to the Senate with the McCumber amendments. In this amended bill as now before the Senate we note that the duties on tungsten, tungsten products, and steels containing tungsten have been increased considerably as compared with the duties in the original bill. There has also been a slight increase in the "basket" clause, which we assume is the one that covers small tools, i. e., drills, reamers, taps, milling cutters, etc.

In "Schedule 3, metals and manufactures of," the bill, as reported to the Senate, provides in paragraph 304 that steels valued above 16 cents a pound pay an ad valorem duty of 25 per cent. In paragraph 305, on all steel containing more than 0.6 of 1 per cent of tungsten an additional 10 per cent ad valorem is levied, and also an additional cumulative duty of 72 cents a pound on the tungsten content in excess of 0.6 of 1 per cent. In paragraph 393, which is the "basket" clause, articles composed wholly or chiefly of iron, steel, etc., are assessed a duty of 40 per cent ad valorem.

Assuming "high-speed" drill steel to have a foreign value of 50 cents a pound and to contain 18.6 per cent of tungsten, we calculate the duty, under the Senate bill, on this steel as follows:

Under paragraph 304, 25 per cent of 50 cents equals	$0.125
Under paragraph 305, 10 per cent of 50 cents equals	.05
Under paragraph 305, 18 per cent of 72 cents equals	.1396
Total	.3146

This duty is equivalent to 62.9 per cent of the foreign values, and is more than one and one-half times the duty on "high-speed" drills under the "basket" clause.

The high-speed steel manufacturing interests will undoubtedly take advantage of the high duties on their products to raise the price of high-speed steel to their customers. Foreign small tools similar to what we manufacture will pay a duty less than two-thirds the duty on the raw steel itself. These tools, which can be made in Germany and England by labor receiving a lower scale of wages than American labor, thus enjoy a double advantage over American-made tools; that is, they have an advantage in a lower labor cost to convert the steel into tools, and also a lower import duty on the tools themselves when compared to the steel from which they are made.

In the past we have always purchased "high-speed" steel from American makers and are not now looking for foreign sources of supply to the detriment of American steel producers. However, we believe that a tariff which places higher duties on tungsten and tungsten steels than on finished tools containing tungsten will injure the producers of these products as well as the industries which use materials containing tungsten. Foreign manufacturers can buy tungsten from Burma and China without paying the 60 cents a pound plus 25 per cent ad valorem duty demanded by this bill. They can make this tungsten into low-cost steel and convert this steel into "high-speed" tools which will have a relatively low value. These low-priced tools, when sold in the American market, will deprive American steel makers of just that much of their market for the steels which they manufacture.

In normal times the Cleveland Twist Drill Co. employs over 1,200 workmen, of which about one-quarter produce tools for export. By reason of the slump in foreign exchange we have lost practically all of our export trade. With the recent improvement in foreign exchanges we are regaining this export business. However, if the cost of our raw material will be raised by means of this tariff until it is much higher than the price which foreign manufacturers must pay for their steels, we can not hope to recapture our old export business and again give employment to our workmen who made tools for export.

We feel that the economic unsoundness of a high "raw-material" duty versus a low "finished-product" duty should be pointed out to those who will be responsible for safeguarding the livelihood of American workmen in the basic and highly technical industries of tool production. "High-speed" tools made of tungsten are essential to the low-cost production of iron and steel products of every description. Every increase in the cost of "high-speed" tools will be reflected in increases in the articles which are produced by their means. Unreasonably high duties on the basic raw materials entering into the production of "high-speed" tools therefore add to the handicap which American machinery and equipment will have to carry in the struggle for foreign trade.

Yours very truly,

THE CLEVELAND TWIST DRILL CO.,
L. B. WEBSTER, *Assistant to President.*

I want to refer to another letter, written to me by the Poldi Steel Corporation of America, in which they say:

As American citizens we protest vigorously against the destruction of our business, particularly in view of the fact that our Government will not benefit from the standpoint of revenue, but, indeed, will lose the substantial revenue now obtaining.

The first letter refers to paragraphs 301 and 305. This letter refers to all the paragraphs, 304 to 316, inclusive. I am reading it now because we are dealing with paragraph 315. I have not referred to these matters before because they would not have affected the vote as to any of these amendments in any case, but they ought to appear in the RECORD as throwing light on this whole situation.

The letter to which I now refer, dated August 18, 1921, I ask to have inserted in the RECORD.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *August 18, 1921.*

Hon. DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.

DEAR SIR: Annexed to this letter you will find a pamphlet submitted by the "American Importers of Fine Steels," which association includes practically all of the American concerns engaged in the business of importing "fine steels" from Europe.

The pamphlet treats the subject in a liberal business way. Details are available to substantiate all claims set forth.

We do not believe it to be the intention of Congress to impose a barrier to the importation of "fine steels" to the extent that such importation will be eliminated and consumers of "fine steels" in this country left to the mercy of domestic manufacturers and a monopoly thereby created.

As American citizens we protest vigorously against the destruction of our business, particularly in view of the fact that our Government will not benefit from the standpoint of revenue, but, indeed, will lose the substantial revenue now obtaining.

The "American Importers of Fine Steels" has applied for a hearing before the Senate Finance Committee, and at this hearing will be prepared to substantiate the following claims made by us:

1. That with the passage of the proposed Fordney bill with respect to the tariff on "fine steels" (secs. 304–316), a substantial revenue now accruing to our Government will be cut off.

2. That the small quantity of "fine steels" now imported into this country (2 per cent of the total consumption here) can not be considered competitive, as the imported "fine steels" do not undersell similar grades of American steels because the imported product commands higher prices, due to their quality; therefore it can not be claimed that American industry is threatened, hence the proposed increased duty will only result in the creation of a monopoly which will have the American purchaser at its mercy.

3. That the proposed duty, in addition to causing loss of revenue and creating a monopoly, will invite retaliation from foreign Governments whose citizens export "fine steels" into this market. This power of retaliation is far more serious than ever before, inasmuch as the war has taught foreign countries to use substitutes for our products. These substitutes they will undoubtedly resort to if the necessity occasions.

Surely an industry where 98 per cent of the consumption is manufactured domestically, and which has been developed in this country for more than 40 years, can not be seriously interfered with by foreign imports to the extent of 2 per cent.

A monopoly that the proposed duty confers upon the American manufacturer will force the consumer to pay higher prices and thereby disappoint a public who looks to the present administration to restore "normalcy."

We urge upon you that we have overproduction in almost every line of manufacture; that an outlet must be found for our surplus, and that the few things which we can import go only a small way toward paying for our exports; that the unemployment, doubt, distress, and anxiety which are present in America are surpassed by the rest of the world. This condition is reflected by our fast disappearing foreign trade, which automatically drags down with it our internal commerce, leaving in its wake idleness and discontent in our body politic.

Yours very truly,

POLDI STEEL CORPORATION OF AMERICA,
JOHN B. SMILEY, *President.*

The next amendment of the Committee on Finance was, in paragraph 315, page 58, line 20, after the words "shall be," to strike out "classed" and to insert "classified," so as to make the proviso read:

Provided, That all round iron or steel rods smaller than twenty one-hundredths of 1 inch in diameter shall be classified and dutiable as wire.

Mr. ROBINSON. Mr. President, I have no objection to this amendment, but inasmuch as the Finance Committee has not proposed an amendment to the paragraph and for that reason amendments from the floor are not now in order, I wish to discuss briefly the subject of the paragraph, namely, wire rods. This has a great variety of uses, including horseshoe nails, which are now on the free list. Imports have grown very much smaller since the beginning of the war and are practically negligible now. In 1913, when I think the imports were higher than at any other time, there were 17,000 tons imported and during the same year 74,000 tons exported. While I think the rate should be very materially reduced, no amendment can be offered at this time. Further discussion will therefore be reserved until the parliamentary status permits the offering of amendments from the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The READING CLERK. The next amendment of the committee is in paragraph 316, page 59, round iron or steel wire, in line 22, where the committee proposes to strike out "20" and insert "35," so that it will read "35 per centum ad valorem."

Mr. McCUMBER. Mr. President, the Senator from Missouri [Mr. SPENCER] and the Senator from Pennsylvania [Mr. PEPPER] are both interested in this paragraph and both are absent from the Chamber. I think the Senator from Pennsylvania is absent from the city. Therefore I will ask that the paragraph be passed over.

Mr. ROBINSON. If the Senator will ask that it be passed over for the day I shall make no objection.

Mr. McCUMBER. I ask that the paragraph be passed over for the day.

Mr. ROBINSON. I will, however, offer an amendment and have it pending.

Mr. SMOOT. I will say to the Senator that in order to conform to the amendments which we have passed, the committee no doubt will make some changes from these rates.

Mr. ROBINSON. Very well. I move to amend, on page 59, in line 22, by striking out "35" and inserting "15," so it will read "15 per centum ad valorem." However, I have no disposition to ask for action on the amendment to the committee amendment now, in view of the request just made by the Senator from North Dakota.

The PRESIDING OFFICER. Does the Senator from North Dakota ask that the paragraph go over or merely the amendment?

Mr. McCUMBER. The entire paragraph.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over.

Paragraph 317 was read, as follows:

PAR. 317. All galvanized wire not specially provided for, not larger than twenty one-hundredths and not smaller than eight one-hundredths of 1 inch in diameter, of the kind commonly used for fencing purposes, galvanized wire fencing composed of wires not larger than twenty one-hundredths and not smaller than eight one-hundredths of 1 inch in diameter; and all wire commonly used for baling hay or other commodities, one-half of 1 cent per pound.

Mr. ROBINSON. With respect to the paragraph 317, no amendments, it appears, have been proposed by the Finance Committee, and therefore amendments to the paragraph or the rates carried in it are not in order. I wish, however, to submit for the RECORD, in view of the fact that subsequently amendments will be proposed when they are in order, a short statement.

This paragraph includes wire commonly used for fencing and for baling hay. The production is set forth in the volume submitted as a condensation of the surveys of the Tariff Commission at page 411, as follows:

The country's output of woven-wire fencing and poultry netting, plain and coated, in 1919 amounted to 312,150 tons, valued at $30,527,000. In 1914 the corresponding figures were 411,460 tons, and $19,795,800.

I ask leave to insert in the RECORD the paragraph on page 411 of the volume referred to, relating to exports and imports.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Imports: Imports of wire included in this paragraph have been, since 1917, by calendar years, as follows:

	1918	1919	1920	1921 (9 months).
Galvanized wire:				
Quantity ..... pounds..	63,645	392,526	392,978	500
Value.....	$4,839	$17,989	$23,222	$31
Galvanized-wire fencing:				
Quantity ..... pounds..	62,657	78,733	140,095	7,200
Value.....	$3,368	$3,366	$6,865	$510
Baling wire:				
Quantity ..... pounds..	3,050	85,175	421,849	13,790
Value.....	$185	$5,069	$25,532	$1,022

Exports: Exports of woven-wire fencing since 1917 by calendar years have been as follows: 1918, $1,036,730; 1919, $933,143; 1920, $903,272; 1921 (9 months), $451,823. The principal destinations of this exported material were Cuba, Canada, Mexico, Argentina, and New Zealand.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The READING CLERK. On page 61, paragraph 318, woven-wire cloth——

Mr. SMOOT. Mr. President, this paragraph relates to woven-wire cloth. I ask that it may go over until action is had upon the other wire paragraph, which was referred to just a moment ago. Then I ask, at the request of the Senator from North Dakota [Mr. MCCUMBER], that we proceed to the consideration of paragraph 327, on page 63.

Mr. ROBINSON. I shall make no objection to paragraph 318 going over for the day, with the other wire paragraph, namely, paragraph 316.

Mr. SMOOT. That is satisfactory.

The PRESIDING OFFICER. The Senator from Utah asks that paragraph 327 be taken up. The amendment in that paragraph will be stated.

The READING CLERK. On page 63, in line 15, the committee proposes to strike out "or" and insert in lieu thereof the word "and."

The amendment was agreed to.

The next amendment of the committee was, in line 16, to strike out "10" and insert in lieu thereof "20," so as to make the paragraph read:

PAR. 327. Cast-iron pipe of every description, cast-iron andirons, plates, stove plates, sadirons, tailors' irons, hatters' irons, but not including electric irons, and castings and vessels wholly of cast iron, including all castings of iron or cast-iron plates which have been chiseled, drilled, machined, or otherwise advanced in condition by processes or operations subsequent to the casting process but not made up into articles, or parts thereof, or finished machine parts; castings of malleable iron not specially provided for; cast hollow ware, coated, glazed, or tinned, but not including enameled ware and hollow ware containing electrical elements, 20 per cent ad valorem.

Mr. FLETCHER. Mr. President, with regard to this paragraph and the proposal of the committee to make the duty 20 per cent ad valorem, increasing it from 10 per cent, the rate in the bill as it originally came from the House, I desire to submit a few facts.

The duty under the act of 1913 was 10 per cent ad valorem. It is now proposed to make it 20 per cent ad valorem; in other words, just twice the duty as it now exists and twice the figure proposed in the House bill. Of course, the House bill, as we understand, was based upon the American valuation.

These articles include a variety of familiar commodities made of cast iron, castings of malleable iron, and cast hollow ware, coated, glazed, or tinned. Malleable cast iron is a crude form of wrought iron obtained by decarbonization. The castings are made in the ordinary way from low silicon iron with little phosphorus and sulphur. They are embedded in oxide of iron or peroxide of manganese and heated to a red heat until most of the carbon is removed from the surface.

The production in this country of the cast-iron pipes, including fittings, is stated to be as follows: In 1913, 1,266,245 net tons; in 1916, 1,215,433 tons; in 1918, 619,673 tons; in 1920, 886,515 tons.

Imports: During the fiscal year 1918 the imports of iron castings amounted to 3,324,002 pounds, or 1,662 short tons, valued at $181,258. More than one-half of this imported material consisted of cast-iron plates, stove plates and irons, sadirons, tailors' irons, hatters' irons and castings, and vessels wholly of cast iron. Only a little over 10 per cent consisted of cast-iron pipe and about 25 per cent of malleable-iron castings, n. s. p. f.

The latest statistics show that as to cast-iron pipe there were imported in 1918, 269,364 pounds, of a value of $5,074. The duty was 10 per cent, yielding a revenue of $507. In 1919 the imports were 164,945 pounds, valued at $6,225, and the amount of revenue yielded was $623. In 1920 the imports were 670,224 pounds, valued at $41,074, yielding a revenue of $4,107. In 1921, for nine months, the imports were 27,294 pounds, valued at $2,052.

Cast-iron andirons, plates, stove plates, and so forth, yielded a larger revenue and the importations were greater in value. In 1918 they were $103,309; in 1919, $147,607; in 1920, $225,863; and for the nine months of 1921, $61,719. The duty on these items is 10 per cent under the present law.

Iron or cast-iron plates, chiseled, drilled, and so forth, show the following importations: In 1918 there were importations amounting in value to $24,844; 1919, $4,307; 1920, $13,147; and in 1921, $860; all with a duty of 10 per cent.

On cast-iron hollow ware, coated, glazed, or tinned, the statistics show importations almost negligible. In 1918 they were of a value of $461 and the duty was $46. In 1919 the value was $425, and for 1920 the value was $15,066, and in 1921 for nine months was $1,702.

In castings of malleable iron the importations were larger. In 1918 the total value of the importations was $71,235; in 1919, $107,163; in 1920, $658,331; and for nine months of 1921 were $186,416. These imports all bore a duty under the act of 1913 of 10 per cent.

The exports, a large proportion of which is in the form of cast-iron pipe and fittings, are much greater than imports. Statistics for the calendar years 1918 to 1921 are as follows:

	1918	1919	1920	1921 (9 months).
Cast-iron pipe fittings:				
Quantity..... pounds..	125,352,066	88,379,704	153,254,227	96,080,663
Value.....	$6,665,597	$5,177,752	$9,753,446	$5,617,832
Iron and steel castings, n. e. s..	$4,535,553	$4,508,044	$6,810,511	$3,414,253

At present we are exporting of this cast-iron pipe and fittings between $8,000,000 and $10,000,000 worth annually, and we are importing less than $50,000 worth. The duty at present is 10 per cent. It is proposed to make it 20 per cent. The result of that will be to shut out all imports, it seems to me. It is doubling the duty, and in that case we lose all the revenue. Here is an industry which evidently is not in any sore need of protection, because the importations amount practically to nothing now.

For that reason I can see no justification for the proposed increase. I think the act of 1913 was liberal enough and will afford all the revenue that we can expect from importations under this paragraph, and that if we increase the duty to 20 per cent we shall reduce revenues because we shall close out importations.

There is certainly no need of protection. The exportations as to all of the items embodied in this paragraph exceeded many times the importations; in fact, the importations do not amount to 10 per cent of the exportations, and do not amount to 2 per cent of the production. There is consequently nothing to be accomplished here except to give an opportunity to increase the price of this product to the public.

Therefore, without further comment on the matter, I simply submit that the committee amendment should be disagreed to and that the provision of the House bill for a 10 per cent ad valorem duty, which is the same as that of the act of 1913, should stand.

Mr. SMOOT. Mr. President, just a word for the RECORD. This is what may be termed the basket clause of this schedule. The House imposed a duty at 10 per cent on the American valuation and the Senate Finance Committee recommended a duty of 20 per cent on the foreign valuation.

The last clause of the paragraph, as to "cast hollow ware, coated, glazed, or tinned, but not including enameled ware and hollow ware containing electrical elements," amounts to hardly anything at all.

Malleable iron is the item of importance in this paragraph. Let me advise the Senator from Florida where malleable iron goes and who uses it, and see if he will not admit that so far as the 20 per cent duty is concerned it will come into this country anyway. Then why not collect the money which will be derived from the article as revenue?

The Tariff Commission says:

Cast iron imports are apparently not influenced to any appreciable extent by the tariff. Imports of malleable-iron castings increased from 810,305 pounds in 1908, valued at 5.31 cents a pound and dutiable at an average ad valorem rate of 17.55 per cent, to 1,873,047 pounds in 1913, valued at 4.2 cents per pound and dutiable at 16.62 per cent ad valorem. In the calendar year 1919 imports declined to 1,319,233 pounds, valued at 8.1 cents a pound, dutiable at 10 per cent ad valorem. The largest imports were 6,696,068 pounds during 1920. Imports of cast-iron plates, stove plates, and castings and vessels wholly of iron decreased from 2,304,999 pounds in 1909, with an average ad valorem rate of 10.83 per cent, to 830,984 pounds in the calendar year 1921, dutiable at 10 per cent.

Now:

Steel castings, the principal substitute, are included with ingots in the figures of commerce and navigation and are not comparable.

Imports of malleable-iron castings are relatively important. These are specialties used in automotive and other industries requiring material to resist strain and shock. The demand for such commodities has grown rapidly, and imports about equal exports. Imports are small compared with domestic production.

That is why malleable-iron castings are shipped into this country. I do not see, Mr. President, why we should not collect from them the duty proposed. That is the only item in this paragraph that amounts to anything, and the committee thought that it was just to impose a duty of 20 per cent.

The PRESIDING OFFICER. The question is on the committee amendment.

The amendment was agreed to.

The next amendment was, in paragraph 328, on page 63, line 19, before the word "stays," to strike out "and" and to insert "or," so as to read:

PAR. 328. Lap-welded, butt-welded, seamed, or jointed iron or steel tubes, pipes, flues, or stays, not thinner than sixty-five one-thousandths of an inch, if not less than three-eighths of an inch in diameter, three-fourths of 1 cent per pound; if less than three-eighths and not less than one-fourth of an inch in diameter, 1¼ cents per pound; if less than one-fourth of an inch in diameter, 1¾ cents per pound.

The amendment was agreed to.

The next amendment was, on page 64, line 4, after the word "tubes," to strike out the word "and" and to insert "or."

The amendment was agreed to.

The next amendment was, on page 64, line 7, before the words "per cent," to strike out "20" and to insert "30," so as to read:

Provided, That no tubes, pipes, flues, or stays made of charcoal iron shall pay a less rate of duty than 1¼ cents per pound; cylindrical and tubular tanks or vessels, for holding gas, liquids, or other material, whether full or empty; welded cylindrical furnaces, tubes or flues made from plate metal, whether corrugated, ribbed, or otherwise reinforced against collapsing pressure, and all other finished or unfinished iron or steel tubes not specially provided for, 30 per cent ad valorem.

Mr. FLETCHER. Mr. President, I do not think the increased rate provided for in that amendment should be agreed to. In paragraph 328 it will be seen that the duties are fixed at so much a pound, but I am unable to determine—and I have had the matter looked into to some extent—and the experts to whom I have had access can not determine, just what the equivalent ad valorem duty would amount to.

Mr. SMOOT. The items which fall under this clause which have a 30 per cent ad valorem rate are such articles as the containers for chemicals, chemical flasks, and items such as that.

Mr. FLETCHER. I was referring more particularly to the tubes, pipes, flues, and stays, and so forth, on which the duties range from three-fourths cent to 1¾ cents a pound.

Mr. SMOOT. There is no committee amendment to those rates.

Mr. FLETCHER. There is no amendment to those rates, but I should like to learn, if I can, about what the ad valorem equivalent would be, if the Senator can advise me as to that by way of information. Of course, I can offer an amendment as to those rates; but it will be seen that a large portion of the paragraph provides for specific duties, and I am not able to figure out just what the ad valorem equivalents would be. Can the Senator from Utah tell me what the average ad valorem equivalent would be?

Mr. SMOOT. In this paragraph the Payne law rates are reduced a quarter of a cent a pound. I will advise the Senator now as to the equivalent ad valorem rates under the Payne-Aldrich law. In 1910 the equivalent ad valorem rate would be 16.81 per cent; in 1911, 19.84 per cent; in 1912, 23.14 per cent; in 1914, 20.40 per cent. Assuming the prices to be the same, the duty now proposed being three-fourths of a cent a pound, which is a quarter of a cent a pound less than the Payne-Aldrich rate, the equivalent ad valorems under the pending bill would be 25 per cent less. In 1910 the equivalent ad valorem being 16.81 per cent, under the proposed rate 4.20 per cent would be deducted from 16.81 per cent, which would leave 12.61 per cent. If the price is higher, of course, the equivalent ad valorem would be even less than that. So the Senator can see that the equivalent ad valorem rate as provided for in the specific duties is very low.

Mr. FLETCHER. As I gather, under the Underwood Act of 1913, if the calculations were made on the basis of the average imports of the value of 1914, for instance, the duty would be about 20 per cent, and under the Payne-Aldrich bill of 1909 about 31¼ per cent.

Mr. SMOOT. If the Senator speaks of the first part of paragraph 328, there is no 30 per cent rate therein imposed. I have given the Senator the equivalent ad valorems. Even under existing law the duty is 20 per cent; so that the proposed specific duty on "lap-welded, butt-welded, seamed, jointed iron or steel tubes, pipes," and so forth, is even less than the rate to-day.

Mr. FLETCHER. I will read facts regarding these articles as furnished by the Summary of Tariff Information. They are described as follows:

Description: This paragraph covers pipes, tubes, cylinders, tanks, etc., made of iron and steel, excepting cast-iron pipes. While cast-iron pipes are cast in molds and the center is cored out, welded pipes are made from narrow plates of steel or wrought iron called skelp, which is rolled into shape and the edges welded together. When the edges simply come together the welding is called butt welding, and when they overlap, lap welding. Riveted pipe, ordinarily made only in large sizes, is frequently formed in spirals of sheet iron or steel or by simply curling the sheet so as to make a horizontal joint, the overlapping edges, in either case, being riveted together.

Production: The domestic output of wrought iron and steel pipe and boiler tubes in 1916 amounted to 2,651,058 gross tons and in 1920 to 3,002,725 gross tons. In 1914 there were 36 establishments engaged in the manufacture of wrought-iron pipe alone, with an aggregate capital of $39,407,625, employing 8,745 wage earners, whose output was valued at $37,655,229. In 1919 there were 51 establishments, with an output valued at $84,011,000. Other great iron and steel producing countries, like Great Britain and Germany, also have a large output.

Those figures show the growth of the industry under the present rate of duty, which is 20 per cent. The rate which is now proposed is 30 per cent throughout the paragraph.

Mr. SMOOT. No; the 30 per cent rate does not apply to the whole paragraph. It applies only to—

cylindrical and tubular tanks or vessels, for holding gas, liquids, or other material, whether full or empty; welded cylindrical furnaces, tubes or flues made from plate metal, whether corrugated, ribbed, or otherwise reinforced against collapsing pressure, and all other finished or unfinished iron or steel tubes not specially provided for.

On the other items the duties are specific. I have called the attention of the Senator to what the equivalent ad valorem was in 1910, 1911, 1912, and 1913, when the specific rate was one-fourth of a cent higher than is provided in this paragraph.

Mr. FLETCHER. What was the ad valorem equivalent given by the Senator for those years?

Mr. SMOOT. I will tell the Senator again. On articles not less than three-fourths inch in diameter, except those made of charcoal iron, in 1910 the equivalent ad valorem was 16.81 per cent; in 1911, 19.84 per cent; in 1912, 23.14 per cent; in 1914, 29.40 per cent.

The proposed specific duty of three-fourths of a cent a pound is less than the rate in 1910, which was 1 cent a pound. The equivalent ad valorem in 1910 being 16.81 per cent and the proposed duty being three-fourths of a cent, or 25 per cent less than the duty of 1 cent; and deducting 25 per cent from 16.81—and 25 per cent of 16.81 per cent would be 4.20 per cent—would leave 12.61 per cent as the ad valorem equivalent under the proposed rate, providing the prices in 1910 and to-day are the same. Of course, if the prices to-day are higher than they were then, the equivalent ad valorem would be less.

Mr. FLETCHER. We are not now dealing with these specific duties, because they are not before us.

Mr. SMOOT. That is what I stated to the Senator; but he asked the question, and I simply answered it.

Mr. FLETCHER. I was trying to get, if I could, a sort of an average of the ad valorem rate of the whole paragraph; but, speaking now with reference to the particular matter before us, which is—

welded cylindrical furnaces, tubes or flues made from plate metal, whether corrugated, ribbed, or otherwise reinforced against collapsing pressure, and all other finished or unfinished iron or steel tubes not specially provided for, 30 per cent ad valorem.

That rate now is 20 per cent under the law of 1913.

Mr. SMOOT. Yes.

Mr. FLETCHER. And it is proposed to make it 30 per cent. The House had it in the bill at 20 per cent, based, I realize, on the American valuation; but the importations of those goods have amounted to very little.

In 1918 we imported 103,474 pounds, valued at $15,237.

In 1919 we imported 92,806 pounds, valued at $17,103.

In 1920 we imported 59,580 pounds, valued at $8,777.

For nine months of 1921 we imported only 6,793 pounds, valued at $2,035.

The imports are insignificant compared with production and exports.

Mr. SMOOT. Mr. President, I call the Senator's attention to the fact that there is no way of telling what the production of these items is, and the imports are mostly quicksilver flasks. The flasks that we import here under this provision are imported here for the holding of quicksilver, and that is the great bulk of the importations.

Mr. FLETCHER. I was reading from only that portion of the statistics which refers to "furnaces, welded, cylindrical," and so forth, which would be the part of the bill which we are now considering, I think; but even taking the whole paragraph, the

statement is made by the people who prepared this Summary of Tariff Information under the head of "Imports":

Imports are insignificant compared with production and exports.

That is made with reference to the whole paragraph, all the items mentioned, and I do not see that there can be any criticism of that.

Exports in the form of boiler tubes have been since 1917 as follows:

Then it gives the exports of pipe fittings, and so forth.

Mr. President, I simply feel about this particular item as I did about the other, that there is no occasion to increase this duty above the present rate, which is yielding some revenue—not very much, because the importations are very slight. The exportations are considerable and the production is entirely satisfactory. The number of establishments has increased, and the production has increased under the present rates of duty. The industry is prosperous. We are getting a little revenue and it seems to me that if you double this duty now you are going to cut off the revenue that we have.

Mr. SMOOT. I think the Senator is wrong. If he will look at the importation there under "Tanks or vessels, cylindrical or tubular," and so forth, he will see that they were $535,156 in 1920 and $162,054 in the first nine months of 1921. Most of the latter are quicksilver flasks. The price of the flasks themselves is $1 each, and the duty is 10 cents. Each of those flasks holds $50 worth of quicksilver, and those flasks are imported in greater number than they are made in this country, and the value of importations, with the exception of about $1,716 in the year 1921, consisted of quicksilver flasks.

Mr. FLETCHER. Does not what the Senator is talking about come under the 1¼-cent duty?

Mr. SMOOT. If the Senator will read on page 64, line 2, "cylindrical and tubular tanks or vessels for holding gas, liquids, or other material," and then if he will look at the imports, there is where the imports fall, under that very part of the paragraph, with the exception of the amount I have stated.

Mr. FLETCHER. I think that is true. There is a larger amount of imports under that head than under the others, probably.

Mr. SMOOT. Oh, yes; it is 10 times more than all the others put together.

Mr. FLETCHER. How about the exports of that class of goods?

Mr. SMOOT. Of course, the exports are all put in here with lap-welded pipe, and they run into the millions of dollars.

Mr. FLETCHER. Yes; that is true. The whole thing is together there, and I am unable to separate the imports of the particular kind of article to which the Senator refers; but the exports under this whole paragraph are very considerable, amounting in 1918 to $14,993,957; in 1919 to $35,229,750; in 1920 to $43,774,296; and in nine months of 1921 to $44,889,023. Those are very considerable exports, as compared even to the imports of every item under the paragraph.

Mr. SMOOT. Yes; but that is pipe and fittings. I suppose 99½ or 99¾ per cent of that is pipe and fittings.

Mr. FLETCHER. Undoubtedly a large portion of it is of that kind; but I think, Mr. President, that the present rate of duty is high enough for all purposes and will yield us very much more revenue than this proposed increase would yield, and that our production and the state of the industry, which has flourished under the present rate, do not require that it should be raised at all.

I have no amendment to offer. The question will come on the adoption of the committee amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The READING CLERK. On page 64, line 13, after the words "electrical conductors," it is proposed to strike out "25" and insert "35," so as to read:

flexible metal tubing or hose, whether covered with wire or other material, including any appliances or attachments affixed thereto, not specially provided for, and rigid iron or steel tubes or pipes prepared and lined or coated in any manner suitable for use as conduits for electrical conductors, 35 per cent ad valorem.

Mr. FLETCHER. Mr. President, all I have to say on that amendment is covered in what I have already stated.

Mr. SMOOT. It is just a differential of 5 per cent on this over the rate that we have just adopted.

Mr. FLETCHER. I see. I simply ask for a vote on the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The READING CLERK. On page 64, in paragraph 329, it is proposed to strike out of lines 21 and 22 the following words:

chain and chains of all kinds, of iron or steel, not specially provided for, 25 per cent ad valorem.

Mr. SMOOT. Mr. President, I ask that paragraph 329 go over until the Senator from Pennsylvania [Mr. PEPPER] returns. He was compelled to leave the city to-day.

The VICE PRESIDENT. Without objection, the paragraph will be passed over.

The READING CLERK. On page 65, line 12, it is proposed to strike out "30" and insert "40," so as to make the paragraph read:

PAR. 330. Nuts, nut blanks, and washers, of wrought iron or steel, six-tenths of 1 cent per pound; bolts, with or without threads or nuts, and bolt blanks, of iron or steel, 1 cent per pound; spiral nut locks, and lock washers, of iron or steel, 40 per cent ad valorem.

Mr. FLETCHER. Mr. President, I can not agree to that amendment. We are now dealing with paragraph 330, and the House bill carries a provision for 30 per cent ad valorem. The committee proposes to make that 40 per cent.

Mr. SMOOT. I want to say to the Senator that that 40 per cent, however, applies only to spiral-nut locks and lock washers of iron or steel. The duties on the nuts and nut blanks and washers are all specific duties; but when it comes to spiral-nut locks or lock washers of iron or steel, the prices vary so greatly that it would be impossible to put a specific duty upon those special items, and, therefore, we have to give them an ad valorem duty. Being of the highest type of manufacture in some cases, the committee did not think it would be right to have a rate upon that highly specialized article that would be lower than the basket clause of the whole schedule, and therefore they put it at 40 per cent.

Mr. FLETCHER. What does the Senator estimate would be the specific rates reduced to ad valorem equivalents?

Mr. SMOOT. That would be an absolute impossibility to tell, because the prices are so varied. That is why it is an ad valorem duty. If it were possible to put a specific duty on it, we would have done it; but it was impossible.

Mr. FLETCHER. Under the present law, the duty on nuts, nut blanks, and washers is 5 per cent ad valorem; on bolts of iron or steel, with or without threads or nuts, or bolt blanks, 10 per cent ad valorem; on spiral-nut locks and lock washers, whether of iron or steel, 30 per cent ad valorem.

Mr. SMOOT. Even the Underwood bill gave them 30 per cent duty.

Mr. FLETCHER. Yes; that I understand.

Mr. SMOOT. All that we are doing in this paragraph is to give them the basket-clause rate.

Mr. FLETCHER. In the case of the first part of the paragraph, nuts or nut blanks, under the Underwood law there was only a 5 per cent ad valorem duty.

Mr. SMOOT. Oh, yes.

Mr. FLETCHER. And this is a specific duty of six-tenths of 1 cent per pound. I do not know what that would be. I should estimate that at about 40 per cent.

Mr. SMOOT. Did the Senator ask me what would be the equivalent ad valorem of these rates?

Mr. FLETCHER. Yes; I asked what this six-tenths of 1 cent would be.

Mr. SMOOT. I will tell the Senator in just a moment. In 1908, under the Payne-Aldrich law, we had 1 cent a pound on nuts and washers. In this we have fixed six-tenths of a cent. In 1908 the equivalent ad valorem was 5.86 per cent. We have only six-tenths of that amount in the specific duty. So it would be less than 5 per cent, providing the prices of the nuts are the same to-day as they were in 1908. If they are higher priced than they were in 1908, then we have even a lower ad valorem than that. In 1909 the equivalent ad valorem was 5.29 per cent. In 1910 it was 6.31 per cent. In 1911 it was 10.76 per cent. In 1912 it was 6 per cent. In 1913 it was 5.44 per cent.

I call the Senator's attention to the fact that the specific rates upon these items are lower than those in the Payne-Aldrich law, and the equivalent ad valorem rates I have already stated to the Senator.

Mr. FLETCHER. It would seem that perhaps those specific rates are very much like the rates in the act of 1913; in other words, 5 per cent and 10 per cent and 30 per cent in the different classifications.

The production in 1914 of bolts, nuts, rivets, and washers was valued at $23,403,000. In addition to that there was builders' hardware which was valued at $24,288,000.

The imports are small compared with the exports, and since 1917 have been as follows:

NUTS, NUT BLANKS, AND WASHERS OF WROUGHT IRON OR STEEL.

Calendar year.	Quantity.	Value.	Duty.	Ad valorem rate.
	Pounds.			*Per cent.*
1918	36,338	$11,512	$576	5
1919	65,399	15,207	760	5
1920	78,924	12,601	630	5
1921 (9 months)	147,734	9,075	.....	.....

BOLTS, WITH OR WITHOUT THREADS OR NUTS, OR BOLT BLANKS, AND FINISHED HINGES OR HINGE BLANKS, ETC.

1918	110,306	$8,253	$825	10
1919	147,369	17,433	1,743	10
1920	618,444	57,761	5,776	10
1921 (9 months)	310,205	32,194	.....	.....

SPIRAL NUT LOCKS AND LOCK WASHERS.

1918	200	$18	$5	30
1919	700	28	8	30
1920	1,566	761	228	30
1921 (9 months)	816	219	.....	.....

Exports of bolts, nuts, rivets, and washers have been, since 1917, by calendar years, as follows:

	1918	1919	1920	1921 (9 months).
Quantity.....pounds..	63,465,111	89,023,056	87,235,028	47,974,367
Value	$5,687,998	$7,769,893	$7,274,411	$4,468,912

The principal countries of destination were Canada, the United Kingdom, Cuba, Argentina, Mexico, and British India.

I think that the present rate of duty on these nuts and nut lock washers, 30 per cent, is all that ought to be levied.

Referring to the statistics regarding that particular portion of the paragraph where the 30 per cent ad valorem is named as the duty, the summary says:

The imports of 1918 were 200 pounds, valued at $18, and yielded a duty of $5. In 1919 they were 700 pounds, valued at $28, and yielded $8. In 1920 they were 1,566 pounds, valued at $761, and yielded a duty of $228. In 1921, nine months, there were only 816 pounds imported, yielding a duty of $219.

So that the importations of this particular kind of material, namely, the spiral nut locks and nut washers of iron and steel, are almost inconsequential.

In 1918 they got $5 in duty, in 1919 only $8, in 1920 $228, under a rate of 30 per cent. It is now proposed to increase that to 40 per cent. I ask Senators to think of that just a moment, and be a little reasonable about it. The 30 per cent duty now levied on this commodity yields us from $5 to $200 a year, and that is all. It is proposed to increase that 10 per cent, and what is expected in the way of revenue? The exportations are enormous. The production is enormous. The industry is growing. There is no need of a duty for the sake of an infant industry. The industry does not need any protection. Ten per cent is added simply to make it possible for the producers to charge that much more for the products. I can not see any reason for it at all. If there was any indication that it would produce more revenue, I would say to go ahead and try it; I would not make much complaint about it, although I think it will just enable the manufacturers to increase the price of this article to the consumers in this country. I certainly can not see any hope that the revenues of the Government will be increased, and there is certainly nothing to indicate that the industry needs this increase in the duty. I therefore hope that the committee amendment will not be agreed to.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. FLETCHER. Will the Senator make any suggestion regarding paragraph 331?

Mr. SMOOT. I will have to ask that 331 go over to-day.

Mr. FLETCHER. How about paragraph 332?

Mr. SMOOT. I will ask that paragraphs 332 and 333 go over also. The Senator from Pennsylvania is deeply interested in this, although I do not quite agree with what he wants, I think he ought to have an opportunity to present his views.

Mr. FLETCHER. I have no particular objection. I am prepared to discuss the paragraphs down to paragraph 336.

Mr. SMOOT. I understand the junior Senator from Arkansas will take paragraph 331 up for consideration on behalf of the minority, and then I would like to take up paragraph 334, on steel wool, 335, on grit, shot, and so forth, and paragraph 336, which the Senator has just mentioned.

Mr. CARAWAY. Was the Senator discussing paragraph 321?

Mr. SMOOT. Yes.

Mr. CARAWAY. Paragraphs 319, 320, and 321 were assigned to me. Have 319 and 320 been disposed of?

Mr. SMOOT. Paragraph 319 has not been disposed of, as I understood that the Senator at the time it was reached was not prepared to take it up, and the Senator from North Carolina asked me if I would not pass it and take up the paragraphs in charge of the Senator from Florida. I understand the Senator from Arkansas has come in and would just as lief take up paragraph 321 at this time as not, although if he is not prepared I shall not ask that.

Mr. CARAWAY. I have no objection to taking up paragraphs 319 and 320.

Mr. SMOOT. The Senator from Connecticut [Mr. MCLEAN] is here now, and I desire to have paragraph 321 taken up while he is in the Chamber, although he is generally here. If there is no objection, I ask that paragraph 321 be taken up.

The VICE PRESIDENT. The Secretary will state the amendment.

The READING CLERK. On page 61, line 25, the committee proposes to strike out "35" and insert in lieu thereof "55," so as to read:

PAR. 321. Antifriction balls and rollers, metal balls and rollers commonly used in ball or roller bearings, metal ball or roller bearings, and parts thereof, whether finished or unfinished, for whatever use intended, 10 cents per pound and 55 per cent ad valorem.

Mr. CARAWAY. Paragraph 321 deals with antifriction balls and rollers, metal balls and rollers commonly used in ball or roller bearings. There is an increase in duty to 55 per cent ad valorem proposed by the Senate committee. The Senator from Utah will doubtless tell me what the present duty is.

Mr. SMOOT. Thirty-five per cent.

Mr. CARAWAY. And that was the duty adopted by the House.

Mr. SMOOT. No; the House added 10 cents a pound.

Mr. CARAWAY. Now, the Senate committee proposes to leave the 10 cents a pound, but strike out "35 per cent" and insert "55 per cent ad valorem."

This affects very vitally a large and growing industry in this country. All the automobiles and trucks and a great many machines are dependent for their bearings upon antifriction balls or rollers and metal balls, and this tends to increase the cost, as I said, from the prevailing price about 100 per cent or a little bit more.

The present imports are only about 23 per cent of the total number used. About 67 per cent are now manufactured in this country. To show something of the importance of these things, in 1917 there were more than $6,630,000 worth of these accessories manufactured. Possibly now it will be nearly ten times that amount. The total investment in the business in 1913 was $9,000,000, confined to 7 firms, and these 7 firms were located in 5 States.

The consumption in 1912 was $9,759,000 worth, of which the United States produced $6,631,000 worth, or approximately 70 per cent.

The Tariff Information Survey says:

The exports are not specified in the statistics of commerce and navigation.

The imports have constantly sunk, until they fell to $973,100, out of a business that is possibly close to $100,000,000.

This is practically a closed market now. The American manufacturer is producing practically every bit of these accessories consumed here, and this raise of 100 per cent means only that they may charge almost twice as much for the products, as there is no importation worth while. There can be none. The present rate practically excludes importations, and if that be true the only reason for increasing the duty would be to enable the manufacturers to charge the American user practically twice what he now pays for this very necessary accessory, because the foreign producer is not going to interfere with this market with the present rate of duty. When you increase that practically 100 per cent, it means for all practical purposes an embargo.

I am curious to know by what process of reasoning the committee reached this conclusion about one of the very essential elements of one of the very greatest industries in America, one that is no longer a matter of luxury, but is a matter of necessity, because automobiles have ceased to be luxuries and are now necessities. Every farmer has one, and you are fixing to make the farmer pay to the American producer a horizontal rise of

practically 100 per cent on the cost of the articles he is going to use in connection with his automobile; that is, accessories in the way of ball bearings, rollers, and things of that kind. I am curious to know, and would be glad if some one on the other side of the aisle would tell me why this increase is made in the duty. If there is to be no explanation, I wish to move an amendment.

Mr. McLEAN. Mr. President, I think if the Senator had investigated the Reynolds report he would have found the rate more than justified. It is shown that there is very active competition. The disinterested experts who were assigned to secure information with regard to the articles were able to find the foreign values on nearly all of the articles produced in this country. If the Senator had read the report he would have seen, for instance, the foreign valuation of the first item was $4.44 per 1,000 in the foreign countries and $9.60 in this country. The next item is $4.44 abroad and $14.40 in this country, and so on through the list.

Mr. CARAWAY. If the Senator from Connecticut will permit me, I notice on page 35 of the little pamphlet furnished by the Tariff Survey there are two or three paragraphs relating to the matter, from which it appears that formerly these articles as imported were very much superior to those manufactured in this country, and while the price was practically the same, as I gather from other statements, the quality was better than the domestic quality. But the statement says that war conditions resulted in a complete change and that the European product is not now any better than the American product. The price seems to have been as high as the American product, and the only reason that heretofore importations came in rather large amounts was that the European product was the best. Now, conceding that it is no better, and under the present tariff duty of 35 per cent the American is going to control the market—and the European imports have fallen off constantly—it seems to me unreasonable now that you should propose a horizontal increase of 100 per cent.

Mr. McLEAN. This is not a large increase in the rate. If we can place any reliance upon the information secured and printed in the Reynolds report, these rates are justified and more, too.

Mr. CARAWAY. What is the difference in the price of the European product and the American product now?

Mr. McLEAN. I just gave it to the Senator.

Mr. CARAWAY. I did not understand the Senator.

Mr. McLEAN. On the first item stated in the Reynolds report the foreign price is $4.40 per thousand and the American price $9.60. On the next item the foreign price is $4.44 and the American price $14.40. If the Senator will read the long list of the different varieties of these antifriction balls contained in the Reynolds report, he will see that, as I stated, the rates are entirely justified if we wish to equalize the difference in the cost.

Mr. CARAWAY. Is it true that there has been a great increase in the cost of manufacturing in Europe recently?

Mr. McLEAN. On the contrary, I think the latest report from the Department of Commerce shows that wages are certainly no more and in some instances are less now than they were when the report was made.

Mr. CARAWAY. What is the latest report the Senator has before him from the Department of Commerce touching the cost of production in Europe and here?

Mr. McLEAN. It is very recent. It was the last week in March.

Mr. CARAWAY. There has been a very great increase in wages in Germany, from whence most of the importations came.

Mr. McLEAN. I do not agree to that. I think the wages in Germany to-day have not increased, if measured in gold.

Mr. CARAWAY. What are the imports now? Does the Senator have any recent data?

Mr. McLEAN. I will call the attention of the Senator to a communication that I have from one of the concerns which manufacture this product in America. It is signed by the president of the Rand Steel Co., of New York, large importers, and the writer says:

> The writer is very sorry to have missed both your Mr. Heim and Mr. Roth when recently in your city. I am, therefore, writing you on the subject which I was going to take up with you personally in regard to ball-bearing tubing and steel balls.
>
> You will recall the writer's name from prior to the war, when he was the exclusive representative of the Krefeld Steel Works Co., of Krefeld, Germany.
>
> The above company has been formed for the importation of ball-bearing tubing, steel balls, precision tubing, and other European products. Mr. W. A. Steinback, for many years general manager of the Eisman Magneto Co., of Brooklyn, N. Y., is president of the company.
>
> We are the exclusive representatives in this country for the Siegen-Solinger Gusstahl-Aktien-Verein, Solingen, Germany, largest manufacturers of ball-bearing steel in bars and tubes, and the Fries & Hoepflinger Steel Ball Factories, of Schweinfurt, Germany.
>
> You will note from this that the writer is intimately acquainted with the requirements of the domestic manufacturers of ball bearings. We can, therefore, speak with some authority on the subject of ball-bearing steel, and especially on tubes, which you use in large quantities.
>
> It will be of interest to you to know that the Siegen-Solinger factory installed during the war a large tube equipment, and is now, with no exception, the best equipped plant for the manufacture of ball-bearing tubing.

Then he goes on to state the character of the work which is done there, and how superior it is, which I will not take the time to read. He closes by saying:

> We can quote you under the present tariff about 20 cents per pound f. o. b. New York, duty paid.

That is very much less than the price which was secured by the Reynolds investigation.

Mr. CARAWAY. What does it cost to manufacture them in this country?

Mr. McLEAN. I have a very complete brief on this subject, which was submitted by——

Mr. CARAWAY. Yes; but will the Senator give me the cost of manufacture per pound in this country?

Mr. McLEAN. It probably varies somewhat, of course, with regard to the quality and the size of the ball.

Mr. CARAWAY. There are just three kinds—the light, medium, and heavy.

Mr. McLEAN. I will say to the Senator that the labor cost in these articles is very high. As the Senator knows, they are highly specialized in the process of manufacture, and the labor cost runs from 75 to 80 per cent.

Mr. CARAWAY. What do they cost per pound? That is what I want to know. What does it cost per pound to turn them out?

Mr. McLEAN. That is stated in the Reynolds report. The selling price of the American article is given, and if the Senator will deduct about 20 or 25 per cent from that price he will probably get the cost.

Mr. CARAWAY. Will the Senator tell me about what the cost is, because there was so much conversation going on in the Chamber that I could not hear what he said? I want the cost per pound.

Mr. McLEAN. They are, of course, sold in numbers and sizes which differ, and so they differ in cost per pound. If the Senator will turn to the Reynolds report and pick out any particular size and deduct 20 or 25 per cent he will probably get the cost.

Mr. CARAWAY. The Senator has the Reynolds report before him, and I have not the report before me. Will the Senator tell me?

Mr. McLEAN. Take the first one; the American selling price is $14.40.

Mr. CARAWAY. Per what?

Mr. McLEAN. Per thousand. There are 12½ pounds to the thousand. According to the foreign valuation of $4.44 that would be about 37½ cents per pound, and the American would be 80 cents per pound. On the next item the foreign would be the same, 37½ cents per pound, and the American $1.20 per pound.

Mr. CARAWAY. Even with those figures, is not the Senator proposing a prohibitive duty here?

Mr. McLEAN. I do not hear the Senator.

Mr. CARAWAY. Even granting that figure is correct—and the Reynolds report is nearly a year old—does not the Senator think the duty proposed is prohibitive?

Mr. McLEAN. Not at all. It does not begin to cover the conversion cost if these estimates are correct, because the Senator must bear in mind that the article requires highly skilled mechanics and the compensation in this country is $5 per day, while in Germany it is not more than 80 or 90 cents per day.

Mr. CARAWAY. Going back to the cost which the Senator gave per pound, we have now a specific duty of 10 cents per pound and the committee proposes an ad valorem duty of 55 per cent, and if you take those two you have a prohibitive duty.

Mr. McLEAN. The Senator, I think, has not made his estimate with much accuracy, because if he would add 10 cents to 37½ cents he would get 47½ cents. Then figuring the ad valorem duty on that basis it would not have been equal to the figure he stated.

Mr. CARAWAY. But on the $1.20 American price it is more than 40 cents.

Mr. McLEAN. But that would not equal the difference.

Mr. CARAWAY. I did not hear the Senator's figures, but I shall study them with some interest, because I was not able to follow him. Under the present rate of 35 per cent, importations have fallen off until they are practically negligible, and yet it is proposed now to give a specific duty of 10 cents per pound and an ad valorem duty of 55 per cent, which simply means a practical embargo. The industry has been thriving

and expanding. Under a 35 per cent ad valorem duty it has been able to develop from a very small beginning in 1910, when it was a collapsed business and one firm owned it all. It has all grown up under this lower duty until now it amounts to one of the biggest industries of the country. Only a very small per cent of the ball bearings and rollers used in this country are imported under the present duty. Yet the committee proposes now to more than double that rate with an ad valorem and specific duty as well, which could have but one effect, and that is to give to the home manufacturer a protected market with a horizontal rise of nearly 100 per cent in cost of the articles to the consumer.

Mr. McLEAN. Oh, no; it is nearer an increase of 40 per cent, I think, than 100 per cent. If the Senator from Arkansas has read the summary of information furnished by the Tariff Commission he will see that the imports of this commodity are not negligible. In 1920 there were considerably over a million dollars' worth imported, but the imports have fallen off somewhat during the last nine months. However, the letter which I have read to the Senator indicated very clearly, if this importer's statement is correct—and I think we may assume that it is—that the potential competition in Germany is ruinous because the Germans offer these articles of the highest quality at 20 cents a pound. If the Senator from Arkansas will read the briefs filed by the competing firms in this country—and there are 15 such concerns in this country, located in Connecticut, New York, New Jersey, Ohio, and Illinois—he will find that the competition is very active. The Senator knows that an importation of 5 or 10 per cent at the price indicated would demoralize the trade in this country.

I will say to the Senator that my information is—and I know it is true with regard to Connecticut concerns—that they are working on very short time; that they have a large quantity of goods stored up for which there is no market. When they write to their customers to find out why they are not receiving their usual orders, their customers reply that they are getting these offers from abroad. If the Senator from Arkansas had a pay roll of a thousand dollars a week or 10 times that amount, he would understand what that competition means. All that they have asked will fall short of equalizing the difference in the labor costs, provided the Reynolds report is accurate. When we do not have information from the Reynolds report, we are accused of not having sufficient outside information to support the rate proposed, and when we have a complete statement made by these investigators, then, apparently, the Senators on the other side of the Chamber neglect to examine them.

Mr. CARAWAY. I am not intentionally neglecting to examine the statements, but I have in my hand here the Summary of Tariff Information, the figures in which are as late as those in the Reynolds report. In 1921, for nine months of that year, the total imports of this commodity were only $9,638, although evidently many millions of dollars' worth of the product are being consumed; so that there are practically no imports; they will not amount to 10 per cent under the present duty of 35 per cent ad valorem. The imports for 1921—which is the latest information given—did not amount to 1 per cent of the value of the article used. Then to impose a duty which represents practically a 100 per cent horizontal increase can mean nothing else, if it is the policy of the party in power to make that condition prevail, than to provide a zone of safety to the home industry to enable it to increase to the home consumer by 100 per cent the cost of this very necessary accessory. It means that every farmer and every business man, in fact, everybody, must, in order to benefit a few manufacturers, go into his pocket for 100 per cent increase in the cost of this necessity.

Mr. President, I move that the duty of 35 per cent, as provided in the bill as it came from the other House, be retained, and that the specific duty of 10 per cent be stricken out.

Mr. McLEAN. I desire to call the attention of the Senator from Arkansas to the fact that the importations of these articles during the past three months are increasing. That is the information I have.

The VICE PRESIDENT. The amendment proposed by the Senator from Arkansas [Mr. CARAWAY] to the amendment of the committee will be stated.

The READING CLERK. On page 61, line 24, it is proposed to strike out "10 cents per pound," and in the committee amendment to strike out "55" and to insert "35."

The VICE PRESIDENT. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question recurs on the committee amendment.

The amendment was agreed to.

Mr. SMOOT. I ask that the Senate now take up paragraph 334.

The VICE PRESIDENT. The Secretary will report the amendment of the Committee on Finance in paragraph 334.

The amendment of the Committee on Finance was, on page 66, line 13, after the words "ad valorem," to strike out "*Provided*, That in computing the duty the weight and value of the package shall be included and the net weight of the contents shall be plainly marked upon each package," so as to make the paragraph read:

PAR. 334. Steel wool, 10 cents per pound; steel shavings, 5 cents per pound; and in addition thereto, on all of the foregoing, 30 per cent ad valorem.

Mr. FLETCHER. I desire to inquire of the Senator from Utah what the effect of striking out the proviso will be? I judge that it will really amount to an increase in the rate if the proviso be stricken out.

Mr. SMOOT. No. Striking out the proviso will have the effect of decreasing the rate. The bill as it comes from the House contains the following proviso:

Provided, That in computing the duty the weight and value of the package shall be included and the net weight of the contents shall be plainly marked upon each package.

In other words, under the bill as it passed the House a duty of 10 cents a pound would also be levied on the weight of the package itself.

Mr. FLETCHER. The proviso eliminates the duty on the package?

Mr. SMOOT. Yes; that is proposed to be eliminated, and it ought to be eliminated.

Mr. FLETCHER. The effect of that will be to decrease the number of pounds.

Mr. SMOOT. Yes; and to decrease the duty.

Mr. FLETCHER. I think the duty as carried by the paragraph is excessive. Of course, I realize we can not reach that now. The only matter to which we can give attention, so far as action at this time is concerned, is the committee amendment, which I believe helps the bill, and I have no disposition to oppose the adoption of the committee amendment. I think it should be adopted. However, in this connection I may say a word regarding the entire paragraph, for it seems to me it seeks to impose an excessive duty.

Under the act of 1913 steel wool or steel shavings carried a duty of 20 per cent ad valorem. Under the act of 1909 steel wool or steel shavings carried a duty of 40 per cent ad valorem. The pending bill proposes to place a duty of 10 cents a pound on steel wool and 5 cents a pound on steel shavings, and in addition proposes to impose in both instances a duty of 30 per cent ad valorem. In the Summary of Tariff Information it is stated:

Description and use: Steel wool consists of long steel fibers resembling curled hair. The fibers are of triangular cross section and are graded according to fineness from coarse shavings to wool. Steel wool is used as an abrasive and is a substitute for sandpaper and emery cloth or pumice stone, being regarded as superior to them for certain purposes. It is used in shipbuilding, in other building, in factories, and in the household.

Production: No accurate figures of production are available. In 1917 the yearly consumption was estimated at between 1,000,000 and 1,500,000 pounds, which (imports being cut off) virtually represented domestic production. Germany and Switzerland are also producers.

With respect to imports it is said:

During the war very little steel wool was imported. In 1913 imports were 41,436 pounds, valued at $5,177, and in 1914, 27,113 pounds, valued at $3,698.

Those were the imports under the act of 1913, which carried a duty on steel wool and steel shavings of 20 per cent ad valorem. The pending bill separates the two, classifies steel wool as one item, and imposes a duty on it of 10 cents a pound plus 30 per cent ad valorem, and steel shavings as another item, and provides for a duty of 5 cents a pound plus 30 per cent ad valorem.

Under the duty of 20 per cent ad valorem there were imported only 41,436 pounds in 1913 and in 1914 only 27,113 pounds.

During recent years there have been no importations of steel wool, with the exception of a small amount, valued at $116, which was imported during the first nine months of 1921.

Consequently the levying of this duty will simply greatly increase the duty over that of the present law under which importations are almost negligible. The present law carries a duty of 20 per cent, the Payne-Aldrich law carried a duty of 40 per cent, and now under this paragraph the duty on steel wool would be from 55 to 60 per cent ad valorem, and on shavings it would be about 65 per cent ad valorem. The importations

now under the 20 per cent rate are of no consequence at all. I can not see any sort of justification for the high duties proposed; but, as I have said, that is a matter that will have to be attended to by an amendment when individual amendments are in order. At present I have no objection to agreeing to the committee amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 335 on page 66, line 18, after the word "form," to insert "three-fourths of," so as to read:

PAR. 335. Grit, shot, and sand of iron or steel, in any form, three-fourths of 1 cent per pound.

Mr. FLETCHER. With reference to that item the description and uses set forth in the Summary of Tariff Information are as follows:

Description and uses: Grit, shot, and iron sand are chilled iron shot made by heating scrap or pig iron to a fluid state and spraying it with steam as it runs into a large vat of water. The grit is used in grinding rough surfaces of granite, marble, and other stones.

Production figures are not available. Before the war domestic consumption was estimated at 3,200 tons. England is an important producer of these abrasives.

Imports of grit, shot, and sand in 1914 amounted to 228,454 pounds. Since 1917 they have been as follows:

Calendar year.	Quantity.	Value.	Duty.	Ad valorem rate.
	Pounds.			*Per cent.*
1918	489,015	$13,389	$4,017	30
1919	1,020,804	17,718	5,315	30
1920	893,804	16,320	4,896	30
1921 (9 months)	192,800	4,774	.....	30

The present rate of duty is 30 per cent ad valorem. Under the act of 1909, the Payne-Aldrich law, the duty was 1 cent per pound. That would be about 75 per cent. It is proposed now to make the duty about 30 per cent. The importations are so slight that it seems to me that that really is an excessive rate of duty. I am not able to state what the production amounts to, but the importations certainly are not very heavy; and I think, as nearly as I can get at it, that the proposal to make the duty three-fourths of 1 cent per pound amounts to about an equivalent ad valorem of 30 per cent. I move that it be reduced to one-fourth of 1 cent instead of three-fourths of 1 cent a pound. I offer that amendment.

Mr. SMOOT. Mr. President, just for the record, the House gave a rate of 1 cent a pound on this commodity, and it was based upon the testimony that was given by Mr. Kann, in which he says:

I saw last week a quantity of this material from Germany, at a factory in Elkton, Md. They bought the very material which costs us $92 a net ton to make at $60 a net ton New York City.

The Senate committee reported a rate of three-fourths of 1 cent instead of 1 cent. The equivalent ad valorem duty would be about 37 per cent on the price at which the article is sold to-day.

The advantage of shipping in grit, shot, and sand of iron or steel is described by Mr. Kann, perhaps as well as I could describe it, in an answer that he gave to the committee:

Mr. GREEN. That is called crushed steel?

Mr. KANN. Yes, sir; crushed grit, crushed steel—chiefly crushed grit—that is, our fine sizes, which we formerly had great difficulty in getting rid of. We have just developed this market, and this particular material is being offered at $60 a ton by Germany.

Grit is made in very fine grit and coarser grit. It is always an advantage to any company if they can get rid of their fine grit. American manufacturers have to make it all sizes—fine, medium, and coarse. Where Germany manufactures it she takes the fine part, that does not cost her nearly as much as the larger-size grit, and she dumps it into this country, and then sells the medium and large size to the rest of the world at a higher price. If they can take the market in America for the fine grit away from the American manufacturer—and this market is the only place where she can sell it at all—then the cost of the medium and the higher grade of grit advances materially, because of the fact that it is almost a by-product, and the only way the American manufacturer can maintain a market at all is to sell all three grades as they are made. He must sell his fine grade in the American market, and the three-fourths of 1 cent will no more than protect him on that.

I will say to the Senator that if it were only the medium grade and the coarse grade, and they could make it all of those grades, and no fine grade with it, there would be no necessity for this rate, and the rate that the Senator proposes would perhaps be sufficient; but if the fine grade is taken away from the manufacturer, and he can not sell it because of the foreign countries importing that which they want to get rid of, then the Senator can see what would happen to the American manufacturer. That is why we asked that three-fourths of a cent be given, and we lowered the House rate 25 per cent.

Mr. Kann also says:

In making up our production we make 12 sizes; 14 sizes, really.

I did not go into each one, because the medium has a certain number, and the coarse a certain number, and the fine a certain number.

There is no way that we can make any particular amount of any one size. In producing shot we blow the molten metal into the air by steam pressure. It then drops into a tank of water and is chilled. We dry, remove this metal, then screen it; we get out these 12 sizes. We make more of the very coarse and the very fine, but we can not make more of the intermediate sizes for which there is the greatest demand. The foreign market uses different sizes than we do. Their offsizes are the sizes that are most in the demand in the United States.

Of course, the Senator can see that if they take the small sizes away from the trade, or, in other words, skim the cream off the American trade, and leave the skim milk here, they can not live on it very long.

Mr. FLETCHER. Can the Senator state what our exports have been? I have no figures on that point.

Mr. SMOOT. I do not think the exports are given. In fact, I do not think they amount to anything, unless it should be just over the border here in Canada.

Mr. FLETCHER. It seems to me that there was a very considerable reduction made in the act of 1913 from the duty under the act of 1909. Under the act of 1909, according to the experts who figured the ad valorem equivalent, that duty amounted to 75 per cent ad valorem. Under the act of 1913 it came down to 30 per cent, and under the 30 per cent duty the industry has prospered. The manufacturer does not seem to need any particular protection beyond what that gives.

Mr. SMOOT. I will say to the Senator that three-fourths of 1 cent, as I said before, amounts to about 37 per cent ad valorem.

Mr. FLETCHER. That is higher than 30 per cent.

Mr. SMOOT. I am aware of that; but the American manufacturer estimates his cost over all grades that may be produced. If you allow the fine grade to come in here, and take that market away from him, then, of course, his cost upon the other articles will be increased. We can not ship our fine stuff to a foreign market and take their market away, but they can send it in here and take our market away on the fine product which they have to make, of which they can not help but make a certain proportion. If it were possible in the process to make only one grade and have all of it an intermediate grade, then, of course, this would be too high a rate; but it is not too high a rate, taking into consideration the conditions of the industry.

I will say to the Senator that there are very few industries of that kind. Generally, in the case of a manufactured product, they can make just what they want to make, and nothing else; but in the case of this product they can not.

Mr. FLETCHER. The Senator's comment and argument prompt me to change my amendment from "one-fourth" to "one-half." I ask to modify the amendment so as to move to change "three-fourths of 1 cent" in line 18 to "one-half of 1 cent."

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). The question is on the amendment proposed by the Senator from Florida to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question reverts to the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The PRINCIPAL LEGISLATIVE CLERK. The next amendment will be found on page 66, line 21, where it is proposed to strike out "25" and insert "35," so as to make the paragraph read:

PAR. 336. Corset clasps, corset steels, and dress steels, whether plain or covered with cotton, silk, or other material, 35 per cent ad valorem.

Mr. FLETCHER. Mr. President, I desire to submit just a few observations regarding that paragraph.

Under the act of 1909, corset clasps, corset steels, and dress steels paid a duty of not less than 35 per cent ad valorem. Under the act of 1913, corset clasps, corset steels, and dress steels paid a duty of 15 per cent ad valorem. The House bill provides for 25 per cent ad valorem, and the committee proposes to change "25" to "35" per cent ad valorem.

A corset clasp consists of two short pieces of flat steel, one having a flat metal eyelet and the other having firmly affixed a small metal post so arranged that the eyelet can be hooked over it. Corset steels and dress steels are short strips of flat steel wire covered with cotton gauze or other material.

Approximately 15 establishments manufacture these products. The large industrial centers of New York, Pennsylvania, Connecticut, and Massachusetts are the important producers.

The imports for the fiscal year 1918 were valued at $17,238; they were over four and one-half times that amount in 1914. Later statistics follow:

In 1918 the value of the imports was $206,389. The duty of 15 per cent yielded a revenue of $30,958.

For the calendar year 1919 the value of the imports was $159,190 and the duty was $23,878.

In 1920 the imports were valued at $809,745 and the duty was $121,462.

In 1921, for the first nine months, the value of the imports was $450,069. There are no recorded exports; but the present rate of duty, as I say, is 15 per cent ad valorem. If this amendment is agreed to, you will see that the duty is more than doubled. It is made 35 per cent ad valorem.

The importations are not such now as would give cause for any apprehension that they are interfering with the industry in this country. We are getting some revenue out of the importations, and it seems to me that to increase the duty to more than double will more than likely reduce importations, if not absolutely prohibit importations.

In that case we would lose the revenue. The industry here is in a flourishing condition under the present law, and I can not see what the effect of this would be except possibly to reduce our revenues and simply enable the manufacturers to raise the prices of this product to the consumers. I will be glad to have the Senator from Utah explain this further, and give some reason for the rate fixed.

I move as an amendment that "35" be changed to "15," so that it would read "15 per cent ad valorem."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Florida to the committee amendment.

Mr. SMOOT. Mr. President, I call attention to the fact that this is one of the items in this schedule which really needs protection, and I think the Senator from Florida himself will admit it. The imports for the fiscal year 1918 were $17,938. Let us see what has happened and what is happening to this industry. It is only a little industry, small compared with larger industries in the steel business.

In 1919 the value of the imports was $159,190. In 1920, in this small industry, they jumped to $809,745. For the nine months of 1921 they were $450,069.

When the imports in an industry as small as this are over $800,000 in a year, jumping from almost nothing in the pre-war period, with the same rate of duty—because the Payne-Aldrich rate was 35 per cent—there is some reason for it. I think, perhaps, the committee has this rate a little too low to make it possible even for the domestic producers to compete with the foreign producers. We were asked for a higher rate than this, but the committee decided we would not give them any more than they had during the pre-war period, and therefore we kept the rate 35 per cent, and I think the industry is entitled to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida to the committee amendment.

Mr. FLETCHER. I ask for the yeas and nays.

Mr. BURSUM. Let the question be stated, Mr. President.

The PRESIDING OFFICER. The amendment proposed by the Senator from Florida to the amendment of the committee will be read.

The READING CLERK. On page 66, line 21, the Senator from Florida moves to amend the committee amendment by striking out "35" and inserting in lieu thereof "15."

The yeas and nays were ordered, and the principal legislative clerk proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and vote "yea." I ask that the same transfer may stand for the day.

Mr. MOSES (when Mr. KEYES's name was called). My colleague [Mr. KEYES] authorized me to state that if present he would vote "nay" on this question.

Mr. PHIPPS (when his name was called). Transferring my pair with the junior Senator from South Carolina [Mr. DIAL] to the junior Senator from New Hampshire [Mr. KEYES], I vote "nay."

The roll call was concluded.

Mr. JONES of Washington (after having voted in the negative). I understand the senior Senator from Virginia [Mr. SWANSON] has not voted. I am paired with that Senator for the evening, as he had to be away. I find I can transfer my pair to the senior Senator from Minnesota [Mr. NELSON]. I do so, and let my vote stand.

Mr. LODGE (after having voted in the negative). I transfer my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the Senator from Oregon [Mr. STANFIELD] and allow my vote to stand.

Mr. STERLING. I find that my pair has not voted, and I therefore transfer my pair with the senior Senator from South Carolina [Mr. SMITH] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. CURTIS. I desire to announce that the Senator from Indiana [Mr. NEW] is absent on official business. He is paired with the Senator from Tennessee [Mr. MCKELLAR]. I also desire to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

The result was announced—yeas 14, nays 38, as follows:

YEAS—14.

Borah	Harrison	Pittman	Stanley
Caraway	Jones, N. Mex.	Robinson	Walsh, Mass.
Fletcher	La Follette	Sheppard	
Harris	Overman	Simmons	

NAYS—38.

Ball	Hale	McCumber	Phipps
Brandegee	Harreld	McKinley	Shortridge
Bursum	Johnson	McLean	Smoot
Calder	Jones, Wash.	McNary	Sterling
Capper	Kellogg	Moses	Sutherland
Curtis	Kendrick	Newberry	Townsend
Elkins	Ladd	Nicholson	Wadsworth
Ernst	Lenroot	Norbeck	Warren
France	Lodge	Oddie	
Gooding	McCormick	Page	

NOT VOTING—44.

Ashurst	Fernald	New	Spencer
Broussard	Frelinghuysen	Norris	Stanfield
Cameron	Gerry	Owen	Swanson
Colt	Glass	Pepper	Trammell
Crow	Heflin	Poindexter	Underwood
Culberson	Hitchcock	Pomerene	Walsh, Mont.
Cummins	Keyes	Ransdell	Watson, Ga.
Dial	King	Rawson	Watson, Ind.
Dillingham	McKellar	Reed	Weller
du Pont	Myers	Shields	Williams
Edge	Nelson	Smith	Willis

So Mr. FLETCHER's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

CONTINUATION OF LAND OFFICES.

Mr. STERLING. Mr. President, at this time, with the consent of the chairman of the Committee on Finance, I desire to ask unanimous consent for the present consideration of the bill (S. 3425) to continue the land offices at Bellefourche, Timber Lake, and Lemmon, in the State of South Dakota, and for other purposes.

Mr. SIMMONS. What is the purpose of the bill?

Mr. STERLING. It is a bill to continue the land offices at Bellefourche, Timber Lake, and Lemmon, in the State of South Dakota, a Senate bill amended by the Senate Committee on Public Lands and Surveys by adding the land office at the town of Waterville, in the State of Washington.

Mr. SIMMONS. Does the Senator think it will lead to much debate?

Mr. STERLING. I do not think it will, I will say to the Senator from North Carolina.

Mr. SMOOT. I doubt very much whether it will lead to any debate, because the committee intend to report a general bill of like character just as soon as we can. This comes about by

virtue of the abolishment of land offices in certain States where there is not the business necessary to require the office.

Mr. OVERMAN. The matter was before the Committee on Appropriations, as Senators know, and we all agreed that there was a mistake made in the abolishment of many of these offices.

Mr. STERLING. I will say that House Members as well as Senate Members did not know that the effect of the bill would be to abolish many of the offices.

Mr. OVERMAN. There was a mistake made; there is no doubt about it.

Mr. CARAWAY. Mr. President, may I ask the Senator from South Dakota a question? I did not hear him when he read the names of the offices. I am very much interested in the office at Harrison, Ark., which falls well within the proposition.

Mr. SMOOT. That will be covered by the general bill. Instead of taking the matter up piecemeal, the committee intends to report a general bill.

Mr. CARAWAY. Would the Senator object to having Harrison, Ark., included in this bill? May I ask him first whether there was some report of the Harrison, Ark., office before the committee?

Mr. STERLING. I do not know that there was.

Mr. CARAWAY. The Secretary of the Interior told me that he did not think that office ought to have been abolished.

Mr. STERLING. I think the Senator will have an opportunity to take care of that office.

Mr. CARAWAY. Would the Senator object to including that office in this bill?

Mr. STERLING. I shall not object to including it in the bill. There are other Senators who have asked to amend the bill by including other offices, Senators who did not know, as I did not know, of the wholesale elimination of land offices without inquiry and without notice to Senators or Members of the House, either.

Mr. CARAWAY. I did not know of it, and I would be glad to include Harrison, Ark., in the bill.

Mr. STERLING. I shall not object, I will say to the Senator from Arkansas.

Mr. FLETCHER. May I inquire whether the purpose of the bill is to continue certain land offices?

Mr. STERLING. To continue or reinstate land offices that were eliminated by the act making appropriations for the Department of the Interior. These land offices were eliminated, and of course they will go out of existence the 1st of July next; hence the necessity for speedy action in regard to the legislation in order that it may be considered by the House.

Mr. FLETCHER. Will it continue them indefinitely or just for one year?

Mr. BURSUM. Just for one year.

Mr. SMOOT. I want to say to the Senator from South Dakota that I do not believe this will hasten the result one minute. The House intend to pass a general bill. They may pass it before we can present a general bill, and if they do, then, we will pass the House bill. If we pass a general bill before the House, then they will take the Senate bill, but the House will pass a general bill first, I believe.

Mr. STERLING. I think this action probably will hasten the matter. It is an urgent matter in the State of South Dakota. I am primarily interested, of course, in the land offices in that State. It is not absolutely certain that the House will pass the bill.

Mr. McCUMBER. Mr. President, if the Senator will allow me, I agree with him that the bill to which reference has been made came over and none of us knew that a law which we had passed only a few months ago had been entirely changed. We provided that a number of the land offices in North Dakota, South Dakota, Washington, and other States should be consolidated, so that there would be only the one office instead of having both receiver and a register where the business was light, and that we were to have simply a register or receiver and have but the one office. No sooner had we put that bill through and enacted the law and were arranging for appointments, and so forth, than it was ascertained that a bill which came through without the knowledge of anyone had abolished a great many of the land offices. For that reason I agree with the Senator that the change ought to be made immediately, and I consent that the tariff bill, the unfinished business, may be temporarily laid aside for the consideration of the bill which the Senator from South Dakota desires to call up.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota for the immediate consideration of the bill (S. 3425).

There being no objection, the Senate as in Committee of the Whole, proceeded to consider the bill which had been reported from the Committee on Public Lands and Surveys with an amendment, in section 1, page 1, line 5, after the name "Dakota," to insert "and Waterville, in the State of Washington," so as to make the bill read:

Be it enacted, etc., That the land offices now located, respectively, at Bellefourche, Timber Lake, and Lemmon in the State of South Dakota, and Waterville in the State of Washington, are hereby continued for and during the fiscal year commencing July 1, 1922, and thereafter, in the discretion of the President, as long as the public business at such offices shall warrant: *Provided, however*, That the President may consolidate the offices of register and receiver in any of said offices whenever he may deem it in the public interest.

SEC. 2. That such appropriations as are sufficient to maintain said offices are hereby authorized to be made from time to time as conditions may require.

Mr. PITTMAN. Mr. President, I will ask the Senator if in examining the data he ascertained whether the land office at Elko, Nev., was also eliminated? My recollection is that it was, but I would like to be sure of it.

Mr. STERLING. I do not think so, but I am not sure, I will say to the Senator. I find continued under the bill the following land offices: Eureka, Calif.; Lamar, Colo.; Lewiston, Idaho; Duluth, Minn.; Burns, Oreg.; Seattle, Wash.; and Vancouver, Wash. All those offices were continued under the bill. I suppose it follows that the others not named as continued under the bill are eliminated. I will say this, and I thank Senators sitting near me for calling my attention to it, that if the offices do not meet the requirements of the law as interpreted by the department as to acreage yet to be entered and the receipts of the office, they will be eliminated.

Mr. PITTMAN. I remember the bill now. I did not remember it at the time the matter was first suggested.

Mr. OVERMAN. When the Appropriations Committee had the matter up we had Members of the House and Members of the Senate before the committee, and we came to the conclusion that the land offices in the Senator's State were dropped by mistake. I think nothing was said about the others. The other land offices were wiped out by the appropriation bill. I remember, instead of putting towns in the Senator's State back in that bill, we suggested to him to take care of it in a separate bill. So I think the Senator's bill is all right.

Mr. STERLING. That is what I have sought to do.

Mr. OVERMAN. I have no objection to it. I do not know about the other land offices which were not provided for.

Mr. STERLING. In agreeing not to object to any amendment here which may be offered by other Senators, I take into consideration the circumstances under which the bill is passed, so far as the State of South Dakota is concerned. I think House Members and Senators from the State of South Dakota were similarly treated in not being consulted as to the needs of their States and the need for the office and the needs of the people. They are undoubtedly entitled to have their offices included.

Mr. PITTMAN. I did not know to what bill the Senator from South Dakota referred. I remember the bill now, and I know it does not affect the land offices in Nevada. Of course, I have no objection to the bill. I simply wanted to offer an amendment if the Nevada offices had been affected in any way.

Mr. McCUMBER. In section 1, on page 1, line 5, I move, before the word "are," to insert "Williston, Minot, and Dickinson, in the State of North Dakota."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from North Dakota to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. PHIPPS. I offer the following amendment.

The PRESIDING OFFICER. The Senator from Colorado offers the following amendment, which will be stated.

The ASSISTANT SECRETARY. After the amendment just agreed to insert "Del Norte, in the State of Colorado."

The amendment to the amendment was agreed to.

Mr. BURSUM. I offer the following amendment to be inserted after the amendment just agreed to.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. After the amendment just agreed to insert "Clayton and Fort Sumner, in the State of New Mexico."

The amendment to the amendment was agreed to.

Mr. CARAWAY. There were two offices dropped in my State, Harrison and Camden. I move to insert those.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. After the amendment last agreed to insert:

Harrison and Camden, in the State of Arkansas.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on the committee amendment as amended.

The amendment as amended was agreed to.

Mr. PHIPPS. I offer the following amendment covering a different class of offices; that is to say, where the action will be a little different. This is simply to retain one of the officials in place where the offices were not slated to be discontinued.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. At the end of section 1 insert a new section, as follows:

SEC. 2. That the land office now located at Durango, Colo., is also hereby continued for and during said fiscal year, but the provisions of the act entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for other purposes," approved May 25, 1922, shall not apply to the said land office in so far as they relate to the consolidation of the offices of register and receiver of such land office.

So as to make the bill read:

Be it enacted, etc., That the land offices now located, respectively, at Bellefourche, Timber Lake, and Lemmon, in the State of South Dakota; Waterville, in the State of Washington; Williston, Minot, and Dickinson, in the State of North Dakota; Del Norte, in the State of Colorado; Clayton and Fort Sumner, in the State of New Mexico; and Harrison and Camden, in the State of Arkansas, are hereby continued for and during the fiscal year commencing July 1, 1922, and thereafter, in the discretion of the President, as long as the public business at such offices shall warrant: *Provided, however*, That the President may consolidate the offices of register and receiver in any of said offices whenever he may deem it in the public interest.

SEC. 2. That the land office now located at Durango, Colo., is also hereby continued for and during said fiscal year, but the provisions of the act entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for other purposes," approved May 25, 1922, shall not apply to the said land office in so far as they relate to the consolidation of the offices of register and receiver of such land office.

SEC. 3. That such appropriations as are sufficient to maintain said offices are hereby authorized to be made from time to time as conditions may require.

Mr. PITTMAN. What is the effect of the amendment?

Mr. PHIPPS. The effect is simply this: The office was not slated to be discontinued, but it was slated to have the positions of receiver and register consolidated. The fact is that it would automatically do that under the regulation of the department that the expenditures can not exceed 33⅓ per cent of the receipts. In this case the office gets no credit whatever for the Indian-lands money which is handled, and the business of the office requires the services of both the register and receiver.

Mr. OVERMAN. We passed an appropriation bill taking care of all these things and it was agreed to in conference and became the law. Senators now come here to undo what we have done. However, I do not suppose the House will consider it for a moment, so I will not object to it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Colorado.

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to continue certain land offices, and for other purposes."

DOMESTIC PRICE OF BONE BLACK.

Mr. WALSH of Massachusetts. Mr. President, before the next amendment to the pending tariff bill is taken up, I ask unanimous consent to have inserted in the RECORD some communications which I have received with reference to the domestic price of bone black.

In the discussion of this question the other night the Senator from North Dakota [Mr. MCCUMBER] quoted some prices from the Oil, Paint, and Drug Reporter, which were inaccurate and which did not relate to the kind of bone black under discussion at that time. These communications are from various dealers in this country and tend to show that the price is, as I claimed at that time, 4 cents per pound. They refute the opposing contention and explain the statement heretofore made by me on this matter.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

SAVANNAH SUGAR REFINING CORPORATION,
Savannah, Ga., May 22, 1922.

Messrs. POMEROY & FISCHER,
95 Madison Avenue, New York, N. Y.

GENTLEMEN: For your information, we have bought what you might say will be our requirements in domestic bone black for 1922 at 4 cents per pound f. o. b. our refinery, Port Wentworth.

Yours very truly,

W. S. PARDONNER.

POMEROY & FISCHER,
New York, May 25, 1922.

Hon. DAVID I. WALSH,
Senate Finance Committee, Washington, D. C.

(Subject: Tariff on bone black, par. 66, Schedule 1.)

MY DEAR MR. WALSH: I fear you will be weary with my continued letters on bone black, but I now write merely to transmit a letter received this morning from the Oil, Paint, and Drug Reporter. Added to the evidence previously submitted, it should prove to Senator MCCUMBER that beyond question the market for bone black at this time is 4 cents per pound and not 5 to 7 cents, as maintained by him in the debate. I remain,

Yours very truly,

CHAS. B. GRIMES.

—

NEW YORK, *May 24, 1922.*

POMEROY & FISCHER,
95 Madison Avenue, New York, N. Y.

GENTLEMEN: In answer to your question concerning the quotation on bone black as it appears in the Reporter, the quoted price is, as is stated in the prices current, upon powdered of the sort that is used in the paint industry. It does not cover the price of granular, as used in the sugar industry. This, according to our information, is considerably lower. For instance, one prominent handler who considered our inside price of 5½ cents rather low, quoted granular for decolorizing purposes at 4½ cents. We hope this gives you the information you desired.

Very truly yours,

OIL, PAINT, AND DRUG REPORTER (INC.),
H. CRAIG, *Managing Editor.*

—

THE NATIONAL SUGAR REFINING CO. OF NEW JERSEY,
New York, May 18, 1922.

Messrs. POMEROY & FISCHER,
95 Madison Avenue, New York City.

GENTLEMEN: Referring to the telegram which you submitted to us quoting domestic bone black at 5 cents to 7 cents per pound, we beg to say that this price is entirely too high. We are not in the market at the moment for bone black, but its value ranges from 4 cents to 4½ cents.

Yours very truly,

THE NATIONAL SUGAR REFINING CO. OF NEW JERSEY,
GEO. R. BUNKER, *Secretary.*

—

WARNER SUGAR REFINING CO.,
New York, May 23, 1922.

Messrs. POMEROY & FISCHER,
No. 95 Madison Avenue, New York, N. Y.

GENTLEMEN: Replying to your inquiry as to whether we have made purchases of bone black under $100 per ton f. o. b. New York, I beg to say that we made several purchases the early part of this year from domestic bone-black manufacturers at a price not exceeding 4 cents per pound. I understand that I could make purchases to-day of new 12 by 28 American bone black from both eastern and western manufactures at 4 cents per pound delivered New York.

I trust the above information will be of value to you in your endeavors to obtain, if possible, a reversal of the action of Congress to place an import tariff on foreign bone black.

Yours very truly,

J. R. PELS,
Purchasing Agent.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The ASSISTANT SECRETARY. The pending amendment is on page 67, line 2, paragraph 337——

Mr. SIMMONS. Mr. President——

Mr. MCCUMBER. I yield to the Senator from North Carolina.

Mr. SIMMONS. I desire to ask the Senator from North Dakota if he would not be willing now to take up paragraph 346?

Mr. MCCUMBER. And to proceed from that paragraph?

Mr. SIMMONS. To proceed from that paragraph.

Mr. MCCUMBER. That is satisfactory to me, Mr. President.

The PRESIDING OFFICER. The amendment of the Committee on Finance to paragraph 346 will be stated.

The next amendment of the Committee on Finance was, in paragraph 346, on page 69, line 21, after the words "partly of," to strike out "iron or steel" and to insert "iron, steel, or other base metal"; so as to make the paragraph read:

PAR. 346. Belt buckles, trouser buckles, and waistcoat buckles, shoe or slipper buckles, and parts thereof, made wholly or partly of iron, steel, or other base metal, valued at not more than 20 cents per hundred, 5 cents per hundred; valued at more than 20 and not more than 50 cents per hundred, 10 cents per hundred; valued at more than 50 cents per hundred, 15 cents per hundred; and in addition thereto, on all of the foregoing, 20 per cent ad valorem.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. SHEPPARD. Mr. President——

Mr. SIMMONS. I yield the floor to the Senator from Texas.

Mr. MCCUMBER. If the Senator from Texas will yield to me, I desire to suggest that I presume he does not object to the particular amendment of the committee which has been stated being acted on?

Mr. SHEPPARD. I desire briefly to discuss the paragraph.

Mr. McCUMBER. But I suggest that the Senator from Texas would not object to having acted upon that particular amendment, which is simply a designation of the class?

Mr. SHEPPARD. I do not; but I thought the discussion should properly proceed under the amendment, and then we could vote on the amendment. However, I am willing to take any course which the Senator from North Dakota suggests.

Mr. McCUMBER. The amendment which has been stated, I understand, is the only amendment to the paragraph?

Mr. SHEPPARD. It is, and therefore I thought it was best to deliver my remarks on the only pending amendment.

Mr. McCUMBER. Very well. I understand the situation.

Mr. SHEPPARD. Mr. President, the paragraph of the bill under consideration reads as follows:

PAR. 346. Belt buckles, trouser buckles, and waistcoat buckles, shoe or slipper buckles, and parts thereof, made wholly or partly of iron, steel, or other base metal, valued at not more than 20 cents per hundred, 5 cents per hundred; valued at more than 20 and not more than 50 cents per hundred, 10 cents per hundred; valued at more than 50 cents per hundred, 15 cents per hundred; and in addition thereto on all of the foregoing 20 per cent ad valorem.

Translated in terms of ad valorem these rates range from 45 to 55 per cent.

The only change this makes in the bill as it passed the House is to add the words "or other base metal" after the words "iron or steel." The rates are the same as in the House bill and are slightly higher than most of the corresponding rates in the Payne-Aldrich Act of 1909.

The rates on these articles in the existing Democratic tariff act are 15 per cent ad valorem, except as to shoe and slipper buckles, which are 20 per cent ad valorem.

It will be seen, therefore, that the proposed bill increases about three times the prevailing tariff rates on these necessary articles of human wear.

Imports in 1919 had a value of $17,880; in 1920, $7,349; in the first nine months of 1921, $793. They came principally from Germany, Austria, and France. Home production has an annual value of a million dollars or more, according to the tariff commission. Do these figures afford any possible basis for the fear of foreign competition? Do they afford any justification for an increase in tariff rates of 300 per cent?

Evidently differences in exchange and wages are not resulting in any appreciable danger to this American industry. Evidently American skill and experience enable us to make these articles in such volume and at such cost per unit that foreign competition can not damage us. Evidently duties on these articles are useless for protection and almost equally ineffective for revenue. The enormous increases proposed in the pending paragraph can only serve as a basis or excuse for extortion in the home market.

At the proper time I shall move to substitute the existing Democratic rates for those in the pending bill. The American industry is making satisfactory progress under them and they will afford a small revenue.

I quote here from the survey of the Tariff Commission:

The act of 1913 reduced the tariff approximately 70 per cent. But even with this large reduction the contention of domestic manufacturers to the effect that foreign producers are destructive competitors in the American market is not substantiated by statistics of imports, which, compared with domestic production, are very small. The annual importation—computed on values—has never been much over 2 per cent of the total available supply, and from 1908 to 1919 it was much less.

I understand that under the rule adopted for the consideration of the pending bill, where there is no change in the rate which has been fixed by the other House we may not for the present offer an amendment changing the rate. I have no objection, therefore, to the amendment proposed by the committee, which does not involve a rate change by the Senate.

The PRESIDING OFFICER (Mr. BROUSSARD in the chair). The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the Committee on Finance will be stated.

The next amendment of the Committee on Finance was in paragraph 347, on page 70, line 6, before the words "per centum," to strike out the figures "15" and to insert "25"; so as to make the paragraph read:

PAR. 347. Hooks and eyes, wholly or in chief value of metal, whether loose, carded, or otherwise, including weight of cards, cartons, and immediate wrappings and labels, 4½ cents per pound and 25 per cent ad valorem.

Mr. SHEPPARD. Mr. President, paragraph 347 of the bill before the Senate is as follows:

Hooks and eyes, wholly or in chief value of metal, whether loose, carded, or otherwise, including weight of cards, cartons, and immediate wrappings and labels, 4½ cents per pound and 15 per cent ad valorem.

This is the form in which the paragraph passed the House, and in which it appeared in the Payne-Aldrich Act.

The existing Democratic tariff law places a rate of 15 per cent ad valorem on these items.

Domestic production in 1919 was valued at $2,354,000, importation at only $50. The value of imports in 1920 was $3,401, in the first nine months of 1921, $3,533. Home production continued on a scale adequate to supply the home demand.

It is evident, therefore, that importations are not endangering home production, and that the proposed duty increase of about 100 per cent is without reason.

I shall move, at the proper time, to retain the prevailing rate, to wit, 15 per cent ad valorem, under which the industry produces a sufficient supply for domestic needs. So small are the importations that the question of revenue is insignificant.

Hooks and eyes are a crude, unsatisfactory, baffling, and bedeviling means of fastening dresses, as most married men will testify. It is an industry that should not be encouraged. Let us hope that modern progress, having furnished us wireless telegraphy, heatless cookery, and the horseless carriage, will next discover the hookless and eyeless dress. Hooks and eyes are made of brass, plated with tin, coated with japan, located with difficulty, and connected with the most strenuous and agonizing endeavor. They are made by automatic machinery; would they could be fastened, Mr. President, in the same way.

Mr. President, I move to amend the committee amendment by striking out "25" and inserting "15."

Mr. McCUMBER. Mr. President, may I ask the Senator a question?

Mr. SHEPPARD. Certainly, sir.

Mr. McCUMBER. As an expert, will the Senator inform me how many dresses a pound of hooks and eyes will supply?

Mr. SHEPPARD. From the experience I have had, it seems to me that the number of hooks and eyes on each dress is almost infinite and that they are hopelessly invisible.

Mr. McCUMBER. If I should venture a guess, I should say that one pound would perhaps be sufficient to furnish all the hooks and eyes a lady would use in a lifetime.

Mr. SHEPPARD. I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER (Mr. BROUSSARD in the chair). The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. In paragraph 347, page 70, line 6, before the words "per centum," it is proposed to strike out "25" and to insert "14."

Mr. McLEAN. Mr. President, the remarks of the Senator from Texas in opposition to the paragraph have been very interesting, but it does not seem to me that he could have investigated the subject very thoroughly. The Reynolds report goes into this item in detail, and the conclusion of the commission is that to equalize the difference in conversion cost of this article would require 274 per cent. The committee has given it 25 per cent. Under the circumstances I do not think it is necessary to debate the question any longer.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas to the amendment reported by the committee, and on which the yeas and nays are demanded.

The yeas and nays were not ordered.

Mr. SHEPPARD. I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ball	Hale	McCormick	Pittman
Borah	Harreld	McCumber	Sheppard
Brandegee	Harris	McKinley	Shortridge
Broussard	Harrison	McLean	Simmons
Bursum	Johnson	McNary	Smith
Calder	Jones, N. Mex.	Moses	Smoot
Capper	Jones, Wash.	Newberry	Sterling
Curtis	Kellogg	Nicholson	Sutherland
Elkins	Kendrick	Oddie	Townsend
Ernst	La Follette	Overman	Wadsworth
France	Lenroot	Page	Warren
Gooding	Lodge	Phipps	

The PRESIDING OFFICER. Forty-seven Senators have answered to their names—not a quorum. The Secretary will call the names of the absentees.

The Assistant Secretary called the names of the absent Senators, and Mr. HEFLIN and Mr. LADD answered to their names when called.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. There is a quorum present. The question is on the amendment offered by the Senator from Texas [Mr. SHEPPARD] to the amendment of the committee.

Mr. SHEPPARD. Mr. President, I want to say to the Senator from Connecticut that I took the figures I quoted from the Summary of Tariff Information furnished us by the Tariff Commission, and I desire to have the vote taken on the committee amendment. Later on I shall move to strike out the specific rate of 4½ cents a pound, when we return to the unchanged text of the bill.

The PRESIDING OFFICER. The question is on the amendment proposed by the committee, which will be stated.

The ASSISTANT SECRETARY. On page 70, line 6, in the paragraph relative to hooks and eyes, the committee proposes to strike out "15" and to insert "25."

Mr. SHEPPARD. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. BALL (when his name was called). I transfer my pair with the Senator from Florida [Mr. FLETCHER] to the Senator from Pennsylvania [Mr. CROW], and will vote. I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. MOSES (when Mr. KEYES's name was called). My colleague [Mr. KEYES] is absent on account of illness. I am authorized to state that if he were present he would vote "yea" on this question.

Mr. LODGE (when his name was called). Making the same announcement as before as to the transfer of my pair, I vote "yea."

Mr. PHIPPS (when his name was called). Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. SUTHERLAND (when his name was called). Transferring my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Washington [Mr. POINDEXTER], I vote "yea."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

Mr. ERNST (after having voted in the affirmative). I transfer my pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Missouri [Mr. SPENCER] and allow my vote to stand.

The result was announced—yeas 40, nays 10, as follows:

YEAS—40.

Ball	Gooding	Lodge	Page
Brandegee	Hale	McCormick	Pepper
Broussard	Harreld	McCumber	Phipps
Bursum	Johnson	McKinley	Shortridge
Calder	Jones, Wash.	McLean	Smoot
Capper	Kellogg	McNary	Sterling
Curtis	Kendrick	Moses	Sutherland
Elkins	Ladd	Newberry	Townsend
Ernst	La Follette	Nicholson	Wadsworth
France	Lenroot	Oddie	Warren

NAYS—10.

Borah	Harrison	Pittman	Smith
Caraway	Heflin	Sheppard	
Harris	Overman	Simmons	

NOT VOTING—46.

Ashurst	Frelinghuysen	Norris	Swanson
Cameron	Gerry	Owen	Trammell
Colt	Glass	Poindexter	Underwood
Crow	Hitchcock	Pomerene	Walsh, Mass.
Culberson	Jones, N. Mex.	Ransdell	Walsh, Mont.
Cummins	Keyes	Rawson	Watson, Ga.
Dial	King	Reed	Watson, Ind.
Dillingham	McKellar	Robinson	Weller
du Pont	Myers	Shields	Williams
Edge	Nelson	Spencer	Willis
Fernald	New	Stanfield	
Fletcher	Norbeck	Stanley	

So the committee amendment was agreed to.

The next amendment was, in paragraph 348, on page 70, line 10, before the words "per centum," to strike out "40" and insert "55," so as to read:

Snap fasteners and clasps, and parts thereof, by whatever name known, or of whatever material composed, not plated with gold, silver, or platinum, and not mounted on tape, 55 per cent ad valorem.

Mr. SHEPPARD. Paragraph 348 of the bill under consideration provides, as reported to the Senate, that snap fasteners and clasps, and parts thereof, by whatever name known, or of whatever material composed, not plated with gold, silver, or platinum, and not mounted on tape, 55 per cent ad valorem; mounted on tape, 60 per cent ad valorem. This represents an increase over corresponding rates in the bill as it passed the House of about 25 per cent, the House rates being 40 per cent ad valorem and 45 per cent ad valorem, respectively. It presents an increase of 5 to 10 per cent over the Payne rates of 1909 and an increase of 200 per cent and upward over the existing Democratic rates, which are 15 per cent ad valorem for snap fasteners and clasps made wholly or in chief value of iron and steel, and 20 per cent ad valorem on the said fasteners and clasps composed of metal other than iron or steel.

These articles are a decided improvement over the exasperating hooks and eyes as devices for fastening clothing, and are used as substitutes for them, as well as for buttons, buckles, and pins.

Annual production in the United States is valued at about $6,000,000, while imports in 1920 had a value of $26,351, and during the first nine months of 1921 a value of $7,000.

There is nothing in these figures calling for the large increases in the House bill and still larger increases in the bill as reported to the Senate. There is nothing to show that the moderate duties in the current Democratic law are not sufficient for all legitimate purposes, and I move to substitute 15 per cent for 55 in the pending paragraph.

The VICE PRESIDENT. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. On page 70, line 10, strike out "55" and insert in lieu thereof "15," so as to read:

Not mounted on tape, 15 per cent ad valorem.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. LODGE. Mr. President, I do not know whether an amendment I desire to offer is strictly in order at this time. The committee amendment in line 11 is "mounted on tape, 60 per cent ad valorem." I want to add another classification, and I suppose it would come properly as an individual amendment and not as an amendment to the committee amendment. I want to add the words, "except, however, that on sew-on fasteners there shall be a specific duty of 20 cents a single gross."

Mr. MCCUMBER. The Senator is not offering that now, I understand?

Mr. LODGE. No; I believe it is not in order.

Mr. MCCUMBER. That is correct.

Mr. LODGE. I give notice that I shall offer that amendment.

Mr. MCCUMBER. Mr. President, I want to read into the RECORD at this time some of the testimony which was given in reference to the cost of these fasteners. This was the statement of Mr. Waldes, of Waldes & Co., and I ask Senators on the other side of the Chamber who get startled at some of our tariff rates to consider what we would have to pay if we should attempt to import any of these articles into some of these other countries. The rates of duty in the different countries are as follows:

Belgium, about 75 per cent; Czechoslovakia, 40 per cent; France, 80 per cent; Italy, 90 per cent; Poland, 300 per cent; Spain, 90 per cent; while in Germany and Austria the importation is prohibited.

He testified further, as follows:

In the past five years five manufacturers of snap fasteners have gone into bankruptcy, and this condition shows no sign of improvement so long as the German-made articles are admitted on present rate of duty. The manufacture of snap fasteners can be continued and imported into this country at cheaper rates than they can be produced in the United States.

He further said:

Since 1918 our losses in the manufacture in this country amount to almost $700,000. We shall be glad to continue in the business, and for certain reasons hope to increase and extend our business here so that the bulk of the manufacture can be concentrated in this country. To enable us to do this the rate of import duty on snap fasteners and clasps, in our opinion and based upon our experience in manufacturing in this country and while trying to meet the German competition, should be made at least 60 per cent ad valorem, not mounted on tape or cardboard, and 65 per cent ad valorem when mounted on tape or cardboard.

This was on the American valuation basis. We have made it very much less than this, and on the foreign valuation basis, so I think, if we want to continue the business in this country at all, we will have to give at least the rate of duty we have recommended.

Mr. SHEPPARD. As long as the importations are only $26,000, and the home production is something like $6,000,000, there can not be much of occasion for protection. The domestic manufacturers must give some other reason than the danger of increased importations for failure in business, if some of them do occasionally fail.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 70, line 11, to strike out "45" at the end of the line and insert in lieu thereof "60," so as to read:

Mounted on tape, 60 per cent ad valorem.

Mr. SHEPPARD. I move to strike out 60 and insert in lieu thereof 20, and I want to add that with the diminutive volume of importations the domestic demand is being substantially and satisfactorily met under the existing tariff conditions. I ask for a vote.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, in paragraph 349, page 70, line 12, where the committee proposed to strike out the word "buttons" and the comma, and the words "except steel," and insert in lieu thereof the same words without the comma and with the words "except steel" inclosed in parentheses.

The amendment was agreed to.

The next amendment of the committee was, on page 70, line 17, to strike out "10" and insert in lieu thereof "20."

Mr. SHEPPARD. Mr. President, paragraph 349 of the pending bill is now before us, and deals with buttons—buttons of all kinds—simple but essential devices, which do more perhaps to hold civilization together than all the more pretentious agencies of social existence combined. They are in a supreme sense necessities of civilized life and should not be heavily taxed. On a single suspender button may at times rest more responsibility and more possibility than may well be measured.

The paragraph as amended by the Senate committee reads as follows:

Metal trousers buttons (except steel) and nickel bar buttons, one-twelfth of 1 cent per line per gross; steel trousers buttons one-fourth of 1 cent per line per gross; buttons of metal, not specially provided for, three-fourths of 1 cent per line per gross; and, in addition thereto, on all of the foregoing, 20 per cent ad valorem; metal buttons embossed with a design, device, pattern, or lettering, 45 per cent ad valorem: *Provided*, That the term "line" as used in this paragraph shall mean the line button measure of one-fortieth of 1 inch.

The language of the paragraph remains as it passed the House, the only change being an increase of the ad valorem rates from 10 to 20 and from 35 to 45, respectively. This is practically the scale of rates contained in the Payne bill on buttons, except that the 20 per cent ad valorem rate of the Senate committee bill was 15 per cent ad valorem in the Payne bill.

The rate on buttons in the Simmons-Underwood law—the Democratic law—now in operation is 15 per cent ad valorem.

Buttons are of such universal necessity and use that there can be no excuse for high tariff taxes except on one type—namely, bachelor buttons. Bachelor buttons made abroad ought to have so high an import tax and those made at home so high an internal-revenue tax that all bachelors would be compelled to forsake single cussedness or remain in hiding forever. In fact, buttons for bachelors should be made so inaccessible that the bachelor hymn of the Republic would be "Button, button, who's got the button?"

It developed at the hearings that the annual domestic output of buttons is valued at $25,000,000, while imports in 1920 were valued at $27,684; in the first nine months of 1921, $17,765. Asked why, in the face of such conditions, he desired an increase of 200 to 300 per cent in the tariff taxes on buttons, one of the representatives of a great American button factory said at the hearings:

We are in the class of what's going to happen. We are fearful for the future.

On so flimsy a foundation rests the tremendous advances in the bill before us on one of the necessary items of civilized life.

I shall move to strike out the words "20 per cent," then to strike out the words "45 per cent," and insert in lieu of the latter the language of existing law, "15 per cent ad valorem."

If these amendments prevail I shall at the proper time move to strike out all the specific rates in the pending paragraph. This will leave buttons under the existing rate—15 per cent ad valorem—the duty under which the American button industry practically commands the American market.

I move to strike out the numerals "20" and insert in lieu thereof the numerals "15."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 70, line 17, the Senator from Texas moves to strike out "20" and insert in lieu thereof "15."

The yeas and nays were ordered.

Mr. McLEAN. Mr. President, I wish to call attention to the fact that on this article of metal buttons the Reynolds report shows the American manufacturer is entitled to 145 per cent. We have given him 20 per cent. If the Senator from Texas will move to amend the bill to include bachelor buttons and follow that with a motion to raise the rate on those buttons, I think he would get some votes on this side. However, it is apparent from his discussion of the paragraph that he is more familiar with the needs for protection on bachelor buttons than he is for protection on metal buttons.

Mr. SHEPPARD. Mr. President, I desire to withdraw the amendments which I have offered in order that the vote may be on the committee amendment.

The VICE PRESIDENT. The Senator from Texas withdraws his amendment to the amendment. The question is on the committee amendment, which will be stated.

The ASSISTANT SECRETARY. The committee amendment is, on line 17, to strike out "10" and insert "20," so as to read:

PAR. 349. Metal trouser buttons (except steel) and nickel bar buttons, one-twelfth of 1 cent per line per gross; steel trouser buttons, one-fourth of 1 cent per line per gross; buttons of metal, not specially provided for, three-fourths of 1 cent per line per gross; and in addition thereto, on all of the foregoing, 20 per cent ad valorem.

Mr. SHEPPARD. On the committee amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. MOSES (when Mr. KEYES's name was called). I am authorized by my colleague [Mr. KEYES], who is absent on account of illness, to state that if present he would vote "yea" on this amendment.

Mr. LODGE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. NEW (when his name was called). I transfer my pair with the Senator from Tennessee [Mr. MCKELLAR] to the Senator from Iowa [Mr. RAWSON] and vote "yea."

Mr. PHIPPS (when his name was called). Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the previous vote, I vote "yea."

Mr. WALSH of Montana (when his name was called). I inquire if the senior Senator from New Jersey [Mr. FRELINGHUYSEN] has voted?

The VICE PRESIDENT. He has not voted.

Mr. WALSH of Montana. I have a pair with the senior Senator from New Jersey. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

The roll call was concluded.

Mr. HALE. Making the same announcement as before, I vote "yea."

Mr. BALL (after having voted in the affirmative). Has the senior Senator from Florida [Mr. FLETCHER] voted?

The VICE PRESIDENT. He has not voted.

Mr. BALL. I have a general pair with that Senator. I transfer that pair to the senior Senator from Minnesota [Mr. NELSON] and allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 42, nays 14, not voting 40, as follows:

YEAS—42.

Ball	Calder	Ernst	Harreld
Brandegee	Capper	France	Johnson
Broussard	Curtis	Gooding	Jones, Wash.
Bursum	Elkins	Hale	Kellogg

Kendrick	McKinley	Oddie	Sterling
Ladd	McLean	Page	Sutherland
La Follette	McNary	Pepper	Townsend
Lenroot	Moses	Phipps	Wadsworth
Lodge	New	Ransdell	Warren
McCormick	Newberry	Shortridge	
McCumber	Norbeck	Smoot	

NAYS—14.

Ashurst	Heflin	Sheppard	Swanson
Cummins	Jones, N. Mex.	Simmons	Walsh, Mont.
Harris	Overman	Smith	
Harrison	Pittman	Stanley	

NOT VOTING—40.

Borah	Fernald	Nelson	Spencer
Cameron	Fletcher	Nicholson	Stanfield
Caraway	Frelinghuysen	Norris	Trammell
Colt	Gerry	Owen	Underwood
Crow	Glass	Poindexter	Walsh, Mass.
Culberson	Hitchcock	Pomerene	Watson, Ga.
Dial	Keyes	Rawson	Watson, Ind.
Dillingham	King	Reed	Weller
du Pont	McKellar	Robinson	Williams
Edge	Myers	Shields	Willis

So the amendment of the committee was agreed to.

The next amendment of the committee was, on page 70, at the beginning of line 19, before the words "per cent," to strike out "35" and to insert "45," so as to read:

PAR. 349. Metal trouser buttons (except steel) and nickel bar buttons, one-twelfth of 1 cent per line per gross; steel trouser buttons, one-fourth of 1 cent per line per gross; buttons of metal, not specially provided for, three-fourths of 1 cent per line per gross; and in addition thereto, on all of the foregoing, 20 per cent ad valorem; metal buttons embossed with a design, device, pattern, or lettering, 45 per cent ad valorem: *Provided*, That the term "line" as used in this paragraph shall mean the line button measure of one-fortieth of 1 inch.

Mr. SHEPPARD. Mr. President, I move in the committee amendment to strike out "45" and insert in lieu thereof "20."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. In the amendment of the committee the Senator from Texas moves to strike out "45" and insert "20," so as to read "20 per cent ad valorem."

The VICE PRESIDENT. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 70, line 24, after the word "other," to strike out "basic" and to insert "base"; and on page 71, line 2, before the words "per cent," to strike out "28" and insert "40," so as to make the paragraph read:

PAR. 350. Pins with solid heads, without ornamentation, including hair, safety, hat, bonnet, and shawl pins; and brass, copper, iron, steel, or other base metal pins, with heads of glass, paste, or fusible enamel; all the foregoing not plated with gold or silver, and not commonly known as jewelry, 40 per cent ad valorem.

Mr. SHEPPARD. Mr. President——

Mr. SMOOT. Mr. President, I wish to say to the Senator from Texas that it is the intention of the committee to ask that "40" be stricken out and that in lieu thereof "35" be inserted, so whatever he wants to say with reference to the rate he can say with the suggestion in mind that the committee desires to have the rate reduced to 35 per cent ad valorem.

Mr. SHEPPARD. That modifies the situation to some extent, but I think the rate is still inexcusable.

Mr. President, we now reach one of the superlative iniquities of the Republican tariff bill, an increase of 100 per cent in the tariff tax on the ordinary, common safety pin, the first implement used by human beings as they alight upon this mortal shore, at once the symbol and the guard of infancy, necessary to rich and poor, to humble and to proud, whether palace or hovel house, the newborn glory of a babe. Why, Mr. President, as notice of this characteristic infamy reaches the multitudes of fresh arrivals on the stork express, the cry with which they greet the light of earth and time will deepen into a chorus of denunciation before which the Republican Party will retire in hopeless and disordered flight. More than this, it is proposed in the same paragraph to double the tariff charges on ordinary, common hairpins, so essential to every American woman, and on ordinary, common pins with which the mothers of the land use with their bonnets and their shawls. What fatuity possesses these 7,000,000-majority bloated men? Do they not know that once there was an Aldrich and a Payne who brooked the justice of the Almighty to keep their tariff State in Washington, and will they fail to profit by their fate? Mother's bonnet, auntie's shawl, baby's safety pin laid under tribute to the money barons and the profiteers!

Angels and ministers of grace, defend us!

The paragraph in question—paragraph 350—provides as follows:

Pins with solid heads, without ornamentation, including hair, safety, hat, bonnet, and shawl pins; and brass, copper, iron, steel, or other base metal pins, with heads of glass, paste, or fusible enamel; all the foregoing not plated with gold or silver and not commonly known as jewelry, 40 per cent ad valorem.

The rate adopted by the House was 28 per cent ad valorem.

Under the low Democratic rate of 20 per cent ad valorem this industry has grown from a total domestic production valued at $2,713,782 in 1914 to $7,248,000 in 1919, while the value of competing imports was only $130,165. Imports in 1920 were valued at $161,142; in the first nine months of 1921, $156,175, while home production continued to supply almost the entire home market—even making some exportations.

There is no reason for a higher duty than the moderate rate of the Democracy.

I move to strike out "40" in the pending paragraph and to insert in lieu thereof "35." Has there been a vote taken on the motion to make the rate 35 per cent?

Mr. SMOOT. No.

Mr. SHEPPARD. Then I will ask that a vote be taken first on the amendment of the Senator from Utah, and then I will move to reduce the rate.

The VICE PRESIDENT. The Senator from Texas must make his motion now.

Mr. SHEPPARD. Then, I move to insert "20" in lieu of "40," and on that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McLEAN obtained the floor.

Mr. JONES of New Mexico. Mr. President——

Mr. McLEAN. Does the Senator from New Mexico wish to address himself to this paragraph?

Mr. JONES of New Mexico. I merely wish to make a statement regarding conditions of the trade in the kind of products covered by the paragraph.

Mr. McLEAN. I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. Mr. President, this is one of those paragraphs which are illustrative of the pending bill. According to the information which we have, the production of common pins, hairpins, and safety pins in 1914 amounted to $2,713,792 worth, and in 1919 it was $7,248,000 worth. The imports of all pins covered by this paragraph amounted to $235,571 worth in 1914. That was prior to the World War. Subsequent to war, although business is becoming somewhat normal, as evidencing the deplorable condition in which the foreign manufacturers find themselves, the importations are much less than prior to the war. When the factories of Europe are trying to export all that they can, when they are trying to secure American dollars, when supposedly the cost of production is cheaper than ever in the history of the world, we find that the importations are much less than they were prior to the war. Those importations in 1918 amounted to $104,000—I give simply the round figures—in 1919 to $130,000; in 1920 to $161,000; in 1921 to $156,000. We were importing prior to the war $235,000 worth, and the value of those pins as produced in this country in 1919 was over $7,000,000. These importations are under existing law. They are infinitesimal in amount compared with the home production. Now, the Committee on Finance proposes to increase the tax on these articles by 100 per cent.

I should like to learn from some Senator on the other side of the Chamber how he can justify any such proposal as that. The importations amount to only a fraction of 1 per cent of the domestic production; we produce over $7,000,000 worth of the commodities mentioned in that paragraph; we are importing less than $200,000 worth of hairpins, safety pins, and all the other kinds of pins, and it is now proposed to increase the tariff duty by 100 per cent.

Will some Senator on the other side of the Chamber arise and attempt to justify this proposition upon any principle of tariff legislation, whether propounded by Democrats or Republicans? Not a word has been said on the other side of the Chamber to justify this proposed rate. No one has risen and attempted to announce any principle which would justify this increase of 100 per cent tax upon those commodities which go into every home in the land. There is no competition of consequence. Then, why do Senators want to do this?

There can be only one explanation, and that is that the majority of the Finance Committee who propose these increased duties are simply determined to raise the taxes on everything which the homes of this land consume. They are determined that where any amount of any commodity is coming into this country they are going to shut it out; that they are going to increase the taxes so as to enable the American producers to

increase their prices, to create monopolies in these commodities, to control prices, and thereby levy tribute upon every home in the land. If some Senator can justify this outrage, I trust he will rise from his seat and attempt to do so.

Mr. President, these are times calling for statesmanship. We have a great problem to solve. The farmers of the country who produce a surplus of their commodities must find a market abroad; the steel factories of the country, which have been dependent more and more upon finding a foreign market for their surplus products, want some method provided whereby they may sell their wares; but take the bill as we have thus far considered it and whenever there is anything that is being brought into this country Senators on the other side of the Chamber are raising the taxes so as to shut it out.

I understand that there are Senators upon the other side of the Chamber who profess to be in sympathy at least with the farmers of the country, and who profess to be in sympathy with the laborers of the country who are working in the factories. We have been building up an export trade for years. The President of the United States only recently came before the Congress and insisted that we should pass a ship subsidy bill in order to foster our export trade; but here comes the Finance Committee of the Senate and builds up this tariff wall, with the inevitable result of destroying our export trade.

This may be a little item, but it is only one of the thousands of items in the bill. It is proposed to raise this duty 100 per cent, and yet not a Senator on the other side of the Chamber has attempted to justify doing so, but when the roll is called the Republican Members of the Senate will flock into the Chamber and follow their leader without asking why, without stopping to consider the effect upon the people of this country.

Do Senators want to be mere puppets here in the hands of those who would increase the duty upon everything that comes into this country from abroad and even upon those things which do not come in here in any considerable quantity?

Here we have a fair illustration: Seven million dollars' worth of these articles are produced in this country; the importations have been less than $200,000 worth; but it is now desired to raise the tax 100 per cent above the present law for the purpose of shutting out the $200,000 of importations and to enable the manufacturers in the country to control the prices and to charge what they will.

I have spoken in this Chamber time and again upon various items of the bill. It does seem to me, with these stern facts staring us in the face, that sometimes Senators on the other side of the Chamber would feel that they are called upon to justify their action before the American people; but no Senator has risen here to say one word in justification of this procedure. No word, in my judgment, can be said except that Republican Senators want absolutely to put a stone tariff wall around the United States in order to prevent any importations and at the same time to prevent any exportations.

In the first speech that was delivered on the floor of this Chamber by the distinguished chairman of the Finance Committee he outlined this procedure, but I imagine it was not understood by the Senate or the country. He said that we wanted to build up these American industries. He said if the wheat farmer of the country could not find a market for his surplus, let him grow flax; and that is what we are told with respect to every industry in this land which produces a surplus. If the wheat grower can not find a market for his surplus, let him grow flax. If the cattle grower or the pork producer can not find a market for his meat product, let him grow flax; and so with the cotton grower, who must find a market abroad for 60 per cent of his produce.

If he can not find that market, let him grow flax; and so with the producer of copper, who must export 60 per cent of his commodity. If he can not find a market for it abroad, let him grow flax. That is the message which the Senate will send to the producers of this country; and so to the steel producers, who manufacture a surplus of their commodities, and steel products have been exported at the rate of about a billion dollars a year: If you can not find a market abroad for that, stop producing steel and go to raising flax.

That is the message you send to the people of this country. Looking at this bill as a whole, you are proposing absolutely to destroy the market for any surplus which we may produce. It is supposed that when the great Finance Committee of this body undertakes to deal with financial conditions in this country it will consider the various factors entering into the situation. We have two extraordinary problems with which to deal. We have the question of competition from abroad; we have the question of finding a market abroad for our surplus products. The Finance Committee attempts to deal with one only. It ignores the other great problem of finding a market for the surplus products of this country; and how anybody on the other side of the Chamber who pretends to be in sympathy with the producer of farm products, who pretends to be in sympathy with anybody who produces a surplus of any product, can vote for these measures is beyond my comprehension.

You are deliberately destroying the market for these surplus products of the country. It is as much your duty to legislate for the producers who have a surplus of commodities in this country as it is to legislate for those who would seek to control absolutely the American market. Do you want to say to the surplus producers of this country that they are of no concern to you? That is what you are saying by this bill.

The wheat growers of Minnesota, of North Dakota, of Kansas, of Nebraska, of New Mexico, of Oklahoma, of Texas, of Ohio, of Illinois, are going to have something to say to you when the reckoning day comes. They are going to tell you that you have deliberately destroyed their market—that you did not care for them. They constitute about 50 per cent of the people of this Republic. Upon their prosperity depends the prosperity of the land; but you deliberately destroy their prosperity. You say to the wheat grower: "We do not care whether you find a market or not." You say the same thing to the pork producer, to the cattle raiser, to the cotton grower, and to the hundreds and thousands of other industries which produce a surplus to send abroad: "We do not care whether you find a market or not, but we are determined that the producers of pins shall have a complete monopoly of the American market."

The producers of cottonseed oil have felt the heavy weight of what has been done. You have closed the markets of Italy for 25,000,000 gallons of cottonseed oil per annum, and you are doing nothing to find another market to take their place.

I hope that some of you will ponder on what you are doing. You are dealing with only half the problem, and in this case you are complacently following blind leadership. Out of a domestic production of over $7,000,000, with importations of less than $200,000, you raise this rate 100 per cent in order to shut out the infinitesimal amount which is being brought into this country.

That little amount will not affect your American prices, but it will find a market for a few bushels of wheat, a market for a few pounds of meat, a market for a few pounds of copper, and a market for a few pounds of cotton.

But you do not stop to consider these things. You are dealing with only one side of the question. I know that you love your country; but, if you do, I ask you not to sell your country for a little profit to be made by these few manufacturing concerns. I do not want you to levy tribute upon the great masses of this country and turn the money over to a few concerns who may make a few more pins.

Mr. President, in my judgment this procedure can not be justified. If there is any justification, it ought to be forthcoming.

Mr. McLEAN. Mr. President, I quite agree with the Senator from New Mexico when he remarks that the proceedings to which we have been listening for the last half hour can not be justified. If the Senator had taken the trouble to investigate this question, he would have realized that the rate in the bill as recommended by the Finance Committee will not begin to cover the difference in the labor cost of producing these articles here and in foreign countries.

I wonder if the Senator from New Mexico is willing to grant a rate that would equalize the difference in labor cost in these articles, and I will ask him that question.

Mr. JONES of New Mexico. Mr. President, I submit that the Senator from Connecticut does not know the difference.

Mr. McLEAN. Let us assume that somebody knows; can we also assume that the Senator from New Mexico knows whether he is willing to grant a rate that will equalize the cost of production at home and abroad? If he does, I should like to have him answer my question.

Mr. JONES of New Mexico. Mr. President, I will state that since we began the consideration of this question I have never proposed any rate which under normal conditions would not do just what the Senator from Connecticut suggests. We have abnormal temporary conditions in one or two countries in the world; but you can not by this bill, which is to remain in effect for some years to come—or, rather, which the opposite side of the Chamber hopes will remain in effect for some years to come—foresee what the conditions are going to be. I wish to suggest to the distinguished Senator from Connecticut, however, that the old adage is that "The proof of the pudding is in the eating." Here we are, three and a half years after the war. If there is any nation on earth which can produce these things cheaper than the United States, plus the present tariff duty, why do they not come in here?

Mr. McLEAN. Mr. President, I yielded the floor hoping that the Senator from New Mexico would answer my question as to whether or not he believes in a protective tariff that would equal the difference in the cost of production here and abroad. He has not answered my question, and therefore I hope that he will surrender the floor to me.

Mr. JONES of New Mexico. I will do that.

Mr. McLEAN. I did not anticipate that the Senator would answer the question. He says, "The proof of the pudding is in the eating," and that is true. I think the fact that in the last 61 years the Democratic Party has had full power in this Government 8 years comes pretty near demonstrating the fact that the American people know that the proof of the pudding is in the eating. In every single instance when we have revised the tariff the opposition has had filibusterers—perhaps not with the ability of the Senator from New Mexico, because I think he is unsurpassed in that line, but they have done pretty well—and up to date apparently the American people have preferred to base their judgment upon existing conditions and facts and necessities rather than the declamations of the gentlemen who under no circumstances believe in a protective tariff, and have so announced in their platform year after year.

Mr. President, I will undertake to indicate to the Senator from New Mexico in a sentence the reason why the Finance Committee recommended this rate on these articles. It is a low rate, much lower than the House rate.

We have the result of the investigation made by experts, disinterested, chosen for that purpose, who spent three months in the task, and, I think, brought to the Finance Committee information which no other committee has had in the history of this country when it has undertaken to revise the tariff. This committee reports with regard to these articles. First let us take hairpins. In England the foreign value by the bundle, which seems to be the unit, is 3 cents; in this country it is something above 8 cents. If we gave the rate of duty to which this article is entitled, we would have to exceed 75 per cent certainly, because the rate required to equalize the difference in the selling price is 115 per cent.

Now we come to safety pins. In Germany, by the gross, the price is 3 cents; in this country the selling price is 32 cents. Subtracting a reasonable profit, we find we would have to give this article a rate above 500 per cent. The importations are constant, and they are increasing, as the latest information bears conclusive evidence.

The domestic competition in this article is so fierce that my impression is the exporter would have to level his price to the competitive price here, and probably all we would get would be a revenue duty.

I want to call attention to just one paragraph in the testimony taken in the hearings before the Ways and Means Committee on this bill. This, to be sure, is in a brief submitted by an American manufacturer, and for that reason I assume it will be discredited by the gentlemen on the other side of the Chamber.

They have taken the ground from the start, apparently, that anybody who is in business in this country, and who makes a profit, is to be criticized sharply, if not thoroughly discredited, when he comes before a committee asking for a reasonable protection. The foreign producer, no matter whether it is a complete monopoly or not, must be given the benefit of the doubt in every instance.

Mr. WALSH of Montana. Mr. President——

Mr. McLEAN. If the Senator will allow me to read one paragraph before he interrupts, I shall be glad to yield to him then. This witness testified as follows:

> Wire hairpins are included under Schedule C, paragraph 158, in which are included many items that we do not manufacture or know anything about. The wire-hairpin industry is not of large importance from a standpoint of dollars and cents. The number of people employed is approximately 500, of which about 80 per cent are women and 20 per cent are men. The competition with foreign manufacturers in this line was so keen, even under the Dingley or Payne tariff of 35 per cent—

That is the rate which we propose to give here. I continue reading—

> that it was with much difficulty that the machinery then owned in this country was kept fairly well employed. After the duty was reduced in 1913 to 20 per cent, the output of American-made wire hairpins commenced rapidly to fall off, and had it not been for the war conditions, which prevented further importations, the manufacturers of wire hairpins in this country would have had to close their plants long before this.
>
> The wire-hairpin industry is now on the verge of facing the above-stated condition, unless immediate relief is granted by a return to the Dingley or Payne duties of 35 per cent on this particular item.

Mr. President, inasmuch as the data which the committee has secured with regard to these articles authorized rates extending anywhere from 75 to 125 per cent, if we are to equalize the difference in the production costs, it does seem to me that we should not occupy any more time in discussing the proposal.

Mr. HEFLIN. Mr. President, the Senator from Connecticut [Mr. McLEAN], commenting upon the testimony given before the tariff committee by interested parties, forgets the rule which applies in a civil or a criminal case in court. The court naturally wants to know what interest the witness has in the case which is to be tried, and the court will take into consideration the interest the witness has in considering just what weight should be given to his testimony.

The Senator, it seems to me, would have the Senate lose sight of that principle. The witnesses to whom he refers were down here testifying about things that will put money into their pockets and take money out of the pockets of the American people. The consumers of this country are not here, nor were they permitted to testify against the testimony produced by these interested witnesses, and the Senator from Connecticut would have us accept the testimony of those witnesses simply because they are American citizens. How much weight will he give to the position of American citizens who protest by the hundreds and the thousands and the millions against the schedules listed in this bill?

The Senator asks if the Senator from New Mexico [Mr. JONES], the able and distinguished Senator who has fought so faithfully to protect the great army of American consumers, is willing to accept the proposition of figuring into a tariff bill the difference between the cost of production here and the cost of production abroad.

The Senator from Connecticut does not even intimate in his argument the watered stock put into the calculations by these specially favored American manufacturers. For instance, when he has invested only $50,000 in the industry he capitalizes his stock at a half million, and counts the cost of production on that much money invested, and he has falsified the record to the extent of $450,000. No American citizen should be compelled to pay tariff taxes upon such a thieving basis. We want the cost of production figured upon an honest basis. I do not intend at all to reflect upon the Senator from Connecticut, or to intimate that he would do such a thing, but I am suggesting what some do who ask that the cost of production be figured upon this basis.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER (Mr. BALL in the chair). Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. HEFLIN. I gladly yield to the Senator.

Mr. McLEAN. These rates are based on the difference in cost of labor, and still they are not adequate, if the Reynolds report is correct; and the gentlemen who secured this report were all disinterested parties.

I understood the Senator from Alabama to say night before last, and perhaps the night before that, and I am not sure he did not say it the night preceding the one I last mentioned, when the subject of graphite was up, that he was willing that the poor laborer in this country should have a wage which would equalize the difference in the cost to the American and to his competitor abroad.

Mr. HEFLIN. Mr. President, I do not intend that the Senator shall get away from the issue here. The situation I presented was that of a closed industry in America, dying on the hands of the Republican Party, and where a foreign graphite industry had taken charge of the American market and was pouring its graphite into our country by the thousands of tons, and the Government not deriving one cent of revenue from such traffic. In that case the interest of American industry and American labor both justified my contention for a tariff for revenue.

I want to say to the Senator on this other proposition just this: He suggests the difference between the cost of labor here and abroad. They have not such labor-saving devices as we have. We have machinery which puts thousands and hundreds of thousands of men out of employment, and those machines operate each day, and you have to consider them in counting the cost of production. We have eliminated in many of these big plants hundreds and thousands of laboring men who by their daily toil provided for their families. The Senator would forget all that in his calculations. But let us get back to the issue. It frequently happens that with these labor-saving devices one man operating a machine will do the work formerly done by 25 or 30 men.

I do not intend that they shall figure in the watered stock, and they do figure it in, and then calculate all of that into the situation, and say, "The cost of production over there is so much and the cost over here is so much, therefore we will tax the American consumer to give us a profit on imaginary stock." The consumer comes up and says, "You taxed me and I have

not had a hearing. I did not even know you were going to do it. You never summoned me to your committee hearing. I am a consumer of cement. I am a consumer of salt. I am a consumer of potash. I am a consumer of hundreds and thousands of things you have in this bill, and you have raised the tax on all of them without giving me a hearing."

Talk about taxation without representation. The Democrats in the Senate, with a few Republicans joining them, are fighting this thing, and the leaders stand up over there each day and criticize and scold us for trying to make you give enough of the facts to the Senate and the country so the people will know what you are doing here.

The Senator from Connecticut seems to forget there is anybody in this country except certain favored manufacturers, and seems to think they ought to have a license to pillage and plunder the American people through high protective tariff taxes.

I denounce such a system. What about the American consumer? What about the man and the woman who work out yonder, far removed from your favored manufacturing establishment? You do not consult them about how far their means will go in purchasing the common necessities of life. But the manufacturing magnate comes down here and says: "I would like to have this schedule increased so much and that one so much. That will bring to me so many thousand dollars and I will be very grateful. I am a good contributor to the campaign fund of the Republican Party. I would like to have some consideration now. I was told when you were candidates in 1920 that my wishes would be recognized, respected, and responded to, and I am here now to present my claims. I would like to have these things put in."

When I read the bill that you have written, with 4,000 items in it, I said: How well they have responded to his wishes. Four thousand manufacturers would tax the American consumers, 100,000,000 strong, and make them pay tribute money to their concerns. I do not wonder that they support the Republican Party. I do not wonder that they contribute liberally to your campaign fund. But what will the 100,000,000 of people do at the coming election? What will these men and women do who can walk up and deposit their will in the ark of the covenant in our civic affairs, the ballot box of America?

You know what a man does when he selects an agent. He selects an agent to do a certain thing, to look after his interests. When he goes to perform that duty and fails, what does the man do who sent him as his agent? He discharges him. Suppose that agent violates his trust and serves another man's purpose and interest, instead of the purpose and interest of the man who sent him as his agent. What does he do? He discharges him. What are the American people going to do with you? They sent you here not to write a robber tariff bill in these distressing times, when millions and millions of people are hard pressed to buy the actual necessities of life.

What do you suppose they are going to do to you in the fall election? They sent you here to look out for the common weal. They sent you here to represent the American masses. They sent you here to do that which was for the highest and best interest of the country. They find you in this temple at the Capitol, this historic legislative hall, writing a tariff measure that benefits nobody but four thousand and more trusts and combines in America. What are they going to do to you? Unless all signs fail, they are going to do to you what Jesus did to those who tried to pervert the temple at Jerusalem from the purpose for which it was created. They are going to drive you out. That is what they should do.

Mr. President, I have mentioned heretofore that you put a tax on table salt and every other kind of salt. I want to get that into the head of every American citizen, that this Republican Senate has raised the price of salt by a tax of 40 cents a sack, $4 for every 10 sacks used in the United States.

I heard the distinguished senior Senator from Iowa [Mr. CUMMINS], an able man, protesting to-day against your tax on cement, but, among other things, I understood him to say that he did not think the tariff on cement would affect the price out in Nebraska and the other States in the interior. Mr. President, I do not think there is another Senator in this body who would contend that that is the correct position, unless it be those who advocate it on the other side of the Chamber.

The idea of placing a tax on cement that comes into the United States, not affecting the whole American people who buy cement, is utterly ridiculous. What will happen when it goes out to the people that you have placed a tax on cement? I will tell you what will happen. Every man who already has cement on hand that he bought at a low price, and every man who buys it later, when the consumer comes in and says: "I want a sack of cement," will say to him: "You know the price has gone up." "Why is that?" "They have put a tax on it. The Republicans have put a tariff tax on cement and the price has advanced." The seller will take advantage of that tax. They want the excuse to raise their price, and they raise it, and the consumer pays every tax, and every suggestion that will raise a tax is laid upon him and taken from him over the counter. Everybody knows that who knows anything. So you have raised the tax on cement.

Not only that—I do not know where you Republicans are going to stop—but you have a tax on horseshoes and on horseshoe nails. Think of that, Mr. President. The good old family horse, pulling and tugging away under a Republican administration, trying to help provide a livelihood, wears his hoofs out to the hair, and the owner suggests: "I had better go down and have him shod." When he goes to buy his nails and shoes they tell him the price has been raised because the Republicans have put a tariff tax on horseshoe nails and shoes. Then he says: "Well, I can not use him. I am not able to buy shoes and nails. I will turn him out in the pasture. I want to buy some wire fence to put around the pasture where he can graze on the grass.

They tell him that the Republicans have put a tax on wire fencing, and the farmer is at his row's end under the tax-gouging process of the Republican Party.

If the farmers knew just what you were doing here, if they could hear such an eloquent speech as was made to-night by the distinguished Senator from Connecticut [Mr. MCLEAN], pleading for those 4,000 people who want to tax the whole American people for the purpose of increasing their profits and their fortunes, they would say, "The Republican Party has been weighed in the balance and found wanting."

Mr. President, they exhibit impatience at those of us on this side and those few on the other side of the Chamber who dare to oppose the hog combine. They do not even treat them courteously. They make it hard for them in every way they can. Of course, they know that the time-honored Democratic Party has never yet lowered her arms in battling for the cause of the people, has never yet bowed the knee to predatory interests. They know that their criticisms will fall on deaf ears over here. We are crusaders in the cause of the people. But for our kind the Republic would perish.

Think of the doctrine announced to-night by the Senator from Connecticut, figuring only in the interests of the men who manufacture, 4,000 and more of them, whose items are in this bill. The whole American people marching, in an attempt to get back upon the road of progress and prosperity, along which they used to march under Democratic rule, are halted, while 4,000 captains of industry lift the black flag with skull and crossbones on it and say, "We are going to tax you and increase our fortunes before you proceed further."

The question is, Will the American people submit to such a process of pillage and plunder?

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Texas [Mr. SHEPPARD] to the committee amendment, which will be stated.

The ASSISTANT SECRETARY. On page 71, line 2, strike out of the committee amendment the numerals "40" and insert in lieu thereof the numerals "20," so as to read "20 per cent ad valorem."

The VICE PRESIDENT. The yeas and nays have been ordered, and the Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. MOSES (when Mr. KEYES's name was called). My colleague [Mr. KEYES], who is absent on account of illness, authorizes me to announce that if he were present he would vote "nay" on this amendment.

Mr. LODGE (when his name was called). Making the same announcement of the transfer of my pair as before, I vote "nay."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from New Hampshire [Mr. KEYES], I vote "nay."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Texas [Mr. CULBERSON] and vote "yea."

The roll call was concluded.

Mr. BALL. Making the same announcement as heretofore with reference to my pair and its transfer, I vote "nay."

Mr. HALE. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. SUTHERLAND. I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Iowa [Mr. RAWSON] and vote "nay."

Mr. MCKINLEY (after having voted in the negative). I transfer my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from Vermont [Mr. PAGE] and allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 13, nays 39, as follows:

YEAS—13.

Ashurst	Heflin	Sheppard	Walsh, Mont.
Dial	Jones, N. Mex.	Simmons	
Harris	La Follette	Smith	
Harrison	Overman	Swanson	

NAYS—39.

Ball	Hale	McKinley	Ransdell
Brandegee	Johnson	McLean	Shortridge
Bursum	Jones, Wash.	McNary	Smoot
Calder	Kellogg	Moses	Spencer
Capper	Kendrick	New	Sterling
Cummins	Ladd	Newberry	Sutherland
Curtis	Lenroot	Oddie	Townsend
Elkins	Lodge	Pepper	Wadsworth
Ernst	McCormick	Phipps	Warren
France	McCumber	Poindexter	

NOT VOTING—44.

Borah	Fletcher	Nelson	Shields
Broussard	Frelinghuysen	Nicholson	Stanfield
Cameron	Gerry	Norbeck	Stanley
Caraway	Glass	Norris	Trammell
Colt	Gooding	Owen	Underwood
Crow	Harreld	Page	Walsh, Mass.
Culberson	Hitchcock	Pittman	Watson, Ga.
Dillingham	Keyes	Pomerene	Watson, Ind.
du Pont	King	Rawson	Weller
Edge	McKellar	Reed	Williams
Fernald	Myers	Robinson	Willis

So Mr. SHEPPARD'S amendment to the amendment reported by the committee was rejected.

Mr. McCUMBER. I ask unanimous consent at this time that when the Senate closes its business for this calendar day it recess until to-morrow at 11 o'clock a. m.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. On line 2, page 71, I move to strike out "40" and insert "35."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 71, line 2, before the words "per cent" it is proposed to strike out "40" and insert "35."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

EXECUTIVE SESSION.

Mr. McCUMBER. Mr. President, that makes 42 amendments we have disposed of to-day. I desire to show my appreciation of the courtesy of those who have allowed us to dispose of so many amendments by not asking them to remain in session longer to-night. A short executive session is desired, however, and, therefore, I take the opportunity to move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

PITTSBURGH (PA.) STORAGE SUPPLY DEPOT.

Mr. WADSWORTH. Mr. President, I ask unanimous consent for the present consideration of the bill (H. R. 10925) to authorize the Secretary of War to sell real property known as the Pittsburgh Storage Supply Depot, at Pittsburgh, Pa.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

Be it enacted, etc., That the Secretary of War be, and he hereby is, authorized to sell at either public or private sale, upon terms and conditions deemed advisable by him, the land and improvements thereon erected, situated in the city of Pittsburgh, State of Pennsylvania, lying between Thirty-ninth Street, Fortieth Street, Butler Street, and the Allegheny River in said city, comprising an area of approximately 19¾ acres, and also a certain parcel of land in said city of Pittsburgh located at the northwest corner of Geneva Street and Forty-fourth Street, comprising approximately one-half acre, together with easements and rights of way leading thereto, all of which said property is generally known as the Pittsburgh Storage and Supply Depot, and to sell the same as a whole or in parcels, as the Secretary of War may determine, and to execute and deliver in the name of the United States and in its behalf any and all deeds or other instruments necessary to effect such sale.

SEC. 2. That all moneys received as the proceeds of such sale, after deducting the necessary expenses connected therewith, shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

RECESS.

Mr. CURTIS. I move that the Senate take a recess, the recess being, under the previous order, until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 9 o'clock and 25 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Saturday, May 27, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate May 26 (legislative day of April 20), 1922.

RECEIVER OF PUBLIC MONEYS.

Harmon Hayward Schwoob, of Wyoming, to be receiver of public moneys at Lander, Wyo., vice William H. Edley, term expired. Nominated under date of May 8, 1922, and confirmed May 11, 1922, as "Hayward H. Schwoob."

REGISTER OF THE LAND OFFICE.

George C. Jackman, of Michigan, to be register of the land office at Marquette, Mich., effective upon completion of consolidation under the act of October 28, 1921.

PROMOTIONS IN THE NAVY.

The following-named midshipmen to be second lieutenants in the Marine Corps from the 3d day of June, 1921:

Frederick Wagner Biehl.	Clayton Charles Jerome.
Frank Burroughs Birthright.	Emery Ellsworth Larson.
Charles Campbell Brown.	James Marshall McHugh.
Raymond Paul Coffman.	Lyman Gano Miller.
Pierson Ellsworth Conradt.	William Montgomery Mitchell.
Charles Frederick Crisp.	William Willard Orr.
Rupert Riley Deese.	George Joseph O'Shea.
Ralph Birchard DeWitt.	Eugene Hayden Price.
John Curling Donehoo, jr.	James Profit Riseley.
Harry Edward Dunkelberger.	Robert Louis Skidmore.
Ralph Edward Forsyth.	Edward Dickinson Taylor.
Richard James Godin.	John Buxton Weaver.
Howard Reid Huff.	

POSTMASTERS.

CALIFORNIA.

Francis C. Harvey to be postmaster at Rivera, Calif. Office became presidential January 1, 1921.

Herman C. Lewis to be postmaster at Artesia, Calif., in place of W. E. Perry, resigned.

Cynthia P. Griffith to be postmaster at Wheatland, Calif., in place of A. G. Griffith, deceased.

GEORGIA.

William D. Lynn to be postmaster at Collins, Ga. Office became presidential January 1, 1920.

Jett M. Potts to be postmaster at West Point, Ga., in place of M. P. Dixon. Incumbent's commission expired March 21, 1922.

INDIANA.

William J. DeVerter to be postmaster at Cayuga, Ind., in place of G. T. Ritter. Incumbent's commission expired May 25, 1922.

KANSAS.

Harry R. Markham to be postmaster at Alton, Kans., in place of J. C. Cordill, resigned.

MAINE.

Cynthia R. Clement to be postmaster at Seal Harbor, Me., in place of F. H. Macomber, deceased.

MICHIGAN.

William Florian to be postmaster at Grand Junction, Mich. Office became presidential October 1, 1920.

MISSISSIPPI.

Ellen V. Montgomery to be postmaster at Potts Camp, Miss., in place of M. L. Hancock. Incumbent's commission expired January 24, 1922.

MISSOURI.

George Thayer to be postmaster at Flemington, Mo. Office became presidential January 1, 1922.

Paul V. Martin to be postmaster at Sarcoxie, Mo., in place of C. L. Wilson, deceased.

NEBRASKA.

Andrew E. Stanley to be postmaster at Loomis, Nebr. Office became presidential January 1, 1921.

Mamie L. Reams to be postmaster at Naponee, Nebr. Office became presidential April 1, 1921.

NEW MEXICO.

John H. Doyle, jr., to be postmaster at Mountainair, N. Mex., in place of J. A. Beal, resigned.

NEW JERSEY.

Matilda M. Hodapp to be postmaster at Spotswood, N. J. Office became presidential January 1, 1921.

NEW YORK.

Clarence M. Herrington to be postmaster at Johnsonville, N. Y. Office became presidential January 1, 1922.

Frederick Theall to be postmaster at Hartsdale, N. Y., in place of Frederick Theall. Incumbent's commission expired April 6, 1922.

Fannie E. Rooney to be postmaster at Schroon Lake, N. Y., in place of C. A. Lockwood, resigned.

NORTH CAROLINA.

Orin R. York to be postmaster at High Point, N. C., in place of J. J. Farriss, resigned.

PENNSYLVANIA.

William H. Scholl to be postmaster at Hellertown, Pa., in place of F. C. Harwi, resigned.

Leon M. Cobb to be postmaster at Mount Pocono, Pa., in place of C. H. Carter. Incumbent's commission expired February 4, 1922.

SOUTH CAROLINA.

George F. Wilson to be postmaster at Darlington, S. C., in place of C. W. Milling, deceased.

TENNESSEE.

John B. Elliott to be postmaster at Athens, Tenn., in place of C. M. Reed, removed.

TEXAS.

Charley R. Jamison to be postmaster at Boyd, Tex. Office became presidential January 1, 1921.

Fred C. Davis to be postmaster at Harrisburg, Tex. Office became presidential July 1, 1919.

VIRGINIA.

Annie G. Davey to be postmaster at Evington, Va. Office became presidential January 1, 1921.

Missouri S. Harmon to be postmaster at Melfa, Va. Office became presidential January 1, 1921.

Mollie H. Gettle to be postmaster at Rustburg, Va. Office became presidential April 1, 1920.

Miriam S. Yates to be postmaster at Brookneal, Va., in place of J. R. Williams. Incumbent's commission expired July 21, 1921.

Rufus P. Custis to be postmaster at Eastville, Va., in place of L. J. Nottingham. Incumbent's commission expired January 24, 1922.

Ethel V. Vaughan to be postmaster at Timberville, Va., in place of E. V. Vaughan. Incumbent's commission expired March 8, 1922.

WISCONSIN.

George S. Eklund to be postmaster at Gillett, Wis., in place of J. M. Melchior. Incumbent's commission expired January 24, 1922.

John A. Haddow to be postmaster at River Falls, Wis., in place of F. X. Knobel, resigned.

WYOMING.

Ralph R. Long to be postmaster at Gillette, Wyo., in place of E. H. Schrick, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 26 (legislative day of April 20), 1922.

RECEIVER OF PUBLIC MONEYS.

Harmon Hayward Schwoob to be receiver of public moneys at Lander, Wyo.

POSTMASTERS.

MINNESOTA.

Jason Weatherhead, Ada.
Ernest W. Nobbs, Bellingham.
William Perbix, Hopkins.
Hans C. Pedersen, Ruthton.

MISSISSIPPI.

Edgar D. Chapman, Coffeeville.
Ira I. Massey, Ethel.
Herbert B. Miller, Gloster.
Herbert O. Roberts, Holly Springs.
Earl E. Royals, Mize.
Joseph R. Weathersby, Taylorsville.
James S. Andrews, Vosburg.

MISSOURI.

Jessie F. Huff, Des Arc.
Berry Crow, Licking.

MONTANA.

Dakota L. Martin, Oswego.
Burr A. Davison, Roundup.

PENNSYLVANIA.

Alex L. Carlier, Point Marion.
Charles H. Myers, Wrightsville.

WASHINGTON.

Sylvester G. Buell, Arlington.
Charles O. Merideth, Kent.
Jacob Vercler, Opportunity.

WISCONSIN.

Nora G. Egan, Highland.

HOUSE OF REPRESENTATIVES.

FRIDAY, *May 26, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord, Thy testimonies are wonderful and Thy mercy endureth forever. Thy infinite abundance transcends all human thought and human need. We thank Thee for such bountiful provisions which are bestowed with all tenderness and ministration of life. Graciously help us to understand all problems which are uppermost in the minds of the people. In all our service may nothing be omitted that will build up the great and traditional institutions of our Republic. To the frail, magnify Thy strength; to the erring, turn Thy eye of pity and compassion; and with us all may weakness go and strength come. At the close of the day, when we sit alone with our thoughts, grant us great peace. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

QUESTION OF PRIVILEGE.

The SPEAKER. This is Calendar Wednesday.

Mr. JOHNSON of South Dakota. Mr. Speaker, I rise to a question of privilege and desire to be heard.

The SPEAKER. Does the gentleman think it is in order on Calendar Wednesday?

Mr. JOHNSON of South Dakota. I think it is entirely in order to rise to a question of privilege at any time. It happens to be Friday, and the order making it Calendar Wednesday would not make it impossible for anyone to rise to a question of privilege.

The SPEAKER. The Chair is not certain whether it is in order or not. If it is an urgency, the Chair would not raise the question. The Chair would suggest that if the gentleman will wait until to-morrow it would avoid the question of Calendar Wednesday. The Chair might rule it out on that ground.

Mr. JOHNSON of South Dakota. I will say to the Chair that it is purely a matter of whether or not a Member may rise in his place and raise this question of privilege, and I should not desire to delay the matter until to-morrow, because I think it is a matter that ought to be presented to the House at the present time.

The SPEAKER. The Chair will point out to the gentleman that if he waited until to-morrow he would avoid the question of Calendar Wednesday.

Mr. JOHNSON of South Dakota. I desire also to advise the Speaker that if I did not raise the question to-day the entire parliamentary situation might possibly change because of a reconsideration of the rule by the Rules Committee.

The SPEAKER. The Chair will hear the gentleman.

Mr. WALSH. Mr. Speaker, I desire to ask the gentleman whether he is rising to a question of personal privilege or a question of privileges affecting the House

Mr. JOHNSON of South Dakota. I would say to the gentleman that it is a question of privileges affecting the House.

Mr. Speaker, on April 11, 1922, there was introduced in the House House Resolution 323 by the gentleman from Michigan [Mr. WOODRUFF], and as that resolution will have great bearing on the question of privilege I would like to have it read by the Clerk.

The SPEAKER. The Chair is familiar with it. The gentleman can have it printed. The Chair does not think it necessary to take up the time with it.

Mr. JOHNSON of South Dakota. Mr. Speaker, I ask unanimous consent to have it printed.

The SPEAKER. Without objection it will be printed.

There was no objection.

The following is the resolution referred to:

House Resolution 323.

Resolved, That the Speaker of the House of Representatives be, and he is hereby, directed to appoint from the membership of this House a select committee of 15 Members for the Sixty-seventh Congress, and which said committee is hereby authorized to fully investigate all contracts and expenditures made by the War Department, or under its directions, the Navy Department, or under its directions, and the Alien Property Custodian, or under his direction, during and since the late war with Germany, and the settlement of any of such contracts by any officer or agent or department of the Government, and to investigate the criminal and civil prosecution, or lack of prosecution, of any or all of the claims of the Government arising out of such contracts, or the settlement thereof, by the Attorney General, the Alien Property Custodian, the Secretary of War, or the Secretary of the Navy, and in addition to the powers herein conferred shall have the same powers and authority as are now conferred by the rules of this House upon the standing Committee on Expenditures in the War Department. Said committee is hereby authorized to send for persons and papers, to administer oaths and affirmations, to take testimony, to sit during the sessions of the House and during any recess which may occur during its sessions, and may meet at such places as said committee deems advisable. Said committee is also hereby authorized and empowered to appoint such subcommittees as it may deem advisable, and such subcommittees, when so appointed, are hereby authorized to send for persons and papers, to administer oaths and take testimony, and to meet at such times and places as said committee shall from time to time direct.

Resolved further, That said select committee shall report to the House, in one or more reports, as it may deem advisable, the result of its investigations, with such recommendations as it may care to make.

Resolved further, That the Speaker of the House is hereby authorized to issue subpœnas to witnesses, upon the request of said committee or any subcommittee thereof, during any recess of Congress during the sessions.

Resolved further, That the Sergeant at Arms of the House be directed to serve all subpœnas and other process put into his hands by said committee or any subcommittee thereof.

Mr. JOHNSON of South Dakota. Mr. Speaker, that resolution was sent to the Rules Committee, and on May 3 of this year it was ordered to be reported out by the Rules Committee on a motion which I made that the chairman of the committee be instructed to bring it before the House at the earliest possible moment.

Mr. CAMPBELL of Kansas. Mr. Speaker, no such language was contained in the motion. I think the gentleman should state that. The only motion was that the resolution should be reported out. There was not anything stated to us as to when it should be reported out; nothing of that kind.

Mr. JOHNSON of South Dakota. I would say to the gentleman, who, I know, desires to be accurate, that I made the motion myself, and perhaps he may not have clearly understood what I said, and I do not know what the minutes may show. I am talking from my own personal recollection, and I feel as confident that I made that statement as the gentleman is that he did not hear it. There will be no question of veracity involved.

The SPEAKER. The Chair must say, of course, that it is not in order to repeat what occurs in the committee. The records of the committee will show what occurred.

Mr. JOHNSON of South Dakota. I will say to the Speaker that the precedent on which I am relying, and which is absolutely in point, is a case wherein the same question was raised, and the Speaker at that time—Speaker Reed—permitted the Member of the House who stated the question of privilege to state the facts. Otherwise there was nothing on which the Speaker could rule.

In any event, this Resolution 323 was ordered to be reported by the Rules Committee.

Mr. WALSH. Mr. Speaker, I raise the point of order before any other discussion is indulged in that the gentleman should state the question of privilege involving the rights of the House. What is the question the gentleman is raising?

Mr. JOHNSON of South Dakota. I will say to the gentleman from Massachusetts that I think the Speaker understands full well what I am trying to present, and he has not raised any question but that I am coming to it in proper order.

Mr. WALSH. That is all right; but the Speaker is not the only one involved. There are others involved.

Mr. JOHNSON of South Dakota. Of course, every Member of Congress is interested.

The SPEAKER. The gentleman has the right to ask that the gentleman proceed in the regular order.

Mr. JOHNSON of South Dakota. I will say that I am coming to the point now.

This resolution was not reported by the chairman of the Rules Committee, but it has been resting in his pocket since May 3, and it is very evident there is no intention on the part of the chairman of the Rules Committee to report it. I do not question the motive of the chairman of the Rules Committee. I will say that if this statement is out of order, I hope the gentleman from Massachusetts will not make a point of order. I know that the chairman of the Rules Committee is just as anxious as any citizen of the United States to see that anyone who wrongfully took money from the Government on war contracts during the late war should be prosecuted.

Mr. MONDELL. Mr. Speaker, I must make the point of order that the gentleman address himself to the question of privilege.

The SPEAKER. The gentleman from Wyoming is, of course, correct. The gentleman is right in insisting that the gentleman from South Dakota shall address himself to the question of privilege.

Mr. MONDELL. I suggest that a great deal of conversation and argument might be made on general questions and problems, but the case before the House is a question of privilege.

Mr. JOHNSON of South Dakota. I am very sorry that the gentleman from Wyoming will not allow me to give my high opinion of the integrity and statesmanship of the gentleman from Kansas, the chairman of the Rules Committee. It is not my fault if I am not allowed to do so.

Mr. MONDELL. It is not within the province of the gentleman from South Dakota to do so. We all know the high character and statesmanship of the gentleman from Kansas [Mr. CAMPBELL]. That has not been questioned by anyone.

Mr. JOHNSON of South Dakota. And ought to be stated at all times. In any event, this resolution was never reported to the House, but is still quietly resting and reposing in the pocket of the chairman of the Rules Committee.

Mr. GARNER. Mr. Speaker, will the gentleman yield for a question in that particular?

Mr. JOHNSON of South Dakota. I yield.

Mr. GARNER. I did not understand how the gentleman comes to the conclusion that the gentleman from Kansas [Mr. CAMPBELL] is such a great statesman, when he says he has still got the rule in his pocket. [Laughter.]

The SPEAKER. The Chair desires to state to the gentleman that he wishes the debate to be confined to the point of order.

Mr. JOHNSON of South Dakota. The question of privilege, Mr. Speaker, is this: Whenever a resolution is ordered reported by a committee of the House, and that committee has spoken, the House is entitled to have the action of that committee translated into action and the report of the committee given to the House. If that were not true, Mr. Speaker, to use this illustration, suppose, for instance, the great Committee on Interstate and Foreign Commerce should by practically a unanimous vote report a bill repealing the Esch-Cummins law, and then suppose the chairman of the Committee on Interstate and Foreign Commerce should refuse to report that out.

The SPEAKER. The Chair recognizes that.

Mr. JOHNSON of South Dakota. That would impede the business of the House. This is impeding the business of the House. A case identical with this came before the House on January 23, 1891.

The SPEAKER. The Chair has read that decision and is perfectly familiar with it.

Mr. JOHNSON of South Dakota. May I say to the Speaker that while undoubtedly the Chair is familiar with this case, because I discussed it with the House parliamentarian some time ago, the membership of the House is not. It might come to the point where an appeal might be taken from the decision of the Chair, and the House, when it passes upon the question, should be familiar with the facts in this case and the prior decision of the Speaker of the House.

The SPEAKER. The Chair will hear the gentleman briefly.

Mr. JOHNSON of South Dakota. This identical case came up, I say, on January 23, 1891, when a resolution came up to investigate the Commissioner of Pensions for fraud in real estate deals in the District of Columbia, and the committee to which it was referred decided that that resolution of investigation should be reported to the House. The chairman of the committee, Mr. Morrill, claimed that he had filed the report,

but it could never be found, and Mr. Cooper of Indiana rose and made the identical motion I make to-day and raised this same question of privilege. There was a good deal of debate pro and con. A Member of this House, William McKinley, jr., of Ohio, made the same point of order that is to-day made by the gentleman from Massachusetts [Mr. WALSH]. At that time Speaker Reed was Speaker of the House, and he made the following ruling. He said:

The statement made by the gentleman from Indiana [Mr. Cooper] is that a committee of this House adopted a resolution to report, for rereference by the House under the twenty-second rule, resolutions which had been referred to that committee in regular order. He states that a considerable length of time has elapsed since that action was taken by the committee to which the original resolution was referred, and he claims that this is a question of privilege involving the rights of the House and its method of doing business. The Chair thinks it is plainly so; that, the committee having ordered a report of that kind, it should have been made in a reasonable time, and that the House has a right to make inquiry into the matter and to decide what ought to be done under the circumstances.

That is exactly this situation. It has been stated by the majority leader—it was so stated yesterday and the day before—that the House is very soon going to have three-day recesses. If the question of the adoption of this resolution is to come before the House it must come now. If it is postponed even for a few days it will mean the membership of the House will never have an opportunity to vote upon it. Therefore the construction of the word "reasonable," which is the only point upon which the postponement of this resolution can be based—an interpretation of that—is that it must be immediately brought to the attention of the House.

Mr. MOORE of Virginia. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of South Dakota. Yes.

Mr. MOORE of Virginia. A point that bears, it seems to me, strictly upon the question that we have here is that recently the matter of this resolution was brought before the House by some interrogation of the chairman of the Committee on Rules and the chairman of the Committee on Rules gave the House to understand that he did not propose to report the resolution.

The question was put to him as to whether he intended to report the resolution, and he indicated reasons why he did not think it desirable, and then when the question was further asked as to whether it was his right to decline to report the resolution, he said he was answerable only to his committee——

Mr. CAMPBELL of Kansas. And to the majority of the House.

Mr. MOORE of Virginia. No, sir; simply answerable to his committee.

Mr. CAMPBELL of Kansas. I think the record will show otherwise.

Mr. MOORE of Virginia. No. The record is here. The gentleman has declined in substance to report, and, in fact, has said that he did not intend to report.

Mr. JOHNSON of South Dakota. I think that question can be settled very easily. The chairman of the Committee on Rules is here. He can say in one moment whether or not he intends to report it. By silence he can convey the idea that he never does intend to report it.

The SPEAKER. The Chair would like to ask the gentleman one question. Is this the earliest rule that is now in the hands of the Committee on Rules?

Mr. JOHNSON of South Dakota. I do not know how many rules, Mr. Speaker, the chairman of the Committee on Rules has in his pocket. I am not saying that in any spirit of levity or desire to criticize. I remember that there were a number of rules reported by the Committee on Rules, all reported on the same day, May 3. The fact that one may have come up before the other would make no difference, because we have had no meeting of the committee since May 3.

Mr. MONDELL. I think at least one, or perhaps two, rules were voted by the committee long before this that have not been presented to the House so far, because the business of the House has not been such as to make it possible. The report on the Senate bill 539, the railroad valuation bill, we have been trying to reach for some time. It is now set down for next Friday. That report was made some weeks before the report on the bill in question.

Now, will the gentleman from South Dakota yield for a question?

Mr. JOHNSON of South Dakota. I would like to answer that before I yield for a question. The gentleman from Wyoming brings up the question that there are several of these other rules now pending. Now, I would like to ask the gentleman while he is on the floor if it is not his intention to kill this resolution and never bring it up?

Mr. MONDELL. I do not think the gentleman from South Dakota has the right to ask me that question. I do not think I am under any obligations to answer it. However, if it is a matter of interest to the gentleman I will say I do not approve the resolution of the gentleman.

Mr. JOHNSON of South Dakota. I have no objection to hearing the statement of the gentleman.

Mr. MONDELL. I do not approve it, and I never have approved it. I do not think the passage of the resolution would expedite, but rather would delay, the prosecution of those who may have defrauded the Government.

Mr. CAMPBELL of Kansas. Mr. Speaker, may I have the floor for a moment?

Mr. MONDELL. However, my opinion in regard to the matter does not necessarily affect its consideration. There have been matters considered before now in the House—I have, in fact, assisted in helping to secure consideration of matters that I did not wholly approve. I am not necessarily called upon to approve the action of a committee, and I did not approve its action in this particular case. Now, will the gentleman answer my question with regard to a statement that he made just a moment ago? He made a statement to the effect that the case that he had cited was on all fours with this case. In that case there was a select committee, not a standing committee but a select committee of the House that had made a certain report or authorized the making of a certain report. That was an investigating committee. This case is not at all on all fours with that case. Here is a standing committee of the House, to wit, the Committee on Rules, and yet I understood the gentleman from South Dakota to say that the cases were identical. They are far from being identical.

Mr. JOHNSON of South Dakota. May I ask the gentleman right there to point out any precedent in this House where a different rule has been applied to a standing committee and a select committee?

Mr. MONDELL. There are many cases.

Mr. JOHNSON of South Dakota. I would like to have the gentleman point out one.

Mr. MONDELL. The same rules do not necessarily apply by any manner of means. I do not want to interrupt the gentleman's discussion, but may I make this suggestion, that if it be held that the moment the Committee on Rules authorizes a rule for the consideration of business the matter becomes a question of privilege of the House which any Member may demand consideration of, we shall have some difficulty first in securing rules from the Committee on Rules, and we will have very much more difficulty in the transaction of the business of the House in an orderly way. If a report from the Committee on Rules must be submitted instanter, forthwith, and in advance of other reports from the Committee on Rules because some gentleman sees fit to demand it, then we shall be confronted with a situation under which it will be impossible to have the orderly consideration of business in the House.

Mr. JOHNSON of South Dakota. I will say to the gentleman that that is easily answerable. The Rules Committee as it passes each rule can determine absolutely in what order that rule shall be brought up. It has not been done heretofore, but it can be done at any time, providing that the rules adopted by the Rules Committee be brought up in a certain order. The Rules Committee can always control that.

Mr. MONDELL. It is utterly impossible to adopt any such rule as that. The Committee on Rules can not in the nature of things know how much time will be consumed in the consideration of privileged business. Committees having legislation that is privileged may occupy the time of the House for days and weeks, making it utterly impossible to bring in a special rule.

Mr. JOHNSON of South Dakota. I will say to the gentleman that that is easily answerable, because the Rules Committee in one provision of the rule could say, "This shall be brought out at the discretion of the chairman of the Rules Committee," and the committee can make the order discretionary with the chairman.

Mr. WALSH. Will the gentleman yield?

Mr. JOHNSON of South Dakota. I yield to the gentleman from Massachusetts.

Mr. WALSH. Is the gentleman's question of privilege directed to the fact that the chairman of the Rules Committee has not attempted to secure recognition from the Speaker to bring this resolution before the House, or to the fact that the chairman of the Rules Committee has not reported a resolution which was passed by the committee?

Mr. JOHNSON of South Dakota. It goes to both. In the first place, I will say it goes further than the gentleman from Massachusetts has stated the question. The question is brought before

the House because I am firmly of the conviction that the chairman of the Rules Committee intends never to report the resolution.

Mr. WALSH. What he intends to do has nothing to do with the point the gentleman is raising. The question I have asked is, Whether the question of privilege affecting the rights of the House goes to the fact that the chairman of the Rules Committee has not risen in his place upon the floor and asked recognition of the Speaker to bring up that resolution, or whether it is directed to the failure of the chairman of the Rules Committee to report the resolution that the committee had authorized him to report?

Mr. JOHNSON of South Dakota. I will say to the gentleman from Massachusetts that my objection is taken to both. But for the purpose of the decision of the Chair in this case it is not necessary to enter into that discussion, because I have raised both questions, the failure to report——

Mr. WALSH. Then I make the point of order——

Mr. JOHNSON of South Dakota. Let me finish. The failure to report and the failure to rise in his place and bring it up. It is upon both those points.

Mr. WALSH. Mr. Speaker, I make the point of order that the gentleman from South Dakota has not stated a question of privilege affecting the rights of the House.

Mr. MOORE of Virginia. Will the gentleman permit me to make just one observation?

Mr. WALSH. Certainly.

Mr. MOORE of Virginia. I stated a moment ago that the gentleman from Kansas, at the time when he indicated that he did not intend to report the resolution, pleaded, as I understood him, that he was accountable only to his committee. I find that he did add the words "and to the majority of the House." Now, I conceive that the effort is now being made, presumably and probably by the majority of the House, to require him to report that resolution.

Mr. CRISP. Will the gentleman yield?

Mr. JOHNSON of South Dakota. I yield to the gentleman from Georgia.

Mr. CRISP. Mr. Speaker, if I may, I just want to address the Chair for a moment or two.

Mr. Speaker, I have no interest in this controversy between my good friends on the other side, and I am frank to say that I am not concerned about whether this special investigating committee is authorized or not; but I am profoundly interested, and every Member of this House is interested, in the honor and dignity and rights of the House collectively being preserved and maintained. As I understand it, that is the question presented by the point of order raised by the gentleman from South Dakota. I have read section 2609 of Hinds' Precedents, which is the precedent cited by the gentleman. That case arose when Mr. Reed was Speaker of the House. I think it is universally conceded that this House has never had an abler parliamentarian in the chair than Mr. Reed. Now, the Speaker occupies to some extent the position and performs to some extent the functions of a court. A court can take judicial cognizance of what happens in the presence of the court, and the Speaker can take cognizance of what transpires in this body. It seems to be conceded that the question that is presented to the Speaker is that the Committee on Rules has directed its chairman to present to the House a rule providing for the consideration of the Woodruff resolution. The precedent cited ruled by Speaker Reed held that when there has been a reasonable time for the committee chairman to present a rule that he has been directed to report, and he has not done it, it presents a question of privilege, for, said he in that decision, if that is not true one Member of the House can absolutely thwart and undo the action of his committee. Now, it seems to me, Mr. Speaker, that if the committee direct one of its members to report a resolution providing an order of business, unless that committee rescinds its action by reconsidering its action, taking away or withdrawing the instructions to the member to report it, that member is obligated to do it within a reasonable time; and if he fails to do it I think the House is interested, because certainly the agent is not the equal of his principal, and certainly no one member of the committee should be given the power to block the action of a majority of his committee.

Now, Mr. Speaker, the rule provides that it shall always be in order to report a rule from the Committee on Rules providing for order of business, except possibly on Calendar Wednesday. If a member of the Committee on Rules makes a report to the House it does not follow necessarily that the House is going to adopt it or consider the resolution.

It is a privileged report, and the gentleman can not make a report of this character by dropping it in the basket; he must present it from the floor, and if the House does not want to consider it, the House can refuse to consider the resolution, and that is the end of it. As I said at the outset, I am not interested in this controversy between my friends on the other side, but I do think, admitting the facts which seem to be conceded, that it is undoubtedly a privileged motion that the gentleman from South Dakota makes.

Mr. WALSH. Will the gentleman permit an inquiry?

Mr. CRISP. I will.

Mr. WALSH. Has the Committee on Rules any jurisdiction as to directing its chairman or other member authorized to report a resolution when he shall call it up?

Mr. CRISP. I think it comes down to the good faith. I think the Committee on Rules could direct a member to report a rule instanter, or the very first time that the Speaker would recognize him, but that is not involved here.

Mr. WALSH. That is involved in the gentleman's argument.

Mr. CRISP. In this case, there being no specific instructions when the report should be made, I think it should be reported in a reasonable time, and whether the chairman of the committee is trying in good faith to carry out the instructions of the committee is the controlling question.

Mr. WALSH. Will the gentleman state if the Committee on Rules had instructed the chairman to seek recognition at 2 o'clock on a certain day, if he did not do it, would that involve a question of privilege?

Mr. CRISP. I do not think so; I do not think that is a reasonable time. But if I were the chairman of the committee I would make a strenuous effort to get recognition at 2 o'clock.

Mr. WALSH. Suppose the Speaker would not recognize him.

Mr. CRISP. Well, I would have done all I could, and I could do no more.

Mr. WALSH. Does the gentleman think that would be a basis for a privileged question?

Mr. CRISP. No; I do not think it would be a reasonable time. I admit that it has got to be a reasonable time, but I think the Chair in passing on the question can take cognizance of everything that has transpired within this body in determining whether the member who is directed to report the rule is acting in good faith and is seeking to carry out the instructions of his committee.

Mr. JOHNSON of South Dakota. Mr. Speaker, in relation to what is a reasonable time, if the Committee on Rules orders the chairman to report the resolution, and within 20 minutes he says he will not report it, says so directly or by inference, then the reasonable time has expired. That is the exact case in this particular case, because the chairman of the Committee on Rules does not intend to report the resolution. If he would say definitely at this time that he expects to report it and move its adoption, then the question of reasonable time might come in.

The SPEAKER. The Chair is ready to rule. The gentleman from Georgia has stated explicitly and clearly the purpose and bearing of the rule, and the only decision the Chair is aware of is the one cited by the gentleman from North Dakota of Mr. Reed, whose reputation and intellect entitle it to great weight. The Chair thinks, according to that authority, the question is whether the chairman of the Committee on Rules makes his report in a reasonable time. There is a question whether this can come up on Calendar Wednesday, but the Chair waives that. In the case decided by Mr. Reed the committee had waited from September until January without making any report. It appears that in this case the Committee on Rules has adopted within the last month a number of rules, including this, and has instructed the chairman to report them. There is at least one that is much older than this still pending, and there are others which are a little older. According to the argument made by the gentleman from North Dakota, if he is correct, if he has the right to raise the question of privilege, then anybody interested in the adoption of any one of the rules which were adopted by the Committee on Rules previous to this one has still more right to come forward and demand its consideration. If we should adopt the doctrine that when the Committee on Rules had adopted several rules any individual interested in one of these rules had the right, as a matter of the privilege of the House, to rise and claim that that rule should immediately be reported, and that it was unreasonable for the chairman to withhold it, the business of the House would be in confusion. Mr. Reed decided that it is a question of reasonable time. For some time the business of the House has been mostly on rules which have been reported by the chairman of the Committee on Rules. They are all of them in their time older than the one which the gentleman claims to call up.

If he could make that claim now, he could have made it at any time in the last weeks when we have been transacting business under the leadership and orders of the Committee on Rules, and any other Member interested in one of the other rules could

have insisted on his rule. That would occasion interminable confusion. Therefore it seems to the Chair that, inasmuch as the House has been largely occupied with these rules, at least until the Committee on Rules has disposed of the rules that are older than this one it is preposterous to claim that a gentleman can rise as a matter of privilege and say that the chairman of the Committee on Rules is unreasonable in not bringing up this junior rule. Of course, this is under the complete control of the Committee on Rules, which can at any time instruct its chairman in what order to bring up its bills. The Chair, therefore, sustains the point of order, without considering the question of whether Calendar Wednesday business should be interrupted by this matter or not.

Mr. MOORE of Virginia. Mr. Speaker, a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. MOORE of Virginia. Take a case in which a committee has directed a report to be made, and it appears from the proceedings had in the House, in the presence of the Speaker, that it is not the purpose of the chairman of the committee to make the report, or let us suppose that the Speaker otherwise has knowledge of the fact that there is no intention to make a report, then in such case is the House helpless?

The SPEAKER. It seems to the Chair it is not reasonable to bring that question up until the other rules which are older than this one in point of time have been disposed of.

Mr. JOHNSON of South Dakota. Mr. Speaker, I respectfully appeal from the decision of the Chair.

Mr. MONDELL. Mr. Speaker, I move to lay that appeal on the table.

The SPEAKER. The gentleman from South Dakota appeals from the decision of the Chair. The gentleman from Wyoming moves to lay that appeal on the table. The question is on laying the appeal on the table.

The question was taken; and on a division (demanded by Mr. JOHNSON of South Dakota) there were—ayes 69, noes 48.

Mr. JOHNSON of South Dakota. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from South Dakota makes the point of order that there is no quorum present. It is clear that there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absentees, and the Clerk will call the roll. The question is on the motion of the gentleman from Wyoming to lay on the table the appeal of the gentleman from South Dakota from the decision of the Chair.

The question was taken, and there were—yeas 149, nays 114, not voting 168, as follows:

YEAS—149.

Ackerman	Elliott	Lineberger	Robsion
Ansorge	Ellis	Little	Rose
Anthony	Fairfield	Longworth	Rosenbloom
Bacharach	Faust	Luce	Rossdale
Barbour	Fenn	Luhring	Schall
Beedy	Foster	McCormick	Shaw
Begg	Freeman	McLaughlin, Mich.	Shelton
Benham	Fuller	McLaughlin, Nebr.	Sinnott
Bird	Gernerd	MacGregor	Slemp
Bixler	Glynn	Madden	Smith, Idaho
Blakeney	Gorman	Magee	Smith, Mich.
Bowers	Graham, Ill.	Mapes	Snell
Brennan	Green, Iowa	Michener	Speaks
Brooks, Ill.	Greene, Mass.	Miller	Sproul
Brown, Tenn.	Greene, Vt.	Millspaugh	Steenerson
Burdick	Hadley	Mondell	Stephens
Burroughs	Hardy, Colo.	Montoya	Taylor, N. J.
Burtness	Hawley	Moores, Ind.	Temple
Burton	Hersey	Morgan	Thompson
Cable	Hickey	Morin	Timberlake
Campbell, Kans.	Hicks	Mott	Tincher
Campbell, Pa.	Hill	Nelson, Me.	Towner
Cannon	Hoch	Newton, Minn.	Underhill
Chalmers	Hogan	Norton	Volstead
Chandler, N. Y.	Hukriede	Ogden	Walsh
Chindblom	Hull	Osborne	Webster
Clouse	Husted	Parker, N. Y.	Wheeler
Colton	Hutchinson	Patterson, Mo.	White, Kans.
Cooper, Ohio	Kearns	Patterson, N. J.	White, Me.
Crago	Kelly, Pa.	Porter	Winslow
Crowther	Ketcham	Pringey	Woodyard
Curry	Kissel	Purnell	Wurzbach
Dale	Kline, N. Y.	Ramseyer	Wyant
Dallinger	Kline, Pa.	Reed, N. Y.	Yates
Darrow	Larson, Minn.	Reed, W. Va.	Young
Dyer	Lawrence	Ricketts	
Echols	Leatherwood	Roach	
Edmonds	Lee, N. Y.	Robertson	

NAYS—114.

Almon	Briggs	Christopherson	Dominick
Aswell	Browne, Wis.	Clague	Doughton
Bankhead	Buchanan	Collier	Drewry
Bell	Bulwinkle	Connally, Tex.	Dupré
Black	Burke	Cooper, Wis.	Favrot
Bland, Va.	Byrnes, S. C.	Crisp	Fish
Blanton	Byrns, Tenn.	Cullen	Fisher
Bowling	Carew	Davis, Tenn.	Fulmer
Box	Carter	Deal	Funk
Gahn	Lampert	Oliver	Swing
Garner	Lanham	Overstreet	Thomas
Garrett, Tex.	Lankford	Park, Ga.	Tillman
Gensman	Larsen, Ga.	Parks, Ark.	Tucker
Gilbert	Lazaro	Pou	Tyson
Hammer	Lea, Calif.	Quin	Upshaw
Hardy, Tex.	Logan	Raker	Vinson
Harrison	London	Rankin	Ward, N. C.
Hawes	Lowrey	Reece	Weaver
Herrick	Lyon	Rucker	Williams, Tex.
Hooker	McClintic	Sanders, Tex.	Williamson
Huddleston	McDuffie	Sandlin	Wilson
Humphreys	McSwain	Scott, Tenn.	Wingo
Jacoway	Martin	Sinclair	Wise
James	Mead	Steagall	Woodruff
Johnson, Ky.	Montague	Stedman	Woods, Va.
Johnson, Miss.	Moore, Va.	Stevenson	Wright
Johnson, S. Dak.	Newton, Mo.	Summers, Wash.	Zihlman
Keller	Nolan	Sumners, Tex.	
King	O'Connor	Swank	

NOT VOTING—168.

Anderson	Fields	Kraus	Riddick
Andrew, Mass.	Fitzgerald	Kreider	Riordan
Andrews, Nebr.	Focht	Kunz	Rodenberg
Appleby	Fordney	Langley	Rogers
Arentz	Frear	Layton	Rouse
Atkeson	Free	Lee, Ga.	Ryan
Barkley	French	Lehlbach	Sabath
Beck	Frothingham	Linthicum	Sanders, Ind.
Bland, Ind.	Gallivan	McArthur	Sanders, N. Y.
Boies	Garrett, Tenn.	McFadden	Scott, Mich.
Bond	Goldsborough	McKenzie	Sears
Brand	Goodykoontz	McLaughlin, Pa.	Shreve
Britten	Gould	McPherson	Siegel
Brooks, Pa.	Graham, Pa.	Maloney	Sisson
Butler	Griest	Mann	Smithwick
Cantrill	Griffin	Mansfield	Snyder
Chandler, Okla.	Haugen	Merritt	Stafford
Clark, Fla.	Hayden	Michaelson	Stiness
Clarke, N. Y.	Hays	Mills	Stoll
Classon	Henry	Moore, Ill.	Strong, Kans.
Cockran	Himes	Moore, Ohio	Strong, Pa.
Codd	Hudspeth	Mudd	Sullivan
Cole, Iowa	Ireland	Murphy	Sweet
Cole, Ohio	Jefferis, Nebr.	Nelson, A. P.	Tague
Collins	Jeffers, Ala.	Nelson, J. M.	Taylor, Ark.
Connell	Johnson, Wash.	O'Brien	Taylor, Colo.
Connolly, Pa.	Jones, Pa.	Oldfield	Taylor, Tenn.
Copley	Jones, Tex.	Olpp	Ten Eyck
Coughlin	Kahn	Padgett	Tilson
Cramton	Kelley, Mich.	Paige	Tinkham
Davis, Minn.	Kendall	Parker, N. J.	Treadway
Dempsey	Kennedy	Perkins	Vaile
Denison	Kiess	Perlman	Vare
Dickinson	Kincheloe	Petersen	Vestal
Dowell	Kindred	Radcliffe	Voigt
Drane	Kinkaid	Rainey, Ala.	Volk
Driver	Kirkpatrick	Rainey, Ill.	Walters
Dunbar	Kitchin	Ransley	Ward, N. Y.
Dunn	Kleczka	Rayburn	Wason
Evans	Knight	Reavis	Watson
Fairchild	Knutson	Reber	Williams, Ill.
Fess	Kopp	Rhodes	Wood, Ind.

So the motion to lay on the table was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Goodykoontz (for) with Mr. Garrett of Tennessee (against).

Mr. Snyder (for) with Mr. Oldfield (against).

Mr. Fess (for) with Mr. Knight (against).

Mr. Atkeson (for) with Mr. Gallivan (against).

Mr. McArthur (for) with Mr. O'Brien (against).

Mr. Knutson (for) with Mr. Jones of Texas (against).

Mr. McPherson (for) with Mr. Rainey of Illinois (against).

Mr. Treadway (for) with Mr. Cockran (against).

Mr. Langley (for) with Mr. Clark of Florida (against).

Mr. Paige (for) with Mr. Sullivan (against).

Mr. Bland of Indiana (for) with Mr. Brand (against).

Mr. Kendall (for) with Mr. Driver (against).

Mr. Moore of Ohio (for) with Mr. Hayden (against).

Mr. Nelson, A. P. (for) with Mr. Lee of Georgia (against).

Mr. Perkins (for) with Mr. Rouse (against).

Mr. Michaelson (for) with Mr. Cantrill (against).

Mr. Johnson of Washington (for) with Mr. Kitchin (against).

Mr. Butler (for) with Mr. Sisson (against).

Mr. Appleby (for) with Mr. Tague (against).

Mr. Kennedy (for) with Mr. Riordan (against).

Mr. Maloney (for) with Mr. Goldsborough (against).

Mr. Henry (for) with Mr. Barkley (against).

Mr. Griest (for) with Mr. Rayburn (against).

Mr. Coughlin (for) with Mr. Ten Eyck (against).

Mr. Bond (for) with Mr. Jeffers of Alabama (against).

Mr. Kiess (for) with Mr. Kincheloe (against).

Mr. Olpp (for) with Mr. Sears (against).

Mr. Perlman (for) with Mr. Taylor of Colorado (against).

Mr. Kreider (for) with Mr. Kunz (against).

Mr. Fitzgerald (for) with Mr. Collins (against).

Mr. Volk (for) with Mr. Kindred (against).

Mr. Radcliffe (for) with Mr. Jeffers of Alabama (against).

Mr. Dickinson (for) with Mr. Sabath (against).
Mr. Lehlbach (for) with Mr. Linthicum (against).
Mr. Sanders of Indiana (for) with Mr. Drane (against).
Mr. Frothingham (for) with Mr. Stoll (against).
Mr. Vare (for) with Mr. Taylor of Arkansas (against).
Mr. Evans (for) with Mr. Smithwick (against).
Mr. Murphy (for) with Mr. Fields (against).
Mr. Graham of Pennsylvania (for) with Mr. Griffin (against).
Mr. Siegel (for) with Mr. Hudspeth (against).
Mr. Chandler of Oklahoma (for) with Mr. Mansfield (against).
Mr. Stiness (for) with Mr. Rainey of Alabama (against).
General pair:
Mr. Dowell with Mr. Padgett.
The result of the vote was announced as above recorded.
The SPEAKER. A quorum is present. The Doorkeeper will open the doors.

EXTENSION OF REMARKS.

Mr. STEENERSON. Mr. Speaker, I ask unanimous consent to extend my remarks on the pending grain grades bill with a short article included by Doctor Palmer, chief inspector of grain in North Dakota.

Mr. GARNER. Mr. Speaker, it will facilitate the transaction of business if the gentleman would speak so that we could hear him, and then he would not have to repeat what he says.

Mr. STEENERSON. I ask unanimous consent to extend my remarks on the pending grain grades bill with a short article therein contained from Doctor Palmer, chief inspector of grain, North Dakota, to be printed in 8-point type, the same as the other.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD on the grain grades bill with an article by Doctor Palmer, to be printed as part of his remarks in 8-point type. Is there objection?

Mr. GARNER. Reserving the right to object, I do not have any objection to the extension of these remarks, but it has been the policy of the gentleman from Massachusetts to object to these extensions of articles by outside people and that it ought to be presented to the committee having charge. I think it is a good policy, but I do not want to take up the policy myself and be responsible, and I merely call attention, and, not seeing the gentleman from Massachusetts on the floor of the House, I will ask the gentleman if he does not desire to withdraw the request until he can see the gentleman from Massachusetts?

Mr. WALSH. Oh, well, the gentleman from Massachusetts is always on the floor. The gentleman from Texas has become so active and alert in reference to these matters of late that all I have had to do is to keep silent and let the gentleman from Texas take care of the situation. I have no objection to this extension, because it is an article incorporated in the remarks of a Member and pertinent to a bill under consideration.

Mr. GARNER. Do I understand the gentleman to say all a Member has to do is to incorporate an article of somebody else in remarks of his own?

Mr. WALSH. I did not say any such thing.

Mr. GARNER. The gentleman said he was incorporating an article in his own remarks; that all that you have to do is to incorporate an article of a man from Massachusetts or some other part of the country in his own remarks and that he can put those in. There ought to be some definite policy with regard to this matter——

Mr. WALSH. Why does not the gentleman start a policy and follow it?

Mr. GARNER. I want to follow the policy of the gentleman from Massachusetts, but I can not tell which way the gentleman is going.

The SPEAKER. Is there objection to the request? [After a pause.] The Chair hears none.

Mr. STEENERSON. Mr. Speaker, under the grain standards act of August 11, 1916, the Secretary of Agriculture was authorized to fix standards and grades of grain. In 1917 he proceeded to fix standards and grades for wheat, including spring wheat. The farmers of the spring-wheat States objected, and numerous hearings were held on the proposed regulations, but they were adopted substantially as first proposed by the Bureau of Markets and promulgated by the Secretary and put into operation. Experience proved that the objections of the wheat growers were well founded, and during the war these objections were accentuated by the fact that the Food Administration took control of all buying and fixed all prices according to grade, so that sale by sample, where the milling value of the wheat would be taken into account, was done away with.

As soon as the war was over the spring-wheat farmers renewed their applications for modification, first before Secretary Meredith without result, and then a year ago before Secretary Wallace, who promised to make an investigation by experts. He appointed Dr. John Lee Coulter, now of the North Dakota Agricultural College, and Mr. Fitz, in charge of milling operations at the University of Kansas. They spent several months in the field and made a report recommending changes. This report was made public last month. The principal changes they recommended were the elimination of moisture and foreign material as grade factors. This corresponds exactly with the provisions of the Steenerson grain grading bill which was introduced nearly a year ago—H. R. 7401—and reintroduced with Committee amendments and ammendments correcting some typographical errors, and is now H. R. 9668.

Elaborate hearings were held on the first-mentioned bill, which resulted in the committee favorably reporting the bill. A supplemental hearing was held, at which the millers and the representatives of the grain trade were heard. Two things should be borne in mind: The present regulations classify foreign material in wheat as separable and inseparable—that which can readily be separated in ordinary warehouses and fanning mills is classed as dockage, and that is deducted from the total weight and is not paid for by the purchaser. The other foreign material is classed as inseparable and consists chiefly of weed seeds, such as cockle, wild peas, and kinghead. These can be separated in terminal elevators and mills where they have suitable machinery at an expense of not more than 5 cents per bushel. It is not necessary to take out all of this material, for the rules permit 1 per cent even in No. 1. The evidence shows that to that extent all foreign material can readily be removed. The presence of so-called inseparable material in wheat is now regarded as a grading factor, and more than one-half of 1 per cent reduces the grade from No. 1 to No. 2, and so on, until No. 5, the lowest grade except sample, may contain 5 per cent of inseparable foreign material.

The grade is determined on samples taken from each car on arrival at terminal market, and the dockage and inseparable matter is ascertained by running the same twice over the sieves. In many instances by running it over the sieves three times all foreign material down to 1 per cent or less is taken out. The Bureau of Markets, however, has issued orders to all inspection officers in the spring-wheat region not to run samples over the sieves more than twice, and if it is not then clear of excessive foreign matter it is graded down. This probably accounts for the conflict of evidence as to practicability of cleaning wheat that appeared in the testimony at the hearings. The fact remains that a third or even a fourth cleaning might raise the grade from 3 to 1 and the price 20 cents, at a cost of not exceeding 4 cents.

There is no question but that all weed seeds in excess of the 1 per cent allowed can be readily cleaned out, but for grading purposes the Federal authority forbids this, unless it can be done by two cleanings.

Moisture is also regarded as a grading factor and 14 per cent is the maximum allowed in No. 1, 14½ per cent in No. 2, 15 per cent in No. 3, and 16 per cent in Nos. 4 and 5. The other grading factors are principally test weight, 58 pounds being required for No. 1, 57 pounds for No. 2, 55 pounds for No. 3, 53 pounds for No. 4, and 50 pounds for No. 5. No. 1 may contain 2 per cent of damaged kernels, with one-tenth of 1 per cent heat-damaged kernels; No. 2 may contain 4 per cent damaged kernels, with two-tenths of 1 per cent heat-damaged kernels; No. 3 may contain 7 per cent damaged kernels, with five-tenths of 1 per cent heat-damaged kernels; No. 4 may contain 10 per cent damaged kernels, with 1 per cent heat-damaged kernels; and No. 5 may contain 15 per cent damaged kernels, with 3 per cent heat-damaged kernels.

It will be noted that the other grading factors, the principal one of which is test weight, are permanent merits or defects which can not be changed by manipulation, but excessive moisture and foreign material can be removed by handling in the mill elevators. In the administration of the regulations one of these defects, for instance 15 per cent moisture, puts the wheat down to No. 3, although it is perfect in every other respect and its value is within 4 or 5 cents of the same kind of wheat with 14 per cent moisture. The same can be said of 16 per cent moisture, which puts it down to grades 4 and 5. This operates against the farmer who sells or delivers his wheat to the local elevator, because there they must grade according to the written rules and no credit is given for the fact that it is perfect wheat outside of the one defect. But the requirements for No. 2 permits more inseparable foreign material, more damaged kernels, and test weight of only 57 pounds, and so on through the list. If this perfect wheat graded down for excessive foreign material having more than 1 per cent to No. 3, it would be sold on arrival at the terminal in Minneapolis at the price of No. 3,

which may contain all the defects allowable in that grade, including the excessive moisture which renders it unstorable, at a price of at least 20 cents below the price of No. 1.

The rules of the Chamber of Commerce of Minneapolis make No. 1 Northern Spring contract grade; No. 2 is deliverable at 3 cents a bushel discount, and No. 4 at 20 cents discount, showing that the grade price of No. 3 is based upon wheat which has been so manipulated at the terminal elevators as to contain all the defects allowable at the great loss of the producer. If the farmer should, through the local elevator, ship this wheat graded down for 1 per cent of excessive moisture to Minneapolis and store it instead of taking out the moisture, it would probably be mixed with drier wheat of which there is usually plenty and then the elevator, when called to deliver the wheat, would deliver No. 3 with all defects. The cost of making this shipment No. 1 would not exceed 5 cents a bushel, but the producer loses at least 15 cents a bushel by the operation. The worst of this is that the prices reflected back to the local elevator is always the price of the grade, which in this instance is at least 15 cents or 20 cents below the real milling value of the wheat as determined by sample sales at Minneapolis.

Instead of adopting the recommendations of Fitz and Coulter, the Secretary leaves the grade requirements as they are, but proposes to issue instructions to grain inspectors at designated points to note on inspection certificates the kind and quantity of inseparable foreign material, other than dockage, and excessive moisture, with the remark "Otherwise No. 1" or No. 2, as the case may be. He also proposes to install a reporting system of cash sample market sales in Minneapolis and other terminals showing the price of each car of wheat in each grade. He does this on the theory that the price of each sample will be reflected back to the local elevator. This, however, is erroneous because good No. 1 wheat with a single defect will still be in the same grade as wheat with all the defects permitted in No. 4 and it will be the grade price, the low price in any particular grade, that will be reflected back to the country. Why he should go back on the report of his own expert commission is hard to understand.

I have submitted the question whether the new regulations are satisfactory to the State inspection authorities in Minnesota and North Dakota and to others interested in agriculture, and they all say that these regulations are no improvement over the present system and amount to a denial of any relief, as shown in the following telegram:

ST. PAUL, MINN., *May 23.*

Congressman HALVOR STEENERSON,
Washington:

Conference was held in my office Friday between members of Board of Grain Appeals inspection department and Mr. Owen, of Farm Stock and Home, and only thing agreed to was to press your bill, as the new rules are of no benefit to the northwestern producers. Our chief inspector, Tunnell, leaves for Washington to-night and will be with you as long as you want him. At the big meeting western part of State I interviewed hundreds of farmers and the opinion is that the only thing to do is to get the bill before Congress so you can explain that the northwestern producers are discriminated against.

Mr. Tunnell will give you full information. Answer.

O. P. B. JACOBSON.

The same view appears in the following article, written by Dr. W. C. Palmer, of the Fargo Agricultural College, and chief grain inspector for the State of North Dakota:

NO CHANGES IN HARD RED SPRING WHEAT GRADES.

[By Doctor Palmer, Chief Grain Inspector, North Dakota.]

"No changes will be made in the hard red spring wheat grades, according to the announcement sent out by H. C. Wallace, Secretary of Agriculture, on April 17, 1922. Repeated requests have been made to the Secretaries of Agriculture for changes in the hard red spring wheat grades. The Secretaries all promised to investigate. Secretary Wallace did appoint a committee to investigate, but set aside its report. It is doubtful if he could have selected a better committee.

"Dr. John Lee Coulter, then dean and director of the West Virginia Agricultural College and Experiment Station, but raised in the spring wheat territory, a student of agricultural economics, was a member of the committee. He has had an unusual experience, studying agricultural economics at several agricultural colleges, and made his studies practical by following such products as grain and cattle from the farm through the terminal to the finished product. He has taught agricultural economics, and is one of the outstanding authorities on this subject. During the period 1910 to 1914 he was chief of the agricultural census, United States Census Bureau. He has been sent to Europe by the Federal Government to make investigations into agricultural economic conditions there. Doctor Coulter's father still operates the home farm in the Red River Valley, on which Doctor Coulter was raised. Doctor Coulter's brothers also farm.

"Mr. L. A. Fitz, in charge of milling investigations at the Kansas Agricultural College, was the other member of this committee. Mr. Fitz, before going to Kansas, was located at the North Dakota Agricultural College, and had charge of milling investigations for the Federal Government, so that he is familiar with the milling of both spring and winter wheat, and has made a special study of the milling qualities of the different grades of wheat.

"This committee made careful study of the grain business as affected by grades, at terminal markets, milling centers, and at the local markets. Each made an independent report to the Secretary of Agriculture, but the reports were unanimous in recommending the dropping of moisture and foreign material other than dockage as grading factors, and that when these were in excess they should be designated on the grade certificate. This would have been a big improvement in the grades, as it would have made the wheat in the straight grades a higher quality wheat.

"Now, for instance, a grade 3 wheat may contain 15 per cent moisture or 0.6 pound more moisture in a bushel of No. 3 than in a bushel of No. 1, and 1.2 pounds more in a bushel of No. 4. This not only means that this amount of moisture must be paid for as wheat, but also that wheat with that much moisture is not a storable wheat. Yet if one buys No. 3 or 4 wheat by grade that contract will be fulfilled if wheat with that much moisture is delivered and the price reflected to the local market for these grades has to be largely fixed on the basis of wheat with that much moisture.

"Most of the wheat brought to the local market has less than 14 per cent of moisture. Why penalize all the wheat marketed in order to penalize the small amount of wheat containing too much moisture? The adoption of the committee report would have made the moisture in all straight grades 14 per cent, and any wheat with more moisture would be excess-moisture wheat, and it would be penalized in price; but there is no reason why it should be penalized any more in price if called excess-moisture wheat than if it is put down in grade and paid for on basis of low in the grade as at present. The price reflected to the local market on the straight grades would be on the basis of 14 per cent moisture wheat. This would be a storable wheat and could be bought on grade. The excess-moisture wheat could be sent to the drier, and for a very few cents per bushel the excess moisture can be taken out and the wheat be made a storable wheat. Designating wheat with excess moisture 'excess-moisture wheat' would also mean that such wheat could be rushed to the driers or otherwise handled so as to remove the excess moisture quite promptly, and so prevent any heating and resulting damage.

"Under the Federal grades a bushel of No. 3 wheat may contain 1.2 pounds foreign material other than dockage and a bushel of No. 4 wheat may contain 1.8 pounds. This means that if one buys No. 3 or 4 wheat by grade each may contain that much material not wheat that has to be paid for as wheat. That is not all; some of this material is difficult to remove, so that it may make the wheat less valuable. The price reflected to the local market is on the basis of wheat containing the maximum amount of these foreign materials. Only a very small amount of the wheat has these foreign materials, yet under the present standards in order to penalize this small amount of wheat all the wheat is penalized. The recommendation of the committee was to designate wheat with foreign materials as 'excess foreign material wheat' on the grade certificate. It is not likely that wheat with the foreign material, if sold as such, would be penalized any more than it is at present when reduced in grade. And then the great bulk of the wheat would sell on the basis of clean wheat and all wheat in the bushel.

"The present Federal grades legalize adulteration, and the only way to get full value when selling by grade is to adulterate the wheat to the limit set. The farmer is in no position to do this. This means that the bushel of wheat sold by the farmer is worth a good deal more than the bushel of wheat of the same grade shipped out of the terminal elevator, yet it is the terminal-elevator wheat that sets the price of the farmer's wheat.

"The Minneapolis Grain Trade has also made a sort of an indirect comment on the Federal grades, in that the rules of the chamber of commerce, promulgated in April, 1923, provide that No. 1 Northern Spring is contract grade, No. 2 Northern Spring is deliverable at 3 cents discount, and No. 3 at 20 cents discount. This is an unfair discount, for the great bulk of No. 3 wheat as it comes from the farm is good milling wheat; but when one realizes that the No. 3 wheat from the terminal elevators is not always a millable wheat, as it can be loaded up to the

limit. (To a bushel of farmer's wheat may be added 11 pounds of mixture, which might, for instance, contain 5½ pounds cheaper wheat, 4 pounds damaged wheat, 1 pound barley, and one-half pound cockle.) And this is the No. 3 that may be delivered on contract; the discount may not more than enable the taker to play safe. With moisture and the foreign materials removed as grading factors, there would be no need for such a big discount, as all straight grades would be good millable and storable wheat and would be all wheat.

"A study of cash sales on the Minneapolis terminal market brings out the fact that wheat in a single grade varies as much as 20 cents per bushel. This is so wide a spread that the grain trade has found it necessary to introduce some extra grades. These new grades are fancy 1, 2, and 3 dark northern spring, in addition to the regular 1, 2, and 3 dark northern spring provided for in the Federal grades. Closing cash prices are quoted on these fancy grades as well as on the regular grades. For March, fancy 1 dark northern spring averaged 8 cents over regular 1 dark northern spring; fancy 2 dark northern spring, 10 cents over No. 2 dark northern spring; fancy 3 dark northern spring, 12 cents over 3 dark northern spring.

"Eliminating moisture and foreign material other than dockage as grading factors will do a great deal to close up the grades, i. e., not to put as low-grade wheat into a grade as is allowed now. It is the price of the low in the grade that is reflected in the local market.

"Eliminating moisture and foreign material other than dockage as grading factors may close up the grades enough so that the grain trade will not need to use the fancy grades, or, if they are still maintained, the difference between the fancy and the regular grades will be less, and hence the regular grades will bring more nearly what they should on the local market.

"The grain trade has to play safe. If the standards allow of too low grades, some of the low in the grade may be received, and if the price is not on the low in the grade there would be a loss on the lot. Grades are not much good if too wide, as it pretty near makes transactions possible only on sample.

"Mr. J. Shanahan, of Buffalo, N. Y., representative of eastern millers at the Chicago hearing on the grades, April 10, 1922, stated that he could not buy hard red spring wheat by grade, but had to make several trips to the Northwest each year to buy wheat on sample. Minneapolis millers have also stated that they can not buy wheat for milling on contract under the Federal standards. The millers can not use the grades in buying hard red spring wheat, and the farmers do not get justice because of them, yet no change can be secured.

"The grades are also working a hardship on our export of wheat. Some foreign countries will not buy wheat from the United States. The wheat they get will not be the good wheat as raised on the farm, but it will be the terminal market wheat. If United States wheat is to have a standing on foreign markets, it must be graded on the basis of the clean wheat and not on the basis of the undesirable things that may be put into it.

"It is the old story of adulteration—that the adulterated article drives the pure article from the market when the sales are by grade. The only way to deal in the real article when adulteration is legalized is to deal by sample or under trade names. And to think that the Federal Department of Agriculture should legalize adulteration in grain when such a valiant fight has been put up to drive out adulteration in other things.

"The present standards on hard red spring wheat also work a hardship on the country grain dealer in this way: It is often desirable to store grain at the terminal market; but if the country grain dealer stores a carload of grain of a certain grade he would have a carload of the same grade delivered, but it would be terminal wheat made to grade, and might be worth 10 to 30 cents less per bushel than farm wheat put in store.

"The changes suggested by Doctor Coulter and Mr. Fitz that moisture and the foreign materials be dropped as grading factors would have remedied some of the worst defects in the Federal grain standards.

"Secretary Wallace, in a statement issued April 17, 1922, states that 'under present conditions it appears that the tendency at country buying points in the central Northwest is to pay an average or flat price for wheat which varies greatly in milling value, the grade being determined primarily on test weight per bushel.' Very little of the wheat marketed in North Dakota is down in grade except on test weight, but the same price is reflected to all parts of the State. The same price or 'flat price' goes to the territory where the wheat is free from the inseparables as well as to where king-heads, cockle, or wild peas abound. When the wheat contains king-heads, the king-heads have to be paid for as wheat, according to the Federal grades, and it is plain that wheat with king-heads is not as valuable as wheat without king-heads and that is all wheat. If the same price is reflected for wheat with king-heads as for wheat that is all wheat, it would seem to follow that either too much is paid for the wheat with king-heads or too little for wheat that is all wheat. In other words, the 'flat price' is on the basis of terminal grade wheat or wheat down on all factors and not on basis of farm-grade wheat, which is usually down on only one factor and hence is too low. If the grades were tightened up, as suggested by Doctor Coulter and Mr. Fitz, there would not be so much difference in value between terminal wheat and farm wheat in the same grade.

"Secretary Wallace further states that 'it is clear that the unsatisfactory condition at country buying points in the central Northwest is primarily due to poor grading and inadequate information on the part of the farmers as to the grades and price distinctions at terminal markets.' Secretary Wallace lays the blame on the grain buyers. But for argument's sake, anyway, suppose that the grading at the country buying points is done perfectly and that the farmers know the grades as well as the price distinctions at the terminal markets, and many of them do, how does that improve matters? The farmer brings in his grain and it is graded. The farmer knows that the price on wheat in that grade varies 20 cents a bushel when sold on the terminal market by sample, but the bottom price is the one reflected to the local elevator. The farmer may be in a position to bargain with the grain buyer, but how will the farmer and the grain buyer know how much the wheat will bring by sample over the low? Of course, the farmer can ship his wheat and consign it to a commission merchant to sell by sample. In this way he would come more nearly getting what his wheat is worth, but the grades would have nothing to do with that.

"As a remedy, Secretary Wallace has decided to make certain changes in the inspection rules so as to require inspectors to state, in addition to the grade of the wheat, adequate information as to the kind and quality of foreign material other than dockage and the amount of moisture when effective as grading factors, and as to what would be the grade of the wheat otherwise than on account of these grading factors. This added information will help the buyer, as he will know more nearly what he is getting.

"But how is that going to help the farmer? There is one way that the farmer can secure some advantage and that will be by sending a sample of the wheat to the nearest inspection department and have it graded. This added information will be on the grade certificate, then with a good market reporting service that will promptly bring the farmer information as to how grain similar in grade has sold on the sample market he would be in a position to bargain with the grain dealer. This added information would not change the grades; hence the price reflected to the local market will necessarily be on the basis of the low in the grade just the same.

"Secretary Wallace is planning a wireless crop reporting service. Dr. J. L. Coulter, president of the North Dakota Agricultural College, has already taken steps to have the wireless station at the agricultural college equipped so that the wireless market reporting service sent out by the Department of Agriculture can be received and sent to all points in North Dakota. County agents or whoever would desire to could have receiving sets and so receive the reports. A more complete and prompt market report could in this way be sent out than is given in the press. By cooperating with the grain-grading department these reports could be made to more fully cover the points on which North Dakota farmers would need information. The efforts being made by Secretary Wallace seem to be aimed at getting around the grades instead of making them workable. The millers can not buy hard red spring wheat by grade. On the terminal market the dealing is on sample and the farmer must likewise sell on sample, and the foreign buyer will need to buy on sample.

"It is a great disappointment that the changes suggested by Doctor Coulter and Mr. Fitz could not have been adopted. Their recommendations, if adopted, would have gone a long way toward reflecting true value to the local market. It would largely have wiped out the difference between the terminal wheat and farm wheat in the same grade. And until this is done, the farmer, to get full value for his wheat, to get full value for farm wheat and not for terminal market wheat, will need to sell his wheat by sample and this can undoubtedly be done the most effectively in a cooperative marketing plan."

Another material change in the existing rules proposed in my bill is to eliminate the subclass "red spring" and to reduce the number of grades to four instead of five, the test weight of the highest and lowest grade to remain as it is now, but the intermediate grades are slightly lowered.

It has been objected that grades should not be prescribed by statute; but this is not unusual. The requirements for the three principal grades in northwestern Canada are prescribed by act of Parliament. The bill also contains a provision that when the new rules have been in force for two years they can be changed, if the interest of agriculture requires, by the Secretary of Agriculture. We appeal to Congress as our last resort.

At all the hearings that I have heard all the farmers have been unanimous in support of the bill, and so are the grain-inspection officials of the States concerned. The president of the Federation of Farm Bureaus of Minnesota attended the hearing and favored the proposals of the bill, and it has also been recommended by the Farm Bureau Federation of 10 Northwestern States and by the Equity Exchange, with headquarters at St. Paul, which controls hundreds of cooperative elevators. The remarkable thing about the opposition of the representatives of millers and the grain trade is that it is based upon the idea that they are the friends of the farmer and are trying to protect him from loss. The evidence indicates that the terminal elevators and millers are making from fifty to one hundred dollars per thousand-bushel car by manipulating the grades. The present situation makes a market like Minneapolis a virtual paradise of the mixers. Grades are for the purpose of informing the buyer of the kind and quantity of the article to be sold in order that the proper price may be applied, but Mr. James F. Bell, a representative of the Washburn-Crosby Co., the largest manufacturer of flour in Minneapolis and probably in the world, in a letter to the undersigned states that the range between the highest and the lowest price on the same day in the same grade ran from 20 to as high as 40 cents a bushel. The market reports in the Minneapolis papers also indicate a very large range on the same day in the same grade. On the same point I call attention to the following from the testimony of Mr. John D. Shanahan, of Buffalo, N. Y., representing the Niagara Falls Milling Co.:

Official closing prices for cash wheat on the Minneapolis Exchange, June 15, 16, 17, and 18, 1921.

Date.	Grade.	Close.	Range.
			Cents.
June 15	No. 1 dark northern spring..	153¾–189¾	36
Do	No. 2 dark northern spring..	149¾–161¾	12
Do	No. 3 dark northern spring..	136¾–151¾	15
June 16	No. 1 dark northern spring..	151¾–187¾	36
Do	No. 2 dark northern spring..	147⅞–159⅞	12
Do	No. 3 dark northern spring..	134¾–149¾	15
June 17	No. 1 dark northern spring..	155¾–191¾	36
Do	No. 2 dark northern spring..	151¾–163¾	12
Do	No. 3 dark northern spring..	138¾–153¾	15
June 18	No. 1 dark northern spring..	151¾–187¾	35
Do	No. 2 dark northern spring..	147¾–159¾	12
Do	No. 3 dark northern spring..	134¼–149¼	15

The cost prices as shown above indicate a range in the July option upon which they were based of only 2 cents per bushel during the four days in question, and the only change in the relative premiums for cash wheat was a narrowing of the range in the No. 1 dark northern grade of 1 cent per bushel.

Why this enormous range in the values of No. 1 dark northern spring wheat? The answer is that the lowest price paid for that grade is for wheat that will "just make the grade" with nothing to spare and no other factor of value to recommend it to the miller purchaser. Such wheat, besides being comparatively weak in its food constituents, contains the maximum of one or more grade factors allowed, such as mixtures of other wheats than red, spring, rye, wild peas, king-heads, wild rose, or other inseparable foreign material, while the top prices were paid for wheat that was infinitely stronger, heavier, and contained little or nothing but such wheat.

The Washburn & Crosby Co., after having examined a copy of my bill, submitted to the committee an amended draft which they said would be satisfactory. It contains the same classes and subclasses as my bill. They raise the standard for No. 1 to 59 pounds instead of 58 and retain the five grades. Their bill eliminates foreign material and moisture as grading factors, the same as my bill, but they place the percentage of moisture permissible at 14 per cent instead of 14½ per cent, as in my bill. This leaves the difference between their bill and mine simply in the grade requirements which are in some particulars higher than the present Federal grades. (See Supplemental Hearings, p. 314.)

The bill (H. R. 7401) after it was reported was reintroduced with the committee amendments and amendments on account of typographical errors, and as House bill 9668 was submitted to the grain inspection departments of North Dakota and of Minnesota and approved in every particular.

I think this is sufficient to show that the objections to the bill raised by interested parties are wholly unfounded. Millers and grain men who have said anything on this subject have admitted that the present grades are faulty and that they do not know how to remedy the fault. In behalf of the farmers throughout the Northwest I ask you to believe that after these many years of study and experience under the present regulations they actually know their own interest better than those who are profiting by present conditions at their expense. In this conclusion they are supported by the scientific men employed in the State experimental mill and the men in the grain inspection force of large experience. We submit, therefore, that the remedy we offer is sound and should be approved by Congress. Grain inspection has been in vogue in Minnesota for more than 30 years, and their experience is very much greater than that of the Federal Bureau of Markets which has only been dealing with the subject for five years. Minnesota laws require the grades to be revised every year to meet new conditions. The Federal Bureau of Markets, which borrowed many of their rules from the State of Minnesota, framed them five years ago, before they had any experience, and have refused to make any material alterations since. All they have ever sought is to have the approval of the grain trade, and the result is that the prices paid to the farmers at the local elevators on the average is 20 cents less per bushel than the same wheat is sold for when it is sold by sample on the grain exchanges in the terminal markets or has been raised in grade by the manipulation of the terminal elevators.

I insert here the report of the Minnesota State experimental mill on the milling value of the different grades of wheat:

STATE TO USE MILLING TEST IN GRADE PLEA—RESULTS AT EXPERIMENTAL PLANT SHOW INEQUITY OF WHEAT STANDARDS.

Figures and facts obtained in milling tests of wheat at the new State testing mill will be used in attempts to secure changes in the Federal grain grades by which grain is now marketed, it was said to-day by O. P. B. Jacobson, chairman of the State Railroad and Warehouse Commission.

The tests, announced Saturday, showed that while millers are paying down to 32 cents less for No. 4 dark northern than for No. 1, the milling value of the No. 4 is only 7 cents less than for No. 1.

They also showed that on January 16, 1922, No. 1 dark northern was worth $1.69 for milling purposes, down to $1.61 for No. 4.

On that date, No. 1 dark northern was selling for $1.39 top, or 30 cents less than its milling value, according to the market page of the Daily Star, and No. 4 down to $1.10, or 51 cents less than its milling value.

The following table shows what the experiments revealed:

Kind.	Actual milling value Jan. 15.	Market price Jan. 15.	Saturday's market price.
No. 1 dark northern	$1.69	$1.33–$1.39	$1.49–$1.64
No. 2 dark northern	1.66	1.31– 1.38	1.45– 1.62
No. 3 dark northern	1.63½	1.23– 1.28	1.38– 1.60
No. 4 dark northern	1.61	1.20– 1.28	1.32– 1.49

The fact that wheat is now selling nearly at the milling value as of January 15 does not necessarily mean that it is now nearer its milling value than it was then.

NEVER UP TO MILL VALUE.

The experiment was based upon the price of flour and feeds upon January 15, when flour was 3.416 cents a pound and the feeds and by-products 1.33. If the price of flour and by-products has risen since then, the milling value of the wheat would have risen in proportion.

The significance of the experiment, according to N. J. Holmberg, commissioner of agriculture, in charge of the mill, and Mr. Jacobson, is in the fact that No. 4 wheat is shown to be worth only 7 cents a bushel less for milling purposes than No. 1, while the market prices vary from 20 to 30 cents less.

"It shows conclusively that the present grading system, based upon the weight and moisture content of the wheat, should be amended or thrown out," said Mr. Jacobson. "Quality, as revealed in these milling tests, should be the basis of grading and not weight.

"But I predict it will be almost impossible to beat down the powerful lobby maintained by the millers at Washington and get a modification of the grades by Congress or by Henry Wallace, Secretary of Agriculture."

The cars of wheat upon which the State mill tests were made came from all over the State of Minnesota.

MILL TESTS SHOW VALUES.

Results on the different grades were, in detail, as follows:

There were five cars of No. 1 dark northern ground at the mill. On these the dockage was 2 per cent, the loss in cleaning 4⅓ per cent, the weight a bushel 59.1 pounds, the moisture before tempering 11.7 per cent. The yields of all mill products on the basis of original moisture content by percentage follows: Straight flour, 74; red dog, 2.67; standard millings, 12.7; bran, 11.96; total feed, 27.33; total returns, 101.33. The flour value was 1.517 and the feeds 15 cents from a bushel.

There were six cars of No. 2 dark northern. On these the dockage was 2.8 per cent, the loss in cleaning 5.40, weight a bushel 57.1, moisture 11.7, by percentages except weight in pounds. Mill products yielded, in percentage, as follows: Straight flour, 72.21; red dog, 2.68; standard millings, 14.25; bran, 11.61; total feed, 28.54; total returns, 100.75. The flour value was $1.48 and the mill feeds 17.7 cents a bushel, a total of $1.657.

Eleven cars of No. 3 dark northern wheat were ground and the average bushel produced products worth $1.63⅔, with $1.453 in flour and 18⅔ cents in millstuffs. On these the dockage was 3.7 per cent; the loss in cleaning, 5.7 per cent; the weight a bushel, 55⅓ pounds; the moisture, 12.8 per cent. The yields a bushel in percentages: Straight flour, 70.88; red dog, 4.55; standard millings, 11.8; bran, 12.01; total millstuffs, 29.3; total returns, 100.422.

Five cars of No. 4 dark northern averaged outputs worth $1.611 from each bushel, $1.411 in flour and 20 cents in feeds. Of these the dockage was 4.8 per cent; the loss in cleaning, 6.69 per cent; the weight a bushel, 53.8 pounds; and the moisture, 11.8. The yields a bushel in percentages: Straight flour, 68.82; red dog, 4.29; standard millings, 15.82; bran, 13.05; total feeds, 32.16; total returns, 100.98.

EXPLANATION OF VOTE.

Mr. JACOWAY. Mr. Speaker, I ask unanimous consent to make a statement for one minute.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. WALSH. About what?

Mr. JACOWAY. To correct the RECORD, I will say to the gentleman from Massachusetts. When the filled milk bill was before the House Mr. MOORE of Ohio came to me and asked me to pair with him. I did so, and the pair was executed. Under the pair his vote would have been "yea" and mine "nay," and I so stated. When the roll was called I voted "nay." It was my intention to withdraw my vote and answer "present," and in order that no injustice be done the gentleman from Ohio I desire to state that I inadvertently and unintentionally violated the pair. I make this explanation in order that Mr. MOORE's position on the filled milk bill will appear in the RECORD and the unintentional injustice done him by me be corrected as far as I am able to do so.

EXTENSION OF REMARKS.

Mr. McLAUGHLIN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the sugar bill which was considered in the House on yesterday.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. HAWES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by some original observations on the first 10 amendments to the Constitution.

The SPEAKER Is there objection? [After a pause.] The Chair hears none.

The extension of remarks referred to are here printed in full as follows:

Mr. HAWES. Mr. Speaker, without that thoroughness to which the subject is entitled, I direct attention to the first 10 amendments to our National Constitution, called our "Bill of Rights."

My observations are elemental, contain no new thought, and are only a repetition of fundamentals which are known to the lawyer and student.

There was a time when the farmer, the blacksmith, the artisan, and men in every vocation of life understood and were prepared to defend our Bill of Rights.

The last generation was familiar with the Constitution. It was discussed everywhere and upon all occasions. It was the guide which directed legislative enactment and controlled executive discretion.

But during more recent years citizens have neglected its consideration.

The beneficial effects of the first 10 amendments have been so generously accepted that their description and the necessity for their preservation may seem unnecessary. During the period of the war and in the reaction which is now taking place many instances of "official lawlessness" and hasty legislation are again forcing consideration as the sole remaining check upon intemperate legislation and official arrogance and ignorance.

During our preparation for war and participation in it civil affairs were temporarily made subordinate to military necessity.

Ordinary civil procedure in some cases was abandoned and many temporary innovations introduced. The willing citizen, with his mind concentrated upon the one subject of winning the war, made few objections and no protests.

OVERGOVERNMENT.

The war taught organization, and now much of the surplus energy generated during that period is diverted to civic organizations and is manifesting itself in various forms of propaganda, and specially organized minority interests are springing up attempting to force the National Government to do things which were formerly left for the individual to do for himself.

Carried away by haste and an excess of zeal, the fundamental things in our Constitution are assailed in proposed laws, and in many cases public officials are themselves guilty of what is properly termed "official lawlessness" in trying to carry out the extreme wishes of those organized minority groups.

What we shall eat, what we shall wear, what we shall read, how we shall work, and when and how we shall play are to be controlled by statute law rather than by personal inclination.

Some are content to guard with zealous care the rights of life and property, but many others now attempt to regulate, control, direct, and specify what is "the pursuit of happiness."

The word "liberty" used in the Declaration of Independence was not intended in the narrow sense of bodily confinement or a restricted physical action but it extends far beyond to the liberty of thought, of speech, of conscience, as well as of action. In fact, it means self-determination for faculties with which God has endowed us.

Our theory was that government did not give liberty to the citizen but that each individual possessed it as a natural right, and that government was formed for the purpose of protecting it and making it secure.

Everyone was believed to have the natural right to do exactly as he wished except where, in exercising this right, he interfered with similar rights or privileges of others.

CHECKS AND BALANCES.

Finding that all men do not agree, we provided a government, so that the majority might select their own agents or public officials.

If the majority of all the people is to select and direct our Government it follows that a small minority group, or a small association controlled by a vigorous propaganda, should not be permitted to rule the majority. And yet this is being done.

Our Government provides a system of checks and balances intended to preserve the right of the minority from the encroachments of the majority, but minority rule is a new national development.

Our President at times has more power than the king of a constitutional monarchy, but he is checked by the power of Congress, and the power of Congress is again checked by the interpretations placed upon its laws by our Supreme Court, whose duty it is to compel conformity with our written Constitution and protect the rights of citizens which are guaranteed under that instrument.

We are sometimes discouraged, even dismayed, with the toilsome machinery with which we change our laws. This delay is discouraging to the optimist, let alone those who are impatient; but experience has shown that conditions are bettered by steadily gaining point upon point and not by pulling down good and bad together in hasty, ill-advised action.

A clever man has stated:

All political issues may be grouped in three classes: Those which are popular but impracticable; those which are practical but not popular; and those which are both popular and practical.

We are tending more to the first of these; that is, the popular but impracticable legislation.

In providing for a series of checks in our form of government provision was made against hasty and ill-considered demands of even a majority.

The division of the legislative power into two bodies, one serving for two years, the other for six; the independence of the President, and the creation of the Supreme Court to pass upon laws made by Congress, briefly indicate the various checks and balances.

Our Government does not prevent any change in its laws, even a change in the first 10 amendments; but it does prevent change being made hastily, ill-advisedly, and upon the impulse of excitement or passion.

It is not to this division of the powers of Government to which I desire to direct attention, but rather to the first 10 amendments of the Constitution, which first prohibited the National Government from doing certain things and was quickly followed by the insertion in our various State constitutions of the same prohibitions.

OFFICIAL LAWLESSNESS.

These inhibitions are intended to prevent arbitrary or unjust action both by Government and by its officers. Certain acts are described which neither Government nor its agents can do.

Few men can handle an unusual and extraordinary power with moderation and temperate judgment.

The man in office has just as many human frailties as men out of office. So the first 10 amendments were in part to check weakness or lawlessness in the official.

These 10 amendments are a limitation upon government. They draw a sacred circle within which government may not penetrate. They are similar to the restraints placed upon the king.

The words of Lord Chatham, heard before every graduating class at law school, and which I hope will again ring throughout America, contain the doctrine. All we have to do is to substitute the word "government" for the word "crown" and the word "official" for the word "king" and the limitation of power is brought home to us.

The poorest man in his cottage bids defiance to all the forces of the crown. It may be frail; its roof may shake; the wind may blow through it; the storms may enter. But the King of England can not enter. All his forces dare not cross the threshold of the ruined tenement.

When laws are enacted which are difficult of enforcement by reason of their interference with personal rights, then the modern tendency is to introduce new methods of enforcement still further restricting liberty.

These amendments are intended to prevent oppression by the Government and its officers, just as the Magna Charta was intended to prevent oppression by the King. They guarantee individuals against oppression by even their own selected Government. They have been likened by some to the Ten Commandments.

While we voluntarily surrendered certain rights that government might exist, in these amendments we protected the individual rights from the encroachment by government.

Next to religion, the amendments demand our highest reverence, for while liberty is the best offspring of democracy, we must still guard against democracy destroying its choicest product.

Strange as it may seem, there may be democracy without liberty.

Christianity has taught democracy in rousing men to an understanding of his true relations with God. This in turn has taught him his proper relation with his fellow man.

In his fight for religious liberty he secured personal liberty, which is now covered by these 10 amendments.

The Constitution itself was only finally ratified by the various Colonies upon the promise that the Bill of Rights containing these amendments would later be adopted.

While there was some hesitancy upon the part of the States to adopt the original Constitution, there was no hesitancy in the adoption of the Bill of Rights, which was done unanimously by all of the States.

The forefathers thought that even a democracy should not have unlimited power.

We must not fail to remember that when we deprive a single individual of his rightful liberty we endanger the liberties of all.

When we override these guaranties and revert to the old days of unlimited power in government, we prepare the way for monarchy.

LIMITATION UPON OFFICIAL CONDUCT.

Every citizen is, to an extent, his own doctor and, to a much larger extent, his own lawyer, because he is supposed to know the law. He can not be expected to know all of it, but certainly the limitations placed upon official conduct should be understood.

A law writer has summarized them as follows:

By the Federal Constitution as it now stands the citizen, in time of peace at least, is guaranteed, among other matters, (1) the protection of the writ of habeas corpus; (2) freedom from bills of attainder and ex post facto legislation; (3) freedom of religious belief and worship; (4) freedom of thought and its expression; (5) freedom peacefully to assemble with others and petition for redress of grievances; (6) freedom from unreasonable search and seizure; (7) the right not to be prosecuted for infamous crimes except first accused by a grand jury; (8) the right in all criminal prosecutions to a speedy and public trial by an impartial jury; (9) to be confronted with the witnesses against him, and (10) to have assistance of counsel; (11) that he shall not be deprived of life, liberty, or property without due process of law; (12) that his private property shall not be taken from him even for public use without just compensation; (13) that the obligations accruing to him under lawful contracts shall not be impaired; (14) that he shall not be denied the equal protection of the laws.

We can not understand real Americanism unless we are familiar with these limitations.

In instructing both naturalized citizens and our school children, they must be shown that liberty is not license and that considerations of personal right must embody equal consideration for the rights of neighbors.

These limitations are for the protection of the weak as against the strong, against a majority seeking by intemperate action to deprive the minority of its rights, and are the fruition of centuries of struggle involving the sacrifice of thousands of patriotic lives.

The original limitation upon the power of the King was followed by our limiting the power of our own selected Government.

THE DECLARATION AND THE CONSTITUTION.

Judge Wade has drawn an interesting comparison between the provisions of our Declaration of Independence and these prohibitions placed in the Constitution:

Before the passage of the habeas corpus act of 1679 in England, any person of royalty or high official standing in the Government could falsely accuse another person of crime and cause that innocent person to languish in prison for years, or even for life, because he could not get before a court of justice to establish his innocence.

In many European countries the peasants were burdened with taxes to support kings and courts without the slightest representation in the tax-levying authority. In France, just preceding the French Revolution, the peasants were obliged to purchase a certain number of barrels of salt each year, without having the slightest use for the salt, because the Crown lands produced salt and the revenues went to the king.

In many European countries a state church was established and the people obliged to support it by taxes levied against their property, regardless of whether it represented their religious beliefs.

A comparison of the provisions of the Declaration of Independence with those of the Constitution will show the wrongs of the English king righted by the Constitution.

Declaration of Independence: "He has refused assent to laws the most wholesome and necessary for the public good."

Constitution of the United States: "A bill if vetoed by the President may be repassed by two-thirds of the Senate and House of Representatives."

Declaration of Independence: "He has forbidden his governors to pass laws of immediate and pressing importance."

Constitution of the United States: "Congress shall have the power to lay and collect taxes, duties, etc." (See Const. Art. I, S. 8.)

Declaration of Independence: "He has dissolved representative houses repeatedly for opposing with manly firmness his invasions on the rights of the people."

Constitution of the United States: "Congress shall meet at the seat of Government once each year."

Declaration of Independence: "He has refused, for a long time after dissolution, to cause others to be elected."

Constitution of the United States: "The time, place, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof."

Declaration of Independence: "He has obstructed the administration of justice."

Constitution of the United States: "Jurisdiction of courts fixed by Constitution. Judges not responsible to the President, but to Congress, which represents the people."

Declaration of Independence: "He has made judges dependent on his will alone."

Constitution of the United States: "Judges subject to removal only by impeachment of Congress."

Declaration of Independence: "He has kept standing armies * * * without consent of the legislature."

Constitution of the United States: "Congress shall have power to raise and support armies." "To provide and maintain a navy."

Declaration of Independence: "For transporting us beyond seas to be tried for pretended offenses."

Constitution of the United States: "Such trial shall be held in the State where said crime shall have been committed."

Declaration of Independence: "For depriving us, in many cases, of the right of trial by jury."

Constitution of the United States: "The trial of all crimes, except in case of impeachment, shall be by jury."

Declaration of Independence: "For quartering large bodies of armed troops among us."

Constitution of the United States: "No soldier shall in time of peace be quartered in any house without the consent of the owner."

Declaration of Independence: "For imposing taxes on us without our consent."

Constitution of the United States: "Congress shall have power to levy and collect taxes."

THE KING CAN DO NO WRONG.

These were our constitutional answers to the power of the king. They must still be our answer to those who would restore to our Government and officials the powers taken from the king.

These must be our answers to the self-inflated public official whose brief authority causes him to think that he is a king.

"The king can do no wrong" was the old doctrine of tyranny now adopted by some National and State officials who think they can do no wrong.

Soon we may be required to write another Declaration of Independence against the propagandist, the emotional and neurotic crank, and hang high for public contempt the Government official who believes "he can do no wrong," and takes upon himself the power of the king which our Government had destroyed.

We are confronted with what might be termed "legislative lawlessness," which is inspired by the fear of political defeat; for men, in defiance of the Constitution and our Bill of Rights, will vote for the passage of laws which are unconstitutional for the sole purpose of securing votes.

They seek to avoid responsibility themselves by passing the responsibility to the Supreme Court, and answer a minority clamor by voting for legislation which they are too cowardly to combat.

We can not survive with group government. The Government must be "all for all." The personal political fortunes of some one man, or small group of men, may be promoted by group government, but this personal gain is always followed by loss of general welfare.

Ours is a government of law, not of men.

We should know our king, which is the Constitution, and understand the limitation of his power, found in our Bill of Rights.

THE FIRST AMENDMENT.

Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press, or the right of the people peacefully to assemble, and to petition the Government for a redress of grievances.

It will be noted that in the original Constitution (Art. VI, clause 3) any religious test as a qualification for a public office was prohibited.

This was followed by the first paragraph of the first amendment, which reads:

Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof. * * *

I discussed this subject in October, 1921, at considerable length, in part, as follows:

The intolerant is hopeless mentally. As a social unit and as a citizen he can not be changed, but we may, by a frank statement of history, law, and experience, prevent his infection of the body politic and reduce his evil influence to the minimum.

Toleration has developed with education, enlightenment, and a proper understanding of the Christian religion. When we left paganism we abandoned intolerance and advanced to the higher grade of a conscience and religion procured and maintained by reason and persuasion, leaving to the Government only the proper function of protecting the right of each individual to pursue, in his own way, without interference from the State or citizen of a State, the fine exercise of personal choice in the matter of conscience and creed, modified only by the moral suasion of religious associations.

The first requisite for this natural religious selection was a complete separation of church and state and removing from a place in government all attempts to control spiritual conduct and confining its jurisdiction to the protection of the health, happiness, life, and property of the citizen.

The friend of religious liberty is not concerned with the difference between creeds, nor in fact with the difference between faith and unbelief. Nor can he be satisfied alone with the political separation of church and state. He must oppose the invisible government, the secret cabal, or the political movement which attempt to do, by indirection, the thing which is prohibited by law.

The honest friend of religious freedom can not, without protest, permit any man's creed to be made the subject of persecution or the sole measure of his fitness for public office.

We can not lose religious freedom without losing civil freedom, so both must be guarded by zealous citizens.

Our danger will not come from a change in our laws, but from an intolerant spirit which would evade the established law and by indirection do those things which the law prohibits.

The second paragraph of the first amendment reads:

Congress shall make no law * * * abridging freedom of speech or of the press.

This is one of the important safeguards of democracy. It means that our newspapers can print what they deem desirable in time of peace, and that men may speak their minds freely upon all subjects.

It must be understood, however, that whenever a newspaper prints a libelous article, or a speaker engages in slandering his neighbor, they are both amenable to criminal prosecution and civil damages. No public official, nor Congress itself, is permitted to arbitrarily prescribe rules and regulations for either press or speech. This permits criticism of our Government and the officers of our Government.

It does not permit, however, the advocacy of the bomb or the torch or revolutionary methods of changing the form of government. The machinery of our Government provides a lawful way to secure change.

The wildest revolutionist is guaranteed the freedom of speech and of the press, but if he abuses this privilege he can be punished.

The third paragraph reads:

Congress shall make no law * * * abridging * * * the right of the people peacefully to assemble and to petition the Government for a redress of grievances.

This permits the rights of peaceful assemblage, discussion, and the drawing up of petitions to both the legislative and executive branches of our Government, a right which was formerly denied by the King.

THE SECOND AMENDMENT.

A well-regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed.

This is held to be a limitation only upon the Federal Government, but does not prevent the States from passing laws regulating the use and possession of arms. It was intended to confine the regulation to States and prohibit the National Government from interfering with the rights of States to so regulate this subject.

THE THIRD AMENDMENT.

No soldier shall, in time of peace, be quartered in any house without the consent of the owner, nor in time of war, but in a manner to be prescribed by the law.

This was intended to subordinate the military to the civil power, so that a civilian would not be subject to the dictation or imposition upon the part of soldiers.

Formerly soldiers arrogated to themselves the right to enter private dwellings and do pretty much as they pleased.

This prohibits a soldier from entering any home without the consent of the owners, except during times of war, and even during a war period only under conditions prescribed by law.

THE FOURTH AMENDMENT.

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrant shall issue except upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

This provision of the Constitution is the one which "official lawlessness" most frequently violates. It is what has been termed the "right of castle." No man's home, or office, or habitation may be invaded by an officer of the law unless such officer is armed with a search warrant which describes the place to be searched and must be made upon oath or affirmation showing probable cause.

One of our new official "kings," bent upon mischief, hoping to accomplish some political design, masquerading in the majesty of the law, might enter a man's home, search his papers, go through his sacred belongings, disturb his peace, alarm his family, and subject him to various indignities.

No search can be made except upon a warrant issued by a court, and no such warrant shall be issued until a solemn statement under oath discloses evidence of the commission of an offense. The place must be described; the things of persons to be seized must be described. A warrant issued by any court, no matter how high, without such a sworn statement being presented, is void and in violation of the rights of every person under the Constitution.

A citizen has the right to guard his home and use all necessary force for its protection.

THE FIFTH AMENDMENT.

No person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation.

This amendment may properly be divided into five parts:

PART 1. No person shall be held to answer for a capital or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger.

This means that no one official shall be permitted to issue a warrant for a capital or otherwise infamous crime until 12 men have agreed that such warrant should be issued.

It must be remembered that the defendant in these cases is not brought before the prosecuting officer or even before the grand jury. It is a secret investigation.

The amendment was to prevent officers upon their own authority from dragging a man into court, putting him into jail, ruining his reputation, and causing him loss of money and humiliation unless 12 men agreed in advance that it should be done.

There are some minor offenses, called misdemeanors, which are not covered by the description "capital or infamous crime," upon which persons can be arrested upon warrant without indictment by the grand jury, but these are never serious offenses and should always be easily bailable.

It is against the unjust, arbitrary arrest for the commission of a grave crime that this amendment was adopted.

The second paragraph:

Nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb.

This means that where a person has been once tried he can not be hauled into court again and again on the same charge as the result of "official lawlessness," which might ruin him in his business and reputation and be made the means of unjust persecution. Once tried and acquitted a man is free, and neither the United States nor any officer of the United States can again take him to trial for the same offense.

The third paragraph:

Nor shall he be compelled in any criminal case to be a witness against himself.

This was directed against the old method of confession by torture, and the new method of confession by the so-called "third degree" administered by some police officers, and officials of the rack and thumb-screw type. In this particular, "official lawlessness" is going to the extreme in many of our large cities.

Arresting a man and then torturing him into confession is not conserving justice. It is defeating it. Our forefathers knew this and placed this restriction in the Constitution.

A man by this provision is protected both against threats and inducements made outside of the court and before trial.

A man can not be compelled to give answers after his arrest while he is in jail, or if he is at liberty under bond, which can be used against him upon trial.

No confession which is not absolutely voluntary and of free will will be admitted by a court as testimony when the same is questioned.

The fourth paragraph:

Nor be deprived of life, liberty, or property without due process of law.

This paragraph immediately causes us to revert back to the Bastille during the French Revolution and to the Tower of London in England and to-day to the lawless procedure of the soviet in Russia.

It means that every man shall have his "day in court," and his property, liberty, or life can not be taken away except by a trial before a legal court, in which he shall have a fair hearing, which involves the element of notice, the chance to appear in person, the right to employ counsel, the privilege of summoning witnesses, and a speedy and public trial; in addition to which he has the right of appeal.

The fifth paragraph:

Nor shall private property be taken for public use without just compensation.

This guards the possession of private property. Formerly the king might take property without compensation if it pleased him to do so.

To-day the Government, which has taken the place of the king, may take property for public use, but must pay for it, the compensation to be determined by a jury.

THE SIXTH AMENDMENT.

In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and in the district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor; and to have the assistance of counsel for his defense.

The first paragraph provides:

In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law.

"Speedy" refers to the necessity of preventing long imprisonments of an accused before trial, and that the trial must not only be speedy but must be made in public before a court and jury.

This is intended to bring the power of public opinion to bear against despotic procedure for the conviction of the accused, and to insure a trial where all his rights will be conserved, and his trial must be by an impartial jury which he has the right to challenge because of prejudice, and the jury must be drawn in the State where the alleged crime was committed.

Formerly a prisoner could be hauled, at the behest of the King, away from his home, and sometimes taken beyond the seas for the purposes of trial. If it were not for this provision, a man charged with a crime in New York might be tried in California, or indicted in Missouri and tried in Texas.

Paragraph 2:

And to be informed of the nature and cause of the accusation.

This is to permit an intelligent defense.

The next paragraph:

To be confronted with the witnesses against him and to have compulsory process for obtaining witnesses in his favor.

The reason of this provision is obvious. Everything must be done in open court. It gives an opportunity to test the credibility of a witness, to analyze the testimony, separate the accurate from the false; and the Government is compelled to procure the witnesses for the accused, who in many cases are confined in jail and unable to procure their attendance.

The last paragraph:

And to have the assistance of counsel for his defense.

It would seem strange that the right of counsel granted by the Constitution should require explanation or even comment; but it recently developed in my own State in one district that lawyers were importuned and, according to newspaper accounts, coerced into signing some agreement that they would not defend any person arrested for a particular crime.

In attempting to enforce one section of the Constitution another section was to be violated and to be violated by sworn officers of the law who, before being admitted to the practice of the law, had taken an oath to uphold and defend the Constitution.

Fortunately, the public press in my State unitedly condemned such conduct, and it was promptly abandoned.

The first duty of the lawyer is to his client, as the first duty of a doctor is to his patient, and if men engaged in either one of these high professions can be deterred or intimidated from living up to the ethics of their profession and the Constitution of their country, because coerced or made afraid by a specialized organization, then justice indeed is dead and the great legal profession is disgraced.

It will be noted that this amendment in its entirety provides for every safeguard for a fair trial, but if a defendant was denied the right of counsel or learned advice and thrown on his own resources, his trial would be a farce; so that where a defendant can not procure an attorney of his own selection, one is appointed for him by the court to help him establish his innocence. Therefore, for all attorneys in a local district to combine in an agreement not to defend is a combined agreement to deny justice provided under this amendment.

THE SEVENTH AMENDMENT.

In suits at common law, where the value in controversy shall exceed $20, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise reexamined in any court in the United States than according to the rules of the common law.

This is an extension of the right of trial by jury in civil matters, and it is wisely determined that the judgment of 12 men on matters of fact is better than the judgment of 1 man and less susceptible of improper influence or of political or personal bias.

There was objection made to the original Constitution because of the apprehension that the trial of facts in civil matters might be usurped by judges, who would then be judge of both facts and the law, and this amendment was one of those promised to various States at the time they ratified the original Constitution and was an extension of the trial of facts in civil matters by a jury of 12 citizens.

THE EIGHTH AMENDMENT.

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted.

Excessive bail in former days was used to compel accused persons to remain in prison. It was frequently fixed so unreasonably high that the accused could not secure his liberty pending trial, although the cause for arrest might have been of a most trivial character.

Excessive fines shall not be imposed, nor cruel and unusual punishment inflicted.

This was another check upon the intemperate conduct of a judge or the intemperate conduct of a legislature who would provide excessive and cruel punishment.

History has disclosed that the intolerant, blinded to grave matters, sometimes magnifies a misdemeanor into a heinous crime.

There was a time when men were hanged, drawn and quartered, and left hanging on gibbets at the public roadside; men were pilloried in stocks and lashed in public view and given sentences and punishment all out of proportion to the magnitude of the crime committed.

Debtors were placed in prison and kept there for long periods of time and were transported to the Colonies.

This provision of the Constitution prevents both the Congress and the State from inflicting harsh and uncivilized forms of punishment.

THE NINTH AMENDMENT.

The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

One of the serious objections to the adoption of the original Constitution was that it did not contain a Bill of Rights.

Mr. Hamilton contended that this was not necessary. He said:

But a minute detail of particular rights is certainly far less applicable to a Constitution like that under consideration, which is merely intended to regulate the general political interests of the Nation, than to one which has the regulation of every species of personal and private concern.

However, the early fathers, intent upon securing full measure of local self-government, demanded its insertion for fear that Congress might assert implied powers which it did not possess unless they were inhibited..

Judge Cooley remarks:

However unfounded such a fear might be, there could be no harm in affirming by this amendment the principle that constitutions are not made to create rights in the people but in recognition of and in order to preserve them, and that if any are specially enumerated and specially guarded it is only because they are peculiarly important or peculiarly exposed to invasion.

THE TENTH AMENDMENT.

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

This amendment differentiates between the powers of the United States and the powers of the States. The former are derived by the United States through delegation from the States. The latter, the reserve powers, remain in and are retained by the States, because not delegated or prohibited.

LOCAL GOVERNMENT.

The ninth amendment was evidently intended by the forefathers as a restriction upon the powers of the Federal Government, and the tenth amendment was another restriction withholding any additional powers not granted by the States.

In the language of an eminent authority:

The States intended that all the powers vested by their several constitutions in the State government should be retained and exercised by that government, except such as by the Constitution vested exclu-

sively in the United States or by contractual agreement were prohibited to the States. The consequence is that it is not only natural, but necessary that this amendment should declare that the powers not delegated to the United States, and not prohibited to the States, should still remain with the several State governments or with the sovereign people of each State.

The encroachment upon local self-government by Federal enactment, and National Government by commission and bureau, is a subject requiring separate discussion and greater elaboration.

CONCLUSION.

The great thinkers and educators of our country are becoming alarmed at the neglect of the study of the Constitution.

Judge Martin J. Wade and many others have made notable contributions to this subject, and I have made free use of their observations.

We are in a period of reaction which always follows a great war. Intolerance and bigotry seem to be developing. Hasty and intemperate legislation is proposed. State and Federal officials are attempting to make laws of their own. Organized minority groups are driving the legislative and executive officers into acts of "official lawlessness."

If my limited and superficial discussion of this subject will induce a more thorough study by the average citizen. I shall have accomplished my object, for better understanding will produce the check now so necessary for the preservation of our broader liberties.

CALENDAR WEDNESDAY.

The SPEAKER. The business in order to-day is Calendar Wednesday business, and the Clerk will call the roll of committees.

When the Committee on the Judiciary was called—

Mr. VOLSTEAD. Mr. Speaker, I call up the bill (S. 745).

The SPEAKER. The gentleman from Minnesota calls up the bill which the Clerk will report.

The Clerk read as follows:

An act (S. 745) to amend section 24 and section 256 of the Judicial Code.

Be it enacted, etc., That clause 3 of section 24 of the Judicial Code is hereby amended to read as follows:

"Third. Of all civil causes of admiralty and maritime jurisdiction, saving to suitors in all cases the right of a common-law remedy where the common law is competent to give it, and to claimants for compensation for injuries to or death of persons other than the master or members of the crew of a vessel their rights and remedies under the workmen's compensation law of any State, District, Territory, or possession of the United States, which rights and remedies when conferred by such law shall be exclusive; of all seizures on land or waters not within admiralty and maritime jurisdiction; of all prizes brought into the United States; and of all proceedings for the condemnation of property taken as prize: *Provided*, That the jurisdiction of the district courts shall not extend to causes arising out of injuries to or death of persons other than the master or members of the crew, for which compensation is provided by the workmen's compensation law of any State, District, Territory, or possession of the United States."

SEC. 2. That clause 3 of section 256 of the Judicial Code is hereby amended to read as follows:

"Third. Of all civil causes of admiralty and maritime jurisdiction, saving to suitors in all cases the right of a common-law remedy where the common law is competent to give it and to claimants for compensation for injuries to or death of persons other than the master or members of the crew of a vessel, their rights and remedies under the workmen's compensation law of any State, District, Territory, or possession of the United States."

Mr. VOLSTEAD. Mr. Speaker——

Mr. GARNER. Will the gentleman yield for a moment? Would the gentleman mind telling the House, for the information of the House, if he has it in mind, what he intends to call up after this bill is disposed of?

Mr. VOLSTEAD. Personally, I intend to call up the commercial bribery bill, but Mr. WALSH has permission from the committee to call up the bill to take care of the Supreme Court reporter. He may call that up——

Mr. GARNER. Either the commercial bribery bill or the Supreme Court reporter bill will be called up after this?

Mr. WALSH. The Supreme Court reporter.

Mr. DOMINICK. Is that the Supreme Court reporter bill?

Mr. WALSH. Yes.

Mr. VOLSTEAD. Mr. Speaker, this legislation was introduced in the Senate and passed there earlier this session. It received a good deal of consideration by the Judiciary Committee of the House, largely because legislation somewhat similar to it had twice been held unconstitutional by the Supreme Court. It was held unconstitutional by a divided court, four to five in each instance. This bill, however, differs from the legislation that was held unconstitutional in this: That it does not include the seamen, the men engaged on board vessels. The object of this bill is to give to the longshoremen the opportunity to take advantage of the different State laws which give compensation in case of injury to employees. It is believed by the committee that with this modification there should be no real objection to the bill. It is true that the Supreme Court has held that the longshoremen are subject to the maritime laws, but the old law was held unconstitutional largely upon the ground that the facts in these cases are such that a uniform rule should be applied to them. It is not believed that this rule applies to longshoremen. You remember the old doctrine that a State may act in regulating interstate commerce if the thing it regulates does not necessarily require a uniform law. It seems to me, as to the people who live in the community and are a part and parcel of the citizenship of that community, that they ought not to be subject to a different rule from any other citizen of that community. I can see very readily that a different rule ought to apply to the sailors that may not belong to that community at all. If a nonresident sailor comes inside of a harbor and is injured while there, there is reason why he should not come under the compensation laws of the State and be entitled to compensation. But as to the men that this bill cover, it seems to me clearly that the State ought to be responsible and that the State ought to pay their damages. There can be no good reason for a distinction between these people and the ordinary citizens of the State. The work of the longshoremen has very little to do with shipping as such. They load and unload vessels, repair ships, and do other work of that kind largely on the shore. It does seem to me that in view of this change in this legislation from legislation held void the Supreme Court will find a way to hold this constitutional. I can see no good reason why shipping interests can not protect themselves under such a law as fully as they might under a Federal law.

There is a very strong demand for this legislation. For months my mail has been filled with communications, not only from the longshoremen or labor organizations but from a great many other people. They feel that these people ought to be permitted to get the benefit of the compensation laws of the States.

Mr. BARBOUR. Will the gentleman yield?

Mr. VOLSTEAD. I will.

Mr. BARBOUR. Does the gentleman think it would be a good idea to extend this same right to workmen in interstate and foreign commerce?

Mr. VOLSTEAD. Well, that is not the question now.

Mr. BARBOUR. Well, it seems to me that the same principle is involved. I am in favor of this bill. I think it is a good one.

Mr. VOLSTEAD. In many States employees in interstate and foreign commerce shift back and forth a good deal like seamen do, and the same objection might be made to such a law as has been made where we endeavored to apply the same law to the seamen as to longshoremen.

Mr. BARBOUR. I am not criticizing the bill, because I think it is a good one, but it seems to me that we could go a good deal further with this good work and take in those in interstate and foreign commerce.

Mr. JOHNSON of Mississippi. Would a cause of action have to arise within a harbor or within the 3-mile limit?

Mr. VOLSTEAD. It would have to arise within the State jurisdiction. That, of course, would be inside the 3-mile limit. The longshoremen seldom get outside the 3-mile limit.

Mr. JOHNSON of Mississippi. It is not intended altogether for longshoremen. Any man can come within the provisions of the law?

Mr. VOLSTEAD. This only provides for longshoremen.

Mr. HUSTED. Will the gentleman indicate what part of the bill is new language?

Mr. VOLSTEAD. In line 8, on first page:

To claimants for compensation for injuries to or death of persons other than the master or members of the crew of a vessel—

And so on.

Mr. HUSTED. Is the proviso on page 2 new language?

Mr. VOLSTEAD. Yes.

Mr. HUSTED. That is all new language?

Mr. VOLSTEAD. That is all new language.

Mr. HUSTED. What is the new language in section 2?

Mr. VOLSTEAD. The corresponding language in section 2.

Mr. BARBOUR. Will the gentleman yield for a question?

Mr. VOLSTEAD. I will.

Mr. BARBOUR. I notice that the language of the bill reserves to claimants for compensation for injuries to or death of persons other than the master or members of the crew of a vessel the rights and remedies under the workmen's compensation law of any State, district, Territory, or possession of the United States. Does that mean this, that if a man should be injured, say, in the port of Philadelphia, and the New York compensation law would be more favorable than the Philadelphia law——

Mr. VOLSTEAD. Certainly not. He would not have the right to compensation there. We have no power to confer any such right. We simply seek to withdraw Federal control over these particular cases, the same as we did to liquor in the Webb-Kenyon Act.

Mr. BARBOUR. I have known of cases where railroad men who had been injured in one State had brought suit in other States.

Mr. VOLSTEAD. That might be done because they found the defendant there.

Mr. DYER. Will the gentleman yield for a question?

Mr. VOLSTEAD. I will.

Mr. DYER. Was the Senate bill reported to the Senate by the Judiciary Committee of the Senate?

Mr. VOLSTEAD. It was.

Mr. DYER. Notwithstanding the fact that the Supreme Court had declared it unconstitutional three times they overruled the Supreme Court?

Mr. VOLSTEAD. I do not think they intended to overrule the Supreme Court. They intended to draw a bill that would sufficiently distinguish this legislation from former legislation.

Mr. DYER. This bill as now drawn will, in the gentleman's opinion, take care of the objections raised by the Supreme Court previously?

Mr. VOLSTEAD. We hope so. There is good reason to believe that the court will hold it valid. Of course, in cases where the court divide almost evenly and there is a real demand for the legislation, Congress, even if it is not absolutely convinced, would, it seems to me, be justified in resubmitting it; that is, if it has good reason to believe that it is constitutional.

Mr. CHANDLER of New York. I would suggest that the Johnson amendment of April, 1916, was held unconstitutional on the ground that it sought to apply the compensation laws of the States to injuries arising in interstate commerce. It tried to confine them to peripatetic men, men moving about, instead of to such as longshoremen. This confines it to the longshoremen and meets the objection of the Johnson amendment, on which it was declared unconstitutional.

Mr. DYER. I am in favor of the bill. The reason I rose was to inquire if the Judiciary Committee of the Senate reported the bill when there was apparently some question as to its constitutionality.

Mr. VOLSTEAD. Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Kentucky [Mr. THOMAS], the ranking member of the Committee on the Judiciary.

Mr. THOMAS. I reserve my time, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Kentucky reserves the balance of his time.

Mr. VOLSTEAD. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. GERNERD].

The SPEAKER pro tempore. The gentleman from Pennsylvania is recognized for five minutes.

Mr. GERNERD. Mr. Speaker and gentlemen of the House, I wish to say that I am quite familiar with the provisions of this bill and its intended operation. A great deal of difficulty has existed in getting proper recognition by claimants who have been injured and who have been deprived of proper compensation. In line with this bill I have been working ever since I have been here trying to draft a bill to cover similar injustices so far as railroad employees are concerned.

After a practice of 15 years, each year I have had the experience of representing persons employed on the railroads who are injured by the same and invariably were deprived of the provisions of the workmen's compensation laws of the State of Pennsylvania because of the fact that they were engaged in interstate commerce.

I am going to give you an illustration of the case of a flagman on a freight train that had stopped at a little village called Alburtis to let a passenger train pass. It was at midnight, and the freight train moved on, but discovered after they had gone some distance that their flagman was missing. They ran back and found the flagman lying along the track, killed. The man left a widow and six children, and the matter was brought up before the referee of the Workmen's Compensation Board of Pennsylvania. There was no evidence as to how he was killed, excepting the violent physical injuries that appeared on the man's person, and that case was dismissed on the ground that he was engaged in interstate commerce, and his widow was deprived of any right, either under the Federal law or under the State compensation law.

Mr. STEVENSON. Mr. Speaker, will the gentleman yield?

Mr. GERNERD. Yes.

Mr. STEVENSON. If it came within the Federal compensation act she certainly was entitled, if he was killed while engaged in interstate commerce.

Mr. GERNERD. My good friend, I can not agree with you. I just want to point out to you that a situation like that ought to be covered by legislation, just as this bill is going to protect the longshoremen.

Mr. BARBOUR. Mr. Speaker, will the gentleman yield?

Mr. GERNERD. Yes.

Mr. BARBOUR. I would like to state that I have introduced a bill along that same line, which is now pending before the Committee on the Judiciary, providing that a man injured in interstate commerce can be covered by the laws of the State in which the injury was incurred.

Mr. GERNERD. I have considered the matter for some time and have taken it up with a number of lawyers, but there seems to be a difference of opinion. My thought is that where there is a workmen's compensation act within a State, the person injured should be given the alternate right either to sue or make his claim under the provisions of the workmen's compensation law of that State or take his chances under the Federal compensation law, but that he should not take advantage of both. He must make his selection either under the one or the other. Therefore I feel that this present bill is a most meritorious one and that the legislation covers a class of injuries that have been mighty cruel in their effects. [Applause.]

Mr. VOLSTEAD. Mr. Speaker, does the gentleman from Arkansas desire to use time on the bill?

Mr. TILLMAN. No, sir; but I desire to yield 10 minutes to the gentleman from Texas [Mr. BRIGGS].

The SPEAKER pro tempore. The Chair will ask whether the gentleman from Kentucky [Mr. THOMAS] is in charge of the time?

Mr. TILLMAN. Yes. The gentleman from Kentucky designated me to represent him.

Mr. BRIGGS. Mr. Speaker, I feel that this legislation is of the highest importance and ought to be passed without further delay.

The compensation acts in various States bordering on the sea, including that of my own State, have been made applicable to longshoremen, dock workers, and others engaged in longshore work; but in view of recent decisions of the Supreme Court so much confusion and uncertainty as to the operation of those provisions has resulted that the authorities of the State do not know what course to pursue. Men who are injured are left, apparently, without any knowledge whether their course of procedure is under the compensation act of the State, which attempts to regulate the subject and control it, or whether they must or can go into the courts for relief. This bill clarifies the situation and allows the State laws to operate in such cases.

In view of the recent decision of the Supreme Court of the United States in the case of the Western Fuel Co. against Garcia, decided on December 5, 1921, which limits the previous decisions of the same court in the Jensen and Knickerbocker Ice Co. cases, and in view of the restricted character of the bill I believe that the objections heretofore raised have been overcome, and that the power of the State to include those engaged in longshore work within the terms of the workmen's compensation acts can be recognized as valid and not in conflict with the maritime law and admiralty jurisdiction of the United States, and does not destroy the uniformity of such maritime law.

Many compensation claims which are recognized as worthy and in many cases have actually been allowed have been denied the further benefit of the State compensation acts until Congress has taken some such action as is contained in the present bill; and the Industrial Accident Board of my own State, as well as others interested, have urged the adoption of legislation of this character in order that the relief provided by the State laws for those injured in longshore work may be awarded in all cases where it is payable, with the assurance that the action of the State is recognized by the Federal Government as not in conflict with the authority of the United States.

I take occasion to read from a letter dated December 29, 1921, written to me by the Industrial Accident Board of Texas, which is as follows:

INDUSTRIAL ACCIDENT BOARD, STATE OF TEXAS,
Austin, December 29, 1921.

Hon. CLAY STONE BRIGGS,
Galveston, Tex.

MY DEAR SIR: When the Texas Legislature originally enacted the law commonly referred to as the workmen's compensation act, it was believed it afforded protection to those employees residing in the various shipping ports of the State whose duties required performance of labor on occasons upon steamboats resting at anchor in the navigable waters, and compensation, for a time, was paid by various compensation insurance carriers to such employees who suffered injury while engaged in the performance of such duties, and to the surviving beneficiaries of deceased employees who had suffered fatal injury while engaged in the performance of such duties. Payments continued until the Supreme Court of the United States rendered an opinion holding that compensation acts of the various States were inoperative in so far as they attempted to provide a rule of recovery for injuries inflicted under maritime and admiralty jurisdiction. Since the final rendition of the opinion mentioned, workmen, such as longshoremen and local repairmen at the docks, are in the unfortunate position of being denied the protection afforded by the compensation act of the State, and they must look

alone for recovery to the rules of admiralty law. This necessarily works a very great hardship upon such workmen who suffer injury and upon the beneficiaries of such workmen who meet death in the course of their respective employments.

There is now pending in the House of Representatives a measure that is designed to relieve the situation that results from the declaration of the law through the opinions of the Supreme Court of the United States. It is believed by the sponsors of that measure that its enactment will accomplish the desired ends, and that in the event it is finally enacted into law that the various compensation acts of the country, including the act of Texas, may be relied upon by the classes of employees mentioned for relief.

You are therefore very earnestly urged to give to the above measure your earnest support, as it is hoped that its enactment will prove of great benefit to workers at the deep-water ports in this State.

Yours very respectfully,

INDUSTRIAL ACCIDENT BOARD,
By J. H. FOWLER, *Chairman*.

The Federal Government has not at yet enacted any Federal workmen's compensation act of general application, and this legislation now proposed to be passed in the pending measure can in no wise be regarded as doing anything more than according to the various States recognition of their right to deal with the question in a just and fair way for those of their citizenship who suffer from injury and for whom the respective States desire to provide means and opportunity for receiving compensation.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent to revise and extend his remarks. Is there objection?

Mr. CHANDLER of New York. Mr. Speaker, I make the same request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas yields back the remainder of his time.

Mr. VOLSTEAD. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. VOLSTEAD, a motion to reconsider the vote whereby the bill was passed was laid on the table.

PRINTING AND DISTRIBUTION OF SUPREME COURT REPORTS.

Mr. WALSH. Mr. Speaker, by direction of the Committee on the Judiciary, I call up the bill H. R. 11450, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. The gentleman from Massachusetts calls up the bill H. R. 11450. The Clerk will report it.

The Clerk read as follows:

A bill (H. R. 11450) to provide for the printing and distribution of the Supreme Court reports, and amending sections 225, 226, 227, and 228 of the Judicial Code.

The SPEAKER. The gentleman asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

Mr. WALSH. Mr. Speaker, this measure is made necessary principally because the provisions of the existing law fix the price at which the official reports of the Supreme Court decisions shall be sold at such a figure that the reporter who now has the publishing of them under a contract is not able to enter into a contract for the printing of them. The law provides that they shall be sold at $1.75 a volume. The committee have had hearings on this and have heard the Chief Justice, and we have amended the provisions of the Judicial Code in several material particulars. First, we have provided that the printing, if done under contract, shall be done only after competitive bids have been secured, and that an award of a contract shall be made only after an estimate has been procured from the Public Printer, and the Public Printer's estimate is more than the bid, or the Chief Justice shall certify that it is for the public interest that the printing shall be done in a private establishment. We have now fixed the salary of the reporter of the Supreme Court at a definite sum, namely, $9,000. Under the existing arrangement he gets $4,500, and he has been receiving a part of his compensation from the printing establishments with which he makes the contract. They publish a certain number of volumes and they allow him a certain amount upon the number of volumes sold. The committee felt that it was unwise and not good policy to continue that practice, that this is an important public official, and that he should be paid from the Treasury of the United States. We further provide that if this printing is done under private contract the volumes shall be turned over to the Public Printer, together with the plates, the proofs, and all the appurtenances thereto, and that these volumes shall be sold by the Superintendent of Public Documents at a price to be fixed by him to cover the cost and a sufficient amount in addition to pay at least half the expenses of the reporter and the allowances which we provide.

We further provide that if the volumes are to be printed in the Government Printing Office they shall likewise be sold by the Superintendent of Public Documents, and that he is required to turn over to the Attorney General a sufficient number of these volumes to make the distribution required by law.

Mr. RAKER. Will the gentleman yield?

Mr. WALSH. If the gentleman will pardon me for just a moment, then I will yield. The subcommittee of the Committee on the Judiciary, of which I have the honor to be chairman, must plead guilty to the delay which has ensued in taking action upon this measure. It was brought to our attention several months ago, before the present contract expired. It was a five-year contract. Since that time, because of the inability of the reporter to enter into a new contract with the publisher, he has been without any compensation since October 1; and recently, there being no contract, the Treasury Department cut off the allowances which he has under the law for rent and clerical assistance.

Mr. RAKER. Right in that connection——

Mr. WALSH. Now, I yield to the gentleman from California.

Mr. RAKER. Some suggestion has been made about the salary of the reporter being excessive. Let me ask the gentleman if it is not a fact that the reporter prepares the manuscript of the volumes that are to be printed?

Mr. WALSH. Yes; I was about to refer to the amount of the salary. There was some difference of opinion in the committee as to what the salary of this reporter should be. The reporter of the Supreme Court, as I stated, is a very important official. He has to verify every opinion which is written by the justices of that court. He has to check up the citations which they make. He reads the proofs, I think he stated two or three times, and he has to write the syllabus for each case. And as the gentleman from California appreciates, in the reports of the court of last resort of the Nation it is necessary that the syllabus of the case be prepared with great care and particularity.

Mr. RAKER. Do not the members of the court rendering the opinions assist in preparing the syllabi?

Mr. WALSH. They do not assist in the preparation of the syllabus, but the syllabus when prepared is submitted to the justice rendering the decision, and sometimes corrections are made in accordance with the suggestions of the justices.

Mr. RAKER. Before the syllabus is published?

Mr. WALSH. Yes.

Mr. RAKER. That is what I mean.

Mr. WALSH. Yes; it is submitted to the justice delivering the opinion for his approval.

Now, the clerk of the Supreme Court is paid $6,000 from the Treasury and $3,000 from the receipts of the court. Prior to this year the clerk of the court in some years got as high as $12,000 or $14,000, and I think in one year he got more than the Chief Justice of the court received.

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Mississippi.

Mr. JOHNSON of Mississippi. What becomes of the $10 charge which is made for the swearing in of attorneys when they are admitted to practice in the Supreme Court?

Mr. WALSH. Under the order of the court now that is turned in to the receipts of the court and all over and above what is necessary for printing, stationery, and certain expenses of the court is now by order of the court covered into the Treasury.

Mr. JOHNSON of Mississippi. My information was that that went to the clerk.

Mr. WALSH. It did until recently. And I may say in passing that the subcommittee of the Judiciary Committee took that matter up personally with the Chief Justice, and we held a hearing upon a bill which has been introduced by the gentleman from West Virginia [Mr. GOODYKOONTZ] seeking to fix these fees. The committee were satisfied that under the order which had been issued by the court no legislation was necessary, as the clerk now gets only a stated amount for his salary, namely, $6,000 from the Treasury and $3,000 from the receipts of the court. So we have fixed the salary of the reporter of the court at $9,000. It was the opinion of most of the committee that this work requires most careful scrutiny of this official and that the responsibility resting upon him, although of another kind, was fully as great as that resting upon the clerk of the court.

Mr. RAKER. Will the gentleman yield?

Mr. WALSH. Yes.

Mr. RAKER. In this connection the gentleman might give us the information which has been in my mind for some time. Does the reporter furnish the companies that print the advanced sheets of the Supreme Court reports; does he furnish the manuscript from which they print those advanced publications?

Mr. WALSH. The gentleman means the law-publishing firms?

Mr. RAKER. Yes.

Mr. WALSH. No. Under existing practice—and it is to be permitted under this law—pamphlet installments of the decisions are to be printed. Little booklets of opinions of the Supreme Court in a single case are printed, as I understand it, by the same office that prints the original decisions of the justices. Those are printed within three or four days after the decision is rendered and are available for distribution. The West Publishing Co. and other publishing concerns get the opinions from that booklet.

Mr. RAKER. After you let the contract under the provisions of this bill to some particular firm to do the printing, which occurs to me wise, will this printer have protection from other publishers, or will there be any monopoly?

Mr. WALSH. The printer will not get any monopoly. He will be paid for doing the actual work, and after the actual work of printing is done all of the sheets become the property of the United States, including the plates, books—everything is turned over to the Government Printing Office.

Mr. RAKER. So there will be no monopoly?

Mr. WALSH. No. Previous to this there has been, but the committee felt that that policy ought not to be continued.

Mr. RAKER. The committee found that in the past there has been a monopoly and that the printed decisions have been more expensive than they should have been.

Mr. WALSH. I would not say that they had been more expensive; they have been sold for cash at the price fixed by law, but under the interpretation of the publishers and the reporter, if it was not paid for at the time, they held that they could charge $2.30 for them, and even under that arrangement the present publisher was unwilling to renew the contract. This company which has been printing them—the Banks law firm in New York have been printing the volumes for the last 40 or 50 years. Of course, they have been doing it under a contract running for 5-year periods, entered into between the reporter and this publishing concern.

Mr. RAKER. I understand also that the general mechanical appearance of the reports will be in the future, as they have been in the past, the original official volume. They are the most readable volumes you can find in a library.

Mr. WALSH. Yes; the gentleman will notice that in the first section of the bill it is set forth that the style, form, and type shall be subject to the approval of the court. I am advised that it is their intention to keep the style of the volumes the same as it has been in the past, both as to the size of type and the kind of paper, and so forth.

Mr. RAKER. I am glad of that, because some of these publications, which I am not criticizing, publish reports that you can not read, and you might as well throw them in the wastebasket.

Mr. WALSH. I think that is true, and a great many are thrown into the wastebasket; but, of course, no one would throw a volume of the Supreme Court reports into the wastebasket, and particularly if they are prepared in the manner and in a way which would appeal to a learned attorney like my distinguished friend from California.

Mr. RAKER. If any lawyer gets able to buy a set of Supreme Court reports, it is the best expenditure of money that he can make.

Mr. WALSH. Now, I want to direct the attention of the House to an amendment which the committee has agreed to and for which I claim no particular credit. It was put in at the suggestion of the gentleman from South Carolina. It is to this effect: That when a contract is entered into there shall be no provision in the contract which will permit the reporter or any of his assistants to receive from the contractor or printer anything by way of additional or further compensation, such as has been done and continued for many years in the past. We further provide an amendment to the last section that while the act shall be effective as of November 1, because since that time the reporter has not been able to receive any compensation or salary, there shall be deducted from it anything allowed him for rent or clerical assistance or for telephone.

One further point, we have insisted that the reporter shall be given a room located in the Capitol convenient to the Supreme Court. At the present time he has an office down town. We believe that the reporter of a court should be located conveniently to the court room, which is in the Capitol, and we have put in a provision so that the authorities in charge of that section of the Capitol Building must see to it that the reporter is furnished with suitable quarters adjacent to the court room with suitable furnishings.

Now, unless there are further questions, I have nothing further to say about the bill.

The SPEAKER pro tempore (Mr. HUSTED). The Clerk will read the bill for amendment.

The Clerk read as follows:

SEC. 2. That section 226 of the Judicial Code is hereby amended to read as follows:

"SEC. 226. The salary of the reporter shall be $9,000 per annum, payable out of the Treasury in monthly installments. He shall also be allowed for professional and clerical assistance and stationery not to exceed $4,500 per annum, to be paid upon vouchers signed by him and approved by the Chief Justice. He shall be furnished a room in the Capitol, with suitable furniture, convenient to the space occupied by the Supreme Court and the law library thereof."

With the following committee amendment:

Page 3, line 13, after the word "installments," insert: "which shall be in full compensation for the services required by law; and neither the reporter nor any assistants shall receive further or additional compensation by reason of any contract entered into under the provisions of section 225 of the Judicial Code as amended by this act."

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. DOMINICK. Mr. Speaker, I move to amend, on line 11, page 3, by striking out "$9,000" and inserting in lieu thereof "$7,500."

The SPEAKER pro tempore (Mr. HUSTED). The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as folows:

Amendment offered by Mr. DOMINICK: Page 3, line 11, strike out "$9,000" and insert in lieu thereof "$7,500."

Mr. DOMINICK. Mr. Speaker, this bill and its object has been very fully and thoroughly explained by the gentleman from Massachusetts [Mr. WALSH], who has the bill in charge. It is a proper bill and should have been passed some time ago, to correct what might be called the loose practice which has been going on for a good long while in the publishing of our official reports and in the compensation for the Supreme Court reporter. However, in fixing this, I think we should be mindful of what has taken place in the past, and if we are going to correct the present plan as it now is we should not make it any worse than it has been. Up to this time, and in my opinion without any authority of law whatsoever, the reporter of the Supreme Court, for probably 40 years or longer, has been permitted to enter into a private contract with the publishers of these official reports, for which he has received from $6,000 to $6,500 a year in addition to a salary of $4,500 allowed by law. I do not mean to charge that the present reporter or any other has been willfully violating the law in making such a private contract. They were only following in the footsteps of their predecessors, and it was a practice that should have been stopped. That is what we propose in this section of the bill, by inserting the amendment which has been explained by the gentleman from Massachusetts, absolutely prohibiting the reporter from accepting any additional compensation by reason of the publication and printing of the reports.

The salary of the reporter under the present law is fixed at $4,500 per annum. Under the contract which he has had with the publishers he has been receiving, as I have stated, $6,500 per annum in addition to that. He is allowed by law some $1,200, I think, in cases where there is more than one volume of reports issued per term of court, and, as I understand it, now the usual number of volumes issued to carry the decisions of the court is three.

In addition to that I think he was allowed something like $1,500 for clerical services, rent, telephone, and so forth, making his total compensation, or his aggregate receipts for all purposes for his services, clerk hire, office rent, and so forth, about $14,000. Now, we come along with this bill, and if we let these figures remain as they are at the present time we will be paying him more than he is receiving under the present contract. In the first place, we provide a salary of $9,000 per annum. In addition to that we propose to give him for clerical and for professional assistance, stationery, and so forth, not to exceed $4,500. We all know that this is a very important position. We all know that it is work which is very careful

and painstaking and the position should be filled by a man of ability. I am sorry that I have not at hand the salaries paid to the reporters of the respective appellate jurisdictions throughout the country. If we had them before us I am satisfied that we would find that none of them anywhere receives anything near approaching the amount allowed to the Supreme Court reporter in this bill.

The SPEAKER pro tempore. The time of the gentleman from South Carolina has expired.

Mr. WALSH. Mr. Speaker, I ask unanimous consent that his time be extended for five minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DOMINICK. This bill allows him $1,500 more than the salary of a Representative in Congress or a Senator, and $4,500 in expenses is allowed, which is excessive, according to the statement of the reporter himself. In his testimony before the Committee on Appropriations in rendering a detailed statement of the total expenses of the office of the reporter for the years 1916, 1917, 1918, 1919, and 1920 we find that in 1916 for clerical hire, office rent, telephone, stationery, and miscellaneous he expended $2,737.54; for 1917, for the same items, $2,886.49. In 1918, for the same items, $3,001.90; in 1919, for the same items, $3,239.14; and in 1920, for the same items, $3,170.68. Yet by this bill we propose to give him $9,000 salary and an expense account of $4,500, and in addition to that furnish him an office in the Capitol, which ought to be done, and with which proposition I am in hearty accord, rent free, telephone service, and in all probability his stationery will be furnished by the court. As I say, we allow him $4,500 expenses, which is $1,400 more expenses than he spent for the year 1920.

These are small items, and some one might suggest that it is foolish to take up the valuable time of the House in moving a reduction of $1,500 in this salary. However, we have to keep things down somewhere, and in view of these circumstances I hope that the amendment which I have just offered will be adopted, and that the one which I shall subsequently offer, without debate, reducing the expense account to $3,500 instead of $4,500, will also be adopted.

Mr. WALSH. Mr. Speaker, just a word with reference to the gentleman's contention. The salary of the reporter of the court is fixed at the same figure as I stated before as the clerk receives. While I agree with the gentleman that the salaries of public officials should not be fixed by Congress at any exorbitant figure, I feel that when we consider we are dealing with the third coordinate branch of our Government—the judiciary, the Supreme Court, which is established in the Constitution—we ought to fix a salary for that very important position which will make certain that the court will be able to get a competent and efficient man for the work which it is necessary for him to do. It is true that the amount expended for allowances heretofore has been less than what is fixed in this bill, but heretofore the amount allowed has been paid to the reporter. We now provide that none of this money for clerical and professional assistance is to be paid except upon a voucher approved by the Chief Justice of the Supreme Court, and the $4,500 is a maximum. It was felt, in view of the radical departure in the matter of policy which this bill inaugurates, that we ought not to be in the position of appropriating a sum which might, under certain circumstances, restrict the court.

And so the original proposition, as my friend from South Carolina will recall, was to fix the salary of the reporter at $10,000 and to allow him $3,500 for professional assistance, $1,500 for stenographic assistance, and $1,200 for rent and telephones, and so we have reduced the figures materially, and it was felt that in view of the testimony brought out before our committee and the statement of the Chief Justice of this great court that it would be very seemly indeed if we accorded the figures which were suggested as being adequate.

Mr. CAREW. Will the gentleman yield?

Mr. WALSH. I will.

Mr. CAREW. Is not this salary larger than the salary of a district or circuit judge?

Mr. WALSH. The salary is the same as the circuit judge; it is larger than a district judge. But you pay your supreme judges in New York more than we pay the Chief Justice of the United States Supreme Court.

Mr. CAREW. Of course that is true.

Mr. WALSH. We pay in Massachusetts our reporter a fixed sum and furnish him with all his assistants and quarters, so the total expenditure in Massachusetts for the reporter of the supreme court of Massachusetts is more than the salary of a judge of the superior court.

Mr. CAREW. The gentleman does not think it requires a more talented man for this duty than for a district judge who sometimes presides over the trial of a man for life?

Mr. WALSH. No; but the gentleman must understand that the person holding this position is in a way required to devote himself to this work, and the results of his efforts do not appear, and if it is desired to keep up the standard which has been kept heretofore, and particularly in view of the fact that the reporters under the arrangement that has existed in the past have received much more than this, the committee felt that the salary of the reporter ought at least be equal to that of the clerk.

Mr. CAREW. Does not the gentleman think that the judges of the Supreme Court ought to have known what was going on in their household all these years?

Mr. WALSH. They did.

Mr. CAREW. Do I understand the gentleman to say they knew of this situation?

Mr. WALSH. Absolutely. It has been carried on by every reporter of the court since practically they began printing their decisions.

Mr. CAREW. Does not the gentleman think the practice has been very short of a sort of petty graft?

Mr. WALSH. No; I do not think it was petty graft. I think it was rather unfortunate practice to indulge in, but you must recollect that the reporter was required to publish this volume to be sold at a certain price, and if there was more than one volume he was only allowed a certain amount in addition, and if there was a third volume, as there has been for a good many years, he was allowed nothing in addition, and he had to put in all that work for what he was getting under the contract. I do not care to characterize it as any sort of graft, but I think it was a practice that should not be permitted to continue, and I think the gentleman will agree with me that if we have a public official, even though he be connected with the judiciary branch of the Government, that the people should know what his salary is and how much it is costing the taxpayer, and nobody else ought to contribute to the compensation. That is what this bill accomplishes, and for the reason that the Supreme Court clerk gets more than district judges, and that this man has very responsible work to do, we did not think this was an exorbitant salary.

Mr. CAREW. Mr. Speaker, I offer a substitute for the amendment of the gentleman from South Carolina. Strike out the figures "$9,000" and insert "$6,000."

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Mr. CAREW offers as a substitute for the amendment offered by Mr. DOMINICK: Page 3, line 11, strike out the figures "$9,000" and insert in lieu thereof "$6,000."

Mr. CAREW. Now, Mr. Speaker, in view of the remarks of the gentleman from South Carolina, and also in view of the very fair remarks of the gentleman from Massachusetts, I think those of us who have been familiar with the situation which developed in the Supreme Court in regard to this office of reporter ought to do what we can to cut this thing down to a reasonable amount. A district judge of the United States, who presides over litigation that may involve life or any amount of money, gets $7,500 a year. He only got the $7,500 within very recent years; he used to work for $6,000 a year. A circuit judge, who sits on a circuit court of appeals, gets $9,000, and he used to get $6,000 a year. Of course, those of us who are lawyers know that this gentleman who acts as reporter of the Supreme Court is not a great deal more than a proof reader.

Mr. WALSH. Will the gentleman yield?

Mr. CAREW. Yes, sir.

Mr. WALSH. Does the gentleman know of any proof reader anywhere who is able to write a syllabus of any decision of a court?

Mr. CAREW. I know a great many law students and law clerks who can write very good syllabi and, of course, the gentleman knows that this syllabus is submitted to the justice who wrote the opinion, and he revises it. Now, I do not believe that this man earns $9,000 when you compare what he does with the work that district judges and circuit judges do. I think he will be amply compensated if he gets $6,000 a year and gets all of these expenses he used to pay out of his fees and perquisites, and which will now be paid for him by the Government. He will be amply paid if he gets $6,000 a year. That is all that I desire to say.

Mr. HUSTED. Mr. Speaker, I happen to be a member of the Subcommittee of the Committee on Appropriations which heard

the testimony of the United States Supreme Court reporter touching his compensation, and we found a rather peculiar state of affairs. He receives a salary fixed by the statute. He also receives a certain amount for expenses. In addition to that, he has the right to let a contract for the publication of the Supreme Court Reports, and he exacts from the publishers, the Banks Publishing Co., a considerable part of the contract price for the privilege of printing the reports.

I do not mean that he did anything illegal, but it was mighty bad practice, and this amendment is a great improvement upon existing law. Of course, the publishing house wanted the business because it was fine publicity for any publishing house to have its name on the reports of the highest court in the United States. The publishing house took the contract at a very low price. It undoubtedly did not make any money on it; and then in order to make enough out of it to cover expenses proceeded at once, as I think, to evade the law in the most palpable way. In other words, the statute fixes the price at which the reports can be sold, but the publishing house tried to get around it by saying, "If you come here and buy one of these reports over the counter, we will sell it to you at the statutory price; but if you live up in the country and want one of these reports sent to you, we will just about double the price." I believe they have no right under the statute to take any more than the statutory price plus the necessary cost of transporting the volume through the mails and the cost of wrapping for shipment.

Now, as the result of these different methods of securing compensation, I found the reporter last year got about $12,000 for his services. The reporter for the Court of Claims gets $1,000 a year for his services, and he reports one big volume of decisions—a good deal bigger than any one of the Supreme Court reports—and he does exactly the same kind of work, although, of course, it is not so important, because the court is not so important and because the decisions are not the last word, as are the decisions of the United States Supreme Court. But, nevertheless, he had more actual work to do in preparing one volume of the decisions of the Court of Claims than the reporter of the United States Supreme Court had in any one volume, because there are a great many more pages of Court of Claims decisions than in any one volume of Supreme Court decisions. We found, in addition, that for the past few years the reporter has been getting out three volumes of United States Supreme Court decisions, and he found a way in the law to get paid for the third volume. He would furnish two volumes free of charge but he insisted upon payment for the third volume, even when that was to be delivered to the departments of the United States Government.

Mr. CAREW. Will the gentleman yield?

Mr. HUSTED. I do.

Mr. CAREW. Is that the man who is now in the office?

Mr. HUSTED. That is the man who is now in the office; and I do not charge him with any violation of law. I believe he had a right to do what he did under a strict interpretation of the statute. I am not finding fault with the man so much as I am finding fault with the vicious system under which this work has been carried on. I do not believe that $6,000 is adequate compensation of the reporter of the United States Supreme Court, but, on the other hand, I believe that $7,500 is fully adequate, and I feel that if the amendment offered by the gentleman from South Carolina [Mr. DOMINICK] is adopted we will be doing the right thing and will fix the compensation at a fair amount. I believe that $9,000 would be excessive.

Mr. CAREW. Will the gentleman yield?

Mr. HUSTED. I do.

Mr. CAREW. Do you not think that the man ought to be removed from his office by the judges of the Supreme Court?

Mr. HUSTED. I am convinced that the Supreme Court knew everything that was going on, and I am convinced he was acting within the law.

Mr. CAREW. If I had not known about him, I would have made some inquiry.

Mr. WALSH. I would like to have a moving picture of the gentleman doing so.

Mr. CAREW. I suppose it will be impossible with the present composition of the House of Representatives and the Senate.

Mr. WALSH. It certainly would if the gentleman from New York was to start anything of that kind.

Mr. CAREW. It would be in line with the policy of the House and of the Senate as at present constituted.

Mr. VOLSTEAD. Mr. Speaker, I realize that Members may differ as to what this compensation ought to be. It is argued that if the judges of the district court get only $7,500, that ought to be enough. Now, we have thousands of lawyers all over this country that would be qualified to fill positions as judges, but there are but a very few men that can satisfactorily fill a position of this kind.

Mr. DOMINICK. Will the gentleman yield?

Mr. VOLSTEAD. I have only five minutes. It does take something besides simply a knowledge of law. A reporter has to have considerable training along entirely different lines from that of a judge. He must draw the syllabi in the cases decided by the Supreme Court. It does take a man of very good judgment to be able to determine definitely just what an opinion does decide. It is true that syllabi are submitted to the Supreme Court judges, but the judges do not, as a rule, pay much attention to them. The reporter has to go through all the cases and consider every feature of them; he has to be very accurate, check every citation, and index each volume. The work is one requiring special training, and the man must have the entire confidence of the court. I believe there is no question but that a court reporter ought to get something more than $7,500.

The SPEAKER. The question is on the amendment of the gentleman from New York [Mr. CAREW] to the amendment offered by the gentleman from South Carolina.

The question was taken.

The SPEAKER. The amendment is rejected. The question is now on the amendment of the gentleman from South Carolina.

Mr. CAREW. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order there is no quorum present. It is clear that no quorum is present.

Mr. WALSH. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The roll was called, and the following Members failed to answer to their names:

Andrew, Mass.	Frear	Lineberger	Ryan
Appleby	French	Linthicum	Sanders, Ind.
Atkeson	Frothingham	Longworth	Sanders, N. Y.
Bacharach	Gallivan	McArthur	Scott, Mich.
Bankhead	Garrett, Tenn.	McFadden	Sears
Barkley	Glynn	McKenzie	Shreve
Beck	Goldsborough	McLaughlin, Pa.	Siegel
Blakeney	Goodykoontz	McPherson	Sinnott
Bland, Ind.	Gould	Madden	Sisson
Boies	Graham, Pa.	Maloney	Slemp
Bond	Griest	Mann	Smithwick
Brand	Griffin	Mansfield	Snyder
Britten	Harrison	Martin	Stafford
Brooks, Pa.	Haugen	Merritt	Stedman
Burtness	Hawes	Michaelson	Steenerson
Butler	Hays	Mills	Stiness
Byrnes, S. C.	Henry	Montoya	Stoll
Cantrill	Hicks	Moore, Ill.	Strong, Pa.
Chandler, Okla.	Hill	Moore, Ohio	Sullivan
Clague	Himes	Morin	Sumners, Tex.
Clark, Fla.	Hudspeth	Mott	Sweet
Clarke, N. Y.	Ireland	Mudd	Tague
Classon	Jacoway	Murphy	Taylor, Ark.
Cockran	James	Nelson, A. P.	Taylor, Colo.
Codd	Jefferis, Nebr.	Nelson, J. M.	Taylor, Tenn.
Cole, Iowa	Jeffers, Ala.	Newton, Minn.	Ten Eyck
Cole, Ohio	Johnson, S. Dak.	O'Brien	Tilson
Collier	Johnson, Wash.	Oldfield	Timberlake
Collins	Jones, Pa.	Olpp	Tinkham
Connell	Jones, Tex.	Paige	Treadway
Connolly, Pa.	Kahn	Parker, N. J.	Upshaw
Copley	Kelley, Mich.	Parker, N. Y.	Valle
Coughlin	Kendall	Parks, Ark.	Vare
Cramton	Kennedy	Patterson, N. J.	Voigt
Darrow	Kiess	Perkins	Volk
Davis, Minn.	Kincheloe	Perlman	Walters
Dempsey	Kindred	Petersen	Ward, N. Y.
Dickinson	Kinkaid	Pou	Ward, N. C.
Dowell	Kirkpatrick	Radcliffe	Wason
Drane	Kitchin	Rainey, Ala.	Watson
Driver	Kleczka	Rainey, Ill.	Weaver
Dunbar	Knight	Ransley	Wheeler
Evans	Knutson	Rayburn	Williams, Ill.
Fairchild	Kopp	Reavis	Winslow
Faust	Kraus	Reber	Wise
Favrot	Kreider	Riddick	Wood, Ind.
Fenn	Kunz	Riordan	Woodruff
Fess	Langley	Rodenberg	Wurzbach
Fields	Larson, Minn.	Rogers	Wyant
Fish	Layton	Rosenbloom	Yates
Focht	Lee, Ga.	Rouse	Zihlman
Fordney	Lehlbach	Rucker	

The SPEAKER. Two hundred and twenty-four Members have answered to their names. A quorum is present.

Mr. WALSH. Mr. Speaker, I move to dispense with further proceedings under the call.

The SPEAKER. The gentleman from Massachusetts moves that further proceedings be dispensed with under the call. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

The doors were opened.

The SPEAKER. The Chair will state the situation before the House. The gentleman from South Carolina [Mr. DOMINICK]

moved to amend by reducing the salary of the reporter of the Supreme Court from $9,000 to $7,500, and the gentleman from New York [Mr. CAREW] moved to amend that by reducing it still further to $6,000, and the vote first comes on the latter amendment. The Clerk will report the latter amendment.

The Clerk read as follows:

Amendment offered by Mr. CAREW as substitute for the amendment offered by Mr. DOMINICK: On page 3, line 11, strike out "$9,000" and insert "$6,000."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the Speaker announced that the "noes" seemed to have it.

Mr. BLANTON. Mr. Speaker, a division.

The SPEAKER. A division is called for.

The House divided; and there were—ayes 24, noes 72.

Mr. BLANTON. Mr. Speaker, I object to the vote, and make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas objects to the vote, and makes the point of order that there is no quorum present.

Mr. WALSH. Mr. Speaker, I make the point of order that there has already been a point of order made, and you can not have two points of no quorum made upon the same vote. The Chair announced previously that the "noes" had it, and the amendment was not adopted. The Chair then stated, "The question now comes on the motion of the gentleman from South Carolina," and it was at that point that the gentleman from New York made the point of no quorum. You certainly can not have two points of no quorum made on the same amendment. There has been a call of the House that disclosed a quorum.

Mr. BLANTON. The other vote was not a vote on this amendment. It was merely a no-quorum call. This is a direct vote, and the vote has disclosed less than 50 votes for and less than 100 votes against, and under the ruling of Mr. Champ Clark, which has been followed by the Speaker, it is held that where there is a direct vote on a proposition and it discloses no quorum, it is always in order to have a roll call on that proposition.

Mr. WALSH. The Chair has announced twice that this amendment has been lost.

The SPEAKER. The gentleman from Massachusetts correctly states that. The Chair did announce, before the point of no quorum was made, that the "noes" had it, and began to state the next question; but the Chair thought that the gentleman from New York was probably trying to attract the attention of the Chair, and the Chair had not noticed him, and therefore he disregarded the Chair's previous statement that the vote had been had. Technically the gentleman from New York [Mr. CAREW] made his point of no quorum too late to secure another vote on his amendment, but the Chair thinking it was accidental allowed another vote, and now advantage is taken of that to secure a no-quorum roll call. The question in the mind of the Chair is whether, a roll call having been just taken and no business having been transacted in between, a point of no quorum can be made; but the Chair is disposed to hold that it can. The Chair does not believe there is a quorum present, and the Chair will sustain the point of order made by the gentleman from Texas [Mr. BLANTON]. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll. As many as favor the amendment offered by the gentleman from New York [Mr. CAREW] will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 83, nays 138, answered "present" 1, not voting 209, as follows:

YEAS—83.

Almon	Deal	Johnson, Miss.	Ricketts
Andrews, Nebr.	Dominick	Kline, Pa.	Sabath
Aswell	Doughton	Lanham	Sanders, Tex.
Begg	Fisher	Lankford	Sandlin
Bell	Foster	Larsen, Ga.	Scott, Tenn.
Benham	Fulmer	Logan	Sisson
Black	Garner	Lowrey	Steagall
Bland, Va.	Garrett, Tex.	Lyon	Stevenson
Blanton	Gensman	McSwain	Swank
Bowling	Gilbert	Mead	Thomas
Box	Gorman	Moore, Va.	Thompson
Briggs	Hammer	Moores, Ind.	Tillman
Browne, Wis.	Hardy, Tex.	O'Connor	Tucker
Buchanan	Harrison	Oliver	Tyson
Bulwinkle	Hayden	Overstreet	Vinson
Carew	Herrick	Park, Ga.	Williams, Tex.
Carter	Hooker	Parks, Ark.	Wingo
Connally, Tex.	Huddleston	Pringey	Woods, Va.
Crisp	Humphreys	Quin	Wright
Cullen	Jeffers, Ala.	Rankin	Wurzbach
Davis, Tenn.	Johnson, Ky.	Rayburn	

NAYS—138.

Ackerman	Edmonds	Leatherwood	Roach
Anderson	Elliott	Lee, N. Y.	Robsion
Ansorge	Ellis	Lineberger	Rose
Arentz	Fairfield	Little	Rossdale
Barbour	Faust	Luce	Schall
Beedy	Free	Luhring	Shaw
Bird	Freeman	McCormick	Shelton
Bixler	Fuller	McLaughlin, Mich.	Sinclair
Bowers	Gahn	MacGregor	Sinnott
Brennan	Gernerd	Madden	Smith, Idaho
Brooks, Ill.	Graham, Ill.	Magee	Smith, Mich.
Burdick	Green, Iowa	Mapes	Snell
Burke	Greene, Mass.	Michener	Speaks
Burtness	Greene, Vt.	Miller	Sproul
Burton	Hadley	Millspaugh	Stephens
Cable	Hardy, Colo.	Mondell	Summers, Wash.
Campbell, Kans.	Hawley	Montague	Swing
Campbell, Pa.	Hersey	Morgan	Taylor, N. J.
Cannon	Hickey	Morin	Temple
Chalmers	Hill	Nelson, Me.	Timberlake
Chandler, N. Y.	Hoch	Newton, Minn.	Tincher
Chindblom	Hukriede	Nolan	Towner
Christopherson	Hull	Norton	Underhill
Clouse	Husted	Ogden	Vestal
Cooper, Ohio	Keller	Osborne	Volstead
Crago	Kelly, Pa.	Padgett	Walsh
Crowther	Ketcham	Patterson, Mo.	Webster
Curry	King	Porter	White, Kans.
Dale	Kissel	Purnell	White, Me.
Dallinger	Kleczka	Raker	Williamson
Denison	Kline, N. Y.	Ramseyer	Woodyard
Dunn	Lampert	Reece	Young
Dupré	Lawrence	Reed, N. Y.	Zihlman
Dyer	Lazaro	Reed, W. Va.	
Echols	Lea, Calif.	Rhodes	

ANSWERED "PRESENT"—1.

Dowell

NOT VOTING—209.

Andrew, Mass.	Fish	Layton	Rouse
Anthony	Fitzgerald	Lee, Ga.	Rucker
Appleby	Focht	Lehlbach	Ryan
Atkeson	Fordney	Linthicum	Sanders, Ind.
Bacharach	Frear	London	Sanders, N. Y.
Bankhead	French	Longworth	Scott, Mich.
Barkley	Frothingham	McArthur	Sears
Beck	Funk	McClintic	Shreve
Blakeney	Gallivan	McDuffie	Siegel
Bland, Ind.	Garrett, Tenn.	McFadden	Slemp
Boles	Glynn	McKenzie	Smithwick
Bond	Goldsborough	McLaughlin, Nebr.	Snyder
Brand	Goodykoontz	McLaughlin, Pa.	Stafford
Britten	Gould	McPherson	Stedman
Brooks, Pa.	Graham, Pa.	Maloney	Steenerson
Brown, Tenn.	Griest	Mann	Stiness
Burroughs	Griffin	Mansfield	Stoll
Butler	Haugen	Martin	Strong, Kans.
Byrnes, S. C.	Hawes	Merritt	Strong, Pa.
Byrns, Tenn.	Hays	Michaelson	Sullivan
Cantrill	Henry	Mills	Sumners, Tex.
Chandler, Okla.	Hicks	Montoya	Sweet
Clague	Himes	Moore, Ill.	Tague
Clark, Fla.	Hogan	Moore, Ohio	Taylor, Ark.
Clarke, N. Y.	Hudspeth	Mott	Taylor, Colo.
Classon	Hutchinson	Mudd	Taylor, Tenn.
Cockran	Ireland	Murphy	Ten Eyck
Codd	Jacoway	Nelson, A. P.	Tilson
Cole, Iowa	James	Nelson, J. M.	Tinkham
Cole, Ohio	Jefferis, Nebr.	Newton, Mo.	Treadway
Collier	Johnson, S. Dak.	O'Brien	Upshaw
Collins	Johnson, Wash.	Oldfield	Vaile
Colton	Jones, Pa.	Olpp	Vare
Connell	Jones, Tex.	Paige	Voigt
Connolly, Pa.	Kahn	Parker, N. J.	Volk
Cooper, Wis.	Kearns	Parker, N. Y.	Walters
Copley	Kelley, Mich.	Patterson, N. J.	Ward, N. Y.
Coughlin	Kendall	Perkins	Ward, N. C.
Cramton	Kennedy	Perlman	Wason
Darrow	Kiess	Petersen	Watson
Davis, Minn.	Kincheloe	Pou	Weaver
Dempsey	Kindred	Radcliffe	Wheeler
Dickinson	Kinkaid	Rainey, Ala.	Williams, Ill.
Drane	Kirkpatrick	Rainey, Ill.	Wilson
Drewry	Kitchin	Ransley	Winslow
Driver	Knight	Reavis	Wise
Dunbar	Knutson	Reber	Wood, Ind.
Evans	Kopp	Riddick	Woodruff
Fairchild	Kraus	Riordan	Wyant
Favrot	Kreider	Robertson	Yates
Fenn	Kunz	Rodenberg	
Fess	Langley	Rogers	
Fields	Larson, Minn.	Rosenbloom	

So the amendment was rejected.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Bond with Mr. Bankhead.

Mr. Patterson of New Jersey with Mr. Rucker.

Mr. Classon with Mr. McDuffie.

Mr. Goodykoontz with Mr. Cantrill.

Mr. Murphy with Mr. Sears.

Mr. Michaelson with Mr. Fields.

Mr. Ryan with Mr. Hudspeth.

Mr. Volk with Mr. Jones of Texas.

Mr. Moore of Ohio with Mr. Taylor of Colorado.

Mr. Bland of Indiana with Mr. Smithwick.

Mr. Evans with Mr. Driver.

Mr. Fitzgerald with Mr. O'Brien.
Mr. Cramton with Mr. Barkley.
Mr. Knight with Mr. Kunz.
Mr. Frear with Mr. Mansfield.
Mr. Kendall with Mr. Rainey of Illinois.
Mr. Strong of Pennsylvania with Mr. Riordan.
Mr. French with Mr. Taylor of Arkansas.
Mr. Stiness with Mr. Kindred.
Mr. Frothingham with Mr. Stedman.
Mr. A. P. Nelson with Mr. Drane.
Mr. Kraus with Mr. Rainey of Alabama.
Mr. Graham of Pennsylvania with Mr. London.
Mr. Wyant with Mr. Griffin.
Mr. Griest with Mr. Jacoway.
Mr. Newton of Missouri with Mr. Ward of North Carolina.
Mr. Kelley of Michigan with Mr. Weaver.
Mr. Johnson of Washington with Mr. Stoll.
Mr. Lehlbach with Mr. Byrns of Tennessee.
Mr. Coughlin with Mr. Garrett of Tennessee.
Mr. Dowell with Mr. Oldfield.
Mr. Langley with Mr. Clark of Florida.
Mr. Paige with Mr. Sullivan.
Mr. Treadway with Mr. Cockran.
Mr. McFadden with Mr. Byrnes of South Carolina.
Mr. Bacharach with Mr. McClintic.
Mr. Anthony with Mr. Gallivan.
Mr. Chandler of Oklahoma with Mr. Tague.
Mr. Fess with Mr. Goldsborough.
Mr. Knutson with Mr. Pou.
Mr. Maloney with Mr. Collins.
Mr. Olpp with Mr. Martin.
Mr. Appleby with Mr. Sumners of Texas.
Mr. Connell with Mr. Wise.
Mr. Perlman with Mr. Brand.
Mr. Vare with Mr. Lee of Georgia.
Mr. Sanders of Indiana with Mr. Wilson.
Mr. Siegel with Mr. Collier.
Mr. Boise with Mr. Upshaw.
Mr. Dickinson with Mr. Kitchin.
Mr. Kiess with Mr. Hawes.
Mr. Murphy with Mr. Favrot.
Mr. Beck with Mr. Drewry.
Mr. Ransley with Mr. Ten Eyck.
Mr. Snyder with Mr. Kincheloe.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the amendment offered by the gentleman from South Carolina [Mr. DOMINICK].

Mr. HUSTED. Mr. Speaker, I ask that the amendment be again reported.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. DOMINICK: Page 3, line 11, strike out "$9,000" and insert "$7,500."

The amendment was agreed to.

Mr. DOMINICK. Mr. Speaker, I wish to offer a further amendment, in line 19, page 3, to strike out "$4,500" and insert in lieu thereof "$3,500."

The SPEAKER. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DOMINICK: Page 3, line 19, strike out "$4,500" and insert "$3,500."

Mr. DOMINICK. Mr. Speaker, I just want to call attention to my amendment in a few words. It is to reduce the amount to be allowed to the reporter of the Supreme Court for professional and clerical assistance and stationery. The bill provides that he shall be allowed the sum of $4,500 per annum. My amendment proposes to reduce this amount to $3,500. I do it for the reason, as stated a few moments ago in my general remarks on his salary, that the testimony of the reporter before the Appropriations Committee showed that for the year 1920, which was the year in which the largest amounts were expended by him for clerical assistance, he spent only the sum of $2,441.16 for these items. If my amendment is adopted he will be allowed practically $1,100 more than he spent in the year 1920, the highest amount that he has paid for such services in any year, and I think it is liberal and ample to supply him with sufficient help.

Mr. CANNON. Mr. Speaker, a parliamentary inquiry. Has there been a vote on the $7,500 amendment?

Mr. DOMINICK. Yes; that amendment has been carried. The salary has been reduced from $9,000 to $7,500 by a vote of the House.

Mr. BEGG. Why would not the fair way be to make it $4,500 or such amount as he needs?

Mr. DOMINICK. That is practically allowed by the bill as it is now.

Mr. BEGG. Why does the gentleman need to change it, then, if that is all he can use?

Mr. DOMINICK. The bill allows a maximum of $4,500.

Mr. BEGG. I understand that. What is the damage if you have a provision that it shall be $4,500 or such amount as he requires?

Mr. DOMINICK. The damage is that, according to his own testimony, it is necessary for him to spend only $2,441 for this kind of services in one year.

Mr. BEGG. It might be necessary for him to spend more next year.

Mr. DOMINICK. If it were necessary to spend only $2,441 in 1920, the largest amount he ever expended, why is not $3,500, which is $1,100 more than he has ever expended, sufficient at this time?

Mr. BLANTON. If in the highest year—1920—he spent only $2,441—and that is conceded to be the highest year—why, then, make it $3,500? Why not make it $2,441?

Mr. DOMINICK. I have no objection to making it lower, but I fixed that amount in my amendment to show that I was trying to see that he was amply and liberally provided for, and that he would have sufficient assistance. Furthermore, Mr. Speaker and gentlemen of the House, under the head of "Office rent, telephone, stationery," and so forth, he expended in 1920 $720.52. Those amounts under the terms of this bill are not to be paid by the reporter on account of the fact that, as I stated a few minutes ago, this bill provides that he shall be furnished an office here in the Capitol Building convenient to the Supreme Court, which is a very proper provision, in my judgment. If my amendment is carried I do not see that the reporter, or any one of his apologists, can complain when, under that amendment, he will be allowed $1,100 more than it has been necessary for him to expend in the past for clerical and professional assistants.

Mr. WALSH. Mr. Speaker, the practice heretofore has been to pay the reporter on the lines fixed by law. He has had an office downtown in conjunction with, I think, a law firm where he had the use of the library. Now, under this bill no expenditure can be made without the voucher being approved by the Chief Justice of the United States. Whatever amount is to be expended under this law will have to pass under the approval of the court. It was felt that inasmuch as we were making a departure in the prior practice of the court, that we were fixing a salary which was commensurate at much less than the reporter had been receiving heretofore, we ought to make ample provision for assistance and for the service he necessarily has to have in order to do this important work. In view of the fact that this is a maximum and that no money will be spent unless needed, the committee felt that the provisions of the bill should be adopted.

Mr. DOMINICK. Will the gentleman yield?

Mr. WALSH. Yes.

Mr. DOMINICK. The gentleman knows that when the law fixes a maximum of this kind, the maximum is usually expended.

Mr. WALSH. Sometimes it is and sometimes it is not; it depends on how the expenditure is made. Under this bill I do not believe that the Chief Justice of the United States will be approving any vouchers for expenditures in connection with the issuance of the official reports of the highest court in the land unless the expenditure is warranted.

Mr. RAKER. Mr. Speaker, I move to strike out the last word. Ordinarily it is all right to curtail the salary to be paid to a man, and all right to reduce the expenses allowed him if efficiency can be had. To my mind, outside of the court itself this particular office is one of the most important offices connected with the judiciary in the United States. You can say what you have a mind to about this man being an amanuensis and only a proof reader, but as a matter of fact it requires one of the best-trained legal minds in the country to fill that office. For many years past, and at the present time, it has had some of the best lawyers in the United States. The present incumbent is one of the best lawyers in the United States. He has been an Assistant Attorney General for a number of years, and his work in the Supreme Court has been exceptionally fine. Mr. Knaebel is the present reporter, and those of us familiar with the Western States and the land litigation realize the tremendous work he has had to do and the great success that has followed that work. Now, gentlemen talk as if we were squandering the money. The question is whether a man should be given a reasonable and adequate amount to maintain his office and a proper equipment for his office.

In addition to that this bill provides that the public generally, the lawyers who buy and use these books, pay for this salary of the reporter and all the expenses for maintaining his office. That is provided for on pages 7 and 8 of the bill. That provision reads:

"SEC. 228. The number of bound volumes and advance pamphlet installments, to be printed under the provisions of section 225, shall be determined by the reporter from estimates furnished by the Attorney General and the Superintendent of Documents, and the prices for said bound volumes and pamphlet installments shall be fixed by the reporter with the approval of the Attorney General and shall equal the cost of composition, plating, printing, and binding, and such additional amount as shall equal as nearly as may be one-half the sums appropriated for the salary and expenses of the reporter under the provisions of section 226.

So, as a matter of fact, all of the costs in preparing the decisions of the Supreme Court and, in addition to that, one-half of the expenses of the reporter that attends to that matter and all the expenses of his office is to be added to the cost of the volume to be sold to the people. There would be just as much justice in saying that they should charge enough for the volume to pay the salary of the Chief Justice and Associate Justices of the Supreme Court, for this man is a public officer. But here you are fixing the salary of the reporter to do this work. It requires a high-grade man, a man of years of experience and legal training. You add one-half of his expenses to the cost of the book. As a matter of fact, the books prepared as they are now ought to go to the public at the actual cost of production. So, while you are talking about reducing it, do not cut it to such a small amount as to get an inefficient man in the service and inadequate and improper equipment.

That is not economy. Economy is when you are actually saving and paying for a thing what it is actually worth. Wherever you reduce a salary and get an inefficient man or a poor article that is not economy. If you get poor material and pay less than you do for first-class material, you are not economizing; you are wasting the public money. It is the same way in hiring a man as it is in obtaining an article. Pay a good, fair price and get the best. Hire the best experienced and intelligent man you can get and pay him a reasonable and fair price.

Mr. BLANTON. Will the gentleman yield?

Mr. RAKER. Yes.

Mr. BLANTON. Did the gentleman hear the speech of the gentleman from Kentucky on the amount that this reporter receives?

Mr. RAKER. I was here, as is my usual habit when the House is in session. I say he ought to be paid what he is worth, and he ought to have a good, fair salary. It requires a he man, a man of experience, to do that kind of work and do it properly. If it required a larger sum, and it was necessary, I should vote to pay it to him.

Mr. WALSH. Mr. Speaker, I move that all debate upon this section and all amendments thereto close in five minutes.

Mr. BLANTON. Mr. Speaker, I want to offer a substitute.

The SPEAKER. The gentleman from Massachusetts moves that all debate upon the section and all amendments thereto close in five minutes.

Mr. BLANTON. I hope the gentleman will give us an opportunity to offer a substitute.

Mr. WALSH. Question, Mr. Speaker.

The SPEAKER. The question is on the motion of the gentleman from Massachusetts that all debate upon the section and all amendments thereto close in five minutes.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 92, noes 3.

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. It is clear that there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absentees, and the Clerk will call the roll.

The Clerk called the roll; and there were—yeas 207, nays 8, answered "present" 2, and not voting 215, as follows:

YEAS—207.

Ackerman	Bowers	Campbell, Kans.	Dallinger
Almon	Bowling	Cannon	Davis, Tenn.
Anderson	Box	Chalmers	Denison
Andrews, Nebr.	Brennan	Chindblom	Dominick
Arentz	Briggs	Christopherson	Doughton
Aswell	Brooks, Ill.	Clague	Drewry
Bankhead	Browne, Wis.	Clouse	Dunn
Beedy	Buchanan	Collier	Dupré
Begg	Bulwinkle	Connally, Tex.	Dyer
Bell	Burdick	Cooper, Ohio	Edmonds
Benham	Burke	Cooper, Wis.	Elliott
Bird	Burtness	Crago	Ellis
Bixler	Burton	Crowther	Fairfield
Black	Byrns, Tenn.	Curry	Faust
Bland, Va.	Cable	Dale	Fisher
Foster	Kopp	Osborne	Sproul
Free	Lanham	Overstreet	Steagall
Freeman	Lankford	Padgett	Stephens
Fuller	Larsen, Ga.	Parker, N. Y.	Stevenson
Fulmer	Larson, Minn.	Parks, Ark.	Summers, Wash.
Funk	Lawrence	Patterson, Mo.	Swank
Gensman	Lazaro	Porter	Swing
Gernerd	Lea, Calif.	Pringey	Taylor, N. J.
Gorman	Leatherwood	Quin	Temple
Green, Iowa	Lee, N. Y.	Raker	Thomas
Greene, Mass.	Little	Ramseyer	Thompson
Greene, Vt.	Logan	Rankin	Tillman
Hadley	London	Rayburn	Timberlake
Hammer	Lowrey	Reavis	Tincher
Hardy, Colo.	Luce	Reece	Towner
Harrison	Luhring	Reed, N. Y.	Tucker
Hawley	McClintic	Reed, W. Va.	Tyson
Herrick	McSwain	Rhodes	Underhill
Hersey	MacGregor	Ricketts	Vinson
Hickey	McLaughlin, Mich.	Roach	Volstead
Hicks	Madden	Robertson	Walsh
Hoch	Magee	Robsion	Ward, N. C.
Hooker	Mapes	Rose	Weaver
Huddleston	Martin	Rossdale	Webster
Hukriede	Michener	Rucker	Wheeler
Hull	Miller	Sabath	White, Kans.
Husted	Millspaugh	Sanders, Tex.	White, Me.
James	Mondell	Sandlin	Williams, Tex.
Jeffers, Ala.	Moore, Va.	Schall	Williamson
Johnson, Miss.	Moores, Ind.	Scott, Tenn.	Wingo
Keller	Morgan	Shaw	Wise
Ketcham	Morin	Shelton	Woods, Va.
King	Mott	Sinclair	Woodyard
Kissel	Newton, Minn.	Smith, Idaho	Wurzbach
Kleczka	Norton	Smith, Mich.	Young
Kline, N. Y.	Ogden	Snell	The Speaker
Kline, Pa.	Oliver	Speaks	

NAYS—8.

Blanton	Cullen	Gilbert	Mead
Carew	Deal	Johnson, Ky.	Sisson

ANSWERED "PRESENT"—2.

Dowell	Hardy, Tex.

NOT VOTING—215.

Andrew, Mass.	Fish	Kunz	Riordan
Ansorge	Fitzgerald	Lampert	Rodenberg
Anthony	Focht	Langley	Rogers
Appleby	Fordney	Layton	Rosenbloom
Atkeson	Frear	Lee, Ga.	Rouse
Bacharach	French	Lehlbach	Ryan
Barbour	Frothingham	Lineberger	Sanders, Ind.
Barkley	Gahn	Linthicum	Sanders, N. Y.
Beck	Gallivan	Longworth	Scott, Mich.
Blakeney	Garner	Lyon	Sears
Bland, Ind.	Garrett, Tenn.	McArthur	Shreve
Boies	Garrett, Tex.	McCormick	Siegel
Bond	Glynn	McDuffie	Sinnott
Brand	Goldsborough	McFadden	Slemp
Britten	Goodykoontz	McKenzie	Smithwick
Brooks, Pa.	Gould	McLaughlin, Nebr.	Snyder
Brown, Tenn.	Graham, Ill.	McLaughlin, Pa.	Stafford
Burroughs	Graham, Pa.	McPherson.	Stedman
Butler	Griest	Maloney	Steenerson
Byrnes, S. C.	Griffin	Mann	Stiness
Campbell, Pa.	Haugen	Mansfield	Stoll
Cantrill	Hawes	Merritt	Strong, Kans.
Carter	Hayden	Michaelson	Strong, Pa.
Chandler, N. Y.	Hays	Mills	Sullivan
Chandler, Okla.	Henry	Montague	Sumners, Tex.
Clark, Fla.	Hill	Montoya	Sweet
Clarke, N. Y.	Himes	Moore, Ill.	Tague
Classon	Hogan	Moore, Ohio	Taylor, Ark.
Cockran	Hudspeth	Mudd	Taylor, Colo.
Codd	Humphreys	Murphy	Taylor, Tenn.
Cole, Iowa	Hutchinson	Nelson, A. P.	Ten Eyck
Cole, Ohio	Ireland	Nelson, J. M.	Tilson
Collins	Jacoway	Nelson, Me.	Tinkham
Colton	Jefferis, Nebr.	Newton, Mo.	Treadway
Connell	Johnson, S. Dak.	Nolan	Upshaw
Connolly, Pa.	Johnson, Wash.	O'Brien	Vaile
Copley	Jones, Pa.	O'Connor	Vare
Coughlin	Jones, Tex.	Oldfield	Vestal
Cramton	Kahn	Olpp	Voigt
Crisp	Kearns	Paige	Volk
Darrow	Kelley, Mich.	Park, Ga.	Walters
Davis, Minn.	Kelly, Pa.	Parker, N. J.	Ward, N. Y.
Dempsey	Kendall	Patterson, N. J.	Wason
Dickinson	Kennedy	Perkins	Watson
Drane	Kiess	Perlman	Williams, Ill.
Driver	Kincheloe	Petersen	Wilson
Dunbar	Kindred	Pou	Winslow
Echols	Kinkaid	Purnell	Wood, Ind.
Evans	Kirkpatrick	Radcliffe	Woodruff
Fairchild	Kitchin	Rainey, Ala.	Wright
Favrot	Knight	Rainey, Ill.	Wyant
Fenn	Knutson	Ransley	Yates
Fess	Kraus	Reber	Zihlman
Fields	Kreider	Riddick	

So the motion was agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Andrew of Massachusetts with Mr. Wright.

Mr. Ansorge with Mr. Campbell of Pennsylvania.

Mr. Atkeson with Mr. Humphreys.

Mr. Bacharach with Mr. Garner.

Mr. Barbour with Mr. Lyon.

Mr. Beck with Mr. Park of Georgia.

Mr. Lineberger with Mr. Garrett of Texas.

Mr. Chandler of New York with Mr. Carter.
Mr. Kelley of Michigan with Mr. Montague.
Mr. Graham of Pennsylvania with Mr. O'Connor.
Mr. Bond with Mr. Crisp.
Mr. Connell with Mr. Hayden.
Mr. Butler with Mr. Oldfield.
Mr. Cole of Ohio with Mr. Linthicum.

The SPEAKER. The Chair will vote.

The Clerk called the name of the Speaker, and he answered "yea."

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

Mr. HUSTED. Mr. Speaker, I think the amendment offered by the gentleman from South Carolina [Mr. DOMINICK] a very reasonable one. It provides considerably more money than was expended by the reporter during the last fiscal year in which complete returns have been made, or than has been expended by him in the past, so far as the testimony before the Subcommittee on Appropriations developed the facts. This bill provides $4,500 for professional and clerical services and for stationery. At the present time the reporter employs one assistant. I think he pays him about $1,800 a year, but he does not get all of his time. He permits him to practice law. Under the present law he is compelled to rent an office. The bill provides an office for him in the Capitol, so that he will not be required to pay any rent. The bill also provides for furniture for the office, and that it shall be convenient to the United States Supreme Court. The reporter has from time to time employed some temporary assistants. I think in one year those expenses went up as high as $180, but if you allow this man $4,500 for expenses and deduct $250 for stationery, an ample allowance, he could take the $4,200 left and employ an expert who could do nearly all of the work which the Supreme Court reporter is called upon to do. Three thousand five hundred dollars is ample to cover the necessary and reasonable expenses of the office, provided the reporter himself does his proper share of the work. If you make provision for $4,500, even though the expenditure is to be approved by the United States Supreme Court, I think it only fair to assume that the court, which approved this amount to the Committee on the Judiciary, would approve the full expenditure of that amount if the items were brought in by the Supreme Court reporter.

Mr. VOLSTEAD. Will the gentleman yield for a question?

Mr. HUSTED. Certainly.

Mr. VOLSTEAD. Is it a fact under this language the Committee on Appropriations could limit the appropriations to $3,500 if it saw fit, and this simply is the maximum allowance, so if the Committee on Appropriations should find that $3,500 was sufficient it would not be necessary to appropriate any more, it seems to me.

Mr. HUSTED. Well, I do not know about that——

Mr. VOLSTEAD. Is it not true——

Mr. HUSTED (continuing). You have got a provision here for $7,500 for the salary of the Supreme Court reporter. Suppose the Committee on Appropriations only allowed $7,000. The man would have a claim against the Government for the $500 additional, and he would be sure to get it. The Supreme Court is a law unto itself, so far as the expenses of the court are concerned.

Mr. VOLSTEAD. This is clearly expenses to be approved——

The SPEAKER. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from South Carolina.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 5. That this act shall not affect the existing duties of the reporter of the Supreme Court and the present publisher of its official reports in relation to reports of decisions rendered prior to the October, 1921, term, nor the contractual relations subsisting between the reporter and the publisher: *Provided*, That the existing price limitations governing sales to the public are hereby repealed, and the maximum price at which the Attorney General may purchase is hereby fixed at $3 per copy. The allowance made to the reporter by section 226 of the Judicial Code for clerk hire, office rent, stationery, and contingent expenses shall continue in force until superseded by appropriations for the allowances specified in that section as hereby amended, and thereupon the amounts that shall have been drawn from such existing allowances since October 1, 1921, shall be debited against such new appropriations.

The committee amendment was read, as follows:

Strike out all of section 5 and insert in lieu thereof the following:
"SEC. 5. That the provisions of this act shall be effective as of November 1, 1921: *Provided, however*, That there shall be deducted from the salary and allowances fixed by section 226, as amended hereby, such sums as may have been paid or allowed out of the Treasury to the reporter for work done by him in the preparation for printing and binding of reports of decisions rendered since the opening of the October, 1921, term of the Supreme Court.

"Such sums as may be necessary to carry into effect the provisions of sections 225, 226, 227, and 228 of the Judicial Code as amended by this act are hereby authorized to be appropriated annually out of any money in the Treasury not otherwise appropriated.

Mr. WALSH. Mr. Speaker, I offer an amendment, page 9, line 19, after the figures "226," insert the words "of the Judicial Code." This is an inadvertance in leaving those words out.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 9, line 19, after the figures "226," insert the words "of the Judicial Code."

The question was taken, and the amendment to the committee amendment was agreed to.

The SPEAKER. The question is on the committee amendment as amended.

The question was taken, and the committee amendment as amended was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. WALSH, a motion to reconsider the vote by which the bill was passed was laid on the table.

The SPEAKER. Has the Committee on the Judiciary any further business?

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed the following concurrent resolution, in which the concurrence of the House of Representatives was requested:

Senate Concurrent Resolution 24.

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 5,000 additional copies of Senate Document No. 179, Sixty-seventh Congress, entitled "Report of the United States and Canadian Government engineers on the improvement of the St. Lawrence River from Montreal to Lake Ontario," of which 3,000 copies shall be for the use of the Senate document room and 2,000 copies for the House document room.

SENATE CONCURRENT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, the following concurrent resolution was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

Senate Concurrent Resolution 24.

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 5,000 additional copies of Senate Document No. 179, Sixty-seventh Congress, entitled "Report of the United States and Canadian Government engineers on the improvement of the St. Lawrence from Montreal to Lake Ontario," of which 3,000 copies shall be for the use of the Senate document room and 2,000 for the House document room—

to the Committee on Printing.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 2263. An act to amend the Federal reserve act approved December 23, 1913.

BRIBERY AND OTHER CORRUPT TRADE PRACTICES.

Mr. VOLSTEAD. Mr. Speaker, I call up the bill H. R. 10159.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 10159) to further protect interstate and foreign commerce against bribery and other corrupt trade practices.

Be it enacted, etc., That it shall be unlawful for any person, corporation, partnership, or other organization to give or offer to give to any employee, representative, or agent of another or to a member of his family or to anyone for his use or benefit, directly or indirectly, any commission, money, property, or other valuable thing as an inducement, a bribe, or reward for doing or omitting to do any act or for showing or forbearing to show any favor or disfavor by such employee or agent in relation to the affairs or business of his employer or principal, which affairs or business constitute or directly affect commerce among the States or with foreign nations or in the District of Columbia, or for any employee or agent to solicit, accept, receive, or take, directly or indirectly, any commission, money, property, or other valuable thing as an inducement, a bribe, or reward for doing or omitting to do any act or for showing any favor or disfavor in relation to the affairs or business of his employer or principal, which affairs or business constitute or directly affect commerce among the States or with foreign nations or in the District of Columbia: *Provided, however*, That the foregoing shall not apply to transactions between an employer or principal and his employee or agent.

SEC. 2. That it shall be unlawful for any person, corporation, partnership, or other organization to use or to give to an employee or agent of another, or for any employee or agent to use, approve, or certify, with intent to deceive the employer or principal, any receipt, account, invoice, or other document, in respect of which the employer or principal is interested, which contains any statement which is false, erroneous, or defective in any material particular or which omits to state fully the fact of any commission, money, property, or other valuable thing having been given or agreed to be given to such employee or agent, whenever such document directly relates to a transaction in interstate or foreign commerce or commerce in the District of Columbia.

SEC. 3. That evidence shall not be admissible in any proceeding or prosecution under this act to show that a gift or acceptance of any commission, money, property, or other valuable thing as is mentioned

in this act is customary in any business, trade, or calling, nor shall the customary nature of such transactions be any defense in any such proceeding or prosecution.

SEC. 4. That in any proceeding or prosecution under this act no person shall be excused from attending and testifying or from producing documentary evidence in obedience to the subpœna of the court on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify or produce evidence, documentary or otherwise, in obedience to the subpœna: *Provided*, That no natural person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

SEC. 5. That any person guilty of an offense within the purview of this act who shall first report the facts, under oath, to any United States district attorney shall be granted full immunity from prosecution under this act with respect to the offense reported.

SEC. 6. That whoever violates any of the provisions of this act shall upon conviction be punished by a fine of not more than $3,000 or imprisonment for not more than two years, or by both. If a corporation, partnership, or other organization is guilty of a violation hereof, the person or persons through whom the corporation, partnership, or other organization acts shall also be deemed guilty and punished as aforesaid.

SEC. 7. That if any provision of this act shall, for any reason, be adjudged to be invalid, such judgment shall not affect, impair, or invalidate the remainder of the act.

SEC. 8. That the acts prohibited by section 1 of this act are declared unfair methods of competition within the meaning of section 5 of an act approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

SEC. 9. That nothing herein contained shall be deemed to repeal or construed as a repeal of any existing law prohibiting bribery and other corrupt trade practices in interstate and foreign commerce, but that a prosecution under one statute pertaining to such offense shall be a bar to a prosecution for the same offense under another statute.

During the reading,

Mr. BLANTON. Mr. Speaker, I move to strike out the last word after that section.

The SPEAKER. This bill is in the House and the bill has to be first read.

The Clerk continued and concluded the reading of the bill.

Mr. VOLSTEAD. Mr. Speaker, a bill similar to this has been pending in this House for a number of years. When first introduced it was sent to the Interstate Commerce Committee. In the last Congress it was referred to the Judiciary Committee from the Interstate Commerce Committee. It was reintroduced in this Congress. A great many people have become interested in this legislation, as the evil it seeks to eliminate has become better known through various investigations. The Interstate Commerce Commission has been urging legislation along this line for quite a while, and in its report of 1920 it pointed out the evils that had grown up inside the transportation business and urged that something be done for the purpose of correcting them. The Federal Trade Commission has made a number of investigations and a number of suits have been brought in different States involving transactions of this kind. There are in quite a number of State statutes of this kind.

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. VOLSTEAD. I will.

Mr. JOHNSON of Mississippi. I do not understand how this affects interstate commerce, I confess.

Mr. VOLSTEAD. It affects both interstate and foreign commerce. It is impossible, it has been stated, to sell anything to ships without paying the captain a bribe, and the amount paid is no bagatelle—it runs from 2 to 5 per cent upon every item that is to be furnished to ships.

Mr. JOHNSON of Mississippi. Where the ship is located and the shipowner or captain, or whoever accepts the bribe, does not the State law affect him?

Mr. VOLSTEAD. In some cases there are no State laws, but in some States there are State laws that cover it.

Mr. JOHNSON of Mississippi. May I ask how many States have no laws of that kind?

Mr. VOLSTEAD. I can not tell the gentleman, because I have not examined definitely as to that, but there are quite a number of States that have laws of this kind.

Mr. BLANTON. To bring the question nearer home I may say in the State of Texas several merchants ship a carload of merchandise to themselves in Texas, and under the present custom before they can get their car placed for unloading they have got to pay the unloading crew from $10, $15, $20, $25, or $50 to get the car placed, and whoever pays the amount to the unloading crew first is the one who gets his car placed first. Does this bill meet that situation?

Mr. VOLSTEAD. Yes. The Pennsylvania Railway System has called attention to it, and has been trying to prevent this evil which has been prevalent in the distribution of their cars throughout the country.

Mr. NEWTON of Minnesota. I do not see how this can not be covered by State statutes. Are not we by the enactment of this legislation invading the States? Here is a case cited by the gentleman from Texas. To use that as an illustration, why can not that evil be corrected right in the State of Texas? Why is it necessary, because it involves an interstate transaction, to make a Federal law and prosecute it in the Federal courts?

Mr. VOLSTEAD. In many instances, I imagine, there is considerable difficulty in getting witnesses in State courts. The Interstate Commerce Commission has urged such a law very strongly and considers it a proper matter for Federal control. I can see very readily that the persons who move back and forth over our railroads may not be easy to secure as witnesses in a State trial. In the Federal court these witnesses can be had. Then this only relates to interstate and foreign commerce. The objection you suggest is just as pertinent as if you objected to the Sherman law, the Federal Trade Commission law, or other like laws. Congress can not afford to take the position that it will not regulate such commerce. It is the special duty of Congress, and not of the State, to protect interstate commerce.

Mr. NEWTON of Minnesota. In the case cited by the gentleman from Texas [Mr. BLANTON] there would not be any occasion for getting men outside of the jurisdiction of the court.

Mr. VOLSTEAD. It might not be necessary in that case.

Mr. NEWTON of Minnesota. Has the gentleman any information for the House as to the complaints by the States or State prosecutors of inability to prosecute because of inability to get witnesses that are outside of the jurisdiction of the State courts?

Mr. VOLSTEAD. I do not know that I have any specific complaints on that score, but I have any number of letters received from business houses all over this country, urging legislation along this line. The very nature of the evil is such that it can not be handled by the States. Business houses compelled to meet this method of competition in the various States where it prevails must pay bribes or go out of business. The evil must be stopped everywhere or it can not be stopped anywhere. Eventually the man who has to buy the goods that are handled in interstate commerce in this fashion must pay this additional charge, and it has gotten so that in many instances the bribe amounts to as much as 5 per cent of the price of the goods.

Mr. BLANTON. Will the gentleman yield right there?

Mr. VOLSTEAD. Yes.

Mr. BLANTON. The gentleman from Minnesota will take notice that at the city of East St. Louis, Ill., the other side of the river, is in another State, in Missouri, and you have to move cattle coming in from Texas and Oklahoma going to East St. Louis across the river. They are stopped across the river, in Missouri, where a crew assumes charge of them in Missouri to take them across. Suppose the gentleman had to pay that crew a certain amount to get his cattle across, or to pay a certain amount to get his car of merchandise placed so that he could unload it—say, in a city like Texarkana, where the main street is the State line between Texas and Arkansas—the gentleman can readily see it needs a Federal statute to reach the situation.

Mr. NEWTON of Minnesota. I will state this, with the permission of the gentleman from Minnesota [Mr. VOLSTEAD]: In Texarkana there are other crimes that are committed, where one witness may live in Texas, and the crime is committed in Arkansas. Now, they certainly get jurisdiction in some way of the witness in Texas, and they could do the same thing in the same way the gentleman has just indicated.

Mr. BLANTON. Under the statute, where felony is committed within a certain distance of the State line, it can be prosecuted in either State. Suppose it is a misdemeanor.

Mr. NEWTON of Minnesota. The gentleman has in mind the distinction between counties and not between States. I know of no statute which would permit States to have dual jurisdiction.

Mr. BLANTON. I meant counties, of course.

Mr. VOLSTEAD. There is dual jurisdiction on State lines along the Mississippi River and some other rivers. A State can go across the river to the other shore.

Mr. COOPER of Ohio. I would like to ask the gentleman from Minnesota if this bill would interfere with the employees on railroads receiving transportation?

Mr. VOLSTEAD. It has not a thing to do with such a case. It has got to be a bribe given by some third person to an employee to influence his action in performing his duty toward his employer. The thing the gentleman speaks of does not come within the scope of this bill.

Mr. COOPER of Ohio. I do not want the gentleman from Texas [Mr. BLANTON] to leave the impression with this House that all the railroad employees in this country ask for a bribe before they will do the work that is assigned to them. Of course, it is true in certain instances that railroad men have

accepted money where there were cars on sidings to be unloaded; but, as a rule, it is not the railroad man that solicits the money. It is the agent for the goods in the car that comes to the railroad employee and says, "If you will do this work for me in a certain length of time I will make it all right." The majority of the railroad employees of this country are honest and law-abiding citizens. I do not like to see the gentleman from Texas leave the impression that they are all grafters and holding out for money.

Mr. BLANTON. The gentleman did not mean to put out any such inference, but they do accept these fees for placing cars. The gentleman will not deny that.

Mr. COOPER of Ohio. As I say, the railroad men do receive little tips for doing this, but it is not because they solicit them, but because somebody comes to them and offers them a certain amount of money for doing the work.

Mr. VOLSTEAD. Let me give you some instances of this practice, as they appear in official reports and court proceedings.

The report of the Select Committee on United States Shipping Board Operations on March 2, 1921, called attention to many instances of overcharges, defective work, and improper material in connection with the repairs to ships, particularly in the New York district, especially with reference to the payment of gratuities or bonuses by repair yards to officers of the various ships. The report states that this custom has been common in marine circles for many years, and there is no question but that it is a vicious practice.

A shipbuilder and owner of a dry dock testified on January 15, 1920, before the House Committee on the Merchant Marine and Fisheries concerning the cost of marine bribery, and stated that there were two concerns at least that would create additional dry dock and repair facilities in one of the principal ports of the east coast if it were not for the fact that it is known that there would be no use unless you wanted to perjure your soul to get into the business.

A former special agent of the Department of Investigation of the Shipping Board testified before the Select Committee on Shipping Board Operations that one man had admitted to him and to the chief traveling auditor that he had overcharged about 60 per cent on $400,000 by reason of the alleged necessity of giving gratuities in the shape of automobiles, whisky, entertainments, and so forth, to captains and stewards. He also referred to another case where $11,000 was carried on the books of a certain firm as gratuities, and stated that he had taken the confessions of stewards who were paid 10 per cent on bills; that the story is so common that the files at 45 Broadway are filled with them; and that they had at that time about 2,000 cases open.

A witness in a proceeding before the Federal Trade Commission testified under oath that the books of the respondent dry dock and shipbuilding company showed, under the heading "Gratuity," expenditures during the years 1917, 1918, 1919, and three months of 1920, in the amounts of $19,229.39, $31,067.97, $29,985.50, and $19,066.31.

A representative of a packing house supplying the marine trade testified under oath that he had given gratuities to captains and stewards; that if he had not given them he would have been out of business; that if he had given them and his competitors had not, they would have been out of business; that they were charged up as merchandise; that the consumer has to pay; that captains and stewards had in some cases solicited short weights under these circumstances.

The representative of another packing house admitted under oath that gratuities amounting to 5 per cent had been given to captains.

A representative of a dry dock and shipbuilding concern admitted under oath that they had paid $8,800 in a year and three months for gratuities, so called. Referring to the practice of ship chandlers giving short weights, he said: "We scrap about that here in Mobile all the time."

A sailmaker admitted under oath that his firm had paid $4,500 in 20 months, and if it had not been necessary to give gratuities to the captains he could have and would have been inclined to make the prices 5 per cent lower. He stated, in substance, that the man who pays the bills ultimately pays the gratuity.

A market man supplying the marine trade admitted under oath that he had given to the captains of schooners and steamers approximately 5 per cent; said that if he had not given the gratuities he would not have supplied the vessels on the next trip; that he could have sold cheaper if he had not given gratuities; that he no longer gives them and figures at a less price.

A ship chandler admitted that he had paid gratuities, charged them up in different ways, considered them overhead, and stated that the captains seldom questioned the prices closely. Also stated that stewards had suggested that short weights or measures be given for the purpose of covering gratuities, but that he had not yielded.

Another ship chandler stated under oath that when you do not give gratuities and your competitor does, the latter gets the business; that it is a universal custom; that the cost falls on the purchaser; that if gratuities were not given it would be possible to reduce the prices; and that gratuities add to the cost of transporting the cargoes.

A marine supply man stated on oath that his firm had tried to eliminate the gratuity business, but that the captains went away and gave their business to competitors; that they had paid the captains from 1 to 5 per cent; that he never saw gratuities paid to such an extent until he came to this country; and that the Government should make it a criminal offense for the captain to receive gratuities.

The bookkeeper and stenographer for the same firm testified on oath that she had paid the captains in a private room used by no one else.

Another representative of this firm admitted under oath that a bill will run anywhere from $50 to $7,000; that they usually give the captain $100 or $200 and charge it to trade discount; that the custom is so old that the captains expect it without demanding it.

A ship chandler admitted under oath that they gave commissions to the captains, the amount depending upon what they made on the transaction; that these commissions have been running from 2½ to 4½ per cent; that 5 per cent is the limit; and when asked how recently he had given a captain a commission, admitted that he had given 3½ per cent, he believed, the day before yesterday.

During the trial of a meat dealer of the District of Columbia, charged with conspiracy to defraud the United States, a corporal of the United States Army, stationed at Fort Monroe, also under indictment, testified that he received from the dealer 3 per cent commission on purchases of about $3,000 worth of meat.

A private, butcher at the post exchange, in charge of the buying in the meat department, admitted that he had been paid $200 by the dealer (seven $20 bills, one $10 bill, and one $50 bill) after he had given an order for about $3,300 worth of goods; that he had noticed that the prices of this dealer were higher than those of competitors; that he had complained of the high prices, and pointed out that 10 ribs of beef were furnished as prime instead of 7, and that the loins of beef had flanks on when they should have been trimmed. Bologna was priced at 28 cents per pound when Swift and Armour were selling it at 18 cents. After the payment of the bribe competition was entirely excluded and purchases from that firm were increased. During the month of November they increased several thousand dollars, $8,000 or $10,000.

The party paying the bribes was sentenced to the Atlanta Penitentiary for 18 months and fined $5,000, but this judgment was reversed by the Circuit Court of Appeals for the Fourth Circuit, the post exchange not being such an institution as that fraud upon the United States could arise from the transactions complained of.

SOAP.

A decree of the Chancery Court of Bradley County, Tenn., finds that the defendant, while in the employ of the complainant, a woolen mill, received from various persons, firms, and corporations, from whom he purchased material, bribes, rebates, and secret profits amounting in the aggregate to $16,570; that as a result of a corrupt agreement to receive commissions on soap bought for the complainant, an inferior grade of soap was supplied, and that the damages sustained by the mill amounted to $53,856.65.

In another civil suit brought by the same mill a witness testified that the customary commission was a cent a pound; that the lowest commission, when any was paid, was one-half cent per pound, and that the highest was 1½ cents per pound. He also testified that it was customary to put one good barrel of soap in every lot shipped, to be kept set aside by the overseer for analyses and inspection. In that barrel a nail would be put through the plug, or a different batch number would be put on the head, and the finisher advised accordingly.

Witnesses in another proceeding against a firm selling textile soaps and degreasing materials testified under oath that dyers and finishers were paid from $10 to $12 per barrel; one of the witnesses testified that in some instances the finisher would spoil goods in order to assist in placing the respondent's goods in the mills. The money was usually paid to the men in cash—handed to them personally. One of the witnesses refused to answer for the sole reason that the answer might tend to incriminate him.

DYESTUFFS AND SIZING MATERIALS.

In another case a witness admitted that his company had paid secret commissions to employees of customers purchasing dyes and sizing materials; that they had been paid with the knowledge, consent, and approval of respondent's officers; that other companies gave like commissions; that the money was accounted for as "salary" and charged to the officers; that in one year they had paid between $30,000 and $40,000, or from 8 to 10 per cent of their total sales; that these gratuities were taken into consideration in making up the cost of the goods; that they naturally tended to increase the selling price; and that they undoubtedly would have sold these goods for less money if gratuities had not been given. These gratuities had been paid in North Carolina, South Carolina, Rhode Island, Connecticut, New Hampshire, Massachusetts, New York, and New Jersey.

The Alien Property Custodian in 1918 stated in his annual report that bribery of dyers had been carried on almost universally and on a large scale; that the dyers frequently controlled the situation; that nothing was easier than to control the complicated process of dyeing in such a way that the dyes furnished by the house which was the least liberal to the dyer would produce wretched results.

So extensive was this corruption that I came across only one American consumer who had escaped its ill effects.

* * * Honest domestic competition found the utmost difficulty in maintaining itself, and it is therefore not strange that until the outbreak of the war the American industry was of little importance.

The United States Tariff Commission in 1918 stated that it is notorious in the dye and textile trades that the agents of German manufacturers habitually resorted to bribery in the form of money payments or "gifts" to purchasing agents, and more especially to dyers, who frequently were in a position to dictate the dyes that their employers should use. Most managers of textile mills and converters preferred to ignore the practice rather than to expose themselves to the irritations and the spoiling of goods that dishonest dyers could bring about with impunity.

Affidavits submitted to the Committee on Ways and Means in 1919 state that the practice of bribing dyers was followed by all German companies but one selling in this country; that the company referred to in the affidavit either increased the purchase price of the merchandise by the amount of the commission paid or delivered goods of inferior quality to the customer, the grade of inferiority of the goods depending upon the amount of the commissions paid; so that in all cases the commission was indirectly paid by the employer of the dyer.

One of the deponents stated that the amount of the bribes was agreed upon by the salesman and the dyer, and varied from 5 cents to 25 cents per pound.

A witness before the same committee referred to this as—

the most extraordinary system of commercial corruption that I think the world has ever seen. There was hardly a textile mill whose dyers were not corrupted. I say this advisedly.

In another proceeding against a dyehouse a former officer testified under oath concerning disbursements to dyers, stating that for a time such payments were charged on the books to a concern that did not exist; that subsequently they were charged to another account equally misleading, and that to this account was charged during the years 1914 to 1916 and part of 1917 the sums of $110,010.18, $115,188.48, $172,524.38, and $100,777.60, respectively.

The witness mentions certain additional items during two succeeding months, namely, $1,500, $300, $2,600, $4,225, $150, $500, $250, $6,000, $2,500, $2,500, $500, $6,000, and $3,500.

The witness stated that the above yearly figures were drawn from the books when they were under examination in the State court and that they had also been drawn and verified by Government accountants.

GLUE.

In a proceeding before the Federal Trade Commission against a glue manufacturer the facts, as stipulated by counsel, show that a salesman formerly employed by respondent reported to the company that he could secure the glue business of a certain manufacturer using as much as 300,000 pounds of glue per annum, or more than $100,000 worth, for the payment of a "commisssion" of 5 per cent; that this arrangement was agreed to and later increased to 5 cents per pound instead of 5 per cent; that immediately following this arrangement the glue then being used by that prospective customer was reported bad by the employee deciding such matters, who also suggested that glue be purchased from the respondent. Thereafter for some time glue was purchased from the respondent to the total exclusion of the competitor who had furnished glue for a number of years. The amounts paid on account of such so-called commissions covering such sales from February 1, 1919, to January 1, 1921, to about the sum of $34,000, no part of which was ever received by or reached the treasury of the purchasing company. The injured competitor was not permitted to make tests or demonstrations of his glue, although his request so to do was reenforced by the request of the purchasing department, but subsequently when trouble was reported with respondent's glue they were afforded every opportunity to make tests and rectify the trouble, such tests and experiments running over a period of weeks.

Subsequently the respondent reduced the price of its glue sold on this account in the amount of 5 cents per pound, and such reduction was not made on account of the quality or market price.

SHELLAC SUBSTITUTE.

In a similar proceeding against a manufacturer of shellac substitute, respondent's counsel, after the taking of considerable testimony, admitted that salesmen and other representatives of the respondent company have secretly given and offered to give cash commissions and other gratuities to foremen, finishers, and other employees of its customers and prospective customers, with the knowledge and consent, express or implied, of the managing officers and directors of the respondent company as an inducement to said employees to influence their employers to purchase and use respondent's products; that it further admits that the giving of such gratuities by respondent tends to and does compel competitors of the respondent to adopt such methods of competition or suffer the loss of business; and that such expenditures necessarily become a part of the distribution expense of the company and are added to the cost of such products to the purchasing public.

Some 55 complaints were filed against concerns engaged in the manufacture and sale of paint, oil, varnish, and kindred products. The widespread interest aroused by the commission's activities in this field caused the paint and varnish manufacturers to organize a bureau to take care of such matters. This bureau, according to the commission, has more than justified its existence by its work in eliminating commercial bribery.

Likewise, a group of progressive concerns in marine circles organized the American Ship Service Corporation to engage in similar work in eliminating bribery.

The American Bar Association on September 4, 1919, adopted a recommendation of the committee on commerce, trade, and commercial law indorsing three bills which proposed to suppress commercial bribery. The committee did not indicate any preference as to these bills, but recommended the passage of one of them.

PRINTING INK.

In November, 1917, 68 manufacturers agreed not to pay secret commissions or bribes, and urged the passage of Federal criminal legislation prohibiting the giving, offering, receiving, and soliciting of bribes, commissions, gratuities, and so forth, for the purpose of corruptly influencing the conduct of any agent or employee in relation to his principal's or employer's business. The parties to this agreement represented about 90 per cent of the manufacturers of printing ink. The National Association of Printing Ink Makers is endeavoring to rid the industry of the bribery evil.

The records available show that bribery has been resorted to in influencing the sale of printers' rollers, lifeboats, rafts, engines, rope, machinery, boiler compounds, oils, greases, chemicals, and other products.

Here is an evil that has gradually grown up until it has become a very serious matter. Throughout the country more or less of an effort has been made to suppress it. The same is true with respect to Europe. They have a law similar to this bill in England, in Australia, New Zealand, and in practically all of the various English Provinces.

Mr. JOHNSON of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. VOLSTEAD. Yes.

Mr. JOHNSON of Mississippi. Under the gentleman's bill a negro porter on a Pullman car traveling from one State to another who would accept a 25-cent or 50-cent tip could be punished under this bill?

Mr. VOLSTEAD. No; certainly not. There is no provision in this bill covering such a case. The payment must be done to influence the employee to do something to the injury of his employer.

Mr. JOHNSON of Mississippi. If he should change a man's sleeping quarters from the upper to the lower berth, and show him any favoritism whatever, he could be punished under this bill?

Mr. VOLSTEAD. There is no reason for any such contention.

Mr. JOHNSON of Mississippi. Oh, yes; there is. I have had it done myself.

Mr. WINGO. Mr. Speaker, will the gentleman yield?
Mr. VOLSTEAD. Yes.
Mr. ACKERMAN. Mr. Speaker, will the gentleman yield?
Mr. VOLSTEAD. Yes.
Mr. ACKERMAN. Would this prevent a manufacturer or employer at Christmas time giving boxes of cigars to his employees with his compliments in recognition of faithful services?
Mr. VOLSTEAD. No; not at all.
Mr. WINGO. Mr. Speaker, will the gentleman yield?
Mr. VOLSTEAD. Yes.
Mr. WINGO. Suppose I have a baggageman go up to the baggage room in the station and get my bag for me. Would I violate the law?
Mr. VOLSTEAD. No. That would be payment for a service actually rendered.
Mr. WINGO. He would be doing me a favor?
Mr. VOLSTEAD. Yes. He would be rendering an actual service to you, too.
Mr. WINGO. And if a car were placed on a sidetrack, that would be a service to me. He would not be required to do it as a matter of routine until the afternoon, let us say, and I get him to take it out of its order in the morning and switch it in for me.
Mr. VOLSTEAD. The idea is that he has to deal fairly with the public. The obtaining of a favor at the expense of his employer is one of the things we are trying to prevent. If otherwise the employer grants a favor, this bill will not prevent payment.
Mr. WINGO. You have a law now against discriminations against shippers on the railroads, have you not?
Mr. VOLSTEAD. The Interstate Commerce Commissioners call attention to that and say that that is not sufficient to relieve the situation.
Mr. WINGO. You say the States refuse to punish?
Mr. VOLSTEAD. Some of the States do not have laws on the subject at all, while there are a number of States that do have.
Mr. STEVENSON. Mr. Speaker, will the gentleman yield?
Mr. VOLSTEAD. Yes.
Mr. STEVENSON. Is it proposed to deal with this just as it was proposed to deal with the question of rebates by transportation companies? In other words, do you suppose this will be protected under the decisions sustaining penalties imposed on railroads and other public carriers for granting rebates in freight rates and things of that kind?
Mr. VOLSTEAD. Of course, that law is not strictly apropos, but this class of statutes have been held valid in a number of States.
Mr. STEVENSON. What I was trying to get at is, under what authority Congress is dealing with this. I take it that inasmuch as this is in interstate commerce, this is practically a gratuity, which is the same thing as a rebate in transportation.
Mr. VOLSTEAD. Of course, this deals only with interstate and foreign commerce. It does not deal with anything else.
Mr. HOCH. Mr. Speaker, will the gentleman yield?
Mr. VOLSTEAD. Yes.
Mr. HOCH. I understand the language used here, in line 11, is, "any act" used "in relation to the affairs or business of his employer," and so forth. Does the gentleman think that Congress has the power to enact a law concerning something that simply bears a relation to a business interest of that character? It does not say that the act has a bearing or effect on interstate commerce. You provide here a control on the part of Congress "in relation" to the affairs and business when the affairs and business are interstate commerce.
Mr. VOLSTEAD. If you read the rest of that sentence you will see that it is "in relation to the affairs or business of his employer or principal, which affair or business constitutes or directly affects commerce among the States."
Mr. HOCH. Yes; the business itself may constitute commerce.
Mr. VOLSTEAD. Yes; and the affair or business must directly affect interstate commerce.
Mr. HOCH. The language you use is "in relation" to that business. I can conceive of an act that may have a relation to that business which——
Mr. VOLSTEAD. It must be an act which directly affects interstate commerce.
Mr. HOCH. Is it not possible that a business might be an interstate business and yet some act merely in relation to that business would not constitute any effect on interstate commerce?
Mr. VOLSTEAD. I would like to know where the gentleman finds his language.
Mr. HOCH. On line 11, page 1. I am trying to get information. Perhaps I did not get the language correctly.
Mr. VOLSTEAD. Read the language. Here it is:

In relation to the affairs or business of his employer or principal, which affairs or business constitute or directly affect commerce.

Mr. HOCH. That is what I am trying to get at. There is no question but that the business affects interstate commerce, but you are penalizing any business that relates to that business. Offhand, it seems to me that is going much further than any control I know of in these other acts in relation to interstate commerce.
You do not provide that you penalize an act that relates to interstate commerce, but any act in relation to a business that has to do with interstate commerce.
Mr. VOLSTEAD. I have no doubt that if the gentleman will read the language of the bill he will come to a different conclusion. As I have said, legislation of this kind has been urged by the Interstate Commerce Commission, the Shipping Board, the Federal Trade Commission, the Department of Commerce, and by a very large number of business houses in the different sections of this country.
A State can not deal successfully with this evil. The merchant selling goods in different States, as most wholesalers do, must, to meet this kind of competition, pay bribes or go out of business. In selling his goods he necessarily quotes the same price in all the different States where he distributes. If some of these States permit this practice, it becomes necessary for him to increase the price of his goods not only in the States permitting such bribery but to all his customers.
Farmers selling grain in the Middle West, no matter what the laws of their States may be, must help to pay these bribes as a part of the cost of sending their products to market, and they must submit to a like exaction on what they purchase.
This bill is not local but national in purpose. There is just as much reason for enacting a national law to stop this evil as there was for prohibiting trusts and monopolies. This bill only deals with the interstate and foreign commerce—a subject that it is the duty of Congress, and not the States, to protect.
The National Government is the only one that has the machinery to enforce such a law—the Interstate Commerce Commission, the Federal Trade Commission, and the force in the Department of Justice charged with making the antitrust laws effective. The States have no corresponding machinery that can effectively reach this evil.
Mr. LONDON. The intention of the bill, as I understand it, is to punish an employee who for a consideration does an act injurious to the interests of his employer. Is not that the object of the bill?
Mr. VOLSTEAD. Yes; injurious to his employer.
Mr. LONDON. If that is so, the language employed in line 10, on page 1, is too broad. The language in lines 9 and 10 reads:

For doing or omitting to do any act or for showing or forbearing to show any favor or disfavor by such employee.

There is a world of difference between doing a favor or a disfavor and doing something that is injurious to the interests of the employer; and, it being a criminal statute, the language should be strict and specific and should not permit of more than one interpretation.
Mr. VOLSTEAD. If the gentleman cares to offer an amendment when we come to that feature of it, we will consider it later on.
Mr. LONDON. And in section 2 I find the same elastic language employed. There the language is—

Any receipt, account, invoice, or other document, in respect of which the employer or principal is interested, which contains any statement which is false, erroneous, or defective.

The submission of an erroneous or defective statement is made a crime. The language is altogether too broad for a criminal statute.
Mr. VOLSTEAD. It must be with intent to deceive the employer or principal. If it is done for that purpose, I can see no reason why this is too indefinite.
Mr. SANDLIN. Mr. Speaker, I make the point of no quorum present. I think on an important matter like this we should have a full House.
The SPEAKER. The gentleman from Louisiana makes the point that there is no quorum present. The Chair will count. [After counting.] There is no quorum present.

ADJOURNMENT.

Mr. VOLSTEAD. Mr. Speaker, I move that the House do now adjourn.
The motion was agreed to; accordingly (at 4 o'clock and 40 minutes p. m.) the House adjourned until Saturday, May 27, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

617. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination and survey of the coast of Texas in the vicinity of Aransas Pass, Port Aransas, Rockport, and Corpus Christi (H. Doc. No. 321); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

618. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Monongahela River, Pa. and W. Va.; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. LEHLBACH: Committee on Reform in the Civil Service. H. R. 11428. A bill to fix the salaries of the Civil Service Commissioners and of certain employees of the Civil Service Commission; without amendment (Rept. No. 1032). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 11128. A bill to authorize the construction of a bridge over the Rio Grande between the cities of Del Rio, Tex., and Las Vegas, Mexico; without amendment (Rept. No. 1033). Referred to the House Calendar.

Mr. COOPER of Ohio: Committee on Interstate and Foreign Commerce. H. R. 11646. A bill authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio; without amendment (Rept. No. 1034). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ROSE: Committee on Claims. H. R. 11571. A bill for the relief of the Clyde Steamship Co., of New York, N. Y.; without amendment (Rept. No. 1035). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 2702. A bill for the relief of J. W. Glidden and E. F. Hobbs; without amendment (H. Rept. 1036). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ANDERSON: A bill (H. R. 11798) to enlarge, extend, and remodel the post-office building at Rochester, Minn., or to authorize the purchase of a site and the erection and completion of a building thereon, in the discretion of the Secretary of the Treasury; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 11799) to enlarge, extend, and remodel the post-office building at Albert Lea, Minn., or to authorize the purchase of a site and the erection and completion of a building thereon, in the discretion of the Secretary of the Treasury; to the Committee on Public Buildings and Grounds.

By Mr. YOUNG: A bill (H. R. 11800) increasing the limit of cost for a Federal building at Jamestown, N. Dak.; to the Committee on Public Buildings and Grounds.

By Mr. KAHN: A bill (H. R. 11801) to amend section 210 of the war risk insurance act as amended by the act of August 9, 1921, as is now applicable to allotments paid to beneficiaries designated under the Army allotment system by any person who served in the Army; to the Committee on Interstate and Foreign Commerce.

By Mr. SINNOTT: A bill (H. R. 11802) to authorize the addition of certain lands to the Oregon National Forest; to the Committee on the Public Lands.

By Mr. MORIN (by request): A bill (H. R. 11803) to provide for the manufacture of explosive compounds for the use of the Army and Navy; to provide for the manufacture of fertilizer for agricultural purposes; to conserve water for power, stream control, and navigation; to incorporate the Federal Chemical Corporation; and for other purposes; to the Committee on Military Affairs.

By Mr. KAHN: Joint resolution (H. J. Res. 336) to authorize and regulate details in the executive or administrative service of the Government; to the Committee on the Judiciary.

By Mr. ANSORGE. Joint resolution (H. J. Res. 337) granting consent of Congress and authority to the Port of New York Authority to execute the comprehensive plan approved by the States of New York and New Jersey by chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922; to the Committee on the Judiciary.

By Mr. SABATH: Joint resolution (H. J. Res. 338) to return money or other property now in the hands of the Alien Property Custodian or in the Treasury of the United States to the owner or owners, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, resolution (H. Res. 354) requesting the Secretary of State to make immediate inquiry of the French Government regarding Hon. Charles R. Crane, of Chicago, Ill.; to the Committee on Foreign Affairs.

By Mr. OGDEN: Memorial of the Legislature of the State of Kentucky, urging relief for those who lost in the operation of their business during the year 1920 regarding tax exemptions, the same as those who lost in 1919 or 1921; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH: A bill (H. R. 11804) for the relief of Robert Turner; to the Committee on Claims.

By Mr. BROWN of Tennessee: A bill (H. R. 11805) granting a pension to Robert King; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11806) granting a pension to George W. Hacker; to the Committee on Invalid Pensions.

By Mr. CLOUSE: A bill (H. R. 11807) granting a pension to John Poor; to the Committee on Pensions.

By Mr. COOPER of Wisconsin: A bill (H. R. 11808) for the relief of Mrs. D. H. Jeffris; to the Committee on Claims.

By Mr. FESS: A bill (H. R. 11809) granting a pension to Lilly Murphy; to the Committee on Pensions.

By Mr. GERNERD: A bill (H. R. 11810) granting an increase of pension to A. Laurie Nicholson; to the Committee on Pensions.

By Mr. LANGLEY: A bill (H. R. 11811) granting a pension to Flem Blair; to the Committee on Pensions.

By Mr. LONDON: A bill (H. R. 11812) for the relief of Flora Yost Klinowski; to the Committee on Claims.

By Mr. MORGAN: A bill (H. R. 11813) granting an increase of pension to Rachel H. Kendall; to the Committee on Invalid Pensions.

By Mr. RUCKER: A bill (H. R. 11814) for the relief of Caroline Kuhlman and others who have suffered losses on account of their lands being destroyed and washed away by the Missouri River at a point adjacent to Little Missouri Bend, Missouri River, State of Missouri; to the Committee on Claims.

By Mr. SWING: A bill (H. R. 11815) for the relief of James W. Sweetman, C. A. A. McGee, H. R. Fay, and E. E. Hendee; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11816) granting a pension to Hiley Galbraith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11817) granting a pension to James O. Craig; to the Committee on Pensions.

Also, a bill (H. R. 11818) granting an increase of pension to Barbara E. Rhea; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 11819) granting a pension to Catharine M. Painter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11820) granting a pension to Annie M. France; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11821) granting a pension to Dolly P. Beckner; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5788. By the SPEAKER (by request): Resolution adopted by the Cleveland Grays, indorsing the Bursum bill, S. 1565, and urging its passage; to the Committee on Military Affairs.

5789. By Mr. FAIRFIELD: Petition of citizens of Kendallville, Ind., protesting against the passage of House bill 9753, House bill 4388, or Senate bill 1948; to the Committee on the District of Columbia.

5790. By Mr. FULLER: Petition of the Haddorff Piano Co., of Rockford, Ill., favoring the McNary-Smith bill, H. R. 10164, for the reclamation of arid lands; to the Committee on Irrigation of Arid Lands.

5791. Also, petition of Emerson-Brantingham Co., of Rockford, Ill., favoring the McNary-Smith reclamation bill; to the Committee on Irrigation of Arid Lands.

5792. Also, petition of the Goding Shoe Co., of Chicago, and the Jos. Saenger Mercantile Co., of Belleville, Ill., protesting against a tariff on hides; to the Committee on Ways and Means.

5793. Also, petition of the Free Sewing Machine Co., of Rockford, Ill., favoring a tariff on sewing machines; to the Committee on Ways and Means.

5794. Also, petition of the American Nickeloid Co., of Peru, Ill., favoring a tariff on plated or coated tin plate; to the Committee on Ways and Means.

5795. Also, petition of the Peoria Farm Bureau, the Tazewell County Farm Bureau, the Association of Commerce of Pekin, Ill., and the American Distilling Co., for a tariff duty on blackstrap molasses; to the Committee on Ways and Means.

5796. Also, petition of I. I. Hanna, of Ottawa, Ill., opposing a high tariff on potash salts; to the Committee on Ways and Means.

5797. Also, petition of the Godfrey-Brewer Investment Co., of Rockford, Ill., favoring the Green resolution, to prohibit the issue of tax-exempt securities; to the Committee on Ways and Means.

5798. Also, resolutions of the Texas Chamber of Commerce, favoring a constitutional amendment to prohibit any further issue of tax-exempt securities, and favoring the repeal of section 28 of the shipping act; to the Committee on Ways and Means.

5799. Also, resolutions of the Hamilton Club, of Chicago, favoring a Navy personnel of 80,000 enlisted men and 6,000 apprentices under training; to the Committee on Appropriations.

5800. Also, resolutions of the Women's International League for Peace and Freedom, favoring the abolition of war, and suggesting various measures to that end; to the Committee on Military Affairs.

5801. Also, petition of Frank Jaycox, commander of the Colonel Thomas G. Lawler Post, No. 342, Veterans of Foreign Wars, favoring bill to place on the retired list disabled emergency officers of the Army who served in the late World War; to the Committee on Military Affairs.

5802. Also, petition of the Third National Bank of Rockford, Ill., favoring bill for perpetual charters for national banks; to the Committee on Banking and Currency.

5803. Also, petition of the International Association of Fire Fighters, favoring the modification of the prohibition enforcement law; to the Committee on the Judiciary.

5804. Also, petition of the National Dairy Union, favoring H. R. 8086, relating to the manufacture and sale of filled milk or the transportation thereof in interstate commerce; to the Committee on Agriculture.

5805. Also, resolutions of the Hamilton Club, of Chicago, favoring a provision in the Budget that will render Great Lakes Naval Training Station as useful in the future as it has been in the past; to the Committee on Appropriations.

5806. By Mr. GALLIVAN: Petition of Rosina W. Sheldon, chairman legislative committee, American Legion Auxiliary, Department of Massachusetts, Salem, Mass., urging passage of the Bursum bill; to the Committee on Military Affairs.

5807. By Mr. KELLY of Pennsylvania: Resolutions adopted by the Pennsylvania State Chamber of Commerce, favoring taxation of exempt securities; to the Committee on Ways and Means.

5808. By Mr. KISSEL: Petition of the Brooklyn College of Pharmacy, Brooklyn, N. Y., relative to the tariff duty on glassware and chemical apparatus; to the Committee on Ways and Means.

5809. Also, petition of Baugh & Son Co., Baltimore, Md., opposing the proposed tariff bill; to the Committee on Ways and Means.

5810. By Mr. LARSON of Minnesota: Petition of the Presbytery of Duluth, Duluth, Minn., indorsing House bill 9753, regarding Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

5811. By Mr. LEA of California: Petition of 70 citizens of Oakland, Calif., protesting against the passage of pending Sunday legislation bills; to the Committee on the District of Columbia.

5812. By Mr. LINTHICUM: Resolution of the Baltimore Federation of Labor, urging support of House bill 10646; to the Committee on Interstate and Foreign Commerce.

5813. Also, petition of Farmers & Planters' Co., Salisbury, Md., opposing tax on potash; to the Committee on Ways and Means.

5814. Also, petition of the Baltimore Live Stock Exchange and the Union Stock Yard Co., Baltimore, Md., protesting against Senate bill 3298, to allow State supervision over weighing at public stockyards; to the Committee on Agriculture.

5815. Also, petition of George W. Hardy, president Maryland State Game and Fish Protection Association, Baltimore, Md., favoring passage of House bill 5823 without amendment; to the Committee on Agriculture.

5816. By Mr. RAKER: Petitions of Eddie Schmidt, Popkin & Nestor, Chas. Levy & Son, and Edwin Hartley, all of Los Angeles, Calif., protesting against paragraph 1116, H. R. 7456, and the Carded Woolen Manufacturers' Association, of Boston, Mass., relative to reform in the framing of wool schedules; to the Committee on Ways and Means.

5817. Also, petition of Mrs. W. B. Hamilton, acting chairman of the Vigilant Committee, of San Francisco, Calif., urging an appropriation for the carrying on of the work of the Interdepartmental Social Hygiene Board; to the Committee on Appropriations.

5818. Also, petition of the National Milk Producers' Federation, of Washington, D. C., indorsing H. R. 8086, the Voigt bill, to prohibit the movement in interstate and foreign commerce of so-called filled milk; to the Committee on Agriculture.

5819. By Mr. ROSSDALE: Resolution adopted by the Bronx Board of Trade, of New York City, recommending that the Stanley bill should not be approved; to the Committee on Patents.

5820. By Mr. WILLIAMSON: Petition of W. W. Thompson and many other residents of Hot Springs, S. Dak., urging the passage of the Bursum and Morgan bills; to the Committee on Invalid Pensions.

SENATE.

SATURDAY, *May 27, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Harreld	McLean	Rawson
Brandegee	Harris	McNary	Robinson
Broussard	Harrison	Moses	Sheppard
Bursum	Heflin	Myers	Shortridge
Calder	Hitchcock	Nelson	Simmons
Capper	Johnson	New	Smoot
Caraway	Jones, N. Mex.	Newberry	Spencer
Cummins	Jones, Wash.	Nicholson	Sterling
Curtis	Kellogg	Norbeck	Sutherland
Dial	Kendrick	Norris	Townsend
Dillingham	Ladd	Oddie	Underwood
Elkins	La Follette	Overman	Wadsworth
Ernst	Lenroot	Page	Walsh, Mont.
Fletcher	Lodge	Pepper	Warren
France	McCormick	Phipps	Watson, Ga.
Gooding	McCumber	Poindexter	
Hale	McKinley	Ransdell	

Mr. MOSES. I wish to announce the absence of my colleague [Mr. KEYES] on account of illness. I ask that this announcement may stand for all roll calls during the day.

The PRESIDENT pro tempore. Sixty-six Senators have answered to their names. There is a quorum present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a bill (H. R. 11450) to provide for the printing and distribution of the Supreme Court Reports, and amending sections 225, 226, 227, and 228 of the Judicial Code, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 745) to amend section 24 and section 256 of the Judicial Code.

ENROLLED BILL SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (S. 2263) to amend the Federal Reserve Act approved December 23, 1913, and it was thereupon signed by the President pro tempore.

REPORTS OF COMMITTEES.

Mr. HARRELD, from the Committee on Claims, to which was referred the bill (H. R. 9048) to authorize the California Débris Commission to reimburse the city of Sacramento, Calif.,

for money expended by said city in the construction of the Sacramento weir, reported it without amendment and submitted a report (No. 725) thereon.

Mr. CALDER, from the Committee on Banking and Currency, to which was referred the bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations, reported it with amendments.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HARRELD:

A bill (S. 3651) granting a pension to Nancy A. Hailey; to the Committee on Pensions.

By Mr. WALSH of Montana:

A bill (S. 3652) for the relief of the estate of James W. Mardis; to the Committee on Claims.

By Mr. KELLOGG:

A bill (S. 3653) granting a pension to Ella Mitchell York; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 3654) to repeal section 28 of an act entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation, and provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes," approved June 5, 1920; to the Committee on Commerce.

By Mr. NORBECK:

A bill (S. 3655) granting an increase of pension to Betsy Anderson (with accompanying papers); to the Committee on Pensions.

AMENDMENT TO NAVAL APPROPRIATION BILL.

Mr. JONES of Washington submitted an amendment proposing to appropriate $100,000 for the employment of draftsmen and other technical employees in the Hydrographic Office for the construction, compilation, and reproduction of nautical charts, etc., intended to be proposed by him to House bill 11228, the Navy Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. LODGE submitted an amendment proposing to appropriate $15,956 covering certain items of unavailable funds in the accounts of the Assistant Treasurer of the United States, and in the general account of the Treasurer of the United States, representing a shortage found upon discontinuance, October 25, 1920, of the subtreasury at Boston, Mass., etc., intended to be proposed by him to the general deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

HOUSE BILL REFERRED.

The bill (H. R. 11450) to provide for the printing and distribution of the Supreme Court reports, and amending sections 225, 226, 227, and 228 of the Judicial Code, was read twice by its title and referred to the Committee on the Judiciary.

CONTINUATION OF LAND OFFICES.

Mr. NORRIS. Mr. President, last night during my absence from the Chamber the Senate passed the bill (S. 3425) to continue certain land offices, and for other purposes. The bill was passed with certain amendments. The bill is still in the possession of the Senate; it has not been sent to the House.

Certain land offices, which were omitted by mistake in the act making appropriations for the Department of the Interior, were included in the bill which passed the Senate last night, with the exception of one, the land office in Nebraska, which is exactly the same as the others and has the same recommendation from the Secretary of the Interior. As nearly as I can learn, there is no objection to the bill, and I think there will be no objection to the amendment which I desire to offer. In order that I may offer it, I ask unanimous consent to reconsider the votes by which the bill was ordered to a third reading and passed.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent that the votes by which Senate bill 3425 was ordered to a third reading and passed may be reconsidered. Is there objection? The Chair hears none, and the votes are reconsidered.

Mr. NORRIS. I move to amend the bill by inserting in line 9, page 1, after the word "Arkansas," "Alliance and Broken Bow, in the State of Nebraska."

The amendment was agreed to.

Mr. SPENCER. Mr. President, I have upon my desk an amendment, which I intended to propose to the bill, providing for the land office which has existed for many years at Springfield, Mo., and which is, according to my information, in precisely the same situation as the other offices. It was omitted for some reason. I move, after the amendment just incorporated in the bill, that there be inserted the words "Springfield, in the State of Missouri." Then the bill can go to the House with all these land offices in it.

The PRESIDING OFFICER (Mr. SUTHERLAND in the chair). The amendment will be stated.

The READING CLERK. After the amendment just agreed to, the Senator from Missouri proposes to insert:

Springfield, in the State of Missouri.

Mr. OVERMAN. Mr. President, I want to say again that all these matters were before the Appropriations Committee, and hearings were had and many of the offices were omitted. I am not going to object at this time, but the Appropriations Committee was asked to provide for all these land offices and did provide for many of them. There was some mistake made, I admit, which ought to be corrected as to some of them, but there are some asked to be included now upon which there were hearings had and due consideration given by the committee. The committee turned them down, and the appropriation bill passed the House of Representatives without providing for them. I am willing that some of them may go in and let the House settle the question.

Mr. McCUMBER. Mr. President, may I say to the Senator that probably there would not have been a mistake if the committee having that bill before them had just notified the Senators from the States affected that such a matter was being considered. I know that neither my colleague nor myself had any knowledge whatever that there was any such provision in the bill or we would have gone before the committee and presented reasons to the committee which would have satisfied them.

Mr. OVERMAN. I am sorry the Senator was not there, but several Senators did come, and they presented their matters to the committee.

Mr. NORRIS. Will the Senator from North Carolina yield to me?

Mr. OVERMAN. I yield.

Mr. NORRIS. I think I can make it plain as to how this misunderstanding occurred.

The PRESIDING OFFICER. The Senator from Missouri has the floor, but yielded temporarily to the Senator from North Carolina [Mr. OVERMAN].

Mr. NORRIS. Will the Senator from Missouri yield to me?

Mr. SPENCER. I yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, the Senator from Utah [Mr. SMOOT] is the chairman of the Committee on Public Lands and Surveys, and it was before that committee that these various bills were pending. Everybody knows that so long as the tariff bill is before the Senate for consideration the Senator from Utah, being a member of the Committee on Finance, can not attend to the detailed duties of the committee of which he is chairman. I happen to be the next Senator in rank on that committee. The Senator from Utah has several times had conferences with me with a view of calling that committee together for the consideration of these bills. We thought of notifying all the other Senators who had introduced various bills in reference to the general subject. I have been also tied up with the Agricultural Committee nearly as much as has the Senator from Utah with the Committee on Finance. I had, however, told the Senator from Utah and also other Senators having bills in reference to this subject that as soon as I could arrange it I would notify the Senator from Utah so that he could call a meeting of the Committee on Public Lands and Surveys, and that I would attend and take charge of the meeting. I intended to give the Senator from Utah that notice this morning, as I had arranged matters in the Agricultural Committee so that a meeting of the Public Lands Committee could be held on Monday morning next to consider these bills.

Mr. OVERMAN. Mr. President——

Mr. NORRIS. Just let me finish this statement. So far as I know, though I have not looked into the facts in reference to all of them, all of these land offices occupy exactly the same position, and it was really a mistake when they were left out of the appropriation bill. The Secretary of the Interior, as to all of the offices with which I am familiar, has recommended their continuation. I have no knowledge as to some of these offices, because the committee has not had a meeting, and I have not considered some of them and do not know whether or not the pending amendment covers one of the offices which the Secretary of the Interior has recommended shall be continued.

Mr. OVERMAN. I merely desire to state that this matter came over to the Senate from the House of Representatives. It was represented to the Senate that there had been due consideration given to these land offices. There was a member of the subcommittee from one of the Western States who knew all about these land offices, and he stated that provision had been made for those which were deemed necessary, but he admitted that there was one mistake, and only one. I am not going to object, but I am merely explaining the status of the matter. It now appears that there are four offices as to which it is admitted a mistake was made. It was then proposed to get a general bill or joint resolution passed through the House of Representatives covering those four offices.

It may be perfectly proper to pass this bill and let it go over to the House of Representatives and let the matter be considered over there. I repeat, I am not going to object in any way at all, but I am merely explaining the situation.

A good many Senators insisted that their States be considered and provided for in the appropriation bill. Hearings were given by the other House. I am sorry that the Senator from South Dakota was not notified. It was not our fault; the bill was here, and I thought every Senator was given a hearing who desired a hearing, and the bill was considered and passed. I am not going to throw any obstacle in the way of the passage of the pending bill. Let the bill pass and go over to the House of Representatives. I am merely explaining how it was that these land offices were left out by the House of Representatives.

Mr. SPENCER. Mr. President, the Senator from North Carolina [Mr. OVERMAN] is entirely right in regard to these land offices. As a matter of fact, the Committee on Appropriations approved them, and the Senate, at least so far as the one I am now speaking of, provided for them; but when the matter got to conference in the other House some of them were eliminated. The purpose of this bill is merely to ascertain if there has not been a mistake in regard to some of these offices. Of course, it is perfectly fair that they all shall have consideration.

Mr. OVERMAN. I agree to that.

Mr. SPENCER. Therefore I ask that my proposed amendment be now stated.

The PRESIDING OFFICER. The Secretary will state the amendment to the pending bill proposed by the Senator from Missouri.

The READING CLERK. In the amendment agreed to on last evening between the names "New Mexico" and "Harrison" it is proposed to strike out the word "and," and following the name "Nebraska," in the amendment heretofore agreed to, to insert the words "and Springfield, in the State of Missouri."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Missouri.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRADE WITH CHINA.

Mr. CUMMINS. Mr. President, I ask unanimous consent that the tariff bill may be temporarily laid aside and that the Senate proceed to the consideration of the conference report on the bill (H. R. 4810) to authorize the incorporation of companies to promote trade in China.

Mr. ROBINSON. Mr. President, the Senator from Wisconsin [Mr. LA FOLLETTE] desires to be present when the conference report is considered. He stated to me a moment ago that he was compelled to leave the Chamber to meet some engagements, and desired that the conference report be not considered in his absence. In view of his request, I shall be compelled to object to the present consideration of the conference report, although I myself have no objection to it.

Mr. CUMMINS. I recognize that a single objection at this time will prevent the consideration of the report. I desire to say that while I shall not do so at this moment, very soon I shall be compelled to move that the Senate proceed to the consideration of the conference report, for it is highly necessary that the report be disposed of one way or another.

RAILROAD AND HIGHWAY EASEMENT, FORT SHERIDAN, ILL.

Mr. McKINLEY. Mr. President——

Mr. McCUMBER. I yield to the Senator from Illinois.

Mr. McKINLEY. I ask unanimous consent for the present consideration of the bill (H. R. 241) to authorize the Secretary of War to grant a perpetual easement for railroad right of way and a right of way for a public highway over and upon a portion of the military reservation of Fort Sheridan, in the State of Illinois.

The bill has passed the House of Representatives unanimously, and, in his report on the measure, the Secretary of War says:

> The bill as drawn has been reviewed and approved by the local military authorities, as well as the railroad company and the city of Lake Forest. For reasons as stated, it is urgently recommended that the bill in its present form be enacted into law.

That is the statement of the Secretary of War.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. FLETCHER. Mr. President, the Senator from Illinois in his statement with regard to this measure, as I understood——

Mr. WARREN. If the Senator will allow me, I will say that the bill has been reported unanimously from the Committee on Military Affairs.

Mr. FLETCHER. I understand that, but I am not quite clear about its effect. As I understand, the Government is giving a perpetual easement or right of way; but it is really to the advantage of the Government as well as to the public generally to take that action.

Mr. McKINLEY. Yes, sir; it is proposed to change the route. The road is there now, but by changing its location it will be possible to eliminate two railroad crossings. The bill is designed to accomplish that purpose.

Mr. FLETCHER. I have some recollection of that now.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SECOND ASSISTANT SECRETARY, DEPARTMENT OF LABOR.

Mr. BORAH. Mr. President——

Mr. McCUMBER. I yield to the Senator from Idaho.

Mr. BORAH. I desire to direct the attention of the Senate for a moment to Senate bill 3396, being order of business 671. This is a bill to create a second assistant secretary for the Department of Labor. I am asked to present this bill at the urgent request of the Secretary of Labor, who says that the duties of the department are such that it is necessary to have some additional assistance. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the Senate as in Committee of the Whole proceeded to consider the bill (S. 3396) creating the positions of second assistant secretary and private secretary in the Department of Labor, which had been reported with an amendment in section 3, on page 2, line 9, after the word "hereby," to strike out "appropriated" and insert "authorized to be appropriated," so as to make the bill read:

> *Be it enacted, etc.*, That there shall be in the Department of Labor an additional Secretary, who shall be known and designated as Second Assistant Secretary of Labor. He shall be appointed by the President and shall receive a salary of $5,000 a year. He shall perform such duties as shall be prescribed by the Secretary of Labor, or required by law, and in case of the death, resignation, absence, or sickness of the Assistant Secretary shall, until a successor is appointed or such absence or sickness shall cease, perform the duties devolving upon the Assistant Secretary by reason of section 177, Revised Statutes, unless otherwise directed by the President, as provided by section 179, Revised Statutes.
>
> SEC. 2. That there shall be in the Department of Labor one private secretary to the Second Assistant Secretary of Labor at a salary of $2,100 a year.
>
> SEC. 3. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $8,283.34, or so much thereof as may be necessary, to pay the salaries of the Second Assistant Secretary of Labor and the private secretary to the Second Assistant Secretary for the fiscal years 1922 and 1923.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOSÉ LOUZAU.

Mr. WATSON of Georgia. I ask unanimous consent for the present consideration of the bill (S. 2753) for the relief of José Louzau. The bill has been unanimously reported by the Committee on Claims after careful consideration. I can state to the Senate that the claim is entirely meritorious and ought to have been paid long ago.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment, in line 7, to strike out "$11,481.60" and insert "$5,000," so as to make the bill read:

> *Be it enacted, etc.*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and there is hereby appropriated for

such payment, to José Louzau the sum of $5,000 for personal injuries caused by being struck by a United States Army truck in San Juan, P. R., August 27, 1920.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CROW RESERVATION, MONT.

Mr. MYERS. Mr. President, I ask the indulgence of the Senate for about two minutes.

House bill 9344, Order of Business 699, is a bill which has passed the House, and it is unanimously recommended by the Senate Committee on Indian Affairs. It is a bill which merely authorizes the Secretary of the Interior, in his discretion, to use certain funds of the Crow Indians, in Montana, for the purpose of purchasing additional water rights for the Indians, with which to cultivate their allotted lands. The Indians are short of water, they need it, and the Interior Department is anxious for the bill to pass. Summer is coming on, the irrigation season is at hand, and if this measure is to be of any benefit whatever to the Indians it ought to pass now.

Mr. SMOOT. What is the calendar number?

Mr. MYERS. It is Order of Business 699. It only puts the matter in the discretion of the Secretary of the Interior. It merely authorizes him, in his discretion, to take such action in this matter as he may see fit, within certain limitations and bounds. It is wholly discretionary, and fixes a certain maximum limit of price which the Secretary of the Interior may pay for the water.

I ask unanimous consent for the immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 9344) providing for the appropriation of funds for acquiring additional water rights for Indians on the Crow Reservation, in Montana, whose lands are irrigable under the Two Leggins Irrigation Canal, which had been reported from the Committee on Indian Affairs with amendments.

The amendments were, on page 2, line 2, to strike out "$12.50" and insert "$20," and, in lines 2 and 3, to strike out "plus 6 per cent interest per annum on deferred payments," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to withdraw from the Treasury of the United States the sum of not to exceed $24,000 of any tribal funds on deposit to the credit of the Crow Indians, in the State of Montana, and to expend the same, or so much thereof as may be necessary, for the acquiring of additional water rights for Indian allotments that are irrigable under the Two Leggins Canal, but which have no water rights: *Provided*, That the amount to be paid for the acquiring of such water rights shall be not to exceed $20 per acre, and that said sum, or such part thereof as may be used for the purpose indicated, shall be reimbursed to the tribe under such rules and regulations as may be prescribed by the Secretary of the Interior.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ALASKA FUR-SEAL SKINS.

Mr. ASHURST. Mr. President, I ask the attention of the chairman of the Committee on the Judiciary [Mr. NELSON] whilst I request unanimous consent for the immediate consideration of Senate Resolution 287, reported favorably from the Committee on the Judiciary.

Mr. SMOOT. What is the calendar number?

Mr. ASHURST. It is Order of Business 713, on page 19 of the calendar. I ask the attention of the chairman of the Judiciary Committee to this resolution, and ask unanimous consent for its present consideration.

Mr. McCUMBER. Mr. President, may I say at this time that while I have tried to accommodate Senators just as much as possible with these bills, I do not want this to become a general calendar day.

Mr. HITCHCOCK. Mr. President, is Senate Resolution 287 before the Senate now?

The PRESIDENT pro tempore. The Senator from Arizona has asked unanimous consent that the tariff bill be temporarily laid aside——

Mr. ASHURST. Mr. President, I beg the Chair's pardon, but I did not employ that language.

The PRESIDENT pro tempore. That is the only language that could be employed that would enable the Senate to reach this resolution.

Mr. ASHURST. Then, yielding to the Chair's suggestion, I ask unanimous consent that the tariff bill be temporarily laid aside.

The PRESIDENT pro tempore. Is there objection?

Mr. McCUMBER. I will not object now if it does not require any long debate, but I want to reserve the right to object later on.

The PRESIDENT pro tempore. If there is no objection, the Chair lays the resolution before the Senate.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of Commerce be, and he is hereby, directed to furnish the Senate, for its information and use, a statement showing the total number of Government-owned Alaska fur-seal skins, as annually taken, and showing the total proceeds from said skins, as annually sold or disposed of under authority of act of August 24, 1912, up to April 5, 1922, inclusive; said statement to make a detailed showing of the time, place, and number of skins sold at each of said annual sales, with the classification of all the skins so offered and prices obtained for each grade at said sales.

Resolved further, That a complete record of the total annual payments made to the Governments of Great Britain and Japan since 1912, to January 1, 1922, inclusive, by the Secretary of Commerce, as provided for in said act of August 24, 1912, be furnished the Senate by him, together with copies of the Government contracts made with Funsten Bros. & Co. in 1915, and the Foulke Fur Co. in 1921, for dressing and dyeing fur-seal skins owned by the Government.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The Secretary will state the next amendment of the committee.

Mr. McCUMBER. Mr. President, I should like to go back this morning to paragraph 316, on page 59.

The ASSISTANT SECRETARY. On page 59, paragraph 316, round iron or steel wire, the first amendment——

Mr. McCUMBER. Taking the committee amendment on line 22, where we strike out "20" and insert "35," I move to strike out "35" and insert "25."

The PRESIDENT pro tempore. The Chair will state that there is already an amendment pending at that point, offered by the Senator from Arkansas [Mr. ROBINSON], to strike out "35" and insert "15."

Mr. McCUMBER. Very well.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Arkansas to the amendment of the committee.

Mr. ROBINSON obtained the floor.

Mr. CARAWAY. Mr. President, will the Senator from Arkansas yield to me?

Mr. ROBINSON. I yield to my colleague.

ATTORNEY GENERAL DAUGHERTY.

Mr. CARAWAY. Mr. President, here is a telegram which may interest Senators. It deals with a question which was called to the attention of the Attorney General on the 4th day of May, and is, Is the Attorney General undertaking to intimidate Members of both Houses by putting special agents to spy upon and shadow both Senators and House Members?

I shall make no complaint myself, Mr. President, if the Attorney General wants to spend the public money in that way. So far as I am individually concerned, I shall make no objection. I do want, however, to call attention to this:

On the 5th day of May of this year an open letter addressed to the Attorney General, and a copy of which was mailed to him, appeared in the CONGRESSIONAL RECORD. The letter bears date of May 4, 1922, and appears in the RECORD of May 5, 1922, on pages 6364 and 6365.

The Attorney General yesterday had reached the 2d day of May in his reading of the RECORD. According to his letter, though, he thought it was the 12th. To-day he will be on the 3d of May, and to-morrow he will reach the 4th, if he keeps reading the RECORD consecutively, one a day. We may hope then to have an answer to this letter that has been called to his personal attention, because it was mailed to him, and has been commented upon. It appears in the RECORD of the 5th of May and it has been published in all the leading newspapers. It is this, Mr. President:

When two Republican Members of Congress, two ex-service men, ROY O. WOODRUFF and ROYAL C. JOHNSON, made charges against the Attorney General on the 11th day of April, 1922, according to this letter, the Attorney General, instead of an-

swering them, put secret-service men to trail them. The letter is specific. After calling attention to the fact that the Attorney General's chief advisers in the prosecution of war-graft cases were men who sought and obtained exemption from military duty during the war, and one of them, at least, had said that the department had no intention of prosecuting war-fraud cases, the letter says this. I read from charge 9, on page 6365.

9. Is it not a fact that after Congressmen JOHNSON and WOODRUFF addressed their colleagues in Congress on April 11, 1922, you immediately assigned agents Rescellar R. Gray (colored), James Connolly, H. F. Crawford, and A. C. Raynor, of the Bureau of Investigation, to shadow these Congressmen and myself; and is it not a fact that you brought various agents of the Bureau of Investigation from out of town to Washington and employed them for the same purpose?

10. Is it not a fact that you had two bags of mail belonging to Congressman ROY O. WOODRUFF shadowed, followed, and inspected? Is it not a fact that Agent H. F. Crawford, of the Bureau of Investigation, followed these bags of mail belonging to Congressman WOODRUFF to the post office in Washington and inspected their contents?

11. Is it not a fact that one of the highest-paid agents in the Bureau of Investigation is Rescellar R. Gray, a negro, who has been in your employ for a number of years as a valet and chauffeur for your family, and that this negro was ordered by you to trail these Congressmen and myself? I ask you to affirm or deny that the reports of these agents will show that they were in the House Office Building and that they mention the names of these Congressmen in connection with my own?

That is a specific charge, Mr. President, not only naming the Members of Congress whom the Attorney General was shadowing but naming the agents that he used to do it. That letter was written to him and mailed to him on the 4th day of May, 1922, and has been in his hands a long time. That letter appeared in all the leading newspapers. It appeared in the CONGRESSIONAL RECORD of May 5, 1922. It is specific and direct in its charge. It not only names the Members who were being shadowed but it names the agents who were being used for that purpose. I have talked to Congressman ROY O. WOODRUFF, a Republican, a man of high character. I asked him if he had positive proof that the Attorney General did this, and he says there is not a doubt about it, and it could be proved if the House would give them an investigation.

Yesterday WOODRUFF and JOHNSON tried again to get an investigation, and it by a Republican vote was denied. A witness came to my office, of whose character I know nothing except as I judge from the responsible position which the witness holds, and told me that an assistant of the Attorney General told her within a few weeks, in explaining another case, that the Attorney General had been shadowing both House and Senate Members, and with the certain knowledge that her position is at stake, she seems willing to testify to that fact. Whether it is true or not I do not know; but I am compelled to believe that one is not willing to throw away her right to work if the statement is not true.

Here is a telegram which came to me this morning from a highly intelligent gentleman in my own State, whom I know intimately and well, a personal friend of mine, a man who has held a responsible position, a man whose word, I take it, would be accepted anywhere, an intelligent man, very much above the average in intelligence. This is the telegram. It is dated Little Rock, May 26:

Senator CARAWAY, *Washington:*

Man here by name of Matthews representing Attorney General making extensive inquiry at this point, Hot Springs, and elsewhere, concerning you confidentially.

J. H. ANDERSON.

I would like to have the Attorney General tell the Congress just how much of the $500,000 Congress gave him to investigate war fraud cases he is spending in "investigating" Members of both Houses of Congress. He ought not to object to doing that. It is a trust fund, given to him with a specific instruction, and I believe that the Congress has the right to know how much of it he is using trying to intimidate Representatives and Senators, not to protect the Government, but to protect Harry Daugherty himself. That he is doing it I do not take it any living man who has taken 10 minutes of his time to investigate the facts will question. I base that assertion upon the letter that was written him on the 4th day of May, in which not only the men he was shadowing but the agents he was using to shadow them are named. It was written to him by a man who knew what he was talking about, because he had been in the department and had gone out just a few days before because he was unwilling to cooperate with the Attorney General in his attempt to shield war grafters from prosecution.

He makes a charge, specific and definite. He says:

You shadowed ROY JOHNSON, of South Dakota, and ROY WOODRUFF, of Michigan. You had ROY WOODRUFF's mail searched, and these are the agents that you employed in your department to do it, and we ask you now to affirm or deny.

For 22 days that charge, definite, certain, and specific, has remained unanswered by the Attorney General. I now have this telegram, showing that investigators representing the Attorney General are in my own State trailing me, with the expectation of trying to silence me by threatening to hurt me. I do not care. The Attorney General is welcome to do it. I say, however, that the man who, instead of defending himself, is cowardly enough to sneak around and thus seek to intimidate others from telling the truth about him, is a mighty poor representative of this Government as the Attorney General and the head of its great Department of Justice. No man who has a true conception of what an American citizen is ever did it, and yet the Attorney General does that thing.

Mr. President, on yesterday the Attorney General, in order to shield himself, undertook to put the brand of Ananias on the brow of the Senator from Indiana [Mr. WATSON]. I do not know how far Senator WATSON will submit to it. I have no doubt on earth but what Senator WATSON told the God's truth, and the Attorney General knows it. Another Republican Senator on this floor told Senator WATSON of Georgia and myself, sitting out there in the lobby, shortly after that incident, that the Attorney General told him the same thing. Now, in order to shield himself from criticism, he may have induced the Senator from Indiana to say, "You may make whatever statement you please, and I will remain silent." I do not doubt that high office may have great attraction for some people, but, so help me God, before I would submit to such an infamy, I would surrender my commission and go back to the people who sent me here and make an honest living by some other means.

But, waving that aside, I want to show that unless the interview which the Attorney General himself gave out in 1912, and which was published in a paper in his own city, misrepresented him, the Attorney General did not tell the truth then. I shall read it. It is short, and will not take much of the time of the Senate. This is an interview given out to a paper published in Columbus, Ohio. This is what Mr. Daugherty said in this paper in 1912:

Mr. Daugherty convinced the President through the Attorney General—George W. Wickersham—that Mr. Morse has but a few months to live, and the President thereupon commuted the banker's sentence, so he could be released at once.

Here is what Mr. Daugherty said:

My interest in the case was not as an attorney to get Mr. Morse's freedom.

That is what Daugherty said.

My interest in the case was not as an attorney to get Mr. Morse's freedom but representing a number of certificate holders in a steamship company interested with Mr. Morse. Mr. Morse's attorneys in Atlanta are Anderson, Felder, Roundtree & Wilson, a firm with which our firm has had considerable business, and we became interested through them.

About $2,000,000 is involved in having the affairs of these certificate holders straightened out satisfactorily, and unless they could get the advantage of Mr. Morse's aid—for he is a genius and a wizard—a lot of innocent people would suffer. His health was such that it was necessary to get him in a position to assist us as soon as possible. The President said a year ago when efforts were made to get a pardon for Morse that he would not consider the case again until January 1, 1913, but by that time Morse will be dead.

So I went to Washington and laid the facts before Secretary of War Stimson and before the Attorney General and Judge Hough, the trial judge. Mr. Wickersham was opposed to taking any action whatever the first time I saw him, but the facts were presented to him so completely that he took the matter up, had examinations made by Government physicians, and then laid the matter before the President. The President personally sent a Government physician to make an examination and report to him, then commuted the sentence.

Morse was sent to the penitentiary as the result of a bank war in New York City. There were three or four examinations of his bank, and all reported everything O. K., but still another man was sent to make another examination, and he made the report that caused the trouble.

Morse's violation of the law was entirely technical.

That was Daugherty's statement in 1912.

Mr. WATSON of Georgia. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Georgia?

Mr. CARAWAY. I yield to the Senator.

Mr. WATSON of Georgia. Let me remind the Senator from Arkansas that the very first paragraph in Felder's letter about this thing states that Morse was to pay Daugherty a retainer of $5,000.

Mr. CARAWAY. I have the letter right here and am going to read it.

Mr. WATSON of Georgia. I want to say that sometimes a lawyer of high standing will take the case of a man whom he knows to be all right, knows to be honest, without a retainer, but no lawyer whose services are really valuable will take the case of an accused person who is unknown to him without a retainer and a binding contract as to the ultimate payment of the remainder of the fee, and in Felder's letter he says that

Daugherty, in the New York office or in a New York hotel, during an interview between these three crooks—Morse, Felder, and Daugherty—denounced Morse in unmeasured terms because he had not paid the remainder of the fee.

Mr. CARAWAY. I think he had a right to do it.

Mr. WATSON of Georgia. I am simply reminding the Senator of the facts.

Mr. CARAWAY. I thank the Senator from Georgia. I read the interview in which Daugherty said, in 1912, that he did not represent Morse, except that Morse was a witness; that Morse's attorneys were Roundtree, Felder, and so on, in Atlanta.

I have here a photostatic copy of a letter, which letter is now admitted to be authentic, which was read into the RECORD the other day, bearing Daugherty's law firm's title and post-office address, dated April 30, 1913, which reads:

Mr. C. W. MORSE,
New York City.

MY DEAR SIR: I inclose you herewith copy of the letter setting forth the contract you made of August 4, 1911, with Mr. Felder for his services and mine. You will observe that I was correct in the statement that there was a balance due of $25,000 when you were commuted. I also hand you a copy of a paper you handed me in the prison some time after that time, and I have to-day asked Mrs. Daugherty to send to you by express the papers which I got from Harry and others from time to time which you spoke to me about.

As I advised you, I have telegraphed Mr. Felder and written him to meet me there with you next Monday or Tuesday. I will advise you as soon as I have a confirmation from him of this engagement.

Yours very truly,

H. M. DAUGHERTY.

Here is the contract, Mr. President, and I want to focus the attention of the Senate on this. Daugherty in 1912 said:

My interest in the case was not as an attorney to get Mr. Morse's freedom but representing a number of certificate holders in a steamship company interested with Mr. Morse. Mr. Morse's attorneys in Atlanta are Anderson, Felder, Roundtree & Wilson, a firm with which our firm has had considerable business, and we became interested through them.

He makes the positive, unequivocal declaration that his interest in the Morse case was not as an attorney to get him out of prison, but that he was representing other people. Here is the contract he made with Morse, and here is a letter written to C. W. Morse by Anderson, Felder, Roundtree & Wilson and signed by Felder, and that is the letter which Daugherty transmitted to Morse in 1913 to show that Morse was his client and that Morse owed him $25,000:

In further relation to the employment of Hon. H. M. Daugherty and myself, permit me to say that we will undertake to represent you in your civil and criminal matters upon the following basis.

Not representing some stockholders, but "we will represent you, Charles W. Morse, in your criminal and in your civil matters on the following basis." Then it continues:

1. You are to pay Hon. H. M. Daugherty a retainer of $5,000 and the actual expenses incurred by him in looking after your matters, expenses not to exceed $1,000.

That was to be the retainer. Morse was to pay Daugherty that before he—Daugherty—moved, and I have Felder's letter here, saying that amount was paid, but Daugherty yesterday said Morse did not pay it.

2. I will pay such expenses as I may incur in connection therewith.

3. You are to direct counsel heretofore employed to withdraw your appeal in the habeas corpus proceedings heretofore instituted.

4. We are to receive, in the event we secure an unconditional pardon or commutation for you, the sum of $25,000, which is to be in full compensation for services rendered in connection with your application for pardon.

Now, Daugherty says he did not represent him, and here is where he contracted for $25,000 to do it. I continue reading:

5. We are to receive 25 per cent of whatever sums we may be able to recover by compromise or litigation in the matter of the Metropolitan Steamship Co., said transaction being fully described in your letter addressed to me dated August 2, 1911. If we find it necessary in the prosecution of these matters to have associated with us other counsel, we are to select such counsel, subject, of course, to your approval, and they are to be provided for out of our compensation.

Look at this significant language:

6. In all matters herein undertaken in your behalf we are to have full and absolute control, and you are to accept implicitly our counsel and advice.

No lawyer ever made a client sign a contract like that who had an honest lawsuit.

If the above and foregoing terms are satisfactory, you will signify your acceptance thereof in writing.

I remain, yours very truly,

THOMAS B. FELDER.

P. S.—You can terminate this contract at any time after January 1, 1912, by giving 10 days' notice in writing.

THOMAS B. FELDER.

I accept the above, this the 4th day of August, 1911.

C. W. MORSE.

Now, the Attorney General in 1912 said that he did not represent Morse in getting his pardon. Here is his contract in which he contracted for $25,000, with an additional $5,000 as a retainer fee and $1,000 expenses, contingently to get him out of the penitentiary either with a pardon or commutation of sentence. I do not care whether the Senator from Indiana [Mr. WATSON] told the truth or not, the Attorney General has got to square this question of veracity with Harry M. Daugherty in 1912, and this contract of Harry M. Daugherty made in August, 1911, and published the other day. Until he does it there is not a man who walks the earth but will know that one of those statements is not the truth, and Harry M. Daugherty made both of them.

That is not all, Mr. President.

Mr. WATSON of Georgia. Mr. President——

Mr. CARAWAY. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. Yesterday there was in my office in the Senate Office Building a gentleman from Georgia, who has been mayor of his city, judge of one of the courts, and president of one of the most exclusive clubs in the country. He said that in Brunswick there is now living a retired physician, of independent means and high character, who knew all about the manner in which Daugherty and Felder and Morse worked this fraud on President Taft and that this retired doctor would be perfectly willing to give President Harding the benefit of his knowledge.

I contended yesterday and do now that fraud vitiates promissory notes, contracts, mortgages, deeds, last wills and testaments. By the force of logic it would also vitiate a pardon obtained by fraud. Such a thing would have no existence in law and could not be pleaded in any court of justice as evidence, because the judge would rule it out as having been vitiated by fraud. Therefore, President Harding could treat the pardon as null and void and send United States marshals to Maine and seize Morse, put him back in the penitentiary, and compel him to serve out his term of 16 years.

Mr. CARAWAY. Oh, Mr. President, Attorney General Wickersham, as shown by the letter of Felder in 1917, had this evidence—and I shall read it in the RECORD in a minute—that a fraud had been perpetrated on the Government in procuring the commutation of Morse's sentence, and the present Attorney General went with Felder to Mr. Wickersham and made an elaborate argument, saying that the President once having issued this commutation, it was final and could not be modified or revoked, and apparently wrung from him a promise that if he ever intended to revive it he would let them, Felder and Daugherty, know. Does anyone think the Attorney General in good faith, after having prevented another Attorney General who knew the whole facts from acting in this matter, would now say, "I have changed my relations and I am going to consent that justice be done."

Mr. WATSON of Georgia. Answering the question of the Senator from Arkansas, I will say about Wickersham, that I think he is as rotten as Felder and Daugherty. His record in regard to the friar lands in the Philippines proved it. He wrote out and back-dated the opinion in the Ballinger case, and they tried to bluff the thing over Congress and the country, as Daugherty and Felder and Morse are now trying to bluff the country on this matter, but finally the pressure became so strong that Ballinger had to resign.

Mr. CARAWAY. I am not familiar with that feature of it.

Mr. WATSON of Georgia. The Senator from Nebraska [Mr. NORRIS] is.

Mr. CARAWAY. The one thing I do know is that Felder's letter, which some way or other I have mislaid for the moment, calls attention to the fact that all these matters were brought to the notice of Attorney General Wickersham, and that he had knowledge of the fraud, and that Mr. Felder and Mr. Daugherty if not originally parties to the fraud became parties to it by at once coming to the defense of their client Morse. They argued and persuaded and induced, by whatever means I do not know, the Attorney General from taking action, although Felder in his letter said, "We were not unmindful of the fact of the damaging evidence the Department of Justice had," and then went into detail as to some of these things—that Morse was given a chemical or soapsuds each time before he was examined to make his kidneys bleed so that doctors would think he had Bright's disease when he did not. Felder, in his desire to write letters, set out the history of the fraud, and then said, oh, so naively, that "Daugherty and I did not have anything to do with it, and we were not even suspected, but we were afraid to sue our client when he would not pay us because we were afraid somebody would talk about it, and we had had about as much notoriety and publicity as we wanted, and we were also afraid if the public got hold of the fact that the fraud had been perpetrated the Attorney General then would set aside the commutation of sentence." Lord, oh, Lord, Felder in his desire to write letters writes it all.

In this letter which Attorney General Daugherty wrote yesterday there is something significant, aside from not being candid—and that is a polite way of saying what I know it contains. Here is what it says:

MY DEAR SENATOR:

It is addressed to Hon. JAMES E. WATSON. Of course, Daugherty took advantage of the fact that he knew WATSON was out of the city. I will read it all:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., May 22, 1922.

Hon. JAMES E. WATSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: To-day for the first time I have had an opportunity to read the CONGRESSIONAL RECORD of May 12, page 6175, relative to the colloquy in the Senate regarding my connection with the Morse case. I have read newspaper comment on this discussion, but it was of a general character, and I thought it required no particular attention on my part.

I remember very well a general discussion we had some time ago regarding the Morse case. I certainly did not in that discussion make the statement to you that I had no connection with the Morse cases, civil and criminal. My connection with these cases was well known throughout the country, because of extended publicity some years ago. I never denied it, and I have no disposition to deny it now. Nothing was done by me or anybody else in connection with these cases that could not be known to the whole world without reflection upon anyone.

Morse was released upon the recommendation of Attorney General Wickersham, who based his recommendation upon the reports of eminent physicians of the Government, including the Surgeon General of the Army, and the records in the department show all the facts pertaining to the physical condition of Morse when he was released, which was the sole ground for Executive clemency.

As for compensation, I never received anything from Mr. Morse personally. All I ever received from anybody in connection with the Morse cases, both civil and criminal, was about $4,000 advanced to me by Mr. Felder, and was about half enough to pay my necessary expenses and disbursements connected with over a year's active investigation, preparation, and service in the cases.

I regret, Senator, if you misunderstood me.

Sincerely yours,

H. M. DAUGHERTY,
Attorney General.

There are two things in the letter, Mr. President. The first is that he had not had this matter called to his attention until yesterday. Ah, the papers were full of editorials demanding his resignation on the very ground of lack of veracity, as disclosed by the statements of the Senator from Indiana and the record of his contract with Morse. He had seen "only general discussion" of it in the newspapers. The newspapers carried the contract in full.

Now, Daugherty says there is nothing about his connection with that contract that anybody could not know, and it does not reflect on anybody. I appeal to every honest man—I will not say lawyers—when it is admitted, as it is in this case, that the Attorney General had evidence that Morse was doped to give him the appearance of Bright's disease when he did not have it, if he would say that there was not something connected with the case that everyone should not know and that it does not reflect upon him (Daugherty)! There is not an honest lawyer anywhere who would not have retired from the case if he found out that he was being imposed upon and being made to make a representation for his client that was not true, because whatever public opinion may be, lawyers are not hired to lie. An honest lawyer would not do it any more than honest preachers or honest doctors or honest farmers or anybody else that is honest.

Now, the Attorney General, with that shameful record of having perpetrated a fraud upon the Executive, Mr. Taft, who was his personal friend and political friend, and then went to the Attorney General, Mr. Wickersham, and induced him not to take action, says that there was nothing about that case that he would object to people knowing or that anybody could criticize.

That is not all. The Attorney General says he only got $4,000, and he got that through Felder. He says, "That is all I got personally." He does not say who else got money. That was only half enough to pay his part of the expenses, he says. I want to ask the Attorney General this question: What use did you have, Mr. Attorney General, with $8,000 for your part of a swag to get one man's sentence commuted, if he had an honest case for his commutation?

Mr. WATSON of Georgia. What were his expenses?

Mr. CARAWAY. I should like, as the Senator from Georgia suggests to me, for the Attorney General to give us now a bill of particulars, an itemized expense account. "What acts did you do, Mr. Attorney General, that took $8,000 to present Morse's case and present all these things? Whom did you employ? What doctor did you get to issue a false certificate that you had to pay him any such exorbitant fee as that? You paid Fowler, Mr. Attorney General, by putting him back into the place from which he was kicked for being crooked in this deal; you have made him the doctor in charge of the Atlanta Penitentiary, and he is drawing the salary now. You paid him in that way. To whom did you pay the $8,000? In common decency, Mr. Attorney General, you can not tell the people that you spent $8,000 legitimately to represent one man in getting his sentence commuted. You were not employed as a lawyer, as you said, to represent a client, because your counsel tells why you were hired, and I think his letter is authentic and admitted to be authentic. Even Felder, who wrote the letter, says it is the truth. It is dated Washington, D. C., October 12, 1917, and it is addressed to Hon. Leon O. Bailey, Hanover National Bank Building, New York, and reads:

MY DEAR SIR: I am in receipt of your favor of recent date advising me that Mr. Grafton Johnson had turned over to you for collection or adjustment $25,000 of common and preferred stock in the Morse Securities Co., which I gave to him a year ago as collateral security for a loan which I obtained. You ask me to acquaint you with the facts of this transaction before you take the matter up with Mr. Morse and to tell you why interest upon these stocks has not been paid and why they were transferred to him.

He goes into that, Mr. President. I shall not relate it all, but I want to read a little of it:

To begin at the beginning—

That is Felder's language. He believes in beginning at the beginning and never ending—

To "begin at the beginning," permit me to say that after Charles W. Morse was sent to the penitentiary in Atlanta, Ga., under a 15-year sentence, and after his attorneys and family had exhausted every resource that they possessed or ingenuity could suggest, Hon. Fred L. Seely, the then editor and proprietor of the Atlanta Georgian, who had, as I understand it, a benevolent and charitable interest in the fate of Mr. Morse, and who had been for some years theretofore a client of mine, came to my office and stated to me that I had convinced him of my resourcefulness and my capacity to "do things."

And "do things" is in quotations. And "do things" is exactly what he always has done, according to his reputation—

and while the Morse situation seemed hopeless, because the President had refused on the best showing that could be made either commutation or pardon, yet he desired me to examine thoroughly the record, and if, in my judgment, anything could be done, he would cause me to be employed in the case—

Not "employ me," but they are letting on now like Seely was their client and that Seely employed them, but here is what Felder said then:

and if, in my judgment, anything could be done, he would cause me to be employed in the case—

Not "employ me," but "would cause me to be employed"—

and would see that I was substantially compensated for services rendered in proportion to their value to Mr. Morse.

That is a contingent fee.

I read the record, studied the case thoroughly, got in touch—

Here is where Daugherty comes in—

with Mr. H. M. Daugherty, of Columbus, Ohio, who stood as close to the President as any other lawyer or citizen of the United States, interested him in the case, agreeing to divide with him any compensation that I might receive.

Why was he hired? Because he stood as close to the then President Taft as any lawyer or any citizen of these United States; not because he was a lawyer, not because he had any interest in some litigation, as Daugherty says in his interview in 1912, but because he had the confidence of the President of these United States. "I got in touch with him, and I agreed that whatever we got out of Morse I would divide with him; and here is the contract I made with Morse." The $5,000 retainer and $1,000 expense money were to be paid Mr. Daugherty to start with. I want to read it from the letter:

We took the matter up with the Attorney General and with the President, stating to them that the record disclosed that in refusing to extend Executive clemency reasons were given which were not borne out by the record, and we requested that the case be reopened. We were informed by the President and the Attorney General that the act of the President rendered the matter a "closed incident" for the present; but if we would bring the matter to their attention again just before the term of office of the President expired in March, 1913—

That is, after the next election—

the matter would be reopened and perhaps a different action taken in respect thereto.

They did not want to take it up on the eve of the primary in which Mr. Daugherty was acting as chairman, as I understand, of the committee in Ohio promoting Mr. Taft's candidacy for reelection. "You boys wait until we get beyond the election and come back and the President will talk to you."

This decision was communicated by Mr. H. M. Daugherty and myself to Mr. Morse who had agreed to pay—

Now, listen—

$6,000 cash to cover expenses (this sum was paid).

Morse had not agreed to pay the $6,000 cash; he had agreed to pay $5,000 retainer fee to Harry M. Daugherty, and $1,000 expense money to Harry M. Daugherty, making $6,000.

This decision was communicated by Mr. H. M. Daugherty and myself to Mr. Morse who had agreed to pay $6,000 cash to cover expenses (this sum was paid) and $25,000, conditional upon our obtaining his release from the penitentiary. When this result was reported to Mr.

Morse, he stated to us in the presence of the penitentiary guard that if we would renew our efforts to obtain his release he would pay us, in addition to the amount agreed upon, the sum of $100,000, and exclaimed, "Gentlemen, I will make you both rich if you will get me out of here."

At this consultative conference with Morse, I thought that I had discovered in him a very marked physical deterioration since the last conference I had with him, so after leaving the penitentiary I called upon Dr. A. L. Fowler—

He was there—

at his office in the Candler Building (this doctor having been the prison physician at the date of the inception of Morse in the penitentiary)—

I am not responsible for the language—

and asked him to inform me as to the state of Morse's health at the date of his inception in the penitentiary and thereafter during his incumbency as prison physician. Doctor Fowler referred to his reports and advised me that his initial examination disclosed casts in his urine which denoted incipient Bright's disease; that this disease was progressive; that the mental condition exercised a powerful influence over the physical and accelerated its ravages; and that he entertained no doubt that if Morse was left in the penitentiary for any considerable length of time that this disease would progress rapidly and result in his death.

Here is Felder with this "cue." What cue? The statement about Bright's disease.

With this cue, Mr. Daugherty and myself took up the matter de novo. We returned to Washington, discussed this phase of the case with the Attorney General and with the President. We received an intimation that if a physical examination of Morse by experts verified our suspicions that his continued incarceration would prove fatal, he would be released. A board of medical examiners was appointed at our request, an examination was made, and the three physicians reported that Morse's condition was not serious.

Then, as I understand from the Senator from Georgia, they got another board appointed that never saw him, and Doctor Fowler or somebody transmitted a specimen of his urine. Is that what the Senator from Georgia understands?

Mr. WATSON of Georgia. Or that of somebody else.

Mr. CARAWAY. Well, that of somebody else; which they said was his, and a board of physicians—I did not know it before—who never saw him, were appointed to pass upon the urine that was said to be Morse's, but doubtless belonged to some "nigger" down there in Georgia. They reported Morse was in bad shape, and when he was pardoned they never let a single man, woman, or child in Georgia see him, but they hastened him away in a closed carriage to the hotel, and then shipped him out on a special car, so that nobody could see him. They carried him to his home in New York, as I understand, and nobody, not even the reporters, were allowed to see him. From there they hustled him on board a ship, into a closed stateroom, and shipped him out of the country. He took a drink of water or something in Europe and came back and at once reopened his office and commenced to do business along the same old lines. But, God bless his soul, he is a good client; he followed instructions. They contracted with him that he must be reasonable; they said, "Whatever we tell you, you must do; if we want you to lie, you will lie." He did not hesitate, but kept it up until they wanted his money, and then he said to them, "A crook will lie to keep out of the penitentiary, and a crook is not expected to keep his word, and I will not pay you." Daugherty got mad, according to the letter, and denounced Morse in a hotel in New York for everything he could think of, berating him with every imaginable epithet that a man could apply to another, because he had not paid, and Felder said to Daugherty, "Do not let's get mad; money is better than anger." So they followed him up and got $25,000 of bonds from Morse, but Felder says they turned out to be "soap-wrapper" bonds, and he could not collect on them. But he said they could not sue him because they found out that the then Attorney General had discovered the fraud that had been practiced in getting him out of the penitentiary, and if they sued him that this will come out, and besides, "Harry and I had got about all the notoriety out of this thing that we wanted." Therefore he would not sue him. Oh, Mr. President, the Attorney General said he did nothing in this matter that anybody could criticize. My God, Mr. President, if that is the idea of the Attorney General of what is professional ethics, God pity this country so long as he is Attorney General of these United States.

Mr. WATSON of Georgia. Mr. President——

Mr. CARAWAY. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. Let me read into the RECORD, Mr. President, an additional paragraph from a letter from South Carolina, the writer of which is vouched for by the junior Senator from South Carolina [Mr. DIAL]. I have not had the opportunity of consulting the senior Senator from South Carolina [Mr. SMITH], but the writer refers to both Senators. I will not use his name, because he marks the letter "personal."

You will recall that Felder came to South Carolina and was employed to assist the attorney general of the State in the investigation of the dispensary graft scandal several years ago. I am one of the few people in the State that realize that he by virtue of this employment protected the grafters, hoodwinked the attorney general, and got away with it.

Under the inspiration of his success he returned to Atlanta, sought and obtained employment to assist in the Frank prosecution, and by virtue of his position sought to frame up a defense for Frank, until he was caught and exposed by Dorsey and practically driven out of Georgia.

From my knowledge of Felder's methods and the incidental fact that he sought to employ Investigator Scaife in the fraud cases, I feel sure that the system of double-crossing, Felder's method of handling graft and other cases, is being employed in the graft cases.

As I said at the outset, a knowledge of Felder's methods, obtained by close study and observation, brings to me the firm conviction that there is being framed up a gigantic fraud to conceal fraud, and I wish you Godspeed in your efforts to prevent it.

Mr. CARAWAY. Mr. President, of course I do not think there is any use of offering any more testimony about who Felder is, and Felder is not important at all, except that he seems to be the partner of the present Attorney General. Felder and the Attorney General "framed up" Taft and got a commutation of sentence, and I do not think any man on earth, however partisan he may be, could offer a word of defense of that transaction. It is conclusive, it is inevitably conclusive, and nobody can follow the record and not know that they perpetrated a fraud, and the Attorney General never has denied it.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. CARAWAY. Yes.

Mr. NORRIS. The Senator was reading, when he was interrupted, from a letter written by Felder.

Mr. CARAWAY. Yes; from a letter written in 1917.

Mr. NORRIS. To a banker in New York.

Mr. CARAWAY. No; to a lawyer who was going to sue Morse.

Mr. NORRIS. On account of some bonds.

Mr. CARAWAY. Yes.

Mr. NORRIS. Does Mr. Felder in the letter narrate the method that they used to bring about the apparent sickness of Mr. Morse?

Mr. CARAWAY. I will read it. I am skipping a good deal, because it is a long letter. Felder, you know, runs to words. He is the only man I ever knew who liked to employ a whole paragraph to state his own infamy. He says that when they were trying to collect, when they went up to New York to see Morse, Morse ran away and would not see them. After he came back they had much trouble in getting into communication with him, but finally made an appointment to see him, and he says:

On this occasion Mr. Daugherty complained very bitterly of our treatment by Morse, became very angry, and left the office before the negotiations were conducted. After he left Mr. Morse requested me to take the stocks up to the McAlpin Hotel, where we were stopping, and to urge Mr. Daugherty to take a different view of the matter; to either accept the stocks in payment of our $25,000 demand or as collateral security to be redeemed by him at a very early date, stating that he would come by the McAlpin during the afternoon on his way home. I left his office about noon, went to the McAlpin, lunched with Mr. Daugherty, and explained the circumstances to him. He positively and emphatically declined to take the stocks, either in payment or as collateral security, although I urged him to do so, stating that I had confidence in Morse's integrity and faith in his purpose to make good his numerous promises.

About 4 o'clock that afternoon Mr. Morse and his son, Harry, appeared and came to my room; Mr. Daugherty came in. An animated discussion followed in which Mr. Daugherty denounced Morse in unmeasured terms, declining emphatically to accept the stocks tendered either as collateral or payment. In this humor he left the room, and after some further discussion with Mr. Morse he asked me to hold the stocks until he could make some other arrangement in respect to them. I told him that I could not use the stocks, but he left the room and left them on my dresser; and when I left the city that night for my home in Atlanta, Ga., I took the stocks along in my valise.

I am skipping in reading:

In conclusion, permit me to state that I have not been more aggressive in my efforts to force Morse to pay his obligations to us for the sole and simple reason that I have always felt apprehensive that if we brought suit or agitated the matter that immediate steps would be taken by the Department of Justice to secure an annulment of the Executive order and the return of Morse to the penitentiary. I have not been unmindful of the damaging evidence secured by the Department of Justice in the prosecution of its investigations to ascertain whether or not a fraud had been perpetrated upon the Government by Morse in his efforts to obtain his freedom; and while I knew that if a fraud had been perpetrated that Hon. H. M. Daugherty and myself were not only not connected therewith, but were not even suspected of being connected therewith, but that the disclosure and publicity would be disagreeable if not embarrassing to everybody concerned.

We were informed that the department was in possession of evidence going to show that after physicians were appointed to examine Morse and before they appeared on the scene that soapsuds or chemicals or something would be taken by him to produce hemorrhage of the kidneys, and that as soon as the examination was over that the patient would recuperate rapidly. As I have stated, we have not brought suit or instituted any proceedings in the matter because both Mr. Daugherty and myself felt that we had had all the notoriety and newspaper publicity that we should in reason have in connection with this transaction. As a matter of fact, during the years that have intervened I have had frequent intimations that this matter would be reopened, and I have always promptly taken steps to stop it. I have recently heard a well-authenticated rumor that steps are likely to be taken at any moment to have the matter investigated; that certain interests in New York were demanding that this be done.

Before that he said that he and Daugherty, when this matter arose, went to see Wickersham. Let me read that. It will take only a minute. He says:

A few days thereafter he went to New York, and instead of sending check for $25,000, or any other amount, he sailed for Europe for an indefinite leave of absence. As soon as I read in the press that Morse had gone to Europe without making any reference to his obligation to us, I immediately communicated with his son, Harry Morse, who had apparently directed his father's affairs, requesting an explanation. I received a very prompt reply to my letter, stating that the condition of his father's health was such as to require his immediate departure for some mineral spring in Europe; that his condition was such as to preclude his transacting any business before his departure, but he knew his father would effect a settlement with us upon his return to the States. Immediately after Morse's departure for Europe there appeared in the press of the country numerous sensational articles to the effect that there was nothing the matter with Morse's health; that his release from the Federal penitentiary had been secured by fraud, and officials were urged to take immediate steps to have him remanded to the penitentiary.

An investigation was instituted, and Mr. Daugherty and myself, as Morse's counsel, were advised that steps would likely be taken to have Morse remanded to the penitentiary to serve the balance of his sentence. His son, Harry Morse, requested Mr. Daugherty and myself to meet him and his brothers in Washington for a conference. We met him and his brother, who then resided in Baltimore, at the Willard Hotel. We conferred at length in relation to the matter, and a decision was reached that we should get in touch immediately with the Department of Justice and forestall, if possible, any efforts to carry out the threat. We made an appointment with the Attorney General—

That was Wickersham—

discussed the matter with him at length. We took the position in this conference that an Executive order having been signed and promulgated commuting the sentence of the said Morse, that it was not within the power of the Executive to either change, modify, or revoke the same. That if said order had been obtained by fraudulent means and artful practices and the department desired to test this question, that it would be necessary to take Morse into custody and submit the question to a jury whose exclusive province it was to pass upon the issue of fact.

We were requested to submit a brief upon this subject. I returned to Atlanta and devoted several days to the preparation of an exhaustive brief upon the subject; returned to Washington and submitted the same to the Attorney General. In addition to this, while in Atlanta I obtained additional evidence going to show that Morse was, in fact, suffering with Bright's disease.

Mr. WATSON of Georgia. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Georgia?

Mr. CARAWAY. I yield.

Mr. WATSON of Georgia. Can the Senator from Arkansas inform the Senate and the country how the four sons of Morse kept out of the Army during the World War, when so many millions of other boys went? Is Bright's disease a family epidemic among the Morses?

Mr. CARAWAY. No, sir; I do not know. I have no information on that subject.

Continuing:

In this last-mentioned conference with the Attorney General he indicated that no immediate steps would be taken, and that if later any action looking to Morse's return to the penitentiary was taken that we would be duly advised. We have never been reimbursed for the expenses incurred in connection with the services rendered as above set forth, and no effort of any kind or character has been made to compensate us for these, although we were assured by the Morse brothers at the Willard Hotel that these expenses and a reasonable fee would be promptly forthcoming.

You know, Mr. President, he sets out the whole conspiracy. He tells what they did. He not only tells what they did but, after it was discovered, he tells the steps they took to prevent the President from righting a wrong.

Let me say this in conclusion, Mr. President:

The present Attorney General, Harry M. Daugherty, has possessed the confidence of two Executives of this land. He possessed the confidence of President Taft.

This letter shows that he sold him out. He betrayed him for $25,000, and engaged in a conspiracy to make Mr. Taft do a thing that Mr. Taft would not have done if he had known the facts; and Taft set down in his article in 1914 that this case shook his confidence in expert opinion, and also he might have said in professional friends.

The Attorney General possesses the confidence of one other Chief Executive, the present President of these United States; and if the statements can be believed that are made by Members of Congress of his own party, he has betrayed this administration just as he betrayed the administration of President Taft.

I do not know what the present President will do. The conduct of the Attorney General may meet his approval. I shall be somewhat surprised if it does. At least he might remember that President Taft, who followed Daugherty, in the subsequent election received eight electoral votes. He got Vermont and he got Utah. I shall be much mistaken, Mr. President, if the present President, if he does not eliminate from his Cabinet the present Attorney General, in the coming election will get any more than Utah.

Mr. McCUMBER. Mr. President, there is no Harry Daugherty amendment proposed to paragraph 316.

Mr. CARAWAY. No; he is on the free list.

Mr. McCUMBER. There is no Attorney General amendment to paragraph 316; but, Mr. President, having spent an hour and forty minutes this morning without ever touching the tariff bill, I think it is quite proper for me to say to the Senator from Arkansas and to other Senators that while there is no rule at present which will enable the Senate to proceed in an orderly way to the business before it, at least I might suggest that if Senators feel that it is necessary to do any kind of laundry work in the Senate we ought to follow the ancient and honorable custom of making Monday the wash day, and, Mr. President, like our forefathers, we should approach with a contrite and patient heart Blue Monday.

Mr. WATSON of Georgia. Mr. President——

Mr. McCUMBER. Just a minute. But, Mr. President, we have to-day only this question presented by the senior Senator from Arkansas [Mr. ROBINSON], as to whether we should so amend paragraph 316 as to reduce the rate to that of the Underwood tariff; and I hope that we may hold straight to that one proposition until we dispose of it.

I yield to the Senator from Georgia.

Mr. WATSON of Georgia. Mr. President, if it be true, as is contended by the Senator from Arkansas [Mr. CARAWAY], that the Department of Justice is being systematically used by corruptionists to cloak the frauds of those who robbed the Government while our soldiers were at the front shedding their blood under the flag, is not that quite as important as any item in this tariff bill?

Mr. McCUMBER. Well, Mr. President, one can easily see into what this controversy is developing. I know nothing about the case as between Mr. Daugherty and Mr. Felder and Mr. Morse. I know absolutely nothing about it except as I am compelled to listen day after day to what is being presented. Mr. Daugherty is not here to defend himself, and in that controversy between themselves there are courts and there are other places where they can be heard. Inasmuch as they could have no hearing here where all sides could open up their case, it seems to me, at least at the present time, that we ought to hold to our tariff bill and discuss the real question at issue; and, being in charge of this bill, I am going to do all I can to invite—aye, to plead with Senators that we consider this bill and, if it is necessary, to take some day off to consider all that we may say upon other questions; that we fix a day for that purpose rather than to take up by piecemeal day after day an hour or two hours upon this question. The Senator sees that there are no Senators present except the few who gather around the Senator to listen to that subject, because it is not pertinent to the question under discussion. Now let us return to the tariff bill and to the amendment offered by the Senator from Arkansas.

POST OFFICE DEPARTMENT APPROPRIATIONS.

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives on certain amendments of the Senate to House bill 9859, the Post Office Department appropriation bill, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
May 13, 1922.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 40, 54, 55, and 59 to the bill (H. R. 9859) entitled "An act making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes," and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 32, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "*Provided*, That the Postmaster General may use not exceeding $10,000 of this appropriation for adjusting claims arising under section 1 of the act entitled 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1886, and for other purposes,' approved March 3, 1885: *And provided further*, That that part of the act approved March 3, 1885 (23 Stat. L., p. 386), which provides that a lease for premises for use as a post office shall cease and terminate whenever a post office can be moved into a Government building, is hereby repealed."

That the House recede from its disagreement to the amendment of the Senate numbered 58, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 4. That for the purpose of carrying out the provisions of the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,' approved June 11, 1916, and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following additional sums, all such sums to be expended in accordance with the provisions of such act:

"The sum of $65,000,000 for the fiscal year ending June 30, 1923.

"The sum of $75,000,000 for the fiscal year ending June 30, 1924.

"PAR. 2. For the purpose of carrying out the provisions of section 23 of the Federal highway act, approved November 9, 1921, there is hereby authorized to be appropriated for forest roads and trails, out of any

money in the Treasury not otherwise appropriated, the following additional sum, to be available until expended, in accordance with the provisions of said section 23: The sum of $6,500,000 for the fiscal year ending June 30, 1924.

"PAR. 3. For the purposes of this section and of the acts heretofore making appropriations to aid the States in the construction of rural post roads the term 'bridges' includes railroad grade separations, whether by means of overhead or underpass crossings.

"PAR. 4. If any State, for a period of one year from the date the Secretary of Agriculture approves, or has heretofore approved, a road project, shall fail to put under contract such road project, the Secretary of Agriculture may require the said State to submit one or more projects to replace the said project; and if the said State shall fail to submit such other projects within the time set by the Secretary of Agriculture for the State to act, the Secretary of Agriculure may order the sum of money allotted to the said road project returned to the general road fund, and he shall then reapportion said sum of money among all the States as provided by the Federal highway act and all amendments thereto.

"PAR. 5. Section 5 of the act entitled 'An act to provide appropriations for the Post Office Department, and for other purposes,' approved February 28, 1919, is hereby amended to read as follows: 'That the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved June 11, 1916, is hereby amended to provide that the term "rural post roads." as used in section 2 of said act, shall be construed to mean any public road, a major portion of which is now used, or can be used, or forms a connecting link not to exceed 10 miles in length of any road or roads now or hereafter used for the transportation of United States mails, excluding every street and road in a place having a population, as shown by the latest available Federal census, of 2,500 or more, except that portion of any such street or road along which the houses average more than 200 feet apart: *Provided*, That section 6 of said act be further amended so that payments which the Secretary of Agriculture shall make, from sums appropriated under the provisions of this act or any act amendatory thereof or supplemental thereto for the fiscal year ending June 30, 1923, shall not exceed $12,500 per mile, exclusive of the cost of bridges, of more than 20 feet of clear span: *Provided further*, That the payments which the Secretary shall make from sums appropriated under the provisions of this act or any act amendatory thereof or supplemental thereto, after the fiscal year ending June 30, 1923, shall not exceed $10,000 per mile, exclusive of the cost of bridges, of more than 20 feet of clear span: *Provided further*, That the limitation of payments herein provided shall apply to the public-land States, except that the same is hereby increased in proportion to the increased percentage of Federal aid authorized by section 11 of the act entitled "An act to amend the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,'" approved November 9, 1921.'

"PAR. 6. Section 24 of the act entitled 'An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,"' approved November 9, 1921, is amended to read as follows: 'That in any State where the existing constitution or laws will not permit the State to provide revenues for the construction, reconstruction, or maintenance of highways, the Secretary of Agriculture shall continue to approve projects for said State until five years after November 9, 1921, if he shall find that said State has complied with the provisions of this act in so far as its existing constitution and laws will permit.'

"PAR. 7. If any officer, agent, or employee of the United States, or any officer, agent, or employee of any State or Territory, or any person, association, firm, or corporation or any officer or agent of any person, association, firm, or corporation shall knowingly make any false statement, false representation, or false report as to the character, quality, quantity, or cost of the materials used or to be used, or the quantity or quality of the work performed or to be performed, or the costs thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction of any project submitted for approval to the Secretary of Agriculture under the provisions of the Federal highway act, or shall knowingly make any false statement, false representation, or false report or claim for work or materials for the construction of any project approved by the Secretary of Agriculture under said Federal highway act and all amendments thereto, or shall knowingly make any false statement or false representation in any report required to be made under said Federal highway act or acts supplementary thereto with the intent to defraud the United States shall, upon conviction thereof, be punished by imprisonment not to exceed five years or by a fine not to exceed $10,000, or by both fine and imprisonment within said limits.

"PAR. 8. That if any provision of this section, or the application thereof to any person or circumstances, shall be held invalid, the validity of the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby.

"PAR. 9. That all acts or parts of acts in any way inconsistent with the provisions of this section are hereby repealed."

That the House recede from its disagreement to the amendment of the Senate numbered 60, and concur therein with an amendment as follows: In line 1 of said amendment, strike out "8" and insert "6."

That the House recede from its disagreement to the amendment of the Senate numbered 61, and concur therein with an amendment as follows: Strike out "9" and insert "7."

That the House insist upon its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 17, and 52, and agree to the further conference requested by the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. SLEMP, Mr. MADDEN, and Mr. SISSON be the managers of the conference on the part of the House.

Mr. TOWNSEND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the action of the House.

The PRESIDENT pro tempore. Without objection, it is before the Senate for action.

Mr. TOWNSEND. The first three amendments mentioned do not make any material changes in the Senate provisions. No. 32 is simply a rewording of the proposition relative to leases, to carry out the clear intent of the Senate and the House. Nos. 60 and 61 are simply renumbering sections. I move that the Senate concur in these House amendments.

The motion was agreed to.

Mr. TOWNSEND. Amendment No. 58 makes a change in the road program. The House substituted its bill for the Senate provision. I move that the Senate insist upon its disagreement to the road proposition and ask for a further conference.

Mr. McCUMBER. Mr. President, if there is no objection and there will be no debate on the subject, I certainly do not want to interpose an objection myself, but it looks to me, with several Senators on their feet, as though there is likely to be some debate upon the matter.

Mr. TOWNSEND. I do not think there will be.

Mr. ROBINSON. I wish to ask the Senator from Michigan if I correctly understood his statement. The Senator is not asking the Senate to recede on what may be termed material amendments?

Mr. TOWNSEND. We are not. The amendments we have agreed to are amendments that had to go back to the House and the House made some verbal changes in three of them. The one great amendment now in dispute between the two Houses is the road legislation. There is a material difference on that, and I want the Senate to insist upon its amendment, in order that we may consider it further.

Mr. ROBINSON. I make no objection.

Mr. HEFLIN. I understand that the Senator from Nevada [Mr. PITTMAN] is interested in the proposed road legislation and wants to be in the Chamber when the matter is considered.

Mr. TOWNSEND. If I understand correctly, Mr. President, the Senator from Nevada is insisting as strongly as we are against the House amendment to Senate amendment No. 58. His State has petitioned me, through its highway commissioners, and in the discussion we had on the floor the other day it was clear that the Senator from Nevada is in agreement with the Senate provision rather than with the House provision.

Mr. HEFLIN. Will not the Senator state briefly what difference there is between the House provision and that of the Senate?

Mr. TOWNSEND. The Senate, as the Senator will recall, provided for an appropriation of $50,000,000 for the coming fiscal year and an authorization of $65,000,000 for the next year and $75,000,000 for the following year, under existing law. The House bill, known as the Dunn bill, makes an amendment to the existing law, which is the principal objection to it, as we look at it. It provides that there shall be a limitation on the expenditure per mile, on the system of roads as it may be made up, of $12,500 for the coming fiscal year and $10,000 for the next year. It makes no appropriation; it simply authorizes $65,000,000 for the coming fiscal year and $75,000,000 for the next.

The difference between the two Houses now is on the question as to whether we shall carry an appropriation this year, as provided by the Senate, and whether we shall maintain the same ratio as to the expenditure of the money per mile as in existing law.

Mr. ROBINSON. If the Senator from North Dakota will permit me, from the statement of the Senator from Michigan I think the course he has suggested is calculated to carry out the will of the Senate as heretofore expressed, and for that reason I again say I have no objection to the present consideration of the report.

Mr. TOWNSEND. I have heard no objection from any Senator. In fact, I have had requests from Senators that we do insist on the action of the Senate.

Mr. ROBINSON. In view of the fact that I am informed that the Senator from Nevada is on his way to the Senate, I suggest that we let the matter go over for awhile and proceed with the tariff bill.

Mr. TOWNSEND. I am very anxious to get it into conference.

Mr. HEFLIN. I understand the Senator from Nevada will be here in a moment.

Mr. ROBINSON. The Senator from Michigan can call it up at a later hour in the day.

Mr. HEFLIN. I see the Senator from Nevada entering the Chamber now.

Mr. ROBINSON. I withdraw my objection, the Senator from Nevada having arrived in the Chamber.

Mr. PITTMAN. Mr. President, I simply wish to know from the chairman of the committee what action the conferees took in regard to the appropriation for roads.

Mr. TOWNSEND. I have just explained that the Senate conferees insisted upon the Senate provision appropriating $50,000,000 for the coming fiscal year, and authorizing $65,000,000 and $75,000,000 for the succeeding two years, under existing law. The House conferees could not agree to it. They took it back to the House, and the House moved to concur in the Senate

amendment with an amendment. Their amendment substituted the Dunn bill, which limits the appropriation to $12,500 per mile for the coming year, and $10,000 for the next year, and makes no appropriation for the coming fiscal year. We insisted that we were right, and I am asking the Senate now to insist upon the disagreement and ask for a further conference.

Mr. PITTMAN. As I understand the Senator from Michigan, the managers on behalf of the Senate do not desire to agree to the amendment put on by the House adding the limitations of the Dunn bill?

Mr. TOWNSEND. We do not.

Mr. PITTMAN. And they are asking the Senate to disagree to that. I am in thorough accord with the chairman. I certainly hope that will be the action of the Senate, because if we should adopt the Dunn provision it would mean an absolute cessation of cooperation by the States in building the roads and would practically mean the death of the Federal good roads law.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Michigan that the Senate insist on its amendment numbered 58, and request a further conference with the House on the disagreeing votes of the two Houses, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. TOWNSEND, Mr. STERLING, Mr. MOSES, Mr. WALSH of Massachusetts, and Mr. BROUSSARD conferees on the part of the Senate at the further conference.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House disagreed to the amendments of the Senate to the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCKENZIE, Mr. KRAUS, and Mr. BYRNES of South Carolina were appointed managers on the part of the House at the conference.

READJUSTMENT OF ARMY AND NAVY PAY.

Mr. WADSWORTH. I ask the Chair to lay before the Senate the action of the House of Representatives on House bill 10972.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WADSWORTH. I make the usual motion, insisting on the Senate amendments and granting the request of the House for a conference, and that the Chair appoint the cenferees on the part of the Senate.

The PRESIDING OFFICER. The Senator from New York moves that the Senate insist on its amendments, accede to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WADSWORTH, Mr. NEWBERRY, and Mr. FLETCHER conferees on the part of the Senate.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. ROBINSON obtained the floor.

Mr. MCCUMBER. Will the Senator from Arkansas allow me to take up his proposed amendment for just a moment?

Mr. ROBINSON. Very well.

Mr. MCCUMBER. I call attention to the fact that the committee, while they do not agree with the view of the Senator that the 35 per cent ad valorem should be reduced to 15 per cent ad valorem, on line 22, do suggest an amendment to the committee amendment to strike out "35" and insert in lieu thereof "25." They will also ask the same reduction on the next page, in line 5, and also on line 15, and equivalent changes in the other amendments to that paragraph. I desire to call the attention of the Senate, and especially that of the Senator from Arkansas, to the fact that the Payne-Aldrich rate is 40 per cent ad valorem and the Underwood rate 15 per cent, and if this paragraph 316 is amended as suggested by the committee, we will give a duty of 25 per cent ad valorem.

Mr. CARAWAY. Will the Senator yield to me?

Mr. ROBINSON. I yield to my colleague.

Mr. CARAWAY. Mr. President, a moment ago, in that convincing tone of voice which the Senator from North Dakota alone possesses, he read me a lecture and assured me that the Senate was not interested in whether the Attorney General was a gentleman or a scoundrel; at least he was not, and that therefore he wanted to go on with the tariff bill.

He kindly referred to the fact that there were no Senators present. I should like to say to the Senator from North Dakota that no great crowd rushed in when he commenced to speak. There is one Republican Senator on the other side now—I do not want the Senator from North Carolina to be counted as on the side of the Senator from North Dakota—so that if the question as to what the Senate is interested in is to be tested by the number who come to hear, there were at least 12 or 15 on the other side, and there is only 1 on the side of the Senator from North Dakota now, and he came in without knowing that the Senator was going to speak.

Of course, it is nothing to me if the Senator thinks that his administration should be honeycombed with corruption, if he approves it, if he wants to protect the Attorney General and say "We do not care what you do, Mr. Attorney General."

We do not have any interest in that. Go ahead and be a rascal if you want to. It meets with the approval of the Senator from North Dakota. All we want to do is to fasten upon this country a tariff bill that will make every man, woman, and child contribute to the coffers of the trusts which finance our campaigns. If they can do that, Mr. President, time is not wasted, according to the idea of the Senator from North Dakota, but if anything interferes with putting over this tariff bill, the Senator from North Dakota reads us a very emphatic lecture.

I have not taken half as much time in the year I have been in the Senate in discussing Daugherty and all other questions as the Senator from North Dakota took in leading us right up to the passing of a bonus bill and then backing off from it and explaining why they did not pass it.

I have not taken half as much time as the Senator from North Dakota has taken in talking about the necessity of fastening this infamous tariff bill upon the necks of the toiling masses of America. I do not intend to do it. It is not necessary to do it.

Mr. WATSON of Georgia. Mr. President, will the Senator yield to me?

Mr. CARAWAY. My colleague has the floor.

The PRESIDENT pro tempore. Does the senior Senator from Arkansas claim that he has the floor?

Mr. ROBINSON. I understood that I was recognized. I yielded to my colleague.

The PRESIDENT pro tempore. The Chair desires to say that he does not recognize any rule of the Senate by which a Senator can yield to another Senator for the purpose of making a speech.

Mr. CARAWAY. Mr. President, that there may be no chance to reply, I am perfectly willing for the Senator who occupies the chair to invoke any rule he wants to, and I will yield the floor.

Mr. ROBINSON. Mr. President, with reference to the action of the Chair in denying to me the privilege of yielding to my colleague when he requested me to do so, I desire to say that throughout the long period of service of the present occupant of the chair, the long service of the Senator from North Carolina [Mr. OVERMAN], who is a member of the Committee on Rules, and the brief period of my own service, the custom has existed in the Senate of permitting a Senator having the floor to yield to others. Technically, if any Senator objects, the Senator having the floor can only yield for questions, but unless notice is given that objection will be made the practice of the Senate has been not to deprive a Senator of the floor who yields to another desirous of making a statement.

The RECORD discloses many instances daily where Senators have yielded to others to make prolonged statements.

That occurred yesterday while the present occupant of the chair was making a speech upon the general question of the tariff in no wise related to the paragraph immediately under consideration. He was interrupted by a number of Senators with his consent, among the Senators interrupting him, as I know he will recall, being the present occupant of the floor.

During the course of the debate, as the occupant of the chair must know, whatever remarks I have submitted have been directed to the measure under consideration and usually to the

paragraph immediately pending. Senators on the other side of the Chamber and on this side alike have interrupted other Senators who were speaking to make statements not directly related to the question pending.

The statement of my colleague was provoked, invited, by a discussion on the part of my friend the Senator from North Dakota [Mr. MCCUMBER] entirely irrelevant to the question immediately under consideration. If the Senator from North Dakota has that right and chooses to exercise it when he pleases, it ill becomes the occupant of the chair, in my opinion, voluntarily to restrict the right of other Senators to yield when requested to do so by their colleagues. With that statement, which I know the present occupant of the chair knows is entirely consistent with the history of proceedings in the Senate, I shall revert to my usual custom and confine my remarks from now on to the question immediately under consideration.

The pending paragraph 315 is one of the most important in the tariff bill. It relates to a diversity of interests and many commodities. It covers all forms of importations of wire, the ordinary steel and iron wire, which are converted into wire nails, into barbed wire, and into wire rope. It does not seem necessary for me to point out to the Senate the importance of these commodities and their common use. The paragraph not only embraces iron and steel wire, but copper, bronze, and brass wires, which are also of very extended use. It includes aluminum wire and wires which are used in the manufacture of wire cloth, telegraph, telephone, and other wires and cables, including insulated wire and cables, submarine, underground, and of whatever description. The paragraph embraces wire rope. It embraces wire heddles and healds, and many other articles of constant and almost daily use.

The production statistics show the value of the output of 117 establishments in the United States for the manufacture of wire during the year 1919, amounting in the aggregate to $409,000,000 and more. Of this total amount more than $401,000,000 represent wire and manufactures of wire. The value of the output of steel and iron wire and manufactures thereof was approximately $265,000,000, of copper wire and its manufactures approximately $114,270,000. The output of brass wire was something more than $16,000,000.

The total production of steel and iron in 1919 was more than 2,500,000 short tons, which was a slight increase—about 3 per cent—over that of 1914. The production of coated wire in 1919, including galvanized wire, was nearly 400,000 tons, as compared with approximately 375,000 tons in 1914.

The country's output of bare copper wire in 1919 was 193,370 tons. The total production of insulated wire and cable for the same year was valued at $129,623,100, of which the major portion was reported by insulating establishments which purchased the wire. The output of brass wire was reported in 1919 as 50,000,000 pounds; that of other metals amounted to 14,500,000 pounds, valued at nearly $6,500,000.

The imports of various kinds of wire are reported in separate tables in the Summary of Tariff Information, at pages 48 to 410, inclusive. I will ask leave to print those tables in the RECORD in connection with the remarks which I am submitting.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The tables referred to are as follows:

Imports: Imports of wire and wire manufactures included in this paragraph have been, since 1917, as follows:

Imports of wire and wire manufactures.

ROUND IRON OR STEEL WIRE.

Calendar year.	Quantity.	Value.	Duty.	Ad valorem rate.
	Pounds.			*Per cent.*
1918	58,787	$35,198	$5,280	15
1919	927,744	88,817	13,323	15
1920	5,326,156	479,558	71,934	15
1921 (9 months)	3,361,389	385,602		

WIRE, N. S. P. F.

1918		$31,654	$4,748	15
1919		1,586	238	15
1920		15,857	2,379	15
1921 (9 months)		21,972		

MANUFACTURES OF BRASS WIRE.

1918		$9,427	$1,414	15
1919		12,676	1,901	15
1920		6,308	946	15
1921 (9 months)		9,259		

Imports of wire and wire manufactures—Continued.

BRONZE WIRE.

Calendar year.	Quantity.	Value.	Duty.	Ad valorem rate.
	Pounds.			*Per cent.*
1920	404	$595	$89	15
1921 (9 months)	2,228	1,422		

MANUFACTURES OF BRONZE WIRE.

1918		$5,977	$897	15
1919		33,094	4,964	15
1920		40,406	6,061	15
1921 (9 months)		19,184		

COPPER WIRE.

1918		$3,559	$534	15
1919	77,774	27,088	4,063	15
1920	208,844	50,640	7,593	15
1921 (9 months)	6,366	4,681		

WIRE AND MANUFACTURES OF, N. S. P. F.

1918		$28,219	$4,233	15
1919		22,381	3,357	15
1920		22,356	3,353	15
1921 (9 months)		36,513		

ALUMINUM WIRE.

1918		$624	$94	15
1921 (9 months)	8	4		

MANUFACTURES OF ALUMINUM WIRE.

1920		$337	$51	15
1921 (9 months)		1,065		

BRASS WIRE.

1918		$3,087	$463	15
1919	102	32	5	15
1920	4,010	2,283	342	15
1921 (9 months)	4,432	1,848		

MANUFACTURES OF COPPER WIRE.

1918		$16,447	$2,467	15
1919		14,955	2,243	15
1920		17,071	2,561	15
1921 (9 months)		34,634		

WIRE OF IRON OR STEEL OR OTHER METAL COATED BY DIPPING, GALVANIZING, ETC.

1918		$4,351	$653	15
1919	29,601	3,817	573	15
1920	483,523	60,932	9,140	15
1921 (9 months)	14,542	4,808		

TELEGRAPH, TELEPHONE, AND OTHER WIRES AND CABLES.

1918		$17,954	$2,695	15
1919	174,951	44,955	6,743	15
1920	327,169	59,074	8,861	15
1921 (9 months)	830,085	138,504		

WIRE OF IRON OR STEEL COVERED WITH COTTON, SILK, OR OTHER MATERIAL.

1918		$22,815	$3,422	15
1919	5,767	5,489	822	15
1920	58,276	18,087	2,713	15
1921 (9 months)	99,433	31,571		

WIRE ROPE.

1918	49,996	$6,740	$2,022	30
1919	109,932	18,577	5,573	30
1920	1,021,221	186,795	56,038	30
1921 (9 months)	47,432	6,597		

ALL OTHER WIRE, N. S. P. F.

1918		$55,418	$8,313	15
1919	766,689	63,224	9,484	15
1920	2,398,923	203,029	30,454	15
1921 (9 months)	1,262,353	171,909		

Imports of wire and wire manufactures—Continued.

ALL OTHER MANUFACTURES OF WIRE, N. S. P. F.

Calendar year.	Quantity.	Value.	Duty.	Ad valorem rate.
	Pounds.			*Per cent.*
1918		$116,016	$17,402	15
1919	218,767	161,475	24,221	15
1920	595,138	277,648	41,647	15
1921 (9 months)	360,501	208,085		

WIRE HEDDLES AND HEALDS.

	Thousands.			
1918	8,597	$14,661	$3,665	25
1919	34,965	72,313	18,078	25
	Pounds.			
1920	78,701	113,184	28,296	25
1921 (9 months)	68,486	102,660		

Mr. ROBINSON. The same request is submitted respecting exports. I ask that the table on page 410 showing exports of copper wire, brass wire, wire rope, insulated wire and cables, and wire not specially provided for, and other manufactures of wire not specially provided for, be incorporated in the RECORD, showing the relation between imports and exports of the commodities of daily and common use.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table referred to is as follows:

Exports.	1918	1919	1920	1921 (9 months).
Copper wire:				
Quantity ..... pounds..	15,689,554	55,551,602	41,812,713	10,146,666
Value	$4,750,942	$14,810,357	$10,191,273	$1,973,754
Brass wire:				
Quantity ..... pounds..	1,748,883	1,115,908	1,159,087	388,874
Value	$707,287	$403,899	$398,328	$132,119
Wire rope	$4,225,019	$4,379,478	$2,148,294	$1,203,047
Insulated wire and cables	$5,604,929	$8,815,212	$8,208,539	$7,621,993
Wire, n. s. p. f.:				
Quantity ..... pounds..	352,177,754	426,074,277	427,769,910	130,554,482
Value	$20,704,503	$24,641,881	$25,371,776	$7,730,872
Other manufactures of wire, n. s. p. f.	$3,677,127	$5,090,491	$6,765,429	$2,541,442

Mr. ROBINSON. Since the amendment I proposed last evening was submitted the chairman of the Finance Committee has this morning advised the Senate that the committee now proposes a reduction in the rate submitted with its report on the bill. If the chairman of the committee should see fit to make a further reduction, namely, to the point fixed in the House bill, I myself would be content for the present to accept the same. The rates, however, which he proposes are 5 per cent in excess of the rates carried in the House items, or approximately that. It is 5 per cent as to most of the items. Unless he sees fit to make that further concession, it is my purpose to offer and have voted on by the Senate, with a record vote, the amendment which I have offered.

Mr. SIMMONS. Mr. President, may I ask the Senator, who I know has looked very carefully into this item, as I have not myself had an opportunity to do, a question?

Mr. ROBINSON. I yield to the Senator from North Carolina.

Mr. SIMMONS. While his statement relating to the ad valorem rates in the House bill and Senate committee bill is correct, has he compared the specific rate which this item carries with the House rate?

Mr. ROBINSON. The specific rates in the bill are the House rates. There is no amendment proposed to the paragraph which I am discussing relative to any specific rate incorporated by the House. I ask the Senator from North Dakota if that is not correct?

Mr. McCUMBER. That is correct.

Mr. ROBINSON. So that under the rule of the Senate by which we are now proceeding it is not in order to submit an amendment to any specific rate in the bill. Under the agreement heretofore entered and the rules of the Senate, amendments must be confined to the ad valorem rates embraced in the amendment of the committee which, as I have stated, were at first very much higher than the committee now proposes to make them.

Mr. McCUMBER. I want to say to the Senator that if he will take the beginning of the section he will find that 1 cent per pound on the cheaper wire is equivalent to about 25 per cent ad valorem, and if I were to consent to reduce the other or the higher-priced wire below the 5 per cent ad valorem, the Senator can see that they would be improperly related——

Mr. ROBINSON. That might be true.

Mr. McCUMBER. Even though both might possibly take a little lower rate. If, when we consider the section itself, we then should reduce the rate on the cheaper wire, we can very easily make a rate on the correspondingly highest-priced wire as proposed by the committee, but I should not wish at this time to agree to an amendment on these items which would bring them out of proportion with the previous portion of the paragraph.

Mr. ROBINSON. I understand that perfectly. I would like very much to see a reduction in the specific rates carried in this paragraph, and if it were not for the parliamentary situation preventing it, my first amendment would be to reduce those rates. I feel morally sure that if a substantial reduction can be effected in the ad valorem rates, material reductions will naturally follow in the specific rates, and that is one of the reasons why I am urging a reduction in the ad valorem rates. If we agree now to the rate, even as reduced by the Senator from North Dakota and thus give it the appearance of unanimous action in the Senate, there will be no possibility hereafter of securing any reduction in the specific rates or any reduction in the ad valorem rates relating to wire.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Arkansas yield to the Senator from North Carolina?

Mr. ROBINSON. I yield.

Mr. SIMMONS. I would like to ask the chairman of the committee if it is not possible for the committee to furnish Senators with the ad valorem equivalent of the specific rate and the compound rate? In every tariff bill that has been presented heretofore since I have been a member of the committee the Senate has been put in possession of the ad valorem equivalent. Senators will readily see how difficult it is for a Senator to understand what a rate amounts to as applied to a particular product when it is part specific and part ad valorem. It is necessary, in order that he should have any understanding of it at all, that he should go and find what the price of the particular product is. Here we have five or six different forms of the same product with specific duties on some and compound duties on others. If we knew the ad valorem equivalents, they would convey to the mind of a Senator some idea of the amount of the tax, but if the tax is partly specific and partly ad valorem a Senator does not know and can not have any real conception of what the amount of the tax is, unless he can ascertain the value of the product and apply the specific rate to it reduced to the form of an ad valorem.

I have had this matter up with Mr. McCoy, the statistician of the Treasury Department, who has generally furnished the committee with such information, and Mr. McCoy tells me that he has been at work on it, but has not been able to furnish the committee or the Senate with the information; and he can not furnish it to me because he is so busily engaged in the other work of the committee and the general work assigned to him by the Treasury Department. If Mr. McCoy can not furnish us the equivalent ad valorem of these rates, can not the Senator from North Dakota arrange with the Treasury Department for somebody else to work out the ad valorem equivalents? I am saying this because I know that it would assist me greatly in the preparation of my argument when I make any argument about this measure, and I know it would assist other Senators. Senators are coming to me every day and asking me what is the ad valorem equivalent of a certain specific rate, but I am utterly unable to furnish them any information. I am simply asking the Senator from North Dakota if he can not help the Senate to get this very necessary information.

Mr. McCUMBER. Mr. President, before reporting the pending bill to the Senate, I requested the Tariff Commission to try to secure for us just the information for which the Senator from North Carolina is now asking, but up to the present time, in view of the work they have on hand, they have not been able to supply us with that information.

Mr. ROBINSON. If I may make a suggestion to the Senator from North Dakota, the incorporation in a paragraph of two different bases for the imposition of tariff rates necessarily results in confusion. There are undoubtedly reasons why specific duties should in some instances be imposed and ad valorem duties be imposed in others; but I can conceive of no reason why a specific duty should be placed on round iron or steel wire not smaller than ninety-five one-thousandths of an inch in diameter and an ad valorem duty imposed on the same wire that happens to be worth more than 6 cents a pound.

Mr. SMOOT. Mr. President——

Mr. ROBINSON. Just one moment. Such a manner of dealing with the subject causes confusion and certainly does not promote clarity. Why not incorporate an amendment providing ad valorem duties on all steel wires?

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Utah?

Mr. ROBINSON. I yield.

Mr. SMOOT. In this paragraph where specific duties are provided they are on the ordinary common, round iron or steel wire which is made by ordinary processes and manufactured in bulk by thousands and tens of thousands of tons. The price of such wire is always low. The ad valorem duty applies only to wires valued above 6 cents a pound, which is the lowest price per pound for wire involving more difficult processes of manufacture. The wire falling under that classification will run as high as $1.25 per pound, perhaps up to $1.50 a pound. The limitation begins at 6 cents a pound, because such wires are of a special character, and when imported they are imported as specials. Most of this character of wire comes from Norway, I presume, where it is claimed the best steel wire in the world is made under a process that requires a great deal of labor and also the use of alloys such as tungsten and others which are provided for in the iron and steel schedule. It would be impossible to put a specific duty upon that class of goods in the same bracket with the wires which are cheaper in value and carry specific duties.

Mr. ROBINSON. No doubt all that the Senator from Utah has said is true; and it is somewhat illuminating; but it does not in any degree answer the question, Why should not ad valorem rates be imposed on all wire? The rates might vary, just as the specific duties vary. The reason that the Senator from Utah has given for the adoption of the specific rates does not justify any distinction between the ad valorem rates and the specific rates, because the ad valorem rates could be incorporated under separate paragraphs, or brackets, as he terms them, just as well as the specific rates. If the ad valorem equivalent were stated, then some comprehension could be had of the actual amount of protection afforded by these specific rates.

The Senator from North Dakota said a moment ago, if I heard him correctly, that the first rate of three-fourths cent is equivalent to about 25 per cent ad valorem, although subsequently, when asked by the Senator from North Carolina about the specific rates in the paragraph, he did not claim to have very much information on the subject. I should like to ask the Senator if he knows what the ad valorem equivalent of 1¼ cents per pound referred to in line 19 would be, and what would be the ad valorem equivalent of 1½ cents per pound in line 20?

Mr. McCUMBER. I have had an expert working on those figures, and he gave me the information for which the Senator asked. The information that he gave me was that the duties would average somewhere along about 25 per cent. That is the best information I can possibly give the Senator. Of course, there is a question whether we should take the present price or the pre-war price or the last report that we have on the subject, and each one would give a different result.

Mr. ROBINSON. Certainly; the effect of any ad valorem rate depends upon the price.

Mr. McCUMBER. Certainly.

Mr. ROBINSON. And it varies as the price varies, no matter what the percentage is.

Mr. McCUMBER. But taking the price which we may look for as to all these items I think the rates would average about 25 per cent.

Mr. SIMMONS. Mr. President, I call attention to this matter at this time because the examination of this particular paragraph illustrates probably as well as any paragraph of the bill the admixture of specific and ad valorem rates, and the imposition of specific rates altogether and of ad valorem rates altogether. I suppose the Senator from North Dakota will admit that this bill, probably to a greater extent than any tariff bill we have ever had, adopts either specific rates or compound rates. Is not that true?

Mr. McCUMBER. I do not know that it does so to a greater extent than any bill we have ever had, but the House passed the bill in that form, and we preferred rather than get into a conflict where it was not necessary to make the duties conform to what we thought was about right and leave them in the form in which they were adopted by the House. I agree with the Senator that wherever it can be done, as a rule, we ought to have specific duties alone or ad valorem duties alone.

Mr. SIMMONS. I am not discussing that phase of the question now; I am not objecting to specific rates; I am not objecting to the compound rates; I am not discussing those; but what I am anxious about is, if it is possible, that the committee shall furnish the Senate with the ad valorem equivalents of the specific rates or of the compound specific and ad valorem rates. I think that information is absolutely necessary in order to enable us understandingly and intelligently to discuss these schedules.

Mr. McCUMBER. If the Senator will allow me, on what basis would he desire that to be estimated—on the pre-war basis, on the 1921 basis, or the last information that we can get from the reports of sales?

Mr. SIMMONS. I suppose when the committee imposed these specific rates they probably had some information as to the unit value of the article, that it was worth so many cents a pound. I suppose the committee had some information or some basis for ascertaining the value of that particular article.

Mr. McCUMBER. The Senator is correct. However, we did not keep a record of just what the price happened to be on that day nor have we any testimony concerning it. There has been a considerable change, as the Senator knows, in some of these prices even since we reported the bill.

Mr. SIMMONS. That is very true, but I suppose the rates were determined upon the basis of prices before the committee at the time the bill was prepared; and I have understood that those prices were ascertained largely, though not altogether, from the Reynolds report.

Mr. McCoy, the Actuary of the Treasury Department, aided by other experts, has never heretofore found it difficult to give the Senate at least an estimate—of course, it could be nothing but an estimate—of the ad valorem equivalents.

Mr. McCUMBER. Let me say, if the Senator will allow me, that the actuary is giving all of his time, day and night, to other work, a portion of which is making estimates for the Treasury Department, and it is impossible to lay anything more upon him. As I have stated to the Senate, I asked the Tariff Commission to try to give us that information at the time I reported the bill but I have not as yet received it.

Mr. SIMMONS. Mr. President, I fully appreciate the situation so far as the Actuary of the Treasury Department is concerned. He has been the hardest worker whom I have ever known, and one of the most conscientious workers. I know he has not the time; he tells me that he has not. I am not saying this in any controversial spirit, but what I wish the Senator to do or the committee to do, if the Actuary of the Treasury has not time to compile the information, and the Senator's appeals to the commission have not as yet resulted in securing the information, is to impress upon the commission the importance of having this information, and see if he can not speed them up.

Mr. McCUMBER. I shall try to do so, Mr. President.

Mr. SIMMONS. I really feel that it is a very important matter in connection with this subject.

Mr. McCUMBER. I will again call the attention of the commission to my previous request, but so far I have not received the information. Whether they will be able to furnish it in the near future or not I can not answer.

Mr. ROBINSON. Mr. President, I am compelled to leave the Chamber for a few minutes to meet an imperative engagement, and I shall conclude my remarks on the pending amendment at once.

The item embraces piano wire, needle wire, crucible steel of small gauges, common wire. These commodities ought not to carry an excessive rate of duty. There is nothing in the condition of the industry that has been brought to my attention that either makes necessary or justifies a high protective rate on importations.

Considering the very important uses to which some of the commodities included within this item are put, I feel justified in asking the Senate to vote on the amendment which I have proposed, although, of course, the amendment which the Senator from North Dakota has indicated that it is his purpose to submit if mine is rejected is far preferable to the original committee amendment, because it does substantially reduce the rate carried by that original amendment.

I am ready for a vote.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Arkansas to the amendment of the committee.

Mr. ROBINSON and Mr. ASHURST called for the yeas and nays, and they were ordered.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Delaware [Mr. DU PONT] and will vote. I vote "nay."

Mr. JONES of New Mexico (when his name was called). I announce the transfer of my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and ask that this announcement may stand for the day. I vote "yea."

Mr. MOSES (when Mr. KEYES's name was called). I am authorized by my colleague [Mr. KEYES] to state that if present he would vote "nay" on this question.

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Maryland [Mr. WELLER], which notice of transfer may stand for the day, and I vote "nay."

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. McKELLAR] to the junior Senator from New Hampshire [Mr. KEYES] and will vote. I vote "nay."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Texas [Mr. CULBERSON], and will vote. I vote "yea."

Mr. WATSON of Georgia (when his name was called). I transfer my pair with the Senator from Arizona [Mr. CAMERON] to the Senator from Massachusetts [Mr. WALSH], and will vote. I vote "yea."

Mr. CURTIS (when Mr. WILLIS's name was called). I have been requested to announce the absence of the junior Senator from Ohio [Mr. WILLIS]. He is paired with his colleague, the senior Senator from Ohio [Mr. POMERENE]. I will let this announcement stand for the day.

The roll call was concluded.

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. I observe that he has not voted. I therefore transfer my pair with him to the junior Senator from Oregon [Mr. STANFIELD], and will vote. I vote "nay."

Mr. ERNST. I transfer my pair with my colleague [Mr. STANLEY] to the Senator from Pennsylvania [Mr. CROW], and will vote. I vote "nay."

Mr. FLETCHER. I transfer my pair with the Senator from Delaware [Mr. BALL] to the Senator from Nebraska [Mr. HITCHCOCK], and will vote. I vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 27, nays 36, as follows:

YEAS—27.

Ashurst	Gerry	Norris	Smith
Borah	Harris	Overman	Spencer
Broussard	Harrison	Pittman	Swanson
Capper	Heflin	Ransdell	Underwood
Caraway	Jones, N. Mex.	Robinson	Walsh, Mont.
Cummins	La Follette	Sheppard	Watson, Ga.
Fletcher	Myers	Simmons	

NAYS—36.

Brandegee	Johnson	McNary	Poindexter
Bursum	Jones, Wash.	Moses	Rawson
Calder	Kellogg	New	Shortridge
Curtis	Ladd	Newberry	Smoot
Dillingham	Lenroot	Nicholson	Sterling
Elkins	Lodge	Oddie	Sutherland
Ernst	McCumber	Page	Townsend
France	McKinley	Pepper	Wadsworth
Hale	McLean	Phipps	Warren

NOT VOTING—33.

Ball	Frelinghuysen	McKellar	Trammell
Cameron	Glass	Nelson	Walsh, Mass.
Colt	Gooding	Norbeck	Watson, Ind.
Crow	Harreld	Owen	Weller
Culberson	Hitchcock	Pomerene	Williams
Dial	Kendrick	Reed	Willis
du Pont	Keyes	Shields	
Edge	King	Stanfield	
Fernald	McCormick	Stanley	

So Mr. ROBINSON's amendment to the amendment of the committee was rejected.

Mr. SMOOT. Mr. President, on line 22, I move to strike out "35" and insert "25."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. On page 59, line 22, in the committee amendment, it is proposed to strike out "35" and insert "25."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah to the amendment of the committee.

Mr. SPENCER. Mr. President, the tariff on that drawn wire is now 15 per cent. The House bill made it 20 per cent. The motion of the Senator from Utah now is to make it 25 per cent ad valorem. The truth of the matter is——

Mr. SMOOT. If the Senator will wait until the next amendment is reached, on page 60, line 5, we will then consider the wishes of the Senator.

Mr. SPENCER. No; I am on page 59.

Mr. SMOOT. The item in which the Senator is interested, or of which he is desiring importations, is on page 60, line 5. I shall offer an amendment there, and then whatever the Senator desires to say will be upon that amendment.

Mr. SPENCER. The interest of the Senator from Missouri is even broader than the Senator from Utah thinks, and it is precisely on this item which we are now considering, for this item has to do with the drawn wire. The item the Senator has in mind on the next page has to do with the woven-wire rope, With regard to the drawn wire, I may say to the Senator that these facts can not be contradicted:

Drawn wire is made and sold in the United States at 7.45 cents a pound. When they get the drawn wire from England, they have to pay from 10 to 22 cents a pound. Where is there any need of a duty?

Mr. SMOOT. Simply because the two wires are no more comparable than softwood and hardwood, and the Senator knows it.

Mr. SPENCER. The Senator does not know it. This wire upon which you now seek to put an increased duty—first over the present law, then over what the House put in—is the kind of wire that comes in competition with the wire that is made in England. You can not defend it on a revenue bill, because the whole amount imported last year was only a million and a quarter of dollars, and the year before it was about the same amount.

Mr. FLETCHER. Mr. President, will the Senator tell me what paragraph he refers to?

Mr. SPENCER. This is paragraph 316, on page 59.

There is no plea for it upon the ground of the condition of the producers, because every producer of drawn wire in the United States has prospered under the present tariff.

Mr. SIMMONS. Mr. President, is the Senator aware of the fact that we just voted upon an amendment offered by the Senator from Arkansas [Mr. ROBINSON] to reduce this rate to 15 per cent?

Mr. SPENCER. The Senator from Missouri is aware of that, and the Senator from Missouri voted in favor of the amendment to reduce it to 15 per cent.

Mr. SIMMONS. Is the Senator now going to vote for the committee amendment?

Mr. SPENCER. The Senator is not going to vote for the committee amendment imposing a duty of 25 per cent. There is no justification for it.

Mr. SIMMONS. The Senator is right.

Mr. SPENCER. Of all the wire rope that is made in the United States, 80 per cent is consumed by those who make it. I mean to say that the drawn wire that goes into the making of wire rope, the single strand, is made in the United States and is made by the producers of wire rope. They use their own production, except for about 20 per cent of it, and that comes in competition with English drawn wire, and the English drawn wire costs more in England than the American drawn wire does in the United States. Where is there any ground for a protective tariff upon it?

The Senator from Utah says the two wires are entirely distinct. What two wires? This bill provides for any wire selling for more than 6 cents a pound. Where is there any differential between drawn wires in the mind of the Senator from Utah?

Mr. SMOOT. The wire which Broderick & Bascom, of St. Louis, import to make a special wire.

Mr. SPENCER. On what page of the tariff bill is that referred to?

Mr. SMOOT. It is in the very item the Senator speaks of.

Mr. SPENCER. So is the other wire of which I speak.

Mr. SMOOT. The Senator knows that the other wire made here is not comparable with the English wire.

Mr. SPENCER. Made here?

Mr. SMOOT. The Senator knows that the wire rope made from the wire imported by Broderick & Bascom sells for more than the American rope sells for.

Mr. SPENCER. I think the English wire is a better wire.

Mr. SMOOT. Certainly it is.

Mr. SPENCER. Because it is made from Swedish ore, and I think the ingredients of phosphate in Swedish ore make it more adaptable to making wire rope than the American ore; but the fact still remains that under this bill you make it impossible to bring any wire in.

Mr. SMOOT. I will say to the Senator that if the rate were even 25 or 30 per cent the wire would come in. They would use that kind of wire. They will not buy American wire. They built their trade up on making their particular kind of wire rope, and I suggest to the Senator that he ask the purchaser what he pays for the rope when buying it.

Mr. SPENCER. I think there is a good deal in what the Senator from Utah says. In other words, there is such a demand for that yellow strand wire rope that it will be bought irrespective of its price. That is the point the Senator from Utah makes, is it not?

Mr. SMOOT. It is an advertised brand, a special wire, there is no doubt about it, but if the Senator gets a low rate on wire, he will want double the rate on the manufactured article.

Mr. SPENCER. I do not care whether you put any tariff on the drawn wire or not.

Mr. SMOOT. No; I know the Senator does not.

Mr. SPENCER. Leave them both out, if you like; but I will follow that a little with the Senator. If the Senator from Utah is right that that special brand of wire rope will be used, irrespective of its price, what is the argument for increasing that price to the consumer, when for the last eight years it has been produced and bought and used at a price and without affecting injuriously any American competitor?

Mr. SMOOT. Broderick & Bascom would not sell it for a penny less. They sell it now for every dollar they can get, and they would if it were free.

Mr. SPENCER. If you increase the duty upon the drawn wire which makes up that rope, will not the price of the finished product be increased?

Mr. SMOOT. There is no doubt about that.

Mr. SPENCER. Why increase the price of the finished product if there is no competition?

Mr. SMOOT. I know the Senator is interested in seeing that they continue to make the profits they have been making, but I want to say to the Senator now that, as far as I am concerned, I would prefer to see a little of the profit go into the Treasury of the United States.

Mr. SPENCER. The Senator knows that the importation of that wire is negligible. There is no revenue feature in it.

Mr. SMOOT. Every pound that is made into that wire rope comes into the United States from England.

Mr. SPENCER. What was the total amount of importations last year, or the last year before that? Neither of them exceeded in the aggregate a million and a half dollars. The revenue feature is negligible.

Mr. SMOOT. There is only one concern making this rope, and the wire that goes into every pound of rope they make and every pound they sell comes from England. Not an ounce of the wire is made in the United States.

Mr. SPENCER. Let me say to the Senator from Utah, for his judgment is good and his fairness is great, that if that wire rope, as the Senator says, is a special product, which the American people who need it will use at any price, why does the Senator insist on increasing the duty on the raw material, the drawn wire, so as to raise the price to the consuming public in the United States, when, as the Senator says, there is no competition with that rope? What is the argument for it?

Mr. SMOOT. I did not say there was not any competition, because if they get too high, of course the people will purchase other grades.

Mr. SPENCER. I thought the Senator said they would buy it irrespective of the price.

Mr. SMOOT. No; I did not go that far. I said many would buy that rope as against any other rope in the United States, even at a higher price; and they will.

Mr. SPENCER. Where is the utility, where is the revenue, where is the principle for increasing the price of wire rope when there is no American competition for it?

Mr. SMOOT. The revenue will be the difference between 15 per cent and 25 per cent. They will import just as many pounds of that wire with the duty of 25 per cent on it as they will with the duty of 15 per cent on it, and that makes a difference of 66⅔ per cent in the rate, and a consequent difference in the amount of money which will go into the Treasury of the United States.

Mr. SPENCER. With an aggregate of imports not exceeding a million and a half?

Mr. SMOOT. The duty on $1,500,000 is worth while looking out for.

Mr. SIMMONS. Mr. President, let me suggest to the Senator from Missouri that we have had many illustrations here in the last few days of the fact that as soon as it was shown that there was no justification for a rate imposed from a protective standpoint, because there were practically no importations of the article, at once the committee, finding itself unable to justify the rate upon the protective principle, said that it was levied for the purpose of getting revenue.

Mr. SPENCER. The Senator from Utah says that when we get the wire-rope matter settled he proposes to offer an amendment to cut the rate below the rate proposed by the committee. Am I right about that?

Mr. SMOOT. The Senator from Utah proposes to cut the 35 per cent on the wire to 25 per cent, and then proposes to cut wire rope generally—that is, the wire under which this would fall—from 40 per cent to 35, making a differential of 5 per cent.

Mr. SPENCER. In other words, this is what is happening now. Under the present law the tariff upon the drawn wire, which is the raw material, if you like, is 15 per cent. The tariff upon the manufactured wire rope is 30 per cent, double the other. Now the Senator comes in and proposes to increase the rate on the raw material from 15 to 25 per cent, or 66⅔ per cent, and then to decrease the differential on the product from 40 per cent, as you have it in the bill, to 35 per cent.

Mr. SMOOT. That is right.

Mr. SPENCER. In other words, you add to the duty upon the raw material 10 per cent ad valorem and you add to the duty on the finished product only 5 per cent, which, of course, as the Senator knows, drives out of business the great concern in the city where I live which has been in business for 50 years. You increase the duty upon the raw material 66⅔ per cent, and then diminish the duty upon the finished product. I say to the Senator that there is no foundation in principle for any such tariff, and the Senator knows how strong I am for a protective tariff. The Senator has not advanced any reason to support it.

Mr. SMOOT. The Senator from Missouri does not want any duty. He would like to have this wire come in free, so he is not a protectionist as far as wire imported here by Broderick & Bascom is concerned.

The wire rope sells for twice the amount of the wire. The committee has increased the rate from 15 to 25 per cent, which is a 66⅔ per cent increase of the rate, or 10 per cent increase in the duty.

Mr. SPENCER. Why? What is the reason for it? Who is asking it? Where is the interest back of it?

Mr. SMOOT. Broderick & Bascom are not asking it.

Mr. SPENCER. Who is asking for it? Where is there any reason for it? I know what the committee has done.

Mr. SMOOT. It would be very foolish, indeed, to make a bill and have round iron and steel wire of the smaller sizes carrying an equivalent duty, as was provided for by the specific rate of 25 per cent, and then, because Broderick & Bascom want the higher priced wire to come in, have the specific duty less than that on the common steel wire. There has to be some uniformity in this legislation.

Mr. SPENCER. The uniformity for 15 years has been in the proportion of 1 to 2. Where, I still ask the Senator, is there any reason for this?

Mr. SMOOT. The Senator can not say that that has been true for 15 years. As to this particular item, there has been that differential since the Underwood law went into effect.

Mr. SPENCER. Since 1913. What was the differential in the Payne-Aldrich law? Was it not 2 to 1?

Mr. SMOOT. On the round iron and steel the Payne-Aldrich rates were about 37 per cent.

Mr. SPENCER. What was the difference between the drawn wire and the wire rope? Was it not approximately two to one?

Mr. SMOOT. No; not nearly two to one.

Mr. SIMMONS. While the Senator from Utah is looking up the data, I should like to make a suggestion to the Senator from Missouri. As there are a great many different kinds of wire in this particular paragraph, I had supposed that these duties were imposed for protection, but it seems that the one he is talking about, which can not be justified upon any protective principle, they now claim was levied for the purpose of obtaining revenue. I suggest to the Senator, if he is going to speak on the various wire items in this schedule, that he ask the Senator from Utah before he begins to discuss them to tell him on which one of these articles the rate was levied for the purpose of protection, and on which ones the rate was levied for the purpose of obtaining revenue.

Mr. SMOOT. Mr. President, I find that in the Payne-Aldrich law the rate was 35 per cent.

Mr. SPENCER. On what?

Mr. SMOOT. On the wire.

Mr. SPENCER. On the drawn wire, or on the wire rope?

Mr. SMOOT. It reads, "All of the foregoing * * * shall pay a duty of not less than 35 per cent ad valorem."

Mr. SPENCER. On what?

Mr. SMOOT. In other words, the rate may even be higher than on the steel wire.

Mr. SPENCER. On the single strand?

Mr. SMOOT. On the strand itself.

Mr. SPENCER. How much on the wire rope?

Mr. SMOOT. Then it says, "whether rolled or drawn through dies or rolls, or otherwise produced," not specially provided for in this section, shall pay a duty of not less than 35 per cent ad valorem. It is the same thing. It is not less than 35 per cent ad valorem on both of them.

Mr. SPENCER. In the Payne-Aldrich law?

Mr. SMOOT. Yes.

Mr. SPENCER. Then I can date back only to 1913?

Mr. SMOOT. Yes.

Mr. SPENCER. Since 1913 we have had 15 per cent ad valorem upon drawn strand and 30 per cent on wire rope. The Senator knows well enough that wherever you can put your finger upon any plant, upon any industry, where the cost of manufacturing is less abroad than it is in the United States, and we need to protect the American workingmen in their wages and living conditions, we have the foundation for the protective tariff in which I believe. The Senator knows that if we can see any place where in the future an industry has a fair chance of being developed in these United States, if we protect it against foreign competition, against competition with cheap labor abroad, I am in favor of it, for I do believe in a protective tariff.

But the Senator brings up a case like this where since 1913 there has been prosperity for the American manufacturer and where, so far as I know—and I ask the Senator to correct me if I am wrong and I challenge him to the statement—there is no objection, no competition which would be affected disastrously by a continuance of the present tariff rate. Why does the Senator increase the tariff on strand wire? He says it goes into wire rope that is made by the Broderick & Bascom Wire Co. at St. Louis, and that is true. He said the product is an excellent product, that it has a market because of its excellency. That is true. Of course, its price to the consumer depends upon the cost of the material that goes into it and the labor that puts that material into the making of rope. Since 1913 that wire rope has been made largely from English wire, upon which a duty of 15 per cent has been placed. What is the reason for increasing the rate? Where is the demand for it? It can do only one thing, and that is that it can and it will raise the price of wire rope to the American consumer, and it will not benefit a single American factory nor give employment to another American man. Where is there any reason for it?

Mr. SIMMONS. Mr. President, will the Senator kindly tell the Senate what the wire rope is used for and who uses it, so we may see whether the situation is such as to justify a revenue tariff upon the article?

Mr. SPENCER. It is used in the State of the Senator from Utah in mining operations. It is used where strong, durable wire rope is necessary for hauling or for drayage or for any other purpose that requires a wire rope of tensile strength and durability. It is used wherever wire rope is generally used. It is used for cable purposes. It fills the general field that wire rope fills.

Mr. SIMMONS. It is used largely in connection with the operation of our ships?

Mr. SPENCER. Yes. I say right now that my voice is silent if the Senator from Utah can show me any American industry that will be benefited if there are any of the familiar bases of a protective tariff underneath this increase. I make no objection even to the increase from 15 per cent, the present law, to 20 per cent, the rate proposed by the House bill. Of course I thought perhaps they might get along, but from my own city I am telling the Senator that if he puts this tariff rate into operation as the Senate committee has reported it, that great industry, 50 years old, employing hundreds of men in the city where I live, will go out of business in the making of the wire rope; and it is no answer for the Senator to say "Oh, they will make their wire rope; they will continue to sell it as they always have," for those who know that factory know to the contrary.

Mr. SMOOT. Mr. President, the Senator talks about that firm going out of business, a firm 50 years old. They did not go out of business while the Payne-Aldrich law was in operation nor while the other tariff laws before that were in operation, when the duty upon wire was exactly the same as the duty upon the finished product. In this bill we are imposing 25 per cent, and we are giving them 35 per cent upon the finished rope. Talk about going out of business! Under the Payne-Aldrich law they imported this exact wire and paid 35 per cent on it, and the wire rope made from it under the Payne-Aldrich law bore a rate of 35 per cent. They did not go out of business with no differential whatever, and now we propose to give them a 10 per cent differential; that is, from 25 per cent upon the wire to 35 per cent upon the rope.

Mr. McCUMBER. Mr. President, I want to ask the Senator from Utah, who certainly understands the use of this wire rope and its value, and so forth, and knows how it is made, if he believes that it will cost them more than 10 per cent ad valorem to twist that wire into rope?

Mr. SMOOT. The 10 per cent is upon the value of the article as compared with the wire, and they sell the rope for twice the amount of the wire to-day. The 10 per cent is not only upon the wire cost, but upon the value cost of the rope, and that is twice the amount of the wire. There is no more danger of them going out of business than there is of the heavens falling.

I want to modify the statement that I made that I thought this particular rope was the best rope in the market. I fear my statement was that it was the best wire in the world. The American manufacturers deny that it is, but I do know that, in my opinion, it is very much better wire for special purposes than the American rope and they get more for it. Therefore I made that statement, but I want it to apply, so far as I am concerned and not so far as any statement made by the Tariff Commission. The Tariff Commission takes issue with me, I see, and claim that there is not so very much difference in the value of the article, but I think there is a difference.

Mr. SPENCER. Inasmuch as the firm is in St. Louis, I have more confidence in the Senator's opinion regarding the excellence of its output than I have in his judgment on the rate.

Mr. SMOOT. I thought the Senator would, and I assure the Senator from St. Louis that the company will not be harmed in any way, shape, or form by a 25 per cent rate on wire, with a differential of 10 per cent on the rope.

Mr. SPENCER. That is gratifying as an evidence of intention, but it does not satisfy the condition at all.

Mr. SIMMONS. I suggest to the Senator from Missouri that he had better take a bond and not rely upon the personal assurance of the Senator from Utah.

Mr. SPENCER. I would take the Senator's personal bond either upon that or any other matter, but I am sure the Senator from Utah will confine his guaranty to verbal utterances on the floor of the Senate, which the Senator knows have no legal force.

Mr. SMOOT. I would like to take payment for that bond on a percentage basis of their gain over and above a certain amount. Then I would give them the bond.

Mr. SPENCER. We may have a bargain right here on the Senate floor. I will give the Senator the percentage.

Mr. President, a parliamentary inquiry. As I understand, the motion of the Senator from Utah is to change the present proposed rate from 35 per cent to 25 per cent?

The PRESIDING OFFICER. That is the pending amendment to the committee amendment.

Mr. SPENCER. Is a motion in order to change to 20 per cent instead of 25 per cent?

The PRESIDING OFFICER. It is not in order. That would be an amendment in the third degree.

Mr. CARAWAY. Mr. President, is that a Democratic filibuster in progress on the other side of the Chamber?

Mr. SMOOT. No. We had that this morning when the Senator from Arkansas had the floor.

Mr. CARAWAY. What are we having now?

Mr. SMOOT. This is discussion of the bill. The Senator was engaged in filibustering this morning.

Mr. CARAWAY. What is the Senator doing now?

Mr. SMOOT. I am talking about the bill.

Mr. CARAWAY. Is he filibustering?

Mr. SMOOT. No; I am answering questions, just the same as I would if Senators on the other side of the Chamber asked them.

Mr. CARAWAY. I thought the Senator was filibustering.

Mr. SMOOT. Oh, no. The only filibuster we have had this morning was by the Senator from Arkansas himself.

Mr. CARAWAY. What is the Senator from Utah doing now?

Mr. SMOOT. Answering the Senator from Arkansas.

Mr. CARAWAY. He is filibustering, then, is he not?

Mr. SMOOT. Oh, no.

Mr. CARAWAY. The Senator says I am filibustering.

Mr. SMOOT. I did not say now. I said the Senator was filibustering this morning.

Mr. CARAWAY. But the Senator is helping me now, is he not? We are running together, the Senator from Utah and myself.

Mr. HEFLIN. Mr. President, the Washington Post of to-day contains an article about the prosecution of the Cement Trust——

Mr. SIMMONS. Mr. President, may I suggest to the Senator from Alabama that the paragraph which we have up now for consideration is extremely interesting. Let us get through with that, and then the Senator can proceed.

Mr. HEFLIN. It will only take two minutes, and I want to bring this in before we vote.

Mr. SIMMONS. This paragraph is so very interesting that I thought the Senator would let us finish it.

Mr. HEFLIN. I shall only take a moment or two.

Mr. President, the Cement Trust of the United States is being prosecuted. I read from this morning's Washington Post:

NEW YORK, May 25 (by the Associated Press).—The jury which heard the evidence against cement manufacturing firms and several of their officials, charged with violation of the Sherman antitrust law, failed to agree after 35 hours' deliberation and to-night was dismissed by Federal Judge Knox.

* * * * * * * *

The Atlas Portland Cement Co. and 18 other corporations, together with 44 officials, were the defendants in the suit.

I had occasion to make a few remarks the other night on the subject of taxing cement. The Cement Trust of the United States now holds the American consumer in the hollow of its hands. It violates the Sherman antitrust law. Some of the people who are being pinched and robbed by the prices fixed by the Cement Trust have gone into the courts to prosecute the concern. The case is now pending, and while it was going on, while the Cement Trust is resisting the lawfully constituted authority of the Government in the performance of its duty, the Republican Senate, sitting in the Capitol of the United States, imposes a tax upon cement and practically shuts out all imports, leaving the people more than ever absolutely in the hands of the Cement Trust.

The point I want to make, and I promise my good friend, the Senator from North Carolina, that I shall not take more than a moment and will let them proceed with the item now under consideration, is that the Cement Trust of America, holding up every consumer in the country, now defying the law of the land, haled into court by the people who have been outraged by these fixed prices, is powerful enough, influential and persuasive enough, to have a Republican Senate put a tax upon the cement that comes into the country in competition with theirs, which would give the consumer an opportunity through competitive selling to obtain cement at a reasonable price.

The law is being violated, but the trust is so powerful and so influential now that it secures the passage through this body of a tax upon cement. It holds the American people in and shuts out cement which might enable them to get it at a fair price and leaves them helpless at the mercy of the Cement Trust of the United States.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah [Mr. SMOOT] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on the amendment as amended.

Mr. SIMMONS. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. BALL]. In his absence, I transfer that pair to the Senator from South Carolina [Mr. DIAL], and vote "nay."

Mr. MOSES (when the name of Mr. KEYES was called). My colleague [Mr. KEYES] has authorized me to make the statement that, if present, he would vote "yea" upon this question.

Mr. NEW (when his name was called). Making the same announcement as on the previous vote in reference to the transfer of my pair, I vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer by general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Texas [Mr. CULBERSON], and vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from Arizona [Mr. CAMERON], which I transfer to the junior Senator from Massachusetts [Mr. WALSH], and vote "nay."

Mr. WILLIAMS (when his name was called). I transfer my pair with the Senator from Indiana [Mr. WATSON] to the Senator from Rhode Island [Mr. GERRY], and vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. Making the same announcement as to my pair and its transfer as heretofore, I vote "yea."

Mr. HALE. Making the same announcement as before in reference to my pair and its transfer, I vote "yea."

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from South Dakota [Mr. NORBECK], and vote "yea."

Mr. LODGE. I transfer my general pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the Senator from Colorado [Mr. NICHOLSON], and vote "yea."

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

The result was announced—yeas 37, nays 27, as follows:

YEAS—37.

Brandegee	Harreld	Moses	Shortridge
Broussard	Johnson	Nelson	Smoot
Bursum	Jones, Wash.	New	Sterling
Calder	Kendrick	Newberry	Sutherland
Cummins	Lenroot	Oddie	Townsend
Curtis	Lodge	Page	Wadsworth
Dillingham	McCumber	Pepper	Warren
Ernst	McKinley	Phipps	
Gooding	McLean	Poindexter	
Hale	McNary	Rawson	

NAYS—27.

Ashurst	Harrison	Norris	Smith
Borah	Heflin	Overman	Spencer
Capper	Hitchcock	Pittman	Swanson
Caraway	Jones, N. Mex.	Ransdell	Walsh, Mont.
Fletcher	Kellogg	Robinson	Watson, Ga.
France	La Follette	Sheppard	Williams
Harris	Myers	Simmons	

NOT VOTING—32.

Ball	Elkins	McCormick	Stanfield
Cameron	Fernald	McKellar	Stanley
Colt	Frelinghuysen	Nicholson	Trammell
Crow	Gerry	Norbeck	Underwood
Culberson	Glass	Owen	Walsh, Mass.
Dial	Keyes	Pomerene	Watson, Ind.
du Pont	King	Reed	Weller
Edge	Ladd	Shields	Willis

So the amendment of the Committee on Finance as amended was agreed to.

The PRESIDENT pro tempore. The next amendment will be stated.

The READING CLERK. On page 59, paragraph 316, line 24, after the word "provided," it is proposed to strike out "for, except" and to insert "for (except"; and in line 25, after the word "or," to strike out "platinum" and to insert "platinum)," so as to read:

All wire composed of iron, steel, or other metal, not specially provided for (except gold, silver, or platinum).

The next amendment was, on page 60, line 4, after the word "produced," to strike out "and all other wire not specially provided for, 20" and insert "35," so as to read:

All flat wires and all steel in strips not thicker than one-quarter of 1 inch and not exceeding 16 inches in width, whether in long or short lengths, in coils or otherwise, and whether rolled or drawn through dies or rolls, or otherwise produced, 35 per cent ad valorem.

Mr. SMOOT. Now, Mr. President, on page 60, line 5, before the words "per cent," I move to strike out the numerals "35" and to insert the numerals "25."

Mr. HITCHCOCK. Mr. President——

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Utah to the committee amendment.

The amendment to the amendment was agreed to.

Mr. SIMMONS. Mr. President, my understanding is that the vote just taken was upon the question of reducing the rate provided by the committee from 35 per cent to 25 per cent.

Mr. SMOOT. It was.

Mr. SIMMONS. But we have not yet voted upon the question of adopting the amendment as amended providing for the 25 per cent rate.

The PRESIDING OFFICER. The question now is on agreeing to the amendment as amended.

Mr. SIMMONS. I thought the Senator from Nebraska desired to discuss that question.

Mr. HITCHCOCK. I did not exactly understand the parliamentary situation when the first question was put. I was going to ask the Senator from Utah what warrant there is for mak-

ing the rate 25 per cent instead of 15 per cent as under existing law?

Mr. SMOOT. We have discussed that question for three-quarters of an hour.

Mr. HITCHCOCK. Can the Senator state what the reason is?

Mr. SMOOT. This bracket relates to high-priced steel, steel valued at above 6 cents and running to $1 a pound or more, and an ad valorem rate of 25 per cent we thought was absolutely necessary to cover all of the steel within that bracket.

Mr. HITCHCOCK. Are the imports such as to threaten the American industry?

Mr. SMOOT. There is one firm in the United States that imports all of this particular class of the steel which is used in the United States. It is English steel. The steels embraced in this paragraph are generally alloy steels and are of the highest price.

Mr. HITCHCOCK. I should like the Senator to give the figures, if he has them, showing a comparison between the imports and domestic production.

Mr. SMOOT. The Senator from Nebraska has them before him if he wants to put them into the RECORD, but they have already been put into the RECORD by the Senator from North Carolina [Mr. SIMMONS], I think.

Mr. SIMMONS. No; they were inserted in the RECORD by the Senator from Arkansas [Mr. ROBINSON].

Mr. SMOOT. They were inserted in the RECORD by the Senator from Arkansas.

Mr. SIMMONS. Let me ask the Senator from Utah a question. When we were considering the amendment, on page 59, in line 22, striking out 35 per cent as proposed by the committee and reducing the rate to 25 per cent, the Senator from Missouri made it clear that the 25 per cent rate, which is an increase of 10 per cent over the present law, could not be justified, and stated to the Senate that if the rate were increased from 15 per cent, which is the rate of the present law, it would destroy a very important industry in this State, one employing thousands of laborers, and he appealed to the committee to relent and to accept the present rate. They refused to do that. He then proceeded to show that there was no principle of protection upon which this increase in rate could be justified, and he presented facts and figures to sustain his contention, and then the Senator from Utah stated that this duty was levied for purposes of revenue.

Mr. SMOOT. No; I did not say for purposes of revenue.

Mr. SIMMONS. For revenue purposes.

Mr. SMOOT. No; I said we would collect two-thirds more than we would under the 15 per cent.

Mr. SIMMONS. But did not the Senator finally contend that it was a revenue duty, and that that was the purpose?

Mr. SMOOT. No. I spoke of revenue as being one of the features, and said that the amount would come in here whether it was 15 per cent or 25 per cent, and that the revenue would be two-thirds more.

Mr. SIMMONS. Of course, I always accept what my good friend from Utah says; but I was under the impression that the argument of the Senator from Missouri [Mr. SPENCER] had so competely demolished the contention that this increased rate was necessary for purposes of protection that the Senator from Utah, finding that he could not sustain it upon that principle, had proclaimed that it was a good duty to get revenue out of.

Now I want to ask the Senator from Utah if the duty of 35 per cent which is proposed on page 60 with reference to another class of wire, and which he proposes to reduce to 25 per cent, is imposed for the purpose of protection, or is it imposed for the purpose of revenue?

Mr. SMOOT. It is imposed for the purpose of protection.

Mr. SIMMONS. I am not in possession of the facts myself; the Senator from Arkansas [Mr. ROBINSON], who discussed this matter only very briefly, was compelled to leave the Chamber, and never finished his real discussion. Will the Senator from Utah give us the facts upon which he justifies this increase in the rate for the purpose of protection? Of course, if it is justified upon the ground that we need the revenue, and that this is an article upon which we can afford to impose a revenue duty, that would end the argument; but the Senator now says that this duty is imposed for the purposes of protection, and I suggest that the Senator ought to give the Senate some reasons why this additional protection is needed.

Mr. SMOOT. Mr. President, this duty is on "all flat wires and all steel in strips not thicker than one-quarter of 1 inch and not exceeding 16 inches in width, whether in long or short lengths, in coils or otherwise, and whether rolled or drawn through dies or rolls, or otherwise produced." That is the highest standard of finished product that can be shipped into this country that goes into the finest steel goods made. The razor blades made in this country are produced from steel falling under this provision, and tax only razor blades of all kinds——

Mr. SIMMONS. This includes wire as well as steel strips.

Mr. SMOOT. It is all made in that shape, and it comes in that shape, and the duty is absolutely necessary in order to protect the manufacturer of the highly specialized products made from this high-priced steel.

Mr. SIMMONS. Will the Senator answer me a further question? The Senator from Missouri [Mr. SPENCER], who, I presume, speaks with some degree of experience, because the industry that he was discussing is one that is located in his own town——

Mr. SMOOT. Not this at all; this is an entirely different proposition.

Mr. SIMMONS. I was going to ask the Senator whether the facts that he gave then are at all applicable to this. The Senator from Missouri stated, with reference to the other item in this paragraph, that the wire imported into this country sold for 10 cents a pound as against the domestic price of 6 cents a pound. I want to ask the Senator if this high grade and high standard of steel that he speaks of is imported here from Great Britain, and if from Great Britain, whether the price charged for that article is below or in excess of the price charged for the comparable article produced in this country?

Mr. SMOOT. The Senator is going back now to an item——

Mr. SIMMONS. No; I am asking about this particular item.

Mr. SMOOT. These items run all the way from 6 cents a pound up to $1.25 a pound.

Mr. SIMMONS. That does not answer the question I asked. I am asking the Senator whether the foreign price of this high-grade steel that he talks about is higher than the domestic price?

Mr. SMOOT. I think the domestic price is higher than the foreign price.

Mr. SIMMONS. Is it enough higher than the foreign price to justify a duty of 25 per cent?

Mr. SMOOT. I think so.

Mr. SIMMONS. It seems to me the Senator ought not to think about that; the Senator ought to have the information about that. This duty was imposed by the committee of which he is one of the leading members, and I assume that the Senator would not impose a duty of 25 per cent on an article if there is any doubt about whether the foreign article undersells or oversells the domestic article. If it oversells the domestic article, then, of course, there is no justification for it. If it undersells the domestic article there is no justification for that amount of duty unless it is necessary, according to their theory, to bring the foreign price up to the domestic price.

Mr. SMOOT. Mr. President, of course, I could not make any answer that would be satisfactory to the Senator from North Carolina.

Mr. SIMMONS. But the Senator might make one that would be satisfactory to somebody else in the Senate, or satisfactory to the country, if not to me, if I am so obstinate about this matter that he can not satisfy me.

Mr. SMOOT. I am going to call the Senator's attention to the facts as submitted here in the Reynolds report. Of course, that would not satisfy the Senator, but I want him to see what that shows.

Mr. SIMMONS. Mr. President, I simply asked the Senator for the facts about this. I have not said that I would not accept his facts. I asked him to give the facts because I think the Senate is entitled to the facts; I think the country is entitled to the facts; and when I ask questions of Senators over on the other side in a proper spirit—and I certainly have done that—it is no answer to say that I would not be satisfied whatever the price might be. I am not the one to be satisfied; it is the country.

Mr. SMOOT. The Reynolds commission collected three items under this paragraph, steel in strips. The country from which it came was Sweden. Most of it does come from Sweden. Some comes from England. Particularly that which comes from England, however, comes in strands of wire. The quantity was 100 pounds. The foreign value was $51.10. The landing charges were $1.34. The selling price of the imported article in the United States was $65.98, and the selling price of the comparable article in the United States was $80. The rate required to equalize, allowing a reasonable profit, was 85 per cent. That is what the Reynolds report shows.

Mr. SIMMONS. Will the Senator tell me under what——

Mr. SMOOT. Under paragraph 316.

Mr. SIMMONS. Yes; but I was going to ask the Senator if he would tell me what table in the summary on page 408 this product would come under. There are about 15 or 20 different

tables there, and I am not sufficiently familiar with this item to determine under which table it falls. It seems to me, however, it would fall under the table "Wire of iron or steel or other metal coated by dipping." Perhaps that is not the proper one, but I should like to have information from the Senator upon that point.

Mr. SMOOT. I think if the Senator will look on page 409, "All other wire not specifically provided for," and also "All other manufactures of wire not specifically provided for," the two brackets there no doubt would cover this.

Mr. SIMMONS. The two bottom tables?

Mr. SMOOT. I think they would cover it.

Mr. SIMMONS. I am not now in possession of the amount of production in this country; but the table, second from the last, shows that in 1918 the importations into this country, measured in dollars, were only $63,000. In 1920 they were only $203,000. In 1921 they were only $171,000. It shows that the duty collected—if this is a revenue item—in 1918 was $8,000; in 1919, $9,000; and in 1920, $30,000.

Mr. President, I do not know exactly what the production was, but perhaps I can find out.

The total of steel and iron wire—that is it—produced in this country in 1919 was 2,508,890 short tons. That is the amount—2,500,000 short tons—and the importations amounted in 1918 to $55,000. I think that if the Senator has any respect for the measure of protection which he has laid down as the proper measure of these duties, upon a consideration of those facts—2,500,000 tons of production and $55,000 worth of imports—he would be compelled to say that this duty was not a protective duty, but that it was a revenue duty; but, whether a revenue duty or a protective duty, it is evidently a duty that will increase the price of this commonly used article to a very considerable extent to the American consumers.

If it is a revenue duty it could not be justified, because of the insignificant amount of revenue which would accrue. The revenue is so small because the importations are so small; and therefore it seems to me logically it must follow that this duty is imposed simply to protect some interest that feels that it is entitled to have the American market absolutely safeguarded from foreign competition in the future, in order that it may fix the price of its products and increase its profits at will.

Mr. HITCHCOCK. Mr. President, it may be that the Senator from Utah is able to understand this paragraph and to analyze it so as to have a clear view of what these different classes of wire and wire manufactures are. I must confess that I can not, and I think it is one of the evils of this bill that it is almost impossible, as to some of the schedules, to make a proper comparison with existing law.

The existing law levies a tariff of 15 per cent on all of these classes of wire, which in this paragraph are divided up. Some of them have specific duties, like three-fourths of 1 cent per pound, or 1¼ cents per pound, or 1½ cents per pound, and nobody but the most astute statistician can tell what the ad valorem rate is, and can make any comparison with existing law.

Then these various wire schedules are divided in accordance with the size of the wire, and then still another specification is made as to the cost of the wire, and finally we come down to the pending amendment, and find that all wire composed of iron, steel, or other metal not specially provided for had a duty of 20 per cent levied on it by the House, the Senate committee recommended 35 per cent ad valorem, and I understand now the Senator from Utah proposes 25 per cent ad valorem.

Why all of this specification? Why all this confusion? No one can compare these various specifications with the existing law, which is simply 15 per cent ad valorem. I ask the Senator, has there been any undue competition from abroad under the 15 per cent ad valorem rate as it exists to-day, and if there has been such undue competition, even from the Republican standpoint, can he clearly state what it is? I am not able to find it in the statistics here. I find that the Tariff Commission states specifically that the present production of wire and the present production of wire products in the United States is enormous. There seems to be no intimation that any foreign competition is at all deterimental, and yet we have an increase in this schedule. In three particulars it is made a specific rate instead of the existing ad valorem rate, and no man can tell whether that is an increase or not. When we come down to the ad valorem rate of 20 per cent, as proposed by the House, or 25 per cent, as proposed by the Senate committee, then we can compare and see what it amounts to in this particular, almost a doubling of existing rate, and I ask why it is doubled. Can the Senator state why it is doubled?

Mr. SMOOT. I made a statement as to that twice, and the Senator now comes into the Chamber, when the Senator from Arkansas has left and the Senator from North Carolina has left and wants me to go over exactly the same ground I have already gone over twice, and I do not think it is necessary to waste the time of the Senate in doing that.

Mr. HITCHCOCK. Then, if the Senator declines to state it, I state that there is nothing in the figures showing a considerable import of this wire, and there is not considerable importation of any product, practically, made from this wire. On the contrary, the information furnished by the Tariff Commission is that for the year 1919 the wire-drawing mills of the United States—and of them there are 117 establishments—produced $409,000,000 worth of this, and of that output $401,000,000 represents wire and manufactures of wire. I assert, if the Senator will not offer the figures, that there is no importation of wire and wire products which in the slightest degree threatens that great production in the United States, amounting to over $1,000,000 a day at the present time.

The Senator from Iowa [Mr. CUMMINS] said that this is an inopportune time to enact a tariff bill. He stated that he did not like to vote for an increase of a tariff unless and until some responsible authority could show that the increase was justified by the difference in the cost of labor abroad and in the United States, or at least the difference in the cost of manufacture abroad and in the United States. The committee makes no showing of that sort, makes absolutely no showing to the Senate as to any difference in the cost of manufacture in the United States and abroad. On the other hand, the evidence shows that we have an enormous production in the United States, and importations which are almost negligible.

It may be that Senators can justify voting for nearly doubling the schedule under these circumstances. This article of wire, and this particular wire we are discussing—that is, wire composed of iron, steel, or other metal, not specially provided for—is used in the manufacture of immense quantities of what have come to be regarded as the necessaries of life. It is used in the manufacture of telephone wire, it is used in the manufacture of telegraph wire, it is used in the manufacture of nails, it is used in the manufacture of tacks, it is used in the manufacture of wire fence, and used in a dozen other capacities for the common use of the American people. Yet, without any information, without even an intelligent statement of what the difference in the proposed schedule is, we are asked to vote for what seems to be a rate which is about twice as high as the rate in existing law, although the rate in the existing law produces but little revenue and under the existing law but trifling imports come into the country.

The Senator from Utah has made the technical objection that the technical lines upon which we are now engaged represent a high-priced wire. I think he is mistaken in that. The high-priced wire is provided for on page 59, in the proviso which reads:

Provided, That all of the foregoing valued above 6 cents per pound shall pay a duty of 20 per cent—

according to the House provision, and as the Senate committee recommended, 35 per cent. So that all wire valued at above 6 cents per pound is already provided for by that section, and it is evident that all wire composed of iron, steel, or other metal not specially provided for can not be valued at above 6 cents per pound.

Mr. SMOOT. I do not want to interrupt the Senator, but——

Mr. HITCHCOCK. I would be glad to have the Senator interrupt me if I have erroneously stated the case.

Mr. SMOOT. The "above" refers to high-priced wire, and even that wire runs all the way from 6 cents a pound up to 90 cents and $1 a pound. But this refers to wire which is in long or short lengths, coils or otherwise, and does not exceed 16 inches in width. It is entirely a different proposition. It is to provide for the steel that comes in for razor blades and the highest type of manufactured article.

Mr. HITCHCOCK. I think the Senator has read it incorrectly.

Mr. SMOOT. I know that is what this item covers and what the articles are used for.

Mr. HITCHCOCK. On line 23 the language is, "All wire," which is a pretty general term, "composed of iron, steel, or other metal." I can not see how it could be more general.

Mr. SMOOT. What we are talking about is all flat wires and all steel in strips.

Mr. HITCHCOCK. It does not say anything about that in what I have quoted.

Mr. SMOOT. No; but that is what this proviso we are now discussing is concerned with.

Mr. HITCHCOCK. The proviso reads:

That all of the foregoing valued above 6 cents per pound shall pay a duty of 20 per cent ad valorem.

We have passed that. Then it goes on, after a semicolon, "All wire composed of iron," and so forth. That is a repetition. It does not refer to flat wire.

Mr. SMOOT. Read a little further.

Mr. HITCHCOCK. It says, "All wire composed of iron, steel, or other metal not specially provided for." Does not that include all wire made from any metal that is not provided for either above or subsequently? The general basket clause, "all wire," the House subjected to a tariff of 20 per cent, and the Senate committee proposes to raise it to 35 per cent, and the Senator now is willing to accept 25 per cent; but that refers to all wire.

Mr. SMOOT. Not specifically provided for.

Mr. HITCHCOCK. Where is this cheap wire otherwise provided for?

Mr. SMOOT. It is all above that. It is a specific duty, the same as it was in the act of 1909. As I have stated here three times, that is the bulk of production in the United States. The wire the Senator refers to is that not specially provided for here, and is nothing but the things which would fall in the basket clause covering wire, and will carry a rate of 25 per cent if the amendment offered by me is adopted.

Mr. HITCHCOCK. Of course, those specific provisions are not before us, because they have not been amended by the committee.

Mr. SMOOT. Why does the Senator ask the question, then?

Mr. HITCHCOCK. Because I am suspicious of these basket clauses. I know that in the past they have been used for the purpose of imposing inordinate duties, and I think that the general basket clause, "all wire composed of iron, steel, or other metal, not specially provided for," is likely to embrace a very large proportion of the wire manufactures.

Mr. SMOOT. Does it embrace them to-day under existing law? Was a tariff bill ever written that did not contain a "not specially provided for" clause?

Mr. HITCHCOCK. It is provided for in the existing law under the same clause in which all the other wires are covered. There is no attempt to mislead the unsuspicious reader by putting in a specific duty in one sentence, and then making a change in another, and then imposing an ad valorem duty in the next, so that nobody but a Philadelphia lawyer can tell what the rate is, and the committee will not enlighten us.

Mr. SMOOT. The rates are exactly the same in this paragraph. They are 25 per cent in both cases, and it does not take a Philadelphia lawyer, or anybody else, if you know anything about tariff matters, to see that they fall under identically the same rate in this bill, just as they did in the other law.

Mr. HITCHCOCK. Is the Senator able to state the equivalent ad valorem of three-fourths of 1 cent?

Mr. SMOOT. The average rate is about 25 per cent.

Mr. HITCHCOCK. I am not talking about the average rate. What is the equivalent ad valorem of 1¼ cents per pound?

Mr. SMOOT. About 25 per cent.

Mr. HITCHCOCK. And 1½ cents?

Mr. SMOOT. It will be about 25 per cent. It all depends on the thickness. The finer the wire is the more it costs.

Mr. HITCHCOCK. Then, as a matter of fact, it is increasing the existing rate of 15 per cent to a proposed rate of 25 per cent, when we have an enormous production of that wire in the United States at the present time, and an insignificant importation of it.

Mr. SMOOT. I can tell the Senator now what the exact ad valorem rate was in 1909, based on the prices then. One and one-half cents in the Payne-Aldrich law——

Mr. HITCHCOCK. The people repudiated the Payne-Aldrich law. I am talking about existing law. The rate in existing law is 15 per cent, and it is existing law you are changing. You are not changing the Payne-Aldrich law. What is your warrant for nearly doubling the rate in the existing law? Is it the cost of production at home and abroad? You do not know; you can not tell the Senate what that is. Is it the great importation of the stuff? You know the figures show there is not a great importation. Why, then, are you proposing to double the existing rate on a very necessary article, an article which goes into the manufacture of so many things which the people are compelled to consume? There will not be an answer to that any more than there was when we asked you why you were proposing to raise the tax on wood alcohol, the world manufacture of which is almost controlled by the American manufacturers.

Why are you proposing to raise the rate on ink, or why are you proposing to raise the rate on a number of other articles? They are not luxuries; they are necessaries of life, and every time you impose a higher tax on them you increase the cost of living to the American people. In this particular case, as to wire, you are increasing the cost of building; you are increasing the cost of merchandising, in which wire nails are used so extensively. Yet we have not any justification or any attempt to justify it from any standpoint.

Mr. SIMMONS. Mr. President, I wish to call the attention of the Senator from Nebraska to the fact that the provision which he has just been discussing is a matter upon which we have voted. I think his remarks were very illuminating, but in the part of that proviso which we are discussing the question of "not specially provided for" does not come in, and yet they have made the rates the same.

Mr. SMOOT. The clause "not specially provided for" does not have to appear in every bracket. It is in the paragraph, but it does not have to appear in every bracket. There is no need of having it in two places.

Mr. SIMMONS. I desire to inquire whether the amendment of the committee reducing the proposed rate from 35 to 25 has been agreed to?

The PRESIDENT pro tempore. It has been agreed to.

Mr. SIMMONS. The question now is upon the adoption of the committee amendment as amended?

The PRESIDENT pro tempore. The question is now upon agreeing to the committee amendment as amended.

Mr. HITCHCOCK. That raises the House rate, as I understand it?

Mr. SIMMONS. Yes. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. ERNST (when his name was called). Making the same announcement as before, I vote "yea."

Mr. FLETCHER (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. BALL], which I transfer to the junior Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. MOSES (when Mr. KEYES's name was called). I am authorized by my colleague [Mr. KEYES] to state that if present he would vote "yea" on this question.

Mr. NEW (when his name was called). Making the same announcement as on the previous vote with reference to the transfer of my pair, I vote "yea."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WILLIAMS (when his name was called). I have a general pair with the Senator from Indiana [Mr. WATSON]. I transfer that pair to the Senator from Nevada [Mr. PITTMAN] and vote "nay."

The roll call was concluded.

Mr. HALE. Making the same announcement as before, I vote "yea."

Mr. DILLINGHAM. Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND. I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Idaho [Mr. GOODING] and vote "yea."

Mr. HARRISON (after having voted in the negative). Has the junior Senator from West Virginia [Mr. ELKINS] voted?

The PRESIDENT pro tempore. He has not voted.

Mr. HARRISON. I have a general pair with that Senator. In his absence, being unable to obtain a transfer, I withdraw my vote.

Mr. CURTIS. I wish to announce the following pairs:

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE];

The junior Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The senior Senator from Rhode Island [Mr. COLT] with the junior Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 37, nays 26, as follows:

YEAS—37.

Brandegee	Kellogg	Nelson	Smoot
Broussard	Ladd	New	Spencer
Bursum	Lenroot	Newberry	Sterling
Curtis	Lodge	Norbeck	Sutherland
Dillingham	McCormick	Oddie	Townsend
Ernst	McCumber	Page	Wadsworth
France	McKinley	Pepper	Warren
Hale	McLean	Phipps	
Johnson	McNary	Poindexter	
Jones, Wash.	Moses	Shortridge	

NAYS—26.

Ashurst	Fletcher	Norris	Swanson
Borah	Harris	Overman	Underwood
Capper	Heflin	Ransdell	Walsh, Mont.
Caraway	Hitchcock	Rawson	Watson, Ga.
Culberson	Jones, N. Mex.	Sheppard	Williams
Cummins	La Follette	Simmons	
Dial	Myers	Smith	

NOT VOTING—33.

Ball	Frelinghuysen	McKellar	Stanley
Calder	Gerry	Nicholson	Trammell
Cameron	Glass	Owen	Walsh, Mass.
Colt	Gooding	Pittman	Watson, Ind.
Crow	Harreld	Pomerene	Weller
du Pont	Harrison	Reed	Willis
Edge	Kendrick	Robinson	
Elkins	Keyes	Shields	
Fernald	King	Stanfield	

So the committee amendment as amended was agreed to.

ORDER FOR RECESS.

Mr. McCUMBER. Mr. President, at this time I desire to ask unanimous consent that when the Senate completes its session on this calendar day it shall recess until 11 o'clock a. m. on Monday.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

DEDICATION OF LINCOLN MEMORIAL.

Mr. CURTIS. Mr. President, the Senate has already accepted the invitation to attend the Lincoln Memorial exercises Tuesday afternoon. Under the unanimous-consent agreement previously entered into the Senate would take a recess at half past 1 on Tuesday until Wednesday morning at 11 o'clock. In order that some of the Senators who have engagements for Tuesday may make the necessary arrangements, I ask unanimous consent that when we conclude the business of the Senate on the calendar day of Monday, May 29, the Senate shall take a recess until 1.25 o'clock p. m. on Tuesday. That will give us time to meet at 1.25, remain in session for 5 minutes, and then join the procession to attend the ceremonies at the Lincoln Memorial.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kansas?

Mr. UNDERWOOD. Mr. President, I have not any objection at all. Tuesday is Decoration Day, of course.

Mr. CURTIS. That is why I have asked for a modification of the unanimous-consent agreement, in order that Senators may have all day Tuesday. If they desire to attend the exercises at Arlington in the morning, they may do so and then meet here only for 5 minutes and attend the exercises at the Lincoln Memorial.

Mr. UNDERWOOD. There is no conflict between the request of the Senator from North Dakota and the request of the Senator from Kansas?

Mr. CURTIS. None at all. I may state to the Senate that arrangements will be made for automobiles to carry Senators to the exercises at the Lincoln Memorial. Later in the day, if possible, I shall have printed in the RECORD the program for that day so that Senators may know what the arrangements are and can govern themselves accordingly.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Kansas? The Chair hears none and it is ordered accordingly.

The PRESIDENT pro tempore subsequently said: The Chair has received a communication addressed to the Vice President from Lieut. Col. C. O. Sherrill, Corps of Engineers, United States Army, relative to the ceremonies to be held at the Lincoln Memorial May 30, 1922. Without objection, it will be printed in the RECORD and lie on the table for the information of Senators.

The communication is as follows:

LINCOLN MEMORIAL COMMISSION,
Washington, May 27, 1922.

Hon. CALVIN COOLIDGE,
President of United States Senate, Washington, D. C.

MY DEAR MR. VICE PRESIDENT: It is requested that the following information be given out to Senators in reference to the ceremonies to be held at the Lincoln Memorial on May 30 at 2.30 p. m.

It is requested that all Senators who attend arrive at the memorial by the Twenty-third Street route. This street will be closed to all except southbound traffic. The Senators are to get out of their cars at the northwest of the Lincoln Memorial on the circular sidewalk around the memorial. At this point they will be met by the Sergeant at Arms of the Senate and his assistants, and will be assembled not later than 2.30 p. m. on the circular grass area north of the memorial and immediately adjoining it. At 2.30 p. m. the Senators who have assembled will be conducted by the Sergeant at Arms to their seats on the Senate platform on the upper terrace of the memorial.

The cars of Senators will be parked on the outer side of the circular road surrounding the memorial, as indicated on their special parking cards, which should be attached to the windshield of motor cars.

After the services are over the Senators will again enter their cars at the same point at which they leave them and the cars will proceed northward up Twenty-third Street or Twenty-first Street.

It is of great importance that the Senators be advised that no one whatever will be authorized to use the special tickets provided for the Senators in the Senate section except the Senators themselves. It is, therefore, suggested that such of these tickets as are not going to be used by the Senators themselves be turned over to the Sergeant at Arms to be returned to this office.

The Sergeant at Arms is fully familiar with all the details in reference to the ceremony and will be present to identify the Senators and admit them to the special section reserved for the Senate.

Very sincerely yours,

C. O. SHERRILL,
Lieutenant Colonel, Corps of Engineers,
Executive and Disbursing Officer.

Mr. McCUMBER. Mr. President, I desire to state at this time that I hope the Republican members of the Committee on Finance, who have had charge of making the rates in the pending bill, will be able to sit and work with us during the day of Tuesday, instead of taking a holiday on that day. Of course, I shall not insist that anyone of them do that, but I hope that they will be able to do so, because there are a great many matters coming up daily which are presented to us, in the consideration of which I should like to have those members of the committee join in our sessions.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. On page 60, line 6, it is proposed to strike out the word "steel" and to insert the same word with a comma immediately thereafter.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The next amendment was, on the same page, in line 7, to strike out the word "electrolytic" and to insert the same word with a comma following.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The next amendment was, on the same page, in line 12, to strike out the word "except" and to insert "(except."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The next amendment was, on the same page, line 13, to strike out the word "platinum" and to insert "platinum)."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The next amendment was, on the same page, in line 15, before the words "per cent," to strike out the numeral "30" and to insert in lieu thereof the numeral "40," so as to read:

telegraph, telephone, and other wires and cables composed of iron, steel, or other metal (except gold, silver, or platinum), covered with or composed in part of cotton, jute, silk, enamel, lacquer, rubber, paper, compound, or other material, with or without metal covering, 40 per cent ad valorem.

Mr. SMOOT. When the time comes I shall move to strike out "40" and insert "35" in that amendment and in each of the three following amendments.

I will say to the Senator that these articles are cables composed of steel, iron, or other metals, and there is the differential between the 25 per cent rate on the wire and upon the finished manufactured article.

Mr. SIMMONS. Will the Senator from Utah be kind enough to tell me in which one of the tables on pages 408 and 409 of the Tariff Summary the articles in this bracket are covered?

Mr. SMOOT. The Senator from North Carolina may consult the table on page 409, at the middle of the page.

Mr. SIMMONS. What is the heading of it?

Mr. SMOOT. "Telegraph, telephone, and other wires and cables." I will afterwards tell the Senator where the other items are found in the table, although the articles we have now reached embrace virtually all of the items which are produced in any great quantity.

Mr. SIMMONS. Then the items we are now to consider are covered by the table headed "Telegraph, telephone, and other wires and cables"?

Mr. SMOOT. Yes; and all wires "covered with or composed in part of cotton, jute, silk," and so forth.

Mr. SIMMONS. Will the Senator advise me, if he has any figures in reference to the matter, what is the domestic production of these wires?

Mr. SMOOT. If I remember correctly, there is no information given by the Tariff Commission specifically on that item, but I will say to the Senator that the production in this country is very large.

Mr. SIMMONS. I will ask the Senator from Utah if the production is not covered in the Tariff Commission's report by the statement—

The total production of insulated wire and cables for the same year—

That is, for 1919—
was valued at $129,623,100?

Mr. SMOOT. Yes; I will say to the Senator that covers the item.

Mr. SIMMONS. Mr. President, we have this situation: The production of this article is $129,623,100, or, in round numbers, $130,000,000. The imports for the year 1918 were valued at $17,964; in 1914 at $44,955; in 1920 at $59,074; and in the first nine months of 1921 at $139,504. I think we might say in face of those figures that, with a domestic production of $130,000,000, there are practically no importations of this commodity.

I assume, therefore, that this duty is imposed for revenue purposes. I will ask the Senator from Utah if the purpose of the imposition of this 40 per cent duty, which the Senator now proposes to reduce to 35 per cent, is for revenue?

Mr. SMOOT. No; it is for protection.

Mr. SIMMONS. In face of those facts I should like to ask the Senator to give us the reason why it should be protected. I do not know why, and I should like to be informed.

Mr. SMOOT. If the Senator from North Carolina will notice, he will see that in 1918 there were only 170,981 pounds imported; in 1919 the importations rose to 327,000 pounds; and for the nine months during 1921 they rose to 830,000 pounds. The information I have is that the importations are now increasing very rapidly. I will admit, however, to the Senator that the importations are small as compared with the domestic production in this country at this time.

There is a duty of 25 per cent upon the wire itself; this bracket embraces wire covered with or composed of cotton jute, silk, enamel, or other material, making a cable, and there should be a differential between the raw product and the manufactured article of 10 per cent.

Mr. SIMMONS. Does the Senator contend that this duty is put on for compensatory purposes?

Mr. SMOOT. I did not say it was for compensatory purposes. I said the differential between the raw product and the manufactured article is 10 per cent.

Mr. SIMMONS. We do not get much of an idea by making the comparison in pounds; dollars answer a much better purpose; they enlighten the mind to a greater extent. One hundred and thirty million dollars' worth is the domestic production, and the Senator says because of the fact that importations have increased in four years from $17,000 to $138,000 worth admonishes the Republican Party that they ought to put a 35 per cent duty upon this product. At that ratio of increase it would probably be 100 years before there would be imported into this country 25 per cent of the domestic production. I do not think the tariff bill ought to anticipate the future for 25 or 50 years.

But, Mr. President, the duty imposed does not seem to be justified upon any protective principle. The Senator has not told us that this product can be produced cheaper abroad than it can be produced here; that it is being sold here at ruinous prices, or that the industry will be destroyed by the importation of this cheap product from abroad. The Senator has not told us that the domestic article costs more than the foreign article; the Senator has not told us that the foreign selling price is so much under the American price that it is necessary to put a duty in order to raise the foreign price up to competitive conditions in this country; the Senator has not given us any of the facts that are supposed to be necessary to underlie and support a protective duty. The Senate is not in possession of a single fact that would justify a protective duty. The only fact that it is in possession of is that the importations are $138,000, as against a production of $130,000,000, and that, Mr. President, upon an article that is in common use from one end of this country to the other. It includes not only wires necessary to carry telephone messages from one end of the country to the other, but it includes, I assume, telephone wires.

Mr. SMOOT. Oh, no; it covers cables.

Mr. SIMMONS. The table the Senator gave me a little while ago, under which he said this paragraph falls, covers "telephone and telegraph and other wires and cables."

Mr. SMOOT. "And cables." The wires referred to are in cables.

Mr. SIMMONS. It does not say "in cables"; but "telegraph, telephone, and other wires and cables." That, the Senator from Utah says, is the heading under which these importations come in, and the descriptive term under which the estimate of the domestic production is made is "Production of insulated wires and cables." It will not do for the Senator to say that this is confined to cables when it is not confined to cables.

Mr. SMOOT. It is confined to wire covered with or composed in part of cotton, jute, silk, and so forth.

Mr. SIMMONS. They may be covered with other materials, but I asked the Senator if he justified this rate upon the ground that there was a duty upon the articles that cover the wire and if therefore the wire wrapped up in these things is entitled to a corresponding compensatory duty, and he said he did not. The Senator ought to give the Senate some reason which would justify this rate according to the terms of either protection or revenue. He certainly has not given any that justify it as a protective duty, and he can not give any that justify it is a revenue duty, for the amount of revenue under the importations for 1918 was only $2,690 and the amount of revenue derived in 1921 was only $8,861. There is practically no revenue from the duty. Why, then, should we impose a duty of 35 per cent, which is more than a third value of the product, upon these wires and cables used by the people of the country as extensively as any other product of the steel industry is used?

I have no disposition to pursue this matter unnecessarily. If we could secure some information from the Senator that would justify it we would be in a better position to vote intelligently upon it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

Mr. WALSH of Montana. Mr. President, before we proceed to a vote, the particular amendment under consideration, as I understand, is found on line 15, page 60, but it is followed up by one of the same tenor in the following line applicable to wire rope and wire strand upon which the duty fixed by the House was 30 per cent ad valorem and the duty proposed by the Senate Finance Committee is 40 per cent ad valorem, which the Senator from Utah now proposes to reduce to 35 per cent. I imagine that the Senator from Missouri [Mr. SPENCER] had some special interest in this particular feature of the paragraph—wire rope.

Mr. SIMMONS. I will state to the Senator that there is an industry in the town of the Senator from Missouri producing a certain class of these wires in which he is very much interested. He thought that the proposed duties, being so excessively high, would destroy that industry, and he voted with us against them, but that item having been passed, he is not so particular about the industry of somebody else.

Mr. WALSH of Montana. I understood that the particular feature to which the Senator from Missouri was objecting was the provision on page 59 with reference to the duty upon the iron or steel wire entering into the composition of the wire rope referred to near the close of the paragraph. The Senator believes that the wire itself ought to be protected to the extent of 35 per cent.

Mr. SMOOT. No; the Senator wanted a lower rate on the wire, and 35 per cent on the wire rope.

Mr. WALSH of Montana. Twenty-five per cent is the figure eventually agreed upon, according to my recollection—25 per cent protection given to the producers of the iron or steel wire. The manufacturers of wire rope are given a compensatory duty of 25 per cent, and then a protection, under the proposition now made, of 10 per cent. In other words, the makers of iron or steel wire are protected to the extent of 25 per cent, but the manufacturers of steel rope are protected to the extent of only 10 per cent. Perhaps the Senator from Missouri would be able to shed some light upon the invidious distinction in the rate of protection with respect to these two articles.

For myself, I can see no very good reason why, if any of these commodities need protection, the manufacturers of wire rope should not be accorded just exactly the same measure of protection as the manufacturers of the wire of which the rope is made; but that is not the feature of the thing that particularly interests my State. It is deeply interested, however, as is every mining State, in the duty upon wire rope.

Every mine must be equipped with this kind of rope. Much of it is woven in great flat strands, and the consumption in my own State must involve, I am sure, an annual expenditure of some hundreds of thousands of dollars.

Mr. McCUMBER. Mr. President, may I ask the Senator if he does not think that the difference between 25 per cent ad valorem on the wire and 35 per cent ad valorem upon the rope is a sufficient conversion cost or differential?

Mr. WALSH of Montana. It is a matter of no consequence to us who buy the stuff how you distribute it. The fact of the matter is that you propose to charge us 40 per cent more for wire rope than we can buy it for elsewhere.

Mr. McCUMBER. I have noted that the Senator suggested that possibly the Senator from Missouri could explain the necessity for more than this 10 per cent differential in the ad valorem rate.

Mr. WALSH of Montana. Yes.

Mr. McCUMBER. I asked the Senator the straight question whether he considered 10 per cent difference a sufficient duty to differentiate.

Mr. WALSH of Montana. I consider it ample. From the figures given, I see no reason why there should be any; but if you give 25 per cent protection to the manufacturers of the wire, what justification is there for cutting off the manufacturer of the wire rope with 10 per cent? Of course, my view about the matter is that there should not be any duty upon either of them.

Mr. SMOOT. This is the justification for not making it more than 35 per cent:

One pound of wire costs 8 cents. One pound of rope costs 16 cents. Twenty-five per cent of the 8-cent wire is 2 cents duty. Thirty-five per cent on the 16-cent rope is 5.6 cents, or a differential of 3.6 cents; and that is ample protection.

Mr. WALSH of Montana. That is an odd way of figuring it, but let it go at that.

Mr. SMOOT. That is the only way.

Mr. WALSH of Montana. That is not my quarrel. My quarrel is that for every $100,000 worth of wire rope that comes to Butte, Mont., the purchaser must pay $140,000. In other words, he is taxed to the extent of $40,000 on every $100,000 worth of wire rope that is bought, and, from the figures exhibited here, without a justification on earth for it, the production in this country vastly exceeding the imports, which for all practical purposes are negligible.

Mr. President, copper is the chief mineral production of my State.

Mr. SMOOT. The Senator knows that even the present law provides a duty of 30 per cent.

Mr. WALSH of Montana. I do not care what it is.

Mr. SMOOT. No; I see the Senator does not.

Mr. WALSH of Montana. I am calling attention to the fact that the miners of copper in the State of Montana—an industry that is not protected in any way whatever, and can not be—are obliged to pay, for some reason or other which is not disclosed, $140,000 for every $100,000 worth of wire rope they purchase.

As I said, the copper industry is not protected. In common with all branches of the mining industry, it has been suffering for a period of two years such distress as has never afflicted it before in the history of the industry. The mines in Butte, now operating in a small way, have been closed down for a period of nine months, signifying such distress in that community as can scarcely be imagined.

Mr. SMOOT. Mr. President——

Mr. WALSH of Montana. I yield to the Senator.

Mr. SMOOT. The Senator, of course, knows that there has been distress in the zinc-mining industry and the lead-mining industry, and there are duties upon those metals.

Mr. WALSH of Montana. Yes; if the Senator will pardon me, I intend to read from the Engineering and Mining Journal of January 21, 1922, something about the state of the mining industry in this country.

> The future of the copper industry is influenced by many unmeasured factors. Certain world-wide tendencies are evident, but the effect of such tendencies in individual countries is obscure. A revival of the domestic industry—

Which, of course, indicates that just now it is dead, or moribund—

> during the first half of 1922 is expected by some, but is mainly dependent upon general business revival here and in Europe.

"And in Europe"—the revival of the copper industry in this country depends upon the revival of business in Europe.

I clipped from the paper a day or two ago a very gratifying little memorandum to the effect that the foreign demand for copper has shown some evidence of improving, as a consequence of which the price has gone up to 13½ to 13¾ cents a pound. The revival of the industry depends upon the revival of the purchasing power of Europe, to which we annually send 60 per cent of the American product; and we propose now to put up a tariff wall so that Europe can not sell any of her goods to us so as to permit her to buy our copper.

But it is not only the copper industry that is thus paralyzed, Mr. President. I read from the same volume touching lead mining:

> Conditions during 1921 in the lead-mining industry, particularly in the stated States, were most discouraging. The selling price of the metal had returned to the pre-war level, but costs, certainly at the beginning of the year, were still on the war level.

Now, it is proposed to put a tariff upon one of the prime things that they must use in lead mining, an increase over the tariff prescribed by the present law, so as to increase further the costs of mining:

> Mining, milling, and smelting costs had more than doubled since 1914; wages had increased in no districts less than 75 per cent, and in many operations over 100 per cent; efficiency had dropped; materials, supplies, and railroad freights had in general more than doubled, and on some roads quadrupled. Unless costs could be brought down, most of the ore in the United States would cease to be ore in the generally accepted sense.

Zinc mining is equally suffering:

> The year 1921 was most disastrous to the zinc miners. The effects of the war produced a financial crisis which required a drastic curtailment of all expenditures and brought about a hand-to-mouth rate of expenditure extremely detrimental to the industry and to general prosperity and well-being, which involves providing for future as well as present requirements.

And gold mining:

> In the United States the decline in the production of gold continued throughout 1921. The small reduction in the cost of supplies and labor which took place during 1921 was not sufficient to warrant starting up many of those properties that were closed down during the peak of the rise in price. The production of gold in the United States has also been diminished by the closing down of the copper mines, from which a certain amount of gold was produced as a by-product.

As I have stated upon the floor heretofore, the copper mines in Butte are now down to a depth of nearly 1 mile, 3,600 to 4,000 feet. The ore is all hoisted from a depth varying from 300 feet from the surface to 4,000 feet, the average depth being, I should say, about 2,000 feet. In other words, Mr. President, every mine that is operating upon an average uses continuously at least a mile of this wire rope, usually from 6 to 8 inches in width; and it is proposed now, in view of the depressed state of the industry, to make the miners pay for the wire rope they use 40 per cent more than it could be purchased for from the foreign manufacturer, when the figures show that there is no occasion whatever for it.

I can not understand how Senators can think of imposing these awful burdens upon the industries of the country in the interest of those who happen to be making wire rope.

Mr. McCUMBER. Mr. President, the Senator has so often reiterated the statement that this bill compels the person who purchases wire rope to pay 40 per cent more than he would pay except for this bill that I think it is proper to call his attention to the fact that the Underwood-Simmons law provides for 30 per cent. We propose to reduce this to 35 per cent, so that there would be a difference of only 5 per cent between the rate in this law and the rate in the Underwood law.

Mr. UNDERWOOD. Of course, I can not recall everything that is in the present law, but will the Senator call to my attention what provision in the present law provides for 30 per cent? My recollection is that the present law provides for a rate of 15 per cent.

Mr. McCUMBER. That is the rate on the wire. We are now talking of the rope. That is what the Senator from Montana is speaking of. The act of 1913, paragraph 114, provided, "wire rope, 30 per cent ad valorem."

Mr. UNDERWOOD. The wire, however, is taxed 15 per cent, is it not?

Mr. McCUMBER. Yes; but the Senator from Montana was talking about wire rope, and the Senator from Montana is insisting that this bill will compel the Montana purchaser to pay 40 per cent more for his wire rope. Assuming that every penny of a tariff added a penny to the final cost, he would simply pay 5 per cent more than under the present law and not 40 per cent more.

Mr. WALSH of Montana. Mr. President, the Senator from Montana made no comparison between what the Montana purchaser would have to pay under this provision and what he would have to pay under the existing law. I insisted he would have to pay 40 per cent more than he could get it for abroad.

Mr. McCUMBER. I think the Senator put it a little broader than that, because he said we were compelling him to pay 40 per cent more than we otherwise would compel him to pay. Does the Senator believe that it should be free? Does he think that we should have not even a penny of revenue duty upon it?

Mr. WALSH of Montana. The figures show that there is no revenue derived from it.

Mr. McCUMBER. If there is no revenue whatever derived from it, I assume it is not injuring anyone particularly. I can not understand the position taken by the Senator from North Carolina about everything in this paragraph. The conditions are practically the same, as shown by his figures, as they were in 1913. He says the importations are a bagatelle. They were a bagatelle at that time. They amounted to but very little, and yet he put a duty of 15 per cent upon this article. We propose a duty of 25 per cent on it. If you can excuse a duty of 15 per cent, you can equally excuse a duty of 25 per cent, unless you establish the fact that it will come in at 15 per cent but will not come in at 25 per cent.

Mr. SIMMONS. Mr. President, I would like to ask the Senator this: If a 15 per cent duty excluded importations, why is it necessary to raise that to a higher figure?

Mr. McCUMBER. Because it did not exclude. I do not think importations will be excluded even with the higher duty. I think we will get substantially about the same proportion we got before, and that the difference in duty of 10 per cent will not affect it one way or the other. I believe there will still be a very slight importation.

Let me explain. There is one item which has already been explained by the Senator from Utah [Mr. SMOOT] and the Senator from Missouri [Mr. SPENCER]. One claims, the other admits, that the English wire is better than any wire produced in the United States for a particular purpose, and that therefore they can obtain whatever price is necessary for them to continue in business in the United States. I will assume that that wire will come in, and that it will be manufactured in the United States, and there will be a sale for the rope into which it goes, notwithstanding the fact that we have added 10 per cent ad valorem duty on the wire, because it is considered, at least by the purchasers, as superior to the American-made wire, and they have to pay a higher price, and they claim they are being held up for an excessive price. So I think it will be sold.

Mr. President, it seems to me we ought to take either one side or the other, and say they all ought to be on the free list or that they ought to have some rate of duty imposed on them, and then the question would be only what rate of duty should be imposed.

Mr. UNDERWOOD. Mr. President, I am listening with very great interest to the Senator, but I can not follow his argument. He admits that the 15 per cent rate of duty under the present law practically allows no importations, and the Government gets no revenue from it, practically speaking. Then, because that happens under a 15 per cent rate, the Senator justifies increasing that rate to 25 per cent on the ground that there probably will be about the same amount of importations.

I want to say to the Senator, so far as my interest in the present law and my responsibilities for it are concerned, I made some mistakes, as every other man who has ever attempted to draft a tariff bill has made them, but I have always been willing to admit my mistakes. I said the other night that in writing the present law my effort was not to be radical, and I am sure I can say the same of the Senator from North Carolina [Mr. SIMMONS]. We were trying to be conservative in our reductions and we did greatly reduce the rates under the former Republican law in this schedule, but it is evident we did not reduce them enough, that we did not produce any competition. We practically produced no revenue, and if we had the writing of that bill again this rate on wire and wire rope would undoubtedly be reduced. The fact that it is exclusive under the 15 per cent rate the Senator takes as justification for making the rate 25 per cent. I must say I can not follow him in that line of reasoning.

Mr. McCUMBER. Perhaps the Senator can follow me in this line of reasoning. I can understand my own proposition and the reasons for it, and to me it is clear.

If there is a certain kind of wire coming in which is used to make a certain kind of rope, which is considered of greater value than any other kind produced in the United States, it would probably be sold if it carried a 10 per cent higher duty than that which was fixed in the Underwood tariff law. I think I can understand that, even though the Senator is not able to follow me, as he says, along that line of reasoning. But let us take the matter we just had under consideration—insulated wire. In 1913 we imported only $4,448 worth. The Senator had those figures before him when he fixed his rate of 15 per cent ad valorem. It was a small amount, and I might reasonably ask him why he put a 15 per cent ad valorem rate upon an article the importations of which even then amounted to only $4,448.

Mr. UNDERWOOD. I can tell the Senator very readily, if he wants the information.

Mr. McCUMBER. I would be glad to have it.

Mr. UNDERWOOD. The rate under the Republican law, which was on the statute books at the time the present law was written, was 40 per cent, and we reduced it to 15 per cent, believing that a reduction from 40 per cent to 15 per cent would produce some competition and some revenue. We reduced it to a third of the existing rate, but nine years' time has run by and it has been demonstrated that reducing the rate from 40 to 15 per cent did not bring in any importations, and therefore we ought to have reduced it to a lower figure. That is the reason.

Mr. McCUMBER. Let me follow the Senator's reasoning right along down to 1921, when the importations increased to the value of $193,864. If, therefore, the Senator finds that they are enormously increasing, at least in percentage, over what they were when the Underwood tariff law was enacted, then we should increase the rate, because we would get more revenue; and it has increased to this amount very rapidly within the last year.

Mr. UNDERWOOD. But the increase amounts to nothing when considered in comparison with the great number of industries, as the Senator knows.

Mr. McCUMBER. That is true; but we have many an article on this list out of which we would not get $50,000. We will get $50,000 out of this, and we will need a great many sums of $50,000 to meet the appropriations which are to be made for next year. I think we are justified in raising the rate, and this amendment raises it only a small amount. I think we are justified in raising the rate 5 per cent ad valorem upon the rope which is produced.

Mr. UNDERWOOD. The Senator overlooks the fact that for the $50,000 which he says we might get out of the imports on an industry which mounts way up into the many millions, he is enabling those who manufacture behind the tariff wall to make the American people pay ten, and it may be a hundred, times $50,000.

Mr. McCUMBER. I have not assumed that there was a complete monopoly and that the American people are wholly in the hands of a monopoly. I believe there is competition in this line. Certainly there is some competition between the Missouri firm and the others here in the East which are manufacturing this rope, each one insisting that his is as good as the others', at least, and where there is that competition I do not think we need fear that it will cease the moment we put this added 5 per cent ad valorem on.

The Senator's reasoning is that 30 per cent ad valorem does not unjustly raise the price, but if we make it 35 per cent ad valorem, then we are adding 35 per cent to the cost of the entire product.

Mr. UNDERWOOD. No; the Senator can not put any reasoning of that kind into my mouth, because I repudiate it. I said that although it is claimed that in the present law the rates contained in the former Republican law were greatly reduced, it was evident that we had not reduced them enough, and that if we had the opportunity now we would greatly reduce the rates in the present law. The Senator can not put any reasoning in my mouth to the effect that I am justifying any rate in the present law, when conditions have proved that the rate is not justified, although it was an immense reduction from the rates of the former law.

So that is no argument to me. If I were rewriting the bill I would probably reduce the rate very much lower or I would put the item on the free list. But because the committee thinks that, although the committee makes a tremendous reduction, we did not reduce it enough nine years ago, is no justification for the Senator's present stand.

Mr. McCUMBER. Mr. President, I think we have argued this matter long enough. I believe it will stand the 5 per cent higher duty than that fixed under the Underwood Tariff Act.

Mr. GOODING. Mr. President, I would like to ask the Senator from Alabama if he feels now that the rates in the Underwood-Simmons law were too high at the time that law was enacted.

Mr. UNDERWOOD. I will answer the Senator in a moment as soon as I can get the floor. I will take the floor if the Senator has concluded.

Mr. GOODING. I am through.

Mr. UNDERWOOD. Some of the rates were not too high and some of them were too high. I think many of the rates were too high, although we put pig iron and ore and coal on the free list, and reduced the taxes that were levied by the Payne-Aldrich law, the Republican law that was then on the statute books. In many cases we cut the Payne-Aldrich rates in half, and many times we cut them more than that. I think on most of the iron and steel products we did not cut them enough. Of course, I did not expect to work out the problem all at one time. I am free to say if we had a Democratic Government instead of a Republican Government, and if I were writing that law, I should certainly advocate that the rates which were written in the present law in the iron and steel schedule, at least in regard to a great percentage of the items, should be greatly reduced. There is no question about that.

I am glad the Senator from Idaho asked the question, because it brings to my attention another paragraph in the bill just following the one under discussion, and I will call that to his attention. The Senator, being a consistent Republican, believing thoroughly in the doctrine of protection that prohibits, has supported, as far as I have observed, every item in the bill, every

amendment proposed by his party. Right down the line he has stood for them. The Senator was advocating protection the other day for the farmers, justifying a protective tax of 20 cents a bushel on corn. Of course, it has never gone through my intellect how the farmer will get any benefit from that tax of 20 cents a bushel on corn when he ships corn all over the world and none comes in here.

But I would like to call the Senator's attention now to what the present law is doing. I have no doubt the Senator from Idaho will gladly support the next paragraph when the time comes to vote on it. That is paragraph 317, which reads as follows:

All galvanized wire not specially provided for, not larger than twenty one-hundredths and not smaller than eight one-hundredths of 1 inch in diameter, of the kind commonly used for fencing purposes, galvanized wire fencing composed of wires not larger than twenty one-hundredths and not smaller than eight one-hundredths of 1 inch in diameter; and all wire commonly used for baling hay or other commodities, one-half of 1 cent per pound.

That covers all the wire which was under the paragraph in the present law, except barbed wire. The committee very kindly left barbed wire on the free list. Everybody knows that barbed wire makes an immense roll. It is difficult to get it into a ship. The freight rates are intensely high and none comes in here even without any tariff on it. None could come in under any circumstances. The freight rates are high on this wire.

Under the present law, as the Democratic Party wrote it nine years ago, all of the items with reference to this wire were on the free list. We could not put the rates any lower. This is wire that the farmer uses. In return for the benefit that the Senator from Idaho is to give the farmer in putting a protective tariff tax on his corn, he is going to make the farmer pay one-half of 1 cent per pound on all the wire he uses.

Let us analyze this just for a moment, so that the Senator and I can understand it. I admire the Senator's consistency. He is rock-ribbed in his Republicanism and his protectionism, and I like to see a man stand for his own flag. But I want to draw the line so clearly that it shows the difference between the flags under which we stand.

Mr. GOODING. Mr. President, I want to pass the compliment right back to the Senator from Alabama. I am a Republican protectionist; he is a Democratic free trader. We understand one another very clearly and I like to discuss the principle of protection and free trade with the Senator from Alabama. He is always fair in his discussion, and always clear.

Mr. UNDERWOOD. I thank the Senator for his compliment, and I take no offense at his calling me a free trader. I do not believe in levying taxes on the American people except for revenue. I do believe in a revenue tariff at the customhouse, but only for the purpose of revenue.

I want to call the attention of the Senator to paragraph 317. There is no amendment in that paragraph, and we can not vote on it this afternoon. However, there will probably be a chance hereafter, and I want the Senator to think about it before he hands this burden to the American farmer in exchange for 20 cents a bushel on his corn.

The description of this paragraph in the Summary of Tariff Information reads as follows:

Wire provided for in this paragraph is that used for fencing purposes and for baling hay and other commodities. The fencing wire is limited to galvanized while the baling wire may or may not be galvanized.

Barbed wire is on the free list. This is the farmer's wire, on which he has no tax now. It is now coming in free. It has free competition from the markets of the world if any would come in.

As to production, I will refer only to one year. The production was large in 1914, and increased up to 1919. The production in 1919 amounted to 312,150 tons, of a value of $30,527,000. The imports for the year 1919 amounted to 42 tons, valued at $26,424. The imports amounted to less than one-tenth of 1 per cent when the product was on the free list. The production in this country amounted to 312,150 tons, which, converted into pounds, would amount to 699,216,000 pounds. With a tax of one-half of 1 cent a pound, it would increase the cost of this wire to the farmers of America to the extent of $3,496,080.

We exported this same wire in 1919 to the amount of $933,143, showing that with that wire on the free list, as against a production of 312,000 tons, only 42 tons were imported. Yet it is proposed in this paragraph to put on this wire, which is the farmers' wire, a tax of one-half of 1 cent per pound, and, I suppose, for the purpose of evening up what he has been given on corn—20 cents per bushel.

I see no reason for this tax. I see no reason why the committee should put it on. It is not protection that is needed. There can be no purpose in putting it on except to let the man who makes the wire raise the price. There is no revenue to come from it, because at one-half of 1 cent per pound it would cost the people $3,500,000, and the only revenue we got out of the item in one of the years of largest importations, and they never were large, was $26,000.

I am not going to take the time of the Senate about the matter, but it is one of the items that I want my friend from Idaho, in his stalwart strength as a great protectionist in his party, to take to heart and see if he is going to add this tax to the farmers of America, even if he has been given a so-called protection of 20 cents a bushel on corn.

Mr. GOODING. Mr. President, I wish to say in reply to the statement of the Senator from Alabama that so far as the steel schedule is concerned, with the exception of wire and steel rails, there is a very great difference in the two schedules.

Mr. UNDERWOOD. If the Senator——

Mr. GOODING. Please wait until I get through.

Mr. UNDERWOOD. I want the Senator to prove that statement, because he can not justify it, in my opinion, under the provisions of the bill.

Mr. GOODING. When we take the increased cost of labor in this country, which is now 105 per cent higher than pre-war prices, and when we take the railroad rates into consideration, which are 53 per cent higher than the pre-war rates, even after the 10 per cent reduction was made in July, the Underwood rates on an average are higher than the rates proposed in the McCumber bill. Taking the whole bill through, one schedule with another, the rates are higher than the bill which we have under consideration, especially when we take into consideration the wages paid in Germany as compared with pre-war prices. That is all there is to it.

The question of protection is the laboring man's question. The labor is what enters largely into the cost of iron all the way through. Some place or other, in producing the iron ore, or the finished product in the factory, and all along the line, there is labor entering into it as an element. That is what it represents.

Here are some of the prices they are paying in Germany to-day as compared with what they paid prior to the war.

The average wages for bakers in 1913 in Germany were $6.14 a week, and the wages paid on December 31, 1921, were $2.52 per week. The average wage paid to brewery workers in 1913 was $7.73 a week, while the average on December 31, 1921, was $2.43 a week. The average wage paid to unskilled brewery workers in 1913 was $5.68 a week and on December 31, 1921, it was $2.39 a week. All down the list, Mr. President, we find that the workers in Germany to-day are being paid about one-third of the pre-war wage, while in this country the laborers are being paid wages 105 per cent higher.

In many of the schedules I do not think the rates in the pending bill are sufficiently high to protect us against German labor. Before the war half of all the labor in Germany was employed in getting ready for the Great War, building munitions for the war, building up a big army, building up a big navy. To-day they are all doing work in industrial plants. Germany can manufacture for the whole world along some lines, and unless we have protection to the extent of the difference in the cost of production in this country and in Germany, she will absorb a great many of our markets and there is no hope for us. There is no question about that.

I have a paper roll over in my office, brought to me by a Mr. Clark, that I am going to exhibit here in the near future. The paper mills to-day are sending their designs to Germany and having them made over there out of copper. It is all hand work; that is, the roll itself is of wood, but the work in making the design is all done by hand and of copper. There is an industry that is going to be destroyed. This bill gives it but 40 per cent protection. It can not continue to exist without 100 per cent protection. I am going to produce the figures; I am going to bring the roll here and show that the industry will be entirely lost to America unless it is given proper protection. If the Senator from Alabama [Mr. UNDERWOOD] will simply consider the question of labor in foreign countries and the increased cost of production in America, and will take the law which bears his name and compare it with the McCumber bill, he will find that on the average the rates imposed in the Underwood law are very much the higher of the two, so far as the manufacturer is concerned.

Mr. UNDERWOOD and Mr. ASHURST addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Idaho yield and, if so, to whom?

Mr. UNDERWOOD. I will wait until the Senator from Idaho shall have concluded, as I wish to answer him.

Mr. GOODING. I yield to the Senator from Alabama.

Mr. UNDERWOOD. I do not wish to interrupt until the Senator shall have concluded his speech.

Mr. GOODING. I have no intention of making a speech, but I am interested in keeping the great principle of protection and free trade clearly defined, and I think the Senator from Alabama has done that splendidly.

There is not any question as to the relative position of the Republican and Democratic Parties to-day. The Senator from Alabama has gone further than to say that protection is unconstitutional; he has stated that, in his judgment, it is morally wrong. That is the issue that we are going to fight out in the coming campaign and not the question of rates. The Republicans can defend every rate in this bill, in my judgment, but it is the question of principle the American people must decide; whether we shall have free trade or protection.

The Senator from Alabama has told us when he undertook the revision of the Payne-Aldrich law that he found the duties imposed therein very high; that they were on stilts, and he put a jackscrew under them and commenced to let them down; but he says that in the Underwood law the duties were not made low enough, and if the Democrats could frame that bill over again they would have made the rates of duty even lower. That is the question which confronts the American people. I think the duties are too low in the Underwood law, and had it not been for the outbreak and duration of the World War, God only knows what might have happened to American industries.

I am glad to have the principle defined and the position of the Democratic Party stated by its great leader—I am more interested in that than I am in the question of rates—so that we may go before the American people and fight out the issue. If they want free trade, they may have it, and that is what the policy championed by the Senator from Alabama means, and is absolutely nothing else and nothing less than that.

Mr. UNDERWOOD. Mr. President, speaking personally and for nobody but myself, I am delighted to meet the issue proposed by the Senator from Idaho. The Senator first stated that I defined the proposition which he has presented as being immoral. Well, I do not say that every Republican bill is immoral, but I do say, and I have always believed, that the principle is immoral of using the power of the Government through the instrumentality of taxation to take dollars out of one man's pocket and put them into the pocket of another, and especially when that other may be a great monopoly. Many people may not agree with me, but I regard that proposition not as the immorality that sends a man to jail or the immorality that makes him a leper among his fellow men, but it is that immorality that stamps the mark of greed upon his conscience; it is that immorality that puts into men's souls the desire to grind down other men for their own advantage.

Mr. GOODING. Mr. President, I agree with the Senator from Alabama absolutely, that any tariff bill which makes the rich man richer and the poor man poorer would be a crime and is a crime. Any tariff bill that would give the American manufacturer a complete monopoly, in my opinion, is a mistake. The point I am making is that the pending bill only makes allowance for the honest difference between the cost of production between this country and foreign countries, and in many cases is not even that much, if the price of labor in America and the price of labor in foreign countries be fairly considered.

Furthermore, I want now to say to the Senator—and if he will investigate the facts he will find that I am correct, though he and I have disagreed about it before—that something like 30,000,000 American people who are living in the great cities may be reached by water transportation from foreign countries, and may be clothed and also fed, if you please—I do not say that that is now being done, but it may be done—by our foreign competitors under freight rates very much cheaper than the farmers of America pay when they send their freight over the lines of railroads which are manned by the most expensive labor in the world and on which freight rates are of necessity high. That is the situation.

Mr. UNDERWOOD. Mr. President, the Senator from Idaho avoids the issue between us.

Mr. GOODING. No. In order that the Senator may not misunderstand me, I repeat that I agree with him thoroughly that any tariff bill that will make the rich richer and the poor poorer is a crime. No Republican advocates that.

Mr. UNDERWOOD. I am glad the Senator admits that much; but when he advocates exclusive rates, levied so as to protect the American production, he advocates a policy which enables the manufacturer to stand behind that protective wall and charge higher prices to the American people than he would charge if such rates did not exist. If that is not through Government instrumentality taking the money out of one man's pocket and putting it into another's, I do not know what it is. The whole history of tariff legislation has demonstrated that many men have grown inordinately rich because their business had been protected by a tariff such as is now proposed.

I am glad, however, that the Senator from Idaho agrees with me that when that happens it is immoral; and it is bound to happen under legislation that prohibits imports. That is what I am pointing out right now. Of this very article which is under consideration there are no imports which can come in now, and the Committee on Finance have put the rate higher for that purpose.

Mr. GOODING. But the Senator from Alabama says that any protection is morally wrong and unconstitutional. The Senator belongs to the school which advocates that doctrine. That is the principle that we are going to discuss in the coming campaign, and which should be discussed here.

Mr. UNDERWOOD. The Senator from Idaho can not put me in the record wrong. I was one of the men who wrote the present law.

In collaboration with my associates I helped to levy taxes at the customhouse which would yield revenue for the Government, and I endeavored to levy those taxes in such a way that imports could come into this country at least to a reasonable degree and afford competition in order to hold down prices. I made some mistakes; awhile ago I admitted a mistake which was made in connection with the paragraph now under consideration. The rate was reduced from 40 per cent in the old law to 15 per cent, hoping to abolish a prohibitive rate and reduce the tax to a point where it would be a revenue rate and allow some competition to come in, but I did not make the rate low enough. I intended to do it, and yet those in charge of this bill now are turning around and putting the rate at 35 per cent. Although the Senator from Idaho winds up his statement by saying that the rates in the present law, which he calls the Underwood law, are too low and says that I would lower them still further, yet in the beginning of his speech he said on account of the difference in prices and labor costs between this country and foreign countries the duties in the present law, the so-called Underwood law, at the time it was framed were higher than they will be under the McCumber bill.

Mr. GOODING. That is according to the cost of production.

Mr. UNDERWOOD. The respective scales of wages are going to apply equally, whatever they may be, under both bills; these bills are not going to change the scale of wages. There is going to be the same scale of wages under the McCumber bill that there is under the present law. Under the present law the bill which was prepared when I was chairman of the committee in the House and the distinguished Senator from North Carolina [Mr. SIMMONS] was chairman of the committee in the Senate, under our joint efforts the wages, as the Senator knows, have not decreased, and yet if the Senator will take the items of this bill in almost every case he will find there is an increase over the present rates, and in many cases they are doubled, and some cases trebled, in the tax that is levied at the customhouse.

Mr. GOODING. Mr. President, the difference between the Senator and myself is that he is not willing to take the wage scale into consideration, where I believe it must be taken into consideration. I believe that there is an honest difference between the cost of production in this country and the cost of production in every other country on earth, and American standards can not be maintained without a protective tariff.

Mr. UNDERWOOD. The Senator asserts that.

Mr. GOODING. If the Senator desires to destroy the American standards, just let him reduce the rates below the level of protection, and there will be no question as to what will happen.

Mr. UNDERWOOD. The Senator asserts that, and he has asserted it many times. I have continually contended——

Mr. GOODING. That is an honest difference between the Senator from Alabama and myself.

Mr. UNDERWOOD. Certainly; but if the Senator will allow me to proceed——

Mr. GOODING. And there is not the least feeling about it, so far as I am concerned.

Mr. UNDERWOOD. None whatever; but I merely wish the Senator to let me proceed until I can explain to him this question of the difference in wage rates. I know the Senator thinks there is a great wage difference as to every item in this bill, and therefore the duty on every item should be increased and additional taxes levied on the American people. In some commodities there is a difference in the wage scales, but when it comes down to the iron and steel products the wages do not count. The difference in the cost of wages is infinitesimal, because they are machine-made articles. The real cost is in the investment in the machinery, in the organization of the plant.

In those items where there is a real difference in wage costs between the foreign articles and the American article in the iron and steel schedule the articles are left on the free list.

The man who delves in the coal mine or the man who delves in the iron mine must work with the brawn of his arms, and in such industries a cheaper wage may be registered in production. The Senator may say that I assisted in putting coal and iron ore on the free list when I supported the present law, and that the present law carries them on the free list; but now the Republicans come along and leave that class of labor on the free list. When, however, it comes to the pig-iron furnace, with its automatic hoists where the work is all practically done by machinery, where the difference in cost between this country and abroad does not amount to 50 cents a ton, it is proposed to put a tax of $1.25 a ton on the product. In the case of the wire products which we have been discussing, they are largely the result of machinery with only a few men here and there to guide the wire as it comes through the machine rolls; it actually comes out of the billets, is rolled into wire, and is wound up by machinery, with only a few guards here and there to direct its course, so that the labor cost is infinitesimal, and the increased efficiency of our American mills and their machinery more than wipes out any difference in labor costs; it amounts to nothing; and yet on the pretense of helping labor it is proposed to take these articles off the free list and impose on them a tax of one-half cent a pound.

That tax is put there for something or for nothing. In the best year it produced only $26,000. If it registered on the product, it would amount to $3,500,000. I can not see any reason why you put it here if it was not that you intended that the farmers of America should pay it, and they certainly are not going to pay it to the Government. It is to be paid to the manufacturers of this class of wire, who prospered as they never prospered before under a law that carried this product on the free list, and I say that is typical of all articles of this kind in the iron and steel schedule, and there are other schedules that we will come to before we finish this bill. The clothes that go on the farmer's back, the tools of his industry, he has to pay for under this idea of levying a protective tariff, and in return you give him a tax of 20 cents a bushel on corn.

Mr. McCUMBER. Mr. President, the committee is having its daily sessions. Of course, it can not have very long ones before 11 o'clock in the morning. It undoubtedly will from time to time make modifications even in its own amendments. Possibly some rates will be raised, probably more lowered. Undoubtedly when we get through with the committee amendments we will take up other amendments which we may suggest from time to time. The only point I desire to make now is that I wish we could hold to these amendments, at least, and dispose of those; and when we come to the bill in general, then amendments will be offered, some possibly by the committee, many more undoubtedly by those who oppose the measure, and then we will argue over again the same questions that we are now discussing.

I only pause long enough to say this with reference to the general observation made by the Senator from Alabama.

It is true that conditions have not become so normal that we are receiving the imports from foreign countries that we may reasonably expect in the future, and we have to take that into consideration; and if we take our principal competitor and find that the wages of labor have gone down to practically one-third of what they were in 1914, while in this country they have gone up to 100 per cent higher, or twice as much as they were before, we can see then that that would spread the difference six times; and if we say that in 1914 American labor was $3 a day and German labor was $1 a day, that would be a difference of $2, or twice as much, and that would be multiplied to six times as much to-day.

Mr. UNDERWOOD. Now, if the Senator will pardon me——

Mr. McCUMBER. Just a moment. If there is that much difference, and it is liable to remain very nearly that, we will have to take that into consideration in fixing rates of duty which we think will be reasonably protective when conditions become more normal, and our competitor is producing as much as he can produce, and is entering our field for the profit.

Mr. UNDERWOOD. Now, if the Senator will allow me just one minute, that is a beautiful theory that he has advanced.

Mr. McCUMBER. Oh, I am not making that the sole difference by any means.

Mr. UNDERWOOD. If the Senator will allow me there, though he is advancing a beautiful theory——

Mr. McCUMBER. It is not beautiful; it is an ugly theory.

Mr. UNDERWOOD. But there is no justification in the fact. I know this business, and I know that although the wages went up in war times they are coming back now, and have nearly reached the level that they were before the war.

Mr. McCUMBER. In the foreign countries?

Mr. UNDERWOOD. In this country. There has been a downward trend of wages every hour since the war came on, and they are approximating now what they were before the war. On the other hand, the wages in foreign countries like Germany, where they went to the bottom, are advancing, as the reports show, every day. If the Senator has been reading recent trade journals he knows, as I know, that the general trend of wages in Germany has greatly increased, the cost of living there is increasing, and the cost to American tourists is going up there. The papers have been full of it, and so the fact is just exactly the reverse of what the Senator bases his argument on. Of course the Senator and I could never agree on a tariff bill, because we differ so much in principle.

Mr. McCUMBER. No; but we ought to agree upon the facts and the figures.

Mr. UNDERWOOD. There is no question about the facts, because I know. I know in the furnace business that we shut down for a year, and I know that until there was a readjustment of wages we could not operate at all, and that now we are coming back, and I know that in this industry the wages have gone back down, down, and I know, on the other hand, if you can believe the trade journals, that the wages in Germany are going up, up from what they were a year ago, when the Senator says there were some importations coming in here, but I want to say this:

The Senator intimates that there is no use in our discussing these problems, because his committee may lower the rates. I am glad to know that; but, of course, all I can debate and all I can consider is what you present to the Senate now. You may come in here with amendments and cut down these unjustifiable rates. I hope you will. I hope the light is dawning on the other side of the Chamber; but, until it does dawn, I am justified in criticizing the bill as you present it to the Senate.

Mr. McCUMBER. Mr. President, I say that at least the Senator and I ought to agree upon well-established facts. It seems that we do not agree upon the wage scale of our competitors as compared with our own. I do not think the wages have gone down in Germany; I agree that the wages have gone up as measured by the mark; but the mark has gone down, and measured in American dollars wages have not increased to any material extent. The mark has gone down and gone down enormously. I do not know whether it has struck the bottom yet or not. It has gone so low that there is only one way out of it, and that is repudiation finally, and undoubtedly that will be the result.

Mr. GOODING. Mr. President——

Mr. McCUMBER. Just a moment. In our own country the skilled labor is more than 105 per cent higher than it was before the war. The highest skilled labor is more than 175 per cent higher than it was before the war. I can not speak for the Senator's particular mills down there. He may be getting down close to a pre-war basis, and when I speak of the skilled labor I am speaking of it in general, and I will admit that possibly labor constitutes a less proportion of the cost of production in the iron and steel industry than in any other industry. Still it is important when there is that immense spread between them.

Mr. GOODING. If the Senator will permit me——

Mr. UNDERWOOD. If the Senator will just let me answer the question——

The PRESIDENT pro tempore. To whom does the Senator yield?

Mr. McCUMBER. I will yield first to the Senator from Alabama, and then to the Senator from Idaho.

Mr. UNDERWOOD. If the Senator will allow me, of course, there may be one great skilled workman who handles a great piece of machinery whose wages have gone up; but if the Senator will take the comparison of the wage scale in the iron and steel industry he will find that just what I say is true, that in the aggregate—and that is what counts here; it is the aggregate, because it is the aggregate that makes up the cost of the material—it has been dropping ever since the war. I know that to be a fact, and you can take any trade journal and you will find that it is a fact.

Mr. McCUMBER. Does the Senator mean to tell me that it dropped in 1920?

Mr. UNDERWOOD. I say that it has been dropping ever since the war.

Mr. McCUMBER. Then from 1918 right down each year it has been lower? I think the Senator is mistaken. I think he

will find that the peak of high wages was reached in 1920, and not at the close of the war.

Mr. UNDERWOOD. For about 9 or 10 months after the war we continued to have abnormal times, and of course wages did not drop until after that time; but from the time that was reached wages in the iron and steel industry have been going down, and it is due to that adjustment that the plants have been able to go back to work. There is not any question about that.

Mr. McCUMBER. I yield now to the Senator from Idaho.

Mr. GOODING. Mr. President, my information in regard to the average wages in this country being 105 per cent above pre-war prices was secured from the Bureau of Labor Statistics on Monday morning of this week.

Mr. McCUMBER. Buf that is the average of all.

Mr. GOODING. That is the average increase.

Mr. McCUMBER. I say the skilled labor has not gone down in proportion to the unskilled labor.

Mr. HITCHCOCK. Mr. President, may I ask the Senator from North Dakota a question?

Mr. McCUMBER. Yes.

Mr. HITCHCOCK. Can the Senator give us figures showing what the cost of labor is in the manufacture of wire?

Mr. McCUMBER. Not the particular cost of labor; no. I know generally that the labor in the foreign country has decreased a certain percentage, while other labor has gone up a certain percentage. Therefore, if we are going on the protective theory we would have to have a greater protection, other things being equal, than we would have to have under a condition in which the wages more nearly approach each other.

Mr. HITCHCOCK. I am asking the Senator, in the manufacture of a thousand dollars' worth of wire in this country, what is the labor item cost?

Mr. McCUMBER. I can go back to the testimony, perhaps, and pick it out for the Senator, but I think that is almost a waste of time.

Mr. HITCHCOCK. I will say to the Senator that the census figures give exactly what the costs are.

Mr. McCUMBER. I will get them from the testimony, but I do not care about taking up the time now.

Mr. HITCHCOCK. Will the Senator permit me to read these figures to him?

Mr. McCUMBER. I will take one. The Senator has asked me a question, and I will take Mr. Campbell's testimony:

> I have figured the cost on every product that we manufacture, from the ore mine and the coal mine and the limestone quarry, including transportation, to the finished product. I can give you the items. You take, for instance, barbed wire, which is one of the things that is on the free list. Galvanized barbed wire carries a labor cost from mine to the finished product alone of $39.33, which is the highest labor cost, with one exception, of any product that we manufacture, and we manufacture a large line.

I have given it upon that alone. I do not care about running over all of the items, because we are drifting from the particular matter on which I want a vote.

Mr. HITCHCOCK. Mr. President, I want to be specific at this point. The official figures of the census for 1919 give the total expenditure for labor of the wire manufacturers at $32,000,000. The total product which was made by the use of the $32,000,000 spent for labor was $162,000,000. So the labor amounted to 20 per cent. In spite of the fact that the labor cost in the manufacture of wire, as shown by the official figures of the American census, amounts to only 20 per cent, you are imposing a duty upon wire of 25 per cent, which would reimburse the manufacturer of wire, not for the difference in the cost of American labor and labor abroad, but would reimburse him for the total cost to him for labor, and 5 per cent besides.

Mr. McCUMBER. Mr. President, labor is not the only item in the cost to the manufacturer that has increased. The labor which produces the ore, the labor which produces the iron, the labor which produces the steel, the labor which produces the wire have all raised in the same percentage and necessarily increased to that extent the cost of the raw product.

But I want to call attention to the fact that it is now a quarter of 5 o'clock. Most Senators like to get away about 5 o'clock on Saturday evening, and last Saturday I consented to take a recess very much earlier than that; but we have practically done nothing to-day. We have had votes on only one or two items. I was greatly encouraged yesterday by the progress we made, and I hope we can get a few votes upon this matter before we recess to-day. I do not want to hold the Senate in session any longer than is necessary.

Mr. HITCHCOCK. Mr. President, I do not think the Senator will accuse me of delaying, but I want to call attention to one or two features of the history of the manufacture of insulated wire in the United States, which is exactly the item we are considering.

Under the Payne-Aldrich tariff law of 1909 the tariff tax levied upon this wire was 40 per cent, and when the Democratic majority amended that tariff it reduced it to 15 per cent, a very radical reduction. That reduction was met with the prediction that it was going to ruin the insulated-wire business in the United States. What are the cold facts?

In 1910 the total manufacture of insulated wire in the United States, was in round figures, $51,000,000. One year after the passage of the Underwood-Simmons bill the production had increased to $69,000,000 in the United States, notwithstanding the reduction of the tariff from 40 per cent down to 15 per cent. We have already heard this afternoon that in the nine years the Underwood-Simmons tariff law, with the 15 per cent duty on insulated wire, has been in effect the production in this country has increased from $69,000,000 to $130,000,000 a year. That ought to be pretty good proof, even to a high-tariff Republican, that this industry could exist and prosper and grow and develop under a 15 per cent tariff. But that is not all.

The figures as to the imports during that time are worth considering. We hear a great deal of talk about the difference in the cost of manufacture here and abroad, but "the proof of the pudding is in the eating." The proof of whether or not this wire can be manufactured abroad and sold in the United States to the destruction of the American industry, or to the injury of the American industry, under a 15 per cent tariff is to be found in the records of imports during the last nine years. What were they?

The first year following the passage of the Underwood-Simmons law, in which the reduction was made from 40 per cent to 15 per cent, the imports of this wire were $31,000. That does not sound as though it was a great destruction. In 1915 the imports amounted to $43,000. In 1916 they amounted to $10,000. In 1917 they amounted to $8,000. In 1918 they amounted to $28,000. In 1919 they amounted to $49,000. I have not the record of the imports for the year 1921, but they have not substantially increased. I think the Senator from North Carolina [Mr. SIMMONS] gave them as not very large.

Let us see what has happened to the exports. Have we an export trade in this product on which you are seeking to put a 35 per cent rate? We have. We are selling this product in competition with all the world. In 1918 we exported $5,600,000 worth.

In 1919 we exported $8,800,000 worth. In 1920 we exported $7,600,000 worth. I have not the figures of the exports for 1921; but these figures show definitely and conclusively that we are able to manufacture this insulated wire and supply the American market with it, practically to the exclusion of competition, for the competition is negligible. The imports amount to less than $400 a day and the exports amount to $25,000 a day.

I bring the figures down to a daily record, because they are more striking than if I give the larger figures for the year. We are not only supplying the American market but we are exporting $25,000 worth of this product a day and importing the negligible quantity of $400 worth a day.

Why put a 35 per cent tariff at this time on that article under those circumstances? We have the proof in the figures. We have the proof that we can manufacture in this country in competition with the world. We have the proof that we can actually manufacture and ship the product to other countries and compete with the world, yet you are proposing to increase the existing tariff from 15 per cent to 35 per cent.

What is this wire? In the first place, let me say that it is not a luxury, and you are not imposing a tariff for the purpose of getting revenue. You are imposing a tariff so as to give an opportunity to the American manufacturers, confined to a few great concerns, to raise the price.

What is this insulated wire commonly used for in the United States? We use it in every building that is built nowadays, practically. It is used in the construction. It is used in the wires which convey the electric current in response to the push buttons all over our buildings. It is used for the insulated electric-light wires in all our buildings. It is used for insulated telephone wires. Thousands of people in every city use it. It is used for every imaginable purpose, wherever wires are brought into use in a building. It is used in millions of our automobiles all the time, and you are attempting to impose a 35 per cent tax on it for the very obvious purpose of increasing the cost of it to the American people. You are doing that in the face of the fact that the present consumption is something like $130,000,000 worth a year.

If there is any man who can defend the imposition of a tax like that on a necessary article, used by all classes, used in all buildings which are constructed from time to time, used in telephone and telegraph communication—if there is any man

who can justify such an increase when there is no danger from destructive competition, I wish he would state his reasons definitely.

Mr. SMOOT. Mr. President, on page 60, line 15, I move to strike out "40" and to insert in lieu thereof "35."

Mr. SIMMONS. Mr. President, my understanding is that the committee proposed 40 per cent, and now it moves to make the rate "35" instead of "40," and the vote is upon agreeing to that amendment to the amendment. Then we will vote upon agreeing to the amendment as amended.

Mr. SMOOT. That is correct.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from Utah.

The ASSISTANT SECRETARY. On page 60, line 15, strike out "40" and insert in lieu thereof "35," so as to read:

telegraph, telephone, and other wires and cables composed of iron, steel, or other metal (except gold, silver, or platinum), covered with or composed in part of cotton, jute, silk, enamel, lacquer, rubber, paper, compound, or other material, with or without metal covering, 35 per cent ad valorem.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now recurs upon the amendment as amended.

Mr. SIMMONS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. ELKINS (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "yea."

Mr. ERNST (when his name was called). I transfer my pair with the senior Senator from Kentucky [Mr. STANLEY] to the senior Senator from Pennsylvania [Mr. CROW] and vote "yea."

Mr. FLETCHER (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. BALL]. I transfer that pair to the Senator from Montana [Mr. MYERS] and vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of Washington (when his name was called). I have a pair for the day with the Senator from Virginia [Mr. SWANSON]. I transfer that pair to the Senator from New Hampshire [Mr. MOSES] and vote "yea."

Mr. WALSH of Montana (when his name was called). Transferring my pair as heretofore announced, I vote "nay."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Indiana [Mr. WATSON]. Inasmuch as I have been unable to secure a transfer, I am not at liberty to vote. If I were at liberty to vote, I would vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND. Transferring my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from New Hampshire [Mr. KEYES], I vote "yea."

Mr. FLETCHER (after having voted in the negative). I notice that the Senator from Montana [Mr. MYERS] to whom I transferred my pair, has entered the Chamber. Being unable to obtain another transfer, I must withdraw my vote. If privileged to vote, I would vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 32, nays 22, as follows:

YEAS—32.

Brandegee	Hale	McKinley	Poindexter
Bursum	Harreld	McLean	Smoot
Curtis	Jones, Wash.	Nelson	Spencer
Dillingham	Kellogg	Newberry	Sterling
Elkins	Kendrick	Nicholson	Sutherland
Ernst	Ladd	Oddie	Townsend
France	Lodge	Page	Wadsworth
Gooding	McCormick	Phipps	Warren

NAYS—22.

Ashurst	Gerry	Myers	Smith
Broussard	Harris	Overman	Underwood
Capper	Heflin	Pittman	Walsh, Mont.
Caraway	Hitchcock	Ransdell	Watson, Ga.
Cummins	Jones, N. Mex.	Sheppard	
Dial	La Follette	Simmons	

NOT VOTING—42.

Ball	Frelinghuysen	New	Stanfield
Borah	Glass	Norbeck	Stanley
Calder	Harrison	Norris	Swanson
Cameron	Johnson	Owen	Trammell
Colt	Keyes	Pepper	Walsh, Mass.
Crow	King	Pomerene	Watson, Ind.
Culberson	Lenroot	Rawson	Weller
du Pont	McCumber	Reed	Williams
Edge	McKellar	Robinson	Willis
Fernald	McNary	Shields	
Fletcher	Moses	Shortridge	

So the committee amendment as amended was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. In paragraph 316, page 60, line 16, the committee proposes to strike out "30" and insert "40," so as to read:

Wire rope and wire strand, 40 per cent ad valorem.

Mr. SMOOT. I move to amend the committee amendment by striking out the numerals "40" and inserting in lieu thereof the numerals "35."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Utah to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee as amended.

Mr. WALSH of Montana. Mr. President, before the vote is taken I desire to say just a few words in addition to what I have heretofore said. I call attention to the fact that wire rope is extensively used in the mining industry in this country. Every mine operated on any scale whatever must be supplied with an abundance of wire rope. If the mines are deep the quantity is something enormous.

Attention is called to the fact that the production in this country is stupendous, while the imports are practically negligible, and yet it is proposed to put upon wire rope, a necessity of the mining industry, now suffering a condition of depression that has hardly been known heretofore in the history of the country, a duty to the extent of 40 per cent ad valorem.

Let me give the Senate a few facts with reference to the matter. There is produced in this country wire rope to the extent of $13,500,000. Let me add that it is, of course, used extensively also in the construction of ships, and we are all interested in relieving ship construction from any unnecessary burdens. It is also used in logging operations.

There was manufactured in this country in 1914, $13,500,000 worth of this product, and the production continues to increase. Now let me call attention to the imports: In 1909 the imports amounted to $67,057; in 1913, $109,000; in 1916, $48,000; in 1917, $38,000; in 1918, $24,383; and in 1919, $20,064.

Not only is our production enormous and our imports are altogether negligible, but we export this commodity in great quantities. I read from information furnished us by the Tariff Commission on this subject, as follows:

The manufacture of wire rope falls under two classifications in the census—wire and wirework. In the former class are establishments which draw their own wire, whether from rods which they purchase or which they manufacture. In 1909 such establishments made 45,303 tons of iron and steel wire rope, valued at $6,683,771. Establishments classed under wirework—i. e., which bought their wire—manufactured a product valued at $5,406,923. The total production was thus valued at $12,090,694.

In 1914 the wire mills produced 52,735 tons, valued at $7,973,537, and establishments classified as wirework a product of $5,462,786. The total value was thus $13,436,323, an increase of 11 per cent over 1909.

It will be observed that the production continues, notwithstanding the reduction in the rates imposed by the present law.

Now I wish to read what is said about competitive conditions and tariff questions:

American conditions have turned the attention of the manufacturers to the production of a high-quality rope, which may be subjected to severe treatment, to an extent which has not been true of the British manufacturer or the German. The Hazard Manufacturing Co. said, respecting these countries:

"There are about 40 English and about 6 German rope manufacturers. Four or five of the English and none of the German are first class."

Here is a case in which we need not be frightened about the competition in Germany.

Mr. HARRIS. Mr. President, may we not have order in the Chamber? There is a great deal of confusion here.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. HARRIS. We are very anxious to hear what the Senator from Montana is saying in order that we may make rapid progress in the consideration of the bill.

Mr. PITTMAN. Mr. President, I think the Senator from Georgia is unkind. I do not think that the framers of the bill should be required to listen.

Mr. WALSH of Montana. I read further:

There are about 40 English and about 6 German rope manufacturers. Four or five of the English, and none of the German, are first class. For purpose of importation, only the English need be considered, as the German rope will probably not figure to any extent, due to the few factories there and their comparatively small size. Most English ropes are made of basic O. H. wire, which is cheaper than acid O. H. Cheap rope will work fairly well in England, where engineering practice is very conservative and where sheaves are large, speeds slow, loads moderate, acceleration low, and everything is in favor of the rope; whereas the usage over here has been the reverse, requiring an exceedingly high standard of rope to meet our exacting conditions. Quality of foreign rope has never been equal to the best American product, and it is well known to anyone who has dipped into the export trade that English and German "export quality" is far inferior to their own domestic grade and is simply "made to sell."

On the export market the American rope has a reputation for reliability superior to the British or the German. These markets lie in the regions where logging, mining, and construction are being carried on, as is often the case in new countries. Prior to the war the United States, Great Britain, and Germany were the chief competitors in these new fields, particularly in South America and Africa. In South America, Great Britain and Germany held the bulk of the trade. Of the imports of wire rope into Central America, 66 per cent comes from the United States; of that into Mexico, 80 per cent. The United States also exports into Canada in competition with Canadian and British rope over a 32½ per cent duty, while the British rope is dutiable at only 22½ per cent.

Mr. President, the distinguished Senator from Idaho [Mr. GOODING] earnestly declared here a few minutes ago that the contest in this Chamber at this time and before the country will be between the policy of protection on the one hand and free trade on the other. I respectfully differ. The wisdom of the policy of protection—even of high protection—may be conceded for the purpose of the argument; but how are you going to defend this particular rate?

Mr. President, it is perfectly well understood that the Republican Party is wedded to the policy of protection; this bill has met their approval and is a protective policy bill. The validity of it must be discussed upon that basis; that is, the basis upon which I am canvassing this rate. If the Senator from Idaho should go before the people in the next campaign, as he suggests, and canvass before them the question of the wisdom of the policy of protection as against free trade or tariff for revenue only, it is quite likely that some one in the audience would say, "Yes; I am a protective tariff man myself; but what do you say on the theory of protection, Senator GOODING, about this duty on wire rope, which is utilized so largely in your State by the miners there?"

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Idaho?

Mr. WALSH of Montana. I yield.

Mr. GOODING. So far as the question of protection is concerned, because wire rope is used in the mines, or by whom it is used, does not make any difference to me. I have been discussing the principle of protection to American labor; that was my thought all the way through.

I have discussed what the Senator from Alabama has had to say about the Underwood rates being too high, and his statement that had he been making the rates at the present time he would reduce them still more. That is what I was discussing. I insist that the difference between the two parties is one of free trade and protection and it can not be camouflaged in any way at all. The issue has been clearly brought here by the leader of the Democratic Party and we are going to meet the Democrats on that issue.

Mr. WALSH of Montana. The comments of the Senator of Idaho were made in response to an interrogation directed to him by the Senator from Alabama as to how he justified the particular tariff on galvanized wire, and he proceeded to argue the wisdom of protection as against free trade, and I am asking how, on the theory of protection, he justifies this particular rate upon wire rope. I resume reading from the Tariff Information Survey:

The war has brought about the substitution of domestic for foreign wire, which seems a permanent one.

Reference has been made, Mr. President, to the difference in the cost of wages in Germany and in this country. Of course, wages often constitute a very large element in the cost of the production of any article, but it does not by any means follow that a foreign country can compete with us in the production of every article because wages there are lower than in our country. Germany does not seem to be able to get into the wire-rope market at all, notwithstanding the low rate of wages in that country. She is a negligible factor in the matter of the manufacture of wire rope, and always has been.

Of course everybody knows that the country having the lowest wages has likewise the lowest efficiency of labor. I was in Haiti two years ago and I learned that the rate of wages there was 30 cents a day; but no one would undertake to contend that Haiti can compete with this country in the production of anything except it be sugar; and it can not compete with Cuba in the production of sugar, where wages at the time of which I speak were $2.50 a day, as against 30 cents a day in Haiti, and laborers were going from Haiti at the time by the hundreds to Cuba to work in the sugar fields. The argument that seems to be entirely conclusive and satisfactory to gentlemen upon the difference in the rate of wages here and in Germany is for the consumption of people who do not think on these matters.

The war has brought about the substitution of domestic for foreign wire, which seems a permanent one. The important consideration today is the sufficiency of the duty on the rope as against foreign rope rather than the height of the duty necessary to compensate for that on foreign wire.

Mr. President, there is not anything to be said in favor of this duty, and it ought not to be imposed upon industry of this country.

Mr. SIMMONS. I ask for the yeas and nays, Mr. President.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment as amended.

Mr. WALSH of Montana. I move to amend the committee amendment by substituting the numeral "15" for the numeral "40," and upon that I ask for the yeas and nays.

The PRESIDENT pro tempore. The Chair is in doubt with regard to the amendment proposed by the Senator from Montana being in order.

Mr. SMOOT. Mr. President, in order that the Senator from Montana may have a vote upon his amendment, I withdraw my amendment and allow the Senator to offer his amendment.

The PRESIDENT pro tempore. But the amendment proposed by the Senator from Utah has been agreed to.

Mr. UNDERWOOD. Why is there any doubt as to the amendment offered by the Senator from Montana being in order? The committee amendment has been amended; that is settled; but the committee amendment is still open for further amendment. It can not be held because one amendment is offered and has been agreed to that no other amendment may be proposed. An amendment in the third degree may not be offered, but as it now stands the committee amendment fixes a rate of 35 per cent. Of course, that is the committee amendment as it stands now, and that is subject to amendment.

The PRESIDENT pro tempore. The Senate has agreed to the amendment fixing the rate at 35 per cent.

Mr. UNDERWOOD. I understood that the question was on the committee amendment as amended, which proposes to fix the rate at 35 per cent.

The PRESIDENT pro tempore. That is the question.

Mr. UNDERWOOD. And that amendment is still open to amendment.

Mr. WALSH of Montana. If the Senator will pardon me, the committee proposes to amend the House provision by fixing the rate at 40 per cent; the Senator from Utah moved to amend the committee amendment by fixing it at 35 per cent.

Mr. SMOOT. And that has been agreed to.

Mr. WALSH of Montana. Wait a moment. Now, Mr. President, I would not be permitted to move to amend the amendment offered by the Senator from Utah because that would be in the third degree. Under those circumstances, I would not be permitted to submit any amendment at all; in other words, apparently the parliamentary situation is such that unless my motion is now in order we must take the figure offered by the Senator from Utah or take nothing. It does not seem to me that can be right.

The PRESIDENT pro tempore. It was within the power of the Senate to vote down the amendment of the Senator from Utah, but it did not do so; the Senate agreed to the amendment of the Senator from Utah to the committee amendment; and, while the Chair is willing to be advised in regard to the matter, it seems to the Chair that that vote will have to be reconsidered.

Mr. PITTMAN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Nevada will state his parliamentary inquiry.

Mr. PITTMAN. Has the committee amendment been adopted?

The PRESIDENT pro tempore. The committee amendment has not been adopted.

Mr. PITTMAN. How does the committee amendment now read? I will ask to have it stated by the Secretary.

The PRESIDENT pro tempore. The committee amendment has been amended.

Mr. PITTMAN. I asked whether the committee amendment had been adopted, and the Chair said it had not been adopted. I should like to have the committee amendment stated.

The PRESIDENT pro tempore. The committee amendment has not been adopted.

Mr. PITTMAN. I ask to have the committee amendment stated as it now stands.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. As agreed upon, in line 16, page 60, the committee amendment is to strike out "30" and insert "35."

Mr. PITTMAN. I ask the Chair to have the Secretary state the committee amendment as it now reads.

The PRESIDENT pro tempore. There is no committee amendment——

Mr. PITTMAN. The committee amendment, then, has not been voted on?

The PRESIDENT pro tempore. The Chair will state the situation as it is understood by the Chair. The House text provided for a duty of 30 per cent; the committee reported in favor of a duty of 40 per cent——

Mr WALSH of Montana. Mr. President, if the Chair will pardon me, it occurs to me that under any circumstances this motion is in order, and I move to substitute for the committee amendment the numeral "15."

Mr. SMOOT. That presents the same situation.

Mr. PITTMAN. Let me conclude my parliamentary inquiry. I am listening to the Chair.

The PRESIDENT pro tempore. The Chair intended to answer the inquiry, but was interrupted by the Senator from Montana.

Mr. PITTMAN. I know, and I am awaiting the answer of the Chair.

The PRESIDENT pro tempore. The Senator from Utah moved to amend the proposed committee amendment by substituting "35 per cent" for the "40 per cent" rate proposed by the committee. Thereupon there was a vote, and the Senate agreed to the amendment proposed by the Senator from Utah to the committee amendment. That is the present parliamentary situation.

Mr. PITTMAN. May I ask that the Secretary be required to state the committee amendment as it read originally?

The READING CLERK. On page 60, line 16, strike out "30" and insert "40."

Mr. PITTMAN. Now, may I ask how the committee amendment reads at the present time?

The READING CLERK. Strike out "30" and insert "40."

Mr. PITTMAN. I am sure that the reading clerk is in error.

The PRESIDENT pro tempore. The Chair suggests that the proposed committee amendment has been disagreed to in substance.

Mr. PITTMAN. Mr. President, I have made a parliamentary inquiry. The reading clerk is evidently wrong under the statement of the Chair. I want to know what I am voting on; I want to know if I am voting now on a 40 per cent rate or a 35 per cent rate.

The PRESIDENT pro tempore. That would depend upon how the Chair rules upon the amendment of the Senator from Montana.

Mr. PITTMAN. The amendment of the Senator from Montana is to make the rate 15 per cent. The Senator from Utah has offered an amendment to make the rate 35 per cent instead of 40 per cent.

Mr. SMOOT. And that has been agreed to.

Mr. PITTMAN. That has been agreed to. Therefore does it not read now 35 per cent?

Mr. SMOOT. Certainly it does.

Mr. PITTMAN. The Clerk says it reads 40 per cent.

The PRESIDENT pro tempore. The Senate has agreed to the amendment proposed by the Senator from Utah that the duty shall be 35 per cent. That is the present situation.

Mr. PITTMAN. I do not understand which is right. Originally the Chair put the question, Will the Senate agree to the committee amendment, which provides for a rate of 40 per cent? Then the Senator from Utah arose, as he had a right to do, I assume, and offered an amendment to the committee amendment. His amendment to the committee amendment was adopted. Therefore is not the question now on the adoption of the committee amendment as amended?

Mr. McCUMBER. Yes.

The PRESIDENT pro tempore. The Chair has so stated more than once.

Mr. PITTMAN. Then, of course, it is the committee amendment as amended. Do we have to vote either "yea" or "nay" on that? Are we not at liberty——

The PRESIDENT pro tempore. The Chair does not know of any other way to vote except "yea" or "nay."

Mr. PITTMAN. Are we not at liberty to amend the committee amendment after it has been once amended?

The PRESIDENT pro tempore. The question is now, unless the amendment of the Senator from Montana is received—about which the Chair is in doubt—upon agreeing to the committee amendment as amended.

Mr. PITTMAN. That is true. Now, I propound this parliamentary inquiry: In agreeing to the committee amendment as amended are we limited to voting "yea" or "nay," or are we at liberty to amend the committee amendment as amended?

The PRESIDENT pro tempore. That is precisely the question presented by the amendment proposed by the Senator from Montana, and upon which the Chair has not yet ruled.

Mr. PITTMAN. I was simply asking for the ruling, Mr. President. That is the purpose for which I rose.

Mr. BRANDEGEE. Mr. President, before the Chair rules on the question I should like to say a word.

As the bill stands, the committee has recommended that the House text be amended. An amendment was proposed to the rate proposed by the Senate committee in their amendment, and that amendment proposed has been agreed to. It seems to me that simply substitutes by the action of the Senate a rate in place of the one recommended by the committee, so that the report of the committee stands according to the reduced rate to which the Senate agreed; and that seems to me to be open to further amendment.

Mr. SMOOT. I want to call the Senator's attention to the fact that it is not now a committee amendment; it is a Senate amendment, and it has been agreed to.

Mr. BRANDEGEE. It has not been agreed to by the Senate. The pending question is, Will the Senate agree to the committee amendment as amended?

Mr. SMOOT. As amended.

Mr. BRANDEGEE. When a committee amendment is amended by a vote of the Senate, it still stands as a committee recommendation, does it not, subject to amendment?

Mr. SMOOT. Up until the time the Senate voted on it; and then, when the Senate voted on it, it agreed to it. If it wants to vote that amendment down now, the Senate can vote it down, if it is not satisfied with the amendment.

Mr. BRANDEGEE. I know it can. The Senator may be right; of course, I do not speak ex cathedra about it; but if the Senator is right we are confronted with the proposition that if a Republican Senator who only wants to scale a very little the rate reported by the committee gets action on his amendment, no discussion can be had upon a further reduction.

Mr. McCUMBER. Allow me to suggest to the Senator from Connecticut one thing that the Senate has voted upon. It voted that it would fix the rate at 35 per cent. Now, it can not vote that it will fix it at something other than 35 per cent unless we reconsider the vote by which we fixed the rate at 35 per cent. Of course, it can amend that amendment in any other respect; but, having fixed the rate at 35 per cent by a vote of the Senate, we can not now change it and make it another rate without a reconsideration. But, Mr. President, if the Senator from Montana wants a vote upon his amendment, I will ask that the vote by which 35 per cent was agreed to may be reconsidered.

Mr. ASHURST. Mr. President, on that I wish to be heard.

Mr. McCUMBER. We can do that by unanimous consent.

Mr. ASHURST. No; there is a principle involved, and I do not want a precedent set that will always plague us.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Arizona?

Mr. ASHURST. I desire to be heard.

Mr. McCUMBER. I yield to the Senator.

Mr. ASHURST. Mr. President, this question runs to the vitals of this and every other bill.

The error into which esteemed Senators are falling is this: They recall that an amendment in the third degree is not in order. That is true; but after an amendment has been amended other amendments are in order. I would be petrified with painful surprise and astonishment if Senators who have presided over legislative bodies, for example, the Senator from Connecticut [Mr. BRANDEGEE] or the Senator from the State of New York [Mr. WADSWORTH], were to rise here and say that the one who got the floor first and secured the adoption of an amendment to an amendment would foreclose every other Senator from offering further amendments. The Senate should adjourn sine die if such a ruling as that could stand. Bear in mind that parliamentary rules are made for the minority and not the majority. One of the most learned men who ever sat in that chair, John J. Ingalls, a crisp, partisan, parliamentary officer, held over and over again that these rules are for the protection of the minority; that majorities can take care of themselves.

Mr. President, you are a man of considerable experience in public affairs, you are a strict party man—of that I make no complaint—but I believe you are a fair man, and I know that you do not want to stain the annals of the Senate with such a ridiculous decision, the effect of which would be to say that whoever jumped up first and secured the adoption of an amendment to an amendment precluded other Senators from further tendering amendments to the provision. Of course, an amendment to an amendment to an amendment would be in the third degree, but that is not the case here. The question simply is, May an amendment be offered to a provision that has once been amended? Since when did we adopt a rule which in effect would be to say that but one amendment can ever be made in the Senate to an amended proposal?

The parliamentary status, with perfect respect to you, Mr. President, is as follows:

The committee reported this bill with amendments, and a committee amendment occupies precisely the same status as does every other amendment. The committee amendment has no higher right, no other privilege, and no preference over any other amendment. By unanimous consent we permitted the committee amendments to be considered first, and that required unanimous consent. That is the only privilege the committee amendments possess, and that privilege was acquired by unanimous consent. So, when the question is on the committee amendment, the committee has the right, every Senator has the right, to perfect or to offer other amendments before the provision is finally adopted. The Senator from Utah [Mr. SMOOT] had the right—he exercised the right of offering an amendment. He offered an amendment to a pending amendment which we call by courtesy a committee amendment. Does that mean, sir, that every other Senator is denied the right to offer further amendments?

My learned friend from Massachusetts, the senior Senator from that State [Mr. LODGE], does me the honor to give his attention to what I now say, and if you should ask him, he would openly say, "Mr. President, the parliamentary rule is that an amended amendment is still open to further amendment." Ask the Senator from New York [Mr. WADSWORTH]. Ask the Senator from Connecticut [Mr. BRANDEGEE]. Ask any Senator who ever presided three hours over a legislative body, and he will tell you that no Senator by jumping up and securing the adoption of an amendment to an amendment can preclude other Senators from offering other amendments.

So, Mr. President, I object to the request made by my friend from North Dakota. This principle is too vital to be jockeyed away. Such a precedent if rigidly followed would strike down the very thing for which parliamentary rules are set up, namely, to give each a chance to perfect the bill, and you would spike the noblest battery that ever thundered in behalf of parliamentary law.

The amendment of the Senator from Montana [Mr. WALSH] is in order. It is not an amendment in the third degree. He is offering an amendment to the committee amendment, which has already been amended.

I have heard this fallacious doctrine or rule once before on the floor of the Senate, and I heard it from none other than the distinguished Senator from Utah [Mr. SMOOT], that, forsooth, because an amendment has been amended, it could be amended no further.

If that be true, then when the Senate adopted the amendment of the Senator from Utah [Mr. SMOOT], why should the Presiding Officer put the question again? One might sit at the feet of the Senator from Utah and learn wisdom in fiscal affairs or in statecraft; but the Senator from Utah can lead us into a deeper and more tangled wildwood than any man in this Chamber when it comes to parliamentary law, and I say this with great respect; and I know that if the Senator from Massachusetts be fair, he will say I am right.

Mr. LODGE obtained the floor.

Mr. SMOOT. Mr. President——

Mr. LODGE. Mr. President, I believe I have the floor.

The PRESIDENT pro tempore. The Senator from Massachusetts has been recognized.

Mr. LODGE. I think this discussion, on which I can restrain my feelings——

Mr. ASHURST. What did the Senator say?

Mr. LODGE. I say, on which I can restrain my feelings.

Mr. ASHURST. As on every other subject.

Mr. LODGE. I am not excited about it. I think this discussion arises from a slight confusion with a well-known principle of parliamentary law. If, for instance, we have a bill before us, and we move to strike out and insert, and that motion is lost, a motion to insert something else can be made; but when the body has once agreed upon a form of words by striking out and inserting—I take it that is the easiest example—then, at that stage, that form of words to which the body has agreed is not subject to amendment.

In this case the body has reached no final agreement on the form of words. It is still dealing with an amendment. If the body had agreed to 35 per cent, it would not be open to amendment; but the body has not agreed to 35 per cent. It has only agreed to substitute it in preference to 40 per cent. The final vote is still ahead of us. The body has not finally agreed on 35 per cent; and therefore, this being an amendment, and no final agreement on the form of words having been reached, it seems to me that it is open to further amendment.

Mr. McCUMBER. Mr. President, may I ask the Senator whether it is open to an amendment now to strike out "35" and insert something else, after we have voted in "35"?

Mr. LODGE. Yes; entirely.

Mr. McCUMBER. Then we can keep on voting as long as we please on a question of a mere figure.

Mr. LODGE. That is perfectly true. The fact that it is a mere figure does not alter the fact as to the form of words.

Mr. WADSWORTH. Mr. President, does the Senator from North Dakota contend that we have voted in "35"?

Mr. McCUMBER. No; we have not. We have voted "35" into the committee amendment. We have not adopted the committee amendment.

Mr. LODGE. No; exactly.

Mr. McCUMBER. Now, we can vote the committee amendment up or down; but we have voted in favor of "35," and we can not now change the "35" to "25" or "15" or anything else unless we vote down the committee amendment.

Mr. WADSWORTH. I can not agree with the Senator.

The PRESIDENT pro tempore. The Chair is in very grave doubt with regard to the matter, and desires to say one word only before making a ruling.

If the amendment of the Senator from Montana is received and voted upon, assume that it is adopted. Then another Senator can again move that the rate be made 35 per cent, and that is adopted, and so on, ad infinitum; and it seemed to the Chair that it presented an almost impossible parliamentary situation. In view, however, of the difference of opinion which has developed with regard to the matter, the Chair will hold that the amendment proposed by the Senator from Montana is in order, and the question is upon agreeing to the amendment of the Senator from Montana to the amendment of the committee as amended.

Mr. WALSH of Montana called for the yeas and nays, and they were ordered.

The reading clerk proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. McKINLEY (when his name was called). I transfer my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. SUTHERLAND (when his name was called). I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from New Hampshire [Mr. KEYES] and vote "nay."

Mr. WALSH of Montana (when his name was called). Transferring my pair as on the previous vote, I vote "yea."

Mr. WILLIAMS (when his name was called). I transfer my pair with the Senator from Indiana [Mr. WATSON] to the Senator from Massachusetts [Mr. WALSH] and vote "yea."

The roll call was concluded.

Mr. JONES of Washington (after having voted in the negative). I understand the senior Senator from Virginia [Mr. SWANSON] has not voted. I am paired with that Senator for the day. I transfer that pair to the Senator from New Hampshire [Mr. MOSES] and allow my vote to stand.

The PRESIDENT pro tempore. Before the result of the vote is announced, the Chair desires to say that it had no opportunity to examine the precedents upon the question raised by the amendment just voted upon. Having examined the precedents, the Chair desires to say that its ruling must not be taken as a precedent because the rulings have been the other way.

Mr. McCUMBER. When the vote is announced, I shall make a parliamentary inquiry, but I want to have the vote announced.

The result was announced—yeas 20, nays 30, as follows:

YEAS—20.

Ashurst	Heflin	Overman	Smith
Dial	Jones, N. Mex.	Pittman	Townsend
Gerry	Kendrick	Ransdell	Underwood
Harris	La Follette	Sheppard	Walsh, Mont.
Harrison	Nicholson	Simmons	Williams

NAYS—30.

Brandegee	Gooding	McKinley	Smoot
Bursum	Hale	McLean	Spencer
Capper	Harreld	Nelson	Sterling
Cummins	Jones, Wash.	Newberry	Sutherland
Curtis	Kellogg	Oddie	Wadsworth
Dillingham	Lodge	Poindexter	Warren
Elkins	McCormick	Rawson	
France	McCumber	Shortridge	

NOT VOTING—46.

Ball	Fernald	Moses	Shields
Borah	Fletcher	Myers	Stanfield
Broussard	Frelinghuysen	New	Stanley
Calder	Glass	Norbeck	Swanson
Cameron	Hitchcock	Norris	Trammell
Caraway	Johnson	Owen	Walsh, Mass.
Colt	Keyes	Page	Watson, Ga.
Crow	King	Pepper	Watson, Ind.
Culberson	Ladd	Phipps	Weller
du Pont	Lenroot	Pomerene	Willis
Edge	McKellar	Reed	
Ernst	McNary	Robinson	

So the amendment of Mr. WALSH of Montana to the committee amendment as amended was rejected.

Mr. McCUMBER. Mr. President, the Senate now having voted affirmatively to fix the rate at 35 per cent ad valorem, and then having voted negatively that it would not change that 35 per cent rate, I desire to make a parliamentary inquiry. Is it in order for me now to move to make the rate 40 per cent?

The PRESIDENT pro tempore. The Chair is of the opinion that such a motion would not be in order. The question now is upon agreeing to the committee amendment as amended.

Mr. PITTMAN. Mr. President, I wish to offer an amendment and get the ruling of the Chair. I move to strike out "35 per cent ad valorem" and to insert in lieu thereof "1 cent per 10,000 pounds."

Mr. McCUMBER. Mr. President, I make the point of order that the Senate having voted upon the rate, it can not vote again upon it. I understand that this is the same amendment——

Mr. PITTMAN. I am not dealing at all with the ad valorem rate. I am dealing with an entirely different method, which I ask to have substituted for the House rate. If it were on a 35 per cent or a 15 per cent rate, it would be a different question. I am now asking that the Senate, instead of substituting 35 per cent for the House provision, substitute a specific duty for it. Is there any way by which I can obtain a vote on that proposal?

Mr. McCUMBER. I make the point of order that the Senate having voted that the rate should be 35 per cent ad valorem, and then again having voted that it would not change that rate, it is not now in order to make another kind of a motion to change it.

The PRESIDENT pro tempore. The Chair sustains the point of order.

Mr. PITTMAN. Mr. President, from that ruling I respectfully appeal.

Mr. McCUMBER. I move to lay the appeal on the table.

The PRESIDENT pro tempore. The Senator from Nevada appeals from the ruling of the Chair, and the Senator from North Dakota moves——

Mr. McCUMBER. If there is to be no argument, I will withdraw my motion to lay the appeal on the table, and we can vote directly on it.

The PRESIDENT pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. PITTMAN. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. ERNST (when his name was called). Transferring my pair with the senior Senator from Kentucky [Mr. STANLEY] to the senior Senator from Pennsylvania [Mr. CROW], I vote "yea."

Mr. McKINLEY (when his name was called). Transferring my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from Pennsylvania [Mr. PEPPER], I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. WALSH of Montana (when his name was called). Transferring my pair as heretofore, I vote "nay."

Mr. WARREN (when his name was called). Transferring my pair with the junior Senator from North Carolina [Mr. OVERMAN] to the senior Senator from Colorado [Mr. PHIPPS], I vote "yea."

The roll call was concluded.

Mr. JONES of Washington. The senior Senator from Virginia [Mr. SWANSON] being absent, I withhold my vote.

The roll call resulted—yeas 26, nays 17, as follows:

YEAS—26.

Bursum	Gooding	McLean	Spencer
Capper	Hale	Newberry	Sterling
Curtis	Harreld	Nicholson	Sutherland
Dillingham	Kellogg	Oddie	Townsend
Elkins	McCormick	Poindexter	Warren
Ernst	McCumber	Rawson	
France	McKinley	Smoot	

NAYS—17.

Ashurst	Harrison	Pittman	Wadsworth
Brandegee	Heflin	Ransdell	Walsh, Mont.
Dial	Jones, N. Mex.	Sheppard	
Gerry	La Follette	Simmons	
Harris	Lodge	Underwood	

NOT VOTING—53.

Ball	Frelinghuysen	Nelson	Smith
Borah	Glass	New	Stanfield
Broussard	Hitchcock	Norbeck	Stanley
Calder	Johnson	Norris	Swanson
Cameron	Jones, Wash.	Overman	Trammell
Caraway	Kendrick	Owen	Walsh, Mass.
Colt	Keyes	Page	Watson, Ga.
Crow	King	Pepper	Watson, Ind.
Culberson	Ladd	Phipps	Weller
Cummins	Lenroot	Pomerene	Williams
du Pont	McKellar	Reed	Willis
Edge	McNary	Robinson	
Fernald	Moses	Shields	
Fletcher	Myers	Shortridge	

The PRESIDENT pro tempore. On this question the yeas are 26 and the nays are 17. Less than a quorum having voted, the Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gerry	McKinley	Shortridge
Borah	Hale	McLean	Simmons
Brandegee	Harreld	Newberry	Smith
Bursum	Harris	Nicholson	Smoot
Capper	Jones, N. Mex.	Oddie	Spencer
Cummins	Jones, Wash.	Phipps	Sterling
Curtis	Kellogg	Pittman	Sutherland
Dial	La Follette	Poindexter	Underwood
Dillingham	Lodge	Ransdell	Wadsworth
Ernst	McCormick	Rawson	Walsh, Mont.
France	McCumber	Sheppard	Warren

The PRESIDENT pro tempore. Forty-four Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The reading clerk called the names of the absent Senators.

The PRESIDENT pro tempore. Forty-four Senators have answered to their names. There is not a quorum present.

Mr. McCUMBER. I move that the Sergeant at Arms be directed to procure the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

Mr. WILLIAMS, Mr. ELKINS, Mr. NORBECK, Mr. HARRISON, and Mr. GOODING entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Forty-nine Senators have answered to their names. There is a quorum present.

RECESS.

Mr. McCUMBER. I move that the Senate take a recess in accordance with the unanimous-consent agreement previously entered into.

The motion was agreed to; and (at 6 o'clock and 12 minutes p. m.) the Senate, under the order previously entered, took a recess until Monday, May 29, 1922, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

SATURDAY, *May 27, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Look down upon us our heavenly Father while we breathe the chant of immortal love, saying: Holy, holy, holy, Lord God Almighty. O inspire us by Thy nature that we may with confidence repose our trust in Thee. Help us to be constantly mindful that the basis of all worthy achievement is in unswerving fidelity to the accepted sanctities of public and private life. Remember the avenues of our country through which we are endeavoring to spread the knowledge of the truth and the spirit of good will. Bless our households and all their consecrated loves and hopes. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate by Mr. Craven, its Chief Clerk, announced that the Senate had agreed to the amendments of the House of Representatives to the amendments of the Senate numbered 32, 60, and 61 to the bill (H. R. 9859) making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes; that the Senate had disagreed to the amendment of the House of Representatives to the amendment of the Senate numbered 58 to said bill; that the Senate further insisted upon its amendments numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 17 to said bill, had asked a further conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and had appointed Mr. TOWNSEND, Mr. STERLING, Mr. MOSES, Mr. WALSH of Massachusetts, and Mr. BROUSSARD as conferees on the part of the Senate.

SPEAKER PRO TEMPORE FOR SUNDAY.

The SPEAKER. The Chair will designate the gentleman from Virginia [Mr. MONTAGUE] to act as Speaker pro tempore at the exercises to-morrow.

DEDICATION OF LINCOLN MEMORIAL.

The SPEAKER. The Chair has been requested to state for the information of the House something in relation to the Lincoln memorial services on Tuesday. An invitation was sent to each Member. The Chair is informed that some Members have misunderstood the invitation. The tickets requested by Members have been sent to them. Only the Representatives themselves can use the tickets indorsed in red "For Representative," for the Members are expected to be seated in a body by themselves. A representative of the Sergeant at Arms' office will be there to identify Members. Each Member has two tickets for his family, and then he has four others for friends, which are also for exceedingly good seats. Members who have not already received tickets can now procure them by applying at the Sergeant at Arms' office. The Members are requested to meet at the circle at the foot of Twenty-third Street, near the monument, at 2.20 p. m. Parking space for automobiles is arranged there.

EXTENSION OF REMARKS.

Mr. JOHNSON of South Dakota. Mr. Speaker, I make the point that no quorum is present.

Mr. VOLSTEAD. Will not the gentleman withhold that for a moment?

Mr. JOHNSON of South Dakota. I will.

Mr. VOLSTEAD. Mr. Speaker, I ask unanimous consent to extend in the RECORD remarks I made on the bill H. R. 10159.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ALIEN PROPERTY CUSTODIAN.

Mr. WINSLOW. Mr. Speaker, on the 12th of May the President of the United States sent to the Congress a communication from the Alien Property Custodian, and it took the form of Senate Document 189, Sixty-seventh Congress. The Speaker pro tempore made reference of it to the Judiciary Committee of the House. It seems after consideration that perhaps it was not properly referred. It should have gone to the Committee on Interstate and Foreign Commerce, to which committee has been referred right along all matters bearing on the department of the Alien Property Custodian. As chairman of the Interstate and Foreign Commerce Committee I have consulted the gentleman from Minnesota [Mr. VOLSTEAD], chairman of the Judiciary Committee, in respect of the motion which I propose to make for the rereference, and he concurs and approves. I have also consulted the Speaker pro tempore, the gentleman from Massachusetts [Mr. WALSH], and he has authorized me to say, in his absence, that he also concurs and approves. So if no one desires to say anything on my proposed request, I will make that motion.

Mr. GARNER. The gentleman should ask unanimous consent.

Mr. WINSLOW. Mr. Speaker, I ask unanimous consent that it be rereferred to the Committee on Interstate and Foreign Commerce.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent that the matter be rereferred from the Committee on the Judiciary to the Committee on Interstate and Foreign Commerce. Is there objection?

There was no objection.

Mr. WINSLOW. Mr. Speaker, Members are persistently inquiring of our committee and also of the Alien Property Custodian in respect of the various features connected with the administration of the custodian's office. It is a matter requiring a great deal of labor for the Alien Property Custodian to make answer and many times he fails to convey the desired information to inquiring Members of the House and the Senate. I have the manuscript of a speech made by the Hon. Thomas W. Miller, Alien Property Custodian, on January 14, 1922, which covers nearly all the queries which he reports are commonly made of him. In order to relieve the work of the department and the Committee on Interstate and Foreign Commerce and to facilitate the office work of Members of the House, I ask unanimous consent to have published in the RECORD the document I have referred to. There is no politics in it; it is a businesslike statement in respect of the various queries which have been made from time to time in relation to the work of the custodian's department.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

Mr. MONTAGUE. Reserving the right to object, would the gentleman have it printed in small type?

Mr. WINSLOW. I think the usual term is 8-point type, and I include that in my request.

Mr. MONDELL. Will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. MONDELL. Has the gentleman thought of the propriety of printing it as a House document?

Mr. GARNER. It ought to be made a House document.

Mr. MONDELL. Has it occurred to the gentleman that it would be more convenient for Members for reference?

Mr. WINSLOW. Yes; it is my idea that it would be much more convenient. It would save the Members a lot of writing.

Mr. MONDELL. Then each Member could have a copy and refer to it.

Mr. WINSLOW. It would also be of service to the Alien Property Custodian's Department, and if there is no objection, I accept that suggestion and make my request that it be printed as a House document.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent that the document referred to be printed as a House document. Is there objection?

Mr. CONNALLY of Texas. Mr. Speaker, reserving the right to object, I want to ask the gentleman from Massachusetts a question. Has the gentleman or any other person from his committee in view any legislation for the winding up of the business of the Alien Property Custodian and the return of alien property to those who may be entitled to receive it? When is the Alien Property Custodian's office to be demobilized, so to speak, and when are the questions involved to be settled?

Mr. WINSLOW. Mr. Speaker, if the gentleman from Texas will permit me to reply as an individual, I would say that as to the matter of thought being given to the subject of legislation along that line, I can assure him that there is altogether too much thought for the happiness of the chairman of the committee, but it does not seem to get anywhere definitely. The matter is being brought up by a thousand and one different people, who approach the general subject from many angles. That is about all the answer that I can give to the gentleman; and as to when it is going to be wound up, I would have to refer to some one better informed than I. I really do not know. We are trying to work out some plan which will be reasonably comprehensive and be in the nature, if possible, of blanket legislation covering as many points as possible, which are being contested. There are innumerable points of view, and each one seems to stumble up against some sharp edge somewhere.

Mr. CONNALLY of Texas. Do any of the plans now before the gentleman's committee or in the minds of the committee contemplate the satisfaction of American claims out of any of this property, or do they contemplate simply a return of the property to the original owners?

Mr. WINSLOW. I would not feel justified in answering that, not because there is any particular secret involved, but the matter is too chaotic for me to separate out that particular feature, although I think it is a pertinent inquiry.

Mr. CONNALLY of Texas. I saw in the press sometime ago a statement that the State Department was carrying on informal parleys with Germany with reference to arriving at a treaty later on which would adjust this alien property matter and the American claims in connection with it. Does the gentleman know anything about that?

Mr. WINSLOW. I have no official knowledge and no personal knowledge other than what I have read in the newspaper.

Mr. MOORE of Virginia. Mr. Speaker, will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. MOORE of Virginia. I would like to call the gentleman's attention to an article which I read in this morning's New

York World, which discusses an important alien property transaction and apparently subjects it to pretty severe criticism. The correspondent finds occasion to refer to the ubiquitous Attorney General in that connection. I do not undertake to say what the merits of that particular transaction are, but there is certainly a prevalent opinion that Congress ought to legislate and not postpone the matter any longer.

Mr. WINSLOW. That seems to be a pretty general idea in respect to all legislation.

Mr. JOHNSON of South Dakota rose.

The SPEAKER. The gentleman from South Dakota.

Mr. JOHNSON of South Dakota. Reserving the right to object to the gentleman's request, does he not think there ought to be a rather real investigation made of the chemical foundation sale and the Bosch magneto matter, among other of these iniquitous transactions that occurred several years ago in the office of the Alien Property Custodian before the business of that office is wound up?

Mr. WINSLOW. Does the gentleman want me to answer the question or is he satisfied with having asked it? [Laughter.]

Mr. JOHNSON of South Dakota. I recognize the fact that the gentleman does not want to answer the question.

Mr. WINSLOW. The gentleman recognizes, as he does in many other respects, something that does not exist. I am very willing to answer if I am accorded the time and it is germane and the House desires me to do so, but if the House does not I do not propose to waste any time that might be properly given to something real.

Mr. JOHNSON of South Dakota. Then, Mr. Speaker, I ask unanimous consent that the gentleman be given 15 minutes in which to discuss the chemical foundation sale and the Bosch magneto sale.

Mr. CAMPBELL of Kansas. Mr. Speaker, I object.

Mr. MONDELL. Mr. Speaker, this is no time in which to discuss alleged frauds in a former administration.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts that the matter to which he refers be printed as a House document?

Mr. SABATH. Mr. Speaker, reserving the right to object, are there not some articles written or matters of opinion given out by the Attorney General in regard to the Alien Property Custodian, and would it not be wise also to embody them in this document?

Mr. WINSLOW. The gentleman is asking something I know nothing about. I would rather confine my request to the things of which I have some knowledge. This is merely a statement of conditions and facts which would help us in our correspondence. It is not an argument one way or the other, while the matter to which the gentleman referred, as he can see, might become a very long drawn-out matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts to print this document as a House document?

There was no objection.

EXTENSION OF REMARKS.

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

Mr. MONDELL. Upon what subject?

Mr. HUDDLESTON. Touching the services of my colleague, Judge TYSON, in Congress.

The SPEAKER. Is there objection?

There was no objection.

The extension of remarks referred to are here printed in full as follows:

Mr. HUDDLESTON. Mr. Speaker, under leave given me to extend my remarks I desire to publish a statement showing something of the services in Congress of my friend and colleague, Hon. JOHN R. TYSON, of Alabama.

ANSWERING SENATOR PENROSE.

1. The first matter of great moment, especially to the people of the South, in which Judge TYSON took part was to write an article showing that the bill introduced in the Legislature of Pennsylvania, fathered by the late Senator Penrose, of that State, attempting to require that equal privileges in hotels, cafés, restaurants, educational institutions, and amusement places be accorded to the Negro on equal terms with the whites, was unconstitutional, resulting in the defeat of the bill in the senate of that State after being passed by the house.

WORK ON CENSUS COMMITTEE.

2. As a member of the Census Committee of the House, Representative TYSON was appointed on a subcommittee of three, the other two members being Republicans, to make a report defining the jurisdiction of the committee with respect to a reduction of representation of the Southern States in the House because of an alleged denial to the Negro of the right to vote. The subcommittee reported, in substance, that the basis of representation in the House under the Constitution is that of population, and that a denial to the Negro of a right to vote under the fourteenth and fifteenth amendments to the Constitution could only be considered by Congress upon the introduction of a bill or resolution for an investigation having reference to a particular election in a specified State. The report was adopted unanimously by the committee.

3. As a member of the Census Committee he led the fight to a successful conclusion not to report a bill apportioning the number of Representatives in the House under the census taken in 1920, thus preventing a loss in representation in the House to Mississippi and Louisiana and defeating an increase in the Republican membership.

PEACE RESOLUTION.

4. He voted for and advocated on the floor of the House the adoption of the peace resolution declaring that peace exists between Germany, Austria-Hungary, and the United States. As noted in the Literary Digest, July 16, 1921, he contended "that cotton sales would be improved." In other words, he contended that upon the adoption of the resolution the markets in Germany and Austria-Hungary for cotton would, in a large measure, be reestablished, and this has come to pass.

TARIFF BILL.

5. He opposed and spoke against the Fordney tariff bill. In his speech he asserted, among other things, that it taxed practically every necessity of life and carried a tax of $50 per ton on potash, a necessary ingredient of fertilizers, used by the farmers of Alabama, enhancing the cost of fertilizers, where potash is a component part, of at least $10 per ton.

REVENUE BILL.

6. He voted against this bill because he regarded it as the most vicious piece of legislation ever offered to be enacted by any legislative body. He asserted that its manifest purpose is to relieve the wealthy individual and corporations as far as possible from taxation and impose it upon the less fortunate. In other words, roughly estimating, 75 per cent of the corporations of this country will have to pay an increased tax, while the remainder of them are accorded a substantial reduction. Individuals who have an income of $66,000 per year or more will pay proportionately less income tax than the individual who has a lesser income. He advocated the repeal of the so-called nuisance taxes.

RAILROAD FUNDING BILL.

7. He opposed the passage of this bill because he believed and stated that it involved simply a scheme to permit the railroads of the country to filch the Treasury of the United States under the guise of a loan which would never be repaid and because of his opposition to a donation of the people's money. He insisted that on an accounting, instead of the Government being indebted to the railroad companies, the railroad companies, as the result of United States administration of them, are indebted to the Government $300,000,000. Notwithstanding it was vehemently urged that unless the bill was passed at once—August 22, 1921—many of the railroads of the country would go into the hands of a receiver, and although the bill has not yet been passed by the Senate no important line of railroad has yet gone into the hands of a receiver. Their earnings are greater than they have ever been in the history of the country, in face of a gradual reduction in freight rates.

REFUNDING FOREIGN DEBT.

8. He voted against this bill because he entertained the view that it is the initial step leading to the final forgiving of all foreign debts, in order that the national bankers may collect some five billions of dollars due them by the foreign debtor countries.

ANTILYNCHING BILL.

9. This bill is the product of the demand of the northern Negro and seeks to punish sheriffs and other executive officers who fail or neglect to protect the life of any person put to death by a mob composed of three or more persons, and to impose a penalty on the county in which the death occurs of $10,000, recoverable for the use of the family of the deceased, and also punishes those who participate in the mob violence. He voted against this bill and made one of the ablest speeches that was made against it, demonstrating its unconstitutionality. As noted in the Washington Star of May 24, 1922, Senator BORAH, a Republican, chairman of the subcommittee of the Judiciary Committee of the Senate, has joined with Senators OVERMAN and SHIELDS, Democratic members of that committee, in agreeing with Representative TYSON that the bill is unconstitutional. These gentlemen compose a majority of the subcommittee.

AUTHORIZING COOPERATIVE MARKETING OF FARM PRODUCTS.

10. He voted for this bill, which permits farmers of the country to organize cooperative associations and corporations, without paying in any capital, to market farm products, the purpose being to enable farmers to dispense with, if possible, the cost of their products being handled by the middleman and to facilitate their dealing directly with the consumer.

IMMIGRATION.

11. He voted for the bill which restricts immigration into this country.

SWEET BILL ESTABLISHING VETERANS' BUREAU.

12. He voted for this bill, which facilitates the adjusting of compensation and hospitalization of the disabled war veterans.

BILL AMENDING FARM LOAN ACT.

13. He voted for the two bills which provide for additional credit to the owners of farm lands.

GOOD ROADS BILL.

14. He voted for this bill, which provides aid for the States in the construction of rural post roads. It also contains a provision that any State desiring to avail itself of the benefits of the act may have three years after the adjournment of the first regular session of the State legislature from and after the approval of the act to provide State funds each year at least equal to the amount apportioned for such year by the Federal Government.

AMENDING WAR FINANCE CORPORATION ACT.

15. He voted for the "bill to amend the War Finance Corporation act to provide relief for producers of and dealers in agricultural products." That act provides for loans and fixes the rate of interest to be charged for the money loaned. Loans may be made for agricultural purposes, including the breeding, raising, fattening, and marketing of live stock, as well as upon cotton, corn, oats, wheat, and like farm produce.

APPROPRIATION FOR MILITARY AND NONMILITARY ACTIVITIES.

16. He voted for this bill, which increases the personnel and pay of the National Guard.

TO AMEND FEDERAL RESERVE ACT.

17. This bill amended section 10 of the Federal reserve act by increasing the Federal Reserve Board to eight members and providing for a representative of agriculture on that board. He voted for this bill.

MATERNITY BILL.

18. He voted for this bill, expressing the view that care of mothers and infants is more important to the Nation than that of animal life.

Men are what their mothers make them. (Emerson.)
The future destiny of the child is always the work of the mother. (Napoleon.)

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

19. He voted for and was an advocate of the passage of this bill. Alabama furnished approximately 100,000 men in the military and naval forces in the World War. Under the bill the Alabama ex-service men will receive approximately $20,000,000 which will be spent in that State, more than is contributed by the taxpayers of that State to the National Government. He abhors that the fate of the veterans of the World War should be as that expressed in the lines of Southern in "Loyal Brothers":

Dost thou not know the fate of soldiers?
They're but ambition's tools, to cut a way
To her unlawful ends; and when they're worn,
Hack'd, hewn with constant service, thrown aside,
To rust in peace and rot in hospitals.

COMPENSATION, HOSPITALIZATION, AND VOCATIONAL TRAINING.

20. Representative TYSON has energetically and vigorously assisted several hundred disabled World War veterans in securing compensation, vocational training, and hospitalization.

GOVERNMENT PUBLICATIONS.

21. He has mailed to his constituents many valuable Government publications.

FORD'S OFFER FOR MUSCLE SHOALS.

22. Mr. Ford, on July 8, 1921, executed his proposal to the Government for the Muscle Shoals property, which was transmitted shortly thereafter to the Secretary of War. As soon as it was made public Representative TYSON became a strong advocate of its acceptance by Congress and has done as much as any Member of Congress to arouse public sentiment in favor of its acceptance. He says of the proposal:

An impetus and a quickening of interest in water-power development throughout the country is the result of the Ford offer for Muscle Shoals, which will be of incalculable value to the entire Nation. His offer has developed a realization of the enormous value of the Tennessee River for transportation and hydroelectric purposes. It has pointed the way for cheaper fertilizer, cheaper transportation, and cheaper power for industrial enterprises. It has awakened in Congress an appreciation of the illimitable potentialities of the Tennessee River, of other undeveloped water powers, and of their inestimable value to the people of this country.

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[From the Montgomery Advertiser, June 9, 1921.]

DEMOCRATS OF SOUTH WIN SIGNAL VICTORY—QUESTION OF REAPPORTIONMENT OF REPRESENTATIVES IN CONGRESS SETTLED FOR TIME BEING.

(Advertiser Bureau, Washington, D. C. By Jesse S. Cottrell.)

Southern Democrats on the Census Committee of the House have won a signal victory and settled during the life of this Congress the question of reapportionment of Representatives in Congress, which might have caused a reduction of the representation from the South. Led by Representative TINKHAM, of Massachusetts, and a small coterie of eastern Republicans, a movement has been gaining headway during the present Republican ascendancy to cut down the representation from the South in retaliation for the alleged denial of the votes of the negroes. Eastern negroes and their Republican advocates have insisted that all negroes in the South are not permitted to vote and that Congress should take cognizance of the fact. Various bills bearing on the question were invariably referred to the Committee on the Census. In this committee the question arose as to just how far the committee could go, which incidentally brought the activities of this committee into prominence in so far as it was handling these bills.

Led by Representative JOHN R. TYSON, of Alabama, a former chief justice of the supreme court of his State, and Representative J. E. RANKIN, of Mississippi, a movement was started in the committee for a decision to define the jurisdiction of the committee in handling reapportionment matters. Judge TYSON was the Democratic member of a subcommittee which has reported to the full committee. The entire committee has in turn gone on record adopting the subcommittee's report, to the effect that the clause of the fourteenth amendment to the Constitution providing for a reduction in representation on account of a denial of a right to vote at any election can only be brought before Congress by the introduction of a bill or resolution for an investigation with reference to a particular election in a specific State or States.

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[From the Birmingham Age-Herald, Sunday, April 3, 1921.]

TYSON RAPS BOSS PENROSE, WHO, DIPPY TO HOLD VOTES, FIGURATIVELY KISSES NEGRO.

(By Washington bureau of the Age-Herald, 500 Davidson Building.)

WASHINGTON, April 2.—(Special.)—At last there comes a man to Washington with sufficient temerity to beard the lion in his den.

As a result Senator Penrose, the Republican boss, whose procedure has been characterized by arrogance and contempt for conventional opinion, must reckon with Judge JOHN R. TYSON, of Montgomery, who, on April 11, will take the oath of office as a Representative from Alabama.

In a statement issued to-day Judge TYSON not only proves fallacious the legal argument of Senator Penrose that the Negro is entitled to public entertainment and education on a basis of equality with the white man but denounces as an absurdity the afterthought of the Senator that, despite his views, he does not believe in social equality.

PENROSE EFFUSIVE.

Some days ago Senator Penrose, in most fulsome language, welcomed pompous Negro celebrities on the occasion of their visit to Washington. In the course of his speech he declared that the Negro must be accorded equal privileges in hotels, cafés, restaurants, educational institutions, and places of amusement, and that such rights must be sustained by legislation providing heavy penalties for their denial.

Judge TYSON points out that the Constitution does not require a proprietor to entertain anyone who would be offensive to his other guests, and adds that the Supreme Court of Pennsylvania has held on two grounds the justice of a company in providing separate street car compartments for the races, the two grounds being the right that the company had in its property and the public interests.

TYSON TO G. O. P. BOSS.

Says Judge TYSON to Senator Penrose:

"To permit negroes to be educated at white schools would necessarily bring about social intermixture, resulting in amalgamation, which is contrary to the law of races. Social equality can not be established, enforced, or maintained by legislation.

"The statement that Senator Penrose does not stand for social equality in face of the fact that he advocates establishing conditions by penal statutes which would enforce the intermingling of races, bringing about a contact necessarily promotive of social associations, and, therefore, equality, is an absurdity."

Judge TYSON is a former chief justice of the Supreme Court of Alabama.

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LETTER OF HON. JOSEPH W. BYRNS, OF TENNESSEE, RANKING DEMOCRAT ON HOUSE COMMITTEE ON APPROPRIATIONS.

WASHINGTON, D. C., *January 18, 1922.*

Hon. JOHN R. TYSON, M. C.,
Washington, D. C.

MY DEAR JUDGE: I wish to express my appreciation of your great speech in opposition to the so-called Dyer antilynching bill which appears in to-day's CONGRESSIONAL RECORD. It is a magnificent constitutional argument—one of the very ablest of the many good speeches which were made in the course of the debate. In my judgment, you have clearly demonstrated the unconstitutionality of the measure, and for this lasting public service you are entitled to the thanks of your constituents and the entire country. There is no question but that if this unwise and improper measure should pass the Senate and become a law your speech will serve a great purpose in demonstrating its unconstitutionality in the courts of the country. May I say that, coming from the same section that you do, I have been highly gratified to hear similar comments from Members on both sides of the Chamber? You have more than justified your reputation as one of the great lawyers of this Congress.

With high personal regards, I am,
Sincerely yours,

JOSEPH W. BYRNS.

LETTER OF HON. J. B. ASWELL, OF LOUISIANA, OF THE COMMITTEE ON AGRICULTURE.

WASHINGTON, D. C., *March 25, 1922.*

Hon. JOHN R. TYSON, M. C.,
House of Representatives, Washington, D. C.

MY DEAR JUDGE: I am writing to express to you my very great appreciation of your work as a member of the Census Committee of the House of Representatives.

Having been for several years a member of that committee, I am personally familiar with the details of its work and with your forceful part in it.

At the beginning of this Congress I retired from that committee to become a member of the Committee on Agriculture, when you became a member of the Census Committee.

When the Republican leaders proposed a reapportionment bill, reducing representation in Congress from several of the Southern States, including Louisiana and Mississippi, you will recall that I appealed to you to oppose the measure. You promptly took the lead in the fight and became recognized as one of the real leaders of the committee in opposition to the proposed Republican measure. With your masterful skill, judgment, and courage, the fight was successful and the measure defeated.

You deserve very great credit for holding southern representation in the Congress as it now exists and in preventing the Republicans from increasing their membership in the House.

With very cordial good wishes, I am,
Sincerely yours, J. B. ASWELL, M. C.

LETTER OF HON. CLAUDE KITCHIN, OF NORTH CAROLINA, DEMOCRATIC LEADER IN THE HOUSE OF REPRESENTATIVES.

SCOTLAND NECK, N. C., *August 11, 1921.*

Judge JOHN R. TYSON,
House of Representatives, Washington, D. C.

MY DEAR JUDGE: I have just read your speech on the tariff and hasten to write you to congratulate you on its excellence. It is one of the best speeches I have read on the tariff and it does you great credit. I took much pleasure in reading it.

With assurances of my high regards and best wishes, I am,
Your friend sincerely,
CLAUDE KITCHIN.

Your thrust at MURPHY, of Ohio, was especially happy.

Mr. DENISON. Mr. Speaker, Mrs. Gen. John A. Logan has written a short story of the history and origin of Memorial Day. It is very interesting and full of information. There is no one living who can speak on this subject with more intimate and reliable knowledge of the facts than can Mrs. Logan. I think all of the Members of the House, as well as the rest of the country, ought to read it, and I ask unanimous consent for permission to extend my remarks in the RECORD by incorporating that article. Mrs. Logan is one of our country's greatest women and, aside from our interest in Memorial Day, I am sure we are all interested in anything she might wish to say.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD by printing an address by Mrs. Logan in respect to the origin of Memorial Day. Is there objection?

There was no objection.

The matter referred to is as follows:

HOW MEMORIAL DAY CAME TO BE—THIS STORY OF THE AMERICAN DECORATION DAY IS TOLD BY THE WIDOW OF THE MAN WHO ORIGINATED THE HOLIDAY.

(By Mrs. John A. Logan.)

To properly appreciate the establishment of Memorial Day readers should know about the organization of the Grand Army of the Republic. The comradeship and patriotic principles which prompted the organization of this, the greatest organization the world has ever known, inspired General Logan in writing the immortal order No. 11, when commander in chief of the Grand Army of the Republic. Without the Grand Army of the Republic there never would have been a Memorial Day or a medium through which it could have been established.

It gives me great pleasure to tell you the true story. These are the facts:

The late Col. Charles L. Wilson, editor of the Chicago Journal of that day, invited a party consisting of his niece, Miss Anna Wilson (later Mrs. Horatia May), Miss Farrar, his fiancé (all now dead), General Logan, and myself to visit the battle fields around Richmond in March, 1868. The importance of some measures then pending in Congress prevented General Logan, at the last moment, from going, but he insisted upon my going with these friends. We made a tour of every battle field, fortification, temporary barricade, and cemetery around the erstwhile Confederate capital, driving about in old tumbledown vehicles drawn by lean, jaded horses, driven by thinly clad, poorly fed men, who had survived the long siege of Richmond. We saw the colored men, women, and children digging out the lead and iron which had been shot into the fortifications, almost the only support of these wretched people. Visiting cemeteries and churchyards, we were deeply touched by the withered wreaths and tiny flags that marked the graves of the Confederate dead. In the bleak March wind and light-falling snow the desolation seemed most oppressive.

GENERAL LOGAN HEARS STORY.

Returning together to the old Willard Hotel, where we then lived, sitting in our parlor after dinner, we recounted to General Logan the incidents of the trip and how deeply touched we were by the devastation and ravishes of war. In the churchyard around an old historic church at Petersburg every foot of the ground seemed occupied by the graves of the Confederate dead. Upon them lay wreaths once beautiful flowers now crumbling, which had been placed there by loving hands. Little faded Confederate flags marked each grave, mute evidence of the devotion of the Southern people to their loved and lost. General Logan was much impressed by our description, saying, "The Greeks and Romans in the day of their glory were wont to honor their hero dead by chaplets of laurel and flowers, as well as in bronze and stone," and that as commander in chief of the Grand Army of the Republic and Member of Congress from Illinois, which he then was, he would issue an order establishing Memorial Day, then called Decoration Day. He declared at the same time that he believed that he could secure the adoption of a joint resolution making it a national holiday and a national ceremony. He then took up a pencil and piece of paper and wrote the matchless order No. 11, and remarked he would submit it to his staff of the Grand Army of the Republic, then composed of Dr. W. T. Collins, assistant adjutant general; Bvt. Brig. Gen. N. P. Chipman, adjutant general; Capt. T. C. Campbell, quartermaster general; and Capt. Edward Jardine, inspector general. He read what he had written to Colonel Wilson, who expressed his appreciation of the order and predicted it would be received with great enthusiasm all over the country.

LOGAN'S STAFF AGREES.

The following evening, upon his invitation, his staff assembled in our rooms and he submitted the order to them. Without a dissenting voice they thought it would receive a ready response from all loyal hearts in the Union. He handed the order No. 11, Grand Army of the Republic, to Adjutant General Chipman to be issued at once from the headquarters of the Grand Army of the Republic. If Colonel Wilson made any notes or subsequently advocated the movement, they were all lost a few years later in the great conflagration which visited Chicago and reduced to ashes newspaper files, homes, and business establishments.

As far as I know, Bvt. Brig. Gen. N. P. Chipman and myself are the only living persons of all of those who had any knowledge of General Logan's authorship and conception of this immortal order, which, like an electric shock, awakened the latent gratitude in all loyal hearts toward the men who had laid down their lives that the Union might live.

I claim without fear of contradiction that I know the facts and that my memory is as dependable as that of any one else in all the world who had not the same interest which I had then and shall have as long as I live.

George Francis Dawson, now deceased, wrote the life of Maj. Gen. John A. Logan from all the records, notes, and memoranda of General Logan which were placed in his hands. The following is from Dawson's "Life of Logan:"

"MEMORIAL OR DECORATION DAY.

"In January, 1868, General Logan's comrades of the Grand Army of the Republic elected him commander in chief of that order, and afterward honored him and themselves by twice reelecting him to that distinguished position. It was during his first incumbency that General Logan, as commander in chief of this military society ,issued the order—which he often afterwards, alluded to as 'the proudest act of my life'—setting apart the 30th of May as a day in memory of the dead soldiers who lost their lives to perpetuate this Union—a day on which to decorate their sacred graves and keep in mind their glorious deeds. This memorable order—which was issued to all the comrades of the 'Grand Army of the Republic' throughout the land—was in these inspiring words:

"HEADQUARTERS GRAND ARMY OF THE REPUBLIC,
"ADJUTANT GENERAL'S OFFICE,
"446 FOURTEENTH STREET, WASHINGTON, D. C., *May 5, 1868.*

"General Orders, No. 11.

"I. The 30th day of May, 1868, is designated for the purpose of strewing with flowers, or otherwise decorating, the graves of comrades who died in defense of their country during the late rebellion, and whose bodies now lie in almost every city, village, hamlet, and churchyard in the land. In this observance, no form of ceremony is prescribed, but posts and comrades will, in their own way, arrange such fitting services and testimonials of respect, as circumstances may permit.

"We are organized, comrades, as our regulations tell us, for the purpose among other things, "of preserving and strengthening those kind and fraternal feelings which have bound together the soldiers, sailors, and marines, who united together to suppress the late rebellion." What can aid more to assure this result than by cherishing tenderly the memory of our heroic dead, who made their breasts a barricade between our country and its foes. Their soldier lives were the reveille of freedom to a race in chains, and their deaths the tattoo of rebellious tyranny in arms. We should guard their graves with sacred vigilance. All that the consecrated wealth and taste of the Nation can add to their adornment and security, is but a fitting tribute to the memory of her slain defenders. Let no wanton foot tread rudely on such hallowed grounds. Let pleasant paths invite the coming and going of reverent visitors and fond mourners. Let no vandalism of avarice or neglect, no ravages of time, testify to the present or to the coming generations that we have forgotten, as a people, the cost of a free and undivided Republic.

"If other eyes grow dull and other hands slack and other hearts grow cold in the solemn trust, ours shall keep it well as long as the light and warmth of life remain to us.

"Let us, then, at the time appointed gather around their sacred remains and garland the passionless mounds above them with the choicest flowers of springtime; let us raise above them the dear Old Flag they saved from dishonor; let us, in this solemn presence, renew our pledges to aid and assist those whom they have left among us a sacred charge upon a nation's gratitude—the soldier's widow and orphan.

"II. It is the purpose of the commander in chief to inaugurate this observance, with the hope that it will be kept up from year to year, while a survivor of the war remains to honor the memory of his departed comrades. He earnestly desires the public press to call attention to this order, and lend its friendly aid in bringing it to the notice of comrades in all parts of the country in time for simultaneous compliance therewith.

"III. Department commanders will use every effort to make this order effective.

"By order of— "JOHN A. LOGAN,
"*Commander in Chief.*

"Official:
"N. P. CHIPMAN,
"*Adjutant General.*

"RESOLUTION IN THE HOUSE.

"This order having been generally complied with throughout the country with beautiful and touching ceremonies at the graves of the dead, Mr. Logan, on June 22, 1868, introduced a resolution in the House of Representatives, which was unanimously adopted, in these words:

"'*Resolved*, That the proceedings of the different cities, towns, etc., recently held in commemoration of the gallant heroes who have sacrificed their lives in defense of the Republic, and the record of the ceremonial of the decoration of the honored tombs of the departed shall be collected and bound, under the direction of such person as the Speaker

shall designate, for the use of Congress.' (Congressional Globe, 40th Cong., 2d sess., June 22, 1868, p. 3364.)

"Since then, as is well known, Decoration Day has been observed as a national holiday nearly everywhere in the United States."

(The above is from Dawson, G. F., Life and Services of Gen. John A. Logan, pp. 123–125.)

In Gen. Robert B. Beath's History of the Grand Army of the Republic, on page 92, Gen. N. P. Chipman, adjutant general, G. A. R., General Logan's staff, refers to Memorial Day:

"Probably no one act in your administration has done more to cement the brotherhood of our order and to remove any prejudice that might remain in the minds of the public against it than the inauguration of the practice of an annual commemoration to the memory of our departed comrades. The day set apart last year was observed in all departments and by almost all the posts, and with the most gratifying results. If this feature alone was the result of the organization, I think the establishment of a national Memorial Day a sufficient reward to our comrades for all they have done, and this alone would be motive sufficient to perpetuate our order. No other society was in a position to originate the observance, and probably no other would have done so."

THE FIRST OBSERVANCE.

The first observance of this order took place May 30, 1868. The whole country was still in mourning over the sacrifices of the bravest and the best "that government of the people, by the people, and for the people should not perish from the earth." The gaping wounds of the bloody carnage in the mighty conflict were still unhealed. Widows and orphans made up the larger part of the multitudes who came with floral tributes for their loved and lost, while the ex-Union soldiers, to the music of solemn dirges, marched up and down the streets of the silent cities, stopping ever and anon to mark the grave of a fallen comrade with a duplicate of the starry emblem of liberty.

The exercises of the day were replete with addresses, poems, and stories of the patriotism and heroism of the Nation's living and dead defenders. Men who had led the sturdy columns against a dauntless foe told of the superhuman courage of those who fell fighting for the preservation of the Union, painting such vivid pictures of scenes in which they had participated as to bring tears to eyes unused to weeping.

Alas, the majority of those who inaugurated the beautiful ceremonies of the national Memorial Day have passed away. Their brave spirits have joined the hosts who are tenting on "fame's eternal camping ground."

The fact that all over this continent loyal people are still repeating their annual commemoration of the gallant deeds of the heroic dead who have died during and since the Civil War proves that "other eyes have not grown dull," "other hands slack," or "other hearts cold in the solemn trust." Nor will the "ravages of time testify to the present or to the coming generations that we have forgotten as a people the cost of a free and undivided Republic."

NOBLER NATION BORN.

Out of the great conflicts and agony of war, with all its horrors, a nobler Nation has been born, consecrated to universal Christian freedom. Right valiantly have they pressed forward and upward, bearing bravely the burdens of the peoples of many races and conditions. There have been no deviations from the pathway to glory and prowess for this Republic.

Time, however, has smothered the furrowed plain and bridged the gulf that once divided the sections of our country. War for the oppressed of other peoples has joined in inseparable bonds the North and the South, the East and the West, for freedom, progress, and humanity.

The survivors of the lamentable conflict, under the providence of God, can on this hallowed day assemble around the graves of their sacred dead and cover them with nature's loveliest canopy.

Peace, white-winged peace, hovers above us, and we believe that "The Star-Spangled Banner in triumph shall forever wave o'er the land of the free and the home of the brave."

The beacon light of liberty, brighter from the burnishing by the clash of arms, still attracts the oppressed and downtrodden of the whole world. This generation and the generations that are to follow are and will be beyond question committed to the perpetuation of constitutional freedom, and liberty regulated by law, and to the work of securing for all men equality before the law, the right to pursuit of happiness and the worship of God according to the dictates of their own conscience.

Founded upon these principles, our Government has won its prowess among all the peoples of the earth. Momentary outbreaks of the lawless may for a time disturb the harmony and brotherhood of citizens of certain localities, but the supremacy of the law established in every part of the United States by the armies and navies of the Union will stand forever. Obedience to the lawfully expressed will of the majority, as declared in the Pilgrims' covenant of 1620, is a principle so fixed in our political system that it can never be otherwise; against it the weight of the rebellion of '61–'65 was not able to succeed. The liberty, justice, and humanity of the American Government stands immovably, as has been demonstrated by the recent conference which will enable the United States to win and hold the confidence of the peoples of the earth until all have been enrolled under the banner of the Cross and white-winged peace.

THE AMERICAN LEGION.

The American Legion, if wisely organized, since the close of the World War is in a position to do immeasurable service for our country, destined as it probably is to bear so conspicuous a part in the world's work. I can not resist the temptation to urge the American Legion to harken to an appeal made by General Logan to ex-Union soldiers, sailors, and marines in an address made at the close of his second term as commander in chief of the G. A. R. He said:

"It should be the aim of the Grand Army to bring within its fold every honorably discharged soldier and sailor, and by the constant exercise of the virtues we profess exert an influence second only to the church of Christ. Exalting the hopes and aspirations of our own members, we thereby help to give a proper tone to public sentiment and crush out all opposition to civilization, loyalty, and Christianity, as well as hold our organization above the criticism of the most fastidious, who, beholding our 'good works,' will rise up 'and call us blessed.' We shall need no appeal to call forth the support of all good citizens, who will gladly sustain our lectures and other means of support to our family of sufferers, in whose interest we have solicited public patronage, with liberal responses already.

"The tree of liberty, watered and trained by the influences of the Grand Army, will send forth no disloyal shoots to dishonor our flag, but every branch as it takes up its burden of life will have that vital principle of loyalty so engrafted that treason can never destroy it. And when the encampments that know us now 'shall know us no more forever' the feeling of fraternal regard we have nourished will shed its silent tear over our graves; the charity we have promoted will throw its mantle over our shortcomings, and the spirit of loyalty we have cultivated will still rally round the flag we loved, to perpetuate our memories."

LAYING ON THE TABLE CERTAIN BILLS AFFECTING THE NAVY.

Mr. HICKS. Mr. Speaker, there are certain bills reported by the Committee on Naval Affairs which have been disposed of and which are still upon the calendar. I ask unanimous consent to lay on the table the bill (H. R. 10909) to authorize the President to cancel or modify certain contracts for battleships and battle cruisers, and for other purposes; the bill (H. R. 5219) to create a bureau of aeronautics in the Department of the Navy, and the bill (H. R. 6297) authorizing the construction of an airplane carrier for the Navy of the United States.

The SPEAKER. The gentleman from New York asks unanimous consent to lay upon the table the bills to which he has just referred. Is there objection?

There was no objection.

Mr. JOHNSON of South Dakota. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. It is clear that there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Echols	Kinkaid	Reber
Andrew, Mass.	Edmonds	Kirkpatrick	Reed, N. Y.
Ansorge	Evans	Kitchin	Riddick
Anthony	Fairchild	Knight	Riordan
Arentz	Fess	Knutson	Roach
Atkeson	Fields	Kreider	Rodenberg
Bacharach	Fish	Kunz	Rogers
Bankhead	Fitzgerald	Langley	Rosenbloom
Barkley	Focht	Larson, Minn.	Rossdale
Beck	Fordney	Layton	Rouse
Benham	Foster	Lee, Ga.	Ryan
Blakeney	Frear	Lee, N. Y.	Sanders, Ind.
Bland, Ind.	Free	Lehlbach	Sanders, N. Y.
Bland, Va.	Freeman	Linthicum	Schall
Boies	French	Longworth	Scott, Mich.
Bond	Frothingham	McArthur	Scott, Tenn.
Bowers	Fuller	McFadden	Sears
Brand	Gallivan	McLaughlin, Pa.	Siegel
Britten	Garrett, Tenn.	McPherson	Slemp
Brooks, Ill.	Garrett, Tex.	MacGregor	Smith, Mich.
Brooks, Pa.	Gensman	Maloney	Smithwick
Browne, Wis.	Glynn	Mann	Snyder
Burke	Goldsborough	Martin	Speaks
Burroughs	Goodykoontz	Merritt	Stafford
Burtness	Gould	Michaelson	Stiness
Butler	Graham, Ill.	Mills	Stoll
Chandler, Okla.	Graham, Pa.	Moore, Ill.	Strong, Pa.
Clague	Griest	Moore, Ohio	Sullivan
Clark, Fla.	Griffin	Morin	Sweet
Clarke, N. Y.	Haugen	Mudd	Tague
Classon	Hawes	Murphy	Taylor, Ark.
Cockran	Hays	Nelson, A. P.	Taylor, Colo.
Codd	Henry	Nelson, J. M.	Taylor, Tenn.
Cole, Iowa	Hill	Nelson, Me.	Ten Eyck
Cole, Ohio	Himes	Newton, Minn.	Tilson
Collins	Hogan	Newton, Mo.	Tinkham
Connell	Hudspeth	O'Brien	Treadway
Connolly, Pa.	Humphreys	Olpp	Vare
Cooper, Wis.	Husted	Paige	Voigt
Copley	Hutchinson	Parker, N. J.	Volk
Coughlin	Ireland	Parker, N. Y.	Walsh
Crago	Jefferis, Nebr.	Parks, Ark.	Walters
Cramton	Johnson, Wash.	Patterson, N. J.	Ward, N. Y.
Curry	Jones, Pa.	Perkins	Wason
Darrow	Jones, Tex.	Perlman	Watson
Davis, Minn.	Kahn	Petersen	Williams, Ill.
Dempsey	Kelley, Mich.	Porter	Wood, Ind.
Dickinson	Kennedy	Rainey, Ala.	Wyant
Drane	Kiess	Rainey, Ill.	Zihlman
Driver	Kincheloe	Ransley	
Dunbar	Kindred	Reavis	

The SPEAKER. Two hundred and twenty-nine Members have answered to their names; a quorum is present.

Mr. MONDELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

READJUSTMENT OF PAY OF DIFFERENT SERVICES.

Mr. McKENZIE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 10972, to disagree to all the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill H. R. 10972, to disagree to all the Senate amendments, and ask for a conference. The Clerk will report the bill by title.

The Clerk read as follows:

An act (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service.

The SPEAKER. Is there objection?

Mr. KRAUS. Mr. Speaker, reserving the right to object, when this matter was called up in a similar way a few days ago I called the attention of the gentleman from Illinois to the fact that the main difference between the House and Senate was in the amendment relating to retired pay. Quite a number of gentlemen of the House are strongly opposed to the Senate provision, and we must admit that there is a possibility and a probability that the House members of the conference committee might recede in whole or in part so far as the House is concerned, and gentlemen in favor of the House provision would like to have an opportunity, when this provision of the bill comes from the conference committee, in case there is a total or partial recession, to express their views to the House and attempt to get an expression from the House on that particular question. That is the only purpose.

Mr. OLIVER. Mr. Speaker, I agree with the gentleman from Indiana that the real difference between the House and the Senate on the pending bill relates to retired pay of officers. The other differences will be readily adjusted on a basis entirely satisfactory to both the House and the Senate. Now, in view of the fact the gentleman from Illinois [Mr. MCKENZIE] was opposed to the action of the House relative to the matter now in dispute, I hope that before the gentleman agrees to recede from the position taken by the House that he will give the House an opportunity to declare its present attitude on the question involved, but I have no desire to impose that as a condition to the bill going to conference. I would like, however, to have the assurance of the gentleman from Illinois that if any recession is made from the position of the House as to retired pay, he will either give the House an opportunity to vote on it or give Members an opportunity to present their views to the House before any vote is asked on the conference report.

Mr. MCKENZIE. Mr. Speaker, in reply to my two colleagues on the committee, I wish to say, as I understand the rules of the House, when the conference report is called up I will have one hour's time at my disposal, and I want to say to my two colleagues I certainly would have no objection and would be glad to yield them a liberal part of that hour, or to anyone else whom they may designate and who desires to express an opinion on the conference report.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the conferees.

The Clerk read as follows:

Mr. MCKENZIE, Mr. KRAUS, and Mr. BYRNES of South Carolina.

Mr. LUCE. Mr. Speaker——

Mr. JOHNSON of South Dakota. Mr. Speaker, I rise to a question of privilege.

The SPEAKER. The gentleman from South Dakota will state it.

Mr. JOHNSON of South Dakota. Mr. Speaker, on page 7741 of the RECORD of May 26, I brought before the House a question of privilege in reference to House Resolution 323, the Woodruff resolution, suggesting at that time that the Rules Committee order the chairman of the Committee on Rules to report that resolution, and that he had refused to do so and still refuses to do so. I think the quorum call disclosed the gentleman is not here, which is evidence he does not intend to report it to-day. I believe that the expiration of 24 hours since the ruling of the Speaker yesterday has brought me within the construction of the word "reasonable" that was laid down by the Speaker on yesterday.

I believe the Speaker of the House, like a court, must not close his eyes or shut his ears to absolute facts. The fact that the chairman of the Committee on Rules on yesterday remained silent when I asked the definite question if he ever intended to report this resolution, brings this case within the rule of law that a contract, although a "reasonable" time may be given to have it executed, may be called for execution at once if the party who agrees to perform a certain act says definitely he will not keep the contract. I think a "reasonable" time has expired and that the chairman of the Committee on Rules, in accordance with the ruling of former Speaker Reed, ought to be compelled to present this resolution to the House itself, and I move that he be compelled to do so.

The SPEAKER. The Chair is ready to rule. Regardless of the question of whether a reasonable time has transpired since yesterday, the gentleman from Massachusetts [Mr. LUCE] is now claiming recognition for the purpose of presenting a contested-election case.

According to endless precedents a contested-election case is the highest privilege of the House. Granting for the sake of argument that the contention of the gentleman from South Dakota is correct, it would certainly not give him the right to bring it up now in opposition to a contested-election case. Therefore, and on that account, the Chair declines to recognize the question of privilege.

Mr. JOHNSON of South Dakota. Mr. Speaker, a parliamentary inquiry. If it should be brought to the attention of the Chair that between now and next Thursday, when I understand there is to be a meeting of the Rules Committee, at which time certain gentlemen who voted for the reporting of this Woodruff resolution are going to move to reconsider and kill it—if it should be brought to the Chair's attention that that is the case, and the leadership of the House should determine on Wednesday next, the only other day that we meet, to bring up another contested-election case, would the Chair then feel he could recognize me on the question of privilege?

The SPEAKER. The Chair will cross that bridge when he reaches it.

The gentleman from Massachusetts [Mr. LUCE] is recognized.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed without amendment bills of the following titles:

H. R. 10925. An act to authorize the Secretary of War to sell real property, known as the Pittsburgh Storage Supply Depot, at Pittsburgh, Pa.; and

H. R. 241. An act to authorize the Secretary of War to grant a perpetual easement for railroad right of way and a right of way for a public highway over and upon a portion of the military reservation of Fort Sheridan in the State of Illinois.

The message also announced that the Senate had insisted upon its amendments to the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. WADSWORTH, Mr. NEWBERRY, and Mr. FLETCHER as the conferees on the part of the Senate.

CONTESTED-ELECTION CASE OF CAMPBELL *v.* DOUGHTON.

Mr. LUCE. Mr. Speaker, in behalf of Committee on Elections No. 2, I call up the report of the committee in the election case of Campbell against Doughton, Report No. 882, House Calendar No. 159.

The SPEAKER. The gentleman from Massachusetts calls up a resolution, which the Clerk will report.

The Clerk read as follows:

Resolved, That James I. Campbell was not elected a Representative from the eighth congressional district of the State of North Carolina and is not entitled to a seat herein.

Resolved, That Robert L. Doughton was duly elected a Representative in this Congress from the eighth congressional district of the State of North Carolina and is entitled to retain a seat herein.

Mr. LUCE. Pending the consideration of the report, I ask unanimous consent that debate thereon be limited to 2 hours and 40 minutes; that 80 minutes of this time be in the control of the gentleman from Ohio [Mr. CABLE], and that he be allowed to grant 20 minutes of the 80 minutes to the contestant, Mr. Campbell; that the other 80 minutes be divided as follows: In my own charge, 30 minutes; in charge of the gentleman from Louisiana [Mr. WILSON], 50 minutes, of which time he will yield 20 minutes to the contestee, Mr. Doughton.

The SPEAKER. The gentleman from Massachusetts presents a unanimous-consent request, which the Clerk will report.

The Clerk read as follows:

Mr. LUCE asks unanimous consent to limit general debate to 2 hours and 40 minutes—30 minutes to be controlled by Mr. LUCE; 80 minutes to be controlled by Mr. CABLE, of which 20 minutes is to be given to Mr. Campbell; 50 minutes to be controlled by Mr. WILSON, of which 20 minutes is to be given to Mr. Doughton.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The Chair assumes that in that time consent was given that the contestant should address the House for 20 minutes.

Mr. LUCE. In the last election in the eighth congressional district of the State of North Carolina the returns, with conceded corrections, showed a vote of 32,944 for Robert L. Doughton and 31,856 for James I. Campbell, making Doughton's apparent majority 1,088.

The seat is contested on various grounds. There were irregularities to an important degree in numerous particulars. If I may judge from the report of the minority member of the committee, the gentleman from Ohio [Mr. CABLE], the committee has been unanimous in its conclusion that in all but two particulars, namely, the matter of absentee voting and that of the votes cast in two precincts, the contestant has not made out his case. If that should not be wholly accurate, it is certain that eight of the nine members of the committee agreed to such

effect, reaching their conclusion after a perusal of the evidence and having no hesitation in the formation of their judgment.

In view of the fact that the report of the minority member dwells only upon the two matters to which I have referred, there is little occasion to review the other allegations of the contestant. But for the sake of the record at least a few minutes should be taken in setting them forth. They involve some interesting questions, but directly the opposite of those that usually arise in an election case, for the evidence does not indicate that in these irregularities there was enough fraud, enough wrongful intent, enough of criminal practice to call for action. It is the unusual condition of wrongful practices indulged in by common consent, with the consent of the electorate itself with the consent of the leaders of both parties in the district, and to some degree with the consent of the candidates, or, at any rate, without their protest. And this raises the very interesting question of whether the Congress may connive at, may condone the violation not alone of the statutes but of fundamental law by a whole electorate. This was the feature of the case that gave me the most anxiety, for there has never been a time in our day when it was of more importance that obedience to law should be thoroughly observed, emphatically enforced.

These violations of law were chiefly of two classes, violations of two provisions of the constitution of North Carolina as it then stood. This constitution required, in the first place, save for a few exceptions that I need not mention, the payment of poll taxes as a prerequisite for voting. The requirement was in disfavor. At this very election it was taken out of the constitution by the vote of the people of the State. In this district it seems to have been particularly unpopular, and by general agreement, in some cases by formal agreement, it was not enforced. There seems to have been uncertainty in the matter, for after a time, in the course of the campaign, some men changed their minds as to the desirability of enforcing it; but there was nowhere any thorough or adequate enforcement of that provision. This had an incidental feature of consequence, by reason of the fact that a large number of voters were in the Army, either abroad or but recently returned, and the attorney general of the State went so far as to construe the word "infirmity" so as to permit the acceptance of votes from many solders who it was agreed had not paid their taxes. This forced construction, of course, is open to serious question. But in view of the spirit of patriotism inspiring the construction and the general desire of the people that such a construction should prevail, I am not disposed here to do more than to call it to your attention.

Another class of irregularties concerned a provision of the constitution requiring that every voter, with some exceptions, should be able to read and write. Here, too, there was, in some sections of the district at any rate, general agreement that the question should not be raised. If you peruse the huge volume of testimony, you may find delightful sidelights thrown on human nature and may discover plenty of proof of the prevalence in our country still of the doctrine embodied in the query, "What's the Constitution between friends?"

Also stress was laid upon the charge of intimidation by reason of the circulating of a gross libel upon the Republican candidate for President—a libel for which there can be no word of defense, outrageous in the extreme. But surely it can not be contended that because one candidate on a ticket is grossly libeled the votes cast for other candidates on that ticket should be brought into question.

Also there was much testimony in the matter of the conduct of the registrars, who by the law of North Carolina are allowed on all save the four Saturdays prior to the election to travel about the district and register as they see fit. This was wholly permissive, and if these men—as undoubtedly they did in many cases—remembered that they were partisans, there can be found no warrant in law for criticism.

Coming to the irregularities presenting the two issues raised by our friend from Ohio [Mr. CABLE], let me dispose first of the conditions in the precincts of Big Lick and Furr. An hour or two after the polls opened in the morning it began to rain. In one of these precincts it had been planned to hold the voting out of doors. Particularly for the comfort of women desiring to vote the election officials went indoors, using a room not at all adapted to the conduct of the election. Likewise, in the other precinct the room was not adapted to such a use, especially on a cloudy day. Each of these rooms was very dark. At best it would have been difficult to find the names on the poll book, for they had not been properly arranged, and the voting was frequently delayed in trying to find names where large groups began with the same letter.

That was notably the case with the letter "H." Also women were voting for the first time, and we have not yet systematized our records of the names of women, so that much confusion is everywhere caused by lack of insistence upon the use of the given name rather than that of the husband or his initials. These conditions of themselves would have somewhat delayed the voting.

In each case, however, there was further delay by the course of conduct of the crowd outside trying to get in. The testimony has introduced me to a new word—"scrouging." [Laughter.]

A MEMBER. Spell it.

Mr. LUCE. S-c-r-o-u-g-i-n-g.

Mr. HARDY of Texas. Mr. Speaker, will the gentleman yield right there?

Mr. LUCE. Yes.

Mr. HARDY of Texas. That is a word that I learned in my boyhood; also in my babyhood. [Laughter.]

Mr. ROSE. I want to make the same statement as the gentleman from Texas.

Mr. LONGWORTH. I understand that was used in Plymouth Colony. [Laughter.]

Mr. LUCE. Well, "scrouging" is unfamiliar in these days in my part of the country. I find that it describes the action of a confused mass of men in physical contact with each other, engaged in swaying back and forth, with some scrapping, if I may use the word here——

Mr. TEMPLE. That word is familiar, too——

Mr. LUCE. Constituting, if such a thing may be conceived, a peaceful riot.

Now let me give you the language, if I can, of one man who participated in this joyous merriment.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman yield?

Mr. LUCE. Yes.

Mr. CHINDBLOM. Is it a game? Is it planned or does it happen by accident?

Mr. LUCE. In this particular case it is alleged by the contestant that it resulted from conditions which were planned. As a game I should not see attractions in it myself, but they seem to have reveled in this thing all day long. Here is the way one man describes it in replying to the question, Tell how they were crowded:

> Answer. They were packed in; locked arms on one another's shoulders, and locked arms one around the other. Once in awhile the crowd would break and turn wrong outside out. I thought I might get in, but some got to the door facing and turned back on the crowd.

[Laughter.]

These precincts were overwhelmingly Republican, and the crowd was overwhelmingly Republican. A witness, on being asked to explain about it, replied:

> I reckon 50 or 75 crowded all the time. The Republicans would go in and vote and come out and say, "Let's crowd out the damned Democrats."

[Laughter.]

The contention in regard to these precincts is being raised by the Republican contestant, I have no doubt—I am sure—in perfect good faith; but, unfortunately, no small part of the trouble in these precincts was caused by his own friends. There was no testimony to which weight could be given to the effect that once inside the building there was any discrimination, and the testimony does not indicate that outside the building there was such discrimination on the part of the crowd itself as to warrant the conclusion that a purely partisan end was in view. The good nature of the whole proceeding is further shown by the fact that in the forenoon it was agreed to admit all the women, so that they might not have to stand out in the rain, and all the men more than 60 years old; and it is not denied that the women and the men more than 60 years old, regardless of party, had the opportunity to vote. The young men, those under 60—and I put it that way with personal considerations in mind——

Mr. TEMPLE. Gratification——

Mr. LUCE. Yes, gratification, as is suggested—the young men stood out there and enjoyed themselves all day.

Seriously, this was a reprehensible procedure, not to be excused, and most unfortunate. I am quite certain that all the skill was not displayed by the election officers there in handling the crowd or receiving the ballots that should have been displayed; but of the total vote cast in those two precincts about three-fourths was cast, and the vote was cast at the rate of more than one a minute throughout the day. Under those conditions it did not seem to eight of the nine members of your committee that we would be justified in throwing out the whole vote of those two precincts, a vote cast at the rate of more than one a minute, with three-quarters of the registered vote cast.

Furthermore, of the voters excluded there was a percentage composed of Democrats; and it seems almost incredible that

partisans should conspire to attempt to gain advantage by shutting out their own adherents because in their expectation the percentage of their opponents shut out at the same time might be larger than that of their adherents excluded.

Coming next to the question of absentee voting, the testimony shows that a very large number of the absentee votes were cast for the Democratic candidate and but a small proportion for the Republican candidate.

Mr. ROBSION. Will the gentleman yield?

Mr. LUCE. Yes.

Mr. ROBSION. On the point in which the two precincts were involved, did the contestant request that those votes be thrown out in those two precincts?

Mr. LUCE. I understood that the contestant requested that the whole vote of the two precincts be thrown out.

Mr. ROBSION. If they were thrown out, what bearing would it have on the result?

Mr. LUCE. It would not change the result unless in connection with other features of the election.

Mr. CABLE. Will the gentleman yield?

Mr. LUCE. Yes.

Mr. CABLE. Is it not a fact that instead of requesting that the vote of these two Republican precincts be thrown out, the contestant requested that the Republicans and Democrats deprived of voting be counted?

Mr. LUCE. My understanding was that the whole precinct was to be thrown out.

Mr. CABLE. Are not both those precincts overwhelmingly Republican?

Mr. LUCE. They are overwhelmingly Republican.

Mr. CABLE. And the question came up as to whether the contestant would not have the right to count the Republican voters who were standing outside, and who did not get the opportunity to vote.

Mr. LUCE. The question was raised, but I understood that in the minority report the contention was made that the whole precinct should be excluded. However, if I am in error, and it is desired only to give credit for the votes of the men who did not get the chance to vote, that would not change the result unless in connection with gains for the contestant in the more important particular to which I must devote the rest of my time.

The minority report alleges that by reason of the apparent discrepancy in the volume of Republican and Democratic absentee voting fraud must have been perpetrated. On examination of the record it will appear that these absentee votes were chiefly contested on the ground of nonpayment of poll tax or other disqualification, notably that of nonresidence.

This brings up the question of domicile, one of the most difficult subjects in the range of the law. It is a matter of intent, and if you will study the record you will find that in almost no instance was there presented any proof whatever bearing upon the intent of the voter. The allegations of the witnesses were largely opinion or hearsay, mostly unsupported by other witnesses, allegations that would not stand for a moment in any court of justice.

Mr. CABLE. Will the gentleman yield?

Mr. CLOUSE. Will the gentleman yield?

Mr. LUCE. There will be opportunity later. I desire here to close this part of my remarks in order that others may dwell upon these questions in detail. With this review of the general outline of the case, I will reserve the remainder of my time and yield the floor to the gentleman from Ohio [Mr. CABLE].

The SPEAKER pro tempore. The gentleman reserves seven minutes of the time allotted to him. The Chair recognizes the gentleman from Ohio [Mr. CABLE] for one hour.

Mr. CABLE. I yield myself 30 minutes at this time.

The SPEAKER pro tempore. The gentleman is recognized for 30 minutes.

Mr. CABLE. Mr. Speaker and gentlemen of the House, the gentleman who just preceded me has referred to the scrouging in the precincts of Big Lick and Fur. At the outset I want to call the attention of this House to the so-called scrouging in the absentee ballots. The record discloses that of those who voted in person a majority of the votes went to the Republican contestant, but by reason of the overwhelming number of absentee ballots the contestee was seated.

The number of Democratic absentee ballots is 1,596. The contestee obtained the benefit of these, and only by reason of this large number of ballots was he given a majority of the votes cast. On the other hand, contrasting the 1,596 absentee Democrats, I call the attention of the House to the fact that there were only 201 Republican absentee ballots cast for the contestant.

Mr. CLOUSE. Will the gentleman yield right there for a question?

Mr. CABLE. I yield to the gentleman from Tennessee.

Mr. CLOUSE. What per cent of the absentee vote had paid their poll tax, which was a condition precedent to the right to vote?

Mr. CABLE. I do not raise that question at all in this case. There were several issues raised. One was the poll tax.

Mr. CLOUSE. There was one other question I wanted to ask the gentleman in order to get it clearly in my mind. Did the majority report of this committee recognize the validity of an agreement between individual leaders of the parties or factions to eliminate the condition of the law that a voter must have paid his poll tax? And by voting for the majority report would this House approve that action of waiving a specific statute in order to give women and children or individuals not qualified under the law the right to vote?

Mr. CABLE. I do not think any children voted, but there were dead people and insane people who voted.

Mr. CLOUSE. I understood the chairman of the committee to say that a large number voted without having paid their poll tax.

Mr. CABLE. They did; and that question was raised and it was thrashed out, and I think it was proved that there were 200 or 300 who voted without payment of their poll tax. But the soldiers——

Mr. CLOUSE. What effect would that have had on the final result of the election if they had been eliminated?

Mr. CABLE. There is only one thing that could have an effect on the final result of this election, and that is the absentee vote. I am here, and have filed a minority report asking that all absentee votes be thrown out and the Republican contestant seated. The question of the poll tax, while it might gain a few, if they proved every one of them it would not seat the contestant; but if we have shown that the absentee ballots were corrupt and illegal, as I hope to show to you, then the Republican would be seated by 300 or 400.

Mr. CLOUSE. Go ahead.

Mr. CABLE. The State of North Carolina is famous for a great many things. It is famous because it produces all the varieties of agricultural products produced in any State of the Union, yielding the agricultural products of both North and South. It is the only State that fills every blank of the census of agricultural products. It is famous because in that State was established the second State university in this country. It is famous because Uncle JOE CANNON was born in that State. [Applause.] It is famous because at least one President was born there. It is more famous and always will be, unless they change the practice, for its election machinery. The senior Senator from North Carolina is reported to have said that by means of their election machinery in North Carolina they gain at least 40,000 votes, and I do not doubt it a bit. In the eighth congressional district alone they gain the difference between 1,596 and 201 on the absentee ballot.

North Carolina is famous for another thing. It is the only State in the Union that does not have the Australian ballot system in voting, except one county, and that county is called Buncombe. I do not know why they have the Australian ballot system in Buncombe County, but they do, and that is the only one in which they do.

The votes of those who voted in person for the contestee, Doughton, numbered 31,338, while the votes cast in person for Campbell, the contestant, numbered 31,655. That gives Campbell a majority of 317, if you throw out the absentee ballots.

Then, in addition, there are two precincts, Fur and Big Lake, where the Republicans and Democrats entered into a conspiracy to deprive the Republicans of their opportunity to vote. In some precincts 1,500 or 1,600 Democrats voted, but in these two precincts, where the Republican vote was heavy, they deprived 254 Republicans of their vote and only 24 Democrats. In other words, they crowded around there; the election officials took so long to find the names that when the polls closed there were standing outside ready to vote, according to the record, 254 Republicans and 24 Democrats. The election machinery down there is not excelled by any other in the United States, so far as keeping Democrats in power. They have a State election committee and the majority is Democratic; they have a county committee and the majority is Democratic; they have a local committee, one Republican and one Democrat. But in every voting precinct they have what they call a registrar, and in every precinct except one he is a Democrat. In one a Republican.

Mr. CHINDBLOM. What does the gentleman mean by a committee?

Mr. CABLE. The board of election, State and county. The election officials.

Mr. LONDON. Has the gentleman exhausted the subject of the absentee vote?

Mr. CABLE. Oh, no; I have not started on that yet. This third man, who is a Democrat except in one county, has complete charge of the election machinery. They do not register down there except once, and when your name gets on the registration book it is on there sometimes, as in this case, after you are dead. Once registered always registered. They bring the registration forward every two years, and the Democratic registrar brings up the old list, and if he knows anyone who has moved out of it, or is dead, he is supposed to strike the name off the list, but sometimes he does not carry that out.

In this election district the Democratic registrar prior to an election stays at the voting place four Saturdays. The rest of the time he can go over the precinct registering voters. The Republicans under the law can not make a copy of the registration after it is in the hands of the registrar. Here is the way the Democrats feel about it. In the letter on page 265 of the record, entitled "Exhibit B," you will find that it says:

EXHIBIT B.

ASHE COUNTY DEMOCRATIC EXECUTIVE COMMITTEE.
Jefferson, N. C., October 26, 1920.

DEAR SIR: We lost the last election by not getting our voters out. Get them out this time and win. You should make a list of every voter in your township who is unable to get to the election and see that they vote by mail. I would also suggest that you make a list from the register books of every Democratic voter in the township and have some one at the polls to check each one's name as they vote. In this way you can tell at any time who has not voted, and no one should be overlooked.

In case the Republicans attempt to copy the register books this next Saturday, you should object. The registrars are honest men and the register books speak for themselves. The Republicans have a right to inspect but not to copy.

All the tickets to be voted are now ready for distribution, and you should send some one for them at once, as they can not be mailed.

Let every Democrat work this next week and victory is ours.

Yours truly,

W. B. AUSTIN.

Now, they have an absentee election law down there, and it is in line with the balance of the election machinery. If I want to go out of town or out of the voting precinct the day of election, I apply to the chairman of the county board, who is a Democrat. No record is kept of my application. He gives me one or two forms of ballot or a certificate. Right here I want to explain that they do not have the Australian ballot system there. To vote in person you go to the voting place—they have two tables outside—and if I am a Republican I walk up to the Republican table and take up the ballot and put it in the box; if I am a Democrat, I go to the Democratic table and get a Democratic ballot. If I am going to be absent, I get one of two forms of ballots or a certificate. Here is a blue certificate to be signed by the absentee voter:

CERTIFICATE TO BE SIGNED BY ABSENT VOTER.

STATE OF NORTH CAROLINA,
Post office, Mount Pleasant; date, October 23, 1920.

To the registrar and judges of election, Bradshaw precinct:

I, G. F. Cline, do hereby certify that I am a duly qualified elector in Bradshaw precinct, Rowan County, N. C., and I inclose herewith ballot or ballots which I wish to vote in the election to be held November 2, 1920.

(Signed) G. F. CLINE.

Witness:
GEO. F. MCALLISTER.

Now, the ballots which the Democratic chairman has had handed me, or the certificate calling for a straight vote, I mail to the Democratic registrar, who keeps them until election day—3 o'clock on election day. The Republicans do not know who have voted absentee up to that time, as no public record is kept. At 3 o'clock he reaches into his pocket, pulls out the ballots, and they are counted. That is the first time the Republicans know who has voted absentee.

Now, there is another form of ballot down there, a certificate to be signed by the absent elector. Here is one:

CERTIFICATE TO BE SIGNED BY ABSENT ELECTORS.

SCOTTS, N. C. (State),
October 29, 1920 (Date).

To the registrar and judges of election, Gold Hill precinct:

I hereby cast my vote for each nominee of the Republican Party to be voted for at the election to be held on November 2, 1920.

If the absentee voter is Republican and the certificate calls for a Republican ticket, the registrar goes to the Republican table, takes up the ballots for the man, and puts them in the boxes. There is no way of identifying them; they are destroyed after the vote is counted. This was the law which was passed in 1917. It was passed for a good reason, and that was to permit the soldiers to vote by absentee; but in 1919 it was amended, and the amendment specifically provides that these certificates shall be retained. The law in part says:

Absent voter may sign name on ballot; ballots and certificates to be kept. In voting by the method prescribed in this article the voter may, at his election, sign, or cause to be signed, his name upon the margin or back of his ballot or ballots, for the purpose of identification. The ballot or ballots so voted, together with the accompanying certificates, shall be returned in a sealed envelope by the registrar and poll holders, with their certificates of the results of the election, and kept for six months, or, in the case of contest in the courts, until the results are finally determined.

Now, the law was recodified and in the recodification they omitted a part of it. The act specifically stated that they had no right to change any part of it, and only the part of the law was repealed that was in conflict with the consolidated statute. Whether they had the right under the law or not to destroy the evidence of this, they did do it.

A commission was appointed to consolidate the North Carolina laws, but the commission was specifically denied the authority to change any of the existing laws. Section 4a, above quoted, requiring that all certificates of absentees should be preserved for six months, because a law on March 11 and on the day previous the legislature specifically provided in part that the commissioners should complete and perfect the consolidated statutes and "they are hereby authorized to change the number of sections, transfer sections, chapters, and subdivisions of chapters, and make such other corrections which do not change the law as may be deemed expedient."

Section 5966 of the Consolidated Statutes was written to carry into effect section 4a of the act of 1919, and to properly construe the meaning of the Consolidated Statute it is necessary to carry into it the intent of the legislature when it passed section 4a. Section 5966 of the Consolidated Statutes is as follows:

Absent voter may sign name on ballot; ballots and certificates to be kept. In voting by the method prescribed in this article the voter may, at his election, sign, or cause to be signed, his name upon the margin or back of his ballot or ballots, for the purpose of identification. The ballot or ballots so voted, together with the accompanying certificates, shall be returned in a sealed envelope by the registrar and poll holders, with their certificates of the results of the election, and kept for six months, or, in the case of contest in the courts, until the results are finally determined.

The Consolidated Statutes went into full force and effect from and after August 1, 1920. The election in question occurred that fall. The law concerning the Consolidated Statutes appears in chapter 135, section 8100 and following. Section 8101 deals with "Effect as to repealing other statutes," and is as follows:

All public and general statistics not contained in the Consolidated Statutes are hereby repealed, with the exceptions and limitations hereinafter mentioned. No statute or law which has been heretofore repealed shall be revived by the repeal contained in any of the sections of the Consolidated Statutes. All public and general statutes passed at the present session of the general assembly shall be deemed to repeal any conflicting provisions contained in the Consolidated Statutes.

It should be noted that public and general statutes are repealed only when they conflict with the provisions of the Consolidated Statutes. There is no conflict between paragraph 4a, requiring the preservation of the certificates and identified ballots for six months, and section 5966 herein cited, formerly section 4a.

The courts have never passed upon the question as to whether or not it is legal to destroy the absentee certificates prior to the six months' period of time. There is no law authorizing the destruction of the general election ballots. No matter how a court should construe this provision, the record clearly shows that the destruction of the certificates was a part of the conspiracy whereby many illegal votes were cast.

Now, here is what was accomplished by destroying the certificates that should have shown the residence or temporary address of the voter. In Iredell County the vote was 523 to 47. In Rowan County, Democratic absentee 518, Republican 48. In the next county, Stanly, the vote was 94 to 23. In Ashe County the vote was 186 to 30, and in Caldwell County the vote was 275 to 61. That makes a total of 1,596 Democratic absentee votes to 201 Republican. The only way that they could prove the number was by asking the Republican or the Democratic officials what the absentee vote was in that particular precinct.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. CABLE. Yes.

Mr. KEARNS. Is there any record of the number of ballots that are printed for election? Are they numbered, say, as from one to a thousand?

Mr. CABLE. No. They evidently print them by the bale, because they have no record at all. For example, if you are a candidate for Congress, it simply says, "For Representative in Congress," then gives the name, either Mr. Doughton or Mr. Campbell, and that is all there is on the slip.

Mr. KEARNS. The voter who makes application for an absent voter's ballot makes no record of his application?

Mr. CABLE. That is one of the troubles with the election law down there. The Democrats are in power, and they keep no record of who is going to vote and the Republicans do not know about it until 3 o'clock.

Mr. KEARNS. Then this election official puts his hand in his pocket and pulls out a bunch of tickets?

Mr. CABLE. The absentee ballots are sent to the registrars of the various precincts in an envelope like this.

Mr. KEARNS. And there is nothing in the law to prevent a dishonest member of an election board from putting fraudulent votes in his pocket and at 3 o'clock pulling them out and giving them to the election officials?

Mr. CABLE. They have registration; but if a man moved, say five or six years before, nobody can prove that he has gone, and they count the ballots just the same.

Mr. LUCE. Mr. Speaker, will the gentleman yield?

Mr. CABLE. Yes.

Mr. LUCE. I think the gentleman from Ohio [Mr. KEARNS] does not understand that these ballots and certificates are in envelopes which are opened at the time the ballots are deposited.

Mr. KEARNS. But an election official could take that ballot and put it in an envelope and seal it.

Mr. LUCE. Of course he can; but there is an official of the other party at hand.

Mr. KEARNS. I understood the gentleman from Ohio [Mr. CABLE] to make the statement that no Republican could know until 3 o'clock of that day who had made application.

Mr. LUCE. When the envelopes are opened there are two Democrats and one Republican opening them.

Mr. KEARNS. But prior to that a dishonest Democratic official could put as many as he wanted in the envelope.

Mr. LUCE. If he was willing to commit a forgery; yes.

Mr. KEARNS. I assume from what the gentleman from Ohio said that one could find somebody down there who would commit the forgery.

Mr. GAHN. Mr. Speaker, will the gentleman yield?

Mr. CABLE. Yes.

Mr. GAHN. Will the gentleman explain how, if all these absentee votes are thrown out, it would change the result of the election?

Mr. CABLE. Yes. The people who went to the polls and voted in person cast more motes for Mr. Campbell, the contestant, than for Mr. Doughton, the contestee. There is a difference of 317. In other words, Mr. Campbell received 31,655, and Mr. Doughton 31,338, or a majority of 317 for Mr. Campbell, if the absentee votes are thrown out.

Mr. KEARNS. Mr. Speaker, will the gentleman yield again?

Mr. CABLE. Yes.

Mr. KEARNS. The gentleman from Pennsylvania [Mr. TEMPLE] has just suggested something to me, and I want to ask a question of the gentleman from Ohio. Take the election officer who has in his possession all of the absentee votes. He can suspect those who have voted Republican and those who have voted the Democratic ticket. Could he withhold some of those ballots, destroy them, not hand them over to the election officials, and if he did that, would there be any way of keeping tab on him at all?

Mr. CABLE. The gentleman is correct. When I apply for my absentee ballot, I go to the Democratic chairman. There is no record of my application. There is no record of sending out the certificate and the ballots. There is no record kept by the Democratic registrar of the ballots he receives in the envelopes similar to this, and there is no record at all until he comes in on election day at 3 o'clock and pulls them out of his pocket and they open the envelopes and proceed to count them.

Mr. KEARNS. Are all of these registrars of election in that State Democrats?

Mr. CABLE. I do not know about the State, but in this district all of them but one are.

Mr. LUCE. Mr. Speaker, the gentleman does not mean all election officials, all judges of election are Democrats.

Mr. CABLE. I did not say that. I said all registrars.

Mr. LUCE. While I am on my feet, may I ask the gentleman how the testimony shows the absentee votes to be divided between the two candidates, and how he knows how the absentee voters voted?

Mr. CABLE. Because in every particular case the witness testified to that effect. The record shows in each particular precinct whether he was a Democrat or a Republican, and in a good many cases they had to go to a hostile Democratic official to get the vote and the number of it.

Mr. RAKER. Mr. Speaker, will the gentleman yield?

Mr. CABLE. Yes.

Mr. RAKER. On the matter of the absentee vote, at 3 o'clock the election officer takes from his pocket in sealed envelopes the number of absentee votes that have come to him as such officer. Is that correct?

Mr. CABLE. Correct.

Mr. RAKER. Both Democratic and Republican votes?

Mr. CABLE. Yes, sir; those all go to the registrar.

Mr. RAKER. The same man?

Mr. CABLE. Yes, sir.

Mr. RAKER. Is there any contention that these envelopes with ballots and certificates in them are fraudulently sent to the registrar or that the registrar fraudulently secured them?

Mr. CABLE. Yes, sir. I contend the record shows that absentee ballots were cast on behalf of contestee Doughton, in part, as follows: In the name of the dead; the insane; without the knowledge or consent of those who did not vote; a second absentee ballot without knowledge or consent of those who had already voted; for and by many nonresidents of the State; for and by many who had not paid their poll tax, as required by law; on forged certificates.

By destroying or secreting the absentee certificates and marked ballots it was impossible for contestant Campbell to obtain or to trace and discover the identity and eligibility of the absentee voter in every case; that is, from the certificate itself. Contestant, however, by means of witnesses, introduced evidence showing that votes were cast as above outlined.

To be a qualified elector in North Carolina section 5937, in part, provides:

> The residence of a married man shall be where his family resides, and that of a single man where he sleeps.

Notwithstanding this provision of the law, evidence was introduced by contestant showing that many absentee ballots were cast in the name of actual nonresidents of the voting precincts and even the State; such absentees were living in Ohio, Illinois, Kentucky, Georgia, California, and many other States of the Union, sometimes for 10 or 12 years.

Mr. CROWTHER. Mr. Speaker, this is a very important question, and I think we ought to have an audience, and I make the point of order that there is no quorum present.

The SPEAKER. There is no quorum present.

Mr. BEGG. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

Andrew, Mass.	Fairchild	Kincheloe	Parker, N. Y.
Ansorge	Fairfield	Kindred	Patterson, N. J.
Arentz	Favrot	Kinkaid	Perkins
Atkeson	Fenn	Kirkpatrick	Perlman
Bacharach	Fess	Kitchin	Petersen
Bankhead	Fields	Kleczka	Porter
Barkley	Fish	Knight	Quin
Beck	Fitzgerald	Knutson	Radcliffe
Bell	Focht	Kreider	Rainey, Ala.
Blakeney	Fordney	Kunz	Rainey, Ill.
Bland, Ind.	Foster	Lampert	Ransley
Bland, Va.	Frear	Langley	Reavis
Boies	Free	Larson, Minn.	Reber
Bond	French	Layton	Reed, N. Y.
Bowers	Frothingham	Lee, N. Y.	Riddick
Brand	Fuller	Lehlbach	Riordan
Britten	Gallivan	Linthicum	Rodenberg
Brooks, Pa.	Garrett, Tenn.	Little	Rogers
Burke	Garrett, Tex.	Longworth	Rosenbloom
Burroughs	Gensman	Luhring	Rossdale
Burtness	Goldsborough	McArthur	Rouse
Butler	Goodykoontz	McClintic	Ryan
Cantrill	Gould	McFadden	Sanders, Ind.
Chandler, Okla.	Graham, Ill.	McLaughlin, Pa.	Sanders, N. Y.
Clark, Fla.	Graham, Pa.	McPherson	Schall
Clarke, N. Y.	Griest	MacGregor	Scott, Mich.
Classon	Griffin	Maloney	Sears
Cockran	Haugen	Mann	Siegel
Codd	Hawes	Mansfield	Slemp
Cole, Iowa	Hawley	Martin	Smith, Mich.
Cole, Ohio	Hays	Merritt	Smithwick
Collins	Henry	Michaelson	Snyder
Connell	Hill	Mills	Speaks
Connolly, Pa.	Himes	Montoya	Stafford
Cooper, Ohio	Hogan	Moore, Ill.	Steagall
Cooper, Wis.	Hudspeth	Moore, Ohio	Stiness
Copley	Husted	Morin	Stoll
Coughlin	Hutchinson	Mott	Strong, Pa.
Crago	Ireland	Mudd	Sullivan
Cramton	James	Murphy	Sweet
Darrow	Jefferis, Nebr.	Nelson, Me.	Tague
Davis, Minn.	Johnson, Wash.	Nelson, A. P.	Taylor, Ark.
Deal	Jones, Pa.	Nelson, J. M.	Taylor, Colo.
Dempsey	Jones, Tex.	Newton, Mo.	Taylor, Tenn.
Drane	Kahn	Nolan	Ten Eyck
Driver	Kelley, Mich.	O'Brien	Tilson
Dunbar	Kelly, Pa.	Olpp	Tinkham
Dyer	Kennedy	Paige	Treadway
Edmonds	Ketcham	Park, Ga.	Tyson
Evans	Kiess	Parker, N. J.	Vare

Vestal	Walters	Williams, Ill.	Wyant
Voigt	Ward, N. Y.	Wingo	Yates
Volk	Wason	Wise	Zihlman
Walsh	Watson	Wood, Ind.	

The SPEAKER. Two hundred and seventeen Members have answered to their names; a quorum is present.

Mr. CROWTHER. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from New York moves that the House do now adjourn.

The question was taken, and the Speaker announced the noes appeared to have it.

On a division (demanded by Mr. CROWTHER) there were—ayes 30, noes 79.

So the House refused to adjourn.

Mr. LUCE. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. CROWTHER. Mr. Speaker, I am not satisfied with the vote. It does not show a quorum, and I make the point of order that there is no quorum present.

The SPEAKER. It does not take a quorum to adjourn. The gentleman from Ohio had the floor.

Mr. CABLE. Mr. Speaker and gentlemen, with reference to 1,596 votes absentee Democratic and 201 Republicans, I would like to call the attention of the House to the fact that this number was obtained by putting the officials of the various precincts on the witness stand. In 27 precincts those figures were obtained from Democratic hostile witnesses. In 20 cases the figures were obtained from Republicans and in 5 precincts the figures were obtained from both. In a great many precincts the absentees were put at the end of the list on the ballot in alphabetical order, and in that way the number could be ascertained. I first want to call the attention of the House to the case of a man named Charles T. Bostian. A vote was cast for Charles D. Bostian. The post office given on the envelope and inclosing the certificate and ballot was Morganton, N. C.; the postmark where it was mailed was Winston-Salem railway post office, which does not reach or touch Morganton, N. C., where Charles was confined in an insane asylum.

Mr. H. S. Bostian testified, on page 466, as follows:

Q. What man voted there that day, absentee voter, that was in the insane asylum at Morganton?—A. Mr. Charles D. Bostian.
Q. How did he vote?—A. Democratic ticket.
Q. Was that vote mailed in?—A. Yes, sir; I suppose so. The registrar had it.
Q. Have you got the envelope that the vote came in?—A. Yes, sir.
Q. Will you please exhibit it?—A. [Witness produces envelope.]
Q. Where is Morganton?—A. In western North Carolina; on the main line to Asheville.
Q. From Salisbury?—A. To Asheville; yes, sir.
Q. Does the Winston-Salem Railroad go toward Morganton?—A. I guess not. I think the terminus of that division is Pittsboro.
Q. From where?—A. Greensboro; by Winston-Salem and Wilkesboro.
Q. Is that the envelope that his vote came in?—A. Yes, sir. [Contestant introduces envelope, which is marked "Contestant's Exhibit 22."]
Q. Read what the postmark is on that.—A. "Winston-Salem railway post office."

This shows that a vote was cast for a man who under the testimony had no right to vote. In my opinion the envelope contained a forged Democratic certificate and Democratic votes were cast pursuant thereto. To conceal the identity of the forger the envelope was mailed in another part of the State. Later I expect to show numerous similar transactions.

Mr. GAHN. Mr. Speaker, I make a point of order that there is no quorum present.

The SPEAKER pro tempore (Mr. HICKS). The Chair will count. [After counting.] It is evident there is no quorum present.

Mr. GAHN. Mr. Speaker, I move that the House do now adjourn.

The question was taken, and the Speaker pro tempore announced that the noes appeared to have it.

Mr. GAHN. Mr. Speaker, I demand a division.

The House divided, and there were—ayes 35, noes 69.

So the House refused to adjourn.

Mr. LUCE. Mr. Speaker, I move a call of the House.

The SPEAKER pro tempore. The gentleman from Massachusetts moves a call of the House.

Mr. LUCE. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LUCE. I understood before the motion to adjourn had been made that the Chair had decided that there was no quorum present.

The SPEAKER pro tempore. The Chair does not hear the gentleman.

Mr. LUCE. The Chair announced that no quorum was present, and in view of the fact that no quorum is present I move that the Sergeant at Arms be instructed to secure a quorum, and I move a call of the House.

The question was taken, and the Speaker pro tempore announced the ayes seemed to have it.

On a division (demanded by Mr. BEGG and Mr. LINEBERGER) there were—ayes 87, noes 18.

So the call of the House was ordered.

Mr. KEARNS. Mr. Speaker, I move that the House do now adjourn.

Mr. RAMSEYER. Mr. Speaker, I make the point of order that that is dilatory.

The SPEAKER pro tempore. The Chair sustains the point of order. The Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Anderson	Edmonds	Kinkaid	Ransley
Andrew, Mass.	Evans	Kirkpatrick	Reavis
Ansorge	Fairchild	Kitchin	Reber
Anthony	Fairfield	Kline, N. Y.	Reed, N. Y.
Arentz	Favrot	Knight	Riddick
Atkeson	Fess	Knutson	Riordan
Bacharach	Fields	Kraus	Rodenberg
Bankhead	Fish	Kreider	Rogers
Barkley	Fitzgerald	Kunz	Rosenbloom
Beck	Focht	Langley	Rossdale
Bell	Fordney	Larson, Minn.	Rouse
Blakeney	Foster	Layton	Ryan
Bland, Ind.	Frear	Lee, Ga.	Sanders, Ind.
Bland, Va.	Free	Lee, N. Y.	Sanders, N. Y.
Boies	French	Lehlbach	Scott, Mich.
Bond	Frothingham	Linthicum	Sears
Bowers	Fuller	McArthur	Siegel
Brand	Gallivan	McFadden	Smith, Mich.
Britten	Garrett, Tenn.	McKenzie	Smithwick
Brooks, Pa.	Garrett, Tex.	McLaughlin, Pa.	Snyder
Brown, Tenn.	Gensman	McPherson	Speaks
Burke	Goldsborough	MacGregor	Stafford
Burroughs	Goodykoontz	Maloney	Steagall
Burtness	Gould	Mann	Stiness
Butler	Graham, Ill.	Mansfield	Stoll
Byrnes, S. C.	Graham, Pa.	Merritt	Strong, Pa.
Cantrill	Green, Iowa	Michaelson	Sullivan
Chandler, Okla.	Griest	Mills	Sweet
Clark, Fla.	Griffin	Montoya	Tague
Clarke, N. Y.	Haugen	Moore, Ill.	Taylor, Ark.
Classon	Hawes	Moore, Ohio	Taylor, Colo.
Cockran	Hays	Morin	Taylor, Tenn.
Codd	Henry	Mudd	Ten Eyck
Cole, Iowa	Hill	Murphy	Tilson
Cole, Ohio	Himes	Nelson, Me.	Tinkham
Collins	Hogan	Nelson, A. P.	Treadway
Connell	Hudspeth	Nelson, J. M.	Vare
Connolly, Pa.	Husted	Newton, Mo.	Voigt
Cooper, Ohio	Hutchinson	O'Brien	Volk
Cooper, Wis.	Ireland	O'Connor	Walsh
Copley	James	Olpp	Walters
Coughlin	Jefferis, Nebr.	Paige	Ward, N. Y.
Crago	Johnson, S. Dak.	Park, Ga.	Wason
Cramton	Johnson, Wash.	Parker, N. J.	Watson
Darrow	Jones, Pa.	Parker, N. Y.	Webster
Davis, Minn.	Jones, Tex.	Patterson, N. J.	White, Me.
Deal	Kahn	Perkins	Williams, Ill.
Dempsey	Kelley, Mich.	Perlman	Woodruff
Dickinson	Kelly, Pa.	Petersen	Yates
Drane	Kennedy	Porter	Zihlman
Driver	Kiess	Radcliffe	
Dunbar	Kincheloe	Rainey, Ala.	
Dyer	Kindred	Rainey, Ill.	

Mr. KEARNS. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. KEARNS. To move that we adjourn.

The SPEAKER pro tempore. The Chair feels that that motion is not in order until an announcement has been made in regard to the roll call, which has not yet been completed.

Mr. KEARNS. Mr. Speaker, I understand the roll call has been completed.

The SPEAKER pro tempore. No; the roll call has not yet been completed.

Mr. BEGG. A point of order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Ohio will state it.

Mr. BEGG. Is it not entirely possible to interrupt a roll call with a motion to adjourn?

The SPEAKER pro tempore. The Chair would think that until the roll call is completed and announcement made it would not be proper. The Chair will refer the gentleman to volume 5 of Hinds' Precedents, paragraph 6053, where it was so held.

Mr. KEARNS. Mr. Speaker——

The SPEAKER pro tempore. Two hundred and five Members are present; not a quorum.

Mr. LUCE rose.

Mr. KEARNS. Mr. Speaker——

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. LUCE] is recognized.

Mr. KEARNS. Mr. Speaker, I move that the House do now adjourn.

The question was taken, and the Speaker pro tempore announced that the ayes seemed to have it.

Mr. MONDELL. Division, Mr. Speaker.

The House divided; and there were—ayes 39, noes 107.

So the motion was rejected.

Mr. TINCHER. Mr. Speaker, I ask for the yeas and nays.

Mr. BEGG. Mr. Speaker, I make the point of order there is no quorum present. I object to the vote.

The SPEAKER pro tempore. The Chair will state to the gentleman from Ohio that it does not require a quorum on a motion for the adjournment of the House.

Mr. BLANTON. When the House decides not to adjourn a quorum call is in order.

The SPEAKER pro tempore. The gentleman made the point that there was no quorum present.

Mr. BEGG. I object to the vote on that account.

Mr. BLACK. Mr. Speaker, the gentleman has the right to ask for the yeas and nays on the motion to adjourn.

The SPEAKER pro tempore. Undoubtedly, and the Chair recognizes that right. The gentleman from Kansas asks for the yeas and nays. Those who favor taking the vote by yeas and nays will rise. [After counting.] Not a sufficient number, and the yea-and-nay vote is refused.

Mr. BLANTON. Mr. Speaker, I make the point of order that the House having on a vote decided not to adjourn, the point of order raised by the gentleman from Ohio [Mr. BEGG] is in order; that there was no quorum on that vote, and he is entitled to a roll call after this no-quorum point.

The SPEAKER pro tempore. The Chair will state his views: On the motion to adjourn, the vote disclosed the absence of a quorum and the gentleman from Ohio [Mr. BEGG] made the point of order that there was no quorum present and objected to the vote on that ground. Under ordinary circumstances such a situation would have produced an automatic roll call, but the Chair is of the opinion that the automatic roll call was introduced into our legislative procedure for the purpose of expediting, not hindering, public business. As the roll has just been called a repetition of it would delay procedure. The Chair is also of the opinion that in order to put the automatic roll call into operation, some legislative proposition—not merely an adjournment—should be under consideration. The Chair overrules the point of order.

Does the gentleman from Massachusetts [Mr. LUCE] make a motion?

Mr. LUCE. Mr. Speaker, I move to dispense with further business under the call.

Mr. BEGG. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER resumed the chair.

Mr. MONDELL. Mr. Speaker, I move that the roll of absentees be called for excuses for absence.

The SPEAKER. The Clerk will call the list of the absentees.

The Clerk called the list of absentees.

The SPEAKER. Two hundred and twenty-three Members are present.

Mr. MOORE of Virginia. Mr. Speaker, my colleague, Mr. BLAND of Virginia, is unable to be present on account of sickness.

Mr. CRISP. Mr. Speaker, I ask leave of absence for my colleague, Judge BRAND, who is sick.

Mr. OLDFIELD. Mr. Speaker, I desire to announce the illness of my colleagues, Judge DRIVER and Mr. TAYLOR of Arkansas.

Mr. VAILE. Mr. Speaker, if leave of absence has not already been granted to my colleague, Mr. TAYLOR of Colorado, I ask leave of absence for him.

The SPEAKER. Without objection, the request of the gentleman from Colorado will be granted.

There was no objection.

Mr. OLIVER. Mr. Speaker, I think my colleague, Mr. BANKHEAD, has asked for leave of absence. He has had to leave for home this morning.

Mr. POU. Mr. Speaker, I would like to announce the illness of my colleague, Mr. CLAUDE KITCHIN, who can not be here.

The SPEAKER. Two hundred and twenty-three Members have answered to their names. A quorum is present.

Mr. GERNERD. Mr. Speaker, I ask for leave of absence until next Friday, on account of important business.

The SPEAKER. The gentleman from Pennsylvania asks for leave of absence until next Friday, on account of important bus ness. Is there objection?

There was no objection.

Mr. MONDELL. I move that further proceedings under the call be suspended.

The SPEAKER. The gentleman from Wyoming moves that further proceedings under the call be suspended. The question is on agreeing to that motion.

The motion was agreed to.

Mr. CABLE. Mr. Speaker, I reserve the balance of my time, and I yield one minute to the gentleman from Ohio [Mr. MORGAN].

The SPEAKER. The gentleman from Ohio is recognized for one minute.

Mr. MORGAN. Mr. Speaker, the people of the country are very greatly interested in the protection of the health and educational development of children employed in industry. The press of the country is reflecting the sentiment of the people in this regard. A number of prominent organizations are going on record in favor of the pending Fitzgerald constitutional amendment, and I hold in my hand a resolution that was adopted by Columbia Typographical Union, No. 101, of Washington, D. C., which I desire unanimous consent to print in the RECORD.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD for the purpose indicated. Is there objection?

There was no objection.

Following are the resolutions referred to:

Resolutions adopted by Columbia Typographical Union, No. 101, at its regular monthly meeting held May 21, 1922.

Whereas Congress has on several occasions passed laws the intent of which were to prohibit the employment of young children in the cotton mills, mines, manufacturing establishments, and sweatshops of the country, and

Whereas such employment endangers their health, lives, and morals, is a disgrace to our Christian civilization, a flagrant injustice to the children, and an infamous crime against humanity and the welfare of the Nation, and

Whereas the Supreme Court has declared these several laws unconstitutional as an infringement of the rights of the States, and

Whereas Senator JOHNSON, of California, and Representative FITZGERALD, of Ohio, have introduced joint resolutions (S. J. Res. 200 and H. J. Res. 327) proposing an amendment to the Constitution of the United States to give Congress the power to regulate or prohibit throughout the United States the employment of children under 18 years of age; Therefore be it

Resolved, That it is the sense of Columbia Typographical Union, No. 101, that Congress should pass one of the proposed amendments during the present session, that the States should promptly ratify it, and thereby remove this horrible exploitation of innocent and helpless children.

That this resolution expresses the predominant sentiment of the country it seems to me there is no question. From the recent Supreme Court decision declaring the child-labor law unconstitutional, nothing remains but a constitutional amendment which will empower Congress to pass a child-labor law.

Hardly could there be found a subject closer to the hearts of the people and particularly to the mothers of this country than the enactment of a child-labor law which will regulate working hours and conditions in a manner that will protect the health and permit the educational development of children employed in industry.

I believe that legislators who preach American standards and ideals and who have promoted legislation for the regulation of interstate commerce in the interest of industrial welfare, can not fail, in the interest of humanitarianism and the future welfare of our country, to give such benefits to children as will protect our country against the destructive forces which are, through social, industrial, and governmental disturbances, tearing Russia and certain European countries asunder. Such conditions always follow undeveloped, unsound bodies and dwarfed intellects.

Labor to excess produces fatigue. By fatigue the physical powers of children are so weakened as to increase susceptibility to disease, immorality, and crime. Excessive work of children of tender years in many cases results in unsound bodies and undeveloped intellects.

If our system of Government is ever destroyed it will be from causes within and not from forces without. Oppression and greed must not be tolerated at the expense of the health and educational opportunities of future generations. This country must be maintained the land of equal opportunity.

Statistics reveal that in 1910 there were 1,900,225 children between the ages of 10 and 15 years employed in the United States on full time. They also reveal that there were 5,515,163 illiterates, of whom 1,650,361 were of foreign-born parentage. These statistics evidence the necessity of legislation which will overcome this condition. We have immigration laws requiring certain tests as to qualifications for entry in order that we may protect, as far as possible, our country against illiterate immigrants, and at the same time many States have failed to provide laws which would develop the standards required of

immigrants and against the destructive forces that naturally follow illiteracy and a weakened population.

We can not longer tolerate robbing children of their vitality, coining it into money and putting it into the pockets of those who are exploiting and devitalizing them in sweatshops, mills, and factories, where duties are imposed beyond their physical endurance. What argument can these men advance? There is but one—that it means money to them.

It is exceedingly fortunate that there is a growing sentiment in the States that have adopted child labor laws in favor of strengthening such laws in a manner consistent with the welfare of the children employed and the perpetuity of the principles upon which our Government was formed.

A large manufacturer in Ohio, who has made a careful study of the operation and benefits derived from child labor laws, solicited me to cooperate in the promotion of a Federal law similar to the Ohio law. The Ohio law provides that no boy under 15 years and no girl under 16 years can be continuously employed, and a school certificate for all boys under 16 and girls under 18 is required. They can not be employed for more than 8 hours in 1 day or 48 hours in 1 week, nor before 7 a. m. nor after 6 p. m.

The American Bar Association some years ago recommended the adoption of a uniform child labor law by the various States. The Fitzgerald proposed constitutional amendment is in accordance with this suggestion and I believe it will be adopted and meet with universal approval.

Mr. MORGAN. I also ask that I be further allowed to extend my remarks in the RECORD on the subject.

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

Mr. CABLE. Mr. Speaker, I have reserved the balance of my time.

The SPEAKER. The gentleman from Ohio reserves the balance of his time.

Mr. LUCE. Mr. Speaker, will the gentleman from Louisiana [Mr. WILSON] please use his time?

Mr. WILSON. Mr. Speaker and gentlemen of the House, in my judgment there is not in many respects any more important business that comes before the House than the consideration and decision of an election contest. The law makes the House of Representatives the judge of the election and qualification of its Members; and, while this is a legislative operation, it is really a judicial proceeding, and a very serious obligation rests upon a Committee on Elections in presenting one of these cases to the House, because in most instances, just as it has happened in this case, there is a vast volume of testimony. In this record there are more than 1,600 pages that the Members of the House have not an opportunity to read, and they must take the record and the findings thereon as presented to them by the Committee on Elections.

I believe, if I may have the attention of the House for a few moments, I can convince you that the chairman of this committee [Mr. LUCE] has presented to this House a proper decision of this election contest. As was stated to you, when this case came before this committee a great many questions were involved, all of which have been abandoned except two. On the question of poll tax a vast volume of testimony was taken, and the committee was convinced that it made no difference in the result of the election, and so was the contestant convinced, and that was abandoned. The feature of registration was also abandoned, and the intimidation of voters was abandoned, and, as my good friend from Ohio [Mr. CABLE] told you a few moments ago, the whole thing depends upon the proper consideration and disposition of the absentee vote.

Now, the gentleman from Ohio [Mr. CABLE] would lead you to believe that the election laws of the State of North Carolina are unfair. I think it is quite impossible to find any State which has a fairer election law—one that would lead to more equitable results in an election where the people are divided into opposite parties—than that which exists in the State of North Carolina. Of course, we all know that the dominant party in any State is going to keep control of the election machinery when it is in power.

Mr. CLOUSE. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I can not yield now.

The election law of the State of North Carolina is simply this: The Governor of the State appoints a State board of election officers of five members. Of this board three are of the majority party and two of the minority. If North Carolina should have a Republican governor, three of the board would be Republicans and two would be Democrats. As she has a Democratic governor, of course, three of the board are Democrats and two are Republicans.

Then that State board appoints county boards of election, each consisting of two members of the dominant party and one of the minority party. That would be true, no matter which party is in power. This county board selects officers in the various precincts throughout the State. One of those is the registrar of voters, naturally of the dominant party. One other is of the dominant party and one of the minority party. This Republican judge of elections is not selected by a Democratic majority of the board. The law makes it obligatory to select him on the recommendation of the chairman of the Republican committee of that county. So that in every phase of the election, from the beginning with the State board down to the place where the votes are polled and finally counted, each party has representation.

Now, when the registration is completed in that State, two opportunities are offered for challenge. The law sets a challenge date after the registration is completed and the books are thrown open to everybody. That day is fixed on Saturday, when everybody comes to town; so that, my friends, there is an opportunity afforded to challenge the public register of absentee voters and other voters whose names should not be on said list.

Another opportunity for challenge is on the day of the election, when the voter appears to deposit his ballot in person or when the absentee vote is opened. So in this election under the laws of that State the minority party has had representation at every step and every stage of the proceedings, with fair opportunity to challenge any name on the registration list. This record and the evidence in this case will show that in the entire district very few challenges were made by either party, and in only one precinct in the nine counties comprising the district did the Republican judge of elections fail to sign and certify to the correctness of the results as to Congressman.

Mr. CHINDBLOM. Will the gentleman yield for a question?

Mr. WILSON. Yes.

Mr. CHINDBLOM. Does the law provide for the presence of a challenger or a representative of each party on the election day?

Mr. WILSON. Yes; the law provides that when the books are thrown open on this Saturday set aside as challenge day and known to all the people as challenge day, any man may challenge any name.

Mr. CHINDBLOM. I do not mean on Saturday. I mean on election day.

Mr. WILSON. On election day; yes. A full and free opportunity is offered to either party for challenge on either day.

Mr. CAMPBELL of Kansas. Will the gentleman yield for a question?

Mr. WILSON. Yes.

Mr. CAMPBELL of Kansas. I want to find out, if I may, was there fraud charged in respect to these absentee voters in this case; and if so, was there any fraud proved?

Mr. WILSON. I am coming to the absentee vote, because I understand from Mr. CABLE that he bases his whole case on that.

Mr. CAMPBELL of Kansas. I understand the question hinges on that.

Mr. WILSON. I doubt if you could show a dozen votes altogether where as a legal proposition the voter was not qualified. The committee failed to find any considerable number.

Mr. BOX. That is of the absentee voters.

Mr. WILSON. Of the absentee voters. Now, my friend from Ohio [Mr. CABLE] says the whole thing hinges on that feature and that the entire absentee vote should be set aside, and that if you do that Doctor Campbell will have a majority of something over 317.

Mr. CAMPBELL of Kansas. Set aside on account of fraud, or for what reason?

Mr. WILSON. The minority views of the gentleman from Ohio [Mr. CABLE] say they should be set aside for the reason that the truth can not be deduced in relation to the absentee vote. That is what he says and that is what his report says. Now, when a man comes to this House sitting as a jury with a proposition like that, contending that there is a large percentage of the votes that should be cast out and thereby the result of the election be changed, the obligation, of course, is upon him to convince the House that that is true. In his statement he says that the absentee vote should be disregarded. I am sure the House understands that. In its minority views he goes on and gives the number of votes, and says:

> But the absentee votes included above are "so tainted with fraud that the truth can not be deductible therefrom." The ratio of the absentee votes of Doughton and Campbell tell their own story, 1,596

to 201, respectively. Without this absentee vote Campbell wins by 317 votes. In Iredell and Rowan Counties Doughton received a total of 1,041 to Campbell's 87, or 12 to 1. The illegal absentee votes can not be separated from the legal, and all absentee ballots should therefore be rejected.

Mr. RAKER. Will the gentleman yield for a question right there?

Mr. WILSON. No; I can not yield.

Mr. RAKER. All right.

Mr. WILSON. Now, that is offered solemnly to this House as the entire absentee vote of that district, because you would not be willing to take one-third or one-half of the absentee vote and cast it aside and leave the other standing. But these minority views of the gentleman from Ohio [Mr. CABLE] and everything that has been said by him would lead this House to believe that that is the whole absentee vote—1,596 Democratic and 201 Republican. What are the facts? In this district there are nine counties. Six of them went Republican, and in four of those counties that went Republican not one absentee vote is asked to be thrown out. There are absentee votes in every county. So I say it is not fair to this House to come here and put down a certain number as being the total absentee vote of this district, and say that this whole election should be settled by casting out, as Mr. CABLE says in his speech and in his report, all the absentee votes, when in four of the counties not one absentee vote is named or referred to.

Mr. CABLE. Will the gentleman yield?

Mr. WILSON. I will yield in a minute.

Mr. CABLE. I just want to ask about the absentee vote, and ask you if there is anything in the record concerning any of those counties, and whether Mr. Doughton made any effort to get the evidence as to that vote from any of the other counties?

Mr. WILSON. That is a strange thing to ask of a defendant in a lawsuit, to charge on behalf of the plaintiff that all the absentee votes should be cast aside, and then come here and say that Mr. Doughton, the defendant, has not shown that the absentee vote should be cast aside in the four counties concerning which there is not a line of testimony.

That is not all. Take Rowan County, for instance. The gentleman from Ohio [Mr. CABLE] says you should take out 518 absentee votes from Rowan County and names the precincts from which they should be taken. And in like manner for the five counties that make up the 1,596 votes. What is the fact about Rowan County? There are 11 precincts named in that county as having 518 absentee votes that should be taken out, but he did not tell the House that there are 28 precincts in Rowan County, 17 of which were not considered and most of which went Republican, where he has not asked you to take out a single absentee vote. Is that fair to the House? And the same thing is true of the other counties—for instance, the county of Caldwell; there are 17 precincts in that county and the absentee votes are given as to 12 of them only.

Mr. CABLE. Will the gentleman yield?

Mr. WILSON. Not at present. How are you going to cast out all the absentee votes of Rowan County, with 28 precincts, and not a single absentee vote referred to in 17 of them? How are you going to do that for Caldwell County, where there are 17 precincts with only 12 in which the absentee votes are given?

Mr. CABLE. Will the gentleman yield now?

Mr. WILSON. No; not until I get through with my line of argument. Then there is Ashe County. There are 16 precincts in that county, and 8 precincts only are presented in the record making up this case as to absentee votes. The next is Stanley County. There are 15 precincts in that county, and if you will examine the minority views there are only 4 precincts in that county in which they ask you to consider the absentee vote. So, if you will just ask the gentleman from Ohio [Mr. CABLE] to live up to the proposition that all the absentee votes are to be cast out, you will find him unable to do so. He asks you to take just those particular precincts that went Democratic which are counted here, to reject the absentee vote. Now, I say that is not fair to the House or either party to this contest. Why, it is not over one-third of the absentee votes in that district in which over 64,000 votes were cast. Less than one-third of the precincts in the district are considered.

Mr. CABLE. Will the gentleman yield?

Mr. WILSON. Not until I get through with this particular question. So that the 1,596 and 201 absentee votes come out of the consideration of less than half of the vote of the district. This plea for the rejection of the absentee vote comes about in this way: You are given a definite number of votes that should be cast out. You would not be authorized under the law to do that unless those votes were shown to be fraudulent. No attempt is made to do that. When absentee votes are sent in at 3 o'clock under the law, these absentee votes are opened up and deposited as directed by law. If the name of the voter is on the registration book, his ballot is voted as indicated by him. If a man votes a straight party ticket, he may send a certificate stating that he desires to do so. The judges of election put the ballots in the box. Neither the certificates nor the ballots are preserved under the law of North Carolina unless the latter are signed by the voter, but, whether they are or not, it has been decided by this House and by every court in the country that you can not penalize the voter by the failure of the election officer to file a certificate after the vote has been put in the box.

Certain requirements under an election law are mandatory as to the voter; for instance, he must register, he must be present on election day, or, if absent, meet the requirements of the election law in order to have his ballot there. All such matters are within the control of the elector and provisions of the law in relation thereto are mandatory as to him, and the failure to reasonably comply therewith forms a sufficient basis for the rejection of his ballot. But after the elector has complied with these requirements and cast his ballot, or taken the steps necessary to have his ballot deposited, then, after that, the provisions of the law affecting election officers in order to have a correct return of the result made are simply directory as to the voter. Hence the failure of the election official to keep a proper record or to return any kind of certificate in connection with the record has never been held to invalidate the vote or to disfranchise the elector. To hold otherwise would place it within the power of election officials to make ineffective our system of election by the people.

Now, I want to say one thing further about the absentee vote. The gentleman from Ohio [Mr. CABLE] will not contend that what he has presented is all the absentee vote in the district.

Mr. CABLE. Will the gentleman yield?

Mr. WILSON. I will.

Mr. CABLE. I want to ask the gentleman whether he is arguing upon what is in the record or is out of the record.

Mr. WILSON. I am arguing upon what is in the record. There are 28 precincts in Rowan County, and the gentleman has given the count in 11, stating that all absentee vote ought to be deducted.

Mr. CROWTHER. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER. The gentleman from New York makes the point that no quorum is present. The Chair will count.

Mr. CROWTHER. Mr. Speaker, I withdraw the point.

Mr. WILSON. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has 13 minutes.

Mr. WILSON. I think the House must be satisfied that it has no opportunity to consider the entire absentee vote. This tabulation in the minority report is copied exactly from the brief of the contestant in this case. An inspection of pages 35, 36, and 37 of the plaintiff's brief will verify this statement. So there is no question raised by the minority report that was not presented to the committee and had its full and careful consideration.

I believe that I can also convince this House that the testimony in respect to even these 1,596 votes for Doughton and 201 for Campbell, which are offered as being fraudulent votes, is entirely unreliable. There seems to be some confusion as to how the absentee vote comes in.

This testimony relied upon to prove this small portion of the absentee vote is fraudulent is not reliable. In the county of Rowan, for instance, take Spencer precinct. It is claimed by the minority report that 70 should be taken from Doughton and 10 from Campbell. You are solemnly referred to page 419 of the record for evidence by which to do that. Now, here is a Republican judge of election on the stand:

Q. Your name is J. Lee Armstrong?—A. Yes, sir.
Q. Where do you live?—A. Spencer.
Q. State whether you were for awhile on the 2d day of November last a Republican judge of election at that place.—A. Yes, sir; I relieved Mr. Dorsett. I don't know the exact time. Some time between 2 and 3 o'clock.
Q. State whether you were sitting as judge at the time the absentee ballots were opened.—A. I was.
Q. Who opened the envelopes?—A. The registrar, Mr. Cruse.
Q. Do you know how many were opened?—A. No, sir; I don't know the exact number. I can give you the approximate number. There were as many as 80 absentee votes.

Of course, he could not know the exact number because these votes had been put in the box and mingled with the others, and the witness was testifying several months after the election. I think he was testifying very frankly.

Q. Do you recall whether they were actual absentees or persons present in the precinct and ill?—A. Quite a number were persons present in the precinct and ill.

In other words, the absentee voters are not necessarily out of the State; they may be in the precinct and unable to get to the polls.

Q. What proportion of the absentee congressional ballots was for Mr. Doughton and what proportion for Mr. Campbell, approximately?—A. I think there was 10 for Mr. Campbell and as many as 70 for Mr. Doughton. I am not positive about that. That is an approximate statement.

That is all of the testimony there is on that question, and yet we are asked to take out 70 votes for Doughton and 10 from Doctor Campbell.

Mr. RAKER. Will the gentleman yield?

Mr. WILSON. Yes.

Mr. RAKER. Under the law of North Carolina can a man vote, is he entitled to vote, by sending it in as you describe it?

Mr. WILSON. Yes.

Mr. RAKER. That being the case, where is there anything to show that the votes cast were fraudulent votes?

Mr. WILSON. There is not anything in this record; there may be a half dozen instances.

Mr. RAKER. Who is to blame for the counting of those absentee votes which the law says must be counted?

Mr. WILSON. There is nobody to blame. The law says they must be counted.

Mr. BROOKS of Illinois. Mr. Speaker, will the gentleman yield?

Mr. WILSON. Yes.

Mr. BROOKS of Illinois. The gentleman said a man might vote by certificate or by ballot.

Mr. WILSON. Yes.

Mr. BROOKS of Illinois. Does that have to be sworn to under the law?

Mr. WILSON. The certificate does; yes.

Mr. BROOKS of Illinois. Does the ballot?

Mr. WILSON. No. He sends his ballot in just as he wants it voted, with a certificate, duly attested, showing that he is a qualified voter.

Mr. BROOKS of Illinois. If he lives in a precinct and is sick, does that fact have to be sworn to?

Mr. WILSON. I am not so positive about that.

Mr. CABLE. If the gentleman will yield me, I can answer the question. When a man is sick he is supposed to file a statement, an affidavit, with his certificate or ballot, but when he files a certificate with the ballot, that does not have to be sworn to.

Mr. WILSON. Take Mount Ulla precinct, where there are 10 taken from Mr. Doughton and none from Mr. Campbell. I quote from the testimony in that case; N. R. West on the stand.

Q. Where do you live?—A. Near Mount Ulla.
Q. Were you connected with the election last November?—A. I was one of the judges.
Q. And assisted in holding the election?—A. Yes, sir.
Q. Who were the other election officials?—A. John K. Goodman was the other judge and Mr. Price Sherrill was registrar.
Q. They were Democrats?—A. Yes, sir. I was Republican judge.
Q. How many absentee votes were cast there?—A. Seven or eight or ten.
Q. Do you know how they voted?—A. All Democrats.

Right under that is Enochville precinct. A. J. Sloop is on the stand. He was the judge. He was asked the question how many absentee ballots, and he replied:

A. I reckon about eight or nine or something like that.
Q. Republican or Democratic?—A. They were about half Republican and half Democrat.

That precinct is not mentioned where they solemnly tell you it is your duty to take out all of the absentee votes. That is the way the record runs. There is no positive testimony.

Here is another one at East Salisbury. That is a place in which there is something like 100 votes to be taken off Mr. Doughton, according to this brief. The witness, J. L. Austin, was asked:

Q. Were you present on election day?—A. Yes.
Q. Do you know how many absentee votes were cast in this ward on that day?—A. Between 75 and 100.

Then they ask you to take 100 votes from Mr. Doughton. The testimony will run like that all through the record. So many votes "I think," so many votes "I estimate." That is the case even in those precincts which are put down here and in which you are asked to take the vote away without showing that the electors are disqualified. I say that it is not fair to this House to come up and ask you to decide an important election contest on testimony on which you would not render a judgment in the justice of the peace court for any amount of property, because it is unreliable, even though you take this small portion of the vote accounted for.

Mr. HARDY of Texas. Mr. Speaker, will the gentleman yield?

Mr. WILSON. Yes.

Mr. HARDY of Texas. Do I understand, where the vote shows 75 or 100, that the position of the contestant is that you should take off the whole 100?

Mr. WILSON. That is the way it is in this copy that is made from the brief, written for the contestant, and which is copied varbatim in this report, except that the report does not fefer you to the page on which you will find the testimony.

Mr. DAVIS of Tennessee. Which report?

Mr. WILSON. The minority report.

Mr. CABLE. Mr. Speaker, will the gentleman yield?

Mr. WILSON. I will yield in a minute. Here is another case. Take the question of Chestnut Hills precinct. The registrar is on the stand—

Q. How many absentee votes in that township?—A. Twenty, twenty-five, or twenty-eight.

Now, you are asked to take off the 28. Why, gentlemen of the House, even if this report represented all of the absentee votes, and you felt that if you had sufficient testimony to satisfy you that you ought to deduct the entire absentee vote of that district, you have absolutely nothing on which to rest your verdict. Then, how can you reject the absentee vote without knowing its extent and without evidence to support the charges against a portion of it?

Mr. CABLE. Mr. Speaker, will the gentleman yield?

Mr. WILSON. Less than one-half of the precincts in some of the five counties named are accounted for, and there are absentee votes in every one of those omitted. In four other counties the House is given no information at all about the absentee vote. In the counties which gave larger Republican majorities in the district, the absentee votes are omitted from the minority report.

The SPEAKER. Does the gentleman yield?

Mr. WILSON. Not at present. You are asked to render a verdict on a charge in a report which says that all absentee votes should be deducted, and which leads you to believe that 1,596 to 201 constitutes all of them. But even if that were true, the burden would be upon the contestant in this case to show that those people were not qualified to vote. A great deal is said about the percentage of absentee votes being larger for Mr. Doughton than for Mr. Campbell. The record will show as it goes that the percentage was larger, I think; that there were more absentee voters in Washington who were Democrats than Republicans. I think that I can account for that. We had just been through eight years of Democratic administration. Many deserving Democrats in North Carolina had been sent to Washington to hold jobs, and if this administration does what it is likely to do, and what it probably ought to do, many of those Democrats will be back in North Carolina following civil pursuits, and in the next election that situation will be reversed. There is no testimony to show that these voters were disqualified. Republican witnesses show that many of them were ill, many of them were in Washington, many were off teaching school, young men in college and engaged in other pursuits.

If a majority of these voted for a Democratic candidate they had a perfect right to do so. If they were not qualified electors the burden was upon the contestant to prove that. The record contains no such proof. When we speak of absentee voters in North Carolina it does not follow that they are all absent from the State, and it is admitted in this record that many of those votes were cast by people in the State, in the county, and within the precinct on election day, being persons ill or physically unable to go to the polls. I can not believe that the contestant would seriously ask you to disfranchise these people and reject their votes, or to pursue that course in relation to the absent worker, the school teacher, or the traveling salesman.

Now, the chairman of this committee has given you a fair and clear report in this case. He has considered and reported upon all the issues involved, I believe, according to the law and the evidence. I want to say one other thing to this House. Each Member here, I am sure, wants to decide this case upon its merits, and without partisan bias or prejudice. The facts are that only the members of the committee have had the opportunity to make a full investigation and to know what facts are established by the evidence. The report of the chairman, Mr. LUCE, and the speech he has just made, set forth very clearly the findings of the committee, with the exception of the gentleman from Ohio [Mr. CABLE], in this case.

Mr. CLOUSE. Will the gentleman yield?

Mr. WILSON. I will.

Mr. CLOUSE. This question is somewhat troubling me. Does the gentleman think this Congress ought to place the stamp of approval upon the State of North Carolina, or any other State, that has a statutory provision with respect to

the qualification of the voters, such as having paid the poll tax in advance of the election? Do you think we should do that?

Mr. WILSON. That raises a very serious question, as the chairman stated, as the gentleman no doubt refers to the fact that both parties in North Carolina waived the poll-tax provisions of the constitution and no challenges were made on account of nonpayment of poll tax.

The SPEAKER. The time of the gentleman has expired.

Mr. DOUGHTON. I yield the gentleman two additional minutes.

Mr. WILSON. Both parties agreed to do that. It is true that poll taxes were not required. This law was never popular in North Carolina and has since been repealed. We went into that very thoroughly, and, as the chairman told you, the poll-tax proposition would not change the result of the election.

Now, in respect to this agreement by parties and candidates in North Carolina to waive the provisions of the law regarding the payment of poll tax, we are not called upon to discuss the effect of such waiver generally. But the courts in some cases have held that a candidate for office who has been a party to a waiver of this kind before an election is held, and after taking the chances of securing the benefits resulting therefrom, can not afterwards be heard to contest the election on that account. In other words, he is estopped by his own act.

Mr. CLOUSE. Following this line, would it not be possible, if we approve of such conduct as that, the leaders of the party might go down there and say we will permit children to vote?

Mr. WILSON. We are asked to pass upon that question.

Mr. CLOUSE. But might it not encourage them to do that very thing?

Mr. WILSON. We are not passing upon that question, and that would have no effect upon the result of this election.

I know in one of the counties they had a biparty treaty to waive the poll tax provisions of the law. It was reduced to writing and the plenipotentiaries of both parties signed and ratified it without reservation. This was understood and consented to by all the candidates. After this I do not believe a candidate should be heard to contest the election on account of nonpayment of poll tax. Apparently this view has been adopted by the contestant, or at least that is not a matter of contention here, according to the minority report.

So, Mr. Speaker, if the only question to be considered by the House in relation to this contest is the absentee vote, I respectfully submit it is entirely impossible to pass an intelligent judgment upon that issue, under the evidence submitted.

The gentleman from Ohio [Mr. CABLE], who filed this minority report, and who is contending that the result of this election, as found and certified to by the sworn officials of North Carolina, be set aside and changed and that the findings of the Committee on Elections and the report made by the chairman thereof be reversed, can not inform you as to what this absentee vote is. In his minority report in respect to this vote he sets forth that the absentee vote amounts to 1,596 for the contestee, Doughton, and 201 for the contestant, Doctor Campbell, and publishes therewith a tabulated statement from five of the nine counties of the district. In these five counties there are 95 precincts. In making up this statement only 54 precincts are considered and the testimony as to the absentee vote in those is based upon guesswork and mere estimate. This is said without any criticism of the witnesses who testified, for the evidence was taken several months after the vote was counted, and they could not reasonably be expected to remember the number of absentee voters at their precincts. We are entirely without testimony as to 33 precincts in the five counties referred to and as to all the precincts in the other four counties, yet there were absentee votes involved in each and all of them. To be more exact the total vote polled at the precincts where testimony was taken at all in relation to absentee voters is 28,651, while that at the precincts where no testimony was taken and at which the House has no opportunity to consider the absentee vote at all amounts to 36,039.

Under the law and under an unbroken line of precedents established by this House the burden of proof rests upon the contestant to establish his cause by at least a fair preponderance of the testimony. In this case he has not only failed to do that but omits to furnish any proof at all in respect to the absentee votes cast at a majority of the precincts, involving about 60 per cent of the entire vote cast. So I repeat that if the House should desire to decide this whole case on the absentee vote, as it is urged to do in the minority report, it would be unable to do so for the want of proof as to what that vote is. However, the request to do this is entirely unreasonable because the laws of North Carolina, as do those of 43 States in the Union, authorize absentee voting. The absentee votes in this district were cast and counted after a full and fair opportunity was offered for challenge on the day fixed by law and also upon election day. The unchallenged vote received by the sworn officials of both parties is admittedly correct. I therefore respectfully submit that the majority report of the committee should be adopted.

Mr. LUCE. Does the gentleman desire to consume more time on that side now?

Mr. DOUGHTON. Let Mr. CABLE use some of his time.

Mr. CABLE. I have only myself and one other speaker.

Mr. DOUGHTON. How many more speeches have you on that side?

Mr. CABLE. Myself and the gentleman from North Carolina, Mr. Campbell.

Mr. DOUGHTON. There is only one on this side.

Mr. MONDELL. Mr. Speaker, gentlemen seem to have some difficulty in determining about going on this afternoon, and I doubt the possibility of maintaining a quorum under the conditions that exist, and I move that the House do now adjourn.

The SPEAKER. Will the gentleman withhold that for a moment?

Mr. MONDELL. I will.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. JONES of Texas (at the request of Mr. LANHAM), for May 26 and 27, on account of official business.

To Mr. BLAND of Virginia, for the day, on account of sickness.

To Mr. BANKHEAD, indefinitely, on account of important business.

To Mr. ARENTZ, for an indefinite period, on account of business in his home district.

To Mr. SCOTT of Michigan, for 10 days, on account of business.

To Mr. A. P. NELSON, indefinitely, on account of death in family.

POST OFFICE APPROPRIATION BILL.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Post Office appropriation bill, to further insist on the disagreement to the Senate amendments, insist on the amendment of the House to Senate amendment No. 58, and agree to the conference.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the Post Office appropriation bill, to further insist on the disagreement to the Senate amendments, insist on the House amendment to Senate amendment No. 58, and agree to the conference. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 9859) making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes.

The SPEAKER. Is there objection?

Mr. GARNER. Reserving the right to object, is this agreeable to the minority Member?

Mr. MADDEN. Yes, sir.

The SPEAKER. The Chair hears no objection and appoints the following conferees.

The Clerk read as follows:

Mr. SLEMP, Mr. MADDEN, and Mr. SISSON.

EXTENSION OF REMARKS.

Mr. SANDERS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by having printed in small type an article prepared by the commissioner of the bureau of markets of Texas on the subject of grading and marketing cotton.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The extension of remarks referred to are here printed in full as follows:

Mr. SANDERS of Texas. Mr. Speaker, under permission heretofore given I submit an article on the grading and marketing of cotton, prepared by the Hon. Charles E. Baughman, commissioner of markets and warehouse department of the State of Texas.

The article is as follows:

The cotton growers of the United States, because of reduced demand for raw cotton, need to give more thought to methods of planting, harvesting, and marketing this great staple crop.

Every farmer might well afford to undertake to produce the present average crop on half the number of acres now planted, but get away from the idea of making "two blades grow where one is now grown." Take care of the one already grown in a fair profit added to cost of production.

This bulletin is intended to be educational—an appeal to business and professional men and the producers of the world's cotton crop, to take steps to have corrected some of the long existing evils surround-

ing the system of price fixing, and more especially to acquaint the people with the unfair methods of arranging differences as regards our low-grade cotton.

Not an appeal to prejudices but to the higher and better judgment of well-meaning men who have at heart the betterment of all our economic conditions.

The Federal Government has established standards for grades, and these standards have been likewise adopted by this department, and we believe it within the province of the Federal Government to promulgate differences in accordance with fair governmental mill tests, which have been made, and which are representative of every grade, and every section of our cotton producing area.

Let us back our efforts by sober thought, earnestness of purpose, and determination to bring about relief for the man who toils in the field in an effort to produce the basis of the world's clothing supply.

COTTON VALUES.

Since the origination of the different grades of cotton recognized today by the trade there has been more or less diversity of opinion as to how much premium value should be added for the grades above the middling type or how much discount should apply for the grades below that type.

The trade has been guided by what the *demand* was for relative grades, making the values for them from such bases, yet such a fact does not argue that such conclusions are correct; that is, values obtained in that way are not evidences of intrinsic worth. There is a true value to every relative grade, or half grade, of cotton if the fact establishing it can be found, and apparently no better way can guide us to that conclusion than by going to the cotton mills for it. Tests made in such manner shows variations in percentage of the same grade, but if a number of them are taken an average can be drawn, which should give a fair valuation from any middling base.

This is an old story, but it has new features to which the attention of the public is called; not to the daily fluctuations that we constantly experience but to the wide difference between the values made arbitrarily by the cotton trade and those shown by actual tests made in milling the staple.

To be fair and just in the matter averages have been made between the highest and lowest mill tests for conservative reasons, as hereinafter explained. Tests were made at Clemson College in its textile department in 1912 and showed an average for mill waste to be for: G. M., 12 per cent; St. M., 12.5 per cent; M., 13 per cent; St. L. M., 13.75 per cent; L. M., 14.75 per cent; St. G. O., 16 per cent; G. O., 17 per cent.

These tests were not constant in results; that is, one sample of middling might show a loss of only 6 per cent, while another would go as high as 12 per cent, practically the same variations existing in all the relative grades by reason of the fact of good or bad ginning, careful or careless picking, care, etc., of the cotton.

Tests made by the Bureau of Markets, Department of Agriculture, at West Raleigh, N. C., and Fall River, Mass., as given in their bulletin No. 591, December 26, 1917, exhibited variations on tests similarly as those shown at Clemson College, but the percentage of loss as mill waste was not so great.

Tests made by this department were on cotton from every part of the cotton belt and on that of 15/16 to 1 inch staple. The grades tested were for middling fair, good middling, middling, low middling, and good ordinary. Averaging the table on page 10, Bulletin 591, results in the percentage of loss in mill waste to be for G. M., 5.50 per cent; middling, 7.31 per cent; L. M., 8.48 per cent; G. O., 11.37 per cent; the other grades intervening between these given have been added by the writer, shown below, as stated, to be conservative. These departmental percentages have been added to those of Clemson College, from which a new average has been drawn, showing for the following to be for: M., 10.20 per cent; St. L. M., 10.90 per cent; L. M., 11.60 per cent; S. G. O., 13.00 per cent; and G. O., 14.50 per cent; and from these latter figures the following comparative statement is made for clearly elucidating the idea intended:

M. basis 16 cents per pound, 500-pound bale.

MILL DIFFERENCES IN POUND AND VALUES.

Loss in weight refining and spinning.	Additional loss over middling.	Loss in values—mills.	Trade differences, pounds values.
Per cent. Pounds.	*Pounds.*		
Mid.....10.20=51.....			
St. L. M.....10.90=54½.....	3½	$0.56	$5.00
L. M.....11.60=58.....	7	1.12	11.25
S. G. O.....13.00=65.....	14	2.24	16.25
G. O.....14.50=72½.....	21½	3.44	21.25

NOTE.—Mill waste is the loss thrown out of a bale of cotton during the process of manufacture, and consists of the leaf trash, stems, mote naps, short fibers, dust, dirt, etc.

"Trade differences" means the above and below middling basis method of arriving at the price to pay.

The mill waste for the grades below middling is calculated on the excess number of pounds below that grade, while the trade discounts are taken from the official quotations given by United States Weekly Bulletin No. 101, February 6, 1922, for the Texas district.

From the records I am unable to obtain any history showing where cotton-manufacturing concerns ever attempted to dictate the relative prices they should pay for cotton, basing such purchases upon the mill-waste value for the different grades, hence the inference is they do not care to make purchases of raw cotton this way, preferring to hold to the practices of the trade, using the arbitrary differences as made by it, giving the advantage of making purchases for less than the intrinsic value of the lower-grade cotton.

Comparing the two, it would seem an agreement could be reached between the spinner and the grower, or the spinner and the trade buyer, to handle cotton at its intrinsic value and not on arbitrary prices as practiced to-day.

If it be conservative to say that a loss of only 3½ pounds exists between middling and strict low middling, as a mill waste, that its value as a loss at 16 cents a pound is 56 cents on a bale of cotton, justice in the matter would pronounce it absurd to discount a strict low middling bale of cotton $5, as the trade now exacts. Reasoning upon the same line, as indicated by the comparative schedule made in the foregoing it will be noted that the loss from middling to low middling indicates 7 pounds, as a visible and an invisible waste, which on a 16 cents a pound valuation equals $1.12, while the trade penalizes it around $11.25.

These trade discounts vary often, but nowhere do I find them ever coinciding in value with the physical losses made at the mills.

Should it be contended that the value for the lower grades is more than shown in the statements made here, for corroboration of these statements I refer again to Bulletin No. 591, December 26, 1917, page 11, from which I have made an average resulting in showing that for low middling the loss in mill waste is 8.78 per cent; for good ordinary, 12.42 per cent. Taking middling as showing a loss of 7.57 per cent, with the average loss between it and strict low middling, its equivalent is 8.18 per cent, and reckoning in the same manner the different percentage loss for strict good ordinary is found to be 10.60. Placing these figures in a tabular form the comparative percentages shown are for—

Mill differences in pounds and values compared with those of trade middling basis, 500-pound bale.

Mill differences and waste value.	Added loss.	Trade differences.
Per cent. Pounds.	*Pounds.*	
M., 16¢..... 7.57=37.85		
S. L. M..... 8.18=40.90	2.05=$0.328	$5.00
L. M..... 8.78=43.90	6.05= .968	11.25
S. G. O.....10.60=53.00	15.15= 2.42	16.25
G. O.....12.42=62.10	24.25= 3.88	21.25

This table is made up from a Government source exclusively, a review of which demonstrates that the loss for mill waste is less than that shown in the preceding table, made from an average of the results of the Clemson College tests combined with that of the Federal Government.

It may be well to state that in making these scientific tests some of them divulged the fact that practically no difference existed between middling and strict low middling, while in others tested for mill waste on the same grades showed a wide departure therefrom.

A number of our Texas mills are manufacturing valuable articles very serviceable in character, such as heavy and light weight ducks, Osnaburgs, drills, heavy sheetings, shirtings, bedticks, denim, and a variety of wrapping twine, from cotton ranging in quality from middling to low ordinary, mostly strict low middling to good ordinary, inclusive, with sometimes an injection of a good class of bollies with other grades.

Statements from two Texas cotton mills interrogated say the loss for mill waste runs, on an average, around 17 to 17½ per cent, which on a 500-pound bale of cotton shows a loss of 85 to 87½ pounds. Comparing this with the preceding table declaring a loss of 37.85 pounds for middling, indicates a difference of 49.65 pounds, less for good ordinary, equaling a value of $0.95, leaving a wide margin between that value and the trade discount of $21.25, as shown.

It was found that the two Texas mills using the low grades of cotton mixed them very thoroughly before allowing them to enter the machines for fabrication into the finished product, and from the result of this mixing the percentage of loss was ascertained.

The percentage of mill waste is not an entire loss because of the fact, exclusive of the foreign substances thrown out, a mass of short fibers are caught, which find a market with concerns making hats, quilts, blankets, shoddy goods, rope, carpet, mattresses, cellulose, guncotton, and many other articles of value, so the 10.20 per cent or any per cent given, shown in first table as a loss, does not finally result as such when brought to its final conclusion.

From the foregoing let me assume the prerogative to say that I hold to the opinion that a safe and sane line can be drawn, a base can be made upon which both buyer and seller can stand, meet each other fairly and squarely upon satisfactory terms, eliminate differences of opinion as to the relative lower grades, establishing a definite value for them, and forever bring harmony out of chaos.

This I suggest in the following, assuming and accepting middling as the base, recognizing at the same time the inconstancy or variableness of the percentages of loss, conceding the greater losses, even discounting them, then designating the differences to be applied, for an accepted compromise the values will be as follows, say:

Middling, 16 cents, 500 pounds.	Intrinsic value.	Trade value.
Pounds.		
St. L. M..... 5=$0.80	$79.20	$80.00 / 75.00
St. G. O..... 10= 1.60	78.40	68.75
G. O..... 35= 5.60	74.40	58.75

In making the pound deductions I have discounted greatly the lowest discounts made in the foregoing mill waste, giving a definite number of pounds to be deducted for each grade, equivalent to saying that any buyer purchasing a strict low middling bale deducts 8 pounds; for low middling he will take off 15 pounds, etc., figuring the price at middling quotation for the pounds off, paying the seller at the same time full middling value, less the number of pounds off. It is apparent to me that if a definite number of pounds can be agreed upon for the relative grade discounts to be applied, the same publicly quoted, the grower as well as all interested can know at all times the worth of any character of cotton ready for the market, as the number of pounds off can be given instead of percentages.

The preceding summarizes in substance a guide designed to be safe for the purchaser, at the same time reflecting no great financial loss to the grower.

To determine with greater exactness a series of tests covering a period of several years should be made, and from them correct figures obtained for the true discount to apply; but in the absence of such figures I have assumed the responsibility to dictate the preceding, based upon the data given, and most earnestly solicit the assistance and cooperation of all desiring to see justice in the premises. This I do because the present practice of discounting the lower grades is, in my opinion, uneconomic, unwise, puts an onerous burden upon the back of labor, which can be taken off if those in authority will exercise the power vested in them and come to the rescue.

Mr. WILSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on this contested-election case.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. SHELTON. Mr. Speaker, I ask unanimous consent to extend my remarks on the tariff and the prohibition question.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The extension of remarks referred to are here printed in full as follows:

Mr. SHELTON. Mr. Speaker, this country has had many experiences on the question of tariff. I have thought it settled several times. It was not. It is one of the questions that is like Banquo's ghost. It will not down. In the beginning it was not a party question, and I believe it should not be now. It is said that among the first acts of the First Congress of the United States was a protective tariff act. And for many years its wisdom was never questioned. George Washington favored it. Thomas Jefferson, the denominated founder of the Democratic Party, and a man of whom any party or country could well be proud, in his first annual message to Congress in December, 1801, congratulated that body upon the revenue derived from the tariff duties and suggested that the internal taxes could safely be dispensed with and tariff depended upon for support of the Government and the payment of the public debt, and further suggested that the surplus funds could be used for internal improvement. Andrew Jackson while United States Senator from Tennessee voted for a protective tariff in 1824, and after he became President, when South Carolina refused to obey the tariff laws, sent General Scott with United States troops down there to see that the law was enforced. The noted Thomas H. Benton, United States Senator for 30 years from Missouri, said of the tariff law of 1816:

'A free trade measure; no price for property or produce; no sales but those of the sheriff and the marshal; no purchasers at auction sales but the creditors or some hoarder of money; no employment for industry; no demand for labor; no sale for the products of the farm; no sound of the hammer but that of the auctioneer knocking down property; no medium of exchange but depreciated paper; no change even but the little bits of foul paper marked so many cents and signed by some tradesman, barber, or innkeeper; exchange deranged to the extent of 50 or 100 per cent; distress, the universal cry of the people; relief, the universal demand, thundered at the door of all legislatures, State and Federal.

THE EFFECT OF TARIFFS.

It is impossible to enact a measure that will redound to the direct interest of every individual. It is the people as a whole that have to be considered. It is true that a protective tariff on the manufactured goods of the New England States does not help directly the agriculturalists of the South and West, but it does indirectly help them. It furnishes labor for the working people of the New England States, thereby creating a demand for the products of the South and West. In that way it helps them. The same is true of a tariff on agricultural products of the South and West. It shuts out foreign cheap labor products and stimulates agriculture to produce the necessary raw material for manufacturers. The manufacturing districts employ labor, creating a market for all the products of the country. It is and must be a reciprocal proposition. It is very difficult to understand how one who claims to be a protectionist can favor protection for himself and deny it to others. That is only a quasi-protectionist.

As has been said, the tariff should not be a party question. It is strictly a fundamental American principle. It will not be a party question much longer. The whole country has awakened to the fact that it is necessary to the prosperity of this country.

Put a tariff on the products of our country high enough that the foreigner can not send in his cheap labor products and undersell our home markets. That will open up the mills, factories, and mines, give employment to our people and a market for our home products. It is a recognized fact that in normal times we furnish a market for 90 per cent of all our products. If we will start up the industries of this country, give employment to our laboring people, furnish them with the means to buy 90 per cent of our products, we may throw the other 10 per cent in the fire, or give it to suffering humanity, and we will be many times better off than we are, or should be, by sending all of our products abroad and letting our home people be idle, naked, and hungry. We should not weep over the condition of our neighbor's children when our own are at our feet crying for bread. Charity begins at home. When we have cared for our own, then is the time to help our neighbors. We have always done so, and shall continue to do so. I contend that a man's first duty is at home, and that that is true of a nation.

It may be that some people can not understand the working of a protective tariff. It is also true that they can not understand just how the water gathers in the heavens and comes down in rain, but they know that when such is true we have abundance of crops. The same is true of the protective tariff. When we have it, we have prosperity, as a rule. It is true that there are other disturbing elements that sometimes bring on national difficulties, but under a protective tariff administration they are much less likely to come, and are much easier to overcome.

I am a protectionist, pure and simple. I believe in it. I think it is good for every industry and every enterprise in the land that comes in contact with the products of cheap foreign labor. I do not favor protection for the manufacturer and free trade for the producers. I do not favor protection for the producers and free trade for manufactured goods; but I favor protection for the American industries, great and small. I want to protect the East, West, North, and South. America for Americans first. Would it work well for the producers' products to be protected and the manufacturers' not protected? Think for a moment just what the situation would be. Then again put your thoughts to working, and protect the manufacturer and the producer, and see what a happy combination that would be. The factories would be running, the mills and mines would be operating, the farmers would be producing, the carpenters would be building, and all labor would have employment, and wives and children would be singing and rejoicing all over the land.

AN ORGANIC BODY.

The Government of the United States is a vast organic body, composed of many organs, each having certain duties to perform. No body so constituted can give the best results without the cooperation of all its organs. What are those organs? They are many, the chief of which is the producing factor. Upon the production of the material out of which must necessarily be made the things that supply the needs and wants of mankind, lies the secret of success. To this must be added many others, namely, the manufacturing industries, the mining industries, the milling industries, the great common laborers, the business enterprises, the professional vocations of many kinds, all combine to make the great body of the machine that moves the wheels that bring success.

If any of those factors fail to function, the best results can not be obtained. What is necessary to move the wheels of progress? I think a uniform, well-regulated protective tariff is the greatest factor. By guaranteeing to the people the home markets it will start the manufacturing and other industries, they will employ labor; employed labor creates a demand, demand creates good prices, good prices stimulate industries of all kinds, thereby making the whole machinery work in harmony. When that is done, the story is told, and prosperity will reign.

I hope that the time may soon come when every man or woman who is elected to this House or the Senate may come with the avowed purpose of legislating for the whole country. We are all made of the same material. Our wants are the same and must be supplied if the country is to prosper. It is obvious that since the protective policy is fundamental to our prosperity it should not be subject to such radical changes as it always has to undergo every time our Government changes from one party to another. There is nothing that does more to insure the prosperity of our country than the stability of the principles and policies upon which the country's business is based.

It has been proven that under free trade or low tariff our imports are increased and that our exports are decreased. Can we prosper when the balance of trade is against us? Certainly not. Can an individual accumulate wealth when his expenses are greater than his income? It can not be done. Neither can a nation under such circumstances prosper.

Why can not we meet foreign competition? It is very clear if you will just think of the difference in the ways, habits, ideas, manner of living, and costs of production in many of the foreign countries and ours. It should not be said in a boastful spirit, but the American people are not going to subscribe to such conditions. In many of the foreign countries the climatic conditions are very different. They need but few clothes, and their accustomed food is a very simple diet and costs but little. It is different here, and we can not help it.

Let us draw a comparison; take the wool industry. In Australia it is said that a flockmaster can get forage for his sheep at 8 cents per head for a year; that no hay or other expensive feed is required. New Zealand is the same; Argentina is almost the same. How is it with the Western States of this country? There it costs from $4 to $8 per head to winter sheep. Wool can be shipped from those foreign countries to the eastern markets of this country cheaper than it can from the Western States. How can we compete with the foreign countries when such is true? It is clear that we must have a

tariff sufficient to equal the difference in the cost of the products of the foreign country plus freight and that of our own.

It was brought out in the hearings by the Ways and Means Committee of the House that there were eggs to the value of $2,602,352 imported from China during the year 1920. Eggs can be produced in China at from 4 to 6 cents per dozen and can be sold here at 6 to 12 cents per dozen.

There are other countries from which eggs are imported, among which are Australia, Argentina, and others, all of which can produce eggs much cheaper than the United States. This is true because they can feed their hens much cheaper and can get girl labor at from $5 to $7 per month to care for their flocks. The same can be said of many other articles.

It is not the price that is put on the horse every time that prevents you from buying him, but the price that you have in your pocket. If the horse is priced at $10 and you have not the $10, you can not buy him. But if he is priced at $100 and you have the $100 you can buy. Destroy our tariff and you destroy our home market, destroy our home market and you destroy our prosperity.

It is a simple proposition. We had a creamery erected at our town, on the promise that the dairymen would patronize it and make it a success. For a while they did so and the matter went on all right. But soon some of the large creameries from a distance sent an agent into our town who began to pay more for the cream than the local men could pay and have a profit left. Thoughtless men began to sell to him, and soon the local creamery had to quit business. As soon as that was done prices began to go down in a hurry. It was not long till the gains were all gone and a loss sustained. This thing was repeated and again some stood ready to jump at the bait and suffered the same result. The same is true of the foreign and home markets. If we allow foreigners to come in and undersell us till they destroy our home markets, then they will use their opportunity and we shall have to pay for it.

My theory is to put our own house in order, produce all we can, use all that is necessary for home consumption, utilize our own capital, labor, and skill; then seek the best market possible for the surplus.

The main object of the Government is to promote the welfare of its citizens; not some of them but all.

Who are the real producers of the wealth of this country? There is no doubt about that; they are the tillers of the soil, the herdsmen, and the miners, chiefly. That means the men who labor in the heat and the cold, the rain and the sun, on the farm; the men who expose themselves to all kinds of weather in driving and herding their flocks of various kinds; and the men who go into the bowels of the earth and bring forth the various minerals and put them to man's use. The interest of those men should be safeguarded by an adequate tariff, properly adjusted.

"Truth crushed to earth will rise again." The once acknowledged tariff policy of our country is fast coming to the front again. The South, where once it was a crime to mention the tariff, is now fully awakened and is anxious to have its interests protected, that they may make their various industries profitable. They have had quite an experience in competing with foreign cheap labor and have realized the difficulty and now ask for a tariff, and are awake to its importance. Experience is the best teacher in the world. They have taken a course in its school. This fact is demonstrated by the organization of the Southern Tariff Association. Some of the best, most logical tariff arguments are made by men of the South, such men as Senators Broussard and Ransdell, of Louisiana, and John M. Parker, governor of Louisiana, besides many other able Members of the House on the Democratic side. The emergency tariff bill was supported by the following Democrats: Hudspeth, Parrish, Blanton, and Jones of Texas; Smithwick and Clark, of Florida; Dupré, Favrot, Martin, and Lazaro, of Louisiana; Lankford, of Georgia; and Deal, of Virginia.

At the first meeting of the Southern Tariff Association it passed a resolution, among other things saying:

Whereas it is apparent to even the casual observer of the trend of events that the present tariff laws will be revised and other laws enacted in their stead by the next Congress; this without reference to the result of the impending election; and

Whereas it is likewise apparent that such laws will be formulated as to result in the collection of huge sums of money, in the form of revenue, to satisfy the demands of Government and to supplant in large part the funds now realized from the payment of income and other direct taxes, and such policy will result in the fixing of heavy tariffs upon most, if not all, commodities; and

Whereas it has been established to our thorough and complete satisfaction that the various industries of the South are facing imminent ruin by reason of being compelled to compete with foreign producing countries, where the wages of labor are pitiably low and the cost of production comparatively slight, and are, therefore, in need of a tariff designed to compensate for the difference in the cost of production in this country and that in foreign countries; we especially direct attention of Congress to the importation of vegetable oils from the Orient and other foreign countries as the direct cause for the reduction in prices of cotton seed and peanuts below the cost of production to the producers and manufacturers of this Nation, who suffer jointly, and we demand a tariff that will adequately protect these industries from foreign competition with cheap labor of the farm and factory of the countries named. We particularly direct attention to this menace on account of the proportion, reaching, as it does, practically every farm in the South.

Whereas it is evident that unless a compensative tariff shall be levied, the southern producer must necessarily go out of business, to the certain ruin of those engaged in agricultural and other lines of production in the South, and to the manifest injury of the country at large: Now, therefore, be it

Resolved—

First. That we pledge this association and all the organizations and individuals who are members thereof to do all within our power to properly place before the United States Tariff Commission, before the Ways and Means Committee of the House and the Finance Committee of the Senate, and before the Members of the House of Representatives and Senate of the United States the facts bearing upon the cost of production in this country and abroad, and all such facts as may be properly taken into consideration in the fixing of a tariff, to the end that such tariffs may be placed as will enable the southern producer to continue in business and to reap a reasonable profit as a result of his thrift and endeavor.

Second. That we earnestly request all of those interested in the production of southern products and all of its industrial leaders, and those interested in the prosperity of the South, to do all in their power to further the subjects herein expressed.

Third. That we particularly call upon the Members of the United State Senate and House of Representatives from the South to do all in their power to see that southern products receive the benefits incident to the levy of such duties as are herein indicated: Be it further

Resolved, That in the levying of tariff duties this organization is unalterably opposed to discrimination as between occupations, citizens, or sections of the United States; that it does not ask for favors in any form, but opposes favoritism in all its forms.

Why dally with fundamentals? Acknowledge their value and profit by their use. Pass a general tariff bill as soon as possible, that business may be revived and the people relieved.

I want to emphasize the importance of safeguarding and protecting the producers of our country. It is said by some that that would be class legislation. It would not. Legislation that will benefit the producers of our country is in the interest of every man, woman, and child in the land. No class can prosper long unless the producers succeed.

Upon them must depend the success and prosperity of our country.

The policies by which the manufacturers will be manufacturing, the producers producing, and the laborers laboring and buying the necessaries of life are policies by which the country will prosper.

Let us have it.

WILL THE NATION RETREAT?

Mr. SHELTON. Mr. Speaker, Will the Nation retreat? After 138 years of devotion to duty shall it falter? Many clouds of darkness have enveloped it, many troubles that try the very souls of men have confronted it, but the spirit that led the forefathers to that victory which has ever filled the hearts of men and women that love justice has ever been present to guide the people aright.

Difficulty after difficulty has been overcome, victory after victory has been won, and after nearly a century and a half triumphing over obstacles and winning in every contest, shall we retreat? Can anyone, looking through the cycles of time, fail to see the hand of Divinity directing the destiny of this Nation?

The people of this country have a right to congratulate themselves upon having such a body of men as they did to lay the foundation of human happiness. Never in the history of the world was there a greater body of men than those who wrote the Declaration of Independence and the Constitution of the United States of America. Endowed with the highest and most exalted ideals that men ever possessed, they set their goal high and have never yielded to any difficulty that lay in the way of its achievement.

They were the first to hold that all men are created equal, in that they have a right to life, liberty, and the pursuit of happiness. They, therefore, declared themselves free from any power that denied those rights. The world knows the results.

ADOPTION OF THE CONSTITUTION.

After adopting a Constitution that guarantees the citizens of this country the greatest privileges of any people in the world, they proceeded to move forward in the world to higher planes. One achievement after another followed, one of which deserves special mention—the liberation of the slaves. That was another step toward the fulfillment of the declaration—

that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness.

After having liberated the slaves, and while meditating upon the great achievement, they realized that none were really free; that there was still a power that held the human family in

subjection. The great Lincoln, after seeing the shackles fall from the hands of the slaves, said:

I prophesied 25 years ago that the day would come that there would not be a slave or a drunkard in the land. I have seen the first part come true.

The power referred to was King Alcohol. Many tyrants ruled by the sword and the guillotine, but King Alcohol ruled by feeding the appetite while entwining the individual with a chain of irresistance. The tyrants slew by the hundreds and by the thousands, while King Alcohol has slain his subjects by the millions.

Time works wonders. The people were slow to awaken, but once awakened they never slept till John Barleycorn was entombed. The same spirit that drove back the British forces and liberated the American people, knocked the shackles from the hands of the slaves, and put John Barleycorn in the tomb has put the women of our country in their rightful places among men, and is going on conquering and to conquer but never to be conquered. Will the people who have wrought such wonderful works and placed the American people on the highest plane of civilization that has ever been attained in all the world now retreat?

They tell us that prohibition is unconstitutional and can not be enforced, and to prove it they give instances where the traffic is going on. If that justifies the people in saying that we can not enforce prohibition and that we should not try, we had just as well throw the statutes in the fire and quit. The same reasoning will apply to murder, robbery, arson, rape, forgery, and all other crimes. Is any crime entirely eliminated by law? Can any law be strictly enforced? Not one. Would anyone say that because we could not perfectly enforce the law against the various crimes of the country that we will repeal them? Surely not, and this applies to the prohibition law the same as to other laws.

Why say prohibition is unconstitutional? Some say that it conflicts with Article IV of the amendments of the Constitution. Many say that it does not. Suppose it does; how does it agree with Article XVIII? No one can possibly say that it conflicts with that. When was Article IV adopted? In 1791. When was Article XVIII adopted? In 1919. Then which prevails? Section 3 of Article I of the Constitution provides that—

The Senate of the United States shall be composed of two Senators from each State, chosen by the legislature there.

Article XVII provides—

That the Senate of the United States shall be composed of two Senators from each State elected by the people thereof.

Is Article XVII binding? No one disputes that it is. Neither can they logically say that Article XVIII is not binding.

WHAT HAS PROHIBITION DONE?

It has dispensed with the obnoxious saloons, done away with the custom of public treating to drinks, removed the various cures for drunkenness, reduced the number of insane, put clothes on the little children's backs, food in their mouths, shoes on their feet, reduced drunkenness, lifted many heavy burdens from the backs of mothers, and elevated the minds of the youths of our country.

Before prohibition was adopted there were 20,000,000 drinkers. The number who have stopped regular drinking is 17,500,000; the number who still drink is 2,500,000; of this number only 1,000,000 are regular drinkers. The amount of liquor both legally and illegally used last year was 80,000,000 quarts, or a little less than three-fourths of a quart per capita. In 1917 the per capita consumption was 20 gallons.

This certainly is a good showing for two years under prohibition. Everybody knows that the prohibition law is not properly enforced; neither can it be until the forces who are in control of enforcement get thoroughly organized. No one could expect a better showing for the time that we have been under prohibition.

Does anyone want to go back to the saloon, with all that it means? Do you want to erect new Keely cures, add numbers to the insane asylums, bring back the darkness to those who have been permitted to see the gloom pass with the hope that they were to be permitted to enjoy life unclouded by drunken debauchery?

The claim is made by some that the Government is depriving them of their liberty. There are certain liberties that have been recognized heretofore that should be taken away. When any liberty that has been granted becomes destructive of human happiness and national prosperity, it should be removed. How does civilization advance? Only by learning what to do and then doing it. It was never intended that one should have liberties that deprived others of all that they hold near and dear in life. Liberty should be a just liberty, and not one that robs little children of their just dues and mothers and fathers in their old days of all that is dear to them.

There is no good reason why the expenses of enforcement should not be largely borne by the collection of fines and sales of property that was seized at the time of making arrests of violators, since the report of Mr. Haynes, the prohibition commissioner, say that there were seized 600 automobiles, 40 boats, 26 wagons and carriages, 45 horses and mules, 1 airplane, 5 motor cycles, $7,500, 10 tracts of land, and 7 stocks of merchandise, all of which, under certain restrictions, can be sold and the money paid into the Government funds.

Only 15 per cent of the former drinkers are now drinking, and they drink only 5 per cent of the amount that was formerly consumed, and the entire drink bill has been decreased $2,000,000,000, all for the betterment of humanity.

What does retreat mean? It means ragged, hungry, cold, uneducated, poverty-stricken, humiliated children; sending the mothers back to the washtub; a disrupted home; it stops many jewels from meeting their glad father at the gate with outstretched arms and a smiling face; it stops the proud smile of the father from meeting the reciprocating smile of the elated mother. If you favor these things, hoist the white flag and beat a retreat. If you do not favor a retreat, fling Old Glory to the breeze, sound the order to march, stop at no difficulty, scale the height of honor, plant the Stars and Stripes upon mount eminence, there to wave forever.

History teaches us that the first temperance society that was ever organized in America, I presume the first in the world, was organized in 1826 at Boston, known as American Society for the Promotion of Temperance. Several years later (1840) six men who knew the evils of the vice of intemperance, from their own personal experience, met in Baltimore, signed a total abstinence, and founded the Washington Temperance Society. That movement did immense good and restored, it is said, a hundred and fifty thousand drunkards to the manhood they had lost through drink. Since then a great change has come over society; "strong drink" still slays its thousands in the United States and elsewhere, but the young man beginning life now has this in his favor; all the best influences are on the side of temperance—70 years ago nearly every influence was on the other side. To the great credit of Maine, in 1846, it established prohibition, the first State to take such a step.

It is said by those who oppose the prohibition law that it is a bad law. How do we test the value of laws? It is said enforce a law and if it is a good law retain it. If it is a bad law repeal it. Give that test to the prohibition law, then if it proves worthless it can be repealed. As much as I favor the law, I will be willing to say that if it is properly enforced and proves detrimental I shall gladly aid in its repeal. But I am not willing for the lawless to declare it is a bad law and ignore or repeal it. No man has a right to claim that he is a good citizen and at the same time ignore and violate the laws of his country after they have been upheld by the higher courts of the land.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the volunteer officers' retirement bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. HICKS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the accomplishments of the Washington conference.

The SPEAKER. Is there objection?

Mr. GARNER. I did not hear the gentleman's request, on what subject?

The SPEAKER. On the accomplishments of the Washington conference.

Mr. LONGWORTH. Is it an eloquent speech?

Mr. HICKS. Very.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The extension of remarks referred to are here printed in full as follows:

Mr. HICKS. Mr. Speaker, of the many important achievements of President Harding's administration, the one which is destined to be most beneficial to America and to all humanity was the inception of the Washington conference. That alone justifies popular approval and public confidence in his administration, and warrants the enthusiastic support of the American people.

Skeptics may belittle the lofty idealism and scorn the noble altruism so strongly voiced at the conference and so cogently expressed in the treaties, yet as President Harding eloquently said in welcoming the delegates:

It is impossible to overappraise the importance of such a conference. It is no unseemly boast to declare that the conclusions of this body will have a signal influence on all human progress—on the fortunes of the world.

All honor is due President Harding and he deserves well of history. Honor is due him not merely because he is the Chief Executive of the Nation which summoned the conference. It is due him because of his unquestioned earnestness and his abiding faith; because of his sympathetic appeal to human consciousness and his calm determination that the peoples of the world should find a fulfillment of their hopes and aspirations. He had the courage of his convictions to chance the possibility that his policy would prove a failure and in the chaotic conditions prevalent in the world, that chance was not remote. His unselfishness and frankness created a feeling of good will and mutual confidence, allaying old suspicions and prejudices. As the delegates saw him, heard him, and came to know him, they trusted him. Then they began to trust one another. In such an atmosphere men's minds can meet without fear or distrust. It has been truly said:

But for the President's sincerity and charm, it may well be doubted if they would have met at all. The conference was the triumph of an ideal and of good will, and Mr. Harding, of all those present, best represented in his person and his character, the American conscience and the American spirit that made it possible and successful.

The exceptional intellectual powers and high statesmanship of Secretary Hughes were never more brilliantly displayed than in the masterful presentation of his subject on the opening day of the conference, so aptly described by Mr. Balfour as "that inspired moment, that fateful Saturday, unique in history." His logic of argument directness of statement, and straightforward avowal of the aims of the convention, and his candid advocacy of the methods by which they could be attained made a profound impression and gave to the deliberations a standard of thought that continued undiminished through all the meetings. His address possessed three elements of greatness—soundness of principle, simplicity of program, and consistency in proclaiming that all international relationships must rest on honor and justice. Who can forget those words of Mr. Hughes in which he declared:

We can no longer content ourselves with investigations, with statistics, with reports, with the circumlocution of inquiry. The time has come, not for general resolutions or mutual advice, but for action.

The conference wrought a complete reversal of the accepted practice of the organized efforts of man. Formerly the extreme expression of voluntary cooperative endeavor has been in the direction of making war. This conference inaugurated a new phase in international relationships, where nations met for the organized purpose of curtailing their power to make war.

The convention has been spoken of as the Battle of Washington and pictured as the greatest naval conflict in all history. It was the most expensive and the cheapest; it heralded the grandest victory and proclaimed the worst disaster. All the nations involved in the conflict were triumphantly defeated and the commanding officers congratulated each other on the result. This naval engagement, which witnessed the destruction of more ships and of greater value than were ever sunk in any war, was fought on dry land, without a shot fired, a life lost, or a flag hauled down. All were victors; all were losers.

The purposes for which the conference met were to reduce and limit armaments and remove the causes of misunderstanding in the Pacific and Far East, thereby diminishing, if not eliminating, the possibilities of a conflict in that portion of the world.

It is well to bear in mind that the inauguration of huge military programs is very largely the result of a state of mind in which the expectation of an attack by one nation prompts another nation to prepare to meet that attack. Such a condition arises largely because of suspicion, and powerful armaments result. Remove apprehension by a common understanding; replace fear by friendship and the need of great military power disappears. The rule of conscience and reason, not the reign of might and hate, should dictate the actions of nations.

To estimate correctly the character and value of these several treaties, resolutions, and formal declarations they should be considered as a whole. Each one contributes its part in combination with the others toward the establishment of conditions in which peaceful security will take the place of preparation for war.

These covenants do more than save the expenditure of vast sums of money; they do more than lighten the burden of staggering debts; they do more than stabilize economic conditions. They go to the very source of international morality and to the hearts of men. They transmute idealism into a concrete proposition, reconcile theory with fact, and vitalize into reality the dream which poets, reformers, and publicists have held before mankind as the goal to which human endeavor should aspire. That goal is peace, fellowship, respect, and honor between nations.

In addition to the tangible results, the conference demonstrated that this method of dealing with world affairs is feasible and practical. It showed that it is a better plan to talk about things than to fight about them, and as this convention proved a success it is a beginning to be greeted with high hope, a fitting basis for future accomplishments.

The naval treaty of the five great sea nations and the four-power agreement achieve many things. They reduce armaments afloat, curtail new construction of capital ships and their armament, prevent ruinous competition in naval programs, and limit fortifications ashore. They retard battleship development, which in the minds of many is rendered obsolete by the advance of aviation. They lighten the stress of financial strain and ease the burden of taxation. They turn our national energies and our resources into the channels of development instead of hurling them into the abyss of destruction. They divert men's minds and actions from proficiency in the arts of war to productivity in the fields of peace. They open up a new phase in the Pacific by destroying an old situation which was full of danger. They create an association of four nations in place of the Anglo-Japanese alliance and they will eventually replace the Franco-Japanese compact. They provide for peace in the Pacific by mutual pledges of the powers to respect the territorial integrity of each. They invite frank consideration and amicable adjustment of controversies. They bar discussion of the Pacific as the scene of a new conflict. They quiet the agitation of the militant element in their weighing of Japanese power against American strength. They bring about, after three centuries of naval superiority, the surrender on the part of the British Empire of the supremacy of the seas. They will give to America in less than a decade and without an enormous outlay of money, naval strength equal to that of Great Britain.

With the ratification of the naval treaty, certain achievements can be measured with accuracy. On the financial side alone its justification is sufficient. There is now under steam or on the ways in the navies of the five great sea powers a capital ship tonnage of 3,341,567. When the treaty shall stand fulfilled there will be 1,811,590 tons of first-line fighting vessels, a discard of 44 per cent, and this tonnage will be reduced to 1,715,000 when replacements are completed. That a reduction in Federal expenditures will result and Navy budgets no longer demand an abnormal proportion of our national wealth is inevitable. By the provisions of the treaty a total of 29 American battleships, built or building, will be scrapped. The signing of the naval treaty met with a quick response in the American Congress in the consideration of naval appropriations for the year ending June 30, 1923, as a comparison of the following figures will demonstrate:

Appropriations for year 1921–22	$426,000,000
Probable appropriations for year 1922–23	275,000,000
Reduction	151,000,000

Great Britain and Japan have also materially reduced their naval budgets.

With the ratification of the four-power treaty, dealing with far eastern questions, any real or imaginary cause for war in the Pacific between the great sea nations will disappear. An agreement satisfactory and honorable to all concerned, neither infringing the rights or alienating the territories of any signatory nation, has been entered into, and it is inconceivable that during the life of the treaty any conflict of interests can lead to war.

Let America and every nation party to the compacts faithfully and honorably observe the spirit as well as the commitments of these treaties, and thereby contribute to international confidence and promote the peace of the world.

Permit me to read this statement from a great educator, a prominent citizen of my State, a noted publicist, and a profound student of world affairs, the president of Columbia University:

If President Harding's administration were to rest its claim of public satisfaction and confidence upon the Washington conference alone, it would be justified. The calling and the conduct of that conference by President Harding marked a long and thoroughly practical step forward, not only in reconstructing a world broken and impoverished by war but in preventing the likelihood of future wars. The Washington conference was a sternly practical body. It dealt not with remote probabilities and theoretical problems but with concrete realities with which the nations were face to face. First of all, it met in an atmosphere and spirit of mutual confidence. From the first personal and national antagonisms and jealousies were put in the background and almost every advanced step that was proposed was quickly hailed with approval by the representatives of the participating powers. The details of the several projects as outlined were worked out in patient cooperation and with the strong purpose of achieving results. The consequence is that at once Great Britain, Japan, and the United States are able sharply to reduce their appropriations for naval construction and naval maintenance, thereby greatly relieving the tax-

payer. Other nations will quickly take similar steps. If what is vaguely called the problem of the Pacific should arise in any acute form, agreement has been made as to a mode of approaching and solving that problem in a spirit of confidence and peace rather than in a spirit of antagonism and war. The great congeries of peoples and local governments known as China has been protected against exploitation by alien forces and given a new chance to establish itself upon a firm basis as an independent and self-controlled State.

In human affairs progress is made not by passing resolutions but by taking action. The Washington conference took action, and therefore it made progress.

A great deal remains to be done, and in that the United States must play, in its own interest and in accordance with its own ideals, a very important part. The Washington conference has paved the way for what is to follow by manifesting a spirit of international confidence and cooperation and by proving how much that spirit can accomplish.

NICHOLAS MURRAY BUTLER.

Mr. Speaker, no more fitting conclusion to this review of the treaties can be expressed than by quoting the inspired words of the President in congratulating the delegates on their work:

This conference has wrought a truly great achievement. It is hazardous sometimes to speak in superlatives, and I will be restrained. But I will say, with every confidence, that the faith plighted here to-day, kept in national honor, will mark the beginning of a new and better epoch in human progress.

In the revealing light of the public opinion of the world, without surrender of sovereignty, without impaired nationality or affronted national pride, a solution has been found in unanimity, and to-day's adjournment is marked by rejoicing in the things accomplished. If the world has hungered for new assurance, it may feast at the banquet which the conference has spread.

It has been the fortune of this conference to sit in a day far enough removed from war's bitterness, yet near enough to war's horror, to gain the benefit of both the hatred of war and the yearning of peace. Too often heretofore the decades following such gatherings have been marked by the difficult undoing of their decisions. But your achievement is supreme because no seed of conflict has been sown, no reaction in regret or resentment ever can justify resort to arms.

It little matters what we appraise as the outstanding accomplishments. Any one of them alone would have justified the conference. But the whole achievement has so cleared the atmosphere that it will seem like breathing the refreshing air of a new morn of promise.

You have written the first deliberate and effective expression of great powers, in the consciousness of peace, of war's utter futility, and challenged the sanity of competitive preparation for each other's destruction. You have halted folly and lifted burdens, and revealed to the world that the one sure way to recover from the sorrow and ruin and staggering obligations of a World War is to end the strife in preparation for more of it, and turn human energies to the constructiveness of peace.

No intrigue, no offensive or defensive alliances, no involvements have wrought your agreements, but reasoning with each other to common understanding has made new relationships among governments and peoples, new securities for peace, and new opportunities for achievement and attending happiness.

Here have been established the contacts of reason, here has come the inevitable understandings of face-to-face exchanges when passion does not inflame. The very atmosphere shamed national selfishness into retreat. Viewpoints were exchanged, differences composed, and you come to understand how common after all are human aspirations; how alike, indeed, and how easily reconcilable are our national aspirations; how sane and simple and satisfying to seek the relationships of peace and security.

When you first met I told you of our America's thought to seek less of armament and none of war; that we sought nothing which is another's, and we were unafraid, but that we wished to join you in doing that finer and nobler thing which no nation can do alone. We rejoice in that accomplishment.

NOTES ON THE TREATIES.

The treaty for the limitation of naval armaments contains the following provisions:

The number and total tonnage of capital ships to be retained is as follows:

	Number.	Tonnage.
America	18	525,850
Great Britain	22	580,450
France	10	221,170
Italy	10	182,800
Japan	10	301,320

Article II provides that when the treaty becomes effective all other capital ships than those named in the treaty "built or building" by the five powers shall be scrapped.

Article III constitutes an agreement by the powers to abandon their respective capital-ship building programs and neither to build nor acquire any new capital ships except under the replacement agreement.

Article IV is the naval ratio agreement, and it gives in standard displacement tonnages the aggregates for capital ship replacement as follows:

	Tons.	Ratio.
United States	525,000	5
Great Britain	525,000	5
France	175,000	1.75
Italy	175,000	1.75
Japan	315,000	3

The powers agree not to exceed these aggregate tonnages.

Article V fixes 35,000 tons as the maximum for any capital ship.

Article VI provides that no ship shall carry a gun exceeding 16-inch caliber.

Article VII fixes the total tonnage of aircraft carriers as follows: United States and Great Britain, each 135,000; France and Italy, each 60,000; Japan, 81,000.

Article IX fixes the limit of each aircraft carrier to 27,000 tons, but by a special exception the contracting powers are permitted to build not more than two aircraft carriers of a tonnage not to exceed 33,000. In order to effect economy, the scrapping of capital ships as provided for in Article II is qualified by granting permission to any of the contracting powers to use for the purpose of constructing aircraft carriers any two of their ships, built or building, which otherwise would be scrapped, providing these ships do not exceed 33,000 tons.

Article X limits the size of guns that aircraft carriers may carry to 8 inches and limits the number to 10 for a 27,000-ton carrier and to 8 for a 33,000-ton carrier.

Article XII provides that no vessel hereafter laid down, except capital ships, shall carry guns in excess of 8-inch caliber.

Article XIII provides that no vessel which is liable to be scrapped shall be reconverted into a warship.

Article XIV provides that no preparations shall be made on merchantmen in time of peace for the purpose of converting such vessels into warships "other than stiffening the decks for mounting guns not exceeding 6-inch caliber."

It is laid down that warships to be scrapped must be treated so that they "can not be put to combatant use." The scrapping may be effected by sinking, breaking up, or conversion into targets.

It is also provided that, with the exception of ships lost or accidentally destroyed, no replacement tonnage shall be laid down until 10 years after November 12, 1921. This is the so-called naval holiday.

Article XIX provides that the present situation in the Pacific in reference to fortifications or naval bases shall be maintained. In relation to these fortifications, the United States has agreed not to extend the fortifications of the Philippines and not to begin land works in Guam, Samoa, the Aleutian Islands, nor in any other Pacific possession with the exception of Hawaii. Japan on her part has agreed not to extend the fortifications in her island possessions, and Great Britain has similarly agreed not to fortify Hongkong further.

The treaty provides that all these stipulations shall remain in force until December 31, 1936, and if none of the powers have given notice two years before that date of their intention to terminate the treaty it shall continue in force until the expiration of two years from the date notice is given.

The treaty relating to insular possessions in the Pacific (four-power pact) provides that for the preservation of the general peace and the maintenance of national rights, if there should develop between any of the high contracting parties a controversy arising out of any Pacific question and involving their said rights which is not satisfactorily settled by diplomacy and is likely to affect the harmonious accord now happily subsisting between them, they shall invite the other high contracting parties to a joint conference to which the whole subject will be referred for consideration and adjustment.

If the said rights are threatened by the aggressive action of any other power, the high contracting parties shall communicate with one another fully and frankly in order to arrive at an understanding as to the most efficient measures to be taken, jointly or separately, to meet the exigencies of the particular situation.

MEMORIAL EXERCISES.

Mr. MONDELL. Mr. Speaker, as I understand it, the House will be in session to-morrow at 12 o'clock for the purpose of holding special services.

The SPEAKER. The House will meet in session at 12 o'clock to-morrow for the purpose of holding memorial exercises.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 40 minutes p. m.) the House, under its previous order, adjourned until to-morrow, Sunday, May 28, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

619. Under clause 2 of Rule XXIV, a letter from the Acting Secretary of the Navy, transmitting a draft of a bill for the relief of the Royal Italian Government for losses sustained by collision of the tug *Mahorney* with the barge *Anode*, was taken from the Speaker's table and referred to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. NEWTON of Minnesota: Committee on Interstate and Foreign Commerce. H. R. 11634. A bill granting the consent of Congress to the county of Norman and the town and village of Halstad, in said county, in the State of Minnesota, and the county of Traill and the town of Herberg, in said county, in the State of North Dakota, to construct a bridge across the Red River of the North on the boundary line between said States; without amendment (Rept. No. 1037). Referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. NEWTON of Minnesota: A bill (H. R. 11822) to amend the interstate commerce act and the transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. VAILE: A bill (H. R. 11823) to amend section 402 of the war risk insurance act; to the Committee on Interstate and Foreign Commerce.

By Mr. MADDEN: Joint resolution (H. J. Res. 339) making available funds for repairing and restoring levees on the Mississippi River above Cairo, Ill.; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DUPRÉ: A bill (H. R. 11824) to place John R. Harrell, of New Orleans, La., on the retired list of the Navy, with the rank of lieutenant; to the Committee on Naval Affairs.

By Mr. LANHAM: A bill (H. R. 11825) authorizing the removal of the restrictions from 40 acres of the allotment of Isaac Jack, a Seneca Indian, and for other purposes; to the Committee on Indian Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5821. By Mr. ANSORGE: Petition of Knickerbocker Chapter, Daughters of the American Revolution, New York City, urging passage of H. R. 6774, asking that Yorktown, Va., be made a national park; to the Committee on Military Affairs.

5822. By Mr. GERNERD: Petition of evidence in support of H. R. 11810, granting an increase of pension to A. Laurie Nicholson; to the Committee on Pensions.

5823. By Mr. KNIGHT: Resolutions adopted by Summit Lodge, No. 203, International Association of Machinists, of Akron, Ohio, demanding the United States Government recognize the present Russian government; to the Committee on Foreign Affairs.

5824. By Mr. KISSEL: Petition of the Bank of America, New York City, N. Y., urging the reappointment of Hon. W. P. G. Harding governor of the Federal Reserve Board; to the Committee on Banking and Currency.

5825. Also, petition of Martin J. Gillen, New York City, N. Y., relative to the Morse case; to the Committee on the Judiciary.

5826. By Mr. SUMMERS of Washington: Resolutions indorsing House bill 9753, adopted by the Presbytery of Columbia River, South Bend, Wash., signed by Ernest A. Reed, presiding officer, and Grant Merchant, secretary; to the Committee on the District of Columbia.

5827. Also, resolutions adopted by the Central Washington Presbytery, Naches, Wash., signed by Daniel S. Brown, secretary, indorsing House bill 9753. Senate Joint Resolution 31, and House Joint Resolution 131; to the Committee on the Judiciary.

5828. By Mr. SWING: Petition of various citizens of Chino, Calif., protesting against House bill 9753; to the Committee on the District of Columbia.

5829. By Mr. VARE: Memorial of the Pennsylvania State Chamber of Commerce, asking passage of amendment providing for taxation of State and municipal securities; to the Committee on Ways and Means.

5830. By Mr. YOUNG: Resolution of the North Dakota State Federation of Labor, urging reclamation in the Mississippi and Missouri Valleys; to the Committee on Flood Control.

HOUSE OF REPRESENTATIVES.

SUNDAY, *May 28, 1922.*

The House met at 12 o'clock noon, and was called to order by Mr. MONTAGUE as Speaker pro tempore.

Rev. Page Milburn, of Washington, D. C., offered the following prayer:

Lord, Thou hast been our dwelling place in all generations. Before the mountains were brought forth, or ever Thou hadst formed the earth and the world, even from everlasting to everlasting, Thou art God.

Thou art our God. We worship Thee, and we come to Thee with our prayer this morning that Thou wilt manifest Thy presence and power and grace unto every heart. And as we remember one who gave himself in service to humanity and to the State, we ask that Thy blessing may rest upon those who take part in this service and upon all who shall hear the words spoken, and that to each heart there may come inspiration to go out and serve the Nation, serve the people, and in doing so serve the Almighty God, the Father of us all.

And as we remember those who gave their lives to preserve the Union, who laid down at the feet of the people and of the Nation all that they had and all that they were, and as we shall in a day or two strew upon their graves flowers of beauty and of fragrance, may we remember their lives, and dedicate our lives again unto the service of this great country and of the world.

We ask of Thee that Thou wilt forgive us all our sins, for we have fallen far short of the glory of God. Fill us with the inspiration to do that which is right and pleasing in Thy sight. May we be what Thou wouldst have us be, and do what Thou wouldst have us do, and go where Thou wouldst have us go; and after this life is over may we look forward to that other service at the right hand of God. Through Thy Son who taught us to pray and taught us to exalt Thee.

And may the blessing of the Father, and of the Son, and of the Holy Ghost rest upon and abide with us all evermore. Amen.

The SPEAKER pro tempore. Without objection the reading of the Journal will be deferred.

There was no objection.

THE LATE REPRESENTATIVE FLOOD, OF VIRGINIA.

The SPEAKER pro tempore. The Clerk will report the special order of the day.

The Clerk read as follows:

On motion of Mr. MONTAGUE, by unanimous consent,

Ordered, That Sunday, May 28, 1922, be set apart for addresses on the life, character, and public service of Hon. HENRY D. FLOOD, late a Representative from the tenth district of the State of Virginia.

Mr. TUCKER. Mr. Speaker, I offer the following resolution.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 356.

Resolved, That the business of the House be now suspended that an opportunity may be given for tributes to the memory of Hon. HENRY DELAWARE FLOOD, late a Member of this House from the State of Virginia.

Resolved, That as a particular mark of respect to the memory of the deceased, and in recognition of his distinguished public career, the House, at the conclusion of these exercises, shall stand adjourned.

Resolved, That the Clerk communicate these resolutions to the Senate.

Resolved, That the Clerk send a copy of these resolutions to the family of the deceased.

The resolution was agreed to.

Mr. TUCKER. Mr. Speaker, HENRY DELAWARE FLOOD was born on the 2d day of September, 1865, in the county of Appomattox, Va., and died December 8, 1921, in the city of Washington. His early education was acquired at local schools in his own county, after which he attended the academic department of the Washington and Lee University, and subsequently graduated in law at the University of Virginia.

His father was Maj. Joel W. Flood, who himself was a citizen of Appomattox County all of his life and the member of a family which had been long noted for its probity and high standards of life. His mother was a daughter of Hon. Charles James Faulkner, of Martinsburg, W. Va. She was a woman of many charms and had been reared in an atmosphere of refinement and culture. Her maternal grandfather was Elisha Boyd, of Berkeley County, who himself had occupied a prominent position in that county for many years.

Mr. FLOOD graduated in law at the University of Virginia on June 30, 1886, and at once began the practice of his profession in the county of Appomattox, which he continued actively to the day of his death, except for the interruptions which an active

political life necessarily brought. Soon after he was admitted to the bar he was elected to the General Assembly of Virginia, in 1887, and so strong was his hold upon the people of his county that, I think, he held office continuously from that time to the day of his death, in 1921. He was Commonwealth attorney of his county for nearly 10 years, serving with ability and efficiency, and was elected, after he had served several terms in the General Assembly, to the Senate of Virginia from the district composing the counties of Appomattox, Buckingham, and Fluvanna. In 1896 he was nominated for Congress at Amherst Courthouse by the convention of the tenth district of Virginia. In this election he suffered defeat, but in 1900 he was again nominated for Congress, and held that position, practically without opposition in his party, from that day to his death.

He was chairman of the Committee on Territories of this House and the author of the resolution admitting Arizona and New Mexico to statehood. He was chairman of the Committee on Foreign Affairs from January, 1913, to March 4, 1919, and April 2, 1917, introduced the resolution declaring a state of war to exist between the United States and the Imperial German Government, and on December 5, 1917, the resolution declaring war on the Imperial and Royal Austro-Hungarian Government. During the war, as chairman of this great Committee on Foreign Affairs, his duties were most onerous and exacting, and no committee of the House was concerned with greater or more important problems than that over which he had the honor to preside. He was a member also of the Virginia constitutional convention which assembled in 1902. He was a member of the Virginia debt commission, involving the controversy between Virginia and West Virginia on the old debt, and in this work he was active and efficient, and lived to see the final adjudication of this question in favor of his native State determined by the Supreme Court of the United States. During the last year of his life he was elevated to the position of chairman of the Democratic Party of the State of Virginia, and he was also chairman of the Democratic national congressional committee. His life was, indeed, a full one, and in every position to which he was assigned he exhibited those qualities which distinguished him in life, great energy, untiring work, enthusiasm, and ability.

Mr. FLOOD was born at the close of the greatest revolution that had ever convulsed this country, and born at the spot where the immortal Lee surrendered the remnant of his unrivaled army; and he came to manhood in the midst of another great political revolution which was shaking the foundations of "the Old Dominion." He was, indeed, the child of revolution, and it had much to do in forming his character and accounting for the aggressive spirit which he exhibited to advantage so often in the field of politics. No man who can recollect the conditions in Virginia between 1865 and 1885 can wonder why such surroundings should produce men of the strongest fiber. The Confederate soldier returned home with broken fortune, often with broken health, to find the farm wasted, labor disorganized, and the newly enfranchised race wandering from place to place, aimlessly seeking the realities and joys of freedom, and usually finding none. Their condition was pathetic. How well I remember it as a boy, especially the older negroes, whose fidelity to master and mistress had never failed, now restless, roving aimlessly from plantation to plantation, going to town or to the courthouse, week by week and month after month, hoping to receive the long-promised 40 acres and the mule. The old negro soon became the toy of the carpetbagger, the plaything of the scalawag. These faithful, deluded souls passed the last days of their lives amid disappointments and delusions.

The younger class, more readily accepting the poisonous doctrines of the political intriguer, were taught and soon learned the lesson of distrust of their only friends, their former owners and masters; and when the fifteenth amendment accorded them the right of suffrage, they were led like sheep to the shambles and corralled by wicked and designing men for the perpetuation of untold indignities on the white people about them. In many places in the South, in many places in Virginia, of which Appomattox was one, and the adjoining counties, the voice of the whites was silent before the black majorities which existed in those counties. The Confederate soldier that climbed the heights of Gettysburg, or laid in the trenches at Petersburg, regarded those trials as trivial compared to those that now faced him in the struggle for the supremacy of a civilization which had been the glory of "Old Virginia" since her foundation. The contest might be long, but the issue could never be doubtful. That issue made every man a politician, for politics then meant the supremacy of white civilization over that of ignorance and corruption.

The father of our deceased colleague was a prominent actor in those days in the county of Appomattox. He was a man of commanding presence, great courage, and sound judgment. This one subject engrossed the attention of the people in all of their assemblies—at the church, before and after the service, at the courthouse, at the blacksmith shop, at the store. Every man communed with his neighbor and his friends. In the home, at the fireside, at the table, all subjects were as nothing compared with the threatened destruction of life, liberty, and property, which seemed impending. The child of the family, with its first flash of intelligence, became an interested listener and participated in the family discussions.

HENRY D. FLOOD was brought up amid these stirring times, and I remember him as a boy, and remember how the condition of his country had aroused his nature and made him in boyhood and early manhood a leader among his elders. The record of his life shows that he attained to many high distinctions, but I greatly doubt whether his services were ever more useful or effective than in the early days of his life, when he so unselfishly devoted his energies to the maintenance of white civilization in Virginia.

As I look upon the fair fields of Appomattox County to-day, as I travel through its bounds and compare them with the condition 35 years ago, the change has been marvelous. I recall my visits to that county years ago, while the struggle was still on and before the victory had been finally won. I recall the wasted condition of the farms, untilled and growing up in weeds and brush, the lack of suitable and necessary furnishing of the houses, the inefficiency of labor, the poor horses and indifferent cattle, the gully-washed land, and impassable roads. It made one realize fully "the abomination of desolation," spoken of in the Scripture.

Others who have served with him will speak of Mr. FLOOD's position as a Member of this House for nearly 22 years, and of his long service in the legislature of Virginia, but I believe the people of Appomattox, who knew him best and loved him well, when they come to consider his long record in public life will accord to him a more fruitful service to his people in his home county in the preservation of its ancient civilization than he has rendered in any other field of service.

In the last analysis, the best estimate of a man is found among his neighbors at home, and we find among the resolutions adopted at Appomattox after his death by the farmers assembled on the 17th day of December, 1921, a beautiful tribute to their deceased friend, and I ask attention to the resolutions passed at a mass meeting of the Democrats of Appomattox on the 28th of January, 1922. These resolutions were drawn by Hon. Samuel L. Ferguson, Mr. FLOOD's lifelong friend, and fittingly describe the admiration and affection of the author and the Democrats of Appomattox for Mr. FLOOD:

Whereas HENRY DELAWARE FLOOD departed this life on the 8th day of December, 1921; and

Whereas for more than 20 years this able, brave, and tender man in every storm of life was oak and rock, but in the sunshine was vine and flower. The friend of all heroic souls, he climbed the heights of great men, and where manhood's evening almost touches noon and while the shadows scarcely fell toward the east he wrapped the drapery of his couch about him and lay down to rest; and

Whereas it was by the Democrats of Appomattox County that he was first honored with a position of trust, and upon which he builded his great and marked career; and

Whereas the Democrats of Appomattox County, in mass meeting assembled, on this 28th day of January, 1922, to elect delegates to the district convention to nominate a successor to him in the Congress of the United States, desire to express their sorrow for his death and their appreciation for his life and service: Thereupon be it

Resolved—

First. That Appomattox has lost its ablest and most distinguished citizen, a man whose high character and upright life have been an example to his fellow men. Both as a Christian gentleman and as a citizen he so conducted himself throughout his life as to win from his countrymen a verdict of unstinted respect, honor, and praise. He loved his native county and countrymen and used his best efforts to further their every interest; he sympathized with the weak; was the friend of the poor; with a willing hand gave alms, and with a loyal heart and pure hands he faithfully discharged his duties as a good citizen.

Second. That in the death of HENRY DELAWARE FLOOD the Nation and his native State have lost one of its ablest and most influential statesmen, and the tenth congressional district, which he served with such marked distinction and patriotic fidelity for more than 20 years, its best-beloved public official, and one who dealt with them with such frankness and sincerity that he won their confidence, admiration, and esteem.

Third. That the Democratic Party of Virginia has lost an able chairman and leader, a wise and safe counsellor; that he virtually sacrificed his life in the service of his party, for it was while leading his party to the most successful victory it has had in the past 20 years, coupled with the strain of official duties and as chairman of the national congressional committee, that the bounds and limitations of physical endurance were broken and exhausted nature fell upon her shield; that the Democrats of Appomattox County will ever revere and cherish his services and memory, for it was largely through his efforts that this county was wrested from the grip of the common enemy and Negro domination, and "The flower we will lay upon his tomb is the forget-me-not, the emblem of enduring affection."

Fourth. That we deplore the loss of the great service which he so generously and unselfishly rendered to his county, State, and Nation.

Fifth. That the sincere sympathy of the Democrats of Appomattox County be extended to the family of our deceased friend in their great bereavement.

Sixth. That the secretary of this mass meeting send a copy of this resolution to the members of his family, and that a copy be spread upon the minutes of the Democratic county committee, and a copy published in the county paper.

To those who loved and admired him, to his family, his friends, and his neighbors, I extend my sincere and hearty sympathy in his death.

Mr. HARRISON. Mr. Speaker, HENRY DELAWARE FLOOD was born in Appomattox County on September 2, 1865, within a few miles of the historic battle field and a few months after the epochal event that transpired there. He was of distinguished parentage on both sides of his family. His father, Maj. Joel W. Flood, was a distinguished Virginian, who traced his ancestry from the Irish orator and patriot, Henry Flood. His mother was the daughter of the late Charles James Faulkner, who was conspicuous for many years in the national life. He was at one time ambassador to France under Buchanan's administration and served in both branches of Congress.

Major Flood evidently had a full conception of the responsibilities which must be faced by the then rising generation, and determined to give his son the advantages of scholastic training. HENRY DELAWARE FLOOD was an alumnus of both the great universities of Virginia, and by both in after life was he honored. Washington and Lee University conferred upon him its highest honorary degree, that of doctor of laws, and for eight years he was a member of the board of visitors of the University of Virginia, and as such rendered loving service to his alma mater during some critical years of her existence.

Born amid the embers of the ancient civilization which had made Virginia the mother of States and statesmen, reared amidst the chaotic scenes of the birth of a new era, inheriting from a long line of ancestry the hero spirit which faces battle with adverse elements with the determination to conquer, it is not surprising that we find him a leader in his section before he had hardly obtained his majority.

In 1886, as soon as he reached the age of 21, he begins the practice of law. In the next fall he enters political life and is elected to the General Assembly of Virginia. From that time on for 35 years he becomes more and more prominently identified with the political life of the Nation.

In 1896 he was the candidate of his party for Congress. Owing to a technical error he was under the letter of the law entitled to the certificate of election and by the State authorities it was tendered to him. He was, however, in fact, defeated by a few votes less than 100. Let it be recorded to his honor that he refused an honor which was his only by the letter of the law and not according to its true intent.

For eight years he was in the Virginia Legislature, for a number of years Commonwealth's attorney, and a member of the constitutional convention. In 1892 he was a presidential elector. From 1901 to 1921 a Member of the House of Representatives.

His career in the House of Representatievs was that of a trusted leader. When the Democratic Party controlled Congress he always headed one of the important committees. As chariman of the Committee of States and Territories he was the patron of the bill admitting Arizona and New Mexico to Statehood. Two stars in the American Flag were placed there by his untiring efforts.

It was as chairman of the Committee on Foreign Affairs that he played a great and commanding part. It was his duty to present the resolution declaring a state of war against Germany. In this crowded Chamber, with a listening world, he stated America's attitude upon entering the war with an eloquence and a completeness that left no room for criticism or hesitancy. In all the war measures that were rendered necessary, without faltering, without seeking favor, he used his great influence to secure the passage of all such measures that were the most efficient. Never a political trimmer, he led public opinion, so that the political trimmer in this great crisis was scourged from the temple. America owes him a great and lasting debt for the early triumph of her arms.

He became a leader in the councils of his party. He was chairman of the Democratic campaign committee and he was chairman of the Democratic State committee of Virginia, and as such led his party to its most notable victory in the last political campaign. A hard and persistent fighter, he never struck a blow below the belt. His political foes met a foeman worthy of their steel, but never one whom they feared to meet in the dark.

And so in the glory of his powers his career ended by his untimely death, beloved by a host of friends and respected and admired by all. He died with his armor on, battling for God and country at the time when in reclamation work the need of his country for devoted service was the sorest. The path to yet higher honors lay bright before him, but when the summons came he was still the Virginia chevalier, sans peur et sans reproche. He laid him down with the draperies of his couch about him to pleasant dreams, the honors of achievements past thick about his pillow, and earthly triumphs yet to come forgotten in the glories of his Savior's smile.

He was a successful business man and delighted especially in the farm. It is difficult to draw the screen that hides from the public gaze the domestic happiness of the public leader, but how beautiful his home life was we who were close and near to him were privileged to know. He married most happily on April 18, 1914, Miss Anna V. Portner, and was the father of two children. I shall not attempt to draw a picture of that lovely Virginia fireside where as husband and father he presided with fostering tenderness. Heaven furnishes no happier forerunner of the bliss to come than the home where love rules and no tears and partings are known.

I shall obtrude here but briefly my own personal loss. He was always ready to sacrifice his personal ambitions to the good of the common cause. But when he was a friend no one had a truer, more self-sacrificing support than he. There was no sacrifice that he would not make for his friend. I have been the recipient of too many instances of this not to bear my testimony to his unselfish heart.

We entered public life together. For eight years we served in the Virginia Legislature together. We came together again in the constitutional convention, and again we were brought into close association in Congress, and we were both in public life all the intervening years. I loved him with an affection superior to a brother's love. It is hard to bid farewell to earthly association with all its sweetness, but as I bid farewell I greet a memory immortal in its beauty, which will abide with me while my heart beats.

Mr. LINTHICUM. Mr. Speaker, in expressing myself upon the death of my esteemed and cherished friend, the Hon. HENRY DELAWARE FLOOD, I can find no better words than those found in the memorial address on the Hon. Champ Clark expressed by Mr. FLOOD himself, when he said, "I held his character and his great service to mankind and his country in the very highest esteem; I admired his splendid talents, his magnificent loyalty to principles and to friends, his courage, his lovable traits of character; and I was bound to him by ties of friendship which continually grew stronger."

It was at the first meeting of the Foreign Affairs Committee of the House of Representatives at the extra session called in April, 1911, that I met Mr. FLOOD. From then until the time of his death I served with him as a member of that committee, during six years of which time he was chairman of the committee, and during which six years the greatest questions which probably ever confronted that committee and Congress, those relating to the great World War, were met and disposed of with great dispatch and honor.

Mr. FLOOD was lovingly known by all of the Members of the House as "HAL" FLOOD; he was most affable, courteous, and gentlemanly; he represented the older type of the Virginia gentleman and planter. He was a lawyer by profession, but after he entered Congress he devoted his every energy and activity to the fulfillment of his duties as a Member of this House. Few men have been more conscientious in their obligations to their constituents and to the country; few have given greater time and study to the subjects which confronted them as a Member of Congress and as member and chairman of the Foreign Affairs Committee.

He was a student of international law and had given great study to those decisions and treaties which grew out of the relations between our country and foreign nations. Just prior to the war and during the war itself I was particularly gratified to find that we had a chairman who had given his time and attention to precedents which should rule us in our decisions upon the various questions that arose.

Prior to the war Mr. FLOOD endeavored to hold the committee and himself to strict neutrality, but when war was declared by our Government against the Central Powers his great ambition was to further those measures which would bring success to the American arms and those of our allies, to those measures which would shed luster and glory upon American achievements. His debates in the House were strong, well prepared, and con-

vincing; in every line of his remarks could be found that stern earnestness of purpose and honesty of intention.

Mr. FLOOD was a man of decision, and having decided, his every energy was put into action to carry into effect that decision. He was a Democrat, and being a man of the caliber I have described, he was a strong, militant Democrat. He believed in every man making his decision, and after making it to advocate it by every honorable means. He held no grudge against any man whose decision was different from his, but he never ceased to fight to make his prevail. He was a man of many friends, for whom he had the greatest love and admiration. He was willing to go out of his way to help them at any time, and I verily believe much of the interest he took in public life was because it enabled him to meet people and make friends, and by his manner and attachment to bind them more closely to him throughout life. He therefore left not alone in his own district nor even in the great Commonwealth of Virginia thousands of friends, but through his close connection and work in Congress they are scattered throughout the land.

I said he was a student of international law; that he was a trained Representative. I may add that his early training and education well equipped him for the positions which he afterwards attained in life. He was a graduate of the Washington and Lee University and the University of Virginia, a member of the Phi Beta Kappa fraternity and other fraternities, and held the degree of doctor of laws from the Washington and Lee University. He had served in both branches of the General Assembly of Virginia and had introduced and secured the passage of a law providing for a constitutional convention of that State and was a member of the convention. As a lawyer he held the high position of attorney for the Commonwealth for Appomattox County. It will be seen, therefore, that physically, mentally, and by education and training he was destined to the high position which he held in this the greatest parliamentary body in the world.

The hearts of all of us go out to his widow and children in their sad bereavement—a father cut off in the very prime of life when so many honors no doubt still awaited him. He has gone to his reward, his place in the hereafter is assured. He acted well his part in life and did those things which should entitle him to everlasting glory. Nothing we can say to-day will add one bit to his splendid character and great record of deeds done; he was just, he was considerate, he loved the right and hated the wrong. Death can not deprive him of the riches of service and self-sacrifice. Men who have so lived will never die, and as the years roll by and the works of this great Virginian are better known the greater will be the admiration of his countrymen.

Thou sleepest not; for now thy love hath wings
To soar where hence thy hope could hardly fly.

And often, from that other world, on this
Some gleams from great souls gone before may shine,
To shed on struggling hearts a clearer bliss
And clothe the right with luster more divine.

Mr. WOODS of Virginia. Mr. Speaker, HENRY DELAWARE FLOOD, whose life and achievements we here commemorate and whose death we mourn to-day, was the friend of my late brother since their college days, spent together at the University of Virginia, and later as coworkers in the general assembly. Our friendship, at the beginning thus inherited, with acquaintance ripened into an affectionate and lasting attachment.

If frailties exist in human character they became apparent to the fellow student and the fellow lawmaker, but our late friend's character so well stood this scrutinizing, unerring, trusty test of merit that without exception the friends of his college and legislative days were his friends always. This could not be said concerning one of less sterling worth or less deserving of friendship. No man had friends more devoted; no man more richly deserved them.

Perhaps his most marked characteristic was his zealous loyalty to the friends he loved and the causes he espoused.

He entered public life as a young man when Virginia was just emerging from the travail of misrule she had suffered since the Civil War. Political strife ran high. Those who had misruled through the power of an unrestricted and, in large measure, an ignorant electorate were clinging in desperation to their fading political power and resentful of the brave spirits who would wrest it from them. Crimination and recrimination were everywhere heard. Young FLOOD felt the State's call to service and with unflagging zeal and dauntless courage entered the lists and redeemed his section of the State, and from that time onward he actively engaged in practically every political contest.

His successes and achievements were not accidental, as is shown by his steady advancement. In fact, no really great life is an accident. In 1887, when but 22, he became a member of the General Assembly of Virginia and faithfully devoted 14 years of his life to that service. Ten years he served as Commonwealth's attorney, two years as a member of the constitutional convention—the most distinguished body convening in the State in the last half century—and closing his life as chairman of the dominant party in the State after a brilliant and triumphant campaign. He had lived to see the consummation of his labors with others on the State debt commission and the final settlement of a question which for 50 years had disturbed the State.

Looking back over his life of public service the people of the State he loved can say with peculiar emphasis, "Well done."

More than 20 years he served in Congress. Here likewise his service was able, fearless, and faithful, leading to his advancement finally to the chairmanship of the Committee on Foreign Affairs and of the national congressional campaign committee.

A man of positive character and conviction, he held hypocracy, dissimulation, and equivocation in contempt. There was never any doubt as to where he stood on public questions or when conflicts arose even between his friends. He was a partisan, but in the larger sense, because he felt that through his party he could best accomplish his patriotic purpose and best promote the highest interest of his State and Nation. He was a politician, but likewise in the larger sense, in that he recognized politics as the science of government whose highest, most beneficent aims can be achieved only by party organization. But above all he was a patriot. He loved Virginia and the Nation; and to him whatever seemed their highest welfare marked the pathway of his duty; and, however rugged, whatever the sacrifice, he followed it with rare zeal and unhesitating courage.

His broader patriotism is shown in his record as chairman of the Committee on Foreign Relations covering the period of the Wilson administration and the war. So considerate was he of the views of his fellow committeemen, including the minority, so well did he guide the course of the committee through that trying period, and so profoundly did he impress them with the loftiness of his purpose that there was never a division in his committee on partisan lines. This fact constitutes a tribute alike to his ability and his patriotism.

The same patriotic zeal, energy, and ability which first caught the attention of his fellow members in the general assembly and led to his election to Congress marked likewise his course in this body, where promotion followed promotion and brought to him in rare degree not only the esteem and confidence but in large measure the affection of his colleagues.

His friendship attachments throughout the State were strong, and deservedly so. His aggressiveness, his genius for organization, his lifelong public service, and his party zeal were so well recognized that when a year ago a vacancy occurred in the State chairmanship he was unanimously elected to fill the vacancy. Disregarding the warnings of his physician, his strenuous work in the campaign no doubt intensified the fatal malady that had fastened itself upon him and perhaps hastened his death.

He has joined that galaxy of most useful public servants, Senator Martin and Congressmen Jones, Watson, Saunders, and James, who were so lately his intimate confiding associates in public service, and whose recent passing has so bereft the State.

His public life was marked by candor, courage, and zealous patriotism. His private life was exemplary. He was faithful to home, to friends, to every trust, and ever exercised a thoughtful, tender devotion to his loved ones. To the graces of chivalry, urbanity, and gentle culture he added in full measure the fundamental—alas, so-called homely—virtues of speaking the truth, paying his debts, and dealing justly with his neighbor, without which no man can achieve true greatness. As with moistened eye we look back over his life of earnest devotion and achievement, and, above all else, see it crowned with a Christian character—the only thing worth living for, the only thing worth dying for, the only thing worth a true man's striving to attain—it gives us assurance that he lives again. To his family he has left the rich legacy of an untarnished name, and to his friends the priceless testament of a worthy example. I cherish with pride the memory of his friendship and shall ever feel keenly his loss. Virginia loved him, and so long as beats the great heart of the old Commonwealth will the bosoms of her children thrill with pride at the speaking of his name.

Green be the turf above thee,
Friend of my better days;
None knew thee but to love thee,
None named thee but to praise.

Mr. DREWRY. Mr. Speaker, the last time I delivered an eulogy on this floor little did I think that the man who sat just in front of me listening so courteously to my remarks on our mutual friend, Senator Martin, would so soon be gone and that it would be my sad duty to express myself concerning him. Such thoughts bring us nearer the Infinite, and I do not know but what it is the proper spirit in which to take part in these exercises. It is well to feel that the presence of our friends is about us, even though they have gone away. It is well, too, that we are allowed to speak our tribute of affection and friendship, even though they can not hear our grief-laden voices nor see our tear-dimmed eyes. Living we do not say to each other the things we would, and it is some slight compensation that we can voice our sorrow when we may hope the departed one's spirit hovers around. This room, Mr. Speaker, is filled with memories—to me—of "HAL" FLOOD. As dean of the Virginia delegation he stood with me when I took the solemn oath to serve my country. As a new Member I listened to his voice, raised always in behalf of what he thought was right, fearlessly, aggressively, and forcefully stating his views on matters of legislation. Here on this floor and in these halls of the Capitol I walked with him and I talked with him, and came to know him well and to love and admire him and call him my friend. Such memories are about me as I rise, Mr. Speaker, to pay my tribute to his memory.

I suppose every man who amounts to anything in the world of men has some outstanding characteristic around which his other characteristics cluster. To me the most striking characteristic of "HAL" FLOOD was his courage—not merely physical courage, though he possessed that in a marked degree, but his mental courage as well.

He was of that coterie of gallant spirits who faced in early manhood the severest test of any men in the country's history—that of reconstruction in the South in the years following the four years of strife and war. No one who did not live in Virginia and other Southern States after that conflict, or who has not lived in the stories of those who participated, can fully realize what it meant to the proud blood of men born to dominate and to lead when they had borne into their consciousness the evils of those days of poverty and subjugation.

I care not to paint the picture, and could not if I would, show it in its awful reality. "Reconstruction," as the South called it, was a horrible nightmare—a necessary result, maybe, of the aftermath of war, or perhaps a working out of the divine plan. We do not know. But these sons of the war-wasted veterans, 20 years after the war was over, saw results that caused their patriotism to bestir itself to right evil conditions. Their beloved old State was in the hands of the ignorant and the vicious; men, whose ancestry dated back to proud Norman forbears, were forced to yield to a mass of ignorant voters, formerly their slaves, who were controlled by men to whom the word "Virginia" meant nothing more than an opportunity to despoil. The time required men—young men, of energy, force, character, leadership, and patriotism. So there sprung into being the young leaders of those days—not playing politics for selfish personal or partisan motives but from high patriotic purpose. Among these HAL FLOOD quickly took high rank. I sat one night at the home of a friend, not a mile distant from FLOOD'S birthplace, and heard the story of how he faced a drunken mob of negroes and a few vicious white men in a negro church in the woods at night, and alone, unarmed, and by the mere force of his courage, told them in language vigorous and forcible that the time had come for them to stop their villainy, and then mounted his horse and rode away unharmed. That required physical courage. Tried out and tested in such a field, he became a leader in his own community, and then his fearlessness attracting the attention of the State, he became one of its political leaders in the legislature and in the convention which was the culminating effort of these young Virginians. In that convention Virginia was forever freed of the political incubus which was holding her back from progress and prosperity. Elected to the National Legislature, he grew in strength, politically, and it was the prediction of many astute politicians that he would have soon realized the ambition of his life to be Governor of Virginia.

No less was he mentally courageous. He had the courage of his convictions. It could not be said of him that he was always looking "to see which way to jump." He made up his mind definitely and was definite in expressing himself. You of his friends here in Congress can probably recall more instances of that than I. Fearlessly he faced life, fearlessly he thought out the path he should trod, and fearlessly he walked in it.

He possessed other characteristics almost as clearly defined. His loyalty to his friends was proverbial. If HAL FLOOD was your friend, there was nothing halfway about it. He "grappled" his friends to him "with hooks of steel." To make friends one must have the qualities of loyal friendship. His friends were devoted to him. Of course, he had his enemies; he would not have been the strong man that he was if he had not made enemies; but they were fighting enemies, and they admired him even though they fought him. He fought as he loved, hard; but no man ever said that he fought unfairly.

Quick tempered, but willing to admit error if he thought he was at fault; impulsive, but tempered by a clearness of thought which saved him from many mistakes; generous when he gave, giving of the best that was in him. Such qualities he possessed, qualities that real men admire and, more than that, love. There was real grief in the hearts of many when he left us, and time has not assuaged that grief in our hearts that he is no longer with us. No man could ask of life more than this.

It would be selfish of his friends in thinking of his personal characteristics so far as they are concerned in their loss of him to fail to mention his work for his beloved State and the Nation. Necessarily it must be told briefly, but I could not talk of him in his public life without first paying him my tribute as his friend. It means much to a new Member in this body to know that he can depend on a man who is friendly, courteous, kindly, and helpful. It meant much to me and to others who knew that in HAL FLOOD they could always count on such kindly aid and advice that their path in the maze of unfamiliar things would be made easier and smoother.

HENRY DELAWARE FLOOD was born in Appomattox County, Va. He came of old Virginia stock, from a family whose record shines forth in the annals of the State. He was educated at Washington and Lee University and at the University of Virginia. Having graduated in law, he began the practice of his profession in the county of his birth and quickly rose to leadership at the bar of his circuit. Possessed of a vigorous, aggressive personality, with a mind clear and able, he made a success in his chosen profession. But political conditions in the State were such that a man of his temperament could not resist the call to political service on behalf of his State and his people.

He was elected a member of the house of delegates and then to the State senate. In both branches he served with distinction. While in the State senate he successfully led the fight for a constitutional convention to revise the suffrage. He was one of the outstanding figures of that distinguished assembly. Before the adjournment of that convention he had become a Member of Congress. Of his career in Congress I shall not speak specifically. It was not my privilege to be his colleague for much more than a year, and I leave his work in this body to be discussed by those more familiar with it.

His work for his State and his aggressive force exerted in behalf of his party had brought him into contact with men throughout the State, and he had attained such personal and political popularity that he was a formidable candidate for any office for which he offered. In the last gubernatorial campaign, when the Republicans let it be known that in their attempt to break the "solid South" they would begin with the capture of the State of Virginia, the Democrats recognized the work that was necessary to be done to combat the influences, political and financial, that would be used by the Republican Party. HAL FLOOD was the unanimous choice of the Democrats of the State as their leader. He organized the forces of Democracy with his usual zeal and energy, and a Democratic governor was elected by a larger majority than had been given in 40 years. He went all over the State, organizing and speaking, sparing not himself in any way in his whole-hearted devotion to his cause. He was in a weakened condition, due to an attack of the "flu," but it was characteristic of the man that he never shirked a duty. The campaign was, however, too strenuous for him and he gave way under the strain and died after the election.

The whole State grieved over his death. Both friends and foes realized that in the death of HAL FLOOD there was taken away from Virginia a man who stood proudly before his fellow men, conscious of his own rectitude in public and private life; a man who held himself "foursquare to the winds that blew"; a man loyal and true to his friends, and fair and just to his enemies; a man patriotic to the core, loving his State whole-heartedly and devotedly; giving to old Virginia the best that was in him, and, finally, in her service yielding up his life.

Mr. OLDFIELD. Mr. Speaker, it is fitting that we should pause long enough in our labors to pay tribute to our beloved dead. HENRY DELAWARE FLOOD served in this House more than 20 years, and for a large portion of that time he was one of the real leaders of his party on this floor. Well do I remember when I came here, in March, 1909; HAL FLOOD was one of the

first Members of the House I met. From that day in March, 1909, until the day of his untimely death he was my friend. Born and reared in the great Commonwealth of Virginia, having served in both houses of the legislature of that State, he came to Congress as a young man and served his State and Nation conscientiously, fearlessly, and well.

During the Great War he served in a distinguished as well as a difficult position on the floor as the chairman of the great Committee on Foreign Affairs, and I have not a doubt that the labor and anxiety of his difficult task during the war hastened his death. He was honored by the Democratic membership of this House by being selected as the chairman of the Democratic congressional campaign committee, which occupied a great deal of his time. In addition to that the Democratic Party of his State selected him as chairman of the Democratic State central committee, and it devolved upon him to manage the campaign in Virginia last year, and as a result of his leadership his party carried the State by the biggest majority in history. When HAL FLOOD, either on this floor or elsewhere, undertook to carry out a certain policy he kept after it until success was accomplished. While he was a partisan in politics, yet he was fair and generous to the opposition. He had many personal and intimate friends on the other side of the aisle in this House and all of the Democratic Members were both his personal and political friends. I think one of the greatest and most beautiful elements of anyone's character is that of friendship, and here permit me to say I have never known a truer and more loyal man to his friends than was HAL FLOOD.

He served many years in the House and it was his ambition to go to the Senate. He wanted to round out his career as a representative of the Commonwealth of Virginia in the Senate of the United States. The opportunity came to him some years ago and the senatorship was offered to him, but he had a very dear friend who also had an ambition to go to the Senate from the State of Virginia, and he gracefully and unselfishly stood aside and permitted his friend to gratify his ambition. I have never known a more genuine friendship than that. Once a very able United States Senator from my State told me there was no such thing as friendships in politics, only alliances growing out of political interest. That may be the rule, Mr. Speaker, but HAL FLOOD was an exception to that rule. I not only admired HAL FLOOD on account of his ability, but I loved him like a brother because he was my friend. He was a brave and courageous man mentally, physically, and morally. On this floor, in the courtroom, on the street he stood up and was ready to fight for his rights, and not only that, but also was ready to fight for the rights of his friends. He loved his family, he loved his country, he loved the State of Virginia, he loved his friends. Our country never had a braver defender and that flag never had a more loyal champion.

The memory of the man whom we meet to honor here to-day is worthy all the praise that is due one who has lived an eminently useful and unselfish life, animated by high ideals and using his talents for the benefit of his fellow man.

I mourn him not only as a fellow Member, but as a very dear friend. To me he was the embodiment of the true meaning of the expression, "A southern gentleman," courteous, honorable, and upright. Mr. Speaker—

He has written his virtues and memory on the rocks, and his faults have we written on the sands.

Mr. HARRISON took the chair as Speaker pro tempore.

Mr. DEAL. Mr. Speaker, my first recollection of and interest in public affairs was aroused by a manifestation of statesmanship in a young man then serving his native State of Virginia in the halls of her legislature. The power, the force, the energy, the fearlessness of his attacks, and defense of the policies meeting his condemnation or approval touched a responsive cord among the young men of the time and assured the destiny of a long and unbroken service, a service which has left its impress upon his State and Nation.

There have been statesmen gifted with great force and power of speech, statesmen with unusual executive ability, statesmen possessing diplomacy of the highest order—others yet endowed with the physical force to storm and break down obstacles of the most appalling magnitude. There have been devout Christian characters, the halo of whose presence carried trust and confidence to the hearts of those who came within the scope of their worlds, but there have been few, very few, enjoying all of these attributes of character in so high a degree as has our departed friend and colleague, HENRY DELAWARE FLOOD.

Earnestness, sincerity, and force, with a clear, resonant voice, were gifts of nature that elevated him to the standard of an orator. As such he could command and hold the attention at all times an audience of any standard of intelligence. This much-prized talent kept him always in the forefront of statesmanship and contributed largely to his continued service in the affairs of his State and Nation. His affability, universal courtesy, and pleasing address, his readiness to meet the views of others, to aid those in distress, cemented friendships once made and added in arithmetical progression to his circle of admirers. As an executive he ranked first among his peers. Success in his private affairs, in his business relations, notwithstanding his unbroken public duties, commanded the esteem of all who knew him and called him to the fore always in the councils of his party. His loyalty to his friends and his energy in all of his undertakings inspired such confidence as to place him at the head of the Democratic Party in his native State. A devout Christian, he was a pillar of strength to his church. An affectionate husband, a loving father, a friend to the needy, he was ever ready to assume the burdens of others. Our hearts throb with sympathy for those whose loss can never be repaired. A well-rounded character, he stood upon a pedestal from which his light so shone that his good works could be seen by all men in glorification of his Father in Heaven.

In the great beyond we have faith to believe that his soul has found its reward. There with his fathers will he await the coming of his loved ones and of his colleagues, to whom the white trail of a clean and noble life will be an inspiration and a beacon by which we may pilot our barks across that uncharted sea of a great unknown into the harbor of eternal peace; free from the rocks, and reefs, and shoals; free from the narrow and tortuous channels that beset us here on every side.

I am the resurrection and the life, sayeth the Lord; who so believeth in me, though he were dead, yet shall he live, and he who so liveth yet believeth in me shall never die.

Let us have faith, and when our earthly career shall have ended we may join our colleague in that city where there are many mansions.

We will place his mortal remains beneath the pines of the State that he loved so well, where the soft and gentle south breezes waft into life the lilac and the rose, sending forth their sweet perfume like the breath of angels as a lullaby to his soul in its eternal repose.

Mr. MONTAGUE. Mr. Speaker, the death of HENRY DELAWARE FLOOD was a surprise and a shock to the Virginia delegation and to the people of Virginia, for but few, if any, knew the serious character of his illness.

Mr. FLOOD and myself were members of the same law class at the University of Virginia. There the great exactions of my studies made it possible for me to cultivate the friendship of but few of my classmates. However, I was thrown with Mr. FLOOD frequently, and inasmuch as his and my father had been fellow members of the House of Delegates of the General Assembly of Virginia, we often found most congenial and pleasant topics of conversation. He was then, as afterwards, urbane and attractive in manners, and made there, as he made in the public life of Virginia, many friends who will remember and mourn him for years to come.

After leaving the university I saw but little of him, our lines and duties of life bringing us but seldom together. He early went into the public life of the State, becoming a member of its house of delegates as early as 1887, the State senate, the constitutional convention, and the Congress. He also served as the Commonwealth's attorney of his home county, the historic county of Appomattox. His services in these various fields of public endeavor, covering a period of over 34 years, have been recounted by others, and I only mention them that the range and nature of his activities may be accentuated. His last service was that of chairman of the Democratic Party of Virginia, a most arduous position, and it was perhaps the intense labor and responsibilities of this position which culminated in his death.

When I became a Member of Congress in 1913 I was again thrown with Mr. FLOOD. He was always courteous and pleasant of manner, and I received his considerate and kind personal recognition. And here in this House he exhibited that same energy, courage, and intensity of disposition shown in his early days and throughout his public life.

The duties devolving upon him incident to the war brought him much into the public eye. As chairman of the Committee on Foreign Relations he submitted the measures and reports declaratory of our Great War and much of the subsequent supplemental and auxiliary legislation in relation to this immeasurable episode.

To his kindly manners and address must be mentioned his marked energy, his courage, ardor, and enthusiasm, which, with his natural abilities and long experience, brought him that distinction that is the heritage of his associates, his friends, and

his family. Many here and many more throughout his district and native Commonwealth will carry with them throughout life tender memories of his striking personality and achievements, which we on this solemn occasion recall with such vivid appreciation.

Mr. HOOKER. Mr. Speaker, I do not feel that I can add anything to the eulogies that have been so splendidly, eloquently, and impressively spoken on the floor of this House to-day, but nevertheless, as a Member of the Virginia delegation and as a personal friend of HENRY D. FLOOD, I desire to say a word and to drop a tribute to the memory of Virginia's faithful representative and beloved and distinguished son, who for a score of years so ably, earnestly, and courageously represented the tenth Virginia district in this House.

It is fitting and proper that the Members of Congress should turn aside from the demands and cares of their daily duties to honor a departed Member, and in tender and loving language pay reverence and tribute to the memory of one who died in the service of his State and Nation.

The grim reaper has taken heavy toll of the Virginia statesmen in the recent years. But a few brief years ago, Jones, who so well represented the first Virginia district for many years; Walter Watson, lovable and brilliant, the Representative from the fourth; and the faithful, loyal, earnest Rorer A. James, of the fifth, who was stricken down just at the beginning of a congressional career of hope and promise; and Senator Thomas S. Martin, whose name is so inseparably connected with everything that is dear to Virginia, and whose name is a synonym of public service; and "HAL" D. FLOOD, the faithful Representative for the tenth for a score of years, were all here, representing the old Commonwealth and serving faithfully and well her people. They are all gone. The rapidity of their passing reminds us that—

In the midst of life we are in death.

In the death of HAL FLOOD Virginia has lost a Representative and statesman whose residing place was not alone in the particular district that sent him here, but in the hearts of the people of the whole State. No State ever had a more patriotic, faithful, and earnest Representative on the floor of this House. While his home district was ever near and dear to him, and no people ever had a Representative who more conscientiously and honestly served them, yet he did not confine his labors to its limits but carefully looked in his representative capacity to the best interests of the Nation.

He was a man of strong convictions, an earnest, faithful, devoted advocate of the people's rights, always consulting their interests as he would his own. He was brave, cautious, vigilant, and honest. He was loyal and true in every relation of life—true to himself, true to his constituents, his State, Nation, and to his friends. His deep, earnest, sincere sense of gratitude and loyalty to his friends were among his strongest traits. His friendship would sacrifice everything but integrity and convictions.

He was controlled by his convictions. I served with him in the convention that framed the present constitution of Virginia. He played an important part in the formation and final passage of the document, and I was always impressed through the long, tiresome, arduous sessions of the convention with the feeling that he was always governed by the principle of right. That principle never seemed to be absent from his mind in the consideration of any proposition that came before the body. When he reached a conclusion that a certain measure or a certain policy was correct and righteous and for the best interests of the State he was immovable, and pursued it with that relentless energy and determination which only a man of his great mental power and moral courage could.

But few men who have lived and died and served Virginia since the Civil War have left a greater impress upon the State than HENRY D. FLOOD. He was elected to represent his home county, Appomattox, in the general assembly soon after he reached his majority, and from that time until he was elected to Congress from the tenth Virginia district he served continuously either in the house of delegates or the State senate. He was a Member of this House when he was also elected to help frame Virginia's new constitution. As a member of the Virginia General Assembly he did much to put life and vigor into the public free-school system of the State, and he contributed as much probably as any other Virginian to the purging and purification of her electorate. He served his community, his county, his State, his district, and the Nation in the most earnest manner in every trust that was reposed in him. The old Commonwealth of Virginia never reared a more loyal, devoted, faithful son and citizen. He loved Virginia, her past history and traditions. He gloried in her present and had hope and faith in her future. He was in the broadest and best sense a good type of American citizen. His life and character stand as a stimulus to honorable, patriotic living—noble, fraternal good feeling and devotion to family, friend, State, and Nation.

He was a Democrat. He believed in the principles of the Democratic Party. He was thoroughly convinced that the enactment of Democratic principles into the legislative policy of the Nation was best for the masses of the people, and so believing, he was just as loyal and unselfishly untiring in his efforts to bring success to his party as he was in the service of his State and Nation in any other direction. He served the party in season and out, and at the time of his death had, as chairman of the State Democratic committee of Virginia, just closed one of the most brilliant campaigns ever waged in the Old Dominion.

His efforts were blessed with wonderful success, the State returning for the Democratic candidates the largest majority given in any recent years. He was one of the most popular campaign speakers in the State, and his services were in demand in every campaign in every section of the State; as a party leader he was able to unite into a solid phalanx all the Democratic voters of the State in a united, harmonious body. His, indeed, was a life of service; service to his county, his State, his Nation, his party, and his friends. His was never a half-hearted service; he never did things by halves. Whenever convinced of the righteousness of his cause he undertook it and prosecuted it with all the zeal and earnestness of his soul, and nothing deterred him from or led him away from its attainment.

I was glad to have known HAL FLOOD personally and gratified that I could call him my friend. But he is gone. Those who were close to him during the campaign in Virginia, which closed only a short time before his death, and saw the vigor and energy with which he conducted the State campaign were not prepared for the shock of his untimely death. It came all unexpected to them and cast a gloom over the people of the entire State where he was loved and admired.

Virginia mourns the death of her faithful servant and distinguished son. She brings her flowery wreath to place upon his grave; she will ever keep alive in her affections his memory; she will hang his image upon her walls, trusting, hoping, believing that the Great Divine in whom he put such implicit trust took him from his State, Nation, and friends for a wise purpose of His own.

Mr. CONNALLY of Texas. Mr. Speaker, "HAL" FLOOD is dead, but that which the world will long remember is that "HAL" FLOOD lived. There have seldom been such splendid tributes paid to the memory of any man as those who knew him best have here in this Chamber to-day paid to the life and services of their colleague. I only knew him since I first came to this body in 1917. He was then approaching the very zenith of his powers and usefulness. I shall not undertake to deal with his career in Virginia before I knew him here. His colleagues have done that so well and so eloquently that I should not dare to invade that field. But those of us who knew him here knew that back of his service here and back of his life here must have been those great qualities that have been described as marking his life before he came to this Chamber. Here he occupied places of distinction and of honor and of usefulness. I was assigned to membership on the committee of which he was chairman, the Committee on Foreign Affairs. The second day after my entrance into this body as a member of that committee it was called upon to deal with the resolution declaring a state of war to exist between the United States and the Imperial German Government. As chairman of that committee "HAL" FLOOD was master of every question and of every detail that affected the international relations of the two Governments.

A few days later he stood here on this floor, as has already been well said, with not only this Hall filled with Members and officials and these galleries filled with spectators and auditors, but he spoke here in a theater upon which all the world looked and listened. In the days to come when the American historian shall set down the causes of the great World War the speech of HENRY DELAWARE FLOOD, giving in detail and in fullness the righteous cause upon which America founded her claim to fight, will form the foundation and the basis of that account, which school children 100 years from now will read and ponder over.

He was a partisan, it has been said. Yes; he was a partisan because he believed that the political theories to which he adhered were those whose enactment and whose realization meant most and best for the American people. He was a cavalier; impetuous, passionate in any cause in which he en-

listed; gallant, bold, and dashing, and yet he always struck like the thunderbolt in any cause which he championed.

His was the life of a cultured, educated man, the life of a friend who loved. I can not forget the tribute that was paid by the gentleman from Arkansas [Mr. OLDFIELD], embodying the same thought that was in my mind, when he said that usually in the field of politics, where clashing ambitions meet, where cold and selfish purpose often marks the course of public men, close and intimate friendships are sometimes regarded as being rare. And this occasion has been made notable to-day by tributes from political associates, not of a day only but of a lifetime, who associated with HAL FLOOD from the time he stepped into the halls of the university until he went out on that journey that stretches away to that shore untouched by the footsteps of mortal man—a rare tribute to him as a man and as a statesman.

The ancients had a custom when laying to rest their beloved dead of depositing in the coffin a coin to pay the ferryman to transport the soul across the mystic river. The Indians had a custom of depositing with the body the arms of the warrior and the huntsman, that he might employ them in the happy hunting grounds. When HENRY DELAWARE FLOOD went out on the final journey he carried no golden coin, he carried no rattling arms; but when HENRY DELAWARE FLOOD left his friends in this Chamber and his family in his home he carried a noble mind and a lofty soul, while yet afar the gates stood ajar. His life, his services, his character were such that he could well have said with Tennyson:

Sunset and evening star,
And one clear call for me;
And may there be no moaning of the bar
When I put out to sea;
But such a tide as moving seems asleep,
Too full for sound or foam,
When that which drew from out the boundless deep
Turns again home.

Twilight and evening bell,
And after that the dark;
And may there be no sadness of farewell
When I embark;
For though from out our bourne of time and place
The flood may bear me far,
I hope to see my pilot face to face
When I have crossed the bar.

Mr. UPSHAW. Mr. Speaker, not having heard until yesterday of this memorial service, I have no prepared tribute, and yet I feel that I would be recreant to every impulse of grateful friendship as well as a keen appreciation of the sterling qualities of a rare and outstanding man if I did not, in a very brief way, lay a flower of loving tribute upon the bier of HAL FLOOD.

I am one of the new men rejoicing to acknowledge his helpful friendship here in the House. I love to think of HAL FLOOD as he impressed me first and last as a man of unfailing courtesy, never effusive, but always gentle and winsome in his manner. He was a rare exponent of what some gifted woman said was her concept of a true gentleman, "a hand of oak in a glove of velvet; gentle to the touch, but firm when pressed."

He loved to go out of his way to make his friends glad. I can but gratefully cherish how one of his generous comments to a prominent Georgian on the work of his colleague from Georgia since coming to Congress did me splendid service in my last campaign for reelection.

I love to think of HAL FLOOD in another way. I never heard an unclean word fall from his lips in the cloakroom or in private conversation. His was a beautiful and shining example of careful speech and lofty conduct as a Member of this House as he walked among his colleagues and among these pages of tender years.

Some of us remember that story of a young officer who dashed into General Grant's headquarters, where some of the wives of the officers had been stopping for a time, and said, "General, I have the finest story to tell. Are there any ladies around?" And that sturdy old soldier said, "There are no ladies, sir, but there might be gentlemen. I believe I would not tell it."

I never heard HAL FLOOD tell a story that he could not have told if the ladies in the gallery, yea, the fair women of his home, had been present.

But I love to think of him most of all as a God-fearing man. I remember how, standing right there where my Christian friend and brother, Congressman LOWREY, sits to-day, he turned and laid his hand upon my shoulder and said: "UPSHAW, how could we get along without the churches in this country, without their saving influence in the community and their regenerating influence in our national life?" This spirit on his part perhaps is intensified to-day because I am fresh from the morning service in the House of God, where I sat by a member of the Cabinet, Secretary Davis, of the Department of Labor, and heard his earnest "amen" accompanying the reading of the Scriptures and the prayer that was offered by the pastor, Dr. H. A. Tupper, and the impact of his golden words as he brought me on to this Capitol, telling me that the influence that holds him day by day in the face of the tremendous drive of responsibilities upon him is the memory of an old-fashioned Christian mother with her wealth of sacred influence, her fervent daily prayers, and her dear old Welsh songs of hope and consecration.

More and more we love to thank God for men in public life who are God-fearing, setting a proper example for our youth to follow, for in vain do we legislate in this Hall unless we plant the laws that we make in that character that rests upon the Rock of Ages.

But, oh, my friends, we stand dumb before the mystery of his untimely death. We remember how the tears came to the eyes of many of us as we were informed that HAL FLOOD had passed away. For, as Talmage said of Henry Grady, "His sun went down at 10 o'clock in the morning of life's beautiful day."

For those who loved him with tenderest ties we are thinking of those beautiful words—

God's plan, like lilies pure and white, unfold;
We must not tear the close-shut leaves apart;
Time will reveal the calyxes of gold.
And if, by faith and patient toil we reach the land
Where tired feet with sandals loose may rest,
Where we shall know and understand,
I think that we shall say, "God knew the best."

God bless the radiant, inspiring memory of this patriotic, God-fearing statesman.

Mr. TUCKER. Mr. Speaker, my colleague, Mr. MOORE of Virginia, found this morning that he was unable to be present, on account of illness. He was very anxious to be here and expected to have been here.

Mr. HARRISON. The gentleman from Illinois [Mr. SABATH] asked me to obtain leave to print his remarks, because he would be unable to be here.

The SPEAKER pro tempore. Without objection, that leave will be granted.

Mr. WOODS of Virginia. Mr. Speaker, our colleague, Mr. SLEMP, of Virginia, was unavoidably detained and could not be here, and he desired me to ask unanimous consent that he might extend his remarks in the RECORD. I ask the same privilege for our colleague, Mr. BLAND of Virginia, who, I understand, is also unavoidably detained.

Mr. TUCKER. And for any others who desire to do so.

Mr. WOODS of Virginia. And for any others who desire to do so, that they may extend their remarks in the RECORD.

The SPEAKER pro tempore. Without objection, that request will be granted.

There was no objection.

The SPEAKER pro tempore. In accordance with the resolution heretofore adopted the House stands adjourned until Wednesday next at 12 o'clock.

Thereupon (at 1 o'clock and 45 minutes p. m.) the House adjourned until Wednesday, May 31, 1922, at 12 o'clock noon.

SENATE.

MONDAY, *May 29, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gerry	McCormick	Sheppard
Ball	Gooding	McCumber	Simmons
Borah	Hale	McKinley	Smith
Brandegee	Harris	McLean	Smoot
Capper	Harrison	McNary	Spencer
Caraway	Hitchcock	Myers	Sterling
Culberson	Johnson	Nelson	Sutherland
Curtis	Jones, N. Mex.	Newberry	Swanson
Dial	Jones, Wash.	Nicholson	Underwood
Dillingham	Kellogg	Norbeck	Walsh, Mass.
Elkins	Kendrick	Norris	Warren
Ernst	Keyes	Oddie	Watson, Ga.
Fletcher	Ladd	Page	
France	La Follette	Phipps	
Frelinghuysen	Lodge	Pittman	

The VICE PRESIDENT. Fifty-seven Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House insisted upon its amendment to the amendment of the Senate numbered 58 to the bill (H. R. 9859) making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes; that the House further insisted upon its disagreement to certain amendments of the Senate; agreed to the further conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. SLEMP, Mr. MADDEN, and Mr. SISSON were appointed managers at the further conference on the part of the House.

PETITIONS.

Mr. CAPPER presented petitions of sundry citizens of Iola, Kans., praying that only a moderate duty on kid gloves be imposed in the pending tariff bill, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Chamber of Commerce of Salina, Kans., favoring the passage of the so-called ship subsidy bill, which was referred to the Committee on Commerce.

Mr. NICHOLSON presented a petition signed by 108 citizens of the State of Colorado, praying that only a moderate duty on kid gloves be imposed in the pending tariff bill, which was referred to the Committee on Finance.

PORT OF NEW YORK AUTHORITY.

Mr. NELSON, from the Committee on the Judiciary, to which was referred the joint resolution (S. J. Res. 171) granting consent of Congress and authority to the Port of New York Authority to execute the comprehensive plan approved by the States of New York and New Jersey by chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922, reported it with amendments and submitted a report (No. 726) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCUMBER:

A bill (S. 3656) for the relief of Gustav A. Lieber; to the Committee on Claims.

A bill (S. 3657) to authorize surveys and investigations for irrigation projects in the State of North Dakota, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. FRELINGHUYSEN:

A bill (S. 3658) for the relief of John O'Neil; to the Committee on Claims.

By Mr. PHIPPS:

A bill (S. 3659) to create the White House police force, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. SMOOT:

A bill (S. 3660) to provide adjusted compensation for veterans of the World War, and for other purposes; to the Committee on Finance.

AMENDMENTS TO HOUSE RIVER AND HARBOR BILL.

Mr. JONES of Washington submitted an amendment providing that any work of improvement or public work on canals, rivers, and harbors heretofore adopted by Congress may be prosecuted by direct appropriations, by continuing contracts, or by both direct appropriations and continuing contracts, as may be provided in any act making appropriations to carry on such works, intended to be proposed by him to the bill (H. R. 10766) authorizing appropriations for the prosecution and maintenance of public works on canals, rivers, and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

Mr. SHEPPARD submitted an amendment providing for improvement works at Corpus Christi, Tex., in accordance with the report submitted in House Document No. 321, Sixty-seventh Congress, second session, intended to be proposed by him to the bill (H. R. 10766) authorizing appropriations for the prosecution and maintenance of public works on canals, rivers, and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

Mr. CULBERSON submitted an amendment providing for improvement works at Corpus Christi, Tex., in accordance with the report submitted in House Document No. 321, Sixty-seventh Congress, second session, intended to be proposed by him to the bill (H. R. 10766) authorizing appropriations for the prosecution and maintenance of public works on canals, rivers, and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

RETURN OF AMERICAN ARMY EQUIPMENT FROM GERMANY.

Mr. FRELINGHUYSEN submitted an amendment intended to be proposed by him to the bill (S. 3562) to provide for the return from Europe of motor-propelled vehicles and other equipment used by the American forces in Germany for distribution to the State highway departments, and for other purposes, which was referred to the Committee on Military Affairs and ordered to be printed.

AMENDMENT TO WAR DEPARTMENT APPROPRIATION BILL.

Mr. FRELINGHUYSEN submitted an amendment proposing to appropriate $9,227.22 for payment to the Borough of Cresskill, N. J., of 50 per cent of the cost of the repair and restoration of the drainage canal, of Grant Avenue, and of the grounds around the railroad station in such borough, as compensation for all damages thereto resulting from the military occupation of Camp Merritt, intended to be proposed by him to House bill 10871, the War Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. LODGE. Mr. President, I know that nothing is in order but to call the roll on the appeal from the decision of the Chair. However, I have been examining the question with such care as I could since the Senate took a recess, and I should like very much if the Senate would grant me unanimous consent to say a few words upon the point of order.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Senator from Massachusetts will proceed.

Mr. LODGE. The question of order which was raised upon the motion made by the Senator from Montana [Mr. WALSH] to substitute 15 per cent instead of 35 per cent as agreed to by the Senate, was taken up on Saturday and not completed. I desire to say a very few words upon that subject, to which I have given the best consideration I could.

It is not a question of precedent. I have no doubt different precedents might be found. It has seemed to me a question involving general parliamentary law. I have looked at the authorities, and I have two of the best from which I shall quote to the Senate.

This was the situation: The text of the bill before the Senate carried on this item a rate of 30 per cent. The committee reported an amendment making the rate 40 per cent instead of 30 per cent. That was the pending amendment, the committee amendment being first in order. The Senator from Utah [Mr. SMOOT] then moved to amend the amendment by striking out "40" and inserting "35." It was a motion to strike out and insert. When I spoke upon it, I called attention to the general and unquestioned parliamentary rule that when a body on a motion to strike out and insert inserted certain words, those words could not be changed at that stage of the bill; that is, they could not be changed as in Committee of the Whole. But it seemed to me, and I so argued briefly, that there was a distinction to be drawn between an amendment to the text and an amendment to an amendment, the motion being to amend by striking out and inserting.

The Senate agreed to strike out "40" and insert "35." That amendment was adopted. Then the question arose whether that amendment could be further amended after the action of the Senate, or whether the general rule applied. My impression was very strong at the time that the general rule did not apply to an amendment to an amendment.

The question is by no means a simple one nor is it free from difficulty. However, I turned to the authorities, to Cushing, which I take it is the highest authority or one of the highest. This is a recent edition, and on page 527, in section 1337, under the heading "Amendments by leaving out and inserting," it is said:

> If the first question is decided in the affirmative, all amendment or alteration of the words thus agreed to is precluded in the same manner as if the motion has been simply to leave out the same words. Nor can a motion be then made to leave out for the purpose of inserting the same, or even different words; the words of the original motion being already agreed to as they stand.

Now turning to "Amendment by inserting words," to which section 1337 refers, and reading section 1332, it is stated that—

> This is the second form in which amendments may be made; and when an amendment is proposed in this form, if it prevails, it can not be afterwards moved to leave out the same words or a part of them; but it may be moved to leave out the same words, with others, or a part of the same words, with others; provided these propositions are substantially different from the first.

I then looked at Reed's Rules. Mr. Speaker Reed was a very great parliamentarian and also a very distinguished lawyer and had had a very extended experience in dealing with parliamentary questions. I think there can be no higher authority. On page 102 he said:

SEC. 143. Motion to strike out and insert—effect of affirmative action—if the motion to strike out and insert prevails—

As it prevailed on the motion of the Senator from Utah to strike out "40" and insert "35"—

then the words inserted, or any of them, can not be stricken out.

This, however, does not preclude the insertion of the same with other words, or a part of the same words with others, or to strike out the same words with others, or part of the same words with others.

That is a repetition of Cushing.

To state this in another form, the prevalence of the motion to strike out and insert does not prevent further use of the motion to strike out and the motion to insert, but the decision of the assembly already made must not be overthrown, though it may be modified.

For example, this being, as I recall, an ad valorem rate, if a motion had been made to add at the same point a specific duty of 10 cents a pound, or whatever it may be, under the law as set forth in these authorities that motion or any similar motion which would modify, perhaps, the purport of the amendment adopted by the body would be in order, but the precise words adopted must remain. So I understand the law as laid down by Cushing and Reed.

The motion made by the Senator from Montana was to insert "15" in place of the precise words already adopted by the Senate. It was not a modifying motion, or one changing the purport of the amendment. It was a motion to strike out the precise words adopted by the body; and that motion, I am forced to think on studying the rules, was precluded. As after consideration I came honestly and frankly to that opinion, I thought I ought to state it with equal frankness to the Senate; and I am obliged to the Senate for permitting me to do so.

Mr. ASHURST. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Arizona?

Mr. LODGE. Yes; I yield.

Mr. ASHURST. Mr. President, I have listened with interest and respect to the citation of the authorities presented by the distinguished Senator from Massachusetts [Mr. LODGE], but the reasoning in his short speech last Saturday evening, May 27, as found on page 7801 of the CONGRESSIONAL RECORD, is so conclusive that I am obliged to say that his views as there expressed have more weight with me than Cushing and Reed, because I am unable to overcome the force of the Senator's reasoning and I shall now read his views as found in the left-hand column of page 7801 of the CONGRESSIONAL RECORD. The Senator said:

In this case—

Referring to the amendment tendered by the Senator from Montana [Mr. WALSH] to the committee amendment which had already been amended—

In this case the body has reached no final agreement on the form of words. It is still dealing with an amendment. If the body had agreed to 35 per cent, it would not be open to amendment; but the body has not agreed to 35 per cent. It has only agreed to substitute it in preference to 40 per cent. The final vote is still ahead of us. The body has not finally agreed on 35 per cent; and therefore, this being an amendment, and no final agreement on the form of words having been reached, it seems to me that it is open to further amendment.

I should like to see the Senator from Massachusetts now stand by the reasoning evidenced by those words which he expressed on last Saturday evening. The force of the Senator's logic as applied Saturday is irresistible and unanswerable.

Mr. LODGE. Mr. President, the undoubted purpose of the general parliamentary law in precluding further amendment when a word or words have been adopted by the body is very clear. It is to carry out what must always be the main object of the parliamentary law, to bring the body to a decision, which leads to the transaction of business in accordance with the wishes of the body.

As I stated at the beginning, my view—in fact, the position I took in the words which the Senator from Arizona has just read—was that there was a distinction between the rule as applied to an amendment to the text where the action of the body would be final as to the words inserted and an amendment in the second degree to an amendment; but, Mr. President, after having studied the authorities, as I have, and having reflected upon the subject, it seems to me clear that the accepted practice is to apply to an amendment in the second degree the same general principle which is applied to a change of the text.

Mr. ASHURST. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Arizona?

Mr. LODGE. I yield.

Mr. ASHURST. I feel a trepidation about engaging in a contest over a parliamentary question with the Senator from Massachusetts, whose experience and knowledge respecting parliamentary law are great; but I wish to show the Senator just where his philosophy of this morning would lead the Senate. We will assume, Mr. President, that the House of Representatives sends us a bill proposing to construct a railroad in Alaska and that that body fixed the mileage of the railroad at 30 miles. The proper committee of the Senate amends the House provision and provides that the number of miles shall be 40 miles—I am employing the same figures as are employed in the bill before us—and just as soon as the bill comes in here a member of the committee moves to strike out "40 miles," which the committee recommends, and to insert "35 miles," and that that amendment is agreed to, as was done in this case. Then, according to the philosophy the Senator from Massachusetts employs this morning, the Senate is precluded from changing that mileage, although it should be ascertained that the correct mileage would be 18 miles.

Mr. LODGE. Precluded at that stage.

Mr. ASHURST. Of course, the Senator will argue that when we left the Committee of the Whole and went into the Senate we may disagree to that.

Mr. LODGE. I should argue that when we reached the Senate the previous action could be reconsidered.

Mr. ASHURST. When we reach the Senate; but that would mean that the Committee of the Whole, set up by the parliamentary law and designed to whip bills into proper shape, would be deprived of one of the functions for which the Committee of the Whole is set up, and although we learned that the correct mileage would be 15, we should have to wait until we got into the Senate to make the correction.

I will use another illustration: Suppose, Mr. President, the House should send us a bill providing for the creation of a national park in Porto Rico, fixing the area at 30 square miles, but the Senate committee amends the numeral to read 40 square miles, and then some Senator obtained the floor and moved to reduce it to 35, which was carried. If then the Senate should learn that the proper number of square miles to be embraced in the park was 15, we would in that case be precluded from correcting the bill, according to the philosophy of the Senator.

If that should be held to be the correct practice, it would be destroying the very reason why we have a Committee of the Whole.

I am sorry the Senator from Massachusetts does not stand rigidly by his expression which I read, although there may be, Mr. President, a higher courage in changing one's mind when one thinks one is wrong than to stand by error; and, if the Senator believes that he was in error on Saturday night, I pay my tribute of respect to him for changing his mind; but I believe that if he should anchor himself fast to his view as laid down by him on page 7801 of the RECORD Saturday evening, he will find that the business of the Senate will be promoted.

Mr. LODGE. Mr. President, I am sorry to take up so much time, but I should like to emphasize the purpose which underlies general parliamentary law, which is to promote the transaction of business. For instance, it is universally forbidden in all parliamentary bodies to offer an amendment in the third degree. The object of that rule is to provide some limit, for if there were no limitation on the number of amendments which might be offered simultaneously there would be no——

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. LODGE. I should like to finish my sentence—there would be no end to the offering of amendments, one on top of the other, and it would lead to confusion and delay. That is the purpose of the general rule. The question involved in this instance is much narrower. It is whether the general law, which is incontestable, applies to an amendment in the second degree as well as to an amendment to the general text. After examining the authorities as well as I could, I came to the conclusion that I was mistaken in the argument I made on Saturday, and that when the amendment offered proposed to change the precise words adopted by the body it fell under the general rule, just as much in the case of an amendment in the second degree as in the case of an amendment to the original text. Therefore, I thought it was only fair to state the conclusion at which I had arrived.

Mr. FLETCHER. Mr. President, may I ask the Senator a question before he takes his seat? Has this thought occurred to the Senator, on this state of facts:

The committee brings in a proposed amendment to the bill. The committee has the right to perfect its own amendment. It has the right to withdraw that proposal and submit another proposal.

Mr. LODGE. It has a right to do it until it has been laid before the body.

Mr. FLETCHER. Now, the committee lays that amendment before the body. The committee then comes in and proposes to change its own amendment; and what we have done is simply to allow the committee to change its own amendment.

Mr. LODGE. Oh, no, Mr. President; I beg the Senator's pardon. The committee amendment was the pending amendment. A member of the committee moved to strike out and insert.

Mr. FLETCHER. Was not that the action of the committee itself?

Mr. LODGE. It can not be distinguished. The right of modification ceases when the amendment is once laid before the Senate.

Mr. FLETCHER. I realize that; but my impression is that the Senator from Utah was acting on behalf of the committee when he was proposing a reduction to 35 per cent.

Mr. LODGE. He was, Mr. President, acting on behalf of the committee. He made a motion to strike out and insert, and the Senate voted on it and sustained his motion.

Mr. FLETCHER. Of course, he had the right to do it, anyhow.

Mr. LODGE. No; he had no right to do it except by vote.

Mr. DIAL. Mr. President——

Mr. LODGE. I yield to the Senator from South Carolina.

Mr. DIAL. Then, as I understand the Senator, the remedy would be to vote down the proposed amendment——

Mr. LODGE. That remedy, of course, we have.

Mr. DIAL. In this instance the one proposed by the Senator from Utah, until we get an amendment that suits us?

Mr. LODGE. Of course; and in a case which is not directly in point here, but which indicates the purpose of parliamentary law, where there are several figures for an appropriation for the length of a railroad or anything you please, there is provision in parliamentary law for those figures to be offered seriatim, beginning with the highest. That was not done in this case.

Mr. DIAL. I understand we have a remedy, then.

Mr. McCUMBER. Mr. President, it seems to me, as it seemed before, that the question is a very simple proposition; that when a legislative body stamps its legislative judgment upon a precise point, its judgment stands unless there is a reconsideration of the vote by which its judgment has been impressed. When the majority of the Senate inserts a word, that is the action of the Senate, no matter who makes the proposition to insert the word; and after the Senate has voted on it and declared in favor of that motion it is the action of the Senate until it is changed either by a reconsideration of the vote or modified, which can be done by some other modification without a change of the thing upon which the Senate has acted.

Let me give an illustration for the benefit of the Senator from Arizona [Mr. ASHURST].

Suppose we report an amendment, and the amendment contains the conjunctive word "and," but we afterwards consider that "and" ought to be changed and the disjunctive word "or" inserted; so we move to strike out the word "and" and we insert the word "or." When we have voted upon that, we have fixed the word "or."

Mr. ASHURST rose.

Mr. McCUMBER. Let me finish this statement, because I am giving the exception where you can change it. You can not take the word "or" out of that amendment without a reconsideration of the vote while it is before the Committee of the Whole; but you can add after the word "or" some modification, or certain conditions, and in that way you can secure a modification. You can not, however, take out the word "or," because the Senate by a majority vote has put it there, and if you did not want it there you should have had a majority vote against it. So that matter is fixed. It has been put in by the action of the Senate. Never mind the committee, because when the Senate acts upon it once it is a Senate action. The Senate, by a majority vote, says: "We want it 35 per cent ad valorem." That disposes of the question of the 35 per cent.

The Senator was complaining that a minority would have no opportunity. They have every opportunity. If they did not want "35 per cent" in the bill, they should have voted down the proposed amendment of 35 per cent. Then it would have been subject to a motion to make it 15 per cent, or 10 per cent, or any other per cent; but it has to be done by voting down the proposition, because the majority certainly have the right to determine what shall go into the bill; and having once expressed their opinion, under every principle of parliamentary law you can not change that opinion except by a reconsideration of the vote.

Mr. ASHURST. Mr. President, in reply to the Senator, his argument would be sound if the Senate had adopted the amendment as amended.

When the Senate adopted the amendment of the Senator from Utah, and struck out "40" and inserted "35," the Senate did not adopt the figure "35." The question still was pending, and the Chair must put it:

The question is on agreeing to the amendment as amended.

Here is where a great deal of difficulty has arisen: Senators believe that because an amendment was offered to an amendment and was adopted, any further amendment is an amendment in the third degree. Not at all.

I do not care to prolong this debate. I have made my view plain, and I am satisfied to have the record stand as it does.

The Senator says that if the committee brings in a bill with the word "and" in it, it may strike out "and" and insert "or," but that thereafter it may not insert "but" instead of "or." That is what the Senator argued——

Mr. McCUMBER. Mr. President, the Senator is mistaken. I simply say that when the Senate has agreed by a majority vote to insert the word "or," the word "or" must stay there, and that you can not without a reconsideration of the vote strike out "or." You can put in "but" after "or," if you want to; but the Senate having placed "or" there, that is the action of the Senate, and you can not vote on the same thing again without reconsideration.

Mr. ASHURST. The Senator can convince me if he will tell me when the Senate adopted the committee amendment as amended. If the Senate had adopted the committee amendment as modified by the Senator from Utah, that would be the end of it; but the question was still pending, and that was the question that the Chair put, and must put, to wit:

The question is on agreeing to the amendment as amended.

The Senate does not adopt it until it agrees to that amended amendment.

Mr. McCUMBER. Why, Mr. President, the Senate has not agreed to the entire amendment; no.

Mr. ASHURST. That is all I want the Senator to concede.

Mr. McCUMBER. Oh, certainly; but the Senate has agreed by a vote that "35" shall take the place of "40," and that is the only thing that the Senate has absolutely decided at this time; and my position is that it can reconsider the vote by a majority vote and change it again, but unless that vote is reconsidered it has to stand, and there can be no question about it.

Mr. ASHURST. Yes, Mr. President. A motion to reconsider can be made but once.

Mr. JONES of New Mexico. Mr. President, I should be glad to have some one explain to me the final result of such a ruling as is contended for by the Senator from Massachusetts. I have been inclined to agree with the general proposition as announced this morning by the Senator from Massachusetts [Mr. LODGE]; but I should like to inquire if such a position will preclude the Senate from getting a vote at any time, either in Committee of the Whole or in the Senate, on a different rate?

The Senator from Montana [Mr. WALSH] offered an amendment fixing the rate at 15 per cent instead of 35 per cent. It seems to me that somewhere in the proceedings the Senate ought to have a right to vote upon that question, and, if I understand the present position of the Senator from Massachusetts, the Senate would be precluded from doing that.

We are in this parliamentary predicament: The Senator from Utah moves to amend by striking out "40" and inserting "35." Those of us who think that the 40 per cent rate is too high would, or course, rather have the "35" than the "40," but we are also of the opinion that it should be lower than the "35." In voting for the "35," in order to avoid the "40," we preclude ourselves from getting an opportunity to vote for "15" and I should like to know if there is some way out of it, either by reserving a separate vote in the Senate or in some other way, whereby we can ultimately get an opportunity to vote on the rate of 15.

Mr. LODGE. Of course, a vote can be reserved in the Senate.

Mr. JONES of New Mexico. When we come into the Senate, then the question is on concurring in the rate adopted as in the Committee of the Whole.

Mr. LODGE. In the Senate an agreed-upon amendment is open to change, if you reserve it.

Mr. JONES of New Mexico. What do we reserve? Do we not simply reserve the right to have a separate vote?

Mr. LODGE. You reserve the right to have that question presented separately, and when it is presented it is open to amendment.

Mr. JONES of New Mexico. If that is the rule, it will relieve the difficulty.

Mr. LODGE. In the Senate not at this stage, and, of course, the amendment providing the lower rate would have been entirely in order if it had been offered first.

Mr. HITCHCOCK. Will the Senator permit a question? Suppose it comes up in the Senate and the question is on concurring in the amendment adopted as in Committee of the Whole; the Senator holds that then it would be open to any amendment?

Mr. LODGE. It would be open to any amendment.

Mr. HITCHCOCK. Suppose an amendment were offered to make it 30 per cent; would that, again, prevent anyone from offering an amendment making it 15 per cent?

Mr. LODGE. Yes; if it was adopted by the body.

Mr. HITCHCOCK. So it is a question as to the Senator getting the floor first. It is quite possible, then, to prevent a vote upon an amendment proposing 15 per cent in any event, if that is the correct ruling.

Mr. McCUMBER. It can always be voted down if the Senate wants to change it.

Mr. HITCHCOCK. There would be some disadvantage in the matter, even in the Senate, if the chairman of the committee or a member of the committee should first get the floor, and move to reduce it to 34 per cent; then it would be a question as to whether it should be 34 or 40 per cent, and if it should be carried at 34, according to the statement now made, it would preclude any Senator from offering 15 per cent as a substitute.

Mr. McCUMBER. Of course the Senator understands that in all such cases those who do not want 34 per cent but want less than that would vote against it, and seek to vote it down, and if they did not vote it down, then, of course, the 34 per cent rate would have to stand.

Mr. HITCHCOCK. It compels a person voting to decide between 34 and 40, then.

Mr. McCUMBER. Such situations arise as to all legislative matters.

Mr. HITCHCOCK. It seems to me that there should be an opportunity at some time to present the 15 per cent rate and have a vote on it.

Mr. LODGE. Mr. President, it is possible to use that which is laid down in Reed's Rules, and which I have heard ruled:

If, for example, it were proposed to put in various sums ranging from $1,000 to $5,000, and an amendment for $3,000 were put first, those who desired to have $5,000 appropriated might not dare to vote against $3,000 for fear that they might get less. But by putting the question first on the largest sum and then on the others the assembly stops where a majority of the voices agree.

Mr. JONES of New Mexico. It seems to me, then, Mr. President, that it is just a question of getting the floor first or who is recognized by the Chair first.

Mr. LODGE. The question is whether it is agreed to or not. There must be an end to amendments on the same words at some point. If the same words are adopted by the majority of the body, that is the opinion of the body. My attention has just been called to Jefferson's Manual, where I find the following:

In Senate, January 25, 1798, a motion to postpone until the second Tuesday in February some amendments proposed to the Constitution; the words "until the second Tuesday in February" were struck out by way of amendment. Then it was moved to add "until the 1st day of June." Objected that it was not in order, as the question should be first put on the longest time; therefore, after a shorter time decided against, a longer can not be put to a question.

Here a shorter can not be put in question, or a longer, either, after the body had agreed on 35 per cent; and those precise words, I think, can not be changed under general parliamentary law, though their purport may be modified, all the authorities say, by additions not touching those words.

Mr. JONES of New Mexico. I am rather inclined to believe that the precedents cited by the Senator are applicable.

Mr. LODGE. They refer to a date and not to a rate.

Mr. CURTIS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Kansas?

Mr. JONES of New Mexico. I yield.

Mr. CURTIS. I merely wish to call the Senator's attention to a ruling in Jefferson's Manual which, it seems to me, settles this whole question:

But if it had been carried affirmatively to strike out the words and to insert A, it could not afterwards be permitted to strike out A and insert B. The mover of B should have notified, while the insertion of A was under debate, that he would move to insert B; in which case those who preferred it would join in rejecting A.

Mr. JONES of New Mexico. Mr. President, I am familiar with that citation, but it seems to me that we are in a very unfortunate parliamentary position. Of course, anyone who prefers the 15 per cent rate would prefer the 35 per cent rate to the 40 per cent rate, but not being satisfied with the 35 per cent would have to vote against the motion to insert "35" instead of "40," and would be put in the position of voting against a lower rate. Somehow, somewhere, it seems to me we should have an opportunity to record ourselves as in favor of a still lower rate. I presume, if this ruling is to obtain, those of us who want a lower rate would have to depend on the courtesy of the Senate to get the floor and debate a motion for a little lesser amount. It seems to me it is an awkward position that we are placed in, because we ought to have an opportunity somewhere, sometime, to record ourselves in favor of a lower rate, but this puts us in the attitude of actually voting for a higher rate than that which is proposed.

Mr. SMOOT. Mr. President, I call for the regular order.

Mr. UNDERWOOD. I hope the Senator will withhold his request for a moment, for I desire to say something in reference to this matter. I think it is of importance, and I hope the Senator will not insist on the regular order.

Mr. SMOOT. As soon as the Senator from Alabama concludes I shall ask for the regular order.

Mr. PITTMAN. Will the Senator from Alabama yield to me for a moment?

Mr. UNDERWOOD. I yield to the Senator from Nevada.

Mr. SMOOT. Does the Senator from Alabama yield for a speech by the Senator from Nevada?

Mr. UNDERWOOD. The Senator from Nevada is the proponent of this proposition and he has not had the floor. I intended to say something about it, and I want to say something; but if the Senator from Nevada can not get the floor otherwise, I will yield it to him.

Mr. PITTMAN. The only reason why I asked permission interrupt the Senator was on account of the discourtesy of the Senator from Utah, which I had no way of calling attention to except by the method I have adopted. He announced that as soon as the Senator from Alabama concluded he would call for the regular order. We have been proceeding by unanimous consent, and I do not think it has been time thrown away. I do not think it has been a filibuster on the part of the Senator from Massachusetts [Mr. LODGE]. I think it has been a very intelligent discussion, and this is a very close question of important parliamentary law.

I desire to say, however, that so far the debate has not really touched the question which has been before the Senate, except indirectly. It may embrace it, it is true, but the question is not upon the motion of the Senator from Montana to make the rate 15 per cent ad valorem. The question is on the motion of the Senator from Nevada to substitute a specific rate for the ad valorem rate, and while it may involve the same principle, it is worthy of some consideration for a few minutes, notwithstanding the great energy of the Senator from Utah.

I shall not interrupt the Senator from Alabama any further, but after he has finished I will also ask unanimous consent to be allowed to explain the amendment I have offered, and which now is under consideration on the point of order against that amendment; and if the distinguished Senator from Utah then demands the regular order, I shall discuss it after the vote is taken.

Mr. SMOOT. The Senator ought to have waited until he had asked unanimous consent before he charged the Senator from Utah with any discourtesy.

Mr. PITTMAN. The Senator stated that as soon as the Senator from Alabama was through——

Mr. SMOOT. I thought the discussion was over.

Mr. PITTMAN. The Senator went further, and asked if the Senator from Alabama was yielding to me for a speech. Why? It was for the very purpose of cutting off the speech. There was no other purpose, if there was any intelligence in it at all.

Mr. SMOOT. I wanted to know just exactly where it was going to lead. I did not know that the Senator was the proponent or the originator of this question. Of course, if I had, I would not have interposed.

Mr. PITTMAN. The point of order was made against the amendment of the Senator from Nevada, and that is the question pending now. I appealed from the ruling on that question, and I certainly should have the courtesy of being allowed to speak on it.

Mr. UNDERWOOD. Mr. President, as the Senator from North Dakota withdrew his motion to lay the appeal on the table, I do not understand it is not subject to discussion, because, as I understand, an appeal from a ruling of the Chair is open to discussion, and, therefore, I think the debate has not been closed. But I am not raising that question. I think this matter is of too much importance not to allow those who desire really to express their viewpoint on the question to be heard.

I am not at all critical of the impatience of those in charge of the bill. I realize, as I have said many times before, that they have a very trying situation to handle. They bear the burden of putting the bill through, and having to stay here from 11 o'clock in the morning until 10 at night and carry this load, I do not criticize them at all for wanting to hurry the bill along or thinking that many motions are made to kill time. Of course, from their viewpoint they think that if we offer an amendment for 35 per cent, and it is voted on, and then offer one for 15 per cent, we might offer one for 5 per cent and vote interminably on one proposition. That is due to the fact that we have no cloture rule in the Senate. In any other parliamentary body, when those in the majority get ready, they can move a cloture and close the debate and close the consideration of the amendment. That power the Senate does not possess.

My desire to discuss this question now is not because I want to delay the passage of this bill. As I have said before, I think the bill should be carefully discussed, and then we should vote on it. It is a great economic measure, which should be properly considered. It is also a political measure, and from the standpoint of politics I have never had any doubt as to the effect of the passage of this bill. I think it is a complete asset to those in opposition to it.

Looking at the question now strictly before the Senate, this amendment has not been agreed to by the Senate. The pending question is as to whether the Senate will agree to the amendment. The proposed amendment has been modified. It makes no difference in its parliamentary status as to whether it comes from the committee or from an individual, except that by unanimous consent we agree that nothing but committee amendments should be considered at this time. That is the only difference. An amendment is proposed, and some one offers to amend the amendment. The amendment is amended, and then the question pending before the Senate is, Shall the Senate agree to the amendment as amended?

If the action on the amendment to the amendment settled the question, and it could be amended no further, why should we vote on it again? When they substituted the 35 per cent for 40 per cent, why was that not final, if that is the only action the Senate can take? Why should we go through the formality of taking two votes instead of taking only one?

I contend that that is not final, and that after the amendment to the amendment has been agreed to it is open to further amendment, and that is conceded by the argument of the Senator from Massachusetts [Mr. LODGE] to-day, when he says that in certain cases the amendment carrying the greater amount should be presented first.

But, Mr. President, as the Senator from Nevada has just pointed out, the pending amendment is not a question of changing figures. The figure "35" was voted on by the Senate as an amendment to an amendment. Now, the Senator from Nevada proposes to change the manner of taxation, to substitute for an ad valorem rate of 35 per cent, a specific rate of so much per pound. Mr. President, that is an entire change in the form of taxation. It is an entire difference in theory. On some articles it is found that it is better to levy a specific rate of so much a pound. On other articles it is found that it is more advantageous from a revenue collection standpoint to levy an ad valorem rate, and let the rate follow the substance in value.

Now, to say that when the Senate agrees to the proposition of amending an amendment as to amount it ends the right of action by the Senate to say that we will not have an ad valorem rate, but we want to tax this commodity under a specific rate, it seems to me avoids all opportunity for amendment or debate. I do not charge Senators on the other side with attempting to gag the Senate, because I know that is not their purpose. They have become weary and tired of the long drawn out fight on the tariff which always comes in the Senate. When the present law came over from the House, it came before the 1st of May and it went to conference, I think, on the 22d day of September; at any rate late in September. Then the political situation was reversed. The same thing happened with reference to the Payne-Aldrich law, and every other tariff bill that has come from the House. It tries the patience of us all, but that does not mean that there is an effort to filibuster or unduly delay.

Mr. SHEPPARD. Mr. President, may I ask the Senator a question?

Mr. UNDERWOOD. Certainly.

Mr. SHEPPARD. Does the Senator think there ought to be a rule against amendments in the third degree?

Mr. UNDERWOOD. Yes; I think so, because otherwise it would bring confusion; but I was coming to that question. I have heard here repeatedly when an amendment was pending to a committee amendment and another amendment was offered some one say, "That is an amendment in the third degree and you can not offer it now," and the Chair would reply, "When the pending amendment to the amendment is voted on, then the Senator can offer his amendment as an original proposition."

Mr. SHEPPARD. It can be voted down and——

Mr. UNDERWOOD. Whether the first amendment is voted down or agreed to, it does not settle the question. I ask the Chair to bear with me for a moment because I am very earnest about the matter. I am not arguing from the standpoint of political debate. I fear that if the ruling of the Chair on the amendment proposed by the Senator from Nevada to change this rate from an ad valorem to a specific rate is sustained by the Senate, it will become a precedent that will not only hamper us in the consideration of this bill, but in all future efforts of the Senate to express its own viewpoint when someone can propose an amendment and get a majority to vote for and cut off the consideration of other amendments. That is not in accord with the present ideas of the Senate so far as its rules are concerned.

Mr. SIMMONS. Mr. President, will the Senator yield?

Mr. UNDERWOOD. Certainly.

Mr. SIMMONS. Under this ruling I do not mean to say that the chairman of the Finance Committee would, but he could come in every morning and, if an item were called, he could offer to reduce the rate 1 cent and have a vote on it and no one else could then move to reduce it any further until the bill got into the Senate.

Mr. UNDERWOOD. Undoubtedly. I want to call the Chair's attention to one or two items which this would affect.

The House in one of the paragraphs of the bill fixed a rate of 10 per cent on graphite. The Senate committee struck that out and in place of it inserted a paragraph providing 10 per cent on amorphous graphite and 20 per cent on crystalline graphite and other provisions in the amendment. The Senator from Michigan [Mr. TOWNSEND] some days ago announced that he thought this ought to go on the free list, and when the time came, thinking there would be a time, that he proposed to move to strike out the action of the committee and to put the item on the free list. If the Chair holds, because that amendment has been adopted in place of the House text, that it is not subject to further amendment, how can we strike it out and place it on the free list?

Let me call attention to another item. The Senate adopted an amendment to the iron and steel schedule in paragraph 301. The House had scrap iron and pig iron taxed at $1.25 a ton, but in order to lower the duty on scrap the Senate committee inserted the words "$1.25 per ton" after pig iron and then changed the rate on scrap iron. That has been agreed to by the Senate, not merely amending an amendment, but as amended it has been agreed to by the Senate. Yet I stated when that question was under debate that when the proper time came I would move to strike out the rate entirely and to place it on the free list.

Now, is that rate adamant, and can it not be changed? Of course, the reason why I could not move to put it on the free list the other day was because, through courtesy to the chairman of the committee, we had granted him the right to have the committee amendments considered first. Of course, we could have objected and insisted on having all amendments considered in confusion, but he asked for his own purposes that only committee amendments be first considered. When we voted in the rate of $1.25 upon the pig iron under the pending agreement in the Senate, I could then go no further, but I gave notice that when the proper time came I desired to strike out $1.25 and put the article on the free list. I can not see much difference between striking out "35" and making it "15" and striking out "$1.25" and making it nothing.

I think if the Chair sustains the point of order—and I do not say this in criticism either of the Chair or the other side of the Senate—the effect of what it will do in reference to the bill will be to gag the Senate in its effort to really express its viewpoint. I do not care to offer any amendment by courtesy of the other side—not that I object to their courtesy. The other side of the Chamber has always treated me with great courtesy, and I appreciate it, but when I am on the battle line fighting I do not want to fight by leave of my opponent. I want the privilege of fighting on my own feet. When the time comes, if the Chair shall sustain this point of order, then anybody on the other side of the Chamber would have the right, when I move to strike out "$1.25" and put the product on the free list, to say, "I make the point of order that that rate has been adopted, that it is adamant, and it can not now be changed." Then we would have to go to the country that way. I realize on this particular bill it would not make any difference. Of course, I know the majority side of the Senate are going to keep the bill

as it is, but I think I am entitled to the right, when the time comes, to test the sentiment of the Senate and to go to the country on it. That is the purpose of these amendments. This is a great issue. There has been a vast change of sentiment in the country in regard to customs legislation, and that question is going to the country in the approaching campaign. Senators on both sides of the Chamber have a right to have the roll called on their amendments so that all Senators may be put on test as to their position. That is one of the rights of the minority even under the House rules. I served under Mr. Reed when he was called the Czar of the House, and yet I have never known the time when Tom Reed, of Maine, denied the right to the minority to propose an amendment in an instance of this kind and to have a vote on it. He cut off debate; he cut off dilatory tactics; but on the fundamental question of presenting their viewpoint to the country the minority had the opportunity to do that; yet this ruling, if insisted upon, will undoubtedly deprive the minority of the opportunity of making the test before the country on very material questions, involving many amendments more material than the question of whether or not pig iron should be on the tax list at $1.25 a ton or on the free list. In this instance the motion involves not merely the changing of the rate, but it goes to the question of whether or not this article of wire shall be taxed at an ad valorem rate or at a specific rate. That is the real question which is involved in the controversy.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Without objection, the Senator from North Dakota will proceed.

Mr. McCUMBER. Mr. President, in the 23 years during which I have been a Member of the Senate I do not think there has ever been a single instance where the Senate has directly voted to change a rate after striking out a particular rate and inserting something else except upon a reconsideration of the vote by which in the first instance the rate was agreed to or by unanimous consent.

Mr. PITTMAN rose.

Mr. McCUMBER. Just let me finish the sentence. It will only take a minute. I want to make this point clear.

The Senator from Alabama [Mr. UNDERWOOD] has tried to argue that under the ruling of the Chair the minority will not get its rights. The right of the minority is to have a vote upon the question which is presented; and if that question does not present the contention in the right way the minority have, or any Senator has, a right to argue that that ought to be voted down so that they may offer an amendment fixing some other rate.

As the amendment came into the Senate it proposed to fix 40 per cent ad valorem as the rate; a motion was made to strike out "40" and to insert "35." That motion brought that specific point before the Senate for its decision. Those who wanted 15 per cent could argue to the Senate and say, "Let us vote down the 35 per cent rate so that we may offer an amendment providing for a 15 per cent." If they succeeded in convincing the majority that the rate ought not to be 35 per cent, they could then offer their amendment proposing to fix the rate at 15 per cent. While we were discussing the amendment proposing to fix the rate at 35 per cent, they could have argued that, instead of an ad valorem rate of 35 per cent, there should be a specific rate of 1½ cents a pound. They had the right to argue that and to present that as one of the reasons why 35 per cent should not be adopted as the rate. In this case they did that; at least, some Senators argued the point, and there was put directly to the Senate the question, Shall we adopt 35 per cent ad valorem rather than the other rate?

Mr. UNDERWOOD. Will the Senator allow me to interrupt him for just a moment?

Mr. McCUMBER. I yield.

Mr. UNDERWOOD. I will not take much of the time of the Senator. The Senator says that we have a right to a vote, but that is not what I am contending for. Of course we have a right to a vote; nobody can change that; the right, according to the Senator's contention, is to vote on our adversary's amendment—in this case the Republican amendment—but we have got more than that. We are entitled to a vote on our proposal as to what is right as well as on the Republican proposal; and that is what this ruling will cut us off from. It cuts us off from presenting our proposal and having a vote on it. That is what I contend for. Under any parliamentary law, unless under an automatic gag rule such as is sometimes adopted in the House of Representatives by special rule from the Rules Committee, the minority has the right to present its viewpoint and to have a vote on it. This ruling, however, would cut that off.

Mr. McCUMBER. I should like to have the Senator from Alabama present to me a single instance in the whole history of the Senate where the Senate has ever taken that view. The correct view is that we must some time settle a question. If when the Senate has settled that a rate shall be 35 per cent some Senator may move that it be 15 per cent, and after the proposition to make it 15 per cent has been carried the matter is still not conclusive, but some other Senator may then move to make the rate 15.01 per cent, and the vote on that is not conclusive, we may vote on 10,000 different motions, and none of them will be conclusive.

Mr. President, that is not correct parliamentary law. The Senate has a right to vote down a proposed amendment, and then any Senator has a right to propose another; but the right does not exist first to vote in an amendment as a body and then attempt to vote it out again, and to do that as many times as any Senator desires to raise the question. In this case Senators on the other side of the Chamber had their day in court; they will have it twice in this case, because in the Senate they will have the right to another vote. If the committee amendment is not right and it is believed that the rate should be 1¼ cents per pound, Senators may still vote on it again when the bill reaches the Senate from the Committee of the Whole.

Mr. UNDERWOOD. The Senator from North Dakota has stated that he would like to know where I find any precedent for saying that the minority have a right to present their viewpoint.

Mr. McCUMBER. Oh, they have that right, of course.

Mr. UNDERWOOD. I know of no precedent in the Senate heretofore where it has ever been contended that the minority did not have the right to present their viewpoint and to take a vote on it.

Mr. McCUMBER. That is not the question. The question is whether or not the Senator can find a precedent to the effect that where we have adopted a specific amendment, then we can immediately knock that out and put something else in its place.

Mr. UNDERWOOD. Does not the Senator from North Dakota recognize the difference between a specific rate and an ad valorem rate? The pending motion is to strike out an ad valorem rate and to insert a specific rate.

Mr. McCUMBER. But the question the Senate voted on was to insert a 35 per cent ad valorem rate. That is not a specific rate.

Mr. UNDERWOOD. Then the Senator admits what I contended a while ago, that if the ruling is correct, and if a paragraph has been amended and the amendment has been agreed to, when we go into the Senate and the time comes to offer amendments we can not do it. We are permitted——

Mr. McCUMBER. Oh, yes; you can, or you can vote down our amendments. Of course, if you can not vote down our amendments, you are not entitled to have a different amendment adopted.

Mr. UNDERWOOD. Of course, then you apply the gag rule. The minority has no rights that it can exercise when it has got to outvote the majority, because it has not got a majority.

Mr. McCUMBER. The Senator from Alabama might as well say that a majority vote is a gag rule, because it settles the question; but that is not gag rule.

Mr. UNDERWOOD. Not at all.

Mr. McCUMBER. It is majority rule.

Mr. UNDERWOOD. I contend that in this body the minority has a right to present its position to the country and to have a vote on it. But if this ruling is correct, as enlarged by what the Senator from North Dakota has just admitted, then, in the case of graphite, for instance, because an amendment has been adopted, when we get through the committee amendments and have an opportunity to offer amendments ourselves we are precluded because the Senate by a majority vote has already acted on it. There is nothing of that kind in the rule. Of course, the majority can always adopt its proposition; a majority can always do that; and the rules are no defense of or protection to the minority whatever.

Mr. McCUMBER. Of course, we can not change the 10 per cent that has been put in unless when the bill gets into the Senate the amendment is disagreed to, but when the amendment is disagreed to any other amendment may be offered.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Without objection, the Senator from Nevada is recognized.

Mr. PITTMAN. Mr. President, I think the whole difference arises over the question as to what we are considering. We are considering House bill 7456, and the Senate has adopted no amendment to House bill 7456. That is all there is to it. If by a vote the Senate had adopted the amendment under consideration, then the ruling that is urged by the Senators on the other side would be good. If we should adopt the pending

amendment, which is the committee amendment, as amended, after that we could not change it in the Committee of the Whole, but we are not in that position. I think all of the citations have been based upon the supposition that the Senate has amended the bill under consideration. The Senate has not amended the bill under consideration; that is the very question before the Senate now: Shall we amend House bill 7456? Senators on the other side insist the Senate has already acted, whereas it has not acted. A majority of this body may vote not to amend the House provision. There is nothing at all so far acted upon by the Senate, they have merely expressed themselves as preferring 35 per cent to 40 per cent; that is all. There has not been an amendment to the bill under consideration with reference to this particular item.

Just before this whole parliamentary situation arose the Chair stated, "The question is now upon the committee amendment as amended." The question at that time was whether we would amend the House bill which was before us for consideration; but the Senate has never had a chance to vote on that question, and never has voted on it.

The vote on the amendment of the Senator from Utah was not a vote on an amendment to the bill under consideration; it was simply an expression of preference on the part of the Senate that they would rather have a rate of 35 per cent than a rate of 40 per cent as an amendment to the House bill; but it has not been acted on. The Senate has merely expressed its preference for 35 per cent over 40 per cent. I offered an amendment testing the sentiment of the Senate to see whether it would not rather have a rate of 1 cent per 10,000 pounds than 35 per cent ad valorem.

However, the Senator from Alabama covered every question I desire to cover in connection with this matter. I simply did not desire the argument of the Senator from Massachusetts to go without a word from me. I do not think there is any question that if House bill 7466 had been amended by the vote of the Senate we could not change the amendment in Committee of the Whole, because it would be the action on the bill under consideration whenever it reached that point, but it has not reached that point, and that is the difference that I think exists now between the proponents of the two constructions of the parliamentary rules.

Mr. SIMMONS. Mr. President, may I interrupt the Senator?

Mr. PITTMAN. Certainly.

Mr. SIMMONS. Mr. President, it seems to me that about all we have done by the vote we have taken is to permit the committee which brought in the bill to modify their amendment. Ordinarily, the mover of an amendment has a right to modify it at any time before a vote is taken upon the amendment. The committee brought in an amendment providing for a rate of 40 per cent, but the committee before action by the Senate asked the Senate for permission to change that amendment from 40 per cent to 35 per cent.

Mr. LODGE. Mr. President——

Mr. SIMMONS. Just a moment, please. Ordinarily that is done by unanimous consent; but we seem to have done it in this case by a vote. The amendment which is now pending is the committee amendment, which, with the consent of the Senate, has been changed from 40 per cent to 35 per cent.

I am not discussing the parliamentary situation, because I do not profess to be a parliamentarian. I am simply looking at it from the standpoint of ordinary logic and what seems to me to be common sense. We are in this situation: If this practice is to prevail here the committee in charge of this bill, with 2,000 amendments pending, can practically cut off all opportunity on the part of any Senator on either side of the Chamber to offer and secure a vote upon any amendment whatever. They can come in each morning and as an item is reached they can move to amend by slight increase or a slight reduction in the rate, and then an amendment to that would be held to be an amendment in the third degree and therefore incompetent. The result would be that no Senator would have an opportunity to offer an amendment at all.

I think that would be a very unfortunate situation, especially in connection with a bill carrying 2,000 amendments; and yet that would necessarily follow if every time the committee wants to change an amendment proposed by it we must take a vote, and when we take a vote as between the original proposition of the committee and the substitute proposition of the committee we can take no other vote. Therefore we are confined absolutely to select one or the other of the rates proposed by the committee. I do not see any justice or common sense in that proposition.

Mr. PITTMAN. Mr. President, the Senate has under consideration House bill 7456. It is a tariff bill; it came over to the Senate; it has been reported to the Senate, and the committee reporting it here has recommended certain amendments. The amendment under consideration is one of them, but it has not yet been adopted by the Senate. Whenever it is adopted by the Senate, the parliamentary rules read by the Senator from Massachusetts apply, but not until then. At the present time the Senate has done nothing except to consider what amendments it will accept in lieu of certain provisions of House bill 7456; that question we have not decided as yet; the Senate has only decided that it prefers, in this instance, a 35 per cent ad valorem rate to a 40 per cent ad valorem rate. I have asked the Senate by my amendment if they would not prefer to have a specific duty to an ad valorem duty. If they should adopt the amendment that I have offered, it would not yet be an amendment to the bill; it would only be a proposal to the bill. The vote of the Senate adopting the amendment of the Senator from Utah, making it 35 per cent instead of 40 per cent, does not affect H. R. 7456, the bill we have under consideration. It has not been adopted as a part of the bill. It was only adopted as a suggestion to be offered as an amendment, but the Senate has not yet voted on it.

I have offered another suggestion to the Senate to see whether they would not prefer a specific duty of so much a pound to an ad valorem duty of 35 per cent. We certainly should have a right to decide that question before the amendment is offered as an amendment to the bill under consideration, because undoubtedly after we adopt the amendment to the bill under consideration that ends it. That is the very reason why we should have the right, and that is the very reason of the rule that an amendment may be amended before it is offered to a bill. If that is not done, we get into this parliamentary inconsistency that everyone admits.

There was no intention on the part of the framers of the rules governing legislative bodies that any such absurd proposition should arise. Of course, the Senator from Massachusetts [Mr. LODGE] is absolutely right when he states that the Senate once having adopted an amendment to a bill, the vote on that question should end; but he knows that we have not adopted any amendment to the bill. We are only acting on what amendment we will adopt to the bill. It has been said that the Senate has acted on the amendment of the Senator from Utah, reducing the rate from 40 to 35 per cent. It has not. There never was a 40 per cent ad valorem rate in the bill, and it is not there now. It was 20 per cent ad valorem, and it is unchanged in the bill that we have under consideration. The committee proposed to raise it to 40 per cent. The Senate proposed, by adopting the Smoot amendment, to raise it to 35 per cent, and the Senate has not acted on either one of them, and to-day the rate stands in the House bill which we are now considering as 20 per cent. Meanwhile, before we have acted upon the House bill, I propose to the Senate to substitute, instead of 35 per cent ad valorem, a specific duty of 1 cent for every 10,000 pounds. The Senate has had no opportunity to vote on that subject. It is an entirely different question from any that it has had under consideration, and yet it is claimed that under the rules we can not bring that to the consideration of the Senate, that we can not reduce the 35 per cent, and that the Senate must now stop thinking. That is the whole situation.

No such thing was ever anticipated in the rule. Not only that, but the very rule which the Senator from Kansas [Mr. CURTIS] cited—he did not cite it all—goes on and says, further:

> After A is inserted, however, it may be moved to strike out a portion of the original paragraph, comprehending A, provided the coherence to be struck out be so substantial as to make this effectively a different proposition.

The Senator from Kansas did not read that, of course.

Mr. McCUMBER. The Senator from Kansas admits that. We all admit it. The Senator can reach just what he wants by first sustaining the Chair, and then he can add, after the "ad valorem," if he wants to, "not exceeding 1 cent per 10,000 pounds."

Mr. PITTMAN. Oh, but this rule says that you may strike out certain parts of it, comprehending the A that you put in, the 35 per cent.

Mr. McCUMBER. It does not say that you can strike out A, though.

Mr. PITTMAN. I will read it again to the Senator.

> After A is inserted, however, it may be moved to strike out a portion of the original paragraph, comprehending A, provided the coherence to be struck out to be so substantial as to make this effectively a different proposition.

Mr. McCUMBER. Yes; but it does not say that you can strike out A.

Mr. UNDERWOOD. It says "comprehending A."

Mr. McCUMBER. The whole paragraph that comprehends A, but not the amendment itself.

Mr. PITTMAN. Apparently, without a vote on this matter, we are to be bound not to consider further whether the duty shall be ad valorem or specific, just because the Senate has recommended by a vote that "35" be offered as an amendment to the House bill instead of "40." That is where we stand. The Senator from Massachusetts was entirely right Saturday, when he said that we were not dealing with an amendment to the bill under consideration, but we were considering solely what we should offer as an amendment to the bill. That is the whole problem.

It is said that it is an endless proposition. What has that to do with it? We have endless debate in this body, too—unlimited debate. We have never tried to limit debate here so far. I do not know whether we will or not. In the House, except for the rule providing for calling for the previous question, Members could go on offering amendments without limt. There is no doubt of that.

Mr. LODGE. If the amendment is rejected, that can be done.

Mr. PITTMAN. Here, however, we have a rule which says that an amendment in the third degree can not be offered. That means this:

The Senate committee offers an amendment to the House bill to raise the rate from 20 per cent to 40 per cent. The Senator from Utah offers an amendment to the amendment of the committee making it "35" instead of "40." Under ordinary circumstances, the minority would have the right to offer 15 per cent in lieu of the 35 per cent offered by the Senator from Utah; but we are debarred from doing that under the rule that it is in the third degree, and we can not go that far. We are debarred from getting any remedy in that way; and having debarred us from getting the remedy in that way, you say that having voted on the second amendment, which is better than the first amendment, we are forever stopped from going any further.

That might be true if the second vote were on an amendment to the bill, but it is not on an amendment to the bill. The very question that is pending now before the Senate, outside of this parliamentary question, is whether or not we shall adopt the Smoot amendment as a substitute for the House provision. If we do adopt the Smoot amendment as a substitute for the House provision, then the parliamentary rule that the Senator from Massachusetts raised applies. The only difference between us is that the parliamentary rule applies to an amendment to the question under consideration, which is a bill originating either here or in the other House. It does not apply to the perfection of an amendment offered to the bill.

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate? On this question the yeas and nays have been ordered. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). I transfer my general pair with the Senator from Montana [Mr. WALSH] to the Senator from Oklahoma [Mr. HARRELD], and will vote. I vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED], and ask that this transfer may stand for the day. I vote "nay."

Mr. McCUMBER (when his name was called). I transfer my pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Maryland [Mr. WELLER], and will let this announcement of transfer stand for the day. I vote "yea."

Mr. CURTIS (when Mr. NORRIS's name was called). I have been requested to announce the absence on official business of the Senator from Nebraska [Mr. NORRIS].

Mr. SUTHERLAND (when his name was called). I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Oregon [Mr. STANFIELD], and will vote. I vote "yea."

Mr. WARREN (when his name was called). I have a general pair with the junior Senator from North Carolina [Mr. OVERMAN]. In his absence I transfer that pair to the senior Senator from Pennsylvania [Mr. CROW] and ask that that transfer may stand for the day. I vote "yea."

Mr. WATSON of Georgia (when his name was called). I transfer my general pair with the Senator from Arizona [Mr. CAMERON] to the Senator from Texas [Mr. CULBERSON], and will vote. I vote "nay."

Mr. WILLIAMS (when his name was called). I transfer my pair with the Senator from Indiana [Mr. WATSON] to the Senator from Nebraska [Mr. HITCHCOCK], and will vote. I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from New York [Mr. CALDER] with the Senator from Alabama [Mr. HEFLIN];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Delaware [Mr. DU PONT] and vote "yea."

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the senior Senator from New Hampshire [Mr. MOSES] and vote "yea."

The roll call resulted—yeas 37, nays 22, as follows:

YEAS—37.

Ball	Gooding	McLean	Poindexter
Broussard	Hale	McNary	Rawson
Bursum	Johnson	Nelson	Smoot
Capper	Jones, Wash.	Newberry	Spencer
Curtis	Keyes	Nicholson	Sterling
Dillingham	Ladd	Norbeck	Sutherland
Elkins	Lodge	Oddie	Warren
Ernst	McCormick	Page	
France	McCumber	Pepper	
Frelinghuysen	McKinley	Phipps	

NAYS—22.

Ashurst	Harris	Pittman	Underwood
Brandegee	Harrison	Ransdell	Walsh, Mass.
Caraway	Jones, N. Mex.	Sheppard	Watson, Ga.
Fletcher	Kendrick	Simmons	Williams
Gerry	La Follette	Smith	
Glass	Myers	Swanson	

NOT VOTING—37.

Borah	Fernald	Norris	Townsend
Calder	Harreld	Overman	Trammell
Cameron	Heflin	Owen	Wadsworth
Colt	Hitchcock	Pomerene	Walsh, Mont.
Crow	Kellogg	Reed	Watson, Ind.
Culberson	King	Robinson	Weller
Cummins	Lenroot	Shields	Williams
Dial	McKellar	Shortridge	
du Pont	Moses	Stanfield	
Edge	New	Stanley	

The VICE PRESIDENT. On this vote the yeas are 37 and the nays are 22. So the decision of the Chair stands as the judgment of the Senate.

APPOINTMENTS BY EXECUTIVE ORDER.

Mr. HARRISON. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. HARRISON. On March 16 I offered a resolution in the Senate calling on the President of the United States "to furnish to the Senate the name of every person appointed by Executive order since March 4, 1921, whose appointment is by such order excepted from the civil-service rules, and to furnish to the Senate the reasons therefor."

There was discussion upon the resolution on several occasions, and on the legislative day of April 20, the calendar day of April 24, the resolution unanimously passed the Senate, calling on the President for that information.

I thought at that time that a great many of these appointments had been made by Executive order, in post offices and various other places, but I assumed that 10 days would be a reasonable time in which to make a response to the resolution. Notice was served on the President, I take it, some five weeks ago to get the information. There has been no answer up to this good hour. So my parliamentary inquiry is, How long must the Senate wait to get that information?

Of course, if there are so many of those appointments by Executive order that it would take six months to get the information, that may be a reasonable excuse for making the Senate wait, but I submit that five weeks after the request was made for that information the President should send it to us. I know that a great many important problems are at his desk to be solved. I know that there are many engagements which are pressing upon him which he must fulfill, social, political, and otherwise. I know that at times he must necessarily glide down the waters upon the *Mayflower* to keep up his associations with his friends. But this is a matter of importance. The country is interested in knowing how many Executive orders have been promulgated by the President, how many persons have been appointed in this country since the 4th of March through Executive order, and five weeks' time is enough, it seems to me, in which to formulate the data and send it to the Senate. So my parliamentary inquiry is, If the Vice President does not think it is long enough?

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

Mr. SIMMONS. The vote we are about to take is upon the adoption of the rates proposed by the committee as amended.

The VICE PRESIDENT. It is. The Secretary will state the amendment as amended.

The ASSISTANT SECRETARY. The question now is upon striking out "30" and inserting "35" on page 60, line 16, so as to read:

Wire rope and wire strand, 35 per cent ad valorem.

Mr. SIMMONS. I understand that under the ruling of the Chair it is not permissible for me to move to substitute 20 per cent for 35 per cent.

The VICE PRESIDENT. That is the decision the Senate has just made.

Mr. SIMMONS. Then I ask for the yeas and nays on agreeing to the amendment of the committee as amended.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. ERNST (when his name was called). Making the same announcement as before, I vote "yea."

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. WARREN (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "yea."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WILLIAMS (when his name was called). Repeating the announcement of my pair and its transfer as on the last roll call, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from New York [Mr. CALDER] with the Senator from Alabama [Mr. HEFLIN];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

Mr. SUTHERLAND. Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

The result was announced—yeas 37, nays 24, as follows:

YEAS—37.

Ball	Johnson	McNary	Ransdell
Brandegee	Jones, Wash.	Nelson	Rawson
Bursum	Kellogg	Newberry	Smoot
Curtis	Kendrick	Nicholson	Spencer
Elkins	Keyes	Norbeck	Sterling
Ernst	Ladd	Oddie	Sutherland
France	Lodge	Page	Warren
Frelinghuysen	McCumber	Pepper	
Gooding	McKinley	Phipps	
Hale	McLean	Poindexter	

NAYS—24.

Ashurst	Fletcher	La Follette	Smith
Borah	Gerry	Myers	Swanson
Broussard	Glass	Norris	Underwood
Capper	Harris	Pittman	Walsh, Mass.
Caraway	Harrison	Sheppard	Watson, Ga.
Dial	Jones, N. Mex.	Simmons	Williams

NOT VOTING—35.

Calder	Fernald	New	Stanley
Cameron	Harreld	Overman	Townsend
Colt	Heflin	Owen	Trammell
Crow	Hitchcock	Pomerene	Wadsworth
Culberson	King	Reed	Walsh, Mont.
Cummins	Lenroot	Robinson	Watson, Ind.
Dillingham	McCormick	Shields	Weller
du Pont	McKellar	Shortridge	Willis
Edge	Moses	Stanfield	

So the amendment of the committee as amended was agreed to.

MEDICAL REPORTS IN THE CASE OF CHARLES W. MORSE.

Mr. LODGE. I ask unanimous consent to have printed in the RECORD, in 8-point type, an official statement issued by the Department of Justice May 27, as published in the newspapers of Sunday, May 28, giving a summary of certain medical reports in the case of Mr. Charles W. Morse.

There being no objection, the statement was ordered to be printed in the RECORD in 8-point type, as follows:

[An official statement issued by the Department of Justice on Saturday, May 27, as published in the newspapers of Sunday, May 28, giving a résumé of certain medical reports in the case of Mr. Charles W. Morse.]

The record in the case of the commutation of the sentence of Charles W. Morse as disclosed in the official files, indicates beyond any question that Mr. Morse was released from confinement in the Federal penitentiary at Atlanta, Ga., upon reports of reputable physicians and United States Army surgeons showing him to be suffering from a serious illness. The release came as the culmination of, probably the most remarkable public demonstrations on behalf of any Federal prisoner ever convicted in the courts of the United States. Thousands of people had petitioned the Government for the pardon of Mr. Morse before action was finally taken resulting in his release on January 18, 1912, upon the medical reports of his physical condition.

Among the thousands who signed the petitions for the release of Mr. Morse were men of national reputation, many of them occupying positions of responsibility and trust under the Government itself. Despite the high character of those who thus disclosed their sympathy for Mr. Morse, it was not in response to any public demonstration, strong as that was at the time, that Mr. Morse was released, but solely upon the reports of the medical examiners. Chief among these were the distinguished officers of the Medical Corps of the United States Army, comprising an Army medical board, who found that Mr. Morse was suffering from chronic valvular disease of the heart, chronic nephritis, commonly known as Bright's disease, and slight arteriosclerosis. The officers constituting this board were Col. H. P. Birmingham, president; Maj. P. C. Fauntleroy; and Maj. F. F. Russell, recorder. This board, under date of December 30, 1911, expressed the opinion that while Mr. Morse was not in any immediate danger of death, the complication of diseases from which he was suffering was incurable and that on account of the psychic element in his case an improvement under existing conditions could not be hoped for.

So much misinformation has recently been made public with respect to the Morse case that it will be perhaps of some public interest to have at this time a brief résumé of the various proceedings in this case as disclosed in the official files. A report of James A. Finch, who at that time was, and who still is, pardon attorney of the Department of Justice, made to the Attorney General on February 20, 1911, states:

An overwhelming number of petitions and papers have been filed in this case.

Probably 20 per cent of the petitions, the report shows, asked for an investigation of the case, and if the man had not had full justice that a pardon be issued. Mr. Finch's letter states it is claimed that the petitions in Mr. Morse's case were signed by 70,000 persons, among them 429 State senators; 823 governors, mayors, and public officials; 1,675 judges and lawyers; 1,361 bankers; 865 newspaper men; 876 clergymen and physicians; and a large number of manufacturers, merchants, and business men. The petitions on file are voluminous.

Among the petitioners appearing in the lists of the official files of the pardon attorney are to be found the names of some of the most distinguished men in the country, evidence at this late date of the unusual and widespread interest then taken in Mr. Morse by people in all walks of life. Among the names listed are those of Senator Eugene Hale, of Maine; Senator Stephen B. Elkins, of West Virginia; Senator John H. Bankhead, of Alabama; Senator William O. Bradley, of Kentucky; Senator Thomas H. Carter, of Montana; Senator George E. Chamberlain, of Oregon; Senator Moses E. Clapp, of Minnesota; Senator Alexander S. Clay, of Georgia; Senator W. Murray Crane, of Massachusetts; Senator Chauncey M. Depew, of New York; Senator Charles Dick, of Ohio; Senator Duncan U. Fletcher, of Florida; Senator Frank P. Flint, of California; Senator Wiliam P. Frye, of Maine; Senator Jacob H. Gallinger, of New Hampshire; Senator H. D. Money, of Mississippi; Senator Henry B. Burnham, of New Hampshire; Senator Lee S. Overman, of North Carolina; Senator Robert L. Owen, of Oklahoma; Senator Nathan B. Scott, of West Virginia; Senator William J. Stone, of Missouri; Senator Robert L. Taylor, of Tennessee; Senator Charles A. Towne, of Minnesota, and others.

The names of a great many of the most prominent Members of the House of Representatives at that time appear as petitioners in behalf of Mr. Morse in the official files of the pardon attorney, of whom it is necessary and possible to mention only a few, including such distinguished men as John A. M. Adair, of Indiana; Joshua W. Alexander, of Missouri, afterwards a

member of the Cabinet in the administration of President Wilson; Andrew J. Barchfeld, of Pennsylvania; Richard Bartholdt, of Missouri; Charles L. Bartlett, of Georgia; Robert L. Broussard, of Louisiana; Walter P. Brownlow, of Tennessee; Edwin C. Burleigh, of Maine; Joseph W. Byrns, of Tennessee; William J. Cary, of Wisconsin; Frank Clark, of Florida; Henry D. Clayton, of Alabama; Ralph D. Cole, of Ohio; Michael F. Conry, of New York; Harry M. Coudrey, of Missouri; Charles H. Cowles, of North Carolina; Charles A. Crow, of Missouri; William A. Cullop, of Indiana; S. H. Dent, jr., and Richmond P. Hobson, of Alabama; Martin Dies, of Texas; Albert Estopinal, of Louisiana; Oscar W. Gillespie, of Texas; Carter Glass, of Virginia; Henry M. Goldfogle, of New York; George W. Gordon, of Tennessee; Thomas W. Hardwick, of Georgia; Robert L. Henry, of Texas; William Hughes, of New Jersey; Cordell Hull, of Tennessee; Ollie M. James, of Kentucky; J. Warren Keifer, of Ohio; Daniel F. Lafean, of Pennsylvania; John Lamb, of Virginia; James T. Lloyd, of Missouri; Harry L. Maynard, of Virginia; D. H. Mays, of Florida; Joseph F. O'Connell, of Massachusetts; George A. Pearre, of Maryland; John C. Floyd, Ben Cravens, and Joseph T. Robinson, of Arkansas; William W. Rucker, of Missouri; Swagar Sherley, of Kentucky; James L. Slayden, William R. Smith, and John H. Stephens, of Texas; Stephen M. Sparkman, of Florida; William Sulzer, of New York; J. Thomas Heflin, of Alabama; James M. Cox, of Ohio, and many others.

The records in this case show that despite the widespread public sympathy with Mr. Morse and the extraordinary number of petitions signed in his behalf, the action of the President was based entirely and solely upon reports of the Department of Justice and medical authorities who were called in to examine Mr. Morse.

Briefly, these examinations were made by civilian physicians and by officers constituting a special board of the medical department of the United States Army. Under date of November 1, 1911, Dr. E. C. Davis, of Atlanta, Ga., made a report to Hon. W. H. Johnson, United States marshal at Atlanta, based on an examination of Mr. Morse which he had made at Mr. Johnson's request. Doctor Davis reported symptoms indicating changes, probably indicating a beginning of Bright's disease, and said as to Mr. Morse:

I do not believe, in his present condition, with the influence of mental worry added to his physical ailments, that he would ordinarily live more than one or two years unless treated with extreme care and thoroughly protected from arduous work and exposure.

His diet ought also to be looked after carefully on account of evidences that were found of the beginning of Bright's disease.

Under the same date a report was made to Mr. Johnson by Dr. W. S. Elkin, of Atlanta, the concluding paragraph of which was as follows:

I do not believe that Mr. Morse is suffering from any serious organic trouble, nor is his health being materially affected by his present confinement. The nervous strain that he has been under for the past three years would easily account for his loss in weight. I do not think that further confinement will materially shorten the prisoner's life or permanently or seriously impair his health.

During November, 1911, constant reports were made to the Attorney General by J. Calvin Weaver, physician at the Atlanta Penitentiary under the last administration, on Mr. Morse's condition.

The Department of Justice was kept constantly advised of the condition of Mr. Morse by William H. Moyer, warden of the Atlanta Penitentiary, to whom reports were made by Maj. David Baker, post surgeon at Fort McPherson, Ga., where Morse was removed for treatment on November 26, 1911. Mr. Moyer on December 23, 1911, reported to the Attorney General, from Atlanta, by telegraph, as follows:

At 11.45 this morning Major Baker, post surgeon at Fort McPherson, telephoned the following report to me: "After four weeks' observation I believe that the physical condition (Morse's) is deteriorating. I regard his condition as very grave. I believe that further imprisonment will be injurious."

On December 28 1911, Warden Moyer was informed of the action of President Taft declining to exercise Executive clemency in the case. On the day following Mr. Moyer reported to the Attorney General by telegraph as follows:

Major Baker, surgeon of the post at Fort McPherson, reports over the telephone, at 10.47 a. m. to-day, as follows regarding the physical condition of Charles W. Morse, register No. 2814: "C. W. Morse is weaker, with more blood in his urine this morning than lately."

Under date of December 30, 1911, Major Baker reported as follows, in writing to the commanding officer at Fort McPherson, on the physical condition of the prisoner:

FORT MCPHERSON, GA., *December 30, 1911.*

REPORT OF THE PHYSICAL CONDITION OF FEDERAL PRISONER CHARLES W. MORSE.

He was admitted to this hospital the 26th of last month.

He has been examined daily since that date by the undersigned.

Diagnosis: Arteriosclerosis, with—

(a) Myocarditis, chronic ("mitral insufficiency, relative," used in my report of the 16th instant, expresses, in other words, my opinions).

(b) Renal sclerosis.

The last two are but phases in the progress of the first affection, noted when the heart and kidneys have become seriously involved.

(a) Myocarditis, chronic, is an affection of the heart muscle in which actively contracting muscle fibers are replaced by inert fibrous tissue. The progress is one of steady deterioration to a point where the heart is no longer able to empty itself, when it fails, either suddenly, with little or no premonition, or gradually, with accompanying dropsy. My statement of a relative mitral insufficiency in my report of the 16th instant was founded on the assumption of myocarditis, chronic, and was based on the physical signs which were then, as now, present, namely, a soft blowing murmur at apex of the heart, which is displaced to the left nipple line, and accentuated aortic second sound and dilatation, with loss of heart force. Myocarditis, chronic, is characterized by a higher percentage of sudden deaths than is any other chronic ailment. The general appearance of the patient is not indicative of the stage of the disease.

(b) The affection of the kidneys is a sclerosis, or contraction of the kidneys, choking out the normal tissues and replacing them with fibrous tissue which can not excrete urine. This is one of the forms of Bright's disease. It is a constant danger to the patient, as in this disease not enough urinary solids are excreted and thus eliminated from the system. In this case about two-thirds only of the normal amount has been excreted daily for a period of several weeks. This keeps the patient in danger of sudden or gradual development of uremia, which carries an enormous death rate. These dangers—sudden heart failure, from myocarditis, and uremia, from failure of the kidneys to eliminate—are constant in this case and can not, with due regard for the medical authorities, be minimized. The urine of this patient is not only decreased but it daily contains blood, and usually casts and albumen.

Other dangers of arteriosclerosis are the apoplexies, particularly the cerebral form.

Present condition: The patient is extremely weak, sitting up in bed only when propped for a short time—has not exceeded one and one-half hours at one time—when he complains of vertigo and faintness. His heart has lost force and its action is irregular. His circulation is poor. His kidneys do not eliminate sufficiently.

Prognosis: This malady is incurable. It is spoken of in the singular for the reason that his affections constitute one affection—arteriosclerosis—with special involvement of the heart and kidneys. In my opinion, he has not very long to live. This is rather indefinite, I realize, but forecasts of death in chronic disease are, at best, only approximations. That death comes on very suddenly in a large per cent of this disease is of itself enough to stamp it as one of the very gravest chronic affections known. As a life-insurance risk I would not recommend this patient for the short period of 30 days. His sudden death is constantly probable.

Effect of further imprisonment: All authorities are one in agreement that mental strain and worry aggravate this disease. For that reason, supporting my knowledge of the case, I unhesitatingly state that further imprisonment will be injurious if not speedily fatal. I have set forth my views of this case at some length for the reason that my previous reports may not have been full enough, though I thought them clear.

DAVID BAKER,
Major, Medical Corps, United States Army.

Under date of December 30, 1911, Surg. Gen. George H. Torney, of the United States Army, submitted to The Adjutant General of the Army the report of the board of medical officers which was sent to Fort McPherson, Ga., to investigate the physical condition of Charles W. Morse. This report is more than four typewritten pages in length, and comprises a complete diagnosis of the condition of Mr. Morse. The report sets forth that the urine had shown blood in diminishing quantities since admission and always more or less albumen, the amount at that time being not much more than a trace; that at Fort McPherson the prisoner had never been unconscious, although it had been reported by the prison authorities that he was, following the appearance of blood in the urine while in the prison. The report then concludes:

"From careful consideration of the history and the examination made the board is of the opinion that Charles W. Morse is suffering with chronic valvular disease of the heart, chronic nephritis—commonly known as Bright's disease—and slight arteriosclerosis. He has recently had a severe acute conges-

tion of the kidney, due probably to an infarct—the result, in all probability, of a cardiac embolus lodging in the kidney—during which he passed and still passes blood in his urine, although in diminishing quantities.

"The board is further of the opinion that, under the conditions surrounding him at present, there is not any immediate danger of death, but the complication of diseases from which he is suffering is incurable, and that on account of the profound psychic element in his case an improvement under existing conditions can not be hoped for.

"The most favorable place for treatment would be where he could have the full benefit of a well-equipped hydrotherapeutic establishment such as Hot Springs, Ark., and if he were in the military service the board would recommend that he be sent there.

"H. P. BIRMINGHAM,
"*President, Colonel, Medical Corps.*
"F. F. RUSSELL,
"*Recorder, Major, Medical Corps.*
"P. C. FAUNTLEROY,
"*Member, Major, Medical Corps.*"

In his letter transmitting this report, Surgeon General Torney said:

"The board returned from Fort McPherson yesterday and handed its report to me this morning. In view of the clear and nontechnical language in which this excellent report is written, no interpretation of it by this office seems to be necessary. It may be said, however, that it is the opinion of the board, in which I concur, that in view of the mental depression of the prisoner, all recuperative power being in abeyance, no improvement under existing circumstances can be hoped for; his death may be expected unless the depressing influence of confinement be removed."

ROCK RIVER BRIDGE.

Mr. JONES of Washington. I have two bridge bills to report from the Committee on Commerce for the Senator from New York [Mr. CALDER]. The Senator from Illinois [Mr. MCKINLEY] is very much interested in having the bills passed promptly, and I shall ask unanimous consent for their present consideration. They are just the ordinary bridge bills.

From the Committee on Commerce I report back favorably without amendment the bill (H. R. 11408) granting the consent of Congress to the county of Winnebago and the town of Rockton, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River, in said town of Rockton. I ask that the bill be put upon its passage.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Winnebago and the town of Rockton, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River, at a point suitable to the interests of navigation, in said town of Rockton, county of Winnebago and State of Illinois, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

FOX RIVER BRIDGE.

Mr. JONES of Washington. From the Committee on Commerce I report back favorably without amendment the bill (H. R. 11409) granting the consent of Congress to the city of Ottawa and the county of La Salle, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Fox River, and I ask unanimous consent for its present consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the city of Ottawa and the county of La Salle, in the State of Illinois, their successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Fox River at a point suitable to the interests of navigation at or near Main Street, in the said city of Ottawa, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ATTORNEY GENERAL DAUGHERTY—THE MORSE CASE.

Mr. CARAWAY. Mr. President, it seems the Attorney General, Harry M. Daugherty, and Charles W. Morse have gone to sea. The papers so inform us. If it would not be offensive, I should like to know if they are going outside the 3-mile limit to settle their differences about whether Morse paid Daugherty his fee. The Attorney General went to sea with the President on Saturday, and Mr. Morse, with his son, according to the dispatch in the morning papers, either sailed Sunday or was to sail on that day. There may be, of course, nothing in the fact that they chose the same time to leave the country. So far as the American people are concerned, there is not much concern when they shall return.

But before the Attorney General gets entirely outside the sphere where we may communicate with him I want to call attention to one fact. In his letter of the 26th instant, written to the Senator from Indiana [Mr. WATSON], he uses this language:

I never received anything from Mr. Morse personally. All I ever received from anybody in connection with the Morse cases, both civil and criminal, was about $4,000 advanced to me by Mr. Felder, and was about half enough to pay my necessary expenses and disbursements connected with over a year's active investigation, preparation, and service in the cases.

It has been said, and I rather think it is true, that there is none so poor a witness as a lawyer. He usually mixes his facts. The Attorney General, Mr. Daugherty, made his contract with Mr. Morse for "services" to be rendered on the 4th day of August, 1911. Morse's sentence was commuted on the 18th day of January, 1912. Therefore, the entire period covered by the employment was five months and two weeks, and not "over a year," as stated by the Attorney General. Of course these are little inaccuracies, as was the Attorney General and the Senator from Indiana misunderstanding each other. The Attorney General wrote the Senator from Indiana [Mr. WATSON] and said: "You misunderstood me. I never said I did not have anything to do with the Morse case." And "you did not understand me to say I did not get anything for my services," although the Senator from Indiana was positive about both of those statements.

The Senator from Indiana has vindicated the good opinion I entertain of him, because he is quoted under a Rushville, Ind., headline of May 27 as saying this:

Attorney General Harry M. Daugherty and I understood each other perfectly.

That is, when the Attorney General states to the Senator from Indiana, "You did not understand me," the Senator from Indiana answers, "I understood you perfectly." That, if it means anything at all, means "you said just what I said you said." When the Attorney General and Mr. Morse went to sea to settle their differences, they ought to have included the Senator from Indiana, and let him have a chance likewise to adjust misunderstandings. I am pleased, however, to say that the Senator from Indiana has done what I thought he would do. He is standing up like a man and saying, "The Attorney General told me what I said the Attorney General had told me." That is, that the Attorney General said he had absolutely nothing to do with the Morse case and never received a penny in connection with it.

There is another feature of this particular case to which I want to call attention. Sunday there appeared in the papers a statement from the Department of Justice. Incidentally, I understand that a local paper has loaned the defendant a reporter to be its publicity agent during this controversy. I do not know who pays him. However, there appeared a statement disclosing a very large number of very reputable men and women who had signed the petition for Morse's release. Unfortunately for any effect that it may have been expected to have, Mr. Daugherty and former Attorney General Wickersham, as well as Charles W. Morse himself, the three men most interested in the transaction, are all on record as saying that the petition had absolutely nothing to do with the granting of the commutation of sentence.

I read from the letter of the Attorney General, Mr. Daugherty, appearing under date of May 26, in which he said this:

Morse was released upon the recommendation of Attorney General Wickersham, who based his recommendation upon the reports of eminent physicians of the Government, including the Surgeon General of the Army, and the records in the department show all the facts pertaining to the physical condition of Morse when he was released, which was the sole ground for Executive clemency.

Now, therefore, all of the names of the gentlemen who signed the petition of Morse under a representation that Morse was about to die, and all this great demonstration that the local

paper said was had in behalf of Morse, are shown by the letter of the person chiefly responsible for Morse's release, Mr. Daugherty, to have had nothing to do with his release because he said he was released solely on the showing made as to his health.

Under date of May 21 the press reported that—

Mr. Wickersham added that Mr. Morse was "perfectly truthful" in his statement published to-day, in which Morse said that the commutation of his sentence was due solely to President Taft and Mr. Wickersham, acting on the report of doctors who examined Mr. Morse.

Therefore, these petitions which Daugherty has thrown out as a buffer are shown by the statement of Attorney General Harry M. Daugherty and former Attorney General Wickersham to have had nothing to do with the commutation of sentence. On May 4 I received a telegram from Charles W. Morse—I shall not burden the Senate by reading it all again—in which he made this statement:

If the press has correctly quoted you, you have been misinformed regarding my physical condition at Atlanta at present time. The commutation accorded me was based wholly on my physical condition.

The three men who had most to do with this commutation—Harry M. Daugherty, who got the President to commute the sentence; Mr. Wickersham, the then Attorney General, who recommended it; and Charles W. Morse, who was the beneficiary—all had testified, unfortunately, before this buffer thrown out Sunday was published, and each one of them declares that the commutation was based solely upon a representation as to Morse's health.

Therefore, the publication of the alleged petition, according to the testimony of everybody who testified and everybody who knows about it, had nothing to do with the commutation of sentence. Why, then, was it published?

Mr. WATSON of Georgia. Mr. President, some complaint has been made by the Senator in charge of the tariff bill, because extraneous matters have been introduced into the debate. That has been done quite as often by Senators on the other side as by Senators on this side of the aisle. But it seems to me that the honor of the Government, the purity of the administration of justice, should be as important to Senators on both sides as any item of the tariff bill.

It would be a most unfortunate thing, if the American people lost confidence in the Department of Justice. It would be a most unfortunate thing if any Attorney General or any judge could be handed down to posterity branded as Alexander Pope branded Chancellor Bacon, "the wisest, brightest, and meanest of mankind." That country is on the brink of ruin and its system is about to fall in when its judges are corrupt, when its administration of justice is venal, when the rich man is all-powerful before the courts, and the poor man has no chance. It is not a pleasant thing, Mr. President, to contrast the treatment given to this rich criminal, Charles W. Morse, and that given to those poor creatures who are languishing in prison, after having served year after year, for having said something in criticism of the war policies of the former administration, and thereby having technically violated the espionage law. It is not alleged that they stole anything from anybody; it is not alleged that they caused a single man to refuse to enlist; it is not alleged that they really harmed the Government or contributed anything to the comfort of the enemy; yet, because they are poor and friendless, they languish year in and year out in the penitentiaries. When their little children come here and lift their tiny hands and try to reach the President with their plea of mercy they are coldly shut out; but when the wife of Charles W. Morse came here some years ago she was listened to by Senators, by Representatives, and by prominent men all over the country.

The Attorney General has made mistake after mistake in this case, but he has made no greater mistake than he made on Sunday when he sought to screen himself behind the names of those prominent men who, out of sympathy for Mrs. Morse and believing that her husband was in a dying condition, signed her petition for a pardon. What man can resist a woman in tears? What man wants to argue a case of that sort with a wife who is broken in grief and who is pleading with him with tears in her eyes to help her get out of prison the father of her sons?

The petition was numerously signed, by some of the best men in the country, but those men were deceived into believing that the man was in a dying condition. The very fact that 70,000 names were obtained shows the extent of the propaganda, and what it probably cost. Nobody will ever know, perhaps, how many thousands of dollars were spent by Morse in that campaign. He put his wife forward to plead for him, just as he now is putting forward the men who yielded to her entreaties and signed her petition.

However, Mr. President, it is a remarkable thing that these certificates which are published by the Attorney General are far from substantiating his case. The matter has assumed national importance. It may disrupt the Cabinet; it may overthrow an administration; it can not be longer ignored. Morse has again become a national issue, and that issue will not down until Daugherty gets out of the Cabinet. Here is one of these certificates:

"Dr. E. C. Davis, of Atlanta, Ga., made a report to W. H. Johnson, marshal at Atlanta, based on an examination of Mr. Morse. Doctor Davis reported symptoms indicating changes, probably indicating a beginning of Bright's disease, and said as to Mr. Morse:

"'I do not believe in his present condition, with the influence of mental worry added to his physical ailments, that he would ordinarily live more than one or two years unless treated with extreme care and thoroughly protected from arduous work and exposure.

"'His diet ought also to be looked after carefully on account of evidences that were found of the beginning of Bright's disease.'"

Everybody knows that by dieting and the drinking of mineral waters Bright's disease, in its incipiency, may be cleansed from the system in two weeks. It is only in the later stages when the complexion turns yellow and the whole body becomes debilitated, that the disease is practically incurable; but this doctor does not say Morse had the disease in that stage; and yet this is one of the certificates.

Then this astonishing Attorney General, this so-called lawyer, who is not much more of a lawyer than is Felder—he seems to practice law in about the same way as Felder does; he lobbies with folks, he pulls invisible wires, he swims in "imperceptible water"—furnishes this statement:

"Under the same date a report was made to Mr. Johnson by Dr. W. S. Elkin, of Atlanta, the concluding paragraph of which was as follows:"

Now let us read this amazing testimonial:

"I do not believe that Mr. Morse is suffering from any serious organic trouble."

And this Attorney General, who evidently did not read what he himself was putting in the newspapers, sets that out as an excuse for that pardon. Is it not amazing? Not only does he not read law books nor decisions, but he does not even read his own testimony:

"I do not believe that Mr. Morse is suffering from any serious organic trouble, nor is his health being materially affected by his present confinement."

Think of that being put into the newspapers on yesterday by Mr. Daugherty, who was off on the *Mayflower* at the time, presumably talking with the President as to whether to get down and out or not.

Now here is another one from Mr. Moyer, who was the keeper of the penitentiary at the time. On December 23, 1911, he telegraphed the Attorney General from Atlanta as follows:

"At 11.45 this morning Major Baker, post surgeon at Fort McPherson, telephoned the following report to me: 'After four weeks' observation I believe that the physical condition (Morse's) is deteriorating.'"

Well, most of us would deteriorate in prison; nearly everybody does. I have not the slightest doubt that those political prisoners to whom I have referred are not now so robust as they were when they went in. One of them served four years for repeating a speech that I made. I made it in open court. It was read to the Supreme Court here in Washington. I was too ill at the time to come myself, and my associate counsel read it. Because this political prisoner circulated that speech, which was made by me in open court at Mount Airy before Judge Emory Speer, of the Federal district court, David T. Blodgett, of Des Moines, Iowa, served for more than four years in the Atlanta Penitentiary. I got him pardoned out just before Christmas last, but the business of that department is so badly conducted that the pardon papers went to Fort Leavenworth, and to my astonishment I found that he was still in the penitentiary about the middle of January.

Here is a report from Major Baker:

"FORT MCPHERSON, GA., *December 30, 1911.*

"Report of the physical condition of Federal prisoner Charles W. Morse: He was admitted to this hospital the 26th of last month. He has been examined daily since that date by the undersigned. Diagnosis: Arteriosclerosis, with (a) myocarditis, chronic ('mitral insufficiency relative,' used in my report of the 16th instant, expresses, in other words, my opinions); (b) renal sclerosis.

"The last two are but phases in the progress of the first affection, noted when the heart and kidneys have become seriously involved.

* * * * * * *

"Other dangers of arteriosclerosis are the apoplexies, particularly the cerebral form.

"Present condition: The patient is extremely weak, sitting up in bed, only when propped, for a short time—has not exceeded one and one-half hours at one time—when he complains of vertigo and faintness. His heart has lost force and its action is irregular. His circulation is poor. His kidneys do not eliminate sufficiently.

"Prognosis: This malady is incurable; it is spoken of in the singular for the reason that his affections constitute one affection—arteriosclerosis—with special involvement of the heart and kidneys. In my opinion, he has not very long to live."

That was 11 years ago, Mr. President.

Mr. ASHURST. Outside of that, he was all right?

Mr. WATSON of Georgia. Yes; outside of that, he was a well man.

"Effect of further imprisonment: All authorities are one, in agreement that mental strain and worry aggravate this disease. For that reason, supporting my knowledge of the case, I unhesitatingly state that further imprisonment will be injurious."

Then, the most delicious thing is the report of the Surgeon General of the Medical Corps. Under date of December 30, 1911, Surg. Gen. George H. Torney, of the United States Army, submitted to The Adjutant General of the Army the report of the board of medical officers.

"In his letter transmitting this report Surgeon General Torney said:

"The board returned from Fort McPherson yesterday and handed its report to me this morning. In view of the clear and nontechnical language in which this excellent report is written no interpretation of it by this office seems to be necessary."

Yet the nontechnical language is partly this:

"From careful consideration of the history and the examination made the board is of the opinion that Charles W. Morse is suffering with chronic valvular disease of the heart, chronic nephritis (commonly known as Bright's disease) and slight arteriosclerosis. He has recently had a severe acute congestion of the kidney, due probably to an infarct (the result in all probability of a cardiac embolus lodging in the kidney) during which he passed and still passes blood in his urine although in diminishing quantities."

Mr. President, I now read from the New York Tribune of Saturday last. The leading editorial headed:

"Daugherty doesn't answer.

"A correspondent of the Tribune asks whether Attorney General Daugherty, in his defensive explanation of May 23 of his connection with the Morse pardon, answered or dodged the only questions involved in Senator CARAWAY's charges, to wit:

"No. 1. Did he accept employment to make a legal argument for the release of Morse or did he make such an argument? This would have been ethical even if his fee had been ten times $25,000.

"No. 2. Was he retained because of his personal intimacy with President Taft and did he capitalize his political influence to his pecuniary advantage? If so, is this not unworthy of a reputable member of the bar, besides being a fraud on his friend?

"No. 3. Did Mr. Daugherty, after discovering that Morse had malingered, expose the facts and make an honest effort to have the mistake rectified, or did he confine himself to endeavoring at private interviews to induce Morse to pay him the agreed-on sum?

"The Tribune has carefully examined Mr. Daugherty's first statement. It is unable to discover refutation of the Caraway charges. He devotes himself mainly to the labor of trying to drag in extraneous issues. He thus must be enrolled among the dodgers.

"The Attorney General's letter to Senator WATSON"—

Of Indiana, of course—

"given out yesterday leaves matters much as they were before. He admits 'over a year's active investigation, preparation, and service in the cases,' but he ignores the matters on which the public wishes light.

"To date no sufficient reason is given why Mr. Daugherty should not write his resignation or why the President should not demand it if not voluntarily tendered. The letters written by Mr. Taft and Mr. Wickersham seem to have little bearing on the present controversy. Of course, these gentlemen were not aware of the conspiracy if they were its victims."

Mr. President, as every one knows, that is a Republican paper that was founded by Horace Greely, and it always has had great influence with the Republican Party. It has defended the administration in nearly everything defensible. It has fought the battles of the administration where any honorable person could fight. It now calls upon Mr. Daugherty to relieve the administration of embarrassment by tendering his resignation, and it says that he has made out no defense for himself. A severer arraignment was not made by the Senator from Arkansas [Mr. CARAWAY] or by anyone else.

I myself on last Friday called the Attorney General's attention to four specific cases in which it is insinuated that there was corrupt action, defeating justice, bringing the law into contempt, and showing that a rich man can not really be punished at this time, while this administration is in power:

"Add to what you have already said that the district attorney's office in New York recommended criminal prosecution and confiscation of cargo, yet Daugherty wired to release ship *J. M. Young* is a matter of record in the district attorney's office, and it might be a good idea to ask Major Clark, who is handling the case in the district attorney's office, for the facts in the congressional inquiry."

What congressional inquiry? I must not allude to the efforts that have been vainly made for an inquiry in the other House, but the inquiry here has been conducted in the open, where all could hear, where there was a free field for a fair fight, if one was wanted. This British ship, the *J. M. Young*, was loaded with liquor and came into the port of New York to violate the Federal law. The honest dry agents got hold of the facts, seized the whisky, libeled the ship, and arrested those in charge of her. They employed Felder, and he came here to Washington; he saw the Attorney General, and the Attorney General telegraphed to have those proceedings dismissed and the whisky restored to those from whom it had been taken. The facts warrant the question, "Are Felder and Daugherty farming on shares?"

Great public affairs like this can not be trifled with. The whole country is taking notice of it, and the whole country is contrasting the difference between the deal which the poor man gets in court for speaking a few indiscreet words and the deal which the rich man gets when he and his sons robbed the Government during all the months of the war.

How did Morse keep his sons out? Well, Felder may be in on that and Daugherty may be in on it.

"2. Wine seizure: The case referred to is the Continental Wine Co., of which Nathan Musher has been indicted only last Saturday in Philadelphia for conspiracy to violate the national prohibition act. Why did Mr. Daugherty cause the $200,000 worth of wine to be released?"

That is a fair question. What was the reason that prevailed with the Attorney General and had that $200,000 worth of wine restored after the dry agents had a complete case against those who were violating the Federal law? What were his reasons? The country is entitled to know, the press is entitled to know, the Senate is entitled to know, the House is entitled to know. Can it be passed by in silence when action of this kind is ordered from the Attorney General's office at the instigation of such a man as Felder, who is even now under indictment in South Carolina, so that he does not dare to go through that State when going north from Atlanta to Baltimore, for instance? I say the whole country wants to know why the Attorney General is so thick with a man like Felder that he will take his word and throw around violators of the law immunity when he ought to be prosecuting the violators of law.

"3. Director Harold H. Hart, Thomas Ready, and Michael Lynch in New York, in the Federal prohibition department there, were indicted last November for a conspiracy to violate the Volstead Act. They released illegally 2,000,000 gallons of liquor.

"When they were arraigned in court, Felder appeared for them. Since this time there has been nothing heard of the case and criminal prosecution has come to a stop."

Is it any wonder that the country laughs to scorn Daugherty's statement that he is going to prosecute those who defrauded the Government during the years of the war? Is it any wonder that his promises, made from week to week and month to month, are treated with derision and contempt? Is it any wonder that the whole country is seething with indignation about his conduct of the Department of Justice?

"4."—

And last—

"There seems to be a good bit of discussion about the George Myers pardon, multimillionaire of Ohio, who was sent to Atlanta for violation of the Mann Act."

My information is that the man in the case is 50 years old and is worth many millions of dollars; that the woman in the case was a girl 15 years old. Can any decent man think of an

act involving more moral turpitude than that? Why should that man have been pardoned? Did he have heart trouble and Bright's disease? Was confinement at Atlanta injurious to his health? If we turn out these rich criminals because they do not like to stay in and because their health declines, what is the use in prosecuting them at all? Just let them do as they please, run off with little 15-year-old girls and debauch them, fling defiance at the law, bring in British cargoes of whisky, and then employ Felder to have them released. But if you can find a poor little nigger bootlegger or a poor white bootlegger carrying a flask in his hip pocket, run him in for a year or two. They are doing it all over the country, picking up the little fellows and letting the big ones break through the net. It is bad enough to have them break through, but when the Attorney General helps them do this it becomes a national scandal.

Here is the Philadelphia Record of this morning, Mr. President. I do not know the politics of this paper. I know that it is one of high standing. Perhaps the Senator from Utah [Mr. SMOOT] can tell me the politics of the Philadelphia Record.

Mr. SMOOT. No; I can not tell the Senator. I think it is an independent paper, but that is a matter of impression and not of knowledge.

Mr. WATSON of Georgia. On the editorial page, in the first column, I find this paragraph:

"When a convict has neither money nor political influence he may have all the ills to which Morse laid claim, and a dozen more, and the probability of confinement putting a speedy end to his life will not shorten his term by one day. That is the plain, unvarnished truth, and all prison authorities know it. The real scandal in the Morse case is not the connection of the present Attorney General of the United States with the successful effort to hoodwink a President of the United States into releasing a man who was not as ill as represented, but the demonstration that a rich man behind the bars enjoys privileges and gains sympathy denied to a poor man under precisely the same circumstances. Every discrimination of justice between the rich and the poor is grist for the mill of the forces of discontent and lawlessness, and those who are responsible for such discriminations strike at the very foundations of our Government. The higher and more honorable their places the more serious is their offense in setting a dangerous example."

In the New York World of this morning, in the second column of the editorial page, I find this:

TO MR. DAUGHERTY'S RESCUE.

"If President Harding is led through personal loyalty to stand behind Mr. Daugherty, he may help his Attorney General to escape a congressional investigation. But by demonstrating again his trustfulness and good nature, he will in no way clear Mr. Daugherty of the charges directed against him in the House and Senate. He can not free Mr. Daugherty of reproach merely by revealing the purpose of the White House to befriend him for personal or political reasons.

"The Attorney General might have relieved the administration of embarrassment by offering to resign or demanding an investigation by Congress. He has done neither. The administration may imagine that in going to Mr. Daugherty's aid it will manage to brazen through the present unpleasantness. It can not be done. The Daugherty issue can not be suppressed.

"It is useless for the President to attempt to wipe out ugly facts merely by closing his eyes to them. It will not work with Congress or with the public. Whatever obligation the President may consider himself to be under to Mr. Daugherty, he is under an immensely higher obligation to the American people to see that the administration of justice shall deserve public respect and confidence. Mr. Daugherty's fitness to hold his high office has been challenged in Congress and a strong case has been made out against him. He has evaded answering his accusers. Is the administration so blind as not to see not only the political consequences of shielding the Attorney General against investigation but the immeasurable wrong it commits against the public in retaining at the head of the Department of Justice a man whose honor and probity are questioned?"

Mr. President, so long ago as May 12 of this year the Morning Telegraph, under the name of Mr. E. B. Smith, of its Washington bureau, carried an article headlined as follows:

"Daugherty to act in war-fraud charges."

The editorial specifically mentions J. L. Phillips, the Republican referee of Georgia, who has been charged on the floor of the House by Congressman WOODRUFF and by Congressman JOHNSON with having stolen $1,800,000 from the Government under a lumber contract after the armistice.

J. L. Phillips has not voted in Georgia in nine years. He owns no property in Georgia; he pays no taxes in Georgia; he was not a registered voter until January 28, 1921. He did not vote for Harding and Coolidge. He did not vote for anybody. He was here in Washington robbing the Government of $1,800,000, and now these two Republican Congressmen, WOODRUFF and JOHNSON, say that unless Mr. Daugherty prosecutes J. L. Phillips they will impeach Mr. Daugherty. They were not Democratic Congressmen who made those charges. They were good Republicans, who were serving under the flag during the war, while Phillips was here in Washington stealing the Government's lumber.

In this morning's issue of that great independent paper, the Baltimore Sun, on the editorial page, the second column, will be found an editorial headlined, "Cruel 'dog days' in Washington." It deals with the hot times Mr. Daugherty is having and those hotter which he is going to have. I ask unanimous consent that that may go into the RECORD in 8-point type as a part of my remarks, and that the extracts which I have read be likewise printed in 8-point type.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to was ordered to be printed in the RECORD in 8-point type, as follows:

CRUEL "DOG DAYS" IN WASHINGTON.

"It is going to be an extremely hard, torrid, and trying summer in Washington. Whether the political humidity is going to hang more heavily and discouragingly over the Capitol than over the White House remains to be determined. In Congress the veritable slavery of driving an unpopular and dynamite-laden tariff bill through to passage faces a lot of distracted, disgusted, highly worried legislators. There is also the soldier-bonus nightmare, which seems to have produced utter demoralization among the Senate leaders. As for the Lasker ship subsidy bill, which President Harding seems to want as soon as he can get it, there is no telling what a dragging and maddening debate it will produce, making Washington, at the peak of the 'dog days,' the scene of political chaos almost without precedent in recent history.

"As for the other end of Pennsylvania Avenue, it can not remain calm and cool in the face of current developments. The disclosures regarding Attorney General Daugherty are not mere headline material for an edition or two. They may well give the administration real anxiety and concern. When a conservative Republican newspaper like the New York Tribune calls upon the Attorney General to resign, when the demand is echoed by the New York Herald and other important Republican journals, it is high time for the President to appraise the damaging effect that the revelations have had upon the country and to ascertain whether the administration of the Department of Justice is in the hands of persons likely to command public confidence.

"Nor can the President view the disruption in the Treasury Department without wincing. The disgraceful efforts of Elmer Dover, Assistant Secretary of the Treasury, to turn the department over to spoilsmen have been checked by the courageous stand taken by Secretary Mellon and several of his subordinates. The fight, however, has not ended, but is only beginning, and there is no assurance that it will not yet result in the retirement of Mr. Mellon from the Cabinet, who may well decide, in view of the badgering and nagging he has received from pelf-hungry Senators and Representatives, that the political game is not worth the candle.

"In a few months the issue over the Fall policies in the Interior Department will come to a crisis. There is no longer any question as to what Secretary Fall intends to do with the public resources if he can. He persuaded Secretary of the Navy Denby to give him jurisdiction over the naval oil reserves, and a large portion of them are now under lease to private interests; he is striving with might and main to get a grip upon the Forest Bureau with its vast domain of timber in Alaska and elsewhere, with untold mineral wealth beneath it. It is little wonder that the Fall policies have become a storm center of politics. If Congress is asked to confirm a plan of reorganization involving the transfer of the Forest Bureau to the tender mercies of the Secretary of the Interior, one of the bitterest legislative fights of a decade is in prospect.

"Congress, however, carries the major burden. It has the ugliest kind of forebodings about the McCumber tariff bill, which in its heart it knows to be a political and economic blunder; but how can it retreat now? Sheer inertia is carrying the bill forward; there is no vitality in the leadership that is handling it. There is a panicky feeling among Republicans about many of its features, such as the duties on hides, wool, sugar, steel, and a host of manufactured articles. But there is no way of smashing the 'tariff bloc,' apparently, save by a revolu-

tionary expression of public opinion. So far as the soldier bonus is concerned, Senate vacillation and irresolution upon it have now been reduced to folly and absurdity. In desperation Senator McCUMBER wants to call in the Democrats of the Finance Committee and place the onus of a bonus decision upon them. Of course, they will refuse to fall into the trap. The Democrats of the committee were kept outside the door while the Finance Committee was planning and building its own cul-de-sac on the bonus question, and it is not their duty to act as a relief expedition now.

"With such a fearsome summer ahead, the administration is preparing to go before the country next November and ask for a vote of confidence in the wake of a record of negation, folly, and reactionary policies."

Mr. WATSON of Georgia. Again, in the North American, of Philadelphia, an independent paper, there is a double-column editorial on the same subject, the headline being, "Mr. Daugherty should resign." I ask unanimous consent that that also may be put in as a part of my remarks in 8-point type.

There being no objection, the matter referred to was ordered to be printed in the RECORD in 8-point type, as follows:

MR. DAUGHERTY SHOULD RESIGN.

"When Republicans accused A. Mitchell Palmer, Attorney General in the Wilson administration, of failure to prosecute war profiteers, Democratic spokesmen defended him with the retort that the attacks were inspired by partisan politics. Now that his successor, Attorney General Daugherty, after 14 months of inaction, is assailed with similar charges from the Democratic side, Republican spokesmen feel that they have disposed of the case by asserting that the complaints are made for partisan purposes.

"It may be assumed that in each case the accusers would have been much less agitated if the Attorney General they were criticizing had been of their own party. But that circumstance obviously provides no sound defense for official dereliction. Indeed, it is precisely the vigilance of partisanship that is commonly cited as one of the merits of party government; the argument is that under such a system strong adherents of a party are always ready to expose the misdoings of their opponents, and that thereby the public interest is safeguarded.

"For several weeks charges of a serious nature have been made in both branches of Congress, involving the professional career of Attorney General Daugherty and his administration of the Department of Justice. They have been reiterated and amplified, and in some instances have been fortified by documentary evidence, but he has offered no defense beyond the issuance of statements of evasive generalities. At the outset Senator WATSON of Indiana made a misguided attempt to refute the charge that Mr. Daugherty had participated in the notorious pardon case of Charles W. Morse. But on the following day Senator CARAWAY produced documentary proofs so unanswerable that WATSON was forced to admit that he had had merely the Attorney General's denial, which was shown to be baseless. Now, Mr. Daugherty denies that he made any denial. The whole matter is of such grave import that the facts disclosed by the records should be studied by the public.

"Morse, an audacious and unprincipled operator in high finance, was convicted several years ago and sentenced to the Federal penitentiary at Atlanta. After his family had vainly endeavored to obtain a pardon the case was taken up in 1911 by Thomas B. Felder, an adroit attorney, and he engaged Harry M. Daugherty as the most useful partner he could choose for the difficult enterprise. Daugherty was not, perhaps, the ablest lawyer in the United States, but he was an influential politician in the pivotal State of Ohio, and by his political activities had earned the gratitude of President Taft and Attorney General Wickersham.

"On August 4, 1911, Felder and Morse signed a contract at the penitentiary setting forth the terms of 'the employment of Hon. H. M. Daugherty and myself.' Morse agreed to pay Daugherty a $5,000 retaining fee and expenses, and in all matters to follow implicitly the advice of his counsel. 'We are to receive,' said the contract, 'in the event we secure an unconditional pardon or commutation for you, the sum of $25,000, which is to be in full compensation for services rendered in connection with your application for pardon.' Subsequently, it appears, he sought to stimulate their efforts by promising to pay many times that sum for his release. A letter written by Felder in 1917, reviewing the whole extraordinary transaction, was read last week in the Senate. Felder wrote:

"'His (Morse's) release was secured by and through the efforts of Hon. H. M. Daugherty and myself, and by no other individual, corporation, or group of individuals. We have richly earned all that Morse agreed to pay, viz, the expenses, the $25,000, the $100,000, or whatever is involved in his assurance, "I will make you both rich."'

"When Daugherty and Felder saw Morse at the penitentiary they told him President Taft had refused to pardon him, but might reconsider the case later. During the conversation, Felder's letter shows, they got a 'cue' in the prisoner's physical appearance, and obtained from a prison doctor a diagnosis of Bright's disease. Thus armed, they went to Washington and got assurances from Taft and Wickersham that if Morse was in danger of dying in confinement he would be released. The lawyers hastened back to Atlanta and had him examined by a board of physicians, who reported that his condition was not serious. But his invalidism evidently became more pronounced, for the indefatigable attorneys enlisted the services of another board of physicians, who reported him so ill that an order was obtained transferring him to a hospital outside the penitentiary. Felder's letter of 1917, in explaining why the lawyers hesitated to sue Morse for the unpaid fee, gives this explanation of the pathological mystery:

"'We were informed that the Department of Justice was in possession of evidence to show that after physicians were appointed to examine Morse, and before they appeared on the scene, soapsuds or chemicals or something would be taken by him to produce hemorrhage of the kidneys, and that as soon as the examination was over the patient would recuperate rapidly.'

"Even after all the details had been worked out and the necessary records made the pardon was delayed, and ultimately Daugherty and Felder sought the aid of John R. McLean, a newspaper publisher, 'a warm personal friend of Mr. Daugherty, also a friend of both President Taft and Attorney General Wickersham.' Mr. McLean sent a trusted agent to Mr. Wickersham, the two went forthwith to the White House, there was a long telephone conversation between President Taft and the publisher, and presently the messenger brought back the $25,000 pardon.

"Morse and his sons were profuse in their thanks to the attorneys, but eventually the pardoned financier sailed for Europe without paying the agreed fee, to say nothing of the promised $100,000. Upon his return they pressed him for a settlement, and finally got from him what Felder calls some 'soap-wrapper' securities in one of his flotations. Felder took his share, but Daugherty indignantly rejected the stocks, and in April, 1913, wrote Morse reminding him sharply that 'there was a balance due of $25,000 when you were commuted.' Felder in his letter very candidly told why he and Daugherty hesitated to sue their defaulting client:

"'I have always felt apprehensive that if we brought suit immediate steps would be taken by the Department of Justice to secure an annulment of the Executive order and the return of Morse to the penitentiary. I have not been unmindful of the damaging evidence secured by the department in its investigations to ascertain whether or not a fraud had been perpetrated; that we were not connected therewith, but that the disclosure and publicity would be embarrassing.'

"As a matter of fact, the Department of Justice moved more than once to reopen the case, but the attorneys took energetic measures to avert such action and always succeeded. They had a double reason for intervening—by protecting Morse's liberty their claim upon him was increased, and at the same time they prevented exposure of a transaction which Felder said had given them all the notoriety they could stand. On one occasion, at least, Daugherty went to Washington himself and presented to the Attorney General arguments against revoking the order of release.

"The Morse pardon had created a nation-wide scandal when it was announced, and the story was revived by Morse's spectacular operations after this release and by the deplorable appointment of Daugherty as Attorney General. A few months after taking office Daugherty initiated vigorous investigation and prosecution of Morse and his associates for alleged irregularities in contract operations with the United States Shipping Board. The Attorney General's activity in this matter, contrasted with the department's inaction concerning other cases involving frauds against the Government of scores of millions, caused Morse and his friends to charge that he was being persecuted by his former counsel, and it is probable that they furnished the deadly documentary evidence which has been read into the Senate records.

"The scandal has been widened by new revelations concerning the failure to prosecute the Bosch Magneto Co., a German-owned concern, which was sold to a client by former Attorney General Palmer under circumstances which led to demand for a congressional investigation. Felder, who was Daugherty's

partner in the $25,000 Morse pardon case, is attorney for the Bosch concern. Furthermore, the chief Government witness in the Bosch case was recently dismissed from the Department of Justice by Daugherty because he had given information to Members of Congress; and he declares that Felder, at Daugherty's suggestion, has since offered him a salaried position with the accused company.

"The disclosures have been a stunning blow to the Republicans, who had hoped that they had heard the last of the too-familiar story of Daugherty's connection with the Morse scandal. The Democrats are correspondingly elated, because they believe, with good reason, that the administration and the Republican Party can not escape besmirchment in the unsavory mess.

"President Harding himself is more than indirectly involved, because Daugherty was his personal appointment as Attorney General. The smooth Ohio lawyer-politician was the Harding political manager in 1920, and was credited with having maneuvered the nomination at Chicago. Mr. Harding knew exactly what kind of man he was putting at the head of the Department of Justice, and knew the sordid story of the Morse pardon. The announcement of the selection was a shock to the public, and was denounced by scores of newspapers which had supported the Harding candidacy. The North American merely expressed a widespread view when it declared the appointment 'reckless and wicked':

"Reckless because Mr. Daugherty's political repute is such that his official actions and motives will always challenge suspicion; wicked because it puts a premium upon the practice of unprincipled politics, and because it intrusts the enforcement of law to one whose associations have been largely with forces striving to circumvent law.

"For Daugherty President Harding is personally responsible; yet the party must bear its share of the burden, too, because the Republican Senators, though fully aware of the appointee's record, ratified the nomination.

"If the administration leaders and party managers in Washington imagine they can smother this scandal by obstructing the demand for a congressional investigation, made in resolutions offered many weeks ago, they are cherishing a dangerous delusion. It has features which easily may make it the most deadly case brought against a national administration in many years. The Ballinger episode, which led to the undoing of Taft and the overwhelming defeat of the Republican Party, affected only administrative policies; the Daugherty charges involve the Department of Justice, and the American people will not be tolerant of scandal in that department, the conduct of which touches the rights of every citizen and the execution of the laws of the land.

"If Attorney General Daugherty retains a shred of regard for the President and the administration, he will resign without delay an office which has been put under a cloud by his incumbency. But the responsibility goes higher. President Harding owes it to himself, to his administration, and to the country to force the severance of an association which is no longer defensible."

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The next amendment of the Committee on Finance was, on page 60, line 17, to strike out "30" and insert in lieu thereof "40," so as to read:

Spinning and twisting ring travelers, 40 per cent ad valorem.

Mr. ROBINSON obtained the floor.

Mr. SMOOT. I desire at this time to give notice that I shall move to strike out "40" and insert "35."

Mr. ROBINSON. Mr. President, this paragraph has been discussed at great length. I do not intend to repeat the discussions which were had on the paragraph on Saturday, but the reduction which the Senator from Utah proposes to make in the rate as reported by the Committee on Finance, namely, from 40 per cent ad valorem to 35 per cent ad valorem, in my opinion is not adequate. There is very little information furnished the Senate respecting ring travelers. They are used, as everyone knows, in cotton spinning. The importations are not large, and the figures of the domestic production are not available.

I move to strike out "40," in line 18, and to insert in lieu thereof "20," so that it will read "20 per cent ad valorem." I am ready for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was rejected.

Mr. SMOOT. I move to strike out "40" and to insert in lieu thereof "35."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the committee was, on page 60, line 19, to strike out "30" and insert in lieu thereof "40," so as to read:

Wire heddles and healds, 25 cents per 1,000 and 40 per cent ad valorem.

Mr. SMOOT. I shall ask that that amendment be disagreed to.

Mr. ROBINSON. The Senator from Utah announces that he will ask that this amendment be disagreed to. That, of course, will improve it from my standpoint. However, I think the rate ought to be further reduced, and I move, in line 19, to strike out "30" and insert in lieu thereof "20," so that it will read "20 per cent ad valorem."

The amendment to the amendment was rejected.

Mr. SMOOT. I ask that the amendment be disagreed to.

The amendment was rejected.

Mr. SMOOT. The Senator from North Dakota [Mr. McCUMBER] gave notice that he would like to have taken up next the paragraphs in Schedule 1 which were passed over.

Mr. ROBINSON. Why not let us finish paragraph 318, unless there is some one not now present who wants to discuss it. The Senator will remember that that went over on Saturday.

Mr. SMOOT. Yes; there was a request that it should be passed over.

Mr. ROBINSON. Does the Senator remember who requested that it should go over?

Mr. SMOOT. I do not recall, but some Senator wanted it to go over.

Mr. ROBINSON. This paragraph went over on Saturday, and I would like to get action on it, if there is not some substantial reason for delay.

Mr. SMOOT. As I stated, the Senator from North Dakota gave notice that he would like to take up schedule 1 this morning and proceed with the paragraphs which have been passed over, in order to get action upon all the paragraphs in that schedule.

Mr. ROBINSON. Will the Senator be good enough to furnish us with a list of the paragraphs in schedule 1 which remain undisposed of?

Mr. SMOOT. I will give the Senator the numbers of the paragraphs.

Mr. ROBINSON. The clerk of the committee has just furnished me with a list.

Mr. SMOOT. Paragraph 7 was the first paragraph passed over, and I think the Senator from North Carolina [Mr. SIMMONS] had an understanding with the Senator from North Dakota [Mr. McCUMBER] that it should go over until we reached paragraph 1635. I understand that the junior Senator from Utah [Mr. KING] is not prepared to go on with paragraphs 25 and 26, paragraph 25 being the paragraph dealing with dye intermediates, and paragraph 26 being the paragraph dealing with coal-tar products.

Mr. SIMMONS. The junior Senator from Utah informs me that he will be able to return to the Senate Chamber Wednesday morning.

Mr. SMOOT. Then it is the understanding that on Wednesday morning we will take up paragraphs 25 and 26.

Mr. SIMMONS. That is my understanding.

Mr. FRELINGHUYSEN. Mr. President, I understand the Senate is considering what paragraph it will take up next.

Mr. SMOOT. Yes; and the question we were discussing related to paragraphs 25 and 26.

Mr. FRELINGHUYSEN. I ask the Senator from North Carolina if he knows whether the junior Senator from Utah [Mr. KING] will be ready to take up those paragraphs on Wednesday morning.

Mr. SIMMONS. The junior Senator from Utah has been quite indisposed since he left the Senate over a week ago. I called him up this morning and he stated that he was under the impression that these paragraphs were to be taken up to-morrow; but we are not to have a session to-morrow, which I explained to him, and my understanding is that he expects to be here Wednesday morning.

Mr. FRELINGHUYSEN. When we passed over those paragraphs, at the request of the junior Senator from Utah, I think he asked for three days' extension. He undoubtedly was ill, and has been ill ever since, but I think the time has come when the Senate should dispose of these paragraphs. I shall ask the Senate on Wednesday, if it is agreeable to the Senator,

to take them up definitely, and have it understood that we will debate them definitely at that time.

Mr. SIMMONS. I think there will be absolutely no trouble about it. The junior Senator from Utah says he is sure that he will be able to come here on Wednesday. But the Senator from New Jersey has had some courtesies when he wanted to be away, and I rather think that he ought not to be impatient.

Mr. FRELINGHUYSEN. Mr. President, I am not impatient, but the Senator knows that the committee is very anxious to have these paragraphs disposed of.

Mr. SIMMONS. I am very anxious, too. I have stated what the Senator from Utah told me, and I rely upon it.

Mr. SMOOT. I only ask that the Senate proceed to the consideration of paragraph 33a, the item of cyanide.

Mr. SIMMONS. I notice that there are very few Senators on either side of the Chamber. I know there are a number of Senators interested in this paragraph, but I do not know where they are, and I make the point of no quorum.

Mr. SMOOT. The Senator has no objection to our proceeding to the consideration of the paragraph?

Mr. SIMMONS. No; not at all; but I make the point of no quorum, so that Senators may come in.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	McCormick	Rawson
Ball	France	McCumber	Robinson
Borah	Frelinghuysen	McKinley	Sheppard
Brandegee	Hale	McLean	Simmons
Broussard	Harris	Myers	Smoot
Bursum	Harrison	Nelson	Spencer
Capper	Johnson	Newberry	Sterling
Culberson	Jones, N. Mex.	Nicholson	Sutherland
Cummins	Jones, Wash.	Norris	Swanson
Curtis	Kendrick	Oddie	Underwood
Dial	Keyes	Page	Walsh, Mass.
Dillingham	Ladd	Pepper	Watson, Ga.
Elkins	La Follette	Pittman	
Ernst	Lodge	Poindexter	

Mr. SIMMONS. I wish to announce the unavoidable absence from the city of my colleague [Mr. OVERMAN].

The PRESIDING OFFICER. Fifty-four Senators having answered to their names, there is a quorum present. The Secretary will state the pending amendment.

The READING CLERK. On page 18, after line 2, the committee report to insert a new paragraph, as follows:

PAR. 33a. Cyanide: Potassium cyanide, sodium cyanide, all cyanide salts and cyanide mixtures, combinations, and compounds containing cyanide, not specially provided for, 10 per cent ad valorem.

Mr. ODDIE. Mr. President, I move to amend, on page 18, by striking out paragraph 33a and inserting at the proper place in schedule 15 of the bill the following:

Cyanide: Potassium cyanide, sodium cyanide, all cyanide salts and cyanide mixtures, combinations, and compounds containing cyanide.

This is the same amendment I offered on the floor of the Senate on April 18.

On May 5 I made some extended remarks in the Senate on this question. I requested that the product be placed on the free list. I explained that a duty on cyanide violates the principles of protection in that it deals a blow to the gold-mining industry, which to-day can not stand any additional operating costs. I have carefully followed the debates in the Senate. My friend the Senator from New Jersey [Mr. FRELINGHUYSEN] has made a very earnest plea for a duty on cyanide, but I think that when he has studied the question carefully he will find that the gold-mining industry is entitled to free cyanide. I shall not go into the matter in detail again, as I have already covered it at length on May 5; but I hope the Senate will adopt the amendment which I have proposed, putting this product on the free list.

Mr. FRELINGHUYSEN. Mr. President, I oppose the amendment offered by the junior Senator from Nevada to the amendment of the committee, because I believe, for several reasons, that we should protect the industry. I shall speak only very briefly.

A great deal has been said in the Senate upon this question. The senior Senator from Nevada [Mr. PITTMAN], in the course of his speech, said:

This concern is one of the great and powerful corporations in the State of New Jersey. There is not any doubt that it has been a very generous and patriotic contributor to the Republican Party in New Jersey. A Republican Senator will run for reelection in New Jersey in the approaching fall campaign, and, if reports may be believed, he will need help and will need it badly.

That was in a speech in which the senior Senator from Nevada refers to the Roessler & Hasslacher Co. I wish to state that, so far as I can secure any information, the Roessler & Hasslacher Co. have never made contributions to any campaign fund, and that my motive in asking for a duty on the product is not to secure any campaign contributions or help in the coming campaign. I will say further that, as far as my own expenses are concerned, I expect to take care of them, and I do not ask for the imposition of tariff duties for the purpose of securing campaign contributions.

Mr. President, in the course of this speech and in the course of other speeches reference was made to the fact that the Roessler & Hasslacher Chemical Co. were German owned and were not loyal during the war. I ask at this point to insert in the RECORD a telegram from the Perth Amboy Chamber of Commerce in which they resent the charges made and state that those who know the facts and the war record of the company and its employees know that it is a record to be proud of.

The VICE PRESIDENT. Without objection, it is so ordered.

The telegram referred to is as follows:

PERTH AMBOY, N. J., *May 15, 1922.*

Hon. JOSEPH S. FRELINGHUYSEN,
United States Senator, Washington, D. C.:

We resent charges made on floor of Senate against patriotism of the Roessler & Hasslacher Chemical Co. We who know the facts know that the war record of that company and its employees is one to be proud of. We continue to support their efforts to secure tariff protection for their manufactured article. The company is one of the largest taxpayers in the country. They paid their Perth Amboy employees during full-time operation in one year over $900,000. Help us to keep this industry going.

PERTH AMBOY CHAMBER OF COMMERCE,
ISAAC ALPERN, *President.*

Mr. FRELINGHUYSEN. I also ask to have printed in the RECORD a telegram from the State senator from that county, in which he speaks of the fact that the president of the company, an American citizen, resident of his own city, not only had his oldest son but his son-in-law serving in the war against Germany.

The VICE PRESIDENT. Without objection, the telegram will be printed in the RECORD.

The telegram is as follows:

PERTH AMBOY, N. J., *May 15, 1922.*

Hon. JOSEPH S. FRELINGHUYSEN,
United States Senate, Washington, D. C.:

I am advised that the Roessler & Hasslacher Chemical Co. has been attacked on the floor of the Senate by persons who assert that this company is controlled by Germans and have intimated that its officers were not patriotic during the war. Both charges are absolutely untrue. The story of German control is completely refuted by the statement of January 7, 1922, by Thomas W. Miller, Alien Property Custodian, which you have already seen regarding the loyalty of company's officers. I am well acquainted with its president. He is an American citizen and a resident of my own city. He has taken an active part in every patriotic movement here for over 30 years, including the war period. His oldest son served in our Army in France. His son-in-law made the supreme sacrifice at the close of the war. This company was officially decorated by the War Department for distinguished service rendered in the prosecution of the war.

MORGAN F. LARSON.

Mr. FRELINGHUYSEN. I also ask to have inserted in the RECORD a communication dated January 28, 1919, signed by Capt. E. P. Vergé, chief of the French Powder Mission, in which he takes advantage of the opportunity to express his sincere appreciation of the spirit of cooperation which the Roessler & Hasslacher Chemical Co. manifested, that company having conducted business relations with the French Powder Mission during the war.

The VICE PRESIDENT. Without objection, it is so ordered.

The communication is as follows:

REPUBLIQUE FRANÇAISE,
COMMISSARIAT GENERAL DES AFFAIRES DE GUERRE FRANCO-AMERICAINES,
New York, January 28, 1919.

To the ROESSLER & HASSLACHER CHEMICAL CO.,
100 William Street, New York.

GENTLEMEN: I beg to advise you that I expect to leave very shortly for France. During my absence the duties of the head of the French Powder Mission will be transferred to Lieut. L. A. Mulsant, who up to the present time has acted as my assistant.

I am taking this opportunity to express to you my sincere appreciation of the spirit of cooperation with which you have conducted business relations with the French Powder Mission during the war and with me personally while I managed it.

Faithfully yours,
E. P. VERGÉ,
Chief of French Powder Mission.

Mr. FRELINGHUYSEN. I also ask to have inserted in the RECORD a statement in the Chemical, Color, and Oil Record of May 15, 1922.

The VICE PRESIDENT. Without objection, it is so ordered.

The article referred to is as follows:

DOES THE SENATE MAJORITY KNOW WAR IS OVER?—PETTY PREJUDICIAL PARTISANSHIP SHOWN IN TREATMENT OF BIGGEST AMERICAN CYANIDE MAKER.

Political influences at Washington are apparently lined up against the largest producer of cyanides in this country, judging from the aftermath of reports that have reached the press. Such statements that the Roessler & Hasslacher Chemical Co. was taken over by the Alien Property Custodian and its affairs administered by the Government do not

represent the whole truth. Assertions that the concern paid 900 per cent dividends and profiteered on cyanide of soda are also without foundation. Cyanide of soda was not materially different from many other chemicals during the war. Manufacturers made one price and speculators another. Our records show no first-hand prices of cyanide of soda that were above 37 cents per pound, although second-hand pressure forced the market at intervals to the neighborhood of $2 per pound. It is difficult to comprehend how the largest producer had anything to do with the abnormal advance in quotations.

This concern quoted the Record during these pyrotechnics 35, 36, and 37 cents for contracts of cyanide of soda, and emphatically stated they were taking care of their customers to the best of their ability. These high prices naturally tempted importations, and the field once tapped has remained fertile among certain interests. There is no disputing the superiority of the R. & H. product over the imported. Scarcely a consumer will not admit this. The Record knows of instances where the consumer has purchased imported cyanide for trial and has been forced to discard it and has made urgent calls for American cyanide for replacement.

It emphasizes the weakness of this particular case when Congress starts to playing politics against an essential branch of the chemical industry and attempting to sway tariff opinion. The maintenance of cyanide production here means much to our newly born chemical industry. No less than 15,000,000 pounds of caustic soda and 6,000,000 to 7,000,000 pounds of ammonia are used in the manufacture of cyanide yearly. The old slogan about more business and less politics should have more consideration while this tariff jig is on at Washington.

Mr. FRELINGHUYSEN. Mr. President, prior to the enactment of the Underwood tariff law the duty upon cyanide of potassium was 12½ per cent. When that duty was taken off the manufacture of cyanide potassium in this country was stopped to a large extent. When the war broke out we were completely dependent upon this company for our supply of cyanide of potassium. I have in my possession letters, which I shall not introduce in the RECORD, from manufacturers all over the country who desire that we should have an independent supply of this product in the country, not only from the standpoint of its commercial uses but also from the standpoint of our being independent in the event of another war.

What would have become of the citrus industries of California if they were unable to procure sodium cyanide for the development of hydrocyanic acid gas for the period of four or five years? Have the people of California so soon forgotten the service rendered them by the Roessler & Hasslacher Chemical Co. and its subsidiaries when cyanide could not be purchased from any other source?

The manufacturers of arms, equipment, and ammunitions in the United States not only supplied our own Army but those of the Allies. Cyanide was necessary in every one of the industries engaged in the manufacture of such arms, equipment, and ammunition. The metal parts of every airplane built in this country was rust proofed with a solution of zinc cyanide. Zinc cyanide solution was the only solution found to be satisfactory in coating the "detonators" and "boosters" used in the shells manufactured in this country. The arms and equipment manufacturers required cyanide in the heat treating of their steel, and other manufacturers used it for electroplating. The manufacturers of automobiles and tractors used large quantities of cyanide in their manufacturing processes.

All of this cyanide was manufactured by the Roessler & Hasslacher Chemical Co. in the United States from American raw material and with only American labor.

Mr. President, not only does this concern the Roessler & Hasslacher Chemical Co. but it also concerns the manufacturers of caustic soda and other products running into millions of pounds. There is no danger of a monopoly, because the patents have expired and anyone can manufacture cyanide of potassium. The question is not one as to whether an industry in the State of New Jersey is to be protected, but it is a question as to whether we are to have an independent industry in this country using the raw materials which were manufactured so extensively throughout the war, and also, and paramount, whether we shall be independent of any foreign country in event of needing this product in war again. That is the question. Up to 1913 this commodity was protected, but when the high duty was taken off we shared the business with Germany.

The duty of 10 per cent is a moderate duty. It will not embargo Canada, but it will protect the industry against the competing country. If Senators believe in the protection of American industries, it is the duty of every Senator to vote for the imposition of this moderate duty.

Mr. PITTMAN obtained the floor.

Mr. STERLING. Mr. President——

Mr. PITTMAN. I will yield to the Senator from South Dakota if he desires. I have twice spoken on this subject, and if the Senator from South Dakota desires to speak on it now I yield the floor to him with pleasure. I only have a few words to say.

Mr. STERLING. Mr. President, I desire to speak very briefly upon this question. It is a question which affects very materially certain interests in my own State, and I am primarily led to speak on the question because of those interests.

I wish to say, Mr. President, that while I am a protectionist and a thorough believer in the principle of protection, as I think my votes on the various items of the pending tariff bill will show, it is because I believe in protection that I am in favor of the amendment proposed by the Senator from Nevada [Mr. ODDIE]. I think it may happen sometimes, in order that the full measure of protection may be afforded to certain industries in this country, that certain other articles should be on the free list. I regard cyanide as one of those articles. I think it is proper for us to consider the most important uses of cyanide in order to determine whether or not the putting of cyanide on the free list will in itself be a protection to certain other vital and important industries.

I have before me, Mr. President, the Summary of Tariff Information relative to the pending bill, and I am interested in learning what the Tariff Commission has to say in regard to the uses of cyanide of potassium and sodium cyanide. "Description and uses" is the title of the paragraph which is found on page 1416 of the summary, and which reads:

Description and uses: Potassium cyanide is a white crystalline solid, readily soluble in water, and extremely poisonous. Sodium cyanide, much cheaper and having a higher percentage of cyanide, has practically replaced potassium cyanide, which is made either by fusing potassium ferrocyanide with potassium carbonate and carbon or by fusing cyanamide with potassium chloride and carbon.

Now, as to its uses:

Its principal use is for the extraction of gold and silver from their ores; also for fumigation (notably that of citrus fruits), as a solvent for electroplating baths, and as a flux in assaying and metallurgy.

Mr. President, the Tariff Commission has in substance repeated this description of the uses of cyanide in two other pamphlets. Here is the special pamphlet entitled "Tariff Information Survey" on the articles in paragraph 64 of the tariff act of 1913, in which there is a brief reference to potassium cyanide at page 33, as follows:

Uses: Its principal use is for the extraction of gold and silver from their ores. Potassium cyanide is also used extensively for fumigating, especially in the culture of citrus fruits.

I turn to a more complete statement of the Tariff Commission's Surveys, and I find on page 47 of the pamphlet I now hold in my hand the following:

The two biggest uses for sodium cyanide are the "cyanide process" of extracting precious metals from their ores and fumigation.

Those are the two great uses of sodium cyanide. My position, Mr. President, is that by having cyanide on the free list we shall protect the great industries here mentioned which are the principal users of cyanide.

I think we all recognize something of the difficulties under which the gold-mining industry has labored from 1915 down to the present hour, and why it is that the gold production of this country has fallen off more than one-half. I do not think it should be the policy of Congress to put any additional burdens upon that industry, but that it should, indeed, instead of putting an additional burden, adopt a policy of relieving the industry from some of its present burdens. It is estimated that one mine in my State, the Homestake Mining Co., will, under this bill, have to pay $8,000 because of the proposed tariff duty of 10 per cent upon cyanide.

This industry, Mr. President, in the Black Hills section of South Dakota has heretofore produced nearly $7,500,000 of gold and silver—principally gold—each and every year for a long period of years, and which employed at one time, I think, prior to 1915, about 3,500 men; has employed during the last three or four years about 1,600 men. That is some indication of the decline of the gold industry the country over and the unemployment of labor arising therefrom, and that it is all due to the great cost of producing gold during the last five or six years.

Mr. President, the gold producer is not like any other producer; he is not like the manufacturer who can pass the tariff upon the raw material on to the consumer to whom he sells. The price of gold is fixed, and there is no chance to pass a tax or a tariff of any kind on to any consumer or to any user of gold.

What is always the vital and important consideration in fixing of a tariff designed to protect an industry? The one great consideration always emphasized, to which we always revert, is not how to protect those who own and operate the industry, but how shall we protect those who labor in the industry, and by our system of wages provide for that higher standard of living to which we think the American workingman is entitled. That is the great question. Take that into account, and then weigh the benefits, so far as labor is concerned, of a tariff upon cyanide and the benefits that will accrue from having cyanide on the free list. How many men are engaged in this one cyanide plant in the United States, that of Roessler & Hasslacher Co.

in New Jersey? It is reported, I think, that they number 250 men; at any rate, that statement appears in the hearings two or three times.

Mr. FRELINGHUYSEN rose.

Mr. STERLING. One moment, if the Senator will excuse me. I heard the Senator from New Jersey state in some remarks which he made some time ago that 500 men were employed by the Roessler & Hasslacher Co. I am willing to admit that 500 men may be employed by that company, but how many men are employed in the gold-producing industry as workmen in that industry throughout the United States? There are at least 20,000 men so employed, and here it is proposed to impose a tariff for the benefit of 500 laborers instead of putting the article on the free list, which will in turn benefit 20,000 men who are engaged in the gold-mining industry alone.

I have said that the next and second most important use to which cyanide is put is that of fumigation, especially in the citrus industry. This is shown by the report or survey of the Tariff Commission from which I have read.

Mr. FRELINGHUYSEN. Mr. President——

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from New Jersey?

Mr. STERLING. I yield.

Mr. FRELINGHUYSEN. Will the Senator from South Dakota state just how great a burden the proposed duty will impose upon the individual miner? Has he figured that out?

Mr. STERLING. No; I have not figured that out. Has the Senator from New Jersey figured out just how much the individual worker with the Hasslacher Co. will be benefited by the tariff of 10 per cent ad valorem?

Mr. FRELINGHUYSEN. Yes; I have. It means his continued employment.

Mr. STERLING. I will say that, while I am not able to state how much the individual gold miner may be benefited, Mr. President, yet I can say that I think in many mines the miner would be benefited to the extent that he would run the risk of having the industry in which employed closed down if the proposed rate on cyanide were imposed, because the industry would be unable to pay the tariff added to the other excessive costs involved in the production of gold. As I have stated, it would cause one mine in the State of South Dakota, the Homestake Mining Co., to pay at least $8,000 if the tariff of 10 per cent ad valorem is added to the cost of production. Only 2 out of 12 or 14 mines in the Black Hills region are now operating.

All the others are closed down because of the excessive cost of production. The great Homestake is barely able to run, and is running on short time and with a reduced force, and the Trojan is the only other mine in operation in the Black Hills country. We can not in these great, vital industries, which are indispensable to the welfare of the country and of the world, add further to the cost of their production.

As I was about to say, the next highest use to which sodium and potassium cyanide are in fumigation, "Notably," says the Tariff Commission, "of citrus fruits," and so forth.

Do we want to add an additional burden to the thousands upon thousands of citrus-fruit growers of this country, those in California and along the western coast and in Florida? I do not think so. Measured again by the same standard used in connection with the production, namely, the labor employed, how many laborers in the citrus-fruit industry will be affected by the proposed duty? Of course, it requires thousands of them properly to fumigate the citrus-fruit trees in the orchards and on the fruit farms of California and Florida. Do we want to unnecessarily add this burden to their costs and to the continual risks which the citrus-fruit growers are compelled to assume year after year? I think not.

Mr. President, when we come to consider the question upon the basis of labor—the number of men employed—I think the principle to be observed is "the greatest good to the greatest number"; and you surely will affect beneficially a greater number by far by putting this product on the free list than you will by imposing a tariff for the protection of this one industry in all the United States—the Roessler-Hasslacher Co.

The Senator from New Jersey [Mr. FRELINGHUYSEN] has alluded to the German antecedents of this company. He has denied, on behalf of the company and its ownership, any pro-German proclivities. I am not questioning his statement in that regard, Mr. President, but I do have reason to believe, from the evidence furnished the Committee on Finance, that in addition to its being the only producer in the United States of sodium cyanide and potassium cyanide, it has its intimate connection with the German and the English interests. I think the evidence fully shows that between the Roessler & Hasslacher Chemical Co., standing alone as the only manufacturer in this country and acting in conjunction with its English and German allies, controls, aside from what is done by the American Cyanamid Co. on the Canadian side of the St. Lawrence River, not only the cyanide production in this country but the importations from other countries as well.

We have letters here in the hearings before the committee showing that when inquiry was made of those engaged in the industry in Great Britain and in Germany, the inquirers were referred invariably to the Roessler & Hasslacher Chemical Co. in the United States for their information, as though the product could not be bought nor negotiations be carried on in regard to its purchase unless, indeed, they consulted the Roessler & Hasslacher Co. What does that argue? Nothing else—it is the inevitable conclusion—than that, first, the Roessler & Hasslacher Co. is a monopoly, existing by virtue of the fact, first, that it is the only company manufacturing in the United States, and, second, it determines what shall come to the United States from foreign countries.

So, Mr. President, here is a case where I think, protectionist as I am, that the principle of "the greatest good to the greatest number" ought to prevail. We should protect the 20,000 persons engaged in the gold-mining industry, and protect the many thousands who are engaged in the citrus-fruit industry in this country, as against not exceeding 500 in the cyanide industry. The one appropriate means of protection, so far as this bill is concerned, will come from putting cyanide on the free list. I hope the amendment of the Senator from Nevada will prevail.

Mr. FRELINGHUYSEN. Mr. President, I understand that, as has been stated, the mining companies of Nevada now have a 25-year contract with the Canadian company, the American Cyanamid Co.

I have before me a telegram referring to a speech made by General Fries, in which he said:

> I consider sodium cyanide of very great importance. It is used extensively during peace time for electroplating and heat-treating of steel, for the recovery of rare metals, and on a large scale for fumigating orchards, and incidentally for exterminating animal and insect life in granaries, on board ships, etc. A certain percentage of it is also used in the dye industry. In time of war it may be used to electroplate our shells and boosters with zinc. It is also the basis of our second most effective tear gas, brombenzylcyanide, and other gases, such as cyanogen bromide and cyanogen chloride and diphenylcyanarsine, which were actually used or closely studied in the World War.
>
> Have received over 500 letters from customers addressed to their respective Senators commending us for keeping prices of cyanide low during the war.

That is from P. Samuel Rigney, who was connected with the company.

I have no interest whatsoever in this company. I never heard of them prior to the hearings of this committee, but I do feel, in regard to this product, that we should at least protect it and allow its manufacture to continue.

The Senator from South Dakota [Mr. STERLING] spoke of 250 employees, but he forgot to mention the related industries that supply the materials for the 16,000,000 pounds of cyanide of potassium that are produced every year, which takes 15,000,000 pounds of caustic soda, 7,000,000 pounds of American-burned charcoal, and 6,000,000 pounds of ammonia. All of these are products that require extensive manufacturing processes, and undoubtedly they employ labor, and it affects them; but far above that is the consideration as to whether or not we are going to allow the manufacture of cyanide of potassium in this country to continue, and upon that ground I am urging this duty.

The Senator from South Dakota spoke of the great burden on the laboring man. The Homestake Mining Co. estimated that a duty of 33⅓ per cent would increase the cost of treating a ton of ore 1.6 per cent. This is a duty of 10 per cent ad valorem—one-half a cent per ton increase in cost.

Mr. STERLING. Mr. President, will the Senator permit me to interrupt him?

Mr. FRELINGHUYSEN. I will allow the interruption; yes.

Mr. STERLING. The testimony shows that the Homestake Mining Co. crushes 4,000 tons of ore a day, and that the rate provided for in the bill in the first place—33⅓ per cent—would add $25,000 per annum to their cost of production.

Mr. FRELINGHUYSEN. Let the Senator read the statement of the Homestake Mining Co. when their stock was selling at 200, 300, 400 per cent; let him look at the dividends of the Homestake Mining Co. during the time when the duty of 12½ per cent ad valorem was imposed, and then answer me whether there was any greater burden on the miners or the Homestake Mining Co. Look at the dividends in 1918 and 1919 of the Tonopah Co., when it is shown that they made 23 per cent, and tell me whether unjust and undue burdens are placed upon the miners of the country when we impose a duty of half a cent a ton for concentrating the ore.

Mr. ODDIE. Mr. President, I should like to answer the Senator from New Jersey [Mr. FRELINGHUYSEN] by stating that his figures in regard to the increase in the cost of producing gold are not clear. There may be some individual mines, such as those in the Black Hills, where a large proportion of the values are extracted by the amalgamation process and a small proportion by the cyanide process—in other words, without the values extracted from the tailings by the cyanide process many of these properties would be forced to shut down.

Mr. President, in my State of Nevada I will give some figures taken from the cost sheets of one of our mills, the Belmont mill, in 1916. The cyanide consumption was 3.52 pounds per ton, costing $0.601. That means that the cyanide cost was 28 per cent of the milling cost. All mill purchases were $1.318 per ton, including cyanide.

In another mill in my State, the Churchill mill, in 1916 the cyanide cost was $0.375 a ton. All supplies consumed in the mill cost $1.445, and the cost of cyanide was therefore 25 per cent of the cost of all supplies. The total labor cost was 85.7 cents, therefore the cost of cyanide was 43 per cent of the total labor cost.

Mr. President, as I have said, there may be some mines which can afford an increased cost of cyanide, but the great majority of the gold mines of this country can not afford it. The gold production of our country has been cut more than in half since 1915, as the Senator from South Dakota has stated. The industry is suffering, and we need more gold. We may have a surplus of gold in our Treasury to-day, but we must look at the matter from a world standpoint.

Mr. President, I want to say a word for the prospector and the humble miner. There are others besides the very rich mines. The mountains in our western country have the hard-working prospectors — undergoing great hardships — climbing over them day after day and month after month and year after year, and in most cases unsuccessful. Now and then they discover something of great value, and they have to go through hardships which the people in this eastern country can not comprehend. I speak from experience, because I have been through them. I know that the burden of largely increased cost of production that has been imposed on the gold-mining industry during the last five or six years is unbearable; and it means, furthermore, that the investment of millions and millions of dollars in that industry is to-day lost to the investors.

I ask for justice. I ask that this matter may be looked at in a fair manner, and that Senators present will see that my request and the request of others, that no duty be imposed upon cyanide, will enable a fundamental and necessary industry to live.

Mr. PITTMAN. Mr. President, I have already spoken on this subject. I simply want to state this: I may not understand what the protection policy of the Republican Party is. The Senator from South Dakota [Mr. STERLING] has stated that the protection policy is against protection on cyanide under the condition of the facts in this case. I do not believe that that has been denied yet by the Senator from New Jersey; but in spite of that fact he wants a duty on cyanide.

There are certain undisputed facts in this matter which we might just as well try to remember. One of them is that the United States Government contends that the Roessler & Hasslacher Chemical Co. is still owned by foreigners. The control of the stock is now in the possession of the Alien Property Custodian. There is not any doubt about that. It is also undisputed, mind, you, that the Roessler & Hasslacher Chemical Co. was organized by two men sent here by a German syndicate. There is no question about that. It is also undisputed that this concern, the Roessler & Hasslacher Chemical Co., has never had any opposition in the United States since it was first established here in 1885. That is the fact. This concern has not only always had and now has the exclusive manufacture of cyanide in this country, but it has the exclusive distribution of it. It is simply a part of the German concern. It manufactures at this end of the line when it pays to manufacture here, and it simply sells to us here the German stuff when it pays better to sell the German stuff. That is all there is to that.

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Kentucky?

Mr. PITTMAN. I do.

Mr. STANLEY. Does this company operate by virtue of a patent?

Mr. PITTMAN. It does.

Mr. STANLEY. Is it a patented process?

Mr. PITTMAN. It is a patented process.

Mr. STANLEY. Is that a German patent taken out in this country?

Mr. PITTMAN. Taken out in this country; yes.

Mr. STANLEY. Then we have the case of an absolute monopoly, controlled by a patent German owned and in the hands of the Alien Property Custodian, producing the entire product, and given a bonus under this bill?

Mr. PITTMAN. Yes; that is it exactly.

Mr. FRELINGHUYSEN. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from New Jersey?

Mr. PITTMAN. I yield to the Senator.

Mr. FRELINGHUYSEN. The statement I have is that the stock is in the hands of the Alien Property Custodian, has been advertised for sale, and was purchased, and at the present time an investigation of that sale is going on, but that a large portion of the stock is owned by American citizens and is now in the control of American citizens; that there are no patents; that the patents have expired, and that anyone can make cyanide under the process which was formerly patented.

Mr. PITTMAN. Mr. President, of course just before we went into the war there was not any question about the German concern owning this plant, but there was a sudden sale of a few shares so as to give the German-American citizens apparent control. The validity of that sale was attacked and the Alien Property Custodian took possession of that transferred stock. Where it is now I do not know, but that is immaterial. The fact remains that when mine operators in this country or growers of fruit trees try to buy cyanide in Germany, as they have tried to do, they are referred back to the Roessler & Hasslacher Chemical Co. as the sole and exclusive agents for the sale of cyanide in the United States. That is the evidence here admitted by the witnesses who appeared on behalf of the Roessler & Hasslacher Chemical Co.

There is but one place you can buy this material in the United States, and that is from this concern. The Senator says anybody can use the patent. The Senator must know he is not advised rightly in that, when the United States Government, in seeking patents throughout the world to make this cyanide, had to seek other patents and used what they called the Buscher patent, and it proved an absolute failure.

Of course, there are a lot of these patents they started on which have expired by limitation entirely, but, as any attorney knows, there are constant additions and improvements made to patents which, in effect, extend their life, and to-day those parties are afforded protection.

The fact remains that this is a German concern, and no one in this country who has engaged in business with them doubts it. That is what I am getting at. When the Mine Operators' Association of the State of Nevada applied to the German concern direct for cyanide, what were they told? They were told, in the first place, that the British Government had an embargo and would not allow the shipment, and when this Government agreed that it could be shipped, then they found out that this German concern had turned it into gas to fight our soldiers with, and now, after the war is over and this same operating association undertakes to buy cyanide from Germany, what are they told? They are told, "You can not buy a pound of cyanide from us. You go to the Roessler & Hasslacher Co., who are our exclusive agents in the United States."

If you go into Great Britain, where they make sodium cyanide, and try to buy a pound, what will they tell you? They will say to you, "We are not selling sodium cyanide in the United States. We are selling it solely in South Africa. We have an agreement with the German concern to divide up the world. We have our agencies in South Africa. The German concern has its agencies in the United States and Mexico."

The situation is simply this: They have made enormous profits on this chemical, and no one has attempted to deny that they have made enormous profits. They made those enormous profits when getting a rate not so very much above the rate they are charging at the present time. There is but one thing to this. It is a monopoly in this country which desires to continue to have a monopoly, and for the first time since 1895 there is opposition threatened to it, which comes from an American concern that was compelled to go across the river at Niagara Falls because it could get power cheaper over there. That American concern compelled this very trust to come down from 24 cents to 20 cents a pound on cyanide less than three months ago, and they never would have come down except for that.

Give them this advantage over this American concern, give them a 10 per cent ad valorem advantage, and they will start in to kill that concern. That is what they desire to attempt.

This question now appears in a different form from what it did originally, and I am afraid some Senators will not understand the form in which it is presented now. The House put cyanide on the free list. After the most careful and complete investigation the House found that there was no justification for placing any duty on cyanide. That is the way the bill came to the Senate. The Senate Committee on Finance has offered an amendment to place a duty on cyanide of 10 per cent ad valorem. That is the way the matter has been pending here during all of the debate.

To-day my colleague from Nevada [Mr. ODDIE] has offered an amendment to strike out the proposed amendment of the Finance Committee and to place cyanide on the free list. The result would be exactly the same as if a vote were taken on a motion to disagree to the committee amendment. If you strike out the proposed amendment of the Senate committee placing cyanide upon the dutiable list, it naturally goes back to where it was in the bill as it passed the House on the free list. But the junior Senator from Nevada thinks, possibly, that it would not only be well to strike out the proposed amendment of the Finance Committee, but to affirmatively say that we place it on the free list. I have no objection to that form of expression, although it may mean the same thing as the other. At least, those who are urging this duty of 10 per cent think it is on the free list in the bill as it passed the House.

Those, therefore, who are in favor of having cyanide on the free list must vote yea in the form in which the question is now placed by the amendment of the junior Senator from Nevada, because his amendment is to strike out the proposed duty of the Committee on Finance and substitute a paragraph stating that it shall be placed upon the free list.

If that amendment is defeated, then it comes back to the committee amendment providing a duty of 10 per cent. I take it the vote on that will be no. However, it raises the same parliamentary question which came up the other day, as to whether you will not have voted on it twice.

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Kentucky?

Mr. PITTMAN. I yield.

Mr. STANLEY. In the hearings before the Committee on Agriculture and Forestry touching the production of cyanogen, which is a product similar to this, made by the same process, I understand, it developed that the world's supply of this product was produced by a German monopoly, with subsidiary companies in the United States and Great Britain. From what the Senator from Nevada has said as to the replies from the English producers, that they did not sell in the United States, and referring them to the German company, it is perfectly manifest that this company, whatever its nominal ownership may be, is a subsidiary company of a parent organization in Germany. In that event, this duty would be a bonus in favor of a German producer, and against a concern owned by American citizens who were forced to go across the line at Niagara Falls because of the fact that they could not get power in this country.

Mr. PITTMAN. I may say that practically all of the raw material used by the Cyanamid Co. across on the Canadian side is purchased in the United States. Its capital is all American capital, and practically all they get on the other side is hydroelectric power, according to the testimony. The materials come from this side. Of course, as far as the nitrogen is concerned, that comes out of the air, but otherwise it is practically as I have stated.

I have nothing personally against Mr. Roessler or Mr. Hasslacher. I am not discussing whether they were patriotic or unpatriotic during the last war. I know nothing about it. I am only discussing the case from the evidence. The evidence discloses that this thing is a trust, has been a trust; that it is an absolute monopoly, always has been, and always will be, unless you can break it down through this American concern operating at Niagara Falls.

I never said anything harsh against this company, but the Senator from Utah did. The Senator from Utah stated they were robbers during the war. I never said that, because I am not dealing in such personalities. I did, however, read from the RECORD disclosing how much they made, what profits their companies made, and that has not been denied.

In some of their subsidiary companies they made as high as 800 per cent, and in one as high as 1,000 per cent. This poor, weak institution, which has had no opposition since it started here, in 1895, is here now crying for a bonus, and that bonus is to come out of the pockets of gold and silver producers in this country, and out of the pockets of the fruit growers of this country. It is to come out of the buyers of cheap automobiles, because they use cyanogen in case hardening cheap automobiles. It is to be given deliberately to this concern as a bonus.

They say that the only reason why they want this power is to be sure they will have that concern here always in case of another war. That is the idea—just so that we will have it here in case of another war. In the first place, we are not ever to have any more wars. We settled that at the recent conference in Washington. But if we should have another war, let us remember that the Cyanamid Co. is an American concern, at Niagara Falls, and that the Cyanamid Co. did its part during the last war just as strongly and as efficiently as did the Roessler & Hasslacher Chemical Co. But I take it, it will be a pretty expensive proposition if we are to pay these people a bonus right along for the sake of having them here when the next war takes place.

Mr. LODGE. Is the Senator referring to the company at Niagara Falls?

Mr. PITTMAN. That is the Cyanamid Co.

Mr. LODGE. I am not sure that I know the name.

Mr. PITTMAN. There are two—one on one side of the Falls and one on the other.

Mr. LODGE. Which of the companies is it of which one-third is owned by the Roessler & Hasslacher Co. and another third by the German concern—two German concerns owning two-thirds and the British the rest. Is that the one on the Canadian side?

Mr. PITTMAN. No; that is the one on the American side. That is the Niagara Electro Chemical Co., a subsidiary of the Roessler & Hasslacher Chemical Co. In the division of the cyanide trade of the world between the British and the Germans, the British not only took their part of the world and gave the Germans this part of the world but they went further and said that as far as the particular institution which was to manufacture cyanogen, which is made at Niagara Falls, on this side, was concerned, they demanded a third interest in it, and they got a third interest in it, with the result that a third interest in it is owned by the British concern, a third interest by the German concern, and a third interest by the Roessler & Hasslacher Chemical Co.

Mr. LODGE. That is the one on this side?

Mr. PITTMAN. It is the one on this side.

Mr. LODGE. Where is the Cyanamid Co.?

Mr. PITTMAN. That is right across the Falls, on the Canadian side.

Mr. LODGE. Is that an American company?

Mr. PITTMAN. Every man in it is an American. It is an American corporation, organized in Maine. It buys all its material in the United States.

Mr. LODGE. Supposing there is no protection, that it is all free, where would the competition which is to keep the price down come from?

Mr. PITTMAN. The competition would come from the Cyanamid Co., which is on the Canadian side of the Falls.

Mr. LODGE. Owned by Americans?

Mr. PITTMAN. Owned by Americans. That is where the competition would come in. It has already come in. It has come in to such an extent that when bids were put out by the Mine Operators' Association for cyanamid for the ensuing year the Roessler & Hasslacher Co. asked 24 cents a pound. Heretofore they could get whatever they wanted, because this is the first year that the Cyanamid Co. ever attempted to sell cyanide for mining. It came in and bid 20 cents a pound. It underbid them 4 cents a pound on cyanide. Now the Roessler & Hasslacher Chemical Co. are asking leave to meet that 20 cents a pound to-day in the field and are meeting it, but when they had a monopoly they were charging 4 cents a pound more. That is what we have been up against all the time.

Mr. LODGE. Then, as I understand the Senator's statement, the increase in this duty will benefit the German interests.

Mr. PITTMAN. Undoubtedly.

Mr. LODGE. The American interests are on the Canadian side so far as the stockholders are concerned.

Mr. PITTMAN. I do not know it to be true, but I think Mr. Roessler and Mr. Hasslacher are now naturalized citizens of the United States. They have always held a substantial interest in this company, coming here as agents of the German concern.

Mr. LODGE. They are agents of the great German concern, the name of which I have forgotten?

Mr. PITTMAN. Yes. I have the name of it.

Mr. LODGE. They are a branch of that great concern?

Mr. PITTMAN. Yes.

Mr. LODGE. They are its selling agents here?

Mr. PITTMAN. They have the exclusive selling agency of the United States.

Mr. SMITH. Mr. President, may I ask the Senator a question?

Mr. PITTMAN. Certainly.

Mr. SMITH. Is there any other plant on this continent which produces cyanide save the one just across the river in Canada?

Mr. PITTMAN. There is not another plant on this continent and there is not another sales agency on this continent, except the Cyanamid Co., which is trying to break into this business.

Mr. WILLIAMS. The Senator means the Canadian company?

Mr. PITTMAN. I mean the American company on the Canadian side of the Falls.

Mr. McCUMBER. Mr. President, as my State is neither a producer nor to any extent a consumer of this product, I can not be charged with being biased as to whether a duty should be levied from that standpoint at least, or, if one is levied, what it should be. But I think it quite proper that the Senate, before passing upon the question, should get a general view of the whole subject. I am afraid that we have so particularized that possibly we have lost sight of the general aspect of the question.

I agree with the Senator from Nevada in that I do not think it worth while to take into consideration whether the people who have the stock in the Roessler & Hasslacher Chemical Co. were loyal during the war or whether they were not. The evidence before us, I think, is now to the effect that the stock is owned by Americans, if the sale is confirmed and not set aside. But whether it is or not, here is the situation: We have on this side of Niagara Falls an American concern or a single concern, and it is practically the only concern, which is manufacturing this product in the United States. We have on the other side another concern, the stock being held by an American company, which is manufacturing the same product on the other side. The product which is manufactured on the Canadian side is one-half the strength of that manufactured upon the American side, but inasmuch as the product is sold, of course, according to the 100 or 98 per cent strength, that would make no difference because it is sold on the basis of the sodium content.

Mr. PITTMAN. The Senator does not mean to say that because it is half the strength, it is imposing any fraud on the buyer?

Mr. McCUMBER. Oh, no; I explained that it is sold according to its sodium content, and therefore it makes no difference.

Mr. PITTMAN. None at all. It is only the cyanide in the mass that counts for anything.

Mr. McCUMBER. Certainly; the Senator is exactly right, and that was merely explanatory of the way they were doing business. So far as the consumer is concerned, there are practically only two sources on this side of the Atlantic where he gets his cyanide, one from the American company producing cyanide on the Canadian side and the other from another company producing it on the American side. The Canadian, by reason of having to pay only about one-half the sum the American pays for the water power which is used for the product, is enabled to manufacture cheaper than it can be manufactured on the American side. The estimate made by the committee is that about 10 per cent would equalize the difference in the cost of the manufacture—that is, 10 per cent of 10 cents a pound, which would be equivalent to about 1 cent per pound. I think that is substantially correct.

I do not know that it would make much difference to the American people whether they are held up by one organization or whether they are held up by another organization. If we drive one out of existence, of course then we are subject entirely to the other. The duty that we place upon the product seemed to us to just about balance the matter of production, putting the product into the American market. If both were kept running, there would be at least competition. If one of them was closed, if our duty was so high that it would close the Canadian mill or factory, of course we would suffer by it. But if it were just sufficiently high to allow the Canadian to come in and compete upon equal terms, there would be sufficient competition, we believe, to keep them both going.

When we turned back to the war time and prior to the time that we were producing it in quantities in this country, we found that the price went up to 56 cents per pound. Immediately after the war it dropped down as low as a little over 6 cents per pound, and it is now quoted generally at about 10 cents per pound. So I think it is to the interest of the consumer that both these producers shall be continued in business, as there seems to be quite keen rivalry between the two. I do not believe that the 10 per cent ad valorem is going to stop the importation for a single day from the Canadian side. Remember, as the Senator from Nevada has said, our principal competition comes from Canada. Of about 8,000,000 pounds imported in 1921, over 5,000,000 pounds came from Canada. The other imports were divided between countries of Europe, with Germany considerably in the lead, but the probabilities are that the real contest and competition will be between the American-owned Canadian company and the American-owned American company.

As to the cost, according to the testimony of the witness for the Homestake Mining Co., if 33⅓ per cent duty were added to the cost of the product—and that was assuming that the 33⅓ then proposed would add so much to the cost of the cyanide—it would cost his company 1.6 cents per ton in addition. Then if we divide that by one-third it would cost about 5 mills per ton, or one-half of 1 cent per ton, for the use of the cyanide in extracting gold. Of course, Mr. President, I do not think that will amount to a great deal or that it will seriously affect the output of the Homestake Mining Co.

The Senator from South Dakota [Mr. STERLING], speaking on behalf of and for the Homestake Mining Co. in his State, called attention to the fact that while only 400 or 500 men were employed in the American factory to produce cyanide, there were 20,000 or more men, if I understood him correctly, employed in extracting gold from the ore. Assuming that to be the case—the Senator and I are both protectionists—and while both of us will vote for protection upon our cattle and upon beef, I call the attention of the Senator from South Dakota to the fact that where there is one beef producer there are millions of beef consumers in the United States. We are both going to vote for a protection upon flour, and I call his attention again to the fact that while there are millers in number, and while their employees are infinitesimal compared with the entire American public, still we as protectionists will vote a protection upon the flour as we do upon the wheat. We might take any one of the great concerns of the country which produce less than 50 per cent of all that is consumed, and the argument that is applied by the Senator from South Dakota would apply in different degree.

I do not think this will add materially to the cost of cyanide. I think if both companies operate they will compete with each other. I do not for one minute believe that the added duty of 10 per cent, which is equivalent to 1 per cent or less on cyanide, will drive the American company, which is producing on the Canadian side, out of business, nor am I doubtful, even if we had less than that, if it would drive the other company out entirely.

It will have this effect: The American company—that is, the one producing on the American side—also produces a great many other products. Its products are not exclusively cyanide. It can drop its cyanide business, and if the Canadian competition was too strong it would drop its cyanide business and continue with its other products. The moment that was done, then I am inclined to think that there would be quickly an understanding between the Canadian, the British, and the German, and we would pay very dearly for not allowing the American concern to continue in business.

Mr. CUMMINS. Mr. President, I would like to ask a question of the Senator from North Dakota, if he is willing.

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. McCUMBER. Certainly.

Mr. CUMMINS. Why is it that the manufacturers upon the American side must pay more for their power than the manufacturers upon the Canadian side?

Mr. McCUMBER. I will read from the testimony which I have here, if the Senator will allow me to do so. This is the statement of Mr. Rigney, who represents the Roessler & Hasslacher Chemical Co. It is not denied, and those who represent the other side admit, they get their power cheaper. This is what Mr. Rigney says:

> Our Canadian competitors just across the Niagara River gets its hydroelectric power at about one-half the price we are obliged to pay on the New York side. Canadian power companies enjoy what is practically a Government subsidy, in that they are not obliged to pay either Dominion or local taxes. Hydroelectric energy is a very important factor in the production of cyanide, and is a large element in its production cost.

They have investigated this question, and, while there was a claim to the contrary, I think those representing the Canadian side of the industry admitted that there was a difference of about 1½ cents a pound in their favor. However, we gave only the equivalent of 1 per cent ad valorem.

Mr. CUMMINS. I do not yet quite understand who is responsible for that difference in the cost. Who fixes the cost of the power on the American side?

Mr. McCUMBER. It is fixed, I suppose, by the commission that has to do with the production of power on the American side, and the Canadian cost is fixed under the Canadian laws; and under the Canadian laws the company is exempted from the taxes to which reference has been made. Therefore they secure the power more cheaply than it can be obtained on the American side. I can hardly answer the Senator from Iowa as to why that is so.

Mr. CUMMINS. If the commission could fix the rate for power on the American side so as to equalize that cost, then the two companies would be able to compete with each other on even terms.

Mr. McCUMBER. I might say that I am informed by the expert that the Canadian process—whether it is a patented process or not I do not know—is a somewhat cheaper process, in addition to their power being cheaper.

Mr. FRELINGHUYSEN. Mr. President, a great many statements have been made in reference to the German ownership of the Roessler & Hasslacher Co. It is true a portion of the stock of that company—I think some 3,800 shares—were owned by German interests and were taken over by the Alien Property Custodian. I understand that those shares have been offered for sale, but that the sale fell through, and that the Alien Property Custodian is still holding them. The company was inaugurated by German interests which came here in 1897 and settled at Perth Amboy. There was also a large American investment in the company. They manufactured chemicals prior to the war. They were a reputable concern, as were many of the other German concerns which came here and established industries, and during the war they were managed by American citizens and not by the Alien Property Custodian.

They manufactured cyanide of potassium, which was much needed during the war. They kept their prices uniform, as is shown by the scale of prices which I introduced in the record some time ago at about 30 cents per pound, I think, or perhaps 2 or 3 cents above or below that price.

I have written a good many of the industries in my State asking what their experience with this concern was, and they have stated that they were treated very fairly by the company during the war; that the company did not profiteer when the supply of cyanide from Germany was cut off; and that they were enabled to get the product which they used and utilized in their industries at a very reasonable price.

The situation is this: The large mining companies in the West do use 1,000,000 or 1,250,000 pounds of cyanide of potassium, but the American consumption is 17,000,000 pounds a year. It is utilized in many of the industries in my State, which are willing that cyanide should be protected because they feel that they should be independent of foreign countries. Besides that, 15,000,000 pounds of caustic soda and charcoal and ammonia are used, and those American products are utilized.

The question is whether we are going to protect this industry or are going to destroy it simply because the Homestake Mining Co. or the Tonapah Mining Co., which are making probably as large profits as do the Roessler & Hasslacher Co., want to cut down their costs of gold mining. That is the point. The question is one of protecting the American industry as against a Canadian industry, into which American capital has gone, in order to secure lower water-power rates, and which employs Canadian labor and uses Canadian raw materials, as I am informed. The whole principle of protection to American industry will be destroyed in this instance if this article is placed on the free list, when prior to 1913, as I understand, it had a protective tariff higher than the duty now proposed to be imposed by the Finance Committee.

Mr. NORRIS. Mr. President, the Senator from Iowa [Mr. CUMMINS] has asked a very interesting question, namely, Why is the hydroelectric power cheaper on the Canadian side than it is on the American side? The Senator from New Jersey [Mr. FRELINGHUYSEN] has just said that American capital went over into Canada across the river, where it could get cheaper hydroelectric power.

Not long ago a great many corporations engaged in the production of hydroelectric power in America appointed a very noted engineer to investigate the cost to the consumer of hydroelectric power in Canada and in America. The Canadian hydroelectric energy comes from governmental operation. In America it is privately owned. It was to the interest of those interested to show that privately owned concerns supply the consumer with electricity cheaper than public concerns over in Canada, and the noted engineer to whom I have referred made that kind of a report after a full investigation, and concluded that the consumers in America were supplied with hydroelectric power cheaper than it was supplied to the Canadian people by the government-owned operations. That was when they were trying to prevent Government operation of hydroelectric plants on our streams and to foster the idea of having such operations conducted by privately owned concerns. When it is looked at from that viewpoint they are able to demonstrate from expert testimony that private concerns furnish the power cheaper and that we have cheaper electricity on this side than on the Canadian side. When, however, for the purpose of a tariff it is to their interest to show that electric power is cheaper in Canada, they reach the opposite conclusion, and we are told that this corporation went to Canada, where they could buy their electric energy cheaper than they could in America. So Senators can take their choice; it is "heads I win and tails you lose."

Mr. STANLEY. Mr. President, did the same experts reach a different conclusion at the same time?

Mr. NORRIS. No; that would make an argument that would be too easily refuted; there were different experts, of course.

Mr. ODDIE. Mr. President, I think it will be found on investigation that the American Cyanamid Co. uses practically twice the amount of power for manufacturing their product as is used by the concern on the American side; so it is necessary that they have cheaper power.

I should like further to emphasize the fact that the American Cyanamid Co. which manufactures its products on the Canadian side buys all of its raw material from Pennsylvania and other of our States.

Mr. HITCHCOCK. Mr. President, I think this case presents a most delightful specimen of the possible absurdities of the protective tariff system. The Niagara River flows between Canada and the United States; the people living on the Canadian side of the river are very much like the people living on the United States side of the river; the same water gives power on each side of the river; but now we are told that it is necessary to have a protective tariff enacted in order that a factory on the American side of the river shall be able to compete with a factory on the Canadian side of the river, although each factory derives its power from the electric current generated by the same stream of water at the same time.

Mr. WILLIAMS. Probably they have pauper water on the Canadian side and pauper labor.

Mr. HITCHCOCK. Yes; as the Senator from Mississippi suggests, they have probably pauper water and pauper electric current on the Canadian side of the river and that may make a difference.

Mr. STANLEY. Mr. President, I am very much surprised at the argument of the Senator from Nebraska, who is a great scholar and a great statesman. Does he not know that hydroelectric power is derived by force of gravity acting upon a cubic foot of water falling a certain distance, and does he not know that there is a different law of gravitation on the Canadian side than that which prevails on the American side? Does he not further know that we are bound to equalize the difference in the operations of a natural law on the one side of the Niagara River as against the other, or the law of gravitation will bankrupt everybody on this side?

Mr. HITCHCOCK. There seems to be a very violent dispute between the tariff law and the law of gravitation in this case.

Mr. ODDIE. Mr. President, will the Senator yield?

Mr. HITCHCOCK. I yield to the Senator.

Mr. ODDIE. I should like to suggest to the Senator that the American Cyanamid Co., which manufactures this product on the Canadian side, pays practically the same wages that are paid in the United States. There is also another principle involved here: The Senator knows that the price of gold has been fixed by the Government, and the Senator knows that a duty on cyanide will add an increased burden on the gold-mining industry which can not be passed on to the consumer, because the Government has fixed the price.

Mr. HITCHCOCK. Mr. President, I must say I view the position of the Senator from Nevada [Mr. ODDIE] with somewhat mixed feelings. I would sympathize with his position, as representing the mines of Nevada, if he had the same interest in protecting the American consumer in other schedules of this outrageous tariff bill that he now manifests when it hits particularly a special interest of his own constituents. This tariff duty levied against this particular article, cyanide, is not any more iniquitous, so far as the consumers of cyanide are concerned, than many of the other rates are against the plain, ordinary garden variety of consumers—the American citizen. I notice that a number of Republicans over there who are very ardent for imposing outrageous duties for the protection of their industries and for the extortion of higher prices from the American consumers seem to see a new light when a tariff duty is imposed in such a way as to increase the cost of certain articles for particular industries in their States, and yet the principle is exactly the same.

Seriously, however, I intended when I rose to refer to the fact that testimony taken before the Committee on Foreign Relations some years ago, when that committee had under consideration the question of hydroelectric power on the Canadian side of the river and the United States side of the river did not reveal that there was any difference in cost to speak of. There may be a little exemption from taxation, which has already been commented upon by the Senator from Iowa, but that is more than overcome by the fact that the factory on the Canadian side of the river not only pays the same for labor on that side that the power-house pays on this side of the river but it purchases in the United States many of the materials which it uses; and to bring in here as an excuse for the imposition of this tariff the fact that there is a fractional difference in the cost of power on the Canadian side of the river and on the American side is to my mind absurd.

Mr. President, as I understand, this is the history of the power situation along the Niagara River: We entered into a treaty with Canada for the purpose of preserving Niagara Falls. We were the moving party. The United States was active in bringing about the treaty; and in order to induce Canada to consent to a limitation of the water power to be taken out of the Niagara River, we agreed that the United States would consume less of that power than we accorded to Canada the right to consume. The actual fact is to-day that we are using all of our power on this side of the river, and not only that, but we are bringing power from Canada over to the United States side by wire and are actually using Canada's hydroelectric power on the United States side of the river in competition with the power which we take out on this side of the river.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Iowa?

Mr. HITCHCOCK. I yield to the Senator.

Mr. CUMMINS. The Senator from Nebraska was in error when he said that I commented upon the exemption from taxation upon the Canadian side, for I knew nothing about it. That was a statement made by the Senator from North Dakota [Mr. MCCUMBER]. What I was interested in was in finding out, if I could, why it costs more for power upon the American side than upon the Canadian side. I knew that some years ago the very unfair arrangement was made between the United States and Canada that allowed Canada to use a greater proportion of the power developed by Niagara Falls under that arrangement than was permitted in the United States. I suppose there is no way of avoiding that unjust arrangement, as I regarded it at the time, and still regard it; but who determines what the manufacturer on either side of the river shall pay for the power developed? That is what I want to know; and the Senator from Nebraska, having been very familiar with the arrangement made between the United States and Canada, may be able to answer that question.

Mr. HITCHCOCK. I am not certain that I can, Mr. President. I have the impression, however, that the New York Legislature has assumed jurisdiction to regulate in some way the charge for the power or the distribution of the power in the State of New York. I know that the War Department has had some authority in licensing those who take water power from the supply, but I think the New York Legislature has placed some limit upon the charge.

Mr. CUMMINS. Then the Senator thinks that it is the Government—either the New York government or the United States Government—that determines what the American manufacturer upon this side shall pay for the power which is developed in his factory, whatever business he may be in; and it must be the Canadian Government that fixes the rate which shall be paid for power developed upon the other side.

Mr. HITCHCOCK. I think that is probable.

Mr. CUMMINS. What is the difference between the two? That is what I am trying to find out. The statement read by the Senator from North Dakota does not satisfy me at all, because, whoever the gentleman is, he refers to the effect upon the output rather than to the terms under which each of the companies is operating.

Mr. HITCHCOCK. Mr. President, of course I do not know. I think the burden of proof is upon the committee, if it proposes to impose this barrier against this import from a single factory on the other side of the river, to show why it is done and what the difference is. The only thing that the chairman of the committee has stated is that the Canadian Government makes some exemption from taxation. That would be explained by what my colleague [Mr. NORRIS] has said, that on the Canadian side the Government has erected the power plant and sells the power at a moderate cost, probably, to the consumers there. I am advised, however, that there is an excess of power on the Canadian side of the river, and that the power on the United States side of the river is fully consumed, so that under a license it has already happened that power has been brought from the Canadian side of the river by wire over to the American side and sold to the establishments on the United States side of the river.

If that is the case, I suggest to the chairman of the Committee on Finance at this time that a tariff ought to be imposed against that pauper electric current coming over from the Canadian side and being sold in competition with the United States current on this side. If we are actually getting pauper electricity from the Canadian side of the river, there ought to be a tariff imposed against it for the protection of the electricity of the United States.

But, Mr. President, how about the Republican doctrine of the infant industry? Here we have been told that the manufacture of cyanide in this country is a monopoly; that it is allied with the German monopoly; that it is a part of it; that it has been in existence since 1885; that it is a long-established and a wealthy monopoly, making a profit so great that it runs up into the hundreds of per cents, as I understood the Senator from Nevada to say. It has been in operation 38 years, and is making enormous profits. On the other side of the river, the Canadian side, the only competition is from an establishment only built during the war, which has only just barely begun to enter the American market; and yet it is necessary against that infant on the other side of the river to impose this tariff for the protection of this giant, this rich and prosperous concern, upon the United States side of the river.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from New Jersey?

Mr. HITCHCOCK. I yield to the Senator.

Mr. FRELINGHUYSEN. Does the Senator know who owns the American Cyanamid Co.?

Mr. HITCHCOCK. I understood that the ownership had been pretty well established so far.

Mr. PITTMAN. Mr. President, the testimony—and that is all I am going by—is to the effect that the stock is owned by American citizens, that it is a Maine corporation, and that all the material it buys, except the water power, is bought in the United States.

Mr. HITCHCOCK. What I say, Mr. President, and then I have not anything more to say, is that this is really the height of absurdity. This is carrying the old idea of protection to an absolutely absurd point.

Mr. WILLIAMS. Mr. President, I want to say just one word.

This is the newest theory for the justification of a tariff tax that I have ever heard. I have heard the infant-industry theory. I know it by heart. I have heard the pauper-labor theory. I know that nearly by heart. I have heard of the independence-of-industry theory. I know that tolerably well. This, however, seems to be an effort to protect ourselves or our industries against greater taxes in the United States than exist in some other countries—in other words, to vote out of the Treasury a certain amount of money collected by taxation in order to make up for the inefficiency of the Government of the United States in levying taxation of another character.

Surely the water is not pauper. The taxation may be pauper because it is less than ours, as wages are said to be pauper whenever they are less; but to begin this brand-new theory that wherever taxation in another country is less than it is in America we ought to have a tariff to equalize the burdens which our own State or National Legislatures have laid upon our own industry is the newest brand-new thing that has ever been suggested to a political economist.

Mr. ASHURST. Let us have the yeas and nays, Mr. President.

Mr. MCCUMBER. Mr. President, the Senator from Mississippi [Mr. WILLIAMS] is almost always absolutely fair in his discussion of every subject, and if he breaks away from his good rule once in a lifetime I can easily excuse him for doing it.

Mr. President, we are not attempting to make the taxation basis, any more than we are attempting to make the law of gravity, the rule by which we are to determine whether a thing costs more or less on the Canadian side. Freedom from taxes, relief from taxes, may enable a company upon the Canadian side to sell its power cheaper than one on this side which has to pay taxes; but, after all, it is a difference in the cost of the hydroelectric power without reference to what was the cause of making it cheaper on the one side or on the other.

Mr. WILLIAMS. That is all I have said; and if I am mistaken in the statement that there is a desire to equalize our

overtaxation with the Canadian undertaxation as compared the one with the other, then I got the information, as I thought, unless I misheard him, from the Senator himself a moment ago. I thought he said that the fact that these people could undersell us in their power was owing to the fact that they were taxed less; in other words, they were exempt from certain taxes in Canada to which the power on this side was subjected. Is not that true? Is not that what the Senator said?

Mr. McCUMBER. The real thing that is true is the fact that they sell their power to produce the cyanide on the Canadian side cheaper than the same power can be bought on this side.

Mr. WILLIAMS. Then we come to just what I said.

Mr. McCUMBER. The Senator asked me why that was so, and, of course, I had to tell the Senator why it was so, and that was one of the elements entering into the reason.

Mr. WILLIAMS. I did not ask the Senator why it was so. I merely made the statement that, according to the Senator's statement, he wanted this tariff tax because the power paid less taxation in Canada than it did on the American side.

Mr. McCUMBER. No, Mr. President; the Senator is mistaken.

Mr. WILLIAMS. Then I made the further statement that that was a brand new theory, to the effect that we must equalize between the undertaxation of a foreign country and the overtaxation of our own; in other words, that if we were, compared to a foreign country, inefficient and uneconomical as a governmental agency, then we must levy a tax upon all the people, who were not to blame for the legislation, in order to equalize the inequality thereby produced.

Mr. McCUMBER. The Senator was mistaken, because, of course, I took no such view. I stated that it cost more for the hydroelectric power on this side of the river than it cost upon the other, and, as that is used in the production of cyanide, it must necessarily cost more to produce upon this side than upon the other, other things being equal. It made no difference to me what the causes were which entered into a higher charge being made upon this side than upon the other side, but, inasmuch as the Senator from Iowa asked me for the reasons, I proceeded to give him one of the reasons, which was that on the Canadian side the Canadian producer, which is really the Government, is not subjected to any taxation whatever, whereas on the American side the producer does have to pay his taxes.

But there is another reason I want to give, in addition to that, which the Senator from Mississippi and myself always agree is one of the governing factors in fixing prices, and that is the law of supply and demand. On the American side the amount of power allotted has been used up, and you can not get any more power from the American side at the present time. They have sold all of the power they have, and have nothing more to sell, and can hold up their prices, whereas on the Canadian side they have more power than they have customers for, and therefore, in order to sell the power, they can sell cheaper.

Taking that in connection with the fact that they are not subjected to taxes, they actually do sell their power cheaper, and, as I understand, it stands in the ratio of about 12 to 8—that is, 12 on the American to 8 on the other side—and that makes a material difference in the cost of production. So we tried by our duty to about equalize the cost of production on the one side and on the other.

Mr. WILLIAMS. Mr. President, I would like to ask the Senator this question, for I have the highest admiration and respect for his intellectual integrity: Does not the Senator really think that the difference in price at which these two companies can sell their products is more owing to the superiority of patents of the company which is operating on the Canadian side to the patent of the company operating on this side than to any other one cause?

Mr. McCUMBER. I gave the three. I mentioned that as one of the elements.

Mr. WILLIAMS. Does the Senator think that the taxing power of the United States ought to be used for the purpose of overcoming intellectual inferiority in methods pursued on our side of the Niagara River?

Mr. McCUMBER. After a patent is once obtained by a company the question of intellectual superiority on inferiority does not enter into it to any extent. The other company can not use the patent, while the company which owns it can use the patent.

Mr. WILLIAMS. But one is using the more intellectual process than the other, a superior process, and that is a grade of intellectual comparison.

Mr. McCUMBER. But the three elements enter into the question, and the fact remains that the Canadian does produce cheaper.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada [Mr. ODDIE] to the committee amendment.

Mr. ASHURST. May we have the amendment stated again so that we will understand the particular question to be voted on?

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. The Senator from Nevada moves to strike out the committee amendment where it appears on page 18, known as paragraph 33a, and to insert the same words, down to the word "cyanide," on line 5, at page 220, after line 11, as paragraph 1560a, or in the free list.

Mr. PITTMAN. As I understand it, an affirmative vote means to put it on the free list, and a negative vote means 10 per cent ad valorem?

The PRESIDING OFFICER. That is correct.

Mr. HARRISON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. SIMMONS (when Mr. OVERMAN's name was called). I desire to announce that my colleague [Mr. OVERMAN] is unavoidably detained from the Senate. I ask that this announcement may stand for the day.

Mr. WARREN (when his name was called). Making the same announcement as to my pair and its transfer that I made earlier in the day, I vote "nay."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before, I vote "yea."

Mr. WILLIAMS (when his name was called). I have a general pair with the Senator from Indiana [Mr. WATSON]. I transfer that pair to the Senator from Louisiana [Mr. RANSDELL] and vote "yea."

The roll call was concluded.

Mr. JONES of Washington. I wish to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR]; and

The Senator from New York [Mr. CALDER] with the Senator from Alabama [Mr. HEFLIN].

The result was announced—yeas 46, nays 14, as follows:

YEAS—46.

Ashurst	Hitchcock	Myers	Simmons
Bursum	Johnson	Nelson	Smith
Capper	Jones, N. Mex.	Newberry	Spencer
Cummins	Jones, Wash.	Nicholson	Stanley
Dial	Kellogg	Norbeck	Sterling
Elkins	Kendrick	Norris	Swanson
Ernst	Keyes	Oddie	Underwood
Fletcher	Ladd	Phipps	Walsh, Mass.
Gerry	La Follette	Pittman	Watson, Ga.
Glass	Lodge	Rawson	Williams
Harris	McKinley	Robinson	
Harrison	McNary	Sheppard	

NAYS—14.

Ball	Frelinghuysen	McLean	Sutherland
Brandegee	Gooding	Page	Warren
Dillingham	Hale	Pepper	
France	McCumber	Smoot	

NOT VOTING—36.

Borah	du Pont	Moses	Shortridge
Broussard	Edge	New	Stanfield
Calder	Fernald	Overman	Townsend
Cameron	Harreld	Owen	Trammell
Caraway	Heflin	Poindexter	Wadsworth
Colt	King	Pomerene	Walsh, Mont.
Crow	Lenroot	Ransdell	Watson, Ind.
Culberson	McCormick	Reed	Weller
Curtis	McKellar	Shields	Willis.

So Mr. ODDIE's amendment to the committee amendment was agreed to.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRISON. Is it in order for the Secretary to tell us how many Republicans failed to vote on the roll call just had?

The PRESIDING OFFICER. It is not in order at this time.

Mr. McCUMBER. In order to see whether it is necessary for any protection in placing this product upon the free list,

I ask the Secretary to read the proposed amendment which was just agreed to.

The ASSISTANT SECRETARY. It is proposed on page 18 to strike out all of the committee amendment and to insert the same words, down to and including the word "cyanide" printed on line 5, at page 220. after line 11, as follows:

PAR. 1560a. Cyanide, potassium cyanide, sodium cyanide, all cyanide salts and cyanide mixtures, combinations and compounds containing cyanide.

Mr. McCUMBER. I understand that is all included in the one motion?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCUMBER. I wish to suggest to the mover of the amendment that we ought to have in it, after the word "cyanide," the words "not specially provided for." I ask if it was his desire to eliminate that?

Mr. ASHURST. Mr. President, a point of order. That may not be done under the precedent established to-day. We are falling into the very trap against which some of us warned Senators. The Senate having adopted an amendment to the amendment it can not further amend the provision under the precedent set to-day.

Mr. McCUMBER. The Senator is entirely wrong.

Mr. LODGE. This was a rejection.

Mr. ASHURST. No; it was not a rejection.

Mr. PITTMAN. As I understand it, we have now adopted an amendment to the committee amendment. Is not the question now upon the adoption of the committee amendment as amended?

Mr. McCUMBER. My query was whether it is the desire of the Senator from Nebraska to eliminate the words "not specially provided for,' because there are so many of the products that are specially provided for that, in order to make the matter certain, these words should be included, as the item is carried over into the free list.

Certainly no one is claiming for a single moment that we can change the vote which has been had and which has stricken this item off the dutiable list and put it upon the free list, but of course we can amend in a manner which does not change that, and perfect it as it goes into the free list. I wanted to get the opinion of the two Senators from Nevada, who have taken a strong interest in this item, as to whether that usual provision should go in at the end of the paragraph.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS. I may have misheard, but I understand that the only thing done was to strike out the duty fixed by the committee. If that be the case, the question arises whether the product is dropped into the basket clause or whether it is left upon the free list.

Mr. McCUMBER. The Senator is mistaken. I understand the motion was to strike it from the dutiable list and insert the same in the free list.

Mr. WILLIAMS. Then I was mistaken.

Mr. McCUMBER. But in the motion there were not included the words "not specially provided for."

Mr. PITTMAN. I think we can take that matter up after the question is voted on finally. I am perfectly sure that we can take that matter up, and if there is anything to be eliminated along that line we can do it then.

Mr. McCUMBER. There is no question that we can.

Mr. PITTMAN. I now ask for a vote upon the amendment as amended.

Mr. McCUMBER. I have no objection. I only desired to get the Senator's wish, because when we reach it in the Senate, or otherwise, the usual clause should be inserted.

Mr. PITTMAN. Yes; that is very true.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. What item does the Senator from North Dakota wish to take up next?

Mr. McCUMBER. I desire now to go to page 20, paragraph 47.

The PRESIDING OFFICER. The Secretary will report the amendment on that paragraph.

The ASSISTANT SECRETARY. On page 20, paragraph 47. Magnesium: Carbonate. The committee proposes, in line 18, to strike out "three-fourths" and insert "one-half," so as to read:

Chloride, one-half of 1 cent per pound.

Mr. SMOOT. Would it not be better to take up paragraph 204a?

Mr. JONES of Washington. My colleague is not here, and I know that he expects to take up that paragraph after the dye proposition is disposed of.

Mr. SMOOT. He told me he would be ready to go on with it to-day.

Mr. JONES of Washington. I spoke to him about it on Saturday, and he said he would be ready to take it up after the dye proposition was discussed.

Mr. SMOOT. I spoke to the Senator's colleague to-day right after we convened, and he said he could go on with it to-day if we reached it.

Mr. JONES of Washington. He is not here, and he ought to be here when it is taken up, because he has given it special attention. I think he is absent on committee work, but I do not know exactly where he is.

Mr. McCUMBER. Let me first explain the situation as indicated by the question of the Senator from Utah. The committee proposes to strike out, on line 22, the words "and calcined magnesite, including dead burned and grain, three-fourths of 1 cent per pound; and magnesite, crude or ground, one-half of 1 cent per pound." Then in lieu of that they propose to insert, on page 33, in paragraph 204a, the words, "Crude magnesite, five-sixteenths of 1 cent per pound, caustic calcined magnesite, five-eighths of 1 cent per pound," and so forth. That is, to take it out of the chemical schedule where it is placed now and put it into the earthen schedule where it belongs, and to change it to some extent. So it does not make very much difference which one we take up first. Inasmuch as I do not think it belongs in this schedule, we should first decide to take it out of this schedule, and when we reach it in the proper place then we can determine what the rate should be.

Mr. JONES of Washington. What my colleague desires, and I know what I desire, is to defeat the amendment on page 20 and leave the rate as the House provided.

Mr. SMOOT. I think it would be very much better to take up paragraph 204a, crude magnesite, first.

Mr. McCUMBER. It does not make a bit of difference to me. We have both before us, and if it is more convenient to Senators I will ask that we take up paragraph 204a, on page 33.

Mr. JONES of Washington. Mr. President, I am not prepared to say that we want to take that up now. My colleague is on the way here, and he has made special preparation to take up the subject. It seems to me proper to take up the amendment on page 20. I know that would be my preference, so far as I am concerned. My colleague is on the way now and will be here in just a few moments, so if there is anything else we can take up, probably it would be well to do so. He will be here inside of two or three minutes.

Mr. McCUMBER. Can not the senior Senator from Washington discuss the matter?

Mr. JONES of Washington. My colleague is specially prepared to discuss it, and I would prefer that he should do it.

Mr. McCUMBER. I understand the Senator's colleague is at the Attorney General's office. So he can hardly get here in a few minutes. However, I will see if I can find another paragraph. Can we proceed to paragraph 319, the metal schedule, anchors?

The PRESIDING OFFICER. The paragraph will be reported.

The ASSISTANT SECRETARY. On page 61, paragraph 319, in line 16, the committee proposes to strike out "25" and insert "30," so as to read:

Iron or steel anchors and parts thereof; forgings of iron or steel, or of combined iron and steel, not machined, tooled, or otherwise advanced in condition by any process or operation subsequent to the forging process, not specially provided for, 30 per cent ad valorem.

Mr. ROBINSON. My colleague the junior Senator from Arkansas [Mr. CARAWAY] has looked into this subject and he is not in the Chamber just now. He left here with the understanding that other paragraphs in the schedule passed over would be taken up. Is there not something in the other schedules that might be considered now? What about brick?

Mr. McCUMBER. We have agreed that we will not act upon brick until we get through with magnesite, because it enters into brick.

Mr. ROBINSON. It may be appropriate to postpone it. I had not entered into any such agrement, however. It went over at the request of Senators on the other side of the Chamber for several days because they were not prepared to take it up. I was not informed of any such agreement.

Mr. McCUMBER. There is so much confusion in the Chamber that I can not understand what is going on. Does the Senator object to taking up paragraph 319?

Mr. ROBINSON. I have just stated that my colleague [Mr. CARAWAY] had looked into that paragraph and had expected to discuss it. He is on his way over here now, I am told.

Mr. SIMMONS. I understand the Senator from Texas [Mr. SHEPPARD] has some other matter which he was looking after that he is ready to take up now.

Mr. SHEPPARD. Paragraphs 351, 352, and 353 might be disposed of without any considerable discussion. No changes have been made by the committee in paragraphs 351 and 352, and there is only one amendment that I desire to offer to paragraph 353.

Mr. McCUMBER. Very well.

The ASSISTANT SECRETARY. On page 71, paragraph 353, fountain pens, in line 15, the committee proposes to strike out "valued at not more than $2 per dozen, 72 cents per dozen; valued at more than $2 and not more than $6 per dozen, $1.50 per dozen; and in addition thereto, on all of the foregoing, 25 per cent ad valorem" and to insert "72 cents per dozen and 40 per cent ad valorem," so as to read:

Fountain pens, fountain penholders, stylographic pens, and parts thereof, 72 cents per dozen and 40 per cent ad valorem: *Provided*, That the value of cartons and fillers shall be included in the dutiable value.

Mr. SHEPPARD. Mr. President, while the committee has not attempted to amend paragraph 351, I think it well to submit a few comments upon it.

Mr. McCUMBER. Mr. President, the Senator's argument may read very well to-morrow in the RECORD, but it is of no advantage to us here unless we may hear it, if we are going to vote on the question to-day.

Mr. SHEPPARD. No vote can be taken on this paragraph, because the committee has made no change in it; and I merely want to submit a brief comment on it preparatory to offering an amendment when an amendment shall be in order.

Mr. LODGE. The Senator from Texas is speaking about paragraph 351?

Mr. SHEPPARD. I refer to paragraph 351.

Mr. LODGE. There is no amendment to paragraph 351, and only amendments to committee amendments are now in order.

Mr. SHEPPARD. I understand that; but I merely wish to make certain comments on this paragraph and the following one before proceeding to paragraph 353. My remarks will be brief; they will not take up much time.

Mr. McCUMBER. All I desire to do is to hear the Senator from Texas.

Mr. SHEPPARD. Mr. President, I wish to say a word with reference to paragraph 351, which reads as follows:

Pens, metallic, not specially provided for, 12 cents per gross; with nib and barrel in one piece, 15 cents per gross.

It should be said that this paragraph repeats the action of the House without change, and reproduces without change the provisions relating to these articles in the Payne-Aldrich bill of 1909. The rates carried in this paragraph as it reaches the Senate, and as they appeared in the bill as passed by the House and in the Payne-Aldrich enactment, involve an increase over existing Democratic duties of about 25 per cent. The increase is not justified. In 1919 the home production of these pens had a value of $1,706,000, exports a value of $569,239, and imports a value of about $277,000.

In 1920 the imports amounted to about $400,000, and during the first nine months of 1921 to $170,000, approximately.

The exports had a value in 1920 of $489,826, and during the first nine months of 1921 of $83,165. So we see, Mr. President, that under the existing Democratic rate the domestic industry is not only meeting domestic needs, but that there is a considerable volume of exportations from year to year.

In 1919 the principal countries to which these articles were exported were the United Kingdom, British India, Brazil, and Cuba, and in 1920 the United Kingdom, Brazil, British India, and Cuba.

As to the next paragraph, paragraph 352, dealing with "penholder tips, penholders and parts thereof, gold pens, combination penholders comprising penholders, pencil, rubber eraser, automatic stamp, or other attachments, it may be said that under the existing Democratic rate there was in 1919 an output valued at $1,801,000. The imports in that year amounted to only about $7,000 and the exports to $200,354, yet the pending bill proposes a substantial advance over the present Democratic tariff of 25 per cent ad valorem.

I may say here that home production under the existing rate grew from a value of $642,461 in 1914 to $1,801,000 in 1919, showing that the industry is making steady progress under the existing tariffs, and that, therefore, there can be no good reason for so pronounced an increase as is proposed by the bill as it came from the other House.

The imports in 1920 had a value of $12,000 and during the first nine months of 1921 of about $8,000.

The exports in 1920 had a value of $222,376 and during the first nine months of 1921 a value of $146,243.

The principal countries to which exports of these articles were sent in 1919 were the United Kingdom, Canada, Brazil, and Argentina, and in 1920 the United Kingdom, Canada, Argentina, and British India. There again, Mr. President, the fact that the domestic industry is not only supplying all the needs of the American people but is exporting considerable amounts in addition, while imports remain so small, is certainly an argument against any increase in the duties.

Now we come to paragraph 353, which reads as follows:

PAR. 353. Fountain pens, fountain-pen holders, stylographic pens, and parts thereof, valued at not more than $2 per dozen, 72 cents per dozen; valued at more than $2 and not more than $6 per dozen, $1.50 per dozen; and in addition thereto, on all of the foregoing, 25 per cent ad valorem: *Provided*, That the value of cartons and fillers shall be included in the dutiable value.

The duty on these articles in the existing Underwood-Simmons Act is 25 per cent ad valorem. It might be well to call attention here to the fact that under the existing Democratic duty this industry has grown from a total capital of $3,269,809 in 1914, with an output valued at $6,865,074, to a total value of output in 1919 of $15,997,000, showing a healthy and remarkable development.

The imports in 1919 amounted to but $12,169, and during the first nine months of 1921 to but $51,482, the proportion of imports to home production being remarkably small, and certainly not large enough to justify the claim that importations are threatening the domestic industry.

Let me call attention to the fact that a considerable volume of exportations has occurred in connection with this industry. In 1919 the exports had a value of $409,517; in 1920 of $518,410; and during the first nine months of 1921 of $197,569. Certainly, Mr. President, an increase in the duty can not be supported when we take these facts into consideration.

I therefore move, in lieu of the amendment recommended by the Senate committee, to insert the words "25 per centum ad valorem," that being the existing rate, the rate under which the industry is making such satisfactory progress. I ask for the yeas and nays on the amendment to the amendment.

The PRESIDING OFFICER. The amendment proposed by the Senator from Texas will be stated.

The READING CLERK. In the committee amendment, on page 71, at the beginning of line 19, it is proposed to strike out "72 cents per dozen and 40 per centum ad valorem" and to insert "25," so as to read "25 per centum ad valorem."

Mr. SHEPPARD. I also wish to strike out the other part of the amendment recommended by the committee.

The READING CLERK. It is also proposed to strike out after the word "thereof," in line 15 down to and including the words "ad valorem," on line 18.

Mr. SHEPPARD. That is correct.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. WARREN (when his name was called). Announcing the same pair that I announced earlier to-day, I vote "nay."

Mr. WATSON of Georgia (when his name was called). Repeating the announcement that I made before, I vote "yea."

The roll call was concluded.

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. Observing that he has not voted, I transfer my pair to the junior Senator from Oklahoma [Mr. HARRELD] and will vote. I vote "nay."

Mr. FRELINGHUYSEN. Making the same announcement as before, I vote "nay."

Mr. WILLIAMS (after having voted in the affirmative). I find that the Senator from Indiana [Mr. WATSON], with whom I have a pair, has not voted. I transfer that pair with him to the Senator from Montana [Mr. MYERS] and will let my vote stand.

Mr. STERLING (after having voted in the negative). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from New Hampshire [Mr. MOSES] and will let my vote stand.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New York [Mr. CALDER] with the Senator from Alabama [Mr. HEFLIN];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR]; and

The Senator from Ohio [Mr. WILLIS] with the Senator from Ohio [Mr. POMERENE].

The result was announced—yeas 21, nays 38, as follows:

YEAS—21.

Ashurst	Harrison	Robinson	Walsh, Mass.
Caraway	Hitchcock	Sheppard	Watson, Ga.
Dial	Jones, N. Mex.	Simmons	Williams
Fletcher	La Follette	Stanley	
Gerry	Norris	Swanson	
Harris	Ransdell	Underwood	

NAYS—38.

Ball	Frelinghuysen	McCumber	Phipps
Brandegee	Hale	McKinley	Rawson
Broussard	Johnson	McLean	Shortridge
Bursum	Jones, Wash.	McNary	Smoot
Capper	Kellogg	Nelson	Spencer
Curtis	Kendrick	Newberry	Sterling
Dillingham	Keyes	Norbeck	Sutherland
Elkins	Ladd	Oddie	Warren
Ernst	Lodge	Page	
France	McCormick	Pepper	

NOT VOTING—37.

Borah	Glass	Nicholson	Townsend
Calder	Gooding	Overman	Trammell
Cameron	Harreld	Owen	Wadsworth
Colt	Heflin	Pittman	Walsh, Mont.
Crow	King	Poindexter	Watson, Ind.
Culberson	Lenroot	Pomerene	Weller
Cummins	McKellar	Reed	Willis
du Pont	Moses	Shields	
Edge	Myers	Smith	
Fernald	New	Stanfield	

So Mr. SHEPPARD's amendment to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. MCCUMBER. I ask that we may proceed now to the consideration of paragraph 354.

The ASSISTANT SECRETARY. Paragraph 354: Penknives, pocketknives, clasp knives——

Mr. JONES of New Mexico. Mr. President, I had an understanding on Saturday that those paragraphs relating to cutlery would go over until Wednesday. There was no announcement in the Chamber, but the chairman of the committee doubtless will recall our conversation on the subject.

Mr. MCCUMBER. I will say to the Senator that there are so everlastingly many of these requests that I can not keep them all in mind without putting them down. Certainly if I so agreed, it will go over.

Mr. ROBINSON. We shall be glad to take up paragraphs 319 and 320 now, if the Senator desires to do so.

Mr. MCCUMBER. Very well, Mr. President; then we will return to paragraph 319.

The PRESIDING OFFICER. The amendment of the committee will be stated.

The ASSISTANT SECRETARY. On page 61, line 16, the committee proposes to strike out "25" and insert "30," so as to make the paragraph read:

PAR. 319. Iron or steel anchors and parts thereof; forgings of iron or steel, or of combined iron and steel, not machined, tooled, or otherwise advanced in condition by any process or operation subsequent to the forging process, not specially provided for, 30 per cent ad valorem.

Mr. ROBINSON. Mr. President, I offer the following amendment:

On line 16, strike out "30" and insert in lieu thereof "15," so that, if amended, it will read: "15 per cent ad valorem."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Arkansas to the amendment of the committee.

Mr. ROBINSON. Mr. President, I will make a brief statement in connection with the amendment.

The present rate is 12 per cent ad valorem. The House incorporated in the bill a rate of 25 per cent, and the committee proposes by its amendment to raise that to 30 per cent ad valorem. A brief investigation of the facts in connection with this item does not appear to justify the committee rate.

Two general classes of products are embraced within the paragraph, namely, anchors and forgings. The manufacture of anchors is a very simple process, and the importations heretofore have been quite small. The value of the importations for consumption for the year 1917 was only $2,611; for 1918 the value was $1,616; for 1919, $7,216; for 1920, $3,127; for 1921, $2,036. There were, however, additional importations for vessel supplies and for the repair of vessels, the amount of which was somewhat in excess of the importations for consumption. No exports are recorded as to anchors.

The provision relating to forgings covers a vast number of articles. Some of them are of very common use. The importations are quite small, as appears from page 415 of the Summary of Tariff Information, whereas the production and exports are very great.

In view of these facts, I do not believe the comparatively high rate proposed by the committee is justified. I submit the amendment already stated, and ask for a vote on it.

Mr. MCCUMBER. Will the Senator repeat the amendment, please?

Mr. ROBINSON. Where the committee amendment proposes to insert "30" I propose an amendment reducing it to "15," which, I think, is entirely adequate, in view of the fact that the rate is only 12 per cent at present, and the production and exports upon the whole item are many, many times, both in quantity and value, the amount of the imports.

Mr. MCCUMBER. Mr. President, I do not recall that any evidence was submitted to the committee upon that amendment. We seem simply to have changed the House rate of 25 per cent ad valorem on the American valuation to about its equivalent on the foreign valuation. I think the 25 per cent on the foreign valuation is sufficient, but under present conditions I do not think that 12 per cent is sufficient.

Mr. ROBINSON. Mr. President, 12 per cent is the present rate.

Mr. MCCUMBER. Yes.

Mr. ROBINSON. And that, of course, is on the foreign valuation.

Mr. MCCUMBER. Yes.

Mr. ROBINSON. The rate, even as the committee now propose to reduce it, would still be more than twice the present rate. While of course I should prefer the amendment which the committee now propose to make to the one that the committee reported, I still think that that would leave the rate too high; and I shall ask for a vote on my amendment, 15 per cent.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Arkansas to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. MCCUMBER. I now ask, unless the Senator wishes first to make some other motion, that the committee amendment be rejected.

Mr. ROBINSON. Will the Senator accept an amendment of 20 per cent? I propose to strike out "30" and insert in lieu thereof "20."

Mr. MCCUMBER. That would leave it out of proportion to steel and other articles, and it would require an adjustment of others. I think that "25" would leave the relation about right to the prices of steel.

Mr. ROBINSON. Mr. President, my attention has been called to the fact that some of the Senators think that 20 per cent would occasion a disproportion with reference to the rate as applicable to forgings, but an examination of the facts as submitted by the Tariff Commission does not appear to me to justify that conclusion.

I ask leave to put into the RECORD the paragraphs on pages 413 and 414, showing the uses and the character of articles that are embraced within forgings, the quantity of production, the value of exports, and also the amount and value of imports for the various years. I ask that that be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it will be included in the RECORD.

The matter referred to is as follows:

FORGINGS.

(See Survey C–5.)

Description and uses: Forgings are metals which have undergone the process of hammering or pressing into special shapes while hot. Originally forging was solely a hammering process, but with large masses to be treated, pressing has come into use, especially for making heavy forgings of steel.

Many small articles of common use, such as balls, screws, rivet blanks, nuts, nails, etc., are forged by machinery. Many articles of intricate patterns are drop-forged, i. e., a heated piece of metal is put on a lower die placed on the anvil of a drop hammer which, falling from a height, carries the upper die and stamps the plastic metal into shape. Such drop forgings are largely used in motor vehicles for levers, treadles, connecting rods, and the like.

The "finishing process" consists in annealing or tempering the forged material and then machining it.

Production: Forgings represent a vast variety of articles. According to the American Metal Market the country's output of forged work done in rolling mills and steel works amounted to 1,295,566 gross tons in 1918 and to 534,346 gross tons in 1919. This product involves such items as anchors, armor plate, axles, eyebars, gun carriages, etc

Imports of ordinary forged iron and steel, i. e., not finished or advanced beyond the forging process, are not large. In 1917 they amounted to only $37,302. Later statistics follow:

Calendar year.	Quantity.	Value.	Duty.	Ad valorem rate.
	Pounds.			*Per cent.*
1918		$394,566	$47,348	12
1919	351,045	51,312	6,157	12
1920	184,096	35,103	4,212	12
1921 (9 months)	141,364	23,618		

In addition to these imports other forgings for the construction and equipment of vessels, for the United States Government and for diplomatic officers came into the country free of duty. In 1919, 485,777 pounds, valued at $79,152, were imported for the construction and equipment of vessels; 6,583,124 pounds, valued at $754,706, for the Government of the United States; and in 1918, 43,383,685 pounds, valued at $2,576,831, for diplomatic officers.

Exports: Exports since 1917, by calendar years, have been as follows: 1918, $27,679,680; 1919, $1,881,814; 1920, $1,833,925; 1921 (9 months), $358,299. Some of the important countries receiving this exported material are Canada, France, the United Kingdom, Japan, Italy, Spain, and Mexico.

Mr. ROBINSON. I also move to amend by striking out "30" and inserting "20." I shall not ask for a record vote.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Arkansas to the committee amendment to strike out "30 per cent" and to insert "20 per cent."

The amendment to the amendment was rejected.

The PRESIDING OFFICER. Now, the question is upon agreeing to the committee amendment.

Mr. McCUMBER. I ask that the Senate reject the committee amendment.

Mr. JONES of New Mexico. I would like to make the suggestion that by disagreeing to the committee amendment you agree to the House rate, and that would leave nothing in conference by which you can adjust any of these rates if it is thought best to do so.

Mr. SMOOT. That would be true no matter what the valuation was.

Mr. JONES of New Mexico. That would be true regardless of the valuation, and it seems to me that you are apt to tie your hands when you may not want that done, when you begin to consider these rates in relation to other rates in the schedules. I simply make the suggestion for whatever it is worth. It seems to me that by doing this you would be absolutely tying up the matter in conference, and it would prevent any readjustment of rates with other items in the schedule.

Mr. McCUMBER. I do not agree that it would be tied up in conference, even though the figures appear the same, because one is based upon the American valuation and the other is based upon the foreign valuation. Twenty-five per cent on the American valuation is considerably higher than 25 per cent on the foreign valuation. So the minds of the two Houses have not met, although the figures are the same.

Mr. JONES of New Mexico. If that is the correct view of it, of course, it throws these figures open to adjustment in conference.

Mr. McCUMBER. I really think they would be. Of course, if we got it as low as either House wanted it, I do not think the conferees could go any lower, and if we went as high as either fixed it, I do not think we could go any higher, but within those limits there would be no question in my mind but that the conferees could adjust the rates irrespective of the fact that the figures are the same.

Mr. JONES of New Mexico. If the Senator is sure of that, then, of course, the suggestion I have made is of no importance.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. JONES of Washington. Mr. President, I want to ask a question. Are we to understand that when this bill goes to conference all of these rates can be changed by the conferees, no matter whether the Senate has acted upon them or not?

Mr. SMOOT. No.

Mr. JONES of Washington. I gathered that from what the chairman of the committee stated. The House rate is based on one valuation and the Senate rate on another, and when they get in conference the minds of the two Houses have not met on them, and the conferees could change the rates, according to his statement. If that is the case, we can not know what will come out of the conference. It seems to me that should not be the situation.

Mr. McCUMBER. We can not change that situation. When the House says that it will levy a rate upon a certain valuation and the Senate says that it will levy a rate upon a different valuation the two Houses have not agreed, even though they have fixed on the same figures, and there can be no question but that the minds of the two Houses must agree on the final result of their action.

Mr. JONES of Washington. I understand we have just receded from a committee amendment and left the House language in this paragraph as it passed the House. There is nothing in that paragraph to indicate that the rate is based upon any different valuation from that which the Senate considered.

Mr. McCUMBER. But elsewhere in the bill there is.

Mr. JONES of Washington. That may be true; but I do not see how the conferees can go back and change the rate fixed in that paragraph. I am satisfied it would be subject to a point of order, at least in the House, if it went back after they attempted to do that.

Mr. McCUMBER. That is a parliamentary question, of course, which is going to arise. I have my view, and I have submitted it to our parliamentary experts upon this side of the Chamber, and they agree with me that the minds of the two Houses must meet. As long as there is the difference between the two Houses, of course there is something in conference between the two. Let us suppose, for instance, that the foreign price of an article is $1 and the American price of the same article is $2. The House says, "We will levy a duty of 25 per cent," which will be based upon the $2. That is what the House has done. The Senate says, "We will levy a rate of 25 per cent"; but it will be based upon the $1, which is the foreign valuation. It takes an awful stretch of imagination to say that the two Houses have agreed upon what the rate of duty shall be; and, after all, the thing we are getting at is not so much the rate, but what duty will be levied to bring an article into the United States. If it is clear that it is $1 in Europe, the place of exportation, and $2 here, the minds of the two Houses have not met.

But we might discuss that from now until doomsday and perhaps would not get any further along. Sooner or later we shall have to settle it, but we can not settle it now.

Mr. ROBINSON. That is entirely correct. Any discussion of the question now is more or less academic. Nevertheless, it has a practical importance. When this bill passes the items which will go to conference will be the Senate amendments striking out the American valuation and inserting the foreign valuation, and no items as to simple rates of duty which the Senate has not amended will be before the conference, in my opinion.

If it is desirable to get provisions in conference as to rates of duty, it will be necessary for the Senate to make amendments to the House provisions touching the rates of duty. I think the Senator from Washington is correct about that, because we will first have in conference the question of the American valuation and the foreign valuation. One or the other will be agreed to. Whichever is agreed to will result in bringing the minds of the two Houses together, and there will exist no difference between them as to rates of duty concerning which no amendments have been made in the Senate.

Mr. JONES of Washington. For instance, there is no amendment made in paragraph 352. If we accept it just as it reads, it does seem to me that the conference committee could not rewrite those rates.

Mr. ROBINSON. But the Senator, of course, understands that after we have disposed of committee amendments the paragraph will be subject to amendments offered from the floor.

Mr. JONES of Washington. But I am assuming that it will go through just as it reads here.

Mr. ROBINSON. I think the Senator from Washington probably will be held to be correct, although I believe a further discussion of the matter would be academic at this time.

Mr. McCUMBER. If I may make a suggestion to the Senator, I think the very first thing to be decided in the conference before we go one step further is as to whether we will adopt the American valuation of the House or the foreign valuation of the Senate. If that is decided in favor of the foreign valuation as fixed by the Senate, then all our rates, so far as we are concerned, will have been fixed upon that basis, even though the House fixed those rates upon the other valuation. But until that question arises we shall not have to cross the bridge, and I sincerely hope and really expect that we shall not have to cross it.

Mr. FLETCHER. Suppose in the conference the House recedes and accepts the Senate's foreign valuation, does the Senator believe it will then be entirely competent for the conferees, after all the amendments have been made in the Senate, and where the Senate committee's proposals have been reduced, to open up that whole question, and either raise or lower the duties, irrespective of the action the Senate has taken?

Mr. McCUMBER. Of course, I can not say what the contention of the House will be, but if it accepts the foreign valuation, then our rates are all fixed upon that. I concede that the House may say, "Yes; while we fixed those rates at that time you have made those rates much less by adopting that valuation"; but when they agree to that they agree to those rates upon that valuation. At least, I hope they will take that view, and I think we will get over that difficulty.

Mr. ROBINSON. But that is a change which will be accomplished by modifying other language than the language immediately imposing the rates. Where a bill passes the House of Representatives, and the Senate does not modify a paragraph, by the unanimous decision of both Houses it is not subject to change in conference. But so far as I am concerned, I do not care to discuss it further. If anyone else desires to, he is at liberty to do so.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The next amendment was, in paragraph 320, page 61, line 18, to strike out "plates" and insert the word "plates" with a comma.

The amendment was agreed to.

The next amendment was, in line 20, to strike out "30" and insert in lieu thereof "45," so as to make the paragraph read:

PAR. 320. Electric storage batteries and parts thereof, storage-battery plates, and storage-battery plate material, wholly or partly manufactured, all the foregoing not specially provided for, 45 per centum ad valorem.

Mr. SIMMONS. Mr. President, I will detain the Senate for only a few minutes on this matter, although it seems to be a matter of considerable importance.

These electric storage batteries and parts are very extensively used in this country now as the result largely of the introduction of the automobile. I read from the Tariff Commission Summary:

In storage batteries the electrodes are commonly lead plates surrounded by dilute sulphuric acid. During the discharge lead sulphate is formed on the plates, the action being similar to that of the primary battery. The action of the storage battery is, however, reversible, since, by passing a current through the battery in the opposite direction, the plates are restored to their original state, and are again capable of delivering a current.

* * * The automobile industry is a large user of storage batteries. The manufacture of plates and connections for storage batteries has become a very important outlet for lead.

Outside of the acid, lead is almost the only material in these batteries.

In 1919 the production of storage batteries was valued at $56,000,000, in round figures, and of parts for storage batteries at $3,000,000, about $60.000,000 in all. The corresponding figures for 1914 were $10,000,000 and $2,000,000, so that during the period from 1914 up to the present time this industry has multiplied five times under the present rate of duty.

As to imports, the Tariff Commission report says there are none recorded. On the other hand, the exports of these batteries for recent calendar years were, in round numbers:

1918	$3,000,000
1919	6,000,000
1920	6,333,000

In the nine months of 1921, $3,267,000. These exports were chiefly to Great Britain, Argentina, Australia, and Cuba.

That is the situation with reference to this product, upon which the committee proposes to put a duty of 25 per cent. I am unable, myself, to understand upon what principle that duty is proposed, and I will ask the Senator from North Dakota if he will enlighten the Senate.

Mr. McCUMBER. Mr. President, I will give the Senator the principle on which the duty is imposed. It will be noticed that in the lead schedule we have levied a duty of 2⅛ cents a pound on lead. Lead sells for a little over 4 cents a pound. Therefore, our duty upon the lead is about 50 per cent. These batteries are almost wholly composed of lead, perhaps 90 per cent of their content being lead. No matter what we put in as a rate on lead, we ought to have a duty upon the battery that would be as high as the duty upon the lead of which it is composed, otherwise they could import the lead in the shape of a battery and get it in cheaper than the lead itself.

I think we have the rate too high, and I am going to ask that it may be reduced from 45 to 40 per cent, as I think that is adequate, as I have looked over the figures. In some of these instances, the pressure being pretty hard at the time to hold the House rates, they were converted into about an equivalent on the foreign valuation, and that is what was done in this case. But I think we can reduce this rate 5 per cent, and in that way we shall get about the proper relation between the two.

Mr. SIMMONS. Let me ask the Senator if he does not think his calculation is a little faulty. I understand him to say that lead is worth about 4½ cents a pound.

Mr. McCUMBER. A little over 4 cents.

Mr. SIMMONS. And he has put a duty of 2½ cents a pound on lead.

Mr. McCUMBER. Two and one-eighth cents a pound.

Mr. SIMMONS. Does the Senator know how many pounds of lead there are in one of these storage batteries?

Mr. McCUMBER. No; but I understand about four-fifths of the cost of it is in the lead. I think very much more than four-fifths of it is lead. It is nearly all lead.

Mr. SIMMONS. I would not suppose that the lead in it amounted to very many pounds. It is not solid lead.

Mr. McCUMBER. The cells and metallic parts are of lead. There is nothing but lead in it.

Mr. SIMMONS. There is the top part and the bottom part, and then there are the little pillars connecting the two.

Mr. McCUMBER. But that is the box containing the battery, and we are giving practically only an ad valorem rate, not on the weight of it. The whole of the battery itself, the battery proper, is composed of lead.

Mr. SIMMONS. But let us work it out. I had occasion to buy one of these ordinary batteries the other day. It is not more than a square foot in size.

Mr. McCUMBER. But if the Senator should take a big electric battery, he would find it very much heavier. It would take several men to lift such a battery.

Mr. SIMMONS. I am talking about the small size, such as we use in automobiles. It certainly would not weigh more than 20 pounds, but let us assume that it weighs 25 pounds.

Mr. McCUMBER. I think in a small car it would weigh at least 50 pounds, but that does not make any difference.

Mr. SIMMONS. Very well; assume that it weighs 50 pounds. The lead in it at 2½ cents a pound would be $2.25. The little batteries I speak about sell in the city of Washington for thirty-odd dollars. The Senator is proposing to put 45 per cent upon that thirty-odd dollars as a compensatory duty for 50 pounds of lead worth only $2. I think there is wherein the position of the Senator is wrong. I understand the Senator says this is put on as a compensatory duty, and there is no other justification for it.

Mr. McCUMBER. I did not say there is no other justification; but I am speaking now of the compensatory part.

Mr. SIMMONS. Assuming that there are 50 pounds of lead in it, and I do not think there is half of that in the smaller ones that are selling for thirty-odd dollars, there we have a total value of $2.25. Now, because of the 2½ cents a pound on that 50 pounds of lead, the Senator proposes 45 per cent on a battery that sells for $30.

Mr. McCUMBER. I do not know what they may sell for. I think a little one like that would be much less; but they may sell, as we know, for 10,000 per cent more than they ought to sell for. I can not say how that would be. I am endeavoring to get an ad valorem rate that will just about equal the lead content upon the value basis.

Mr. SIMMONS. But the Senator's ad valorem rate here applies to the commercial value of the battery.

Mr. McCUMBER. Of course, there is a great deal of work to make one of them, independent of the lead content, but I am taking the lead into consideration, the labor into consideration, and the difference in the cost of manufacture into consideration. Taking all of the elements that make up the difference between the cost at home and abroad, which, first, is the lead; second, the labor; and, third, other matters that enter into it, like transportation, altogether I think they should have about 40 per cent ad valorem.

Mr. SIMMONS. There are none of these things that are imported into this country except possibly some lead. The Senator proposes to give a duty on lead upon the theory that there is some imported into this country. My understanding is there is no justification shown for 45 per cent, except for the purpose of compensating for the duty of 2½ cents a pound on the lead. Two and one-fourth cents a pound on 50 pounds of lead would be a little over $1, and 45 per cent upon the price of one of these instruments would be $10 or $15. Of course, I know nothing about the factory price. I am only speaking about the retail price. I was trying to find a place where I could buy one of these batteries the other day cheaply. I found a place where they said they would sell me one of these little Ford batteries for $22, but for a 7-passenger car they were about $30, and at some other places they were between $35 and $40.

Mr. McCUMBER. I think this statement will explain it. While, of course, we include electric storage batteries on the assumption that there may be conditions in which the entire battery would be imported, as a matter of fact the batteries complete are not imported at all on account of the breakable character of the glass, plates, and so forth, but they come in

entirely in the plates and parts which are put together here. Those are exclusively lead and it is almost like selling lead in a certain form in another way.

Mr. SIMMONS. I am quite sure if the Senator would investigate this from the standpoint of the compensatory duty he would find the duty he proposes is too high. However, I do not care to prolong the discussion further.

Mr. McCUMBER. In the tariff hearings there appears a statement which I wish to read. It is as follows:

5. Lead and lead oxide constitute over 98 per cent of a storage battery plate. Pig lead for the 14 consecutive years prior to the World War averaged 3.17 cents per pound in Europe, while for the same period the United States price averaged 4.54 cents per pound, or 43 per cent higher in the United States than in Europe. Lead oxide, having a greater labor content, runs at least 48 per cent higher in the United States than in Europe.

That is why 45 per cent was asked, but I think we can safely reduce it to 40 per cent.

Mr. SIMMONS. I think the Senator could safely reduce it much more than that.

Mr. McCUMBER. I doubt it. I think the lead could come in that form under a less rate of duty.

Mr. SMOOT. Mr. President, the Senator will notice that not only the Payne-Aldrich duty but the existing duty was imposed according to the component material of chief value, and, therefore, it always was on the basis of the lead, whether imported in parts or whether it was imported as a battery.

Mr. SIMMONS. Has the Senator any information as to what is the value of the lead parts that might be imported?

Mr. SMOOT. Yes. Ninety-eight per cent of all the batteries would be imported in the shape of lead at 40 per cent ad valorem.

Mr. SIMMONS. Does the Senator mean lead manufactured?

Mr. SMOOT. In the form of batteries. They are of lead parts. Then the lead oxide is used in the battery, too, and of course we increase the lead oxide rate on account of the increase in the rate on the lead.

Mr. SIMMONS. Can the Senator furnish any information at all outside of his statement that there are any imports of this manipulated lead made in the form of these batteries? It is stated, I understand, that there are no imports of record.

Mr. SMOOT. They have not kept the statistics. They could not keep them because the articles came in according to the component material of chief value. There are no statistics kept.

Mr. SIMMONS. Mr. President, I move to amend the committee amendment by reducing the rate to 15 per cent.

The ASSISTANT SECRETARY. In line 20, in the committee amendment, the Senator from North Carolina proposes to amend by striking out the numerals "45" and inserting in lieu thereof the numerals "15."

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on the amendment of the Senator from North Dakota to the committee amendment proposing to strike out "45" and insert "40."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The VICE PRESIDENT. The next amendment will be stated.

The ASSISTANT SECRETARY. The next amendment has been agreed to on May 26, page 62, line 1, railway fishplates——

Mr. ROBINSON. Was paragraph 321 disposed of?

Mr. SMOOT. Yes; it was agreed to.

Mr. McCUMBER. Mr. President, I was going to ask that we return to page 33 and take up magnesite, as the junior Senator from Washington [Mr. POINDEXTER] is here now. It was passed over until he might be present.

Mr. POINDEXTER. Assuming that consent is granted to take up that paragraph as asked by the Senator from North Dakota, I am going to move to strike out the rates proposed by the committee in section 204a and to insert in place of them the rates fixed by the House and carried in the House bill on these substances, although they are carried in a different paragraph. I submit the following amendment.

The VICE PRESIDENT. The Secretary will report the amendment.

The READING CLERK. On page 33, paragraph 204a, line 1, the Senator from Washington proposes to strike out "five-sixteenths" and insert in lieu thereof "one-half."

Mr. POINDEXTER. That is on crude magnesite. It amounts to a rate, if the amendment I propose is adopted, of $10 per short ton on crude magnesite in the place of a rate of $6.25 per short ton as proposed by the committee amendment.

My amendment corresponds with the rate fixed in the House bill. It also corresponds with the rate that was at one time favorably reported by the Senate Finance Committee in a special bill covering crude and dead-burned magnesite.

My purpose in proposing the amendment is to obtain, if possible, by the favorable action of the Senate, a sufficient rate upon crude magnesite and also upon dead-burned magnesite, as I shall propose by an amendment to follow this one, to protect the industry.

The rates provided by the Senate committee are not sufficient to afford protection to the industry. Prior to the entry of the United States into the European war, practically all the magnesite consumed in this country, with such exceptions as scarcely to be worth noticing, was imported from foreign countries—most of it from Austria, some of it from Greece, a little of it from Canada, and a still smaller quantity from South America. During the war great deposits of magnesite were discovered in this country, principally in the State of Washington. They were developed very successfully, and the entire American trade was supplied from domestic sources during the war because foreign importations were automatically cut off by the conditions of the war.

Magnesite is an earthy deposit, something like limestone. In fact, the great deposits in the State of Washington at one time were supposed to be marble; they looked like marble and were mined for marble. An attempt was made to use them for the purposes for which marble is used; but when the exigencies of the war cut off our supply of magnesite, inquiries were made of the Geological Survey as to possible sources of supply in the United States, and reports were found referring to the magnesite in the State of Washington. Upon examination it was discovered that this substance was not marble at all, but was a very high grade of magnesite and that it existed in very large quantities. It is estimated that there is in sight sufficient magnesite in those deposits, which constitute mountains of magnesite, to supply the trade of this country for 50 years at the present rate of consumption.

This substance is used for various purposes, but the chief purpose for which the form in which I am interested and to which the amendment which I propose to offer refers, is used in making a specially high grade fire brick, with very high refractory qualities, a great quantity of which is used in the lining of smelters, electric furnaces, iron furnaces, and copper smelters because of its powers of resistance to heat. The principal market for magnesite for that purpose is in the vicinity of Pittsburgh, the center of the great steel industry of the country. Some 40 per cent of the consumption is in that district; 20 per cent is in the territory west of Chicago; 20 per cent is on the Atlantic coast; and the remainder in the intervening territory.

In order to compete upon equal terms with the Austrian magnesite it is necessary for us to get into the Pittsburgh market; and if we get a rate of three-fourths of a cent a pound, which my amendment proposes, it will enable us to get into the Pittsburgh market upon equal terms with the importers of magnesite from Austria, those importers really being the great steel industry itself, which has promoted a company which mines magnesite in Austria and gets the benefit of labor at 60 cents a day in gold as compared with wages of $4.50 a day in gold, which are the ruling wages in the mines of the West.

If this industry is to be allowed to exist it is necessary to have an adequate tariff duty to put it upon equal competing conditions with the foreign article in the principal markets of the country. Such a duty not only will sustain and build up that industry, giving employment to thousands of men—and now it is closed down like a dead city—but it will give to this country all the incidental benefits that are appurtenant to every great industry, although not immediately connected with it.

All of the supplies that are necessary to carry on this work will find a market there if this industry can live. Consequently, it will benefit the people who furnish those supplies and the laborers who are engaged in producing them. If this industry is allowed to live by giving it an adequate tariff rate, there will be a market in the operation of these mines and of the machinery connected with them for large quantities of coal. That will increase the business of coal miners; that will make wages for the people who are employed in the coal mines in distant States, who may not know that they are affected in any way by or derive benefit from this industry, but nevertheless they do. Electrical supplies and electrical machinery will have to be used; men will have to be employed to manufacture them; and they will get the benefit of this industry if it is a living industry and a going concern, instead of one, as it was before the war discovered it and gave it an opportunity to get upon its feet, and converted it from a condition of quiet and inactivity into a condition where hundreds and thousands of men are employed at good wages.

Mr. HITCHCOCK. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. POINDEXTER. I yield.

Mr. HITCHCOCK. Has the Senator from Washington the statistics of production for the year 1921?

Mr. POINDEXTER. There was no production at all in the year 1921 so far as Washington is concerned, and, so far as dead-burned magnesite is concerned, the production is still closed down.

Mr. HITCHCOCK. The paragraph also refers to crude magnesite, does it not?

Mr. POINDEXTER. Yes; it covers crude magnesite.

Mr. HITCHCOCK. Has production ceased now?

Mr. POINDEXTER. Production has entirely ceased in all of the mines of Washington. There is a small quantity of crude magnesite produced in California, which is converted into calcined magnesite and used for plastic purposes, so called, in building. That is another use to which a certain form of magnesite is put.

Mr. HITCHCOCK. I notice the figures for 1920 do not indicate a bad condition. The production for that year was 275,000 tons and the imports were 37,000, which would indicate that the American supply was practically covering the market. I have not the figures for 1921; and I wondered whether or not the Senator himself might have them.

Mr. POINDEXTER. I have the figures here. They are as follows:

Imports of crude magnesite are from Canada, Austria-Hungary, Greece, Mexico, and Venezuela. Prior to the war they were fairly constant at about 16,000 tons annually, but in 1917 they reached a maximum of 89,646 tons, valued at $748,951. Imports of calcined magnesite prior to the war reached a maximum of 172,661 tons, valued at $1,731,443. They decreased to only 4,724 tons in 1917. Statistics since 1917 are as follows:

Calendar year.	Quantity.	Value.	Unit value.
Crude magnesite:	*Tons.*		
1918	4,319	$71,871	$16.64
1919	5,697	103,311	18.13
1920	29,955	406,204	13.56
1921 (9 months)	37,789	412,930	10.93
Calcined magnesite:			
1918	17,539	855,384	48.77
1919	8,456	270,721	32.02
1920	13,196	373,165	28.28
1921 (9 months)	4,697	179,561	38.23

Mr. HITCHCOCK. I think perhaps I made a mistake in attributing the 37,000 to 1920, whereas they should have been attributed to the nine months of 1921.

Mr. POINDEXTER. Yes; to nine months in 1921.

Mr. HITCHCOCK. What was the production in this country during the period when we had 37,000 tons of imports?

Mr. POINDEXTER. I do not know that I can give the production. It was very small. There was no production at all of dead-burned magnesite, which is used for fire brick in the steel industry. That business was closed down; it existed nowhere in this country.

Mr. HITCHCOCK. That was not due to the imports, was it? The closing down was due to the general depression that afflicted the whole country.

Mr. POINDEXTER. It was due to some extent, of course, to the general depression of the steel industry, which curtailed the consumption of dead-burned magnesite; but the industry was closed down because of the impossibility of competing with the Austrian product.

Mr. HITCHCOCK. That would hardly have closed down mines turning out 275,000 tons in 1920 when the imports in 1921 were only 37,000 tons. Certainly that volume of importations would not have closed down an industry of that great extent.

Mr. POINDEXTER. It did close it down, and it is closed down now.

Mr. HITCHCOCK. That must have been due to depression; it could not have been due to the imports.

Mr. ROBINSON Mr. President, will the Senator from Washington yield to me for a question?

Mr. POINDEXTER. I yield.

Mr. ROBINSON. What is the value per pound approximately of crude magnesite?

Mr. POINDEXTER. The cost of it at the mine in Washington is $20 per ton.

Mr. ROBINSON. Twenty dollars a ton?

Mr. POINDEXTER. Yes; $20 a ton.

Mr. ROBINSON. That is about a cent a pound, then?

Mr. POINDEXTER. That is on a basis of 2,000 pounds to the ton; that is, the dead-burned magnesite, which requires about 3 tons of the crude material. All of the ore is not magnesite; it has to be sorted.

Mr. ROBINSON. What would be the approximate ad valorem equivalent of five-eighths cent a pound on crude magnesite?

Mr. POINDEXTER. The ad valorem equivalent, if you take the import value at the place of import, is about 60 per cent.

Mr. FLETCHER. As I figure it, five-sixteenths of a cent a pound on the crude magnesite would be about $7 a ton?

Mr. WILLIAMS. I will ask the Senator from Washington if he has any figures as to exports?

Mr. POINDEXTER. I have no figures as to exports, because there are practically no exports from this country.

Mr. ROBINSON. Under the amendment raising the duty to five-eighths of a cent a pound, the Senator from Washington states that the ad valorem equivalent is about 60 per cent.

Mr. FLETCHER. My information is that a duty of five-sixteenths of a cent a pound on the crude would amount to about $7 per ton, and a duty of four-tenths of a cent a pound on the dead burned magnesite would amount to about $8.96 per ton on the dead burned grade.

Mr. POINDEXTER. It would amount to about $6.25 on the crude and $8 on the dead burned on the short ton.

Mr. FLETCHER. There has heretofore been no duty on raw magnesite.

Mr. POINDEXTER. No; it has been on the free list. The only way that this industry ever was enabled to start was on account of the war cutting off foreign importations.

Mr. JONES of Washington. Mr. President——

Mr. POINDEXTER. I yield to my colleague.

Mr. JONES of Washington. I was just going to call attention to the table on page 1077 of the hearings, on magnesite, Exhibit E, purporting to come from "The Mineral Resources of the United States." It confirms what my colleague said; it gives the domestic production and the imports up to 1920, and then there is what appears to be a note, which says:

1921: During the first six months of 1921 the mines in the United States have been practically idle, while the imports from Austria are about 7,000 to 9,000 tons per month.

Mr. POINDEXTER. Mr. President, the only pressure that I know of against the rates that we are asking for, which I believe to be fairly adequate rates, comes from the consumers of magnesite brick, as was to be expected. They are the steel industry, and you can imagine the power that they have. The best information we have is that the rate that is proposed in my amendment—which, I repeat, is the House rate, and I should also like to emphasize that it is the same rate that was once favorably reported by the Finance Committee of the Senate in a special bill about a year ago, and then recalled—will have the effect, even if the entire tariff is added to the cost of the magnesite brick used in the steel industry, of increasing the cost 3½ cents on a ton of steel. That is the only result of it; but, as a matter of fact, everybody knows that the entire amount of the tariff is not added to the cost of the product. There is no doubt that it does increase the cost in many instances, perhaps in most instances, but it is very seldom, if ever, that the entire tariff rate is added to the cost.

It could not be the case here, because there is competition. If this industry is developed and allowed to have an opportunity to stand on its feet and improve its methods of production, the cost of production possibly could be decreased; and in time to come, under the machinery provided in this bill, if it should be found after they have had an opportunity to establish themselves that the rate should be reduced there would not be any objection to reducing it. What they are asking for now is an opportunity to live, an opportunity to carry on this industry long enough to introduce the most improved methods by which they can produce this material and put it on the market.

There is one other benefit to the country in which everybody is interested that will come from preserving this industry that I have not mentioned, and that is the business it will give to the railroads of the country. It will take the business away from foreign ships plying between the port which is very near to the Austrian mines and the United States and give it to our railroads, which carry it from the western mines to Chicago and Pittsburgh and the other markets, the freight amounting to some $3,000,000 a year. It will help to sustain these great transportation systems, and go toward making it possible to reduce freight rates in general.

My theory of a protective tariff—and I do not want to discuss it in general—is that in order to justify it at all it must be of uniform application. You can not justify a protective tariff as a special favor to one industry.

The only way in which it can be justified at all is as a public benefit. The only way in which it can be a public benefit is to give everybody, regardless of his stature, the size of his

business, or his political or personal influence, the benefit of this principle; and that is all that we are asking.

I am not captious with the committee. The committee has allowed some protection. It has allowed rates that may be considered substantial; but the statistics to which I will call attention in detail very briefly show that the rate allowed by the committee will be of no benefit at all, because it will not enable the American product to get into the chief American market. Unless you make the rate high enough to put it at least upon equal competitive conditions with the foreign importations, you might as well not have a rate at all.

Mr. HITCHCOCK. Mr. President, the Senator states that the American market is in the neighborhood of Pittsburgh.

Mr. POINDEXTER. That is the principal American market.

Mr. HITCHCOCK. Then let me ask the Senator where this 275,000 tons went in 1920. Did that go from the Senator's State to Pennsylvania?

Mr. POINDEXTER. What 275,000 tons does the Senator refer to?

Mr. HITCHCOCK. The production in the United States in 1920 was 275,000 tons.

Mr. POINDEXTER. In 1920 the foreign mines had not come into full operation again; and, as I stated before, the figures which the Senator has there relate very largely to calcined magnesite, used for building purposes, for which the principal market is in Chicago.

Mr. HITCHCOCK. What was the production of the magnesite under consideration in 1920?

Mr. POINDEXTER. In 1920 there was an increase of 275,000 tons.

Mr. JONES of Washington. Mr. President, my colleague will find on page 1078 of the hearings that the total domestic production of crude magnesite in 1920 was 303,767 tons, of which the Northwest Magnesite Co., which is in our State, produced 141,817 tons.

Mr. HITCHCOCK. What I am asking is, where did that go?

Mr. POINDEXTER. It went all over the country, and a part of it went to Pittsburgh, because, as I stated a while ago, the foreign industry was not reestablished at that time.

Mr. HITCHCOCK. So that there will be no increase in the transportation of magnesite over what it has been, because at that time the imports amounted to only 20,000 or 30,000 tons, and the production was approximately ten times as large.

Mr. POINDEXTER. We would be perfectly satisfied, and the country would be very greatly benefited, even though there should be no increase, if we could go back to the conditions that existed during the war and immediately following the war. Then we had the American industry; but there will be an increase, of course, with the increase of industry in general.

Mr. JONES of Washington. Our mine is closed now. This mine that produced 140,000 tons in 1920 is now absolutely closed.

Mr. POINDEXTER. Absolutely closed. I wish the Senator from Nebraska would go there and see the dead village that grew up around this industry, around the mills, and around the mines, closed down, with nobody there but caretakers, and, of course, producing nothing.

Mr. HITCHCOCK. Of course, the copper mines have been closed, too, for nearly a year, but that was not on account of the tariff. These productive enterprises have been closed on account of the depression, which is not only national but is world-wide, and they certainly could not have been closed by reason of the introduction of 20,000 or 30,000 tons from abroad; and that was all that was imported.

Mr. POINDEXTER. There was a great deal more than that imported in 1921. We have not the figures for the closing months of 1921. The amount imported is constantly increasing, and all that is consumed will be imported, because the domestic product can not compete with it.

Mr. JONES of Washington. The statement I read a moment ago shows that from Austria we imported in 1921 from seven to nine thousand tons a month, which would be over 100,000 tons a year.

Mr. HITCHCOCK. That was in 1921?

Mr. JONES of Washington. Nineteen hundred and twenty-one.

Mr. HITCHCOCK. The figures given for the first nine months are 37,000 tons from every place. Of course, that could not have destroyed an industry that was producing two or three hundred thousand tons.

Mr. JONES of Washington. I do not know what figures the Senator has.

Mr. HITCHCOCK. I have the Tariff Commission figures.

Mr. JONES of Washington. I read here from what purports to come from "The Mineral Resources of the United States, 1921, Part II," and it has the following note:

1921: During the first six months of 1921 the mines in the United States have been practically idle, while the imports from Austria are about 7,000 to 9,000 tons per month.

Which would be at the rate of over 100,000 tons a year.

Mr. HITCHCOCK. Those figures do not correspond with the figures given by the Senator's colleague, nor with the figures given in the Tariff Information Summary. I suppose these are official.

Mr. POINDEXTER. Mr. President, I think there is no discrepancy between those figures. The figures that I gave I read from the Summary of Tariff Information for 1921.

Mr. HITCHCOCK. They are undoubtedly correct.

Mr. POINDEXTER. Those were the figures that I gave. The fact remains that the steel industry is going on consuming large quantities of magnesite, that the American mines are closed down, producing nothing at all, and that the concerns engaged in the steel industry are obtaining their entire supply from abroad. The exact quantities that they are obtaining at the present time, except for the figures given by my colleague, are not obtainable, because it is difficult to get these statistics strictly up to date. The figures for the first nine months of 1921 are the latest figures that are given in the Summary of Tariff Information; but when you have personal knowledge of the actual situation, the exact figures and quantities become immaterial, when all that is consumed is being imported. The only mines that are in operation in this country, and those only to a very limited extent, are the mines in California that are producing calcined magnesite to be used in building, which is here also asking for an adequate tariff rate for its protection.

We have been partly through the iron and steel schedules in this bill. I have not had an opportunity to examine them. I have heard them debated here on the floor. I heard them challenged as being high. They are high. I do not know whether they are too high or not; but I notice that the Finance Committee in its report has very generally increased the rates in the iron and steel schedule over those provided in the House. They receded from some of these amendments and went back to the House rate, but in few if any cases did they reduce the House rate.

That industry, which is getting the benefit of an adequate protection—an unquestionably adequate rate, said in many instances to be more than adequate—is the only industry that is seriously objecting to an adequate rate of duty upon magnesite, the so-called raw material which they consume in their industry, notwithstanding the fact that the steel industry has attained its present proportions and its great size by reason of the enjoyment of a protective tariff.

The pre-war price of magnesite on the Atlantic seaboard was from $15 to $17, and around $20 at Pittsburgh. The Austrian magnesite producers admitted before the Finance Committee and before the Tariff Commission that their pre-war cost was only $12 f. o. b.

I have reports here from a German industrial expert, who is quoted as saying that magnesite, dead burned, sold in Germany at $8 a ton. Ours cost $20 a ton, paying the wages we do, on board the cars at the mines; and we have to pay the freight rates in order to get into the market.

Pre-war ocean freight to the Atlantic seaboard was $2 per short ton, a total of $14 on the Atlantic seaboard for the Austrian magnesite delivered there. Representatives of the Austro-American Magnesite Co. have made the statement that prior to the war their cost at the mine was $8.

The above figures show a profit on even a $15 selling price at the Atlantic seaboard. There is no doubt that Austrian magnesite can be produced at the present time at the same cost, or even lower than the pre-war cost.

So far as we know, the Austrian producers have not furnished the Finance Committee with any statements of costs, either pre-war or post-war.

Domestic costs have been furnished to the utmost detail. The books of the company have been exhibited to the Finance Committee, showing the entire operation from the beginning to the end, exactly the constituent elements of the cost of the production.

The German to whom I referred was Dr. Kurd Endel, ceramic engineer, Technical University, Berlin, who stated that dead-burned magnesite was selling in Germany in March of 1920 at 1,600 paper marks, which at that time equaled $8 per long ton of 2,240 pounds, now equivalent to about $6 at price of German marks. The Austrian magnesite at the same time was selling in this country at $20 to $24 on the Atlantic seaboard.

It will be readily seen where the profit was. It is selling in Germany at $8, is brought across with a freight charge of $2 per ton, and is sold on the Atlantic seaboard at $20 to $24. The fact of the case is, however, that this Austrian company,

I am informed, is very largely promoted by those who are interested in the steel industry in this country; consequently whatever prices they charge go to themselves. It is a matter of indifference what figures are given out.

With a $15 per ton duty, if the cost were raised to the consumer that much it would amount to $0.0375 (3¾ cents) per ton of steel. With steel selling at $40 per ton the duty would mean nine one-hundredths of 1 per cent of the selling price.

The average consumption of brick magnesite lining in an open-hearth steel furnace is about 5 pounds of dead-burned magnesite per ton of steel, so a $15 tariff per ton equals $0.0075, and multiplied by 5 equals 3¾ cents per ton of steel.

The Austrian production is practically a monopoly. The prices now being obtained by foreign producers are nearly double pre-war prices in many instances, although, as I said a moment ago, the cost of production is about the same.

A gold United States dollar is worth more in Austria to-day than it ever was, and Austrian costs are no more to-day than pre-war, and it is reported they are less.

The foreign selling price is kept only below the point at which domestic material could be delivered. It will cost the consumers but a small proportion of the duty if a sufficient rate is provided to allow the domestic industry to be rehabilitated.

The imported material is sold on the long-ton basis, or 2,240 pounds, and our figures on costs of production and delivery at consuming points are on the basis of the short net ton of 2,000 pounds; therefore, we are at a still further disadvantage of 10 per cent as against the foreign producers, as their selling price at Atlantic seaboard of $15 is for 2,240 pounds, and would make a further difference in their favor of $1.50 per ton.

These figures are important, because they relate to a long ton in Austria, while our figures relate to a short ton, which is the custom of the trade in this country.

Prof. Bailey Willis, dean, geological department, Stanford University, California, spent three months in examination of mines of Stevens County, Wash., in 1920, and reported 8,000,000 tons of commercial magnesite in sight, which would be sufficient for 25 years for total consumption.

There is a great deal more of it there than Professor Willis examined. Much of it has been discovered since. Under a $15 tariff we could not expect to furnish over one-half of the consumption, hence resources now developed would last 50 years.

Mr. FLETCHER. Is it not true that about half of that 8,000,000 tons, as estimated, is unfit for commercial use? I have some information to that effect.

Mr. POINDEXTER. One-fourth of it is not fit for commercial use, and consequently has to be sorted out. Three-fourths of it is high-grade crude magnesite, and it takes 2.2 tons of the crude magnesite to make 1 ton of the dead-burned magnesite, out of which the brick for the lining of the furnaces is made.

As to the cost of production in this country, I want to give some figures to justify the rate we are asking, calling attention, in passing, to the claim that is made by those who have made the most careful study of this matter, that even with the $15 a ton rate we can only expect to get about one-half of the market; that is, we will be upon competitive terms at Pittsburgh with the foreign producers, and at a slight disadvantage there; and all along the Atlantic seaboard east of Pittsburgh they will have a very marked advantage over the domestic producers, on account of the latter's location in the extreme western part of the country, so that there is very far from being a monopoly established. It is demonstrated very clearly that it would be impossible, even with the rate we are asking, to completely occupy the American market.

The mine having the lowest cost of production in the United States is the Northwest Magnesite property. A sworn statement of cost shows $21.09 per ton, dead burned, f. o. b. cars Chewelah, Wash., for 1920, since which time all magnesite mines have been closed. It is believed this company can produce now at $20 f. o. b. Chewelah.

It takes about 2.2 tons of sorted crude to make 1 ton dead burned. Of the crude mined about 25 per cent is eliminated as waste. The actual cost of mining 1 ton of crude sorted material is $1.13, so the actual mining of 1 ton of ground broken, before sorting out the waste, would be 85 cents per ton.

There was some question raised by one of the members of the committee as to the high cost of mining the domestic product, as claimed by the domestic producer, but that was due to a confusion of the finished dead-burned product with the original native rock they dig out. When you examine the cost of that, it seems to me they have reduced it to a very low figure—85 cents a ton for the crude material as they find it and $1.13 a ton for the product as it is sorted before it is combined in order to make 1 ton of dead burned.

I want to give the items which go to make up this cost. The total cost of producing 1 ton of dead-burned is as follows:

SORTED AND CRUSHED.

CRUDE.

Mining, crushing, electric power, superintendence, development, etc	$2.73

DEAD-BURNED.

Mining, crushing, electric power, superintendence, development, etc	6.14
Dead-burning in reduction plant	9.42
Tramway from mine to Chewelah	.93
Administration and general expense	.61
Taxes, insurance, and interest	1.33
Depreciation	1.51
Depletion	1.15
Total	21.09

They have discounted that and estimated the cost at $20 a ton.

Of the total cost in 1920 of $21.09 per ton dead-burned f. o. b. Chewelah, there was a direct labor cost of $3.57 on crude and $8.76 on dead-burned, making a total of $12.33 per ton, or about 60 per cent for labor.

I have spoken somewhat of the location of the market. It is estimated that 20 per cent of the material is sold in Chicago and west of Chicago; in the Pittsburgh territory, 60 per cent; and east of Pittsburgh, 20 per cent. The cost of delivering the Austrian magnesite and the domestic magnesite at Pittsburgh are indicated by the following: The selling price at the seaboard of the Austrian magnesite is $15 a ton. The freight rate to Pittsburgh is $4.80 a ton, making $19.80 a ton the selling price, which means, mind you, a 100 per cent profit, probably, on the Austrian magnesite. We have not been able to get the cost of mining a ton of magnesite in Austria, but I have cited the report of an industrial engineer in that country to the effect that it was actually sold in Germany at $8 a ton. But, allowing them $15 a ton—pre-war price—at the seaboard in this country and $4.80 freight from the seaboard to Pittsburgh, they deliver it at Pittsburgh at $19.80, whereas it costs $38.40 to deliver a ton of dead-burned magnesite from Chewelah, Wash., which represents the production cost and freight added. So the difference between the cost in Pittsburgh of Austrian magnesite and of American magnesite, according to those figures, is $18.60. We are asking a tariff of only $15, hoping for some reduction in the freight rate and some possibility of cutting down the cost of production, so that it might be possible for us to compete upon equal terms at Pittsburgh, where 60 per cent of the market exists.

In Chicago, where 20 per cent of the market is found, the pre-war selling price at the seaboard was $15 on Austrian magnesite; freight from seaboard to Chicago via New Orleans, $7.20; making $22.20 for Austrian magnesite delivered in Chicago. The domestic magnesite cost on board the cars at Chewelah was $20; railroad freight to Chicago, $16.50; making $36.50; and the difference between the cost of domestic and Austrian magnesite delivered in Chicago was $14.30. I believe these figures to be the best figures which can be obtained, and they have been scrutinized with the utmost care by both those who were friendly and those who were unfriendly to the rate we were asking. According to these figures, at the rate we are asking, Austrian magnesite would simply have a disadvantage of 70 cents a ton in Chicago, while it would have an advantage of $3.60 in Pittsburgh.

Using foreign selling price—pre-war—as against our cost price to deliver at Pittsburgh, even on a $15 per ton tariff, before we can reach that market the railroad freight or other costs must be reduced $3.60 per ton.

In compiling these figures the short tons of dead-burned magnesite have been reduced to short tons of crude in order to show the consumption of crude ore.

These figures show that before the late war the average annual consumption of dead burned was an equivalent of 300,000 short tons of crude, of which the domestic production was 10,000.

In 1920 the consumption of dead burned and calcined equaled the equivalent of 366,877 short tons, of which 303,767 short tons, or 80.3 per cent, were domestic production.

Since the end of 1920 the Washington mines have been entirely closed down. There has been no domestic production there at all. I have here, though it is not necessary to read it, a detailed statement of the wages paid to skilled and unskilled workmen in Austria, given by the week in crowns. I am not going to put all the figures in the RECORD, but metal workers, skilled workmen received 20,000 to 30,000 crowns per week, and unskilled workmen 8,000 to 13,000 crowns per week. Estimating a miner's pay at 20,000 crowns per week, the people engaged in the mining of magnesite for a 6-day week would receive in wages the equivalent of 50 cents a day in gold, which I believe is what they are getting now for pro-

ducing magnesite in that country. There are no wages in the magnesite mining of Washington, because the mines are closed down, but as nearly as can be ascertained by comparison with similar industries in the West, the wages paid to miners are $4.50 to $5 here as compared with 50 to 60 cents a day paid by the Austrian producers.

I am not going to read the schedule to show the rates that are given the steel industry, which, as I said, have nearly all been increased, they being the only ones who are objecting to the rates we ask here, which would make an increase admittedly of only 3¾ cents in the production of a ton of steel selling at about $40 a ton, even though the entire tariff rate were added to the cost, which we all know would not be the case.

The rates were fixed by the House after a long and careful investigation by the Ways and Means Committee as to what they believed would comply with the principles upon which the Republicans base a protective tariff, namely, to bring about fair competitive conditions, or, as is sometimes stated, to cover the difference in the cost of production in the United States and abroad.

After that sort of examination by the Ways and Means Committee they fixed a rate upon dead-burned magnesite at three-fourths of 1 cent per pound. That is all we are asking. Not only have the Ways and Means Committee of the House examined this matter once but they have examined it twice. They reported out something like two years ago a special bill for this industry indicating a desire that they had—an honorable and legitimate and earnest desire on their part—to preserve in this country a great industry that had sprung up through the exigencies of the war. That bill came to the Senate and went to the Finance Committee. It was examined by that committee with the utmost care, and they made a favorable report to this body upon that rate. That is the rate we are asking, which I think we have demonstrated is necessary in order to give to this industry that degree of protection which the Republican Party advocates and which can not be sustained upon any principle or theory unless we make it uniform in its application and give it to everybody who comes within the terms and conditions under which a protective tariff theory is established.

I merely wish to say a few words further. I am speaking of this matter not from theory, not from what I have read, nor from what I have heard from witnesses, but from what I have seen with my own eyes. Not many months ago I had an opportunity to visit my home State, and I went to Chewelah to this great mine and saw mountains of the crude material and the beginnings which had been made in excavating it to bring it to the factories some 4½ miles from the mines on the Great Northern Railroad. That built up the town around the industry. When I was there it was closed down. As this report says, it has been closed down since the end of 1920. It is closed down now. It will continue closed down unless a rate is given sufficient to enable it to meet this imported material upon something like equal terms. That is what we are asking for.

If you give this industry that rate you will see those unoccupied buildings reoccupied. This factory that has nobody there but a watchman will be a teeming hive of industry. Those mines will afford the means of sustenance and life for hundreds and thousands of good American citizens. If you want to do it, grant this rate. I can understand thoroughly why a Democrat who does not believe in a protective theory—though I know some Democrats do believe in it—should vote against a protective tariff bill, but I do not see any principle which would induce a Democrat to vote against an item in a tariff bill which would give to that item and to that particular industry the benefit of this system, if the system is going to be adopted. Then you can vote against the bill and the whole system and defeat it, and that leaves everybody on an equal basis.

But if you are going to vote protection, give it to the West as well as to the East. We have been long enough the servitors to the wealth of the great manufacturing States of the East, grown great through a system of high rates upon manufactured products and free trade in raw materials. This is not a raw material, because it is the product of the labor of men. It may be a raw material to the steel industry that uses it, but it is not a raw material to those men whose enterprise and industry have gone into the mountains and dug it out of the earth and conveyed it to the railroads and taken out the dross and burned it until it is in that condition in which it can be used for fire brick in the manufacture of the metals of the country. It is their finished product and, as such, the product of their industry, and is entitled to the benefit of the protection to which every American citizen is entitled if this is going to be the policy of the country.

Mr. KELLOGG. Mr. President, will the Senator yield for a question?

Mr. POINDEXTER. Certainly.

Mr. KELLOGG. On page 136 of the Summary of Tariff Information I notice that the principal imports are from Canada, Austria-Hungary, Greece, Mexico, and Venezuela. Has the Senator a statement of the amount imported from each country?

Mr. POINDEXTER. I have not that at hand, but I can say to the Senator that the amount imported from Venezuela is negligible. There is a very small quantity imported from Canada. The only imports of importance are those from Greece and Austria.

Mr. KELLOGG. Where does the Canadian product come from?

Mr. POINDEXTER. There is very little comes from Canada. I do not know from what part of Canada it comes. It is practically negligible.

Mr. FLETCHER. Mr. President, I can only furnish in reference to this item such information as has come to me from people who are very trustworthy and reliable. I would make particular reference to the data submitted to me by the representatives of the Magnesite Mining & Manufacturing Co. This is a Delaware corporation with headquarters in New York. It is composed of American citizens who have invested very considerable money in Venezuela, on the island of Margarita, just off the coast of Venezuela, and also in mines and railroads and expensive machinery, scows, tugboats, and equipment of that sort.

It seems to be an American concern. They are greatly interested in the matter of imposing a duty upon magnesite. They claim that if this duty is imposed as provided in the bill—five-sixteenths of 1 cent per pound—it will completely put them out of business. They estimate that five-sixteenths of a cent per pound would amount to $7 a ton on crude magnesite, and that a duty of four-tenths of 1 cent would amount to $8.96 per ton of dead burned and grain magnesite not suitable for manufacture into oxychloride cement.

It appears this is quite an important article. The uses have been developed to a very good extent and it covers now quite a broad field. It seems that magnesite in one form or another, according to the statement of these gentlemen, is used in the following industries and for the following purposes:

First. The building industry and the production of sanitary and fireproof flooring, wall and window slabs, artificial marble, stone, ornaments, stucco work, and for many other building material purposes.

Second. In the steel industry, for manufactures of refractory brick, also in the copper-smelting industry for lining converters. It seems the steel industry is only interested in a very small portion of the uses in which this article is employed.

Third. Manufactures of sulphate of magnesium, known as Epsom salts, for medicinal, technical, and commercial purposes.

Fourth. In the manufacture of carbonic acid gas.

Fifth. Fireproofing and fire-protection purposes.

Sixth. Paint industry, especially fireproof paints for airplanes, and so forth.

Seventh. In the manufacture of magnesium chloride.

Eighth. In the manufacture of millstones.

Ninth. An antidote against arsenic poisoning.

Tenth. Many other articles of great commercial value can be produced from magnesite, as, for instance, asbestos wood switchboards, steam-pipe insulation, refrigerator insulation, and so forth.

So it seems to be quite an important article.

The representations made to me—and I shall put this letter in the RECORD after I have finished commenting on it—are that all of the factories manufacturing magnesite brick are located in Pennsylvania and Maryland, and the imposition of a prohibitive duty on the raw material will simply put those brick plants out of business and result in the establishment near the domestic raw material of new plants to replace them, which would mean that the goods would be manufactured to a large extent in foreign countries.

The argument is further made that the reserves of magnesite in the United States are entirely too small to justify considering a duty that would be prohibitive. They say that, according to the Geological Survey estimates, the California reserves are almost insignificant, amounting to only 750,000 tons, and the Washington reserves are estimated to be about 7,000,000 tons, half of which is unfit for commercial use.

The American Refractories Co. have over $2,000,000 invested abroad in magnesite operations—perhaps that is in Austria or Greece, though I am not advised where that is—which is many times the total of unamortized investments in magnesite

investments in the United States. The Magnesite Mining & Manufacturing Co.—that is, this Delaware corporation with offices in New York—has $1,500,000 invested, which it is contended would be destroyed by placing a duty on magnesite; and that means any duty at all, I take it, from these representations.

There is a large calcining plant at Runyon, in the State of New Jersey, which represents American money to the extent of $500,000, engaged entirely in manufacturing building materials, and if a duty is placed on raw magnesite that plant would be destroyed and a large number of persons would be thrown out of employment——

Mr. POINDEXTER. Let me ask the Senator a question.

Mr. FLETCHER. Just a moment and I will finish the sentence—and the many pottery industries, for which New Jersey is famed, would be required to pay a higher rate for the magnesite they use, which would seriously injure their business and in numerous instances cause failures. That is the representation which is made with respect to the imposition of any duty at all.

Mr. POINDEXTER. Mr. President, that shows how utterly unreliable are the views of a man who makes an article out of magnesite and sells it as to what is good for him and his business, because one of the chief advocates of the increase in this rate is the largest manufacturer of that kind in the United States. He wants an increase of duty on magnesite.

Mr. FLETCHER. What manufacturer is that? Will the Senator give his name?

Mr. POINDEXTER. He is in Chicago; I have his name here, which I can furnish to the Senator. The principal market of the country for plastic building material is in Chicago and tributary to Chicago.

I merely want to make a further suggestion to the Senator from Florida. He can see for himself, it seems to me, that the fears and apprehensions of this manufacturer in New Jersey could not possibly be realized; that this proposition could not ruin his industry because all that he would have to do in case there were an increase in the price of the finished product by reason of the tariff—which is almost infinitesimal when it is applied to the finished product—would be to increase his price to that extent to the consumer. That is the theory on which the protective tariffs are based; that there might be a slight increase to the consumers, but that they can afford to pay that slight increase in order to promote the industries of the country, give employment to the people, and furnish a market to the producers.

Mr. FLETCHER. This increase, while it is quite small as provided in the figures of five-eighths of a cent a pound, and so forth, is quite a considerable item when it is estimated in the ton, and will run into $7 or $8 a ton on the raw material; so I take it that would have a very considerable bearing on the business of the gentlemen who are engaged in importing it from their mines in Venezuela or on the island adjacent to Venezuela.

Mr. POINDEXTER. Of course, when it comes to the importer, the man who has a mine in Venezuela, I can understand his interest in opposing this tariff; but in this case, as in other cases, we want to protect the American laboring man, if we are going to have protection at all, against the competition of cheap labor, so as to enable our men to be employed and to put our producer upon an equal basis.

As the Senator from Florida has stated, the duty amounts to a considerable sum per ton; but when the application of that is made to the ultimate consumer it becomes an infinitesimal sum—3¾ cents increase in the cost of a ton of steel. The same principle would apply when it is used in building material.

Mr. FLETCHER. Mr. President, there is a very important product called zenitherm, which is stated in the circular to be "the ideal building material for exterior and interior use for castle or cottage." I have here quite a lengthy description of what the material is. It is important as a building material, and, of course, we are all more or less concerned about that.

What these gentlemen claim seems to be borne out, if not conclusively, at least very strongly, by certain affidavits which they submit and which I will ask to have printed in the RECORD, including one by Emil Rueff, who resides at Highlands, N. J., and who is president of the Magnesite Mining & Manufacturing Co. He says:

> Said corporation has extensive long leases on mining properties on the island of Margarita, Venezuela, from which for many years it has been mining crude magnesite and importing the same into the United States.

Now, without taking up time to define all their holdings, they pass on to this particular point:

> The proposed duty of five-sixteenths cent per pound of crude magnesite would mean a complete loss to the Zenitherm Co. of its investment in the calcining plant at Runyon, N. J.; it would also mean a complete loss to the Magnesite Mining & Manufacturing Co. of its investment and business in Venezuela and would necessitate a shutting down of the mines and a complete abandonment of the entire proposition, at a great loss of American money to American citizens who have invested in these magnesite mines in perfect good faith. The further mining of magnesite and the importation of crude magnesite to the United States could not possibly be continued under such a duty—

That is, the duty of five-sixteenths of a cent a pound—

> As a result, the business of calcining the raw magnesite and importation by said company into the United States would likewise come to an end.

Then he proceeds to say, further:

> It take from 2 to 2⅝ tons of crude magnesite to produce 1 ton of calcined magnesite. The only other sources of supply of magnesite that are of any importance are certain mines on the western coast of the United States and mines in Greece. Magnesite mined in California and other Western States can be calcined there and shipped to the Eastern States and other parts of the country without being subjected to any duty, the freight rates being based on 1 ton of calcined material, which, as before stated, is the result of from 2 to 2⅝ tons of the raw material, while raw material imported from Venezuela and calcined in the United States will be required to pay duty on 2 tons and upward of the raw material and freight on the same amount before it can be delivered to the factory for calcining, and if any duty is added, magnesite can not be imported. This duty and freight are so high that the resulting cost of Venezuela magnesite calcined in the United States is very much in excess of the price which the California and other western magnesite, calcined there, can be delivered in competition with the Venezuela magnesite.

Then further details are set out, showing the consequences and results of the imposition of such a duty on the investment in the mines and also on this industry at Runyon, N. J.

Attached also is an affidavit from Mr. Sonderhof, who says:

> I * * * reside in the city of New York. My business is that of commission merchant, and my special line of work has for a great many years past been the sale of magnesite and products and heavy chemicals. I have been actively engaged in the purchase and sale of magnesite for upward of 25 years in the United States, my headquarters having been in both New York and Chicago.

He says he is—

> thoroughly familiar with the prices of both crude and calcined magnesite coming from all these various sources and now being sold in the markets of the United States. By reason of my thorough knowledge of the magnesite market, I know that during recent years and under present conditions, to wit, the importation of both crude and calcined magnesite from foreign countries without duty, the calcined magnesite coming from California has been and is actually being sold in competition with the calcined magnesite imported from Greece and with the crude magnesite imported from Venezuela and calcined in the United States and sold in the eastern territory of the United States. In other words, the cost of producing the calcined magnesite in California and paying the freight thereon to the eastern part of the United States nevertheless makes it possible to sell the California calcined magnesite at prices similar to the Grecian calcined magnesite and the Venezuela crude magnesite calcined in the United States and still leave the California producers a margin of profit. Consequently it is my opinion that the imposition of a duty on crude magnesite from Venezuela and calcined magnesite from Greece is not necessary to enable the California producers to sell their product in the eastern part of the United States. I know of several cases where a user of calcined magnesite on the eastern coast of the United States is now purchasing calcined magnesite coming from the California mines, even though the raw magnesite from Venezuela and the calcined magnesite from Greece is likewise being offered for sale in this same territory.

I think that is also true as to Washington.

> In the Middle West—that is, points west of Cleveland, Pittsburgh, etc.—is the greatest market for calcined magnesite. The price at which California magnesite, calcined, can be delivered in that territory is such that Grecian calcined magnesite and the Venezuela crude magnesite, calcined in the United States, can not compete in price with the California product. This is the fact even under present conditions, where neither crude nor calcined magnesite coming into the United States has to pay any duty.
>
> I am reliably informed that the Magnesite Mining & Manufacturing Co., which mines magnesite in Venezuela and has been importing the crude magnesite to the United States, would be compelled to abandon its mines and cease the importation of crude magnesite into the United States in case the proposed duty of five-sixteenths of 1 cent per pound is levied. Such action would very seriously affect the business of the Zenitherm Co. to the extent that such company would be compelled to abandon its calcining plant, which was especially established for the purpose of calcining magnesite which the company expected to purchase from the Magnesite Mining & Manufacturing Co. from its mines in Venezuela, thereby causing many workingmen to lose employment, the calcining plant would remain idle, and the investment of the Zenitherm Co. in this part of its business become an entire loss.

That statement is sworn to by this gentleman, who has been for 25 years engaged in the business.

Mr. POINDEXTER. Mr. President——

Mr. FLETCHER. I yield to the Senator from Washington.

Mr. POINDEXTER. The advocate of the Venezuela mine from whom the Senator from Florida has quoted said that if this rate goes into effect they will be compelled to close down the Venezuela mine, as I understood the reading of the paper. I should like to ask the Senator from Florida if this result would not also follow, that when the supply is cut off from Venezuela, an equal amount being consumed in this country, it would not have the effect of starting the industry in the United States to produce that same amount here instead of in Venezuela? Would the Senator prefer to have it produced by American labor in the United States or to have it produced in Venezuela?

Mr. FLETCHER. I should prefer to have it produced in the United States if we have it here and if at the same time we can supply the markets of the whole country. For instance, this argument here is, according to the experience of these gentlemen, that the mines on the west coast—he refers specifically to California, but I take it that the statement would apply also to Washington—can mine this material there and calcine it and supply the market from Pittsburgh west under present conditions and successfully compete with the people on the eastern seaboard, like New Jersey, who can calcine the material brought in from Venezuela, even though now the material is without duty, and the calcined product is likewise without duty. In other words, we may be able to serve both halves of the United States, or both coasts, by meeting the wishes of both parties here. The western industry can survive and flourish and serve all west of Pittsburgh, while this industry might well serve the people east of Pittsburgh.

Mr. POINDEXTER. Mr. President, that statement is just a general statement, as I understand from a reading of it, and it is just a guess or a prediction as to what would happen in case this rate went into effect. I have cited here in detail the specific items going to make up the necessary cost of production in Washington, adding to that the cost of delivering it in the various markets to which the Senator has referred, and comparing that with the most reliable information that is obtainable, and which I believe to be entirely reliable, as to the selling price—not the cost of the Austrian magnesite, because we could not get that, but the selling price of the Austrian magnesite at the seaboard—and the same thing would apply to the Venezuelan magnesite, which includes, of course, the profits of producers. Add to that their cost of reaching Pittsburgh and Chicago, and the result is entirely different from the predictions made by the party making the affidavit from which the Senator read. That shows that on the Atlantic coast the foreign importer would have a great advantage; at Pittsburgh he would still have an advantage to the extent of $3.60 a ton; and at Chicago he would practically be on even competitive terms with the American producer. Under those conditions the only way in which the American producer could hope to share the principal market with him would be by getting a reduction in freight rates in the future and by scientific management of his mines, so that after the industry gets on its feet it might be able to cut down the cost of production to some extent. That is a very different situation, as shown by the actual figures, from the estimate given by this importer whom the Senator is quoting.

Mr. FLETCHER. It seems to me there is a danger, perhaps, if you make the duty too high and make it prohibitive as to the importations of magnesite from abroad, that you will force all calcining to be done in Venezuela and Greece, and you will force the manufacture of the products of that material into those countries, because I doubt very much if the supply in Washington can be brought clear over to the Atlantic coast, on account of the high freight rate, and serve the Atlantic coast—the seaboard States on this side—as against the products that may be manufactured in foreign countries.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). Does the Senator from Florida yield to the Senator from Washington?

Mr. FLETCHER. I yield to the Senator.

Mr. JONES of Washington. Judging from the statement which the Senator has read, this gentleman seems to be very closely connected or very intimately acquainted with the Venezuelan magnesite.

Mr. FLETCHER. Yes.

Mr. JONES of Washington. I wonder if he states in that paper how much of the Venezuelan magnesite comes into this country.

Mr. FLETCHER. I have not the figures as to that. They give the amount of the investment in this company.

Mr. JONES of Washington. My thought is that it is very significant to find that in 1921 we imported from Venezuela only 1,000 tons of the crude magnesite.

Mr. FLETCHER. That was in what year?

Mr. JONES of Washington. Nineteen hundred and twenty-one. That is, according to the report of the Department of Commerce; so that gentleman seems to be very closely connected with the Venezuelan import.

Mr. FLETCHER. They state:

The Magnesite Mining & Manufacturing Co. has $1,500,000 invested which would be destroyed by placing a duty on magnesite.

Mr. JONES of Washington. Here is our official statement of the imports for 1921, showing just 1,000 tons of not purified Venezuelan magnesite.

Mr. FLETCHER. It may be a comparatively new business. I am not advised as to that. It is probable that they have not very long since closed their leases and put in their plant over there, invested in railroads and equipment for mining, and all that sort of thing, and it is possible that it is comparatively new.

Mr. JONES of Washington. Is this gentleman interested in the Venezuelan company?

Mr. FLETCHER. Yes; the affidavit which I read says that he is the president of it.

Mr. JONES of Washington. Oh, I see; I did not catch that.

Mr. FLETCHER. He says:

I reside at Highlands, N. J., and am the president of the Magnesite Mining & Manufacturing Co., a Delaware corporation.

It is this corporation that has the investment in Venezuela; and the last affidavit I read was from this gentleman, who has been in the business of importing for some 25 years.

There is another affidavit submitted here by Mr. R. B. Sutter, who says he resides in Newark, N. J., and he is president of this Zenitherm Co., which has an office in the city of New York and a factory at Runyon, N. J. The Zenitherm Co. relies upon the Delaware corporation operating in Venezuela for its supply of the raw material.

Said company manufactures a building material which it calls "zenitherm," the main ingredient of which is calcined magnesite. It is mainly used as a building material in the form of building cement.

That is this "zenitherm" that is made out of the magnesite.

A few years ago my said company formulated plans for the manufacture of its magnesite cement, having found that it could purchase the crude material coming from the mines in Venezuela at satisfactory prices to enable it to be calcined at the company's plant in New Jersey. The plant of the company at Runyon, N. J., now represents a value in excess of $500,000, and the business of the company is entirely that of manufacturing building materials. In view of its previous experience, the company finally decided that in order to assure a uniform product on which it could depend under all circumstances, it was necessary to import the crude material and calcine the same in its own factory and under its own control. These plans for calcining were also formulated as the then existing tariff law which provided that crude magnesite could be imported free of duty. At that time, after careful inquiries, it was found that the United States practically depended upon the importation of magnesite for the supply of its raw material.

I have been in the business of manufacturing this product for a great many years and am thoroughly familiar with magnesite, its uses and preparation, and also with general market conditions throughout the United States. As president of my said company I have made it my business to be thoroughly acquainted with all available magnesite sources. It takes in excess of 2 tons of crude magnesite to produce 1 ton of calcined magnesite. It has been my experience that magnesite imported as crude from Venezuela and calcined in the eastern part of the United States can not compete with California calcined magnesite in the Middle West; that is, points west of Cleveland, Pittsburgh, etc., which is the largest market for magnesite in the United States. This is the case even when it is considered that at the present time magnesite is imported into the United States free of duty.

Of course, I take it the same thing would apply to Washington as to California.

The capacity of the Zenitherm Co.'s plant at Runyon, N. J., is approximately 250 tons of calcined magnesite per day. The effect of the proposed duty of five-sixteenths cent per pound on crude magnesite would be that California calcined magnesite and Grecian calcined magnesite could be sold in the eastern part of the United States at a lower figure than the Zenitherm Co. could produce calcined magnesite made from crude magnesite at its factory. As a consequence the Zenitherm Co. would have to abandon all operations connected with the calcining of magnesite at its said plant in New Jersey.

As president of a company which is largely engaged in the calcining of magnesite from Venezuela in the United States and employing a plant and labor for that purpose, I respectfully request that crude magnesite be continued on the free list.

Mr. President, I ask to have this letter and these affidavits inserted in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *April 19, 1922.*

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

DEAR SIR: Paragraph 204a of H. R. 7456, this session of Congress, known as the tariff bill, provides a duty of five-sixteenths of 1 cent per pound (which amounts to $7 per ton) on crude magnesite, and a duty of four-tenths of 1 cent per pound (or $8.96 per ton) on the dead-burned and grained magnesite not suitable for manufacture into oxychloride cements. Heretofore there has been no duty on crude or dead-burned and grained magnesite. Many times representatives of the companies producing magnesite in the State of Washington appeared in favor of a proposed tariff and as many times representatives of companies manufacturing refractory products opposed the bill, and practically all of the witnesses representing manufacturers of composition floors and other users of imported magnesite opposed the bill, it resulting that the committees were heretofore satisfied that to place a duty on such character of magnesite would be harmful to the industry of manufacturing and to the many users. To place a duty on crude or dead burned and grained magnesite now would be to destroy large investments of American money which were made based on the fact that there was no duty on raw magnesite.

We represent the Magnesite Mining & Manufacturing Co., a Delaware corporation with headquarters in New York, composed of American citizens who have invested the money in leases, for long periods, on magnesite mines on the island of Margarita off the coast of Vene-

zuela, and have invested very much money in mine railroads, expensive machinery, scows, and tugboats.

The rapid growth in the number of these industries using magnesite in the last few years has been phenomenal, and as yet the use of these articles seems to be still in its infancy. Magnesite in one form or another is being used in the following industries for the following purposes:

1. Building industry. (In the production of sanitary and fireproof flooring, wall and window slabs, artificial marble, stone, ornaments, stucco work, and for many other building material purposes.)
2. Steel industry. (Manufacture of refractory bricks; also in the copper-smelting industry for lining converters.)
3. Manufacture of sulphate of magnesium, known as Epsom salts, for medicinal, technical, and commercial purposes.
4. Manufacture of carbonic acid gas.
5. Fireproofing and fire protection purposes.
6. Paint industry (especially fireproof paint for airplanes, etc.).
7. Manufacture of magnesium chloride.
8. Manufacture of millstones.
9. An antidote against arsenic poisoning.
10. Many other articles of great commercial value can be produced from magnesite, as, for instance, asbestos wood switchboards, steam-pipe insulation, refrigerator insulation, etc.

All of the factories manufacturing magnesite brick are located in Pennsylvania and Maryland, and the imposition of a prohibitive duty on the raw material will quickly put those brick plants out of business and result in the establishment near the domestic raw material of new plants to replace them, which would mean that goods would be manufactured to a large extent in foreign countries.

Reserves of magnesite in the United States are entirely too small to justify even considering a prohibitive duty on imports the effect of which would be to exhaust our reserves in a very few years. Particularly is this true when we consider that this exhaustion would be largely for the benefit of one concern in the far West, which has already profited to the extent of many times its original investment. The Geological Survey estimates the California reserves at the insignificant quantity of 750,000 tons, and in Washington the survey estimates a total of about 7,000,000 tons, half of which is unfit for commercial use.

The American Refractories Co. has over $2,000,000 invested abroad in magnesite operations, which is many times the total of all unamortized investments in magnesite in the United States.

We do not believe that it was intended by the committee to deliberately recommend the destruction of investments by supporting a complete embargo against importations.

The Magnesite Mining & Manufacturing Co. has $1,500,000 invested, which would be destroyed by placing a duty on magnesite, and there is a large calcining plant at Runyon, in the State of New Jersey, which represents American money to the extent of $500,000, which is engaged entirely in manufacturing building materials, and if a duty is placed on raw magnesite this plant would be destroyed and a large number of persons thrown out of work; and the many pottery industries, for which New Jersey is famed, would be required to pay a higher rate for the magnesite they use, which would seriously injure their business and in numerous instances cause failures.

We are sending herewith an affidavit from Emil Rueff, president of the Magnesite Mining & Manufacturing Co., and one from G. A. Sonderhof, a commission merchant whose special line of work has been for a great many years past the sale of magnesite, and another affidavit from Roser B. Sutter, a resident of Newark, N. J., and president of the Zenitherm Co., with offices in New York City, owners of the calcining plant at Runyon, N. J. These affidavits are made by men experienced in the purchase, manufacture, and sale of magnesite in all its forms and are unusually capable from their long experience to judge of the effect of a duty on magnesite, both upon the companies which they represent and upon the users of either the raw or manufactured magnesite. Their affidavits plainly point out the great harm to be done to the magnesite industry if any duty whatsoever is placed upon the raw, dead burned, and grained magnesite.

We would ask, on behalf of those citizens whom we represent, that you offer an amendment to the tariff bill that no duty whatsoever should be placed upon imported magnesite.

Respectfully submitted.

STRICKLAND & TITTMANN,
By CHARLES T. TITTMANN.

In the United States Senate, re duty on magnesite, section 204 A, H. R. 7456, Sixty-seventh Congress, second session.

STATE OF NEW YORK, *County of New York, ss:*

Emil Rueff, being duly sworn, deposes and says:

I reside at Highlands, N. J., and am the president of the Magnesite Mining & Manufacturing Co., a Delaware corporation.

Said corporation has extensive long leases on mining properties on the island of Margarita, Venezuela, from which for many years it has been mining crude magnesite and importing the same into the United States. Said leases were sought and obtained, and are only of value in consideration of crude or raw magnesite being brought into the United States free of duty. This crude magnesite was then calcined in factories in the United States and used here. None of this crude magnesite is being calcined in Venezuela, as there are no facilities there to burn the magnesite, and to establish a calcining plant has been found to be quite impracticable, aside from depriving the American laborer of wages which would then be paid to foreign labor.

I am also the president of the American Carbonate Co., a New York corporation, which for upward of 20 years manufactured carbonic acid gas from crude magnesite, which it imported partially from Greece and partially from the mines of the Magnesite Mining & Manufacturing Co. in Venezuela. This gas could not be manufactured at the mines and imported to the United States, and sold there as cheap as it could be made in America. I personally had charge of the business and affairs of both the above companies, and am therefore thoroughly familiar with all the details both of the magnesite mining and its importation, calcining, and use.

The magnesite company has invested large amounts of American capital in the mining properties in Venezuela for the proper exploitation of mining there, consisting of a mining railroad, docking facilities, and mining equipment. The mines were leased and the entire arrangements made for the sole purpose of exporting the magnesite to the United States, and in view of the fact that the United States levied no duties on the importation of crude or raw magnesite.

One of the principal customers of the magnesite company is the Zenitherm Co. of Runyon, N. J., to whom the crude magnesite is sold and who has established a large calcining plant at Runyon, N. J., for the purpose of calcining magnesite. The proposed duty of five-sixteenths cents per pound of crude magnesite would mean a complete loss to the Zenitherm Co. of its investment in the calcining plant at Runyon, N. J. It would also mean a complete loss to the Magnesite Mining & Manufacturing Co. of its investment and business in Venezuela, and would necessitate a shutting down of the mines and a complete abandonment of the entire proposition, at a great loss of American money to American citizens who have invested in these magnesite mines in perfect good faith. The further mining of magnesite and the importation of crude magnesite to the United States could not possibly be continued under such a duty. As a result the business of calcining the raw magnesite and importation by said company into the United States would likewise come to an end.

My thorough knowledge of the magnesite business for many years makes me positive of this result, and for the following reasons:

It takes from 2 to 2¾ tons of crude magnesite to produce 1 ton of calcined magnesite. The only other sources of supply of magnesite that are of any importance are certain mines on the western coast of the United States and mines in Greece. Magnesite mined in California and other Western States can be calcined there and shipped to the Eastern States and other parts of the country without being subjected to any duty, the freight rates being based on 1 ton of calcined material, which, as before stated, is the result of from 2 to 2¾ tons of the raw material, while raw material imported from Venezuela and calcined in the United States will be required to pay duty on 2 tons and upward of the raw material and freight on the same amount before it can be delivered to the factory for calcining, and if any duty is added magnesite can not be imported. This duty and freight are so high that the resulting cost of Venezuela magnesite calcined in the United States is very much in excess of the price which the California and other western magnesite, calcined there, can be delivered in competition with the Venezuela magnesite.

The Greek magnesite likewise can be calcined in Greece and will then be shipped to the United States at freight rates which are equivalent to the freight rate on 1 ton of crude magnesite. Consequently it is impossible for the American company, the Magnesite Mining & Manufacturing Co., to deliver its crude material to the factories in the United States for calcining at a price which will enable said factories to calcine the crude material and have it ready for sale at a price which will enable it to compete in any manner with the very much cheaper calcined magnesite from Greece. In this connection it must be borne in mind that the labor necessary for calcining magnesite in Greece is very much lower than the wages paid American laborers, and, furthermore, Greece has the advantage of the lower rate of exchange which can fairly be presumed to continue for many years to come.

The result of the foregoing situation is:

1. The consumer of calcined magnesite would get an inferior quality of calcined magnesite. This product is used very largely for building purposes, particularly as a cement, and the nature of the product is such that it is in its best condition if used within a short time after it has been calcined and at or very near the place where it is calcined.

Calcined magnesite readily absorbs moisture and therefore loses its caustic quality and consequently should not be shipped long distances. This absorption of moisture and loss of caustic quality causes a serious deterioration of the calcined magnesite, inasmuch as the cement made from it will not set and cement as quickly or effectively as the calcined magnesite in its fresh condition. This results in a considerable loss of time, as builders are always anxious to use floors and similar structures in which cement is used as soon as possible. A considerable loss of time in the construction of buildings results, and it can readily be seen that this involves a handicap in completing buildings, which are most urgently needed. It also results in payment of higher prices for buildings.

2. If magnesite in its crude form could be imported to the United States from Venezuela without payment of any duty, it could be calcined at the factories in the United States, which would mean employment of American labor at prices prevailing here; it would mean the continued employment of capital invested in the calcining plants, such as the one at Runyon, N. J.; it would mean a fair return on the American capital invested in the Venezuelan mines; it would mean income in the nature of freight to be paid American vessels for shipping the raw material from Venezuela to New York; and, finally, it would mean a possibility of offering to the American public a calcined magnesite at a cheaper price than the calcined magnesite imported from Greece.

EMIL RUEFF.

Subscribed and sworn to before me this 18th day of April, 1922.

[SEAL.] ALFRED H. ERICHSON.

(Notary public, Kings County, N. Y., No. 87; New York County, No. 29; New York County register's No. 3031; Kings County register's No. 3013; commission expires March 30, 1923.)

In the United States Senate. In re duty on magnesite. Section 204 A, H. R. 7456. Sixty-seventh Congress, second session.

STATE OF NEW YORK,
County of New York, ss:

G. A. Sonderhof, being duly sworn, deposes and says:

I am of mature age and reside in the city of New York. My business is that of commission merchant, and my special line of work has for a great many years past been the sale of magnesite and products and heavy chemicals. I have been actively engaged in the purchase and sale of magnesite for upward of 25 years in the United States, my headquarters having been both in New York and Chicago.

In the course of my business I have handled magnesite coming from Greece, India, Venezuela, Canada, and California, and I have made it my business to become thoroughly acquainted with every known source of supply of magnesite, its use, the persons actually purchasing the same, and the conditions under which it was produced, shipped, and sold.

As a consequence, I am also thoroughly familiar with the prices of both crude and calcined magnesite coming from all these various sources and now being sold in the markets of the United States. By reason of my thorough knowledge of the magnesite market, I know that during recent years and under present conditions, to wit, the importation of both crude and calcined magnesite from foreign countries without duty, the calcined magnesite coming from California has been and is actually being sold in competition with the calcined magnesite imported from Greece and with the crude magnesite imported from

Venezuela and calcined in the United States and sold in the eastern territory of the United States. In other words, the cost of producing the calcined magnesite in California and paying the freight thereon to the eastern part of the United States nevertheless makes it possible to sell the California calcined magnesite at prices similar to the Grecian calcined magnesite and the Venezuela crude magnesite calcined in the United States and still leave the California producers a margin of profit. Consequently, it is my opinion that the imposition of a duty on crude magnesite from Venezuela and calcined magnesite from Greece is not necessary to enable the California producers to sell their product in the eastern part of the United States. I know of several cases where a user of calcined magnesite on the eastern coast of the United States is now purchasing calcined magnesite coming from the California mines even though the raw magnesite from Venezuela and the calcined magnesite from Greece are likewise being offered for sale in this same territory. In the Middle West—that is, points west of Cleveland, Pittsburgh, etc.—is the greatest market for calcined magnesite. The price at which California calcined magnesite can be delivered in that territory is such that Grecian calcined magnesite and the Venezuelan crude magnesite calcined in the United States can not compete in price with the California product. This is the fact, even under present conditions, where neither crude nor calcined magnesite coming into the United States have to pay any duty.

I am reliably informed that the Magnesite Mining & Manufacturing Co., which mines magnesite in Venezuela and has been importing the crude magnesite to the United States, would be compelled to abandon its mines and cease the importation of crude magnesite into the United States in case the proposed duty of five-sixteenths of 1 cent per pound is levied. Such action would very seriously affect the business of the Zenitherm Co., to the extent that such company would be compelled to abandon its calcining plant, which was especially established for the purpose of calcining magnesite which the company expected to purchase from the Magnesite Mining & Manufacturing Co. from its mines in Venezuela, thereby causing many workingmen to lose employment, the calcining plant would remain idle, and the investment of the Zenitherm Co. in this part of its business become an entire loss.

G. A. SONDERHOF.

Sworn to before me this 18th day of April, 1922.

[SEAL.] ALICE WEAVER,
Notary Public, Queens County.

(Certificate filed in New York County.)

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In the United States Senate. In re duty on magnesite. Section 204 A, H. R. 7456. Sixty-seventh Congress, second session.

STATE OF NEW YORK,
County of New York, ss:

Roser B. Sutter, being duly sworn, deposes and says:

I am of mature age and reside in Newark, N. J., and am the president of the Zenitherm Co., which has an office in the city of New York and a factory at Runyon, N. J.

Said company manufactures a building material which it calls "zenitherm," the main ingredient of which is calcined magnesite. It is mainly used as a building material in the form of building cement.

A few years ago my said company formulated plans for the manufacture of its magnesite cement, having found that it could purchase the crude material coming from the mines in Venezuela at satisfactory prices to enable it to be calcined at the company's plant in New Jersey. The plant of the company at Runyon, N. J., now represents a value in excess of $500,000, and the business of the company is entirely that of manufacturing building materials. In view of its previous experience, the company finally decided that in order to assure a uniform product on which it could depend under all circumstances it was necessary to import the crude material and calcine the same in its own factory and under its own control. These plans for calcining were also formulated as the then existing tariff law provided that crude magnesite could be imported free of duty. At that time, after careful inquiries, it was found that the United States practically depended upon the importation of magnesite for the supply of its raw material.

I have been in the business of manufacturing this product for a great many years and am thoroughly familiar with magnesite, its uses and preparation, and also with general market conditions throughout the United States. As president of my said company I have made it my business to be thoroughly acquainted with all available magnesite sources. It takes in excess of 2 tons of crude magnesite to produce 1 ton of calcined magnesite. It has been my experience that magnesite imported as crude from Venezuela and calcined in the eastern part of the United States can not compete with California calcined magnesite in the Middle West; that is, points west of Cleveland, Pittsburgh, etc., which is the largest market for magnesite in the United States. This is the case even when it is considered that at the present time magnesite is imported into the United States free of duty.

The capacity of the Zenitherm company's plant at Runyon, N. J., is approximately 250 tons of calcined magnesite per day. The effect of the proposed duty of five-sixteenths cent per pound on crude magnesite would be that California calcined magnesite and Grecian calcined magnesite could be sold in the eastern part of the United States at a lower figure than the Zenitherm company could produce calcined magnesite made from crude magnesite at its factory. As a consequence the Zenitherm company would have to abandon all operations connected with the calcining of magnesite at its said plant in New Jersey.

As president of a company which is largely engaged in the calcining of magnesite from Venezuela in the United States and employing a plant and labor for that purpose, I respectfully request that crude magnesite be continued on the free list.

ROSER B. SUTTER.

Sworn to before me this 18th day of April, 1922.

[SEAL.] EFFIE V. REDMOND,
Notary Public, No. 310, New York County. Reg. Office No. 4338.

Mr. FLETCHER. This statement is sworn to. All of these are affidavits, sworn to before a notary public, and certified to be true. I do not question but that they are true; and if they are true it would seem that California and Washington can very successfully compete in the markets and control all the markets west of Pittsburgh, and compete in any other markets in the country—in fact, take away the market of this country, even where there is no duty on raw magnesite.

Mr. JONES of Washington. Mr. President, will the Senator permit me to suggest that whatever the theory may be, whatever the ideas of this man may be, we know that our mine is closed, absolutely.

Mr. FLETCHER. That is for the mining of raw material. As I understand, that operation out there never has included the calcining of the magnesite at all. It is just simply handling the raw material.

Mr. JONES of Washington. I think it is calcined, too. They burn it, I think, as the Senator from Utah says. That was my impression, that they burn it. They invested millions of dollars during the war. Now the plant is absolutely closed.

Mr. FLETCHER. I take it, if these statements are true, that all they have to do is to go on with their industry and calcine this magnesite and put it to the same use and find a market. They simply have to develop their market, and they can do that, on account of the freight rates and conditions, and they can have the whole market west of Pittsburgh for their product, it would seem, even if there is no duty at all on magnesite. Therefore, under these circumstances, I feel constrained to oppose even the duty that is included in the bill, and certainly the amendment that is offered by the Senator from Washington.

Mr. GOODING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Harris	McKinley	Sheppard
Borah	Harrison	McLean	Shortridge
Brandegee	Johnson	McNary	Simmons
Broussard	Jones, N. Mex.	Newberry	Smith
Bursum	Jones, Wash.	Nicholson	Smoot
Capper	Kellogg	Norbeck	Spencer
Cummins	Kendrick	Oddie	Sterling
Curtis	Keyes	Page	Sutherland
Ernst	Ladd	Pepper	Walsh, Mass.
Fletcher	La Follette	Phipps	Warren
Frelinghuysen	Lodge	Pittman	
Gooding	McCormick	Poindexter	
Hale	McCumber	Robinson	

The PRESIDING OFFICER. Forty-nine Senators having answered to their names, a quorum is present.

Mr. McCUMBER. Mr. President, if I can have the attention of the Senate a very few moments, while we have 49 Senators present, I think at least we can shed a little light on this matter, which becomes one of the material things we have to consider in the tariff bill.

In a colloquy between the Senator from Iowa [Mr. CUMMINS] and myself on Saturday, in discussing the question of the rate to be fixed on any given commodity, I took occasion to say at that time, in answer to his query, that there would be many instances in which the committee had to consider the matter of freight rates, and often they had to consider the question as to whether the freight rate should be taken into consideration in the matter of fixing the tariff, or whether we would have to give up any attempt to make a tariff rate high enough to protect the industry where the freight rates were excessively high. This is one of those cases which is at least within the twilight zone of such a condition.

I trust Senators will not conduct separate arguments in different parts of the Chamber while I am proceeding. I, of course, shall be gratified if Senators have made up their minds on this question and are ready to vote on it without any further consideration. We have taken this product off of the free list and have given a rate of $8 a ton. The only question is whether we should increase that rate to about $15 a ton. I am considering the dead burned product, which has been discussed by the Senator from Washington [Mr. POINDEXTER].

The committee agreed with the Senator from Washington regarding the desirability of maintaining the American industry. It considered that the war-time cost was somewhat higher than at the present time, and in view of the extreme importance of the product, and also since the number of producers in the United States was very limited, it did make a most careful analysis of the situation. It found that the American costs should be somewhat lower than those submitted by the United States producers.

It was found that the cost of the most important of these products, coming from Czechoslovakia, Austria, and other European countries, was somewhat above the pre-war cost, and not something below the pre-war cost.

We had to take into consideration the costs in those foreign countries, and the cost of production in the United States. The Senator from Washington stated that he was unable to get the cost of production in the foreign countries; but the committee did get that cost, at a very recent date, and we got the figures

on every item of cost in the foreign country and in the United States, and very latest costs that we could get.

Mr. POINDEXTER. If the Senator will pardon me, not being able to get reliable figures as to the cost of production in the foreign countries, we had to take the selling price of the foreign product in American ports, which was greatly to the advantage of the foreign producer, of course.

Mr. McCUMBER. Mr. President, the committee was not limited to that. The committee did obtain, through its experts, the costs of production in the foreign countries, and the many items making up those costs of production, and the freight rates to the different points of consumption in the United States.

It appears that under present conditions the cost of producing dead-burned magnesite, f. o. b. at domestic plants in Washington, is approximately $17 per ton, as compared with a landed cost of foreign magnesite of similar quality at $18 per ton f. o. b. Atlantic ports.

Assuming these costs to be correct, and adding the transportation cost by the cheapest routes, the comparative costs of domestic and Austrian or Czechoslovakian dead-burned magnesite delivered at important consuming centers are given in the figures I have in my hand.

I have the details of all of those costs, which I could put into the RECORD, but I shall not lumber the RECORD with them now. I want to give, in round figures, just what they amount to.

The domestic cost per 2,000 pounds of this product landed in Pittsburgh, via the Panama Canal and by rail, which is the cheapest route, the combined route, is $31.50. The foreign cost per 2,000 pounds landed in Pittsburgh is $23.20, leaving a difference of $8.50 per ton of 2,000 pounds in favor of the importer.

Mr. POINDEXTER. May I ask the Senator from what source he obtained those figures?

Mr. McCUMBER. I obtained the figures which I will give from the experts, who were requested by the committee to ascertain the costs, and they have given them in full, and I can put them into the RECORD.

Mr. POINDEXTER. One of the experts I heard testify before the committee said he had produced magnesite in the State of Washington and was interested in the steel industry, and he was doing everything he could to prevent the increase of the rates.

Mr. McCUMBER. These are not the experts of any producing company but the experts of the Tariff Commission.

Mr. POINDEXTER. If the Senator will pardon me, I will say that the figures which I gave, showing a cost of more than $20 a ton f. o. b. cars in Washington, were taken from the books which were opened up for the examination of the committee by the company that was operating.

Mr. McCUMBER. I do not think we are very far apart on the American cost of production. I have taken it now at the latest date and the cost of labor of the latest date, and not at the highest point in 1920, and the difference is not very great. I think the Senator put it at about $20 a ton and this gives it at $17 a ton.

Now, I will take the Chicago market. The domestic cost to put 2,000 pounds down in Chicago, which, of course, would be all rail from the west coast, is $33.70. The foreign cost to put 2,000 pounds down in Chicago would be $27.60, leaving a difference of $6.10 in favor of the foreign importer.

Now, Mr. President, we have given a rate of $8 per ton. That rate of $8 per ton would give the western manufacturer an advantage in the Chicago district and all points west thereof. It will give the importer some advantage in points east of the Chicago section; in other words, in the Pittsburgh district. Considering the importance of the industry the committee came to the conclusion that it would be better to give a rate which, under the cost of production at home and abroad and taking into consideration the enormous cost of bringing the product all the way from the west coast to the eastern coast, would be a very heavy burden upon the consumer. It was one of those cases where, because of the heavy freight rates, which are always an ugly feature of the situation when we have to bring a heavy product from ocean to ocean, it was believed best to put a rate that would still allow the western producers practically the control of the Chicago market and everything west of Chicago, and would, of course, still give the importer an advantage in the markets around Pittsburgh and east of Pittsburgh.

That, Mr. President, I think, presents the matter in a nutshell.

Mr. JONES of Washington. Mr. President, I am not going to take very much of the time of the Senate. My colleague [Mr. POINDEXTER] has covered the matter very fully, and I shall do nothing more than probably emphasize one or two points that he made.

It seems to me that this item very strikingly illustrates the principles of protection; at least it does to my mind. My idea of protection is such encouragement as will develop, build up, and maintain an industry in this country if there is a possibility of doing so and if the establishment of such an industry is desirable.

It is admitted by everyone that this is a very important product. It is very necessary to some of the great industries of the country. Of course, it is very natural that those great industries should desire to get the product as cheaply as possible, and yet it does seem to me that sometimes we allow our own special interests to blind us to the broader questions which may be involved. While it may be desirable, for instance, that the steel industry should secure magnesite at a cheap rate for the time being, in the broader sense and in the lapse of years it may be the very worst thing that could happen to that industry itself.

Everybody concedes that magnesite is very necessary to the steel industry. We have taken care of the steel industry in pretty good shape. We have given it ample protection. We have probably gone further than we should have gone. I remember in the last few days it has been contended, and with a great deal of force, that some of the tariff rates affecting the steel industry are absolutely unnecessary, and yet we have put them on. I do not believe any injury will come from it. I was willing to vote for the items out of a superabundance of caution.

I want to say that I have no fault to find with the committee. I do not believe that anybody has any cause of complaint against the industry and the desire of the committee to do what they think is the right thing. No one, aside from those of us who are here, can appreciate the difficulties under which the committee has labored and under which a committee in framing a bill of this kind must labor. But it seems to me that the chairman of the committee, the Senator from North Dakota [Mr. McCUMBER], took a position a little different from what I would have taken. It appears to me he has taken the minimum position with reference to this industry, where I think I should take more nearly the maximum. It may be that I am influenced, of course, by the local situation. He has given the benefit of the minimum rate rather than of a higher rate. He has given the importer an absolute, positive advantage. I think that we should have resolved any doubt in favor of the domestic industry and that the twilight zone should have extended so as to take care of the domestic industry.

What was the situation with respect to this industry? In 1913 we were producing in this country only 10,000 tons of magnesite. We had just one mine in operation in all the United States. They were importing into the country, I think, about 160,000 or 170,000 tons of magnesite. One hundred and forty and odd thousand tons of that came from Austria, a country with which we soon became involved in war. When the war came on it acted as a high protective tariff; it acted really as an embargo, and what was the result? This one mine was magnified into 65 mines producing magnesite throughout the country. The 10,000 tons of magnesite production was increased to over 300,000 tons. Of course, they had the home market, which was given to them by the war. Our people went into the industry and developed the mines and put in their money.

Out in my State, as my colleague has pointed out, millions of dollars were invested in the development of the mines. We produced in 1920 some 141,000 tons of magnesite. The war stopped, importations began to come in, and what was the result? With general depression throughout the country, added to by the importations into this country, our mine is closed down, absolutely closed. I just desire to read briefly from the hearings, which speak more eloquently than my words, to my notion, as to the situation. Mr. Bishop was the manager of our mine, I think. In the course of his testimony he said:

> I wish to state to the committee that in the four years' operation our gross receipts have been $6,210,951.18. We have passed to net surplus $1,043,498.11. We now have on hand $40,000, and every cent of our surplus except this $40,000 has been invested in plant and improvements necessary to produce the magnesite required. We are closed down and nine men are watching our property for the insurance companies.
>
> There has not been one dollar of dividends paid, not an officer of the company has received compensation except myself. I have drawn a moderate salary, as I have devoted a large part of my time to active affairs of the company.

So this company, which started the development of this mine under the needs and impetus and demands of war, investing five or six million dollars, declaring no dividends, is now absolutely closed down, with but a few men to watch the plant.

While there has been widespread depression, yet, as a matter of fact, imports since the war closed are increasing, and increasing very largely. I have here a statement of the imports of merchandise into the United States by the Department of

Commerce, an official report. It gives the imports of magnesite for 1913 as a total of 154,098 tons.

In 1918 the imports were 18,636 tons and in 1919 14,153 tons. But note, Mr. President, in 1920 the imports were 43,154 tons, or over three times the imports of 1919. In 1921 the imports were 52,483 tons, or nearly four times the imports of 1919. Mark you, the country that was sending to us in 1913 the greatest part of the imports of magnesite did not send us any in 1920 and 1921, to wit, Austria.

We have a statement in the hearings that in the beginning of 1921 Austria was beginning to ship to this country. We know the conditions over there. According to reports in the hearings their labor only gets 30, 40, or 50 cents a day. Our labor gets $4 or $5 a day. When business revives in this country, instead of a revival in the magnesite industry in this country, it will continue closed, and the imports will keep coming in from the other countries. The Austrian magnesite will begin to come in and take the place that it had when the war began.

Suppose we had not had the capital that would go into this industry when the war came on. We can not conceive of the injury to the steel industry, if you please, that would have had its supply of magnesite shut off entirely. Suppose we allow this foreign magnesite to come in and our mines are shut down and stay closed, and they are abandoned and the machinery gone to wreck and the buildings ruined, and all that sort of thing, and then we should get into trouble again. I do not anticipate it soon—I hope it will not come—but it is possible. Then we would be dependent upon some foreign country for our supply of magnesite. It might be a country, just as was true in the last war, from which the importations would be stopped by the war. Then we would have to start from the bottom, with all the waste and all the expense, not only to the individual but to the Government itself.

It seems to me it is the part of wisdom to use all the necessary means which are required to develop this industry and put it upon a stable and permanent basis. There can not be any question as to the supply of magnesite in this country. If we get it developed, as my colleague pointed out, it means the investment of capital, it means the employment of labor, it means a market for the various productions of the manufacturer as well as the farmer and the producer of the country. The benefits that would come are the benefits which protectionists, at any rate, have claimed would come from a protective policy. It is difficult for me to see just why a protectionist should not be willing to go as far as may be necessary in order to establish the industry.

I know the committee have gone far and the rate seems to be high. The rate of percentage is high, but, Mr. President, it took the embargo of war to develop the industry. It requires a little higher rate in order to get it upon a permanent basis. The time will come in the very near future when we shall have to revise this tariff as to many items. Then if this industry is developed and put upon a permanent basis we may lower the rate. I think it is the part of wisdom to impose such a rate in this case as will insure the development of the industry which has been brought into being by the war.

I am not going to take further time, except I merely wish to call attention to the committee report on the emergency magnesite tariff bill which passed the other House. As has been pointed out, the House passed a bill as an emergency measure, fixing a certain tariff rate on magnesite. That bill came over to the Senate and it went before the Finance Committee. That is the same committee which has reported the pending bill; the committee has almost the same membership now as at that time.

The committee investigated the matter carefully and submitted a report, which is found on page 1072 of the Senate hearings. The committee took a position that appeals to me very strongly; it is in harmony with my views of a protective tariff and of the application of the protective tariff principle. They stated:

> The object of the bill is to protect the magnesite industry of the United States, to enable American consumers to procure the product from American magnesite mines.

Then they go on to state the conditions when the war broke out; that there was only one mine producing only 10,000 tons of crude magnesite per year and that we were importing 172,591 tons, principally from Austria. They say further:

> The war virtually stopped the importation, and in the year 1917 there were only about 4,000 tons imported, and this came largely from Canada. The needs of the steel mills and the smelting works were so great that the industry was greatly developed in this country, and in 1917 there were over 300,000 short tons produced from the mines in the United States. The production of 1917 was as much or more magnesite than was ever used in this country in any one year, and it is perfectly evident that our needs can be supplied from American mines. Magnesite is used in every steel mill and in all the smelting works in this country, and the consumers in the United States have been taking from 50 to 60 per cent of the total magnesite production of the world.
>
> Prior to the war only about 3 per cent of the product consumed in this country was produced from our own mines, while last year nearly all the magnesite used in this country was produced here. So it may be said that the Great War developed this very important industry.

Then they go on to point out the cost of production in this country and Austria, and so forth. I want to read this:

> The evidence disclosed that prior to the war there were less than 50 men employed in the production of magnesite in the United States. In the years 1917 and 1918 there were about 2,000 men directly engaged in the magnesite industry in this country. They were receiving an average wage of $5 per day. These men, with their dependents, made about 10,000 citizens directly dependent upon the magnesite industry.
>
> The hearings before the House committee disclose, however, that Austrian labor in the magnesite industry received from 20 to 40 cents per day, and that the American Refractories Co. stated that Austrian labor received $1.10 per day. In considering the labor question it should be remembered that in Austria they work 12 hours per day, while in America they work 8 hours per day. It is estimated that the direct and indirect labor charge in the magnesite industry in this country is from 75 to 80 per cent of the cost of production.
>
> Your committee, therefore, recommends the passage of the House bill 5218 without amendment.

Mr. President, I ask that this entire report—it only occupies a little over a page—may be printed in connection with my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

EXHIBIT A.

[Senate Report No. 458, Sixty-sixth Congress, second session.]

DUTY ON MAGNESITE ORES.

The Committee on Finance, to whom was referred the bill (H. R. 5218) to provide revenue for the Government and to establish and maintain the production of magnesite ores and manufactures thereof in the United States, having considered the same, report favorably thereon with the recommendation that the bill do pass without amendment.

The object of the bill is to protect the magnesite industry in the United States, to enable American consumers to procure the product from American magnesite mines.

Up to 1913 there was but one magnesite mine operating in the United States, and it produced about 10,000 tons of crude magnesite per year. In the year 1913 there was imported into the United States 172,591 short tons of magnesite, of which 163,715 tons came from Austria.

The war virtually stopped the importation, and in the year 1917 there were only about 4,000 tons imported, and this came largely from Canada. The needs of the steel mills and the smelting works were so great that the industry was greatly developed in this country, and in 1917 there were over 300,000 short tons produced from the mines in the United States. The production of 1917 was as much or more magnesite than was ever used in this country in any one year, and it is perfectly evident that our needs can be supplied from American mines. Magnesite is used in every steel mill and in all the smelting works in this country, and the consumers in the United States have been taking from 50 to 60 per cent of the total magnesite production of the world.

Prior to the war only about 3 per cent of the product consumed in this country was produced from our own mines, while last year nearly all the magnesite used in this country was produced here. So it may be said that the Great War developed this very important industry.

Prior to the war magnesite was imported from Austria at a cost of $15.75 per ton. It was stated that the cost at the mines in that country was about $7 per ton. The railroad rates and dock charges amounted to about $2 per ton, and the ocean rates to Atlantic ports were about $2 per ton. The average cost of that produced in the United States at the mine is about $25 per ton, and the freight is from $10 to $16 per ton, depending upon destination, so it will be seen that it will require a tariff of at least 1½ cents per pound to cover the differential.

Sworn cost statements, plus $2 ocean charges.

	At mine.	At Trieste.	At United States Atlantic ports.
Average United States	$25.13	.....	$41.20
Austrian	17.69	$21.94	23.94
Difference in costs	7.44	.....	17.26

Let us in a similar manner show in parallel columns the sworn statement of the Austrian cost and the sworn statement of the lowest American producers.

Sworn cost statements, plus $2 ocean charges.

	At mine.	At Trieste.	At United States Atlantic ports.
Lowest United States	$21.09	.....	$37.22
Austrian	17.69	$21.94	23.94
Difference in costs	3.40	.....	13.28

For many years the magnesite produced in this country came from California, and the greater part of that used by our consumers came from Austria, but the needs brought about by the war caused the deposits in Washington and California to be developed, and by the building of works, exploration of mines, and the liberal expenditure of money some 65 mines were being operated in 1917 and enough magnesite was produced in the two States to supply the entire demand of this country, but to-day there are only 30 magnesite mines being worked, and more will be closed if the industry is not protected, and this country will again be dependent upon Austria for its magnesite, but, with proper protection, our mills will be independent of any foreign producer.

Magnesite, both crude and calcined, has been on the free list since 1883. The pending bill places a duty on magnesite and commercial ore, either crushed or ground, of one-half of a cent per pound; magnesite, calcined, dead burned, and grain, three-fourths of a cent per pound; magnesite brick, three-fourths of a cent per pound and 10 per cent ad valorem.

The evidence disclosed that prior to the war there were less than 50 men employed in the production of magnesite in the United States. In the years 1917 and 1918 there were about 2,000 men directly engaged in the magnesite industry in this country. They were receiving an average wage of $5 per day. These men, with their dependents, made about 10,000 citizens directly dependent upon the magnesite industry.

The hearings before the House committee disclosed, however, that Austrian labor in the magnesite industry received from 20 to 40 cents per day, and that the American Refractories Co. stated that Austrian labor received $1.10 per day. In considering the labor question it should be remembered that in Austria they work 12 hours per day, while in America they work 8 hours per day. It is estimated that the direct and indirect labor charge in the magnesite industry in this country is from 75 to 80 per cent of the cost of production.

Your committee, therefore, recommends the passage of the House bill 5218 without amendment.

Mr. JONES of Washington. That is about all that I am going to say. As I have stated, I have no criticism of the committee; I know that the chairman of the committee is just as strong a protectionist as am I. He looks at this matter from the same standpoint that I do. I recognize that we on the Pacific coast are at a great disadvantage because of our distance from the market and that freight rates are a great handicap; but I feel that as to such an important industry as is this, involving a product so important in so many different lines of manufacturing industry, we may well afford to stretch a point and try to compensate for those disadvantages as much as we can in order to supply our home market by our home people rather than to depend on the foreign producer, and especially for something that is of so great importance in case we shall ever become involved in war.

Mr. McCUMBER. Mr. President, I merely desire to say in reply to the Senator from Washington that, as I previously suggested, we are giving the Washington producers practically everything as far east as the Chicago market. Of course, that would include Indiana and Michigan, with their great iron and steel establishments.

Mr. GOODING. Mr. President——

Mr. McCUMBER. Just one word further. The way that we have computed it would give everything east of Pittsburgh practically to the importer. I appreciate, and I know that Senators all appreciate, the difficulties due to the great cost of transportation. If the transportation cost becomes materially less, I think the western product, with this $8 per ton duty may reach as far east as the Chicago district, but, of course, that is yet to be determined.

I rose at this time particularly to ask that the statement and the tables on which I made my argument a short time ago in favor of the $8 per ton differential may be inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

DOMESTIC COSTS.

The only domestic production comes from Stevens County, in the State of Washington, the shipping point being Chewelah. Cost figures in detail are available only from one main producer, the Northwest Magnesite Co. Owing to some question in regard to the distribution between operating and capital expenditures and wide fluctuations in actual operating costs resulting from the abnormal conditions that existed during the period in which the plant was operated, it is impossible to accept the cost statements without certain reservations. From the latest Bishop report two estimates are possible—one based upon the total operations of the company from its inception, May 4, 1917, to December 31, 1920, when the plant was shut down. During this period a total of 451,332.85 tons of crude magnesite were mined or purchased, of which 374,829.78 were mined by the Northwest Co. The ratio of crude ore to dead-burned magnesite is obtained by dividing the total tonnage delivered to the kilns by the production of dead-burned magnesite. The figures are 368,098 and 171,261, respectively, thus establishing the basic ratio of 2.15 tons crude required to produce 1 ton of dead-burned magnesite. In addition to the above, 8,530,000 tons of iron ore were required, which increased the ratio of raw mix to 2.2 tons.

Detailed costs for the 11-month period June 1, 1918, to May 1, 1919, have also been presented by the Northwest Magnesite Co. These figures indicate a direct operating expense of $7.33 per ton of crude, which is equivalent, according to this ratio, to $15.65 per ton of dead burned; but this statement includes an allowance of 81 cents on "Finch mine development expense." This item has been noted by Mr. Bishop, who explains that it was incidental to the development of the ore actually mined during that period. Analyzing this cost, however, it appears that out of $77,883 charged under this item, $60,472 is classed as "miscellaneous" and only $13,161 as "labor." These figures indicate, in the absence of further explanation, either excessive repairs to equipment or the inclusion of expenditures more properly classed as capital expenditures, or at least expenses, that should be distributed over a much longer period of operation. Adjusting this figure from 81 cents to 20 cents, or approximately 50 per cent more than the labor item, reduces the direct operating expense for the period to $6.72 per ton of crude or $14.45 per ton of dead-burned product.

On the basis of operations from May 4, 1917, to December 31, 1920, the total operating expenses charged under the three main items can be calculated into cost per ton of dead-burned product, as follows:

Labor	$5.95
Material and supplies	6.60
Miscellaneous	2.00
Total	14.55

The above figures represent the average cost as ascertained from the total expenses throughout the entire period of operation of the company's plant, and show a surprising correspondence with those obtained from an analysis of the 11-month period when operations were probably on a more nearly normal level than at any other period in the history of the company.

In addition to direct operating costs, it is only fair to make reasonable allowances for general charges. While it may be argued that the Northwest Magnesite Co. has been practically the only operator in the past and that this company has already had its capital investment returned out of profits, the American Mineral Production Co. is a probable producer and there is a possibility that other producers might later enter the field. After a careful examination of the data relative to the actual capital invested in the Northwest enterprise, it seems proper to make the following allowances per ton for dead-burned product:

Administration and general expense	$0.50
Taxes, insurance, and interest	1.00
Depreciation	.50
Depletion	.50
Total	2.50

The total cost, using the above figures of general expenses in each case, figures out at $17.05 per ton for the entire operations or $16.95 per ton on the basis of the 11-month period (corrected).

As a further check upon the probable cost, it is of interest to refer to the arbitrary estimate prepared by Mr. A. F. Greaves-Walker and published in Senate hearings, part 2, January 13, 1920, on H. R. 5218. This estimate, based upon Mr. Walker's experience in Washington and knowledge of the Northwest Company's operations, is $14.51 per ton. Another theoretical estimate prepared by the committee's experts indicates the following approximate distribution:

Domestic costs (Washington).

MINE.

Quarrying expense per ton of sorted crude	$1.25
Crushing per ton of sorted crude	.20
Tramway per ton of sorted crude	.30
Total per ton of sorted crude	1.75

REDUCTION PLANT.

Magnesite (2¼ tons) per ton of dead burned	$3.90
Iron ore (3 units at 20 cents) per ton of dead burned	.60
Coal (0.33 ton at $7) per ton of dead burned	2.30
Labor per ton of dead burned	1.50
Repairs and supplies per ton of dead burned	2.50
Power per ton of dead burned	.50
Overhead per ton of dead burned	2.00
Total operating per ton of dead burned	13.30
Administrative, etc., per ton of dead burned	.50
Taxes, insurance and interest per ton of dead burned	1.00
Depreciation per ton of dead burned	.50
Depletion, per ton of dead burned	.50
Total per ton of dead burned	15.80

The above estimates are admittedly based upon numerous assumptions, but the evidence clearly indicates that the present-day cost of producing dead-burned magnesite f. o. b. Chewelah, Wash., should not exceed about $17 per ton, and should eventually be reduced to $15 or under.

Foreign costs: It is even more difficult to make any accurate estimate of probable costs in either Austria or Czechoslovakia, in view of the abnormal conditions that have existed in both of those countries since the war. The following estimate, however, has been prepared as being fairly representative of present-day conditions:

Raw material, 2.5 tons, at 50 cents	$1.25
Fuel, four-tenths ton, at $7	2.80
Labor	.50
Works expense	1.00
Power	.30
	5.85
General expenses (Austria and United States)	2.50
	8.35
Depreciation on $4,000,000 investment	1.60
Depletion, 20-year life	.50
Interest, 6 per cent on $3,000,000	2.40
In bulk, f. o. b. Radenthein	14.45

It will be noted that the actual operating expenses, including certain general charges, is given as $8.35. It is also stated by interested parties that Czechoslovakia magnesite has recently been offered freely at $8 per ton f. o. b. works in Czechoslovakia. If we neglect for a moment the operations of the American company, whose expenditures were calculated in United States dollars, it would appear that allowance for depreciation and depletion, when converted into American dollars, can be practically neglected when dealing with the operations in what was formerly Austria-Hungary. It, therefore, seems that a f. o. b. cost of about $10 per ton can be estimated for the foreign product.

In support of this figure it may be further argued that the product was billed before the war at $15.75 per ton f. a. s. Philadelphia, Pa., after paying transportation charges amounting to fully $5 per ton.

TRANSPORTATION.

Since the main consumption of magnesite refractories is in basic open-hearth steel plants, almost all of which are located east of the Mississippi River, transportation is one of the outstanding factors in the cost of magnesite at the points of consumption. The center of gravity of steel production has probably moved west of Pittsburgh. While it is doubtful if it has gone as far west as the Ohio-Indiana State line as estimated by some persons, it seems desirable to show the delivered costs of domestic and foreign magnesite both at Pittsburgh and at Chicago with the assurance that the line that bisects the American consumption of magnesite is somewhere between these two limits. Under present conditions, while brick plants are all located in the East, the consumption by copper smelteries and most of that by firms manufacturing steel castings west of the Mississippi actually must be classed as being eastern consumption.

Delivered cost per short ton at Pittsburgh.

DOMESTIC—ALL RAIL.

Freight on board Chewelah	$17.00
Rail freight to Pittsburgh	18.40
Total	35.40

DOMESTIC—RAIL AND CANAL.

Freight on board Chewelah	$17.00
Chewelah to Pacific port	5.50
Canal rate to Baltimore (on large contract tonnage might be reduced to $3 per ton)	$5.00–8.00
Baltimore to Pittsburgh	4.20
Total	31.70–34.70

FOREIGN—AUSTRIAN OR CZECHOSLOVAKIAN.

Freight on board Radentheim (or Czechslovakian plant)	$10.00
Bags (domestic product shipped in bulk—foreign bagged. 10 bags per ton)	1.50
Rail freight to port (scaled down from Austrian estimate of $4 to cover rail freight (150 miles) and handling into and out of storage at Trieste. Probably about the same from Czechoslovakian plant to Hamburg)	3.00
Ocean freight (Trieste-Baltimore or Hamburg-Baltimore or Philadelphia)	3.50
Transfer charges at Atlantic port	1.00
Rail freight to Pittsburgh	4.20
Total foreign cost	23.20

Delivered cost per short ton at Chicago.

DOMESTIC—ALL RAIL.

F. o. b. Chewelah	$17.00
Rail freight to Chicago	16.70
Total	33.70

FOREIGN.

F. o. b. Radentheim	$10.00
Bags	1.50
Rail freight to port	3.00
Ocean freight	3.50
Transfer charges in United States	1.00
Rail freight to Chicago (via Baltimore, freight Philadelphia to Chicago $8.80 per ton)	8.60
Total	27.60

In order to calculate the delivered cost at other points of consumption, the following freight rates may be taken into consideration:

Chewelah, Wash., to—per 100 pounds:	Cents.
Chicago, Ill	83.5
St. Louis, Mo	83.5
Youngstown, Ohio	92.0
Pittsburgh, Pa	92.0
Cleveland, Ohio	92.0
Birmingham, Ala	92.0
Tacoma, Wash	27.5
Seattle, Wash	27.5
Baltimore, Md., to—per 100 pounds:	
Pittsburgh, Pa	21.0
Youngstown, Ohio	24.0
Chicago, Ill	43.0
St. Louis, Mo	51.0
Cleveland, Ohio	25.0

The rates from Philadelphia points are not equalized and are higher than those from Baltimore, the rate from Philadelphia to Pittsburgh, for example, being 22.5 cents, or 1½ cents per 100 pounds higher than that from Baltimore to Pittsburgh. There has been no movement by way of New Orleans, and the rail rates from that port to most of the consuming centers are practically as high as those direct from Pacific coast points.

Mr. SIMMONS. Mr. President, may we not now have a vote on this magnesite proposition?

Mr. GOODING. I wish to say merely a word; I shall occupy only a minute.

Mr. President, the chairman of the Committee on Finance has been very generous in his statement as to the market which is going to be given to the American miners of magnesite. They are going to be allowed to sell their product as far as Chicago, and possibly to the steel mills of Indiana. As I understand, for a period of two years we produced in this country all the magnesite ore which was needed by the great steel mills. Now we produce less than half of the requisite quantity, and that product is not to be allowed to come any further east than Chicago. In other words, it is proposed to destroy an industry in order to give the steel mills a little cheaper ore which they may bring in from Austria, Czechoslovakia, and other countries.

Mr. President, it seems to me that if we are going to protect the industries of this country we have got to protect them all alike, and if we are going to furnish a market for the manufacturers of the East for what they produce, we have got to permit the West to develop. It can not develop if we are going to say to the industries of that great section, "You can come half way with the products but no further," and that is the notice which has been served by the chairman of the Finance Committee. I wish to say that the time may come when we shall allow the manufactured products of the East to go only half way west. It seems to me we do not want to draw any dead line in this country and turn half of it over to foreigners when we can produce the commodities in America. We produced magnesite at a time when it was almost essential to the very preservation of the Government so far as that is concerned. It is a war necessity as well as a peace necessity, and we ought to go clear through with it and protect it adequately.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Washington to the amendment reported by the committee.

Mr. POINDEXTER. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as heretofore with reference to my pair and its transfer, I vote "yea."

Mr. LODGE (when his name was called). I transfer my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the senior Senator from New Hampshire [Mr. MOSES] and vote "yea."

Mr. PHIPPS (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. DIAL] to the junior Senator from Oklahoma [Mr. HARRELD] and vote "yea."

Mr. WARREN (when his name was called). Making the same announcement as to my pair, I vote "nay."

Mr. WILLIAMS (when his name was called). I transfer my pair with the Senator from Indiana [Mr. WATSON] to the Senator from Texas [Mr. CULBERSON] and will vote. I vote "nay."

The roll call was concluded.

Mr. JONES of Washington (after having voted in the affirmative). Has the senior Senator from Virginia [Mr. SWANSON] voted?

The PRESIDING OFFICER. He has not voted.

Mr. JONES of Washington. I have a pair with him for the day. He is necessarily absent. I find that I can transfer that pair to the Senator from Minnesota [Mr. NELSON], and I do so, and will allow my vote to stand.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New York [Mr. CALDER] with the Senator from Alabama [Mr. HEFLIN];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Ohio [Mr. WILLIS] with the Senator from Ohio [Mr. POMERENE]; and

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH].

The result was announced—yeas 29, nays 22, as follows:

YEAS—29.

Ashurst	Gooding	McCormick	Poindexter
Ball	Hale	McKinley	Shortridge
Brandegee	Johnson	McNary	Spencer
Broussard	Jones, N. Mex.	Newberry	Sterling
Bursum	Jones, Wash.	Nicholson	Townsend
Capper	Keyes	Oddie	
Curtis	Ladd	Phipps	
Elkins	Lodge	Pittman	

NAYS—22.

Borah	Kellogg	Pepper	Stanley
Caraway	Kendrick	Robinson	Sutherland
Ernst	La Follette	Sheppard	Warren
Fletcher	McCumber	Simmons	Williams
France	McLean	Smith	
Harris	Page	Smoot	

NOT VOTING—45.

Calder	Crow	Dial	Edge
Cameron	Culberson	Dillingham	Fernald
Colt	Cummins	du Pont	Frelinghuysen

Gerry	Moses	Ransdell	Walsh, Mass.
Glass	Myers	Rawson	Walsh, Mont.
Harreld	Nelson	Reed	Watson, Ga.
Harrison	New	Shields	Watson, Ind.
Heflin	Norbeck	Stanfield	Weller
Hitchcock	Norris	Swanson	Willis
King	Overman	Trammell	
Lenroot	Owen	Underwood	
McKellar	Pomerene	Wadsworth	

So Mr. POINDEXTER's amendment to the amendment of the committee was agreed to.

Mr. POINDEXTER. Mr. President, in order to make the other magnesite schedules conform to the one just adopted by the Senate, I move to strike out "four-tenths" and insert "three-fourths" on page 33, paragraph 204a. That is the clause referring to dead-burned magnesite.

Mr. SMOOT. Does the Senator want to strike out "five-eighths of 1 cent" in the case of the calcined magnesite?

Mr. POINDEXTER. I have no objection to that. I think that ought to be done.

Mr. SMOOT. It will have to be done if we are going to balance this schedule.

Mr. POINDEXTER. Let us get this disposed of, if there is no objection to it.

Mr. ROBINSON. What is the proposal?

Mr. SMOOT. I suggested that we do the same for this that we did for the other.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On line 4 of the committee amendment, page 33, it is proposed to strike out "four-tenths" and to insert "three-fourths," so that, if amended, it will read:

Dead-burned and grain magnesite, not suitable for manufacture into oxychloride cements, three-fourths of 1 cent per pound.

Mr. McCUMBER. I should like to have the yeas and nays on that.

Mr. SMOOT. Just a moment. The Senator knows that we do not want to more than double the rate we adopted on the previous vote. It takes just 2 pounds to make 1.

Mr. POINDEXTER. This is not more than double. This makes it just one-fourth more. It makes it three-fourths instead of one-half.

Mr. SMOOT. This is the dead-burned magnesite?

Mr. POINDEXTER. The dead-burned magnesite. It is not double; it is only 25 per cent more on the dead-burned than on the crude, if this is adopted.

Mr. SMOOT. It was three-tenths before, and now it is four-tenths. Four-tenths would be $8 and three-fourths would be $15.

Mr. McCUMBER. Mr. President, I simply thought that when we changed a rate and raised it from $8 to $15 we ought to have a record vote on it; that is all. If Senators do not want a record vote on it they need not have it, but I just want to show what it means.

Mr. ROBINSON. I ask to have the amendment stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. In the committee amendment at the top of page 33, line 4, it is proposed to strike out "four-tenths" and to insert in lieu thereof "three-fourths," so that, if amended, it will read:

Dead-burned and grain magnesite, not suitable for manufacture into oxychloride cements, three-fourths of 1 cent per pound.

Mr. McCUMBER. I should like the yeas and nays on that, Mr. President.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with respect to my pair and its transfer, I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as before as to my pair, I vote "yea."

Mr. PHIPPS (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "yea."

Mr. WARREN (when his name was called). Repeating the announcement heretofore made, I vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New York [Mr. CALDER] with the Senator from Alabama [Mr. HEFLIN];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE]; and

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH].

The result was announced—yeas 27, nays 23, as follows:

YEAS—27.

Ashurst	Gooding	Lodge	Phipps
Ball	Hale	McKinley	Poindexter
Broussard	Johnson	McNary	Shortridge
Bursum	Jones, N. Mex.	Newberry	Spencer
Capper	Jones, Wash.	Nicholson	Sterling
Curtis	Keyes	Norbeck	Townsend
Elkins	Ladd	Oddie	

NAYS—23.

Borah	Harris	McLean	Smith
Caraway	Harrison	Page	Smoot
Cummins	Kellogg	Pepper	Stanley
Ernst	Kendrick	Robinson	Sutherland
Fletcher	La Follette	Sheppard	Warren
France	McCumber	Simmons	

NOT VOTING—46.

Brandegee	Gerry	New	Trammell
Calder	Glass	Norris	Underwood
Cameron	Harreld	Overman	Wadsworth
Colt	Heflin	Owen	Walsh, Mass.
Crow	Hitchcock	Pittman	Walsh, Mont.
Culberson	King	Pomerene	Watson, Ga.
Dial	Lenroot	Ransdell	Watson, Ind.
Dillingham	McCormick	Rawson	Weller
du Pont	McKellar	Reed	Williams
Edge	Moses	Shields	Willis
Fernald	Myers	Stanfield	
Frelinghuysen	Nelson	Swanson	

So Mr. POINDEXTER's amendment to the amendment of the committee was agreed to.

Mr. POINDEXTER. In order to make the rest of the paragraph conform with the two rates which have just been adopted by the Senate, I move to strike out, in line 2, on page 33, "five-eighths" and insert "three-fourths."

The VICE PRESIDENT. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. On page 33, in the committee amendment, line 2, the Senator from Washington proposes to strike out "five-eighths" and insert "three-fourths," so as to read:

Caustic calcined magnesite, three-fourths of 1 cent per pound.

Mr. POINDEXTER. That will give to calcined magnesite the same rate just adopted by the Senate on dead-burned magnesite. The rates ought to be the same.

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before, I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as before regarding my pair and its transfer, I vote "yea."

Mr. PHIPPS (when his name was called). Making the same announcement as on the previous vote, I vote "yea."

Mr. WARREN (when his name was called). Making the same announcement as to my pair and its transfer, I vote "nay."

The roll call having been concluded the result was announced—yeas 28, nays 21, as follows:

YEAS—28.

Ashurst	Elkins	Ladd	Oddie
Ball	Gooding	Lodge	Phipps
Brandegee	Hale	McCormick	Poindexter
Broussard	Johnson	McKinley	Shortridge
Bursum	Jones, N. Mex.	McNary	Spencer
Capper	Jones, Wash.	Newberry	Sterling
Curtis	Keyes	Nicholson	Townsend

NAYS—21.

Caraway	Kellogg	Pepper	Stanley
Ernst	Kendrick	Robinson	Sutherland
Fletcher	La Follette	Sheppard	Warren
France	McCumber	Simmons	
Harris	McLean	Smith	
Harrison	Page	Smoot	

NOT VOTING—47.

Borah	du Pont	King	Overman
Calder	Edge	Lenroot	Owen
Cameron	Fernald	McKellar	Pittman
Colt	Frelinghuysen	Moses	Pomerene
Crow	Gerry	Myers	Ransdell
Culberson	Glass	Nelson	Rawson
Cummins	Harreld	New	Reed
Dial	Heflin	Norbeck	Shields
Dillingham	Hitchcock	Norris	Stanfield

Swanson	Wadsworth	Watson, Ga.	Williams
Trammell	Walsh, Mass.	Watson, Ind.	Willis
Underwood	Walsh, Mont.	Weller	

So Mr. POINDEXTER'S amendment to the committee amendment was agreed to.

Mr. POINDEXTER. There is one remaining item the rate on which, in order to make it correspond to those just adopted, should be changed. It is on page 31, lines 10 and 11.

The VICE PRESIDENT. The question is first on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

Mr. SMOOT. Will not the Senator allow the item of magnesite brick to go over, as that paragraph is now before the committee for consideration? We shall have to make a change in the rate on the brick, and while we are doing that there are some other changes in the paragraph which the committee would like to make while it is before it for consideration.

Mr. POINDEXTER. As long as we are on this subject of magnesite, I would like to have action on just one more item—magnesite brick—which is the higher form of manufacture. This is the last amendment to affect this product. The amendment is to strike out "four-tenths" and to insert "three-fourths," on page 31, line 11.

Mr. SMOOT. The Senator simply wants to have the Senate disagree to the committee amendment?

Mr. POINDEXTER. The Senator may put it that way—simply to disagree to the committee amendment.

The VICE PRESIDENT. The Secretary will state the committee amendment.

The ASSISTANT SECRETARY. In paragraph 201, page 31, line 10, at the end of the line, the committee proposes to strike out "three-fourths" and insert "four-tenths," so that if amended it would read:

Magnesite brick, four-tenths of 1 cent per pound and 10 per cent ad valorem.

Mr. ROBINSON. Is it desired to take up this brick paragraph?

Mr. SMOOT. Just this part of the brick paragraph.

Mr. ROBINSON. We will not take up the brick paragraph by piecemeal. The Senator from Kentucky [Mr. STANLEY] and I have been waiting and ready to take up the brick paragraph for at least a week, and I insist that if we take up this paragraph or any part of it we shall take it up as a whole and dispose of it.

Mr. POINDEXTER. Mr. President, I think the attitude of the Senator from Arkansas is a very reasonable one, except for the fact that there is contained in this brick paragraph one form of manufactured magnesite which is the subject on which the Senate has just been voting, and it seems to me that there is some inconsistency in the classification.

Mr. ROBINSON. We can discuss that when we reach it in the consideration of the brick paragraph.

Mr. POINDEXTER. Of course, if the Senator insists on his objection, I shall not urge it. The only reason I asked it was because the whole matter has just been debated, and the Senate has just voted on two items.

Mr. ROBINSON. As a matter of fact, the brick paragraph was debated at great length on another day, but it went over at the request of Senators who were not able to be present, and it is very confusing to take up a single proposition within that paragraph. I have no objection whatever to taking up the brick paragraph right now. I have been ready for a week to do it, and would like to do it, and in all probability we shall reach it in regular course in a short time.

Mr. SMOOT. We might as well take up the brick paragraph at this time.

Mr. POINDEXTER. If we do take up the brick paragraph, has the Senator from Arkansas any objection to taking up the magnesite brick item in the paragraph first?

Mr. SMOOT. There is a committee amendment which I desire to offer. I ask the Senator from Arkansas to allow a vote to be taken on the magnesite brick item. I want a yea-and-nay vote on the amendment of the committee at that point.

Mr. ROBINSON. Mr. President, I dislike very much to decline to oblige either the Senator from Washington or the Senator from Utah. I have risen here during the last week six or eight times and asked to take up the brick paragraph. No reason was ever given me for not proceeding except that the committee had under consideration the question of revising the brick paragraph and were not ready to report on it. I learn that during my absence the statement was made that some provisions in the brick paragraph are directly connected with the rates on magnesite, and that is one of the reasons why the brick paragraph has been held in abeyance.

Mr. SMOOT. If the Senator does not object, I would like to read the amendment which the committee will offer. In fact, I would like to offer it now.

Mr. ROBINSON. Very well. Let the amendments be reported.

Mr. SMOOT. On page 31 I desire to withdraw all the committee amendments in paragraph 201, to strike out all of paragraph 201, and to substitute in lieu thereof the following:

PAR. 201. Bath brick, chrome brick, and fire brick, not specially provided for, 25 per cent ad valorem; magnesite brick, four-tenths of 1 cent per pound and 10 per cent ad valorem.

Of course the Senator from Washington will offer an amendment to that.

Then on page 217, after line 5, I move to insert a new paragraph to read as follows:

PAR. 1535a. Brick, not specially provided for: *Provided*, That if any country, dependency, Province, or other subdivision of government imposes a duty on such brick imported from the United States, an equal duty shall be imposed upon such brick coming into the United States from such country.

Mr. ROBINSON. Mr. President, that is a complete revision of the paragraph, and a very important one. If the issue is to be so radically changed, I think it might be very well to let the amendments be printed and have the whole matter go over until Wednesday so that we may have a chance to study the matter.

Mr. SMOOT. I have no objection; but the Senator from Washington would like to have his amendment voted upon, and I think more than likely that would be the best thing to do.

Mr. POINDEXTER. Mr. President, will the Senator from Arkansas yield to me for just a brief statement?

Mr. ROBINSON. Certainly.

Mr. POINDEXTER. I do not know whether the Senator has considered what the item is and the relation it bears to the vote we have already had. We voted just now to restore the rates of the House on crude magnesite and on dead-burned magnesite and on calcined magnesite. Magnesite brick are made out of dead-burned magnesite and of course there ought to be equally as high a rate on magnesite brick, which is a further form of manufacture, as on dead-burned magnesite. The Senate having voted three times on the principle involved, it occurs to me that it ought to vote on the other item.

Mr. ROBINSON. I am bound to say, in reply to the statement of my friend, the Senator from Washington, that I do not see where any principle was involved in the vote on dead-burned magnesite or other forms of magnesite. The fact of the matter is that when we consider the votes upon the amendments of the Senator from Washington and the effect upon other paragraphs in the bill, it is difficult to account for the fixing of so high rates on dead-burned magnesite as are carried in the amendments of the Senator from Washington.

I can not understand why the amendments offered by the Senator from Utah have not been printed, so that the Senate could have an opportunity to study them. I suppose they were all contingent upon the adoption of the Poindexter amendment.

Mr. SMOOT. That is what the committee was waiting for, or else they would have been printed before. As long as we have voted three-fourths of a cent on dead-burned magnesite, those who voted for that rate can not vote for less than three-fourths of a cent on magnesite brick.

Mr. ROBINSON. No; but they might reconsider their votes on dead-burned magnesite if they had a little time to think over it. I believe we had better let this paragraph go over until Wednesday. I request that the amendments proposed by the Senator from Utah be printed, so that we may have them available for examination.

The VICE PRESIDENT. The amendments will be printed and lie on the table.

Mr. SMOOT. Mr. President, I call attention now to paragraph 47 to see if we can not dispose of that now. I will say to the Senator from North Carolina [Mr. SIMMONS] that all the items in paragraph 47 were voted upon and agreed to, with the exception of the last amendment, which imposed a duty upon calcined magnesite, including dead burned and grain. Of course, that has been stricken out and transferred to paragraph 204a, so that by agreeing to all the amendments now as the committee has reported them, it will leave paragraph 47 complete with one exception.

The VICE PRESIDENT. The Senator is reminded that the Senate reconsidered the votes by which all those amendments were agreed to.

Mr. SMOOT. They were reconsidered, and they all have to be voted upon at this time, but if we agree to vote upon them I do not think it will lead to any discussion whatever. In the

rate on epsom salts there is no amendment, but now that we have doubled the rate on magnesite ore, of course, the rate provided for epsom salts is not a sufficient compensatory duty. In fact, the rate is a quarter of a cent less than on the raw material. When the committee amendments are finally disposed of, unless an amendment is brought in before that time, the epsom salts rate in this paragraph will have to be changed.

Mr. SIMMONS. We can not change it now.

Mr. SMOOT. No; I made that statement. I ask now that the amendments in paragraph 47 as reported by the committee be agreed to.

Mr. SIMMONS. The first amendment is to strike out "three-fourths of 1 cent" and reduce it to "one-half of 1 cent." It is not proposed to increase that rate?

Mr. SMOOT. No; just the amendments as they are now in the printed bill.

Mr. SIMMONS. Very well. Let us have a vote on them.

The ASSISTANT SECRETARY. On page 20, in line 18, in paragraph 47, the committee proposes to strike out "three-fourths" and insert "one-half," so as to read:

Magnesium: Carbonate, precipitated, 2½ cents per pound; chloride, one-half of 1 cent per pound.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 20, after the word "oxide," the committee proposes to insert the words "or calcined magnesia," so as to read:

Oxide or calcined magnesia, medicinal, 7 cents per pound.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 20, line 21, before the word "calcined," and the semicolon, the committee proposes to insert "Oxide or," so as to read:

Oxide or calcined magnesia, not suitable—

And so forth.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 22, after the word "use," the committee proposes to insert "three-fourths of 1 cent per pound," so as to read:

Oxide or calcined magnesia not suitable for medicinal use, three-fourths of 1 cent per pound.

The amendment was agreed to.

The ASSISTANT SECRETARY. The committee proposes to strike out, beginning in line 22, the remainder of the paragraph, as follows:

And calcined magnesite, including dead-burned and grained, three-fourths of 1 cent per pound; and magnesite, crude or ground, one-half of 1 cent per pound.

The amendment was agreed to.

Mr. SMOOT. I understand the Senators who are to discuss manganese ore and ferro-alloys are not prepared to proceed. I ask that we now proceed to paragraph 322, railway fishplates.

The ASSISTANT SECRETARY. At the top of page 62, paragraph 322, the committee proposes after the words "splice bars" to insert the words "tie-plates," so as to read:

Railway fishplates or splice bars, tie-plates, made of iron or steel, one-fourth of 1 cent per pound.

Mr. SIMMONS. I have no objection to a vote on the amendment.

The amendment was agreed to.

The ASSISTANT SECRETARY. Before the words "all other," in line 2, the committee proposes to insert "rail braces, and," so as to read:

Rail braces and all other railway bars made of iron and steel, and railway bars made in part of steel, T-rails, and punched iron or steel flat rails, seven-fortieths of 1 cent per pound.

The amendment was agreed to.

Mr. SMOOT. I ask now that we proceed to paragraph 325, jewelers' and other anvils.

The ASSISTANT SECRETARY. In paragraph 325, page 62, line 23, the committee proposes to strike out the word "anvils" and insert "jewelers' and other anvils weighing less than 5 pounds each, 45 per cent ad valorem; all other anvils," so as to make the paragraph read:

PAR. 325. Jewelers' and other anvils weighing less than 5 pounds each, 45 per cent ad valorem; all other anvils of iron or steel, or of iron or steel combined, by whatever process made, or in whatever stage of manufacture, 1½ cents per pound.

Mr. SIMMONS. The Senator from Arkansas [Mr. ROBINSON], I think, wishes to discuss this paragraph.

Mr. ROBINSON. Mr. President, the committee amendment to this paragraph imposes a duty of 45 per cent ad valorem on jewelers' and other anvils weighing less than 5 pounds each. On all other anvils of iron or steel, or of iron and steel combined, by whatever process made, or in whatever stage of manufacture, a duty of 1½ cents is imposed. The present duty on anvils is 15 per cent ad valorem.

The production of wrought anvils in the year 1911 is said to have been about 2,600,000 pounds. An increase in domestic production has followed the declining imports since the beginning of the war and the demand created by military operations. Imports of anvils were something more than 727,000 pounds in 1914. Later statistics show that in 1918 something more than 10,000 pounds were imported, valued at a little more than $1,000 and paying a duty of $174. In 1919 more than 88,000 pounds, valued at something more than $14,000 and paying a duty of a little more than $2,000, constituted the importations.

In 1920 there were 275,805 pounds imported, valued at $33,820, and the duty collected was $5,073. In the first nine months of 1921 the importations were only 34,650 pounds, valued at $3,471.

In view of those facts, Mr. President, it seems that the rate in the committee amendment is excessive. The present rate is only 15 per cent ad valorem, but it is proposed to advance the duty to 45 per cent.

As to jewelers' and other small anvils, this duty, I think, is not justified by the facts. I therefore move to amend by striking out "45 per cent ad valorem" and inserting "20 per cent ad valorem."

The VICE PRESIDENT. The question is on the amendment of the Senator from Arkansas.

Mr. SMOOT. Just a word. Of course, the 45 per cent rate applies only to the very small jewelers' anvils. They weigh less than 5 pounds. The rate in the Payne-Aldrich law was 1½ cents per pound and the present rate, as the Senator from Arkansas has stated, is 25 per cent ad valorem.

Mr. ROBINSON. May I ask the Senator from Utah a question?

Mr. SMOOT. Just a moment. The Tariff Commission states:

Duty at the rate of 1½ cents a pound on jewelers' anvils would be practically negligible.

The rate which the House imposed of 1½ cents per pound is a little less than 10 per cent. Ten per cent on jewelers' anvils, of course, would be simply ridiculous, because, as every Senator knows, jewelers' anvils are of the very finest kind of material, and most of them are not over about 3 inches long. They are very expensive indeed. The Tariff Commission says a duty of 1½ cents a pound would be absolutely negligible.

Mr. ROBINSON. I have not offered any amendment to the provision that will be applicable to a larger anvil because, under the parliamentary status, I am not permitted to do so. The Senate committee did not recommend a change in the figures of 1½ cents a pound on the larger anvils, but merely proposed to advance the duty on a certain class of anvils to 45 per cent ad valorem.

I repeat my former statement that I think 45 per cent ad valorem is not justified by the demands of the industry, even from the standpoint of protection. I therefore move the amendment which I have heretofore offered.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Arkansas to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. SMOOT. I ask now to take up paragraph 332, relative to rivets, and so forth.

Mr. SIMMONS. Mr. President, why not take up paragraph 329?

Mr. SMOOT. I will say to the Senator that paragraph 329 went over for the consideration of the committee. The committee expected to consider that paragraph this morning, but the Senator was in the committee and knows that the whole time of the committee was taken up by the consideration of the bonus bill, and we could not reach paragraph 329.

Mr. SIMMONS. How about considering paragraph 331?

Mr. SMOOT. The same statement applies to that paragraph.

Mr. FLETCHER. My understanding was that paragraphs 329 and 331 went over at the suggestion of the committee.

Mr. SMOOT. Yes.

Mr. FLETCHER. Now it is proposed to take up paragraph 332?

Mr. SMOOT. Yes.

The VICE PRESIDENT. The committee amendment in paragraph 332 will now be stated.

The ASSISTANT SECRETARY. On page 66, paragraph 332, line 3, the Committee on Finance proposes to strike out "25" and to insert "40," so as to make the paragraph read:

PAR. 332. Rivets, studs, and steel points, lathed, machined, or brightened, and rivets or studs for nonskidding automobile tires, 40 per cent ad valorem; rivets of iron or steel, not specially provided for, 1 cent per pound.

Mr. FLETCHER. Mr. President, on that amendment I wish to submit some comments. Under the act of 1913 the duty on those articles was fixed at 20 per cent ad valorem; under the act of 1909 the duty was fixed at 45 per cent ad valorem; and under the bill as it came from the other House a duty was provided of 25 per cent ad valorem. Now, the Committee on Finance proposes to make that duty 40 per cent. The description of these articles as found in the Summary of Tariff Information is as follows:

Description: A rivet is a headed pin or bolt of metal used to unite two or more pieces by passing it through them and heading the plain end. Ordinary bolts of iron or steel are provided for in paragraph 123.

That is another article.

A stud is a small pin or rod for holding members together or fitting parts to one another. The term steel points is nontechnical and self-explanatory.

The production, it seems, is rather difficult to get at because the rivets, studs, and so forth, are not separate from the general class of bolts, nuts, washers, and rivets. We had those up under paragraph 330.

The imports since 1917 have been as follows: Rivets, studs, steel points, and so forth, in 1918, 1,519 pounds, valued at $344; the amount of the duty collected was $69, the rate being 20 per cent ad valorem. In 1919 the imports were 60,355 pounds, valued at $3,709, the duty being $742. In 1920, 3,330 pounds were imported, the value was $681 and the duty $136. For the first nine months of 1921 the imports were 3,900 pounds, of the value of $325. It is not a very great industry, and I shall not take up much time with it.

Of the rivets of iron or steel not specially provided for the imports amounted in 1918 to 48,481 pounds, of a value of $4,887, the duty collected being $977; in 1919 the imports were 65,900 pounds, valued at $5,928, and the duty was $1,186. In 1920 the imports were 25,600 pounds, valued at $2,718, the duty being $544. For the first nine months of 1921 the imports were 6,566 pounds, valued at $544. The exports are not recorded and there is no information in regard thereto.

The situation is that importations have been very slight and the amount of duty which we have been realizing almost negligible, because of the slight importations, although the rate of duty has only been 20 per cent.

Mr. JONES of New Mexico. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from New Mexico?

Mr. FLETCHER. I yield.

Mr. JONES of New Mexico. I call to the Senator's attention the statement relative to the production of bolts, nuts, rivets, and washers. The Senator has just made the statement that the production of rivets is not given separately and that is true; but in the class where we find that character of production the quantity is very large. In 1914 the production was over $23,000,000, and that is found on page 431 of the Tariff Summary of Information which the Senator from Florida holds in his hand relative to paragraph 330.

Mr. FLETCHER. But that refers to paragraph 330, on which we have already acted.

Mr. JONES of New Mexico. Well, the statistics in connection with paragraph 330 also cover rivets, and there is given the production of those four different items as being over $23,000,000.

Mr. FLETCHER. Yes; the production is very large.

Mr. JONES of New Mexico. There were large exports also, and I take it that rivets go along with the other items mentioned there, and that there would be no greater necessity for a duty upon rivets than for a duty upon nuts and washers and bolts.

Mr. FLETCHER. I should not think so, and under that paragraph the statement is made that the imports are small compared with the exports, and since 1914 have been very slight. The chief feature is that the production of that class of materials is large; that the exports very greatly exceed the imports, and the imports have been slight; but under the paragraph covering these particular items the exports are not given, although the imports, as we have just seen, are very small.

Mr. JONES of New Mexico. The Senator will find the statement of the exports of the same four items on page 432, showing that several million dollars worth of those items are exported.

Mr. FLETCHER. Yes; of bolts, nuts, rivets, and washers since 1917 the exports have been all the way from 63,000,000 pounds in 1918, valued at $5,687,000, to 89,000,000 pounds in 1919, valued at $7,769,893; and in 1920, 87,233,028 pounds, valued at $7,274,411. Those are the exports, as shown on page 433 of this summary, of bolts, nuts, rivets, and washers. The exports of rivets, studs, steel points, lathed, machined, or brightened, and so forth, are not given. The point which I wish to make especially is that, according to the statistics the importations of these articles have been inconsequential. The actual amount of duty yielded to the Government has not exceeded $500, except in one or two years. In 1920 it was $1,186—that is the highest—and in 1918 it was $69.

That is the amount of duty, with a rate of 20 per cent ad valorem. The proposal here is to raise this rate to 40 per cent ad valorem. I submit that it is doubling the rate of duty under which now these articles are very largely excluded, with practically no importations, and it simply means that this rate will be prohibitive, and we will get no duty at all. The industry is not in need of that sort of duty for purposes of protection, even if we stood for protection as protection, independent of any question of revenue.

Mr. President, I move that "40" be stricken out and "20" be inserted in its stead, so that the rate will remain as it is now, 20 per cent ad valorem.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. In lieu of the sum proposed to be inserted by the committee on page 66, line 3, the figures "40," it is proposed to insert "20."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Florida to the amendment of the committee.

Mr. FLETCHER. I ask for the yeas and nays on it, Mr. President.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as before as to the transfer of my pair, I vote "nay."

Mr. McKINLEY (when his name was called). I transfer my pair with the Senator from Arkansas [Mr. CARAWAY] to the Senator from Oregon [Mr. STANFIELD] and will vote. I vote "nay."

Mr. WARREN (when his name was called). Repeating the transfer of my pair, I vote "nay."

The roll call was concluded.

Mr. JONES of Washington. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. PHIPPS. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. FRELINGHUYSEN. Making the same announcement as before, I vote "nay."

The result was announced—yeas 14, nays 38, as follows:

YEAS—14.

Ashurst	Harrison	Robinson	Stanley
Cummins	Jones, N. Mex.	Sheppard	Walsh, Mass.
Fletcher	La Follette	Simmons	
Harris	Ransdell	Smith	

NAYS—38.

Ball	Johnson	McLean	Rawson
Bursum	Jones, Wash.	McNary	Shortridge
Capper	Kellogg	Newberry	Smoot
Curtis	Kendrick	Nicholson	Spencer
Elkins	Keyes	Norbeck	Sterling
Ernst	Ladd	Oddie	Sutherland
France	Lodge	Page	Townsend
Frelinghuysen	McCormick	Pepper	Warren
Gooding	McCumber	Phipps	
Hale	McKinley	Poindexter	

NOT VOTING—44

Borah	du Pont	Moses	Stanfield
Brandegee	Edge	Myers	Swanson
Broussard	Fernald	Nelson	Trammell
Calder	Gerry	New	Underwood
Cameron	Glass	Norris	Wadsworth
Caraway	Harreld	Overman	Walsh, Mont.
Colt	Heflin	Owen	Watson, Ga.
Crow	Hitchcock	Pittman	Watson, Ind.
Culberson	King	Pomerene	Weller
Dial	Lenroot	Reed	Williams
Dillingham	McKellar	Shields	Willis

So Mr. FLETCHER's amendment to the amendment of the committee was rejected.

Mr. SMOOT. Mr. President, I move to strike out "40" and insert "30."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 66, line 3, it is proposed to strike out "40" and in lieu thereof to insert "30."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. I ask now to go to paragraph 217, on pages 38 and 39.

The VICE PRESIDENT. The amendment of the committee will be stated.

The ASSISTANT SECRETARY. On page 39, in paragraph 217, line 11, it is proposed to strike out "28" and to insert "50," so that if amended it will read:

PAR. 217. Plain green or colored, molded or pressed, and flint, lime, or lead glass bottles, vials, jars, and covered or uncovered demijohns, and carboys, any of the foregoing, filled or unfilled, not specially provided for, and whether their contents be dutiable or free (except such as contain merchandise subject to an ad valorem rate of duty, or to a rate of duty based in whole or in part upon the value thereof, which shall be dutiable at the rate applicable to their contents), shall pay duty as follows: If holding more than 1 pint, 1 cent per pound; if holding not more than 1 pint and not less than one-fourth of a pint, 1½ cents per pound; if holding less than one-fourth of a pint, 50 cents per gross: *Provided*, That none of the above articles shall pay a less rate of duty than 50 per cent ad valorem—

And so forth.

Mr. JONES of New Mexico. Mr. President, this is one paragraph among several relating to glassware. The amendment proposed provides for nearly 100 per cent increase in the present rate. I suppose the Senator from New Jersey is prepared to justify the increase in these rates. If so, I am sure we should all be very glad to hear what he has to say on the subject.

Mr. FRELINGHUYSEN. Mr. President, is the Senator addressing me?

Mr. JONES of New Mexico. I understood that the Senator from New Jersey was going to represent the committee on these glassware paragraphs.

Mr. FRELINGHUYSEN. No; I am going to speak on chemical glassware.

Mr. JONES of New Mexico. Then is there no one to justify this increase in the rate on paragraph 217?

I must confess some little astonishment that there is no one who is willing to volunteer a justification for this increase in the rate.

Mr. McCUMBER. I try to accommodate Senators, and when Senators said they wanted to take up paragraph 217, I shifted to paragraph 217. If anyone wants to take it up, if the Senator who has charge of that paragraph on this side is not present, we can still go on with it.

Mr. JONES of New Mexico. I did not ask to have that paragraph taken up. I am perfectly willing to have it taken up, however.

Mr. McCUMBER. Very well, we will take it up.

Mr. JONES of New Mexico. But I did not ask to have it done; I have no particular ax to grind; but I wanted to call attention to the fact that this is a very great increase in the rate of duty on this item of glassware, bottles, and jars, used in every home in the land. It is proposed to increase the duty from 30 per cent to 50 per cent, and I supposed that there would be somebody on the committee ready and willing, and it would seem to me they should be anxious to justify this rate.

Mr. FRELINGHUYSEN. Mr. President, if the Senator wants to go on I will suggest to the chairman of the committee that we proceed with paragraph 218.

Mr. McCUMBER. Very well. I try to accommodate Senators. I would just as soon take up paragraph 218, and I understand the Senator from New Jersey is ready to go on with it.

Mr. JONES of New Mexico. I do not see how we can very well consider paragraph 218 and ignore paragraph 217. They cover parts of the same industry; they are necessarily interlocked, so far as the facts are concerned, and I think there is just as much reason for the increase in the one case as there is in the other.

Mr. McCUMBER. Let me say to the Senator that the paragraphs cover entirely different matters. There is quite a little difference between the ordinary glass bottle and the chemical glassware, which requires a great deal of work. Paragraph 218 relates to the chemical glassware, and, of course, it is an entirely different proposition.

Mr. JONES of New Mexico. There is some chemical glassware mentioned in paragraph 218, but that paragraph does not comprise chemical glassware only. It contains a very large number of different items, and the chemical glassware is the very smallest part of it.

Mr. FRELINGHUYSEN. Mr. President, do I understand that the Senator from New Mexico is willing that we shall proceed with paragraph 218?

Mr. JONES of New Mexico. I am not going to be insistent on any special order at all, but I was just suggesting that the more logical way to begin would be by taking up paragraph 217, because that necessarily will be considered in connection with paragraph 218, and I see no reason for passing over paragraph 217. I should like to have that considered along with the other. It follows in natural sequence, and I can not understand why anyone would insist on going ahead with paragraph 218, with paragraph 217 undisposed of.

Mr. McCUMBER. I will state, if the Senator will allow me, that the Senator from West Viringia [Mr. SUTHERLAND] wants to be present when we discuss paragraph 217, and the Senator from West Virginia is absent. I try to accommodate Senators where it is possible to do so.

Mr. JONES of New Mexico. I think the whole subject had better go over now, and that all paragraphs relating to it should be discussed at the same time. The whole glassware industry is involved, and if there is anyone who wants to be heard upon the glassware industry, I think he should be here, because all these paragraphs relate to the same thing. So if there is no one here prepared to go ahead with paragraph 217, I would like to have the whole glassware subject go over until we can take up together all the paragraphs relating to it.

Mr. McCUMBER. I see no reason why we can not allow the Senator from New Jersey to go on and discuss what he desires upon that paragraph.

Mr. FRELINGHUYSEN. Mr. President, the Senator well knows that these two paragraphs are entirely different. Paragraph 217 relates entirely to products used commercially—bottles, vials, jars, and demijohns—and has no relation whatsoever to paragraph 218. Paragraph 218 covers biological, chemical, metallurgical, pharmaceutical, and surgical articles, an industry which never existed in this country prior to the war. It is strictly a war-time industry, and has reference only to products which are used in laboratories, educational institutions, and in all of the laboratory work in the various large industrial establishments in the country. It is known as chemical glassware.

The production of biological, chemical, metallurgical, pharmaceutical, and surgical glassware is the master-key industry of America. It is absolutely essential to every producing interest in this country, large or small, through laboratory test and analysis, in which this ware is used, the scientific control of such varied industries as iron, steel, raw and refined sugar, packing-house products, fertilizers, rubber manufacture, Portland cement, soap, oil refining, water works, textiles, chemicals, explosives, dyes, and drugs is accomplished.

In each of the foregoing industries the entire process of manufacture is controlled by a laboratory where a very few men using chemical glassware, costing an insignificant amount, guide the production of billions of dollars' worth of materials.

Prior to 1914–15 practically all of this ware was imported from central Europe, namely, Austria and Germany. The blockading of the Central Powers by the Allies found America without any source of supply for such goods. Not only were there not any factories making this ware, but there were no workmen to be found with the proper talent, experience, and ability to do the work.

The manufacturers of glass were appealed to unofficially by heads of governmental departments to do their share in establishing this limited but extremely important industry in America. At a meeting at the outbreak of the war with Germany this duty was allotted them as their share of the successful prosecution of military operations by the Council of National Defense. Plants had to be remodeled, enlarged, and, in some instances, originated; workmen had to be schooled in an entirely new technique. The manufacturers asked for no promises; they simply went ahead and did what they realized was a necessity.

At the signing of the armistice there were in operation 10 established plants making factory blown ware, such as beakers, flasks, tubing, and blanks, and as many plants manufacturing lamps, blown, and volumetric ware.

To-day there are less than half of these plants operating at all, and these at such reduced capacities hardly warranting their continuance. These specially trained workmen are walking the streets or drifting into other industries.

LABOR.

It would be in order to say a word at this time in reference to the attitude of the workmen in the chemical-glass industry. There has been some misconception as to the wages and working conditions in this industry. While it is true that a part of this

trade is organized, on the other hand a larger part is worked on the open-shop basis.

As far back as 1910 the workers realized the necessity of developing the chemical glassware trade in the United States. After thorough investigation, however, both manufacturers and workers found this to be impossible, due to the fact that over half of the chemical glassware used in this country for educational and instrumental purposes was imported free of all duty. The opportunity sought in 1910 was offered in 1914–15 by cessation of importations from central Europe.

In the factory blown or hollow ware department, at the peak of the war the wages of skilled men ranged from $5 to $9 per day. The $9 per day men were the highest skilled workmen in the country, and when compared with skilled workers in other industries, this can not be claimed excessive.

In August, 1921, these workmen accepted a voluntary reduction in wage of 17½ per cent, and increased the working moves on many items; that is to say, increased the number of pieces per day, so that the reduction, instead of being 17½ per cent came nearer to 25 per cent.

This wage was to be effective for one year. Unable to cope with the German competition, these same men, in the hope of securing the college trade for the spring and coming summer, accepted an additional reduction of 10 per cent on all items known as chemical glassware, used by colleges and educational institutions.

In the lamp blown and volumetric departments practically the same action was taken, namely, in February, 1921, wages were reduced 15 per cent, and an additional 15 per cent reduction was accepted in September of the same year.

CAPITAL.

It is a matter of record, and has been so published by the official organ of the American Chemical Society, that the manufacturers have passed this entire reduction to the consumer, notwithstanding his cost of production has not been reduced in proportion, due to his inability to operate his plants on a production basis because of the cheap importations from central Europe.

Mr. President, I ask that this editorial from the Journal of Industrial and Engineering Chemistry of November, 1921, entitled "Square dealing," showing the parallel reductions of prices following the wage reductions, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SQUARE DEALING.

Why bother about strict editorial practice when your heart is full over good news bearing upon American chemical independence? Why speak in impersonal vein about men who are playing the game fairly and squarely and who are making history. If it be considered free advertising, then let it go at that; but we want every American chemist to know exactly what we learned in a conference in this office this afternoon.

The visitors were Mr. E. E. Kimble and Mr. Otis, of the Kimble Glass Co., Vineland, N. J., and Mr. R. T. Will, of the Will Corporation, Rochester, N. Y. From Mr. Kimble we learned a story of the attitude of union labor to the chemical glassware industry which is a veritable ray of bright sunshine, in contrast with the lowering clouds of the threatened railroad strike announced yesterday. At our request Mr. Kimble placed these facts in the form of a letter.

OCTOBER 17, 1921.

DR. CHARLES H. HERTY,
1 Madison Avenue, New York City.

MY DEAR DOCTOR HERTY: In February, at the solicitation of the American Flint Glass Workers' Union, the union met the Chemical Glass Manufacturers at the Hotel Walton, Philadelphia, and the union volunteered to give a 15 per cent reduction in wages to meet the foreign competition with which they were confronted. A further voluntary reduction of 15 per cent was granted the manufacturers in August, 1921, in this same department.

The Chemical Glassware Blowers, an allied division of the Glass Workers' Union, accepted in August a voluntary reduction in wages of 17½ per cent, and increased the working move on many items—that is to say, increased the number of pieces per day—so that the reduction instead of being only 17½ per cent will come nearer to 25 per cent.

The action of these divisions of the American glass workers was highly commendable, and to our mind shows the true American attitude, in that the glass worker has shown himself willing to help reduce the price of American-made glassware to come within reasonable competitive figures with imported ware.

Very truly yours,

E. E. KIMBLE.

That was fine—"But," we asked Mr. Kimble, "have you given the consumer the benefit of that lowering of cost?" "Every bit of it," he replied, "and for confirmation I refer you to Mr. Will." He, in turn, promptly confirmed the statement. Fine, again! "But, Mr. Will [the dealer], have you given the consumer the benefit of your cheaper purchases?" Quick as a flash, he turned to his printed prices in the 1921 issue of the Chemical Catalogue lying near by and showed us the new prices on standard chemical glassware and the prices of the same in his 1920 lists. Lowered, all along the line! To get the matter in more general form we immediately wrote Mr. C. G. Fisher, of the Scientific Materials Co., Pittsburgh, Pa., and asked his current prices on the same items. Here are the prices resulting from the joint attitude of labor, the glass manufacturer, and the dealer:

	1920		Current prices.	
	Will Corporation.	Scientific Materials Co.	Will Corporation.	Scientific Materials Co.
Mohr's buret for pinch cock 50 cc. in 1/10..	$0.70	$0.65	$0.42	$0.45
Liebig's condenser, sealed in coil 250 mm. length	2.70	2.05	1.30	1.15
Extraction apparatus, Soxhlet, 100-cc. capacity, ground joints	6.70	7.00	4.80	6.00
Volumetric flask, glass stoppered, with mark on neck graduated, 1,000 cc	1.25	1.40	.90	1.20
Funnel, separatory, globe shape, stoppered long stem, 500 cc	2.65	2.10	1.75	1.65
Funnel tube, straight thistle top, 250 mm.	.11	.11	.10	10

That is the completed story. The lowering of labor's wages has been completely passed by the manufacturer and the dealer to the ultimate consumer, the chemist in the laboratory. It is a fine instance of square dealing.

During the recent exposition we met Herman Coors, of Golden, Colo. "How about it, old man? What are you doing in chemical porcelain manufacture in these dull times?" "Never busier," he replied, "twice as many orders as in any previous year and doing business under the same motto." The reference was to a bit of advice we gave him several years ago—"Improve the quality of your goods every year, cut down the cost of production, be content with small earnings, and give the consumer the benefit of every possible lowering of costs."

These men, and others like them, have been able to stay in business because the greater number of American consumers have stood loyally by them, recognizing the difficulties of this trying postwar period and determined that in the future America shall be independent in such matters.

Mr. FRELINGHUYSEN. Now, just a word about these exhibits which I have before me on my desk. This article I hold in my hand is a boiling flask. That is an American manufacture. It is resistant glass for boiling chemicals. It is produced at a price, free on board at the factory, of 12 cents. This is the German ware, a similar article, landed, free on board New York, at 7.3 cents. They are practically the same thing.

Here I show a graduated cylinder used for measuring in chemical laboratories. This is the German article, landed free on board New York, for 17 cents. Here is the American article, landed free on board at the factory, for 32 cents.

Here is a funnel separator, manufactured in Germany for 59 cents, and I call the Senate's attention to the workmanship required in this valve, made entirely of glass. Here is the American article, free on board the factory, 94 cents.

Here are comparable measuring pipes, the German 15 cents, the American 21 cents.

I have a letter from Surgeon General Ireland, of the United States Army. In this letter to me, dated May 24, 1922, he said:

WAR DEPARTMENT,
OFFICE OF THE SURGEON GENERAL,
Washington, May 24, 1922.

Senator JOSEPH S. FRELINGHUYSEN,
Senate Office Building, Room 405, Washington, D. C.

MY DEAR SENATOR FRELINGHUYSEN: With reference to telephone conversation with you this date, I am in favor of a protective tariff covering chemical glassware, which tariff should be sufficient to preserve the present American industry.

Upon entry of the United States into the World War great difficulty was experienced in obtaining the requirements of the Medical Department in this commodity. This difficulty continued up to the time that the American industry was developed to the extent of meeting the Army requirements, and thereafter no difficulty was experienced.

It is believed that the development of the American industry on essential war items is one of the important factors in carrying out the policy of national defense.

Very sincerely yours,

M. W. IRELAND,
Surgeon General, United States Army.

I also have a letter from Mr. Charles L. Parsons, secretary of the American Chemical Society, Washington, D. C., dated May 23, 1922, which reads as follows:

AMERICAN CHEMICAL SOCIETY,
OFFICE OF THE SECRETARY,
Washington, D. C., May 23, 1922.

Hon. JOSEPH S. FRELINGHUYSEN,
United States Senate, Washington, D. C.

DEAR SENATOR FRELINGHUYSEN: I take pleasure in writing you that after very careful consideration the American Chemical Society has unanimously expressed its opinion that the development of American-made glassware, chemicals, and chemical apparatus should be encouraged in every possible way.

Accordingly it is a pleasure, as I am personally in hearty accord with this idea, to write you that under the stress of stern necessity an industry of real importance has been built up in the United States for the production of glassware for use in our chemical laboratories and chemical industries. Previous to the war there was no real chemical glassware industry in America.

During the last six years an industry producing glassware second to none in quality has been developed which is now offering chemical apparatus to the American public at a reasonable price. One line of glassware especially has become famous as having no superior in any country, and when life is taken into consideration there is no cheaper

glassware made. There are now in America four large houses making beakers, flasks, tubing, and blanks, and five houses doing extensive lamp glassware blowing and graduating volumetric ware.

With the exception of some 5 to 8 per cent of especially molded glassware, such as large aspirator bottles, Wolff bottles, and gas generators, the American demand can be fully supplied from homemade material of excellent quality.

I sincerely trust that you will be successful in your efforts to see that proper support is given to this important new American industry.

Very truly yours,

CHARLES L. PARSONS, *Secretary.*

Mr. JONES of New Mexico. May I ask the Senator from what he has just been reading?

Mr. FRELINGHUYSEN. I read from a letter addressed to me by the secretary of the American Chemical Society.

Mr. JONES of New Mexico. May I see the letter?

Mr. FRELINGHUYSEN. Certainly. I understand that this society represents over 13,500 college professors and chemists in the United States.

In the testimony of Mr. Eimer, before the Ways and Means Committee of the House in 1919, he said:

We maintain that the chemical glassware and porcelain ware, in connection with other chemical and scientific apparatus, was absolutely essential to the key industries; in fact, to all the important manufacturing industries. We will demonstrate that these key industries can not be started or even maintained without chemical and scientific apparatus. For example, take dyes: Before we can manufacture them we must first develop them in the research laboratory. Then the next step in order after that is to work out the manufacturing method and processes, and that is also done in the laboratory. Then, finally, after the product has been put on a manufacturing basis, the processes must be controlled by what is known as the controlling laboratory. The controlling laboratory is the heart of the modern manufacturing plant. If this laboratory is prevented from operating, the plant is forced to shut down. In the case of the manufacture of guncotton, powder, and explosives, an interruption of laboratory tests would probably result in the blowing up of the whole plant. The laboratory must not be interrupted; the tests have to be carried out continuously.

Mr. President, I know what was accomplished by these industries during the war. I know how, through the energy of the American manufacturer, through the ability and genius of the glass blowers who had never undertaken this class of glass blowing before, they took these models and produced in this country a product practically equal to that of Germany. Germany and Austria, by reason of the low wages paid there, can land this technical glassware in this country at a much lower cost than we can manufacture it here, and unless we protect the industry with a differential between these production costs the industry here must close down.

The question is whether it is worth while for us to have the industry in this country or not. That is the point of view which the committee has taken, that the industry as the key industry should be maintained and protected. Upon that record of American energy and genius I rest my case.

Mr. CUMMINS. Mr. President, I would like to ask the Senator from New Jersey a question, if he will permit me.

Mr. FRELINGHUYSEN. Certainly.

Mr. CUMMINS. The Senator began his statement by saying, as I understood him, that the paragraph relates only to the kind of glass or glass production which he has described. I am very much impressed with his argument in favor of a duty, a very substantial duty, upon this kind of glass. But the paragraph upon which he spoke contains a very large number of other productions than chemical or laboratory glass. What has he to say about those?

Mr. FRELINGHUYSEN. I only spoke of that portion of the paragraph which relates to chemical glassware and said that it had no relation whatsoever to paragraph 217 as far as the biological glassware was concerned.

Mr. CUMMINS. In that the Senator was quite right, but after the first clause of this paragraph, which closes by attaching a duty of 70 per cent, the paragraph proceeds:

illuminating articles of every description, including chimneys, globes, shades, and prisms, incandescent electric light bulbs, with or without filaments, for use in connection with artificial illumination, all of the foregoing, finished or unfinished, composed wholly or in chief value of glass or paste, or a combination of glass and paste, 70 per cent ad valorem.

Then, omitting one clause, it proceeds:

table and kitchen articles and utensils, and all articles of every description not specially provided for, composed wholly or in chief value of glass or paste, or combinations of glass and paste, blown or partly blown in the mold or otherwise, or colored, cut, engraved, etched, frosted, gilded, ground (except such grinding as is necessary for fitting stoppers or for purposes other than ornamentation), painted, printed in any manner, sand-blasted, silvered, stained, or decorated or ornamented in any manner, whether filled or unfilled, or whether their contents be dutiable or free, 65 per cent ad valorem; table and kitchen articles and utensils, composed wholly or in chief value of glass or paste, or a combination of glass and paste, when pressed and unpolished, whether or not decorated or ornamented in any manner or ground (except such grinding as is necessary for fitting stoppers or for purposes other than ornamentation), whether filled or unfilled, or whether their contents be dutiable or free, 50 per cent ad valorem.

I would like to have some information with regard to the ordinary commercial articles. The Senator has convinced me with regard to the production of which he has just spoken, but what about the remainder?

Mr. FRELINGHUYSEN. I was simply dealing with the subject of chemical glassware in my statement. The other part of the paragraph, I believe, the Senator from West Virginia [Mr. SUTHERLAND] understands, and he will defend the duty of 70 per cent ad valorem as absolutely essential to the protection of that glassware. While the Senator from Iowa is right in that the paragraph deals with several types of product, none of them relates to paragraph 217, because that is the bottle paragraph, and really relates to an entirely different branch of the industry. I think the Senator from West Virginia can clearly establish the justification for the other rates.

Mr. CUMMINS. I understood the Senator from West Virginia was to give his opinion with regard to paragraph 217, but paragraph 217 does not cover the articles mentioned in the last part of paragraph 218.

Mr. FRELINGHUYSEN. No; the Senator is correct about that.

The VICE PRESIDENT. What is the pending question?

Mr. FRELINGHUYSEN. Paragraph 218.

The VICE PRESIDENT. What does the Senator desire as to that paragraph?

Mr. FRELINGHUYSEN. I call the attention of the Senator from New Mexico [Mr. JONES] to the fact that under this paragraph, following the chemical glassware paragraph, which products show an increase in importations, the chimney importations have grown from practically a negligible importation in 1918 to $142,000 for nine months of 1921.

The chimneys for gas lamps and tubing have increased from $133,000 in 1920 to $451,000 for nine months of 1921. Globes and shades for gas and electric lights have grown in importations from nothing in 1918 to $371,000 in 1921 for nine months. Tableware and bar glass importations have increased from $31,000 in 1918 to $910,000 in 1919.

All other articles in the basket clause have increased from $2,000,000 in 1918 to $4,815,000 in 1919. The same increase applies to bottles and decanters, from $258,000 in 1918 to $2,473,000 in 1920, and for nine months of 1921, $1,266,000. Candlesticks, candelabra, and chandeliers increased from $1,000 in 1918 to $52,000 in 1919. A progressive increase is shown all the way through. If the testimony of the glassware men is to be believed, the whole industry is menaced by the low cost of production abroad.

Mr. McCUMBER. Mr. President, the Senator from Iowa [Mr. CUMMINS] asked, I think, a very pertinent question, and inasmuch as it does not seem to have been answered directly, I will take a little time to give the results of the investigation that was made in reference to these prices and show to the Senate that while these rates seem rather high they are very much less than the Reynolds report would indicate would be required in order to equalize the difference between the foreign and the American prices.

Now, reverting to paragraph 218, I will take 10 items of electrical glassware. These articles are made in Czechoslovakia and the prices are per dozen. The foreign value is $2.13 per dozen; the landed charges, 85 cents; while the selling price of the imported article in the United States is $5.80. The selling price of the comparable domestic article is $7.49, so the rate required to equalize the difference, allowing a reasonable profit—and we have allowed a profit of 33⅓ per cent—to the foreigner would be 123 per cent. The committee has given 70 per cent.

The next item is electrical glassware from Germany costing $1.64. The landed charge is 74 cents; the selling price of the imported article in the United States is $5.17; the selling price of the comparable domestic article is $6.44. Allowing 33⅓ per cent to the importer, it would require 150 per cent to equalize the foreign with the American selling price.

The next two items are glasses made in England, and per dozen the foreign value is 58½ cents; the landed cost, 6 cents; the selling price of the imported article, $1.48; the selling price of a comparable domestic article, $1.92. The rate required, allowing 33⅓ per cent profit, would be 136 per cent.

Now I will skip over some and take five classes of blown-glass tableware made in Holland. The foreign value per dozen is $5.60; the landed cost, $1.68; the selling price of the imported article is $12.98; the selling price of the comparable domestic article in the United States is $19.73. Allowing 33⅓ per cent profit to the foreigner, it still would require 134 per cent to equalize the difference. The committee has given 65 per cent.

I will next take blown-glass tableware from Belgium, a dozen pieces. The price is $5.94 in Belgium; landed cost, $1.21; the

selling price, $10.50; the selling price of the comparable American article is $9.04. Therefore, it would take only 2 per cent to cover the difference in that one article.

Now we come to the ornamental, and here is where the widest differences occur. Take four items of blown-glass ornamented tableware from Italy. This is by single items. The cost, $1.77; the landed cost is 43 cents; the selling price in America is $4.94; the selling price of the comparable American article is $7.94. Allowing 25 per cent profit, which is the usual charge allowed in those cases, it would require 302 per cent in order to equalize the foreign with the American selling price. The committee have allowed 65 per cent.

Without going into details, the chemical glassware items range from 260 to 472 per cent to equalize the difference, and we have given but 75 per cent.

Mr. President, I could run all of these down and demonstrate that the duties which we have actually allowed are scarcely in any case as much as half of what is absolutely required or was required at the time the report was made, but after making allowance for a decline in American price and other conditions we believe that the industry may be continued in the United States with from 65 to 75 per cent ad valorem duty.

Mr. CUMMINS. Mr. President, I have just one question to present to the Senator from North Dakota for information to assist me in making up my mind in relation to this matter. The Senator from North Dakota has said that in computing the selling price of the foreign article the committee have allowed the importer a profit of either 25 per cent or 33⅓ per cent, as the case may be.

Mr. McCUMBER. Yes.

Mr. CUMMINS. Did the Reynolds Commission report what the profit to the American producer was in establishing the American selling price?

Mr. McCUMBER. Mr. President, they neither reported upon the profit of the American producer nor did they report upon the profit of the foreign producer. What they were required to do was to ascertain the duty which should be levied under the American valuation plan. Of course if we were going to adopt the basis of the American selling price, we had to get the difference between the foreign selling price, the one standard of valuation, and the American selling price, the other standard of valuation, which was proposed.

The experts of the department have informed us that upon the two prices the profits average about the same; in other words, where they have examined into the cost of production, that cost on the opposite side of the water, and the cost of production of the like article on this side of the water were in about the same proportion to each other as were the selling price on the other side of the ocean and the selling price in the United States. That was as near as we could get it.

Mr. CUMMINS. The conclusion from that statement I take it that the committee is of the opinion that 33 per cent is about the average profit of the American producer, based upon the American selling price.

Mr. McCUMBER. The Senator does not understand me. There is allowed a very much greater percentage in landing a product and selling it here than is allowed between the cost of production in the foreign country and what the foreign producer sells the article for in the foreign country. What we are getting at is what we had to compete with in the American market, and therefore we add to what it costs actually to purchase the article in the foreign country, without respect to what the manufacturer there made upon it, the profit which must be allowed to the importer to induce him to take the chances of destruction, pay the insurance, to land it in this country, and to sell it; and we have estimated the usual profits that go to the importer.

There are some lines in which the profits run about 25 per cent—that is the usual profit right along—while in others they go as high as 33 per cent where the cost and the risk involved in the importation is greater.

Mr. CUMMINS. I think I understood the Senator from North Dakota. The point that I have not clearly in my mind is this: How much, if any, reduction could the American producer make and still have a fair profit?

Mr. McCUMBER. What I tried to make clear was that the best evidence that we could secure was that the foreign producer has about the same profit between what it costs him and what he sells it for in his own country—not what he sells it for in this country—as the American has between what it costs him to produce it and what he sells it for in this country. The percentage would be about the same in each instance.

Mr. CUMMINS. At any rate, the committee is of the opinion that these duties are necessary in order to enable our producers to continue in business?

Mr. McCUMBER. I do not think they could continue at all unless they had a duty equivalent to about from 50 to 75 per cent. I can not imagine, with the prices at which the articles are produced abroad, how it would be possible for the American producer to continue in business otherwise.

Mr. SUTHERLAND. Mr. President, in connection with these items relating to flint-glass production, I desire to read a portion of the letter which was written to the President by Thomas W. McCreary, superintendent of the Phoenix Glass Co., and William P. Clarke, president of the American Flint Glass Workers' Union of North America. These two men, one of them representing the operating side of the glass industry, covered by the several paragraphs now under consideration, and the other representing all the workers in the industry, were appointed a committee to go abroad and to examine into all the conditions of this industry on the other side of the water. When they returned they made a very valuable report. Those who are interested in that report may find it in the hearings before the Committee on Finance in relation to the special and administrative sections of the bill, beginning on page 5197. The letter, however, addressed by these gentlemen to the President, part of which I will read, gives succinctly some of the points relating to this industry. I quote from the letter, which is dated Washington, D. C., January 17, 1922, as follows:

SIR: We solicited the honor of personally placing before you for your consideration facts and figures showing the true and actual conditions existing in the flint-glass industry of Europe and the United States. Our knowledge of these facts are personal and is the result of a joint investigation, covering a period of five months, made by us between October, 1920, and March, 1921, during which time we visited the principal glass-producing countries of Europe. Our information was secured from the people actually engaged in the industry, the manufacturers, and workmen and working women of the various countries visited.

We visited the homes of the workmen. We partook of their food in their homes. We observed their living conditions, and also visited the factories and saw the people at work.

Mr. Clarke represented the workmen and Mr. McCreery represented the manufacturers of the flint-glass industry of the United States in the joint investigation made. Each fact as developed was carefully noted, and where a doubt existed in the mind of either, a further investigation was made and the doubt eliminated, with the result that the separate report each made to the respective bodies, the manufacturers and workmen, agreed in every essential.

We will not impose upon you a long citation of figures, but will confine ourselves to a few illustrations showing the difference in the skilled labor cost in Europe and the United States with the belief they will be sufficient to carry conviction. If they are not sufficient we will gladly supply additional facts and figures along the same line.

In Belgium we found the skilled glass worker received 50 cents per 100 pieces, while in the United States the skilled labor cost for 100 pieces of the same article is $2.72. Here we also learned that glass companies made lines of glassware exclusively for the United States trade.

These lines would have no commercial value in the Belgian markets and consequently would be imported into this country at a low valuation, thereby placing the American manufacturers and workman under a double handicap, namely, a low wage rate and an undervaluation import value, when this line of ware could be made in these United States.

In Germany we saw glassware produced at a skilled labor cost of 26 cents per 100 pieces, while the skilled labor cost of producing 100 pieces of the same ware in the United States was $4.26.

We saw factories in Germany and Czechoslovakia, the major part of whose product was and is made for the markets of the United States, and the boast was made to us that they could pay the import duty and place the glassware in the markets of the United States at less cost than it could be manufactured here. We were informed that our import duties could be increased to 100 per cent and yet they could put the glassware into our country at less than our manufacturing cost.

Our observations have confirmed us in the opinion that the foreign manufacturers have as a fixed policy the purpose of keeping wages of all classes of labor, skilled and unskilled, at the lowest possible point, in order to give them a decided advantage in the markets of other countries, where a high wage rate prevails. This is particularly true of the markets of the United States.

When it was suggested to representatives of the manufacturers, which we did, that it would be better for the country, their industry, and all those engaged in it, both manufacturers and workmen, if a higher rate of wages was established and steps taken to develop a home market for their products, we were informed that a home market could not be developed, and the workmen must work for small wages, as that enabled the manufacturers to sell their products in foreign markets. At the same time the information was volunteered that 80 per cent of the glassware produced in Czechoslovakia is exported.

We have brought with us four pieces of domestic produced glassware, used for lighting purposes, in order to demonstrate more clearly the enormous advantage the foreign glass manufacturer has over the American glass manufacturer and workmen.

These articles are staple and are fairly representative of the staple line of illuminating glassware. They are imported very extensively. The skilled-labor cost of producing 100 pieces of the 10-inch chimney is:

Czechoslovakia	$0.07
Germany	.12
United States	2.11

On the 12-inch chimney:

Czechoslovakia	.10
Germany	.14
United States	2.96

The skilled-labor cost of producing 100 pieces of the small white inverted globe is:

Czechslovakia	$0.05
United States	1.66

The skilled-labor cost of producing 100 pieces of the 10-inch white reading shade is:

Germany	$0.26
United States	4.23

Enormous quantities of these articles, foreign produced, enter our markets to the detriment of the American industry.

The ultimate private consumer does not receive the full benefit of the low prices at which these goods are imported. The imported goods are sold to him at a price which is just far enough below the price at which the American manufacturers can put them on the market that domestic producers are driven out of the competition.

It is safe to say the only persons benefited by the importations of foreign glassware under our present system of determining invoice values are the foreign manufacturers and their workmen and those directly interested in their success.

That these goods are frequently invoiced below the value at our ports of entry is proven by our investigation conducted in 1904, when it was ascertained that during that season there was entered at the port of New York 500,000 dozen of the above-mentioned 10-inch white reading shade at a value ranging from 36 to 43 cents per dozen. This was below the cost of the glass material alone to the American manufacturer.

The facts set out in the other report, the complete report made by these men, are very much more exhaustive, but all to the same point, showing the scale of wages in all these countries now being paid or quite recently being paid to their workmen in comparison with the rate of wages paid in the United States. They asked for substantially this ad valorem rate of duty, based upon an American valuation; but while the committee realized that the rates given in the bill now before you are not really adequate, because, as stated in this letter, an ad valorem rate of 100 per cent can be put upon these goods and still the foreign manufacturers can get their goods in here, at the same time it is hoped that these rates will afford a fairly adequate degree of protection for our working people and yet will not entirely shut off foreign competition.

Mr. JONES of New Mexico. Mr. President, I shall not attempt to-night to enter into a general discussion of this question, but shall content myself with saying just a few words in regard to the points which have been touched upon by the Senator from New Jersey [Mr. FRELINGHUYSEN], the Senator from West Virginia [Mr. SUTHERLAND], and the Senator from North Dakota [Mr. MCCUMBER].

The Senator from New Jersey gave us some very interesting data regarding chemical glassware, but he did not supply us with all of the data, by any means. If I recall the substance of what he said, it amounted to about this: That during the war the industry was built up in the United States; that it was an important industry, one which should be encouraged and sustained. I have no objection to considering the matter from that point of view.

Until about the time of the war no chemical glassware of any consequence was made in this country. Most of it came from Germany and Belgium; but during the war our people engaged in the glassware industry began to produce it. They not only succeeded but they succeeded in producing an article much better than had ever before been produced, and, as stated in the letter read by the Senator from New Jersey, in some of these lines, and the most important line, the American product to-day, at present prices, is cheaper than the foreign product at the foreign price. It is so stated in that letter which the Senator read:

One line of glassware especially has become famous as having no superior in any country, and, when life is taken into consideration, there is no cheaper glassware made.

The Tariff Commission in its examination of the subject reached the same conclusion and made substantially the same statement. The foreign chemical glassware was very easily broken. It could not stand or did not stand the wear; and I want to make the statement that when the Tariff Commission examined this subject and inquired of manufacturers as to the amount of duty which they wanted to have, the manufacturers said that the existing duty was sufficient.

In the first place—

The ordinary equipment of a glass factory for the blowing of bulbs and bottles suffices for the production of chemical hollow-blown ware. Molds, blowpipes, and furnaces constitute the principal equipment, and are the same in all countries.

Then, speaking of the methods and processes, the Tariff Commission say:

Methods and processes: The making of hollow blown chemical ware is similar to that of incandescent lamp bulbs and bottles. Lamp-blown and volumetric ware made from tubing, and often according to designs of laboratory scientists, and from the factory blanks, is the work of specially trained artisans. There are less than 250 workmen of this class in the United States—

That was in 1916—

for the most part brought from the Thuringian factories of Germany. Since the war one American firm has developed the use of machinery to do in part what was laboriously done by hand in Germany in the manufacture of the great variety of products coming under the head of "lamp-blown and volumetric ware."

Here is what is said about the amount of the duty:

The manufacturers that have established this new industry in the United States since 1914 are satisfied with the existing rate of duty of 45 per cent ad valorem, but urge that the provision in paragraph 573, which admitted about half of the total chemical ware imported free of duty, be repealed and that all chemical ware be made dutiable at 45 per cent ad valorem. They state that this is necessary in order to encourage and build up their new industry; that large quantities of the ware used in educational institutions are not required to be of a high grade, and therefore the cheaper ware will be imported free of duty when normal trade conditions are restored; and that while they can compete under the existing rate of 45 per cent, they can not compete with duty-free ware.

That was the question which was presented to the Finance Committee by the manufacturers of this ware. Under section 573 of the existing law this class of ware is duty free to colleges and to institutions of learning, and it was that which the manufacturers were complaining against. They were not complaining as to the rate of duty now existing on it. They did not ask that the duty be increased from 45 per cent to 75 per cent, as this bill increases it, but they asked that these instruments intended for the institutions of the country be put on the dutiable list, and that is a very interesting piece of the tariff history of our country.

Mr. SMOOT. The Senator must know that in the testimony the witnesses testified that 45 per cent on the American valuation was sufficient. That is what they were asking for in the American valuation.

Mr. JONES of New Mexico. The Tariff Commission does not say anything about 45 per cent on the American valuation.

Mr. SMOOT. The Senator said it was the testimony of the manufacturers themselves.

Mr. JONES of New Mexico. I have just read that the Tariff Commission reports that that is what the manufacturers said. It is not what was said before the committee. Here is the report of a commission appointed by the United States Government to ascertain just such facts as these.

Mr. SMOOT. I understood the Senator to say that the manufacturers testified before the Finance Committee that 45 per cent was all they wanted.

Mr. JONES of New Mexico. No; I said that the Tariff Commission found that that was all the manufacturers of this country wanted.

Mr. LA FOLLETTE. They were not talking about American valuation at all.

Mr. JONES of New Mexico. They were not talking about American valuation; on the contrary, they said the existing duty was sufficient, which is 45 per cent ad valorem on the foreign valuation.

Mr. SMOOT. I misunderstood the Senator.

Mr. JONES of New Mexico. Yes; the Senator did. What they complain of is having the chemical glassware, used in the educational and scientific institutions of the country, come in free of duty, and that is really a most interesting bit of the tariff history of the country. The bill proposes to take that scientific glassware and put it in this paragraph, in the dutiable list; it proposes to do everything the manufacturers of the country said they wanted done, and then, after having done that, increase the duty on the whole business from 45 to 75 per cent. It can not be possible, it seems to me, that anyone has given careful consideration to this subject.

Mr. SMOOT. The Senator was reading from the report made by the Tariff Commission in January, 1918, at a time when the mark was not as it is to-day.

Mr. JONES of New Mexico. No; this is since the war.

Mr. SMOOT. I read from the Tariff Information Survey, which says:

At the Pittsburgh conference of the Tariff Commission in January, 1918, manufacturers who began the making of this ware when our supply was cut off from Germany, and who are now supplying the domestic demand, strongly objected to the importation free of duty of laboratory ware for educational institutions.

The mark was quite different in 1918. At that time no one had ever thought there would be the competition which has developed since 1918 in this ware.

Mr. JONES of New Mexico. I am a little astonished at the statement of the Senator from Utah about the competition in this ware. There is very little of the ware coming in at all.

Mr. SMOOT. That is a question we can discuss when we reach it. I am simply calling attention to the fact that the statement by the Tariff Commission does not apply to-day at all. It was made in 1918, during the war.

Mr. JONES of New Mexico. What the Tariff Commission said in this survey has been corroborated by everything that has occurred since it was made. There has been no flood of imports of any glassware into this country.

Mr. SMOOT. The Senator does not say that the importation has not been increasing since 1918?

Mr. JONES of New Mexico. Of course, in 1918 none of it was imported.

Mr. SMOOT. That is when this statement was made.

Mr. JONES of New Mexico. I am taking the record prior to the war, and the last information we have on the subject.

Mr. SMOOT. We never made it in this country prior to the war.

Mr. JONES of New Mexico. But I am taking the importations of it.

Mr. SMOOT. We imported all that was used in this country.

Mr. JONES of New Mexico. That is true; but the Senator has no information showing any great flood of imports of this ware, or any other glassware.

Mr. SMOOT. All the information I have is what is shown by the Tariff Commission.

Mr. LA FOLLETTE. What are the imports?

Mr. SMOOT. It is divided up in different sections. The imports of chemical glassware in 1918 were $33,786; in 1919 they were $62,181; in 1920 they were $190,624. Up to 1918 there was an absolute embargo on account of the war, and we never made any of it before the war. There was none made in this country.

Mr. FRELINGHUYSEN. Mr. President, I understand the Senator calls the Senate's attention to the fact that optical and chemical glass men asked 45 per cent in 1918. Is that true?

Mr. JONES of New Mexico. I read from the survey of the Tariff Commission to that effect.

Mr. FRELINGHUYSEN. The value of the mark in 1918 was, I am informed, 24 cents. I do not think it was as high as that. I think it was about 12 to 14 cents. To-day it is worth a quarter of a cent. It makes a big difference in the rate asked. I call the Senator's attention to page 5271 of the hearings before the Finance Committee, in which they asked for 60 per cent ad valorem on the American valuation.

Mr. JONES of New Mexico. I understand that finally some of the parties in interest went before the Finance Committee and made these claims, and I understand further that upon the basis of the claims stated the proposed duty is entirely inadequate. The statement which the Senator holds in his hand proves too much. It is based on one or two factors which, if taken alone, would show that it would be absolute folly for anybody in the United States, even under a 75 per cent duty, to undertake to produce any of the chemical glassware in the United States. It is based simply upon the difference in the price of labor in Germany and the price in this country. It does not take into consideration the many other things which must be considered in the discussion of this subject.

If you base your rate of duty upon those facts alone which were stated in the testimony which the Senator has, you will find that we get nowhere with a 75 per cent duty. Only the partial truth has been told.

Moreover, the facts as stated in that testimony were all true at the time, and with reference to the time when the subject was being investigated, but that takes into consideration nothing regarding the great change in conditions in Belgium, Germany, and Czechoslovakia. The Senator must know that there are other factors entering into the question; that the labor wage has increased enormously since the statement which he has in his hand was made, since the investigation to which it refers was made.

The Senator must take into consideration other factors—that this industry has been built up in the United States; that to manufacture glassware requires fuel in great quantities, and of the best kind. Those countries are handicapped in that regard. Belgium has not recoverd from the war. These countries are not producing. The imports are small compared with the period prior to the war, and nowhere does any witness mention anything which has not changed for the better since it was made, and in favor of the industry in the United States.

It does seem to me that we ought not to make this tariff solely because of conditions which exist in Germany. We hear Germany upon every hand. I think by this time Senators have come to realize that when reference is made to Germany, it is made not for the purpose of giving a reason for these duties, but for the purpose of affording an excuse. If these things can be produced in Germany with the relatively low costs which have been constantly called to our attention, why is not this country flooded with these commodities? If they can be produced two or three hundred per cent cheaper than in this country, why do they not come here? Will Senators longer seriously accept reference to the German situation?

Mr. President, last year the total importations from Germany were less than $90,000,000, but our exports to Germany were nearly $400,000,000. Because of that paltry $89,000,000 Senators would seriously rise here and undertake to frighten us with respect to practically every item in the tariff bill. It seems to me that the patience of serious-minded people would soon pass away. Why do you want to listen to such talk as that when you know we are not doing business on any such basis? But that is all. When we seek for reasons they furnish us excuses.

Mr. President, I observe it is the usual time for taking a recess, and I know that Senators are anxious to get away. I wish to discuss the subject on Wednesday in a rather connected way. So if it is satisfactory to the Senator from North Dakota I will stop now.

EXECUTIVE SESSION.

Mr. McCUMBER. To-morrow being a holiday I had hoped that we might possibly run until 12 o'clock to-night. However, there seems to be some disinclination among Senators to hold that late. Therefore I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After eight minutes spent in executive session the doors were reopened and the Senate (at 10 o'clock and 10 minutes p. m.), under the order previously entered, took a recess until to-morrow, Tuesday, May 30, 1922, at 1.25 o'clock p. m.

NOMINATIONS.

Executive nominations received by the Senate May 29 (legislative day of April 20), 1922.

ASSISTANT REGISTER OF THE TREASURY.

Frank A. DeGroot, of Michigan, to be Assistant Register of the Treasury, to fill an existing vacancy.

COLLECTOR OF CUSTOMS.

Jennie P. Musser, of Salt Lake City, Utah, to be collector of customs for customs collection district No. 48, with headquarters at Salt Lake City, Utah, in place of Estelle V. Collier, resigned.

APPRAISER OF MERCHANDISE.

W. O. Jackson, of Springfield, Ohio, to be appraiser of merchandise in customs collection district No. 41, with headquarters at Cincinnati, Ohio, in place of Thomas Butterworth, resigned. This nomination is to take the place of the one heretofore sent in the name of Oscar W. Jackson and is to correct the name.

APPOINTMENT IN COAST AND GEODETIC SURVEY.

Angus Raymond Jessup, of Virginia, to be aid, with relative rank of ensign in the Navy, in the Coast and Geodetic Survey, vice Benjamin Galos, removed.

PROMOTIONS IN THE NAVY.

The following-named midshipmen to be ensigns in the Navy from the 3d day of June, 1922:

Harold L. Fudge.
Carl R. Brown.
William H. Egan, jr.
Beverly M. Coleman.

POSTMASTERS.

CALIFORNIA.

Fred A. Lindley to be postmaster at Pismo, Calif. Office became presidential January 1, 1922.

Frances L. Musgrove to be postmaster at Arbuckle, Calif., in place of F. L. Musgrove. Incumbent's commission expired April 8, 1922.

John L. Childs to be postmaster at Crescent City, Calif., in place of J. M. Hamilton. Appointee declined.

Jennie Kinney to be postmaster at San Quentin, Calif., in place of M. G. Mails. Name changed by marriage.

CONNECTICUT.

Henry F. Hanmer to be postmaster at Wethersfield, Conn., in place of H. W. Crane, resigned.

GEORGIA.

Philetus D. Wootten to be postmaster at Abbeville, Ga., in place of P. D. Wootten. Incumbent's commission expired March 21, 1922.

Gordon G. Ridgway to be postmaster at Royston, Ga., in place of R. C. Ayers. Incumbent's commission expired April 8, 1922.

HAWAII.

Carl Spillner to be postmaster at Makaweli, Hawaii, in place of B. D. Baldwin, resigned.

Jacintho S. Medeiros to be postmaster at Puunene, Hawaii, in place of J. S. Medeiros. Incumbent's commission expired January 24, 1922.

MARYLAND.

Charles W. Glasgow to be postmaster at Street, Md. Office became presidential April 1, 1921.

MINNESOTA.

Emil Kukkola to be postmaster at Finlayson, Minn. Office became presidential July 1, 1920.

Arthur L. Hamilton to be postmaster at Aitkin, Minn., in place of John Svedberg. Incumbent's commission expired July 21, 1920.

Asa R. Woodbeck to be postmaster at Brookpark, Minn., in place of L. L. Johnson. Incumbent's commission expired August 7, 1921.

Lawrence J. Nasett to be postmaster at Robbinsdale, Minn., in place of J. I. Nasett, resigned.

Harry M. Logan to be postmaster at Royalton, Minn., in place of W. L. McGonagle. Incumbent's commission expired January 24, 1922.

Irving J. Jandro to be postmaster at Waverly, Minn., in place of J. F. McDonnell, resigned.

MONTANA.

Jack Bennett to be postmaster at Plentywood, Mont., in place of I. A. Oakes, resigned.

NEBRASKA.

Marie A. Lybolt to be postmaster at Brunswick, Nebr., in place of M. A. Lybolt. Incumbent's commission expired February 4, 1922.

NEW YORK.

Seward Latham to be postmaster at Central Bridge, N. Y. Office became presidential October 1, 1920.

Frank S. Duncan to be postmaster at Lawrence, N. Y., in place of T. D. Mulcahy. Incumbent's commission expired May 24, 1920.

Violet Breen to be postmaster at Roslyn Heights, N. Y., in place of J. K. Stillwell. Appointee declined.

NORTH CAROLINA.

Luther J. Tucker to be postmaster at Maxton, N. C., in place of B. F. Nicholson. Incumbent's commission expired March 8, 1922.

OHIO.

Joseph E. W. Greene to be postmaster at Newport, Ohio. Office became presidential April 1, 1921.

Julius R. Bruns to be postmaster at St. Henry, Ohio. Office became presidential January 1, 1921.

Cleona M. Dunnick to be postmaster at Ashville, Ohio, in place of S. C. Allison. Incumbent's commission expired January 31, 1922.

OKLAHOMA.

George F. Cutshall to be postmaster at Cement, Okla., in place of A. C. Melton, resigned.

OREGON.

Charles M. Crittenden to be postmaster at Hubbard, Oreg., in place of C. M. Crittenden. Incumbent's commission expired April 30, 1922.

Thomas J. Warren to be postmaster at McMinnville, Oreg., in place of W. L. Hembree, resigned.

PENNSYLVANIA.

Albert D. Karstetter to be postmaster at Loganton, Pa. Office became presidential April 1, 1922.

Emery E. Thompson to be postmaster at Elizabeth, Pa., in place of C. L. Sadler, resigned.

SOUTH CAROLINA.

Ralph W. Wall to be postmaster at Campobello, S. C., in place of E. L. Fagan. Incumbent's commission expired April 30, 1922.

TEXAS.

Henry E. Cannon to be postmaster at Shelbyville, Tex. Office became presidential April 1, 1921.

Bert J. McDowell to be postmaster at Del Rio, Tex., in place of F. M. Brady, resigned.

Daisy M. Singleton to be postmaster at Marble Falls, Tex., in place of C. E. Smith. Incumbent's commission expired January 24, 1922.

Ada A. Ladner to be postmaster at Yorktown, Tex., in place of C. F. Hoff, resigned.

WEST VIRGINIA.

Charles J. Parsons to be postmaster at Sabraton, W. Va., in place of L. H. Jones, resigned.

WISCONSIN.

Peter O. Virum to be postmaster at Junction, Wis. Office became presidential January 1, 1921.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 29 (legislative day of April 20), 1922.

PROMOTIONS IN THE NAVY.

MARINE CORPS.

To be second lieutenants.

Biehl, Frederick Wagner.
Birthright, Frank Burroughs.
Brown, Charles Campbell.
Coffman, Raymond Paul.
Conradt, Pierson Ellsworth.
Crisp, Charles Frederick.
Deese, Rupert Riley.
DeWitt, Ralph Birchard.
Donehoo, John Curling, jr.
Dunkelberger, Harry Edward
Forsyth, Ralph Edward.
Godin, Richard James.
Huff, Howard Reid.
Jerome, Clayton Charles.
Larson, Emery Ellsworth.
McHugh, James Marshall.
Miller, Lyman Gano.
Mitchell, William Montgomery
Orr, William Willard.
O'Shea, George Joseph.
Price, Eugene Hayden.
Riseley, James Profit.
Skidmore, Robert Louis.
Taylor, Edward Dickinson
Weaver, John Buxton.

POSTMASTERS.

CALIFORNIA.

Edward D. Mahood, Corte Madera.
Attilio C. Martinelli, Inverness.
James E. Power, San Francisco.

GEORGIA.

Robert L. Ehman, Stone Mountain.

KENTUCKY.

Arta Henderson, Eubank.
Boyd M. Williams, Kenvir.
Robert L. Jones, Morganfield.

MARYLAND.

Charles W. Meyer, East New Market.

NEW YORK.

Charles H. Strong, Washingtonville.

PENNSYLVANIA.

Enoch A. Raush, Auburn.
William B. Baker, Claysburg.
Fred W. Patterson, Lattimer Mines.
John C. Wilson, Mercersburg.
Charles E. Lear, Riddlesburg.
Zola K. Rodkey, Spangler.

SOUTH CAROLINA.

John E. Folger, Easley.
Daniel B. Woodward, McCormick.

SOUTH DAKOTA.

James T. Leahy, Fedora.

WASHINGTON.

Paul E. Wise, Buena.
Andrew F. Farris, Dryden.
Charles N. Stutsman, Manson.

WEST VIRGINIA.

Mayo M. King, Coalwood.

SENATE.

TUESDAY, *May 30, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 1.25 p. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The Secretary will state the pending question.

The ASSISTANT SECRETARY. The pending amendment is, on page 39, after line 18, to strike out paragraph 218 and to insert a new paragraph 218.

RECESS.

Mr. LODGE. Mr. President, in accordance with Senate Resolution 291, heretofore agreed to, I move that the Senate take a recess until to-morrow morning at 11 o'clock a. m.

The motion was agreed to; and (at 1 o'clock and 30 minutes p. m.) the Senate, under the terms of Senate Resolution 291, took a recess until to-morrow, Wednesday, May 31, 1922, at 11 o'clock a. m.

SENATE.

WEDNESDAY, *May 31, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

ADJUSTMENT OF ARMY AND NAVY PAY—CONFERENCE REPORT.

Mr. WADSWORTH. Mr. President, I present the conference report on House bill 10972, commonly known as the service pay bill, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The Secretary will read the conference report.

The reading clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, and 42, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the language inserted by the Senate insert the following: ", except those whose promotion is limited by law to this grade and who are not entitled under existing law to the pay and allowances of a higher grade"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the language stricken out by the Senate insert the following: "Nothing contained in the first sentence of section 17 or in any other section of this act shall authorize an increase in the pay of officers or warrant officers on the retired list on June 30, 1922"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the language inserted by the Senate, insert the following: "on June 30, 1922, there shall be included in the computation"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the language inserted by the Senate, insert the following: "and service as a contract surgeon serving full time; and also 75 per cent of all other periods of time during which they have held commissions as officers of the Organized Militia between January 21, 1903, and July 1, 1916, or of the National Guard, the Naval Militia, or the National Naval Volunteers since June 3, 1916,"; and the Senate agree to the same.

J. W. WADSWORTH, Jr.,
TRUMAN H. NEWBERRY,
DUNCAN U. FLETCHER,
Managers on the part of the Senate.
JOHN C. MCKENZIE,
JAMES F. BYRNES,
Managers on the part of the House of Representatives.

Mr. WADSWORTH. It may perhaps hasten matters if I make a brief explanation.

Mr. HARRISON. Will the Senator from New York yield, that I may suggest the absence of a quorum?

Mr. WADSWORTH. Is it necessary at this time?

Mr. HARRISON. There are no doubt some Senators on this side of the Chamber interested in this legislation and they are not now here.

Mr. WADSWORTH. Very well.

The VICE PRESIDENT. The Senator from Mississippi suggests the absence of a quorum. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ashurst	Harris	McKinley	Robinson
Borah	Harrison	McLean	Sheppard
Bursum	Hitchcock	McNary	Simmons
Calder	Johnson	Moses	Smoot
Capper	Jones, N. Mex.	Nelson	Sutherland
Culberson	Jones, Wash.	New	Townsend
Curtis	Kellogg	Newberry	Underwood
du Pont	Kendrick	Nicholson	Wadsworth
Edge	Keyes	Norbeck	Warren
Ernst	King	Oddie	Watson, Ga.
Fletcher	Ladd	Page	Watson, Ind.
Frelinghuysen	Lenroot	Poindexter	
Gooding	Lodge	Ransdell	
Hale	McCumber	Rawson	

The VICE PRESIDENT. Fifty-three Senators have answered to their names. A quorum is present.

Mr. WADSWORTH. Mr. President, just a brief word of explanation. The only difference in the bill as now reported from the conference is that the conferees have agreed that those officers who are now upon the retired list in the several services shall not receive the benefit of the increased pay due to the revision of the pay of officers on the active list, but that hereafter the officers who are retired shall have the benefit of the new schedule.

Mr. ROBINSON. Mr. President, what is the subject matter the Senator is discussing?

Mr. WADSWORTH. The pay bill conference report.

Mr. ROBINSON. Has the Senator asked unanimous consent for its consideration?

Mr. WADSWORTH. I have.

Mr. ROBINSON. It has been granted?

Mr. WADSWORTH. The conference report has been read, showing the action of the House in receding.

Mr. ROBINSON. Has a full agreement been reached?

Mr. WADSWORTH. A full agreement.

Mr. ROBINSON. It was impossible to hear the Senator's first statement because of the numerous conversations in progress in the Chamber, particularly about the Senator from New York. I ask for order. On the other side of the Chamber everyone seems to be engaged in conversation.

The VICE PRESIDENT. The Senate will be in order.

Mr. ROBINSON. I ask the Senator from New York if a full agreement has been reached on the conference report?

Mr. WADSWORTH. It has.

Mr. ROBINSON. Will the Senator state the effect of the agreement?

Mr. WADSWORTH. The matter in difference between the two Houses at the time the Senate passed the House bill was as to the pay of retired officers. The House had proposed that certain grades of retired officers, the upper grades, to be exact, should not receive any increase in pay, if such were possible, due to the revision of the pay schedule of those on the active list. The Senate struck out that restriction and passed the bill in such a form as would permit retired officers to receive an increase. In conference the Senate conferees yielded on that matter with an amendment, the effect of which is that officers now upon the retired list of the six services shall receive no increase in pay, but officers hereafter retired shall, of course, be retired on the basis of 75 per cent of the pay they are receiving at the date of retirement.

Mr. ROBINSON. In other words, the provision is not made retroactive?

Mr. WADSWORTH. It is not. By that change about $500,000 additional will be saved.

Mr. SPENCER. Mr. President, will the Senator from New York tell me if this was the only point in conference?

Mr. WADSWORTH. It was the only point upon which there was disagreement. Two other matters were not in actual disagreement, but the conferees drew better language to cover the points involved. There is no essential change except in the matter of retired officers.

The VICE PRESIDENT. Is there objection to the immediate consideration of the conference report? The Chair hears none. The question is on agreeing to the conference report.

The report was agreed to.

SCHOOLS FOR AERONAUTICS.

The VICE PRESIDENT laid before the Senate a communication from the Acting Secretary of the Navy, transmitting in further response to Senate Resolution 266, agreed to April 5,

1922, information relative to the establishment of an academy of aeronautics at the Naval Academy and the manufacture of aircraft at naval stations, etc., which was referred to the Committee on Naval Affairs and ordered to be printed.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT laid before the Senate a resolution adopted by the Mid-City Citizens' Association, of Washington, D. C., favoring the passage of the concurrent resolution (S. Con. Res. 23) creating a joint committee to determine the indebtedness of the United States to the District of Columbia or of the District of Columbia to the United States growing out of relations existing since the organic act of 1878, which was referred to the Committee on the District of Columbia.

He also laid before the Senate a resolution adopted by Honolulu Lodge, No. 1245, I. A. of M., and the Honolulu Trade and Labor Council, American Federation of Labor, both in Hawaiian territory, favoring the manufacture of all war equipment and Government supplies in Government-owned shops and plants, namely, the arsenals, navy yards, torpedo stations, equipment shops, powder factories, aircraft plants, etc., which was referred to the Committee on Territories and Insular Possessions.

Mr. CAPPER presented a resolution adopted by Kansas City (Kans.) High School Club, favoring the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. ROBINSON presented a petition of sundry citizens of Pine Bluff, Ark., praying that only a moderate duty on kid gloves be imposed in the pending tariff bill, which was referred to the Committee on Finance.

He also presented a letter in the nature of a memorial from J. H. Reynolds, president Hendrix College, of Conway, Ark., remonstrating against the proposed duty on scientific instruments for educational institutions in the pending tariff bill, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Russellville, Ark., remonstrating against the proposed duty on vegetable and animal oils in the pending tariff bill, which was referred to the Committee on Finance.

Mr. WILLIS presented the memorial of Mrs. E. C. Beach and sundry other citizens of Bolling Green, Ohio, remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented petitions of sundry citizens of Latchie, Genoa, Millbury, Stony Ridge, Lemoyne, Waterville, and Toledo, all in the State of Ohio, praying for inclusion in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, which were referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. McCUMBER. I report back favorably without amendment from the Committee on Finance the joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia, and I submit a report (No. 727) thereon. I will state that we may offer on the floor some unimportant amendments to the joint resolution.

The VICE PRESIDENT. The joint resolution will be placed on the calendar.

Mr. WADSWORTH, from the Committee on Appropriations, to which was referred the bill (H. R. 10871) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923, and for other purposes, reported it with amendments and submitted a report (No. 728) thereon.

ENROLLED BILL PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that May 27, 1921, they presented to the President of the United States the enrolled bill (S. 2263) to amend the Federal reserve act approved December 23, 1913.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 3661) for the prevention and removal of obstructions and burdens upon interstate commerce in grain, by regulating transactions on grain future exchanges, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. McNARY:

A bill (S. 3662) authorizing and directing the Postmaster General to investigate conditions arising from contracts in the star-route, screen-wagon, and other vehicle service for the fiscal years ended June 30, 1915, June 30, 1916, June 30, 1917, and June 30, 1918, and to make a report of his findings to the Congress; to the Committee on Post Offices and Post Roads.

By Mr. NELSON:

A bill (S. 3663) to appoint Christopher C. Andrews, formerly a brigadier general and brevet major general of volunteers in the Civil War, to the grade of brigadier general on the retired list of the Army; to the Committee on Military Affairs.

By Mr. BURSUM:

A bill (S. 3664) granting a pension to John Lannon; to the Committee on Pensions.

By Mr. WADSWORTH:

A joint resolution (S. J. Res. 202) to authorize and regulate details in the executive or administrative service of the Government (with accompanying papers); to the Committee on Appropriations.

AMENDMENT TO HOUSE RIVER AND HARBOR BILL.

Mr. SHEPPARD submitted an amendment providing for improvement work at Turtle Bayou, Tex., in accordance with the report submitted in House Document No. 1010, Sixty-sixth Congress, third session, intended to be proposed by him to the bill (H. R. 10766) authorizing appropriations for the prosecution and maintenance of public works on canals, rivers, and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

CONFERENCE ON LIMITATION OF ARMAMENT.

Mr. POINDEXTER. Mr. President, I ask unanimous consent to have printed in the RECORD in 8-point type a brief article by Hannis Taylor upon the recent arms limitation conference and the treaties that grew out of it. That great event was the first example in the history of the world in which great nations voluntarily agreed to limit armaments. As an appropriate supplement to that agreement this conference produced also the great pact between the Pacific nations for peace and mutual respect of national rights in the Pacific Ocean, which has already had the effect of bringing to an end the constantly increasing talk of war which so ominously threatened that section of the world.

There being no objection, the article was ordered to be printed in the RECORD in 8-point type, as follows:

[Reprinted from the National Republican, Washington, D. C., 1922.]

THE TRIUMPH OF AMERICAN DIPLOMACY—A STUDY OF THE COMPLETED WORK OF THE CONFERENCE ON LIMITATION OF ARMAMENT FROM A WORLD POINT OF VIEW; WAR-PREVENTING AGREEMENTS, NOT ENTANGLING ALLIANCES, THE OUTCOME—AMERICA'S NEW PLACE IN THE FAMILY OF NATIONS.

THE BRANDEGEE RESOLUTION RENDERS ALL ATTEMPTS TO TORTURE THE FOUR-POWER PACT INTO AN "ALLIANCE" IMPOSSIBLE.

In order to illustrate the importance, from an historical point of view, of President Harding's epoch-making offer to arbitrate between Europe and Asia the Hon. Hannis Taylor has prepared this monograph, in which our diplomatic history, now covering nearly a century and a half, is unfolded as a stirring drama in six acts. In the first is described the organization of the family of nations at the time our infant Republic became an humble member of it; in the second is described our first contribution in the form of the modern and existing law of neutrality; in the third is traced the origin and growth of the Monroe doctrine; in the fourth is noted the extension of that doctrine to the Pacific Ocean; in the fifth is explained the circumstances under which our supreme arbitrating power in this hemisphere was defined; in the sixth is set forth the real nature of the first international conference ever held on the soil of the New World in which this Republic assumed the rôle of supreme arbitrator between Europe and Asia. Only in the light of its historical antecedents can that crowning triumph of American diplomacy be fully understood.

The works of Mr. Taylor as an expounder of constitutional and international law have been crowned by the Universities of Edinburgh and Dublin and the Institute of France. As a practical diplomatist his career as minister plenipotentiary to Spain, marked by a continuous residence in that country during stormy times of four years and a half, without a single return to his own country, received the unqualified praise of Presidents Cleveland and McKinley. Throughout the prolonged controversy between this country and the Republic of Colombia, culminating in the recent treaty, Mr. Taylor acted as counsel for Colombia.

What do we mean when we speak of the family of nations? When did it originate? Where does it abide? What does it embrace? The answers to those questions must be found in the record of a diplomatic and political evolution whose progressive development has been regulated by permanent, uniform, and universal law. There is no fact that stands in isolation; there is no institution that is not the natural, perhaps inev-

itable, outcome of its antecedents. Only by the aid of that process of reasoning is it possible to grasp the comprehensive thought embodied in the phrase "the family of nations." Without some knowledge of its historical antecedents it is impossible to describe the vast diplomatic organization, broad bottomed on international law, which now shelters within its fold the civilized nations of the world of to-day.

THE FAMILY OF NATIONS IN ITS CHILDHOOD.

The separate nationalities, each with its own character, language, and institutions, which arose out of the wreck of the empire of Charles the Great, passed through a long childhood under the protecting wings of an institution known as the Holy Roman Empire that illustrated for centuries the enduring power of a political theory. The chiefs of that comprehensive society were the Roman Emperor and the Roman pontiff, the one standing at its head in its temporal character as an empire and the other standing at its head in its spiritual character as a church. The Roman Empire and the Roman Catholic Church were, according to medieval theory, two aspects of a single Christian monarchy whose mission it was to shelter beneath its wings all the nations of the earth. No matter to what extent the Holy Roman Empire may have failed as an international power, whether arbitrating on its spiritual side through the pope and the canon law or on its temporal side through the Emperor and the imperial law, the fact remains that for centuries it was the one bond of cohesion holding Europe together under the spell of a theory that assumed to provide a complete system of international justice and a supreme tribunal adequate to the settlement of all controversies that could possibly arise between Christian nations.

THE EARTHQUAKE KNOWN AS THE REFORMATION.

No matter whether the Holy Roman Empire was a theory or an institution, not until the conception of a united Christendom it embodied was wrecked by the Reformation was the field cleared for the growth of international law as now understood.

For the older form of a universal faith uniting Christians of all nations the Lutheran states substituted the principal of territorial religion which acknowledged the right of each nation to determine the form of belief that should prevail within its own bounds. From that premise were drawn the two fundamental postulates of the new international system; first, that each state is sovereign and independent, and as such coequal with all the rest; second, that territory and jurisdiction are coextensive. Such was the practical outcome of the terrible 30 years' war closed in 1648 by the peace of Westphalia. "That peace set the final seal on the disintegration of the world empire at once of pope and emperor, and made possible the complete realization of the doctrine of Grotius, the doctrine of the sovereignty of states. The peace of Westphalia did not create international law, but it made a true science of international law realizable." Such was the general character of the treaty settlement made during the year 1648 in the first body that can be called a diplomatic congress in the modern sense of that term—a settlement that survived without a break as the public law of Europe down to the French Revolution.

GROTIUS AND THE NEW INTERNATIONAL SYSTEM.

The postulate that each state as a member of the family of nations is sovereign and independent, and as such coequal with all the rest, settled the fact that no one of them could be made to bow to a common superior save through its own consent. As the common superior furnished by the holy Roman Empire had been swept away by the Reformation, the Dutch jurist, Grotius, placed upon the vacant throne as a substitute for him a book published in 1625 called "De Jure Belli ac Pacis." The laws of war and peace embodied in that compilation had been drawn from a single source. The epoch-making work of Grotius, brilliant as it was, simply involved an application of one branch of Roman private law known as the jus gentium—the law common to all nations—to states instead of to individuals. His genius consisted entirely of his ability to extract from that body of rules known as the jus gentium, applied by the Romans only between man and man, a code adequate for the regulation, by common consent, of the new international relations established between the Christian states of western Europe after the holy Roman Empire had ceased to be an international bond between them.

CONCERT OF EUROPE AND THE BALANCE OF POWER.

After the peace of Westphalia had established the existence of the family of nations as a fact, and after Grotius had furnished it with a code of family law whose rules it agreed to observe, it was discovered that it could not operate as a going concern without the direction of a governing committee, known as the concert of Europe, whose main business it has ever been to preserve what is called the "balance of power." The theory that the equality and legal rights of the greatest and smallest states are identical has never been carried out in practice. Such rights and such equality have always been subject to the irresistible power vested by the higher or conventional law in a committee composed of the representatives of a few of the greater states acting in behalf of the whole. Down to the Great War nothing was better understood in European diplomacy than the fact that a primacy or overlordship was vested in the concert composed at last of Great Britain, France, Germany, Russia, and Austria, a combination into which Italy was admitted in 1867. That primacy or overlordship gradually developed outside of the written treaty law since the peace of Westphalia represented the common superior who actually succeeded to the place made vacant by the collapse of the holy Roman Empire as an international power.

ENTRY OF THE UNITED STATES INTO THE FAMILY OF NATIONS.

Only in the light of such a preface is it possible to understand the conditions under which our infant Republic, situated upon the eastern shores of the mainland of the Western Hemisphere, became a member of the family of nations whose habitat was and is in the western section of the Eastern Hemisphere. By the mighty ocean dividing the Old World from the New the entire after history has been profoundly impressed. Before the close of the American Revolution the Congress of the United States, which under the Articles of Confederation possessed jurisdiction over all questions arising under the law of nations, in its ordinance of December 4, 1781, concerning maritime captures, professed obedience to that law "according to the general usages of Europe"; and by the terms of the second Federal Constitution of 1789 treaties were made the supreme law of the land, binding the Nation as a whole and all subordinate authorities and judges of every State.

AMERICA'S CONTRIBUTION TO THE LAW OF NEUTRALITY.

All who study the growth of law in a scientific way understand that physical geography is ever a prime factor in the history of its development. Out of the isolated position assigned us by physical geography have arisen our contributions to the law of neutrality. That law, incompatible with the theory of the medieval empire, and which supplied no rule as to neutral duty in the sixteenth century, had made so little progress by the end of the first quarter of the seventeenth that it may be said not to have advanced up to that time beyond the stage of theory.

In the words of the English publicist, Hall: "In 1627 the English captured a French ship in Dutch waters; in 1631 the Spaniards attacked the Dutch in a Dutch port; in 1639 the Dutch were in turn the aggressors, and attacked the Spanish fleet in English waters; again in 1666 they captured English vessels in the Elbe, and in spite of the remonstrance of Hamburg and of several other German States did not restore them; in 1664 an English fleet endeavored to seize the Dutch East India squadron in the harbor of Bergen, but were beaten off with the help of the forts; finally, in 1693, the French attempted to cut some Dutch ships out of Lisbon, and on being prevented by the guns of the place from carrying them off, burnt them in the river." In 1793 the French frigate *Modeste* was captured in the harbor of Genoa by two English men-of-war, and it was neither restored nor was an apology made for the violation of Genoese neutrality.

In the very year in which Genoese neutrality was thus ruthlessly violated by the greatest of sea powers an infant Republic, with an interest and ambition to be a sea power, resolved to bring about a revolution by adding a new chapter on neutrality to the law of nations. The war then raging between Great Britain and revolutionary France opened up an enticing opportunity to the famous clipper ships of New England which President Washington, guided by the diplomatic hand of Jefferson, promptly improved by the issuance of his epoch-making neutrality proclamation of April 22, 1793. In that pronouncement the Government of the United States undertook to define what it considered to be the obligations then incumbent upon neutrals, representing by far the most advanced existing opinions as to what those obligations really were. And in some particulars it went even further than authoritative international custom has up to the present time advanced.

When the French minister, Genet, attempted to violate the neutrality of the United States, as thus defined, President Washington insisted upon his recall; and at a later day far graver consequences resulted to Napoleon, whose fall was brought about through his invasion of Russia, a desperate enterprise into which he was driven at last by the refusal of Alexander I to uphold his oppressive "continental system" of blockade through the exclusion from Russian ports of the neu-

tral flag of the American merchant marine. Thus it has been said that it was the prows of the clipper ships of New England that caused the imposing fabric of Napoleonic statecraft and diplomacy to collapse like a house of cards in 1812, 1813, and 1814. And to the same source may be traced the War of 1812 that grew out of the assertion upon the part of Great Britain of a claim of visitation and search entirely incompatible with the neutrality code proclaimed by Washington in 1793.

ORIGIN AND GROWTH OF THE MONROE DOCTRINE.

Just as the physiography of North America preordained the new American doctrine of neutrality, it preordained what is generally known as the Monroe doctrine. The two new chapters thus introduced into the modern law of nations were drafted by the same statesman—Thomas Jefferson. As Europe, Asia, and Africa are confined within the limits of the Eastern Hemisphere, it is not strange that one great central and powerful State should have established its hegemony or overlordship over the western. The beginnings of that overlordship were prompted directly by the action of Great Britain, eager to secure to herself the permanent possession of certain commercial interests in Latin American trade which she had taken during the Napoleonic wars from a continental rival. All of the European nations that planted colonies in the New World regarded them simply as plantations whose trade was the absolute possession of the mother State. Therefore with the rich and fruitful plantations founded by Spain in this hemisphere Great Britain had no right to trade so long as they were subject to the political sovereignty of their mother country. Not until after that sovereignty had been repudiated, not until after the Spanish colonies in America had established their independence, was Great Britain able to rush in and add that new domain to her everwidening commercial empire.

In the summer of 1823, after that rich prize had been thus secured, the Holy Alliance notified Great Britain that so soon as France should complete the overthrow of the revolutionary government of Spain a congress would be called for the purpose of terminating the revolutionary governments of South America. In order to defeat that design, fatal to the interests of the British merchants who had built up a great trade with Spain's revolted colonies as independent communities, Canning, who had succeeded Castlereagh, began to correspond with Mr. Rush, the American minister at London, as to the advantages of a joint declaration by Great Britain and the United States against the threat of the alliance to extend its interference to Spain's relations with her colonies in this hemisphere. With consummate art, perhaps unnecessary, Canning suggested that nothing could be a greater indignity to this Republic than the overthrow, by a combination of European monarchs, of the group of revolutionary governments whose right to independence rested upon the same foundation as our own. And he added that if the United States should determine to resist such an aggression every man in the British Army and every ship in the British Army would be at our disposal.

After Mr. Rush had forwarded this momentous correspondence to President Monroe, he did not waste a moment in placing it for action in the hands of the lonely old statesman at Monticello who for 24 years was really President of the United States. In assuming a task which Monroe admitted was entirely beyond his abilities, Jefferson, in his famous letter of October 24, 1823, deemed it proper to say to him: "The question presented by the letters you have sent me is the most momentous which has been offered to my contemplation since that of independence. That made up a nation; this sets our compass and points the course which we are to steer through the ocean of time opening on us. And never could we embark upon it under circumstances more auspicious. Our first and fundamental maxim should be never to entangle ourselves in the broils of Europe; our second, never to suffer Europe to intermeddle with cis-Atlantic affairs. America, North and South, has a set of interests distinct from those of Europe and peculiarly her own. She should, therefore, have a system of her own, separate and apart from that of Europe."

He then proceeded to say: "One nation, most of all, could disturb us in this pursuit; she now offers to lead, aid, and accompany us in it. By acceding to her proposition we detach her from the bands, bring her mighty weight into the scale of free government, and emancipate a continent at one stroke, which might otherwise linger in doubt and difficulty. Great Britain is the nation which can do us the most harm of any one or all on earth, and with her on our side we need not fear the whole world. With her, then, we should most sedulously cherish a cordial friendship, and nothing would tend more to knit our affections than to be fighting once more side by side in the same cause. * * * But we have first to ask ourselves a question. Do we wish to acquire to our confederacy any one or more of the Spanish Provinces? I cordially confess that I have ever looked on Cuba as the most interesting addition which could ever be made to our system of States. The control which, with Florida Point, this island would give us over the Gulf of Mexico and the countries and isthmus bordering on it, as well as those whose waters flow into it, would fill up the measure of our political well-being."

After the epoch-making letter to President Monroe had been completed, it was cordially approved by ex-President Madison, who was near at hand at Montpellier, and also by Calhoun, then Secretary of War, who declared that he believed that the alliance "had an ultimate eye on us; that they would, if not resisted, subdue South America. * * * Violent parties would arise in this country, one for and one against them, and we should have to fight upon our own shores for our institutions." The new American system as thus outlined by Jefferson, primarily for the protection of American institutions against European interference, passed to the Congress of the United States through President Monroe as a conduit, and in passing took his name. In his seventh annual message, delivered December 2, 1823, he said that "in the wars of the European powers, in matters relating to themselves, we have never taken any part, nor does it comport with our policy to do so. It is only when our rights are involved or seriously menaced that we resent injuries or make preparations for our defense. With the movements in this hemisphere we are of necessity more immediately connected, and by causes which must be obvious to all enlightened and impartial observers. The political system of the allied powers is essentially different in this respect from that of America. * * * We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety."

PURELY A CREATION OF EXECUTIVE POWER.

Such was the beginning of the new and unique chapter in the law of nations, called the Monroe doctrine, which has been written into it by the pens of American Presidents and Secretaries of State—it is purely a creation of Executive power. And like every other institution that has been the result of growth, it did not attain its full stature in a night; it did not spring into life fully armed. Its present dimensions are the result of a century of persistent and progressive development. Pending the controversy with Great Britain as to the Oregon Territory, and in the face of possible intervention by European powers on account of the annexation of Texas, President Polk, in his message of December 2, 1845, greatly widened the protest of President Monroe against future colonization by any European powers when he said that "it should be distinctly announced to the world as our settled policy that no future European colony or dominion shall, with our consent, be planted or established on any part of the North American Continent." And when in 1865 it became necessary for the United States to terminate the intervention of France in the internal affairs of Mexico, notice was then given that friendship with that country must cease, "unless France could deem it consistent with her interest and honor to desist from the prosecution of armed intervention in Mexico to overthrow the domestic republican government existing there, and to establish upon its ruins the foreign monarchy which has been attempted to be inaugurated in the capital of that country." More complete expression was given to the aspirations of the United States on this subject by Mr. Fish when in his report of July 14, 1870, to President Grant he said: "This policy is not a policy of aggression, but it opposes the creation of European dominion on American soil or its transfer to other European powers, and it looks hopefully to the time when, by the voluntary departure of European governments from this continent and the adjacent islands America shall be wholly American."

OUR SUPREME ARBITRATING POWER IN THIS HEMISPHERE FIRST DEFINED IN VENEZUELAN CASE.

Not, however, until the opportunity was given by the boundary controversy between Great Britain and Venezuela was the inevitable declaration finally made that the same reasons that impel the concert of Europe to guard the balance of power in the Old World prompt the Government of the United States to maintain its primacy in the new. In the words of President Cleveland, who first gave to the Monroe doctrine complete and scientific definition, "If the balance of power is justly a cause for jealous anxiety among the governments of the Old World and a subject for our own absolute noninterference, none the less is an observance of the Monroe doctrine of vital concern to our people and their Government."

To that a great Secretary of State, Richard Olney, added: "To-day the United States is practically sovereign on this continent and its fiat is law upon the subjects to which it confines its interpositions." Thus, in a clear and consistent form, was finally reached the conclusion that the same supreme directing and arbitrating power, which in the Old World is vested in the concert of Europe, is in the new vested in the Government of the United States acting alone. In the words of a distinguished English publicist, T. J. Lawrence: "The supremacy of a committee of States and the supremacy of a single State can not be exercised in the same manner. What in Europe is done after long and tedious negotiations and much discussion between representatives of no less than six countries can be done in America by the discussion of one Cabinet discussing in secret at Washington." When the Government of Great Britain justly and wisely conceded the right of arbitration thus asserted by the United States, solely by virtue of its primacy or overlordship in the New World, a final settlement was made of the place of this Republic in the family of nations.

EXTENSION OF MONROE DOCTRINE TO PACIFIC WORLD.

Almost at the outset of his famous message of December 2, 1823, President Monroe, prompted by a controversy then pending as to unsettled boundaries in the Northwest that grew out of a ukase issued by the Czar of Russia in September, 1821, in which he had asserted exclusive territorial rights from the extreme northern limit of the continent to the fifty-first parallel of north latitude, had undertaken to extend the new American system as outlined by Jefferson to the Pacific world. Against the ukase of the Czar, proposing a territorial establishment on the northwest coast of this continent, President Monroe had presented substantially the same protest he had made against the intervention of the Holy Alliance in the affairs of South America. When Russia proposed an amicable settlement of the matter John Quincy Adams, then Secretary of State, said to the Russian minister at a conference held on July 17, 1823, "That we should contest the right of Russia to any territorial establishment on this continent, and that we should assume distinctly the principle that the American continents are no longer subjects for any new colonial establishments." On July 2 Mr. Adams had written to Mr. Rush, our minister at London, that a "necessary consequence of this state of things will be that the American continent henceforth will no longer be subject to colonization. Occupied by civilized nations, they will be accessible to Europeans and each other on that footing alone; and the Pacific Ocean, in every part of it, will remain open to the navigation of all nations in like manner with the Atlantic."

THE PACIFIC WORLD AS IT WAS LESS THAN A CENTURY AGO.

When we include within it that part of our own domain which lies west of the Mississippi, it is hard either to grasp or to portray the vast transformation that has taken place in the Pacific world during the last 75 years. As late as 1850 the great territory stretching from the Mississippi to the Pacific was still almost an unknown land; in that year there was no railroad track (excepting 80 miles in Louisiana) or telegraph line west of the Mississippi, in the United States; nor in any of the other countries in or surrounding the Pacific. As late as 1860 there were only 23 miles of railroad west of the Rocky Mountains, and not until 1861 did the first telegraph line from the East reach the Pacific, in many parts of which steamships were still a curiosity. Not until 1867 was a regular steamship service established between San Francisco and the Atlantic coast; and not until 1870 was steam communication established between San Francisco and Australia. As late as 1852 the only States west of the Mississippi were Louisiana, Arkansas, Texas, Missouri, and California, the last named a string of mining camps which had just entered the Union with a population of little over 90,000.

The Pacific States of South America, Central America, and Mexico, which had emerged successfully from their wars of independence with Spain, were still hampered with internal dissensions and traditionally incompetent commercial methods inherited from the old Spanish colonial system; Hawaii was known chiefly as a supply station for the whaling fleet owned almost exclusively in New England; New Caledonia, New Guinea, Samoa, the Fijis, and the other islands composing "no man's land," were still under the almost absolute sway of savages and cannibals, while the Australian colonies were just beginning to give a suggestion of the wealth, commerce, and development they have since achieved; China had but recently been forced at the cannon's mouth reluctantly to open a few of her ports to foreign commerce; from the "sealed mystery," known as Japan, foreigners were rigorously excluded, it being a capital offense for any native to leave the country; not until 1857–58 were the ports of Kanagwa, Nagasaki, and Hakodadi opened to foreigners; British Columbia, then an obscure British colony, remained so until the completion of the Canadian Pacific Railroad; Alaska, destined to become one of the brightest jewels in our crown, and the Siberian coast of Asia, still remained in the undisturbed possession of the seal and the Eskimo, save when the awful solitude was broken by a few adventurous traders who came to purchase furs in exchange for firewater and trinkets.

In the light of what has gone before it will be possible to visualize, to some extent at least, the vast and growing greatness of the Pacific world as it appeared to William H. Seward, when, from his place in the United States Senate, he looked out upon it with a prophetic eye in July, 1852. While debating at that time a bill providing for the "Survey of the whaling grounds and routes of commerce on the Pacific," he said: "Even the discovery of this continent and its islands, and the organization of society and government upon them, grand and important as those events have been, were but conditional, preliminary, and ancillary to the more sublime result, now in the act of consummation—the reunion of two civilizations, which, having parted on the plains of Asia 4,000 years ago, and having traveled ever afterwards in opposite directions around the world, now meet again on the coasts and islands of the Pacific Ocean. Certainly no mere human event of equal dignity and importance has ever occurred upon the earth. It will be followed by the equalization of the condition of society and the restoration of the unity of the human family. * * * As to those who can not see how this movement will improve the condition of Asia, I leave them to reflect upon the improvements in the condition of Europe since the discovery and colonization of America. Who does not see, then, that every year hereafter, European commerce, European politics, European thoughts, and European activity, although actually gaining greater force, and European connections, although actually becoming more intimate, will, nevertheless, ultimately sink in importance, while the Pacific Ocean, its shores, its islands, and the vast regions beyond will become the chief theater of events in the world's great hereafter."

Fifteen years after this prophet-statesman had thus forecasted the inevitable aftergrowth of the Pacific world he made our stake in it vastly larger when, as Secretary of State, he purchased in 1867 from Russia, for a song, the princely domain of Alaska, one-third greater in size than the Atlantic States from Maine to Florida. After the purchase we stood out for all that Russia had claimed in 1822–1825, but such claims were overruled by the international tribunal that sat at Paris in 1893, which held that Bering Sea, as a part of the high seas, was no one's preserve; that the seals, feræ naturæ, were no one's property. As with the growth of the American Navy there was an increasing need of coaling stations and positions advantageous to our sea power in the Pacific, by a tripartite treaty made in 1889 the Samoan Islands were placed under the joint control of the United States, England, and Germany, and in 1898 the Hawaiian Islands were annexed.

THE SPANISH-AMERICAN WAR AND THE TREATY OF DECEMBER 10, 1898.

The commercial importance of Cuba, its commanding position with reference to the Gulf of Mexico, and the approaches to the Panama Canal, its menace as a breeding ground for yellow fever, had made it for a long time an important factor in the foreign policy of the United States. Jefferson, who said that "the control which, with Florida, this island would give us over the Gulf of Mexico and the countries and isthmus bordering on it, as well as all those whose waters flow into it, would fill up the measure of our political well being," had declared that if Spain relinquished it it must not fall into the hands of another European power. American intervention, which for many years had been imminent, because inevitable in the course of the revolt which broke out in 1895, involving as it did grave commercial injury to the United States.

The war which followed President McKinley's intervention was terminated by the treaty of Paris in December, 1898, under which Porto Rico, Guam, and the Philippines were for a certain consideration ceded outright to the United States. By that large acquisition in the Pacific we became immediately involved in the diplomatic situation created by the efforts of certain European nations to divide China into spheres of influence or of actual possession. That policy, to which our new position in the Philippines, as well as our interests in China's trade, made us hostile, drew from Secretary of State Hay his best efforts as a diplomatist and statesman. In order to preserve the integrity of China and the "open door" for trade, he drew such replies from the aggressive nations as compelled them to

moderate their demands; and when the Boxer insurrection broke out in 1900, and the legations were besieged at Peking, it was largely through his efforts that China received a less rigorous treatment.

THE GREAT WAR AND THE MEANING OF OUR REJECTION OF THE TREATY OF VERSAILLES.

Such, in general terms, was the nature of our diplomatic relations with the Atlantic world, the Pacific world, and the rapidly growing Latin American world to the south of us when the earthquake, known as the Great War, began to shake the earth as a whole. No attempt will be made herein to discuss either the abnormal and temporary conditions produced by the Great War in the internal policy of the United States, or the abnormal and temporary conditions produced by the Great War in the foreign relations of the United States. Suffice it to say that at its close the American people, true to their conservative instincts, were mastered and overcome by the desire to return to what President Harding has been pleased to call "normalcy." Everybody, the romantic as well as the practical, understood that we had been suddenly swept, in a moment of great excitement, into an unprecedented adventure whose costs had been stupendous, and whose unsettling influences had been profound. There was therefore a universal desire to return as quickly as possible to "normalcy"; that is, to the old systems of policy, internal and external, which had made us happy and great.

The most startling outcome of that Great War with which we were first brought face to face was embodied in the fact that the old European diplomatic system, based upon the balance of power as a fundamental concept, was a total wreck. By the elimination of Germany, Austria, and Russia the concert of Europe, which had existed in various forms since the peace of Westphalia had been forced to yield to a new Holy Alliance, composed, as its predecessor had been, of only three European powers—Great Britain, France, and Italy. That triumphant combination proposed to reorganize the diplomatic system not only of Europe but of the world by reviving the old idea of a League of Nations, first formulated by St. Pierre in 1713, and then revised by Bentham in 1786–1789 and by Immanuel Kant in 1795. That long-discarded scheme was made the basis in 1911 of Dr. Timothy Richards' "League of Nations to Enforce Peace with Arms," elaborated by Viscount Grey in 1918 and completed by Lord Robert Cecil in 1919.

THE SUPERSTATE WHICH AMERICAN PEOPLE REJECTED BY A POPULAR MAJORITY OF 7,000,000.

The builders of the superstate first designed by St. Pierre in 1713 and completed by Lord Cecil in 1919, began by denying absolutely that physical geography is the primary basis of the world's politics and diplomacy. After eliminating the mighty oceans by which the hemispheres are divided from each other, the builders of the new fabric saw in their mind's eye all of the nations of the earth, great and small, huddled together in a narrow area as the Greek States were huddled together in the days of Thucydides and Polibius. Under such conditions it was hoped that the old pride of nationality, which has ever been the mainspring of patriotism, would be greatly weakened if not extinguished. Under such conditions it was certain that our peculiar American system, our Gibraltar known as the Monroe doctrine, would never again be permitted to plague the world. In the great superstate the American commonwealth was to be submerged; it was curtly asked to bow its head and vote along with Canada, Australia, and the other British colonies. For a moment the American people were stunned by the immensity of the indignity thus offered them; and in that moment they stooped to consider whether such a condition of servitude would be tolerable, if mitigated by certain reservations. Then it was that the national conscience awoke; then it was that the reaction came like the thunderclap at Marengo. During the storm that ensued President Harding was swept into power upon a tidal wave of 7,000,000 popular majority.

But the battle is not over; the end is not yet. Governor Cox, the defeated candidate for President in 1920, is now giving public notice that the fight is to be fought over again. He says that the American Commonwealth must abdicate the proud and commanding place in the family of nations which fortune and our own efforts have given us; he says that it must inevitably bow its head and pass beneath the yoke which the League of Nations has prepared for us. He even contends that we must, in any event, accept the permanent court of international justice, set up and controlled by the league, which is to be armed with a coercive jurisdiction which would enable European judges to annihilate those international rights which are especially dear to us. So long as we are menaced by such threats every patriotic American must sleep with arms in his hands.

OUR NORMAL DIPLOMATIC RELATIONS WITH EUROPE AND ASIA RESUMED.

The results of the last presidential election made it plain, even to the man in the street, first, that the American people have irrevocably resolved not to become a member of the new political and diplomatic fabric devised for the government of Europe and known as the League of Nations; second, that they have resolved to resume their normal diplomatic relations with Europe and Asia with the Monroe doctrine intact in all its parts. Such resolves do not imply, however, that we are to become a hermit nation, or that we are to shirk any of the vast responsibilities that manifest destiny has cast upon us. We could not, if we would, eliminate the fact that nature has placed us midway between Europe and Asia in a vast and fruitful land which stands out like a fortress guarded against both by two inviolate oceans which make a successful attack from either impossible. With ever-increasing and intimate relations with Europe and Asia, seething with tumults and difficulties that invite the interposition of a neutral and independent friend, the American Commonwealth would fail in its duties to both and humanity if, at this turning point in the world's history, it should fail to assert its full arbitrating power.

PRESIDENT HARDING'S EPOCH-MAKING OFFER TO ARBITRATE BETWEEN EUROPE AND ASIA.

With a great jurist and statesman at his side as Secretary of State, President Harding resolved, in the summer of 1921, to embark upon an uncharted sea by inviting Europe and Asia to arbitrate certain grave questions affecting both in the first international conference ever held on the soil of the New World. At a later day the President made it clear that he was moved to action by the possibility of wars in the near future in the Pacific that might arise out of a conflict of principles and policies to be followed by certain great powers in their relationship with China. Our interest in the matter, he said, grows out of "our traditional friendship for the ancient empire, our continued friendship for the new Republic, our commitment of more than 20 years to the open door, and our avowed concern for Chinese integrity and unimpaired sovereignty." That China and her problems embodied the question of questions to be settled was made plain by the formal invitation of the President sent by the Secretary of State on August 11, 1921, in these terms: "The President invites the Government of the Republic of China to participate in the discussion of Pacific and far eastern questions, in connection with the conference on the subject of limitation of armament, to be held in Washington on the 11th day of November, 1921.

In order to induce the three leading European powers and Japan to enter more heartily into the conference the President wisely coupled with his basic idea a proposal for the limitation of armament, whose ever-increasing cost is a universal burden. In the formal invitation sent to Great Britain, France, Italy, and Japan, on August 11, 1921, this language is used: "The President is deeply gratified at the cordial response to his suggestion that there should be a conference on the subject of limitation of armament, in connection with which Pacific and far eastern questions should also be discussed. Productive labor is staggering under an economic burden too heavy to be borne unless the present vast public expenditures are greatly reduced." On October 4, 1921, invitations in that form were sent to Belgium, the Netherlands, and Portugal, with this addition: "It is the earnest wish of this Government that with the facilities afforded by a conference it may be possible to find a solution of Pacific and far eastern problems by a practical effort to reach such common understandings with respect to matters which have been and are of international concern as may serve to promote enduring friendship among our peoples."

CONFERENCE OPENED BY ADDRESSES FROM PRESIDENT AND SECRETARY OF STATE.

After the conference had assembled in the city of Washington on November 12, with a full attendance of the delegations from the United States, Great Britain, France, Italy, Japan, China, Holland, Belgium, and Portugal, the President made an address in which he said:

"Speaking as official sponsor for the invitation, I think I may say the call is not of the United States of America alone; it is rather the spoken word of a war-wearied world, struggling for restoration, hungering and thirsting for better relationship; of humanity crying for relief and craving assurances of lasting peace. * * * A world staggering with debt needs its burden lifted. Humanity, which has been shocked by wanton destruction, would minimize the agencies of that destruction. Contemplating the measureless cost of war and the continuing burden of armament, all thoughtful peoples wish for real limi-

tation of armament and would like war outlawed. * * * Gentlemen of the conference, the United States welcomes you with unselfish hands. We harbor no fears; we have no sordid ends to serve; we suspect no enemy; we contemplate or apprehend no conquest. Content with what we have, we seek nothing which is another's. We only wish to do with you that finer, nobler thing which no nation can do alone."

After Secretary of State Hughes had been chosen permanent chairman, he began his address, the first part of which gave but little indication of what was to come. Following an explanation why the invitation to the armaments discussion had been limited to the five allied and associated powers, while China, Holland, Belgium, and Portugal had been invited to discuss far eastern questions, came the statement that the two subjects would be considered simultaneously so far as practicable. Then, after emphasizing the fact that the present moment was opportune because the power to disarm the world lay in the hands of comparatively few nations, the speaker startled his audience by this declaration:

"It would seem to be a vital part of a plan for the limitation of naval armament that there should be a naval holiday. It is proposed that for a period of not less than 10 years there should be no further construction of capital ships. I am happy to say that I am at liberty to go beyond these general propositions, and, on behalf of the American delegation, acting under instructions of the President of the United States, to submit to you a concrete proposition for an agreement for the limitation of naval armament. Four general principles have been applied:

"1. That all capital-ship building programs, either actual or projected, should be abandoned.

"2. That further reduction should be made through the scrapping of certain of the older ships.

"3. That, in general, regard should be had to the existing naval strength of the powers concerned.

"4. That the capital-ship tonnage should be used as the measurement of strength for navies, and a proportionate allowance of auxiliary combatant craft prescribed."

The end of one epoch and the beginning of another was marked by the approval and acceptance by the Governments concerned of the bold and concrete American proposals thus put forward ere they had ceased to echo around the world.

PRESIDENT'S PATRIOTIC WISDOM IN APPOINTING SENATORS LODGE AND UNDERWOOD AS DELEGATES.

Despite certain constitutional difficulties, which should not be entirely ignored, the President, in view of the epoch-making work in which the conference was to engage, manifested patriotic wisdom in selecting the majority and minority leaders of the Senate as delegates. Certainly it was of paramount importance that in the first international conference in which the American people were to exercise their arbitrating power in the family of nations its representation should be, in the highest sense of the term, American and national, and not sectional or partisan. It was eminently proper that the North and the South, now irrevocably united in the bonds of a mutual love, a mutual interest, and a mutual honor, should have been represented by a Republican from Massachusetts and a Democrat from Alabama. Par nobile fratrum. As no practical result could have been reached without the approval of the Senate, the President was wise in taking into his confidence the leaders of the two great parties who compose it. In asking the Senate's approval of the completed work of the conference the President said:

"I had occasion to learn of your very proper jealousy of the Senate's part in contracting foreign relationships. Frankly it was in my mind when I asked representatives of both the majority and minority to serve on the American delegation. It was designed to have you participate. And you were ably represented. We have no rivalries in our devotion to things we call American because that is a common consecration."

THE SIX TREATIES IN WHICH THE WORK OF THE CONFERENCE WAS EMBODIED.

The completed work of the conference was embodied in six treaties with the following titles:

(1) A treaty between the United States of America, the British Empire, France, Italy, and Japan with respect to the limitation of naval armament.

(2) A treaty between the same powers in relation to the use of submarines and noxious gases in warfare.

(3) A treaty between the United States of America, the British Empire, France, and Japan relating to their insular possessions and insular dominions in the Pacific Ocean. An explanatory declaration accompanies this treaty.

(4) A treaty between the same powers supplementary to the above-mentioned treaty in relation to insular possessions and insular dominions in the Pacific Ocean.

(5) A treaty between the United States of America, Belgium, British Empire, China, France, Italy, Japan, the Netherlands, and Portugal relating to policies in matters concerning China.

(6) A treaty between the same nine powers relating to the Chinese customs tariff.

All of the above-mentioned treaties were signed on February 6, 1922, with the exception of the treaty between the United States of America, the British Empire, France, and Japan relating to their insular possessions and insular dominions in the Pacific Ocean, which was signed on December 13, 1921.

Why was that treaty, generally known as the "four-power pact," signed nearly two months in advance of the five that followed it? Until that question of questions has been answered, it is impossible to grasp the real meaning of the proceedings of the conference viewed as a connected whole.

EARLY ADOPTION OF FOUR-POWER PACT MADE POSSIBLE THE SUCCESS OF THE CONFERENCE.

Everybody understood that the primary purpose of the conference was to arrive at such "a common understanding with respect to principles and policies in the Far East," or, in other words, to make such sacrifices and to arrive at such rearrangements as would so reduce the possibilities of war in that quarter as to justify the great powers in limiting their armaments without jeopardizing themselves or those dependent on them. Or, to state the matter in a still narrower compass, unless some way could be found, in advance, by which the probabilities of war in the Far East could be materially reduced there was no chance whatever of inducing the great powers specially concerned to make any reduction in their armaments. The vital far eastern question most likely to cause war was embodied, of course, in the grievances which China had suffered through a military weakness that had resulted in her being stripped of her chief seaports, in "spheres of influence" being established in her richest Provinces, in the extortion of monopolies for building railroads and exploiting her coal and iron ores, and in the subjection of the administration of her post offices, her customs duties, and to a considerable extent even the administration of justice itself to foreign control. In order to rescue China from such conditions, threatening little less than complete dismemberment of the country, it was necessary that certain powers represented in the conference should undertake radical action.

What was actually done, with the avowed purpose of removing the causes of war in the Far East, was embodied in the four-power treaty, supplemented by the other treaties, especially the two between the nine powers relating to policies in matters concerning China and the Chinese customs tariff. The four-power treaty itself, which, with the formal parts eliminated, contains but little more than 200 words, rests upon the basic assurance that "the high contracting parties agree as between themselves to respect their rights in relation to their insular possessions and insular dominions in the region of the Pacific Ocean," an assurance which simply reaffirms the primary principles of international law. In the two supplementary treaties relating to China the nine powers express a purpose "to adopt a policy designed to stabilize conditions in the Far East, to safeguard the rights and interests of China, and to promote intercourse between China and the other powers upon the basis of equality of opportunity." The contracting powers, other than China, then agree, "(1) to respect the sovereignty, the independence, and the territorial and administrative integrity of China; (2) to provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government." Strong declarations were then made in favor "of the open door or equality of opportunity in China for the trade and industry of all nations," and in favor of increasing the revenues of the Government of China through the making of a treaty providing for "the revision of the Chinese customs tariff and cognate matters."

BRILLIANT SUCCESS OF THE HUGHES PLAN FOR REDUCTION OF ARMAMENT.

Only in the light of the foregoing is it possible to understand that not until after the adoption of the four-power treaty, supplemented as it was by the special agreements designed to remove the causes of future wars as to China, did the Hughes plan for the reduction of armament have any chance of success whatever. That fact is put beyond all question by the report of the American delegation submitted to the President February 9, 1922, in which it is said that "competitive armament, however, is the result of a state of mind in which a

national expectation of attack by some other country causes preparation to meet the attack. To stop competition it is necessary to deal with the state of mind from which it results. The negotiations which led to the four-power treaty were the process of attaining that new state of mind, and the four-power treaty itself was the expression of that new state of mind. It terminated the Anglo-Japanese alliance and substituted friendly conference in place of war as the first reaction from any controversies which might arise in the region of the Pacific; it would not have been possible except as part of a plan including a limitation and a reduction of naval armaments, but that limitation and reduction would not have been possible without the new relations established by the four-power treaty or something equivalent to it."

Thus we know for certain that not until the hope of peace in the Far East had been assured in advance by the four-power treaty was it possible for the bold and self-denying Hughes plan to be driven on to victory. But before that end was reached that plan had passed through a crisis to which a brief reference must be made. At the very outset its author cut off all debate as to the size of a navy each nation was theoretically entitled to by assuming that all calculations must be based on actual navies as they existed on the day of meeting, November 12. That basis gave to Japan a navy whose strength was as 6 compared to 10 for Great Britain and 10 for the United States. Against that ratio of "10-10-6," or its equivalent "5-5-3," Japan protested. But after a struggle, in which Great Britain and the United States stood side by side, Japan yielded, with the proviso that she should be permitted to retain, for sentimental reasons, her brand-new 38,800-ton *Mutsu*, while earmarking her 20,800-ton *Settsu* for the scrap heap. That concession was the only change made at any time in the Hughes plan as to capital ships. He had proposed that the United States should join with Great Britain and Japan in destroying or suspending the building of nearly 2,000,000 tons of capital ships, more than half of the combined capital-ship tonnage of their existing navies. As that plan was carried out without material change, it may be said, in the words of an able critic, that "Mr. Hughes may claim to have destroyed more warships in tonnage than all the sea fighters from Themistocles to the German and British admirals in the Jutland fight."

It is hard to overestimate the grandeur of the achievement. When we pause to meditate upon the far-reaching effects of an international agreement, suddenly made, under which the three greatest of the world's sea powers are to eliminate, by destruction or suspension of building, more than half of the combined capital-ship tonnage of their existing navies, it is hard not to be mastered and overcome by the grandeur of the achievement. Who can measure its effects upon the world's great hereafter? What patriotic American, no matter what his party politics, will be so narrow-hearted as to deny to the President and Secretary of State the praise due to them for an achievement which in the time to come must be viewed as the crowning triumph of American diplomacy? The importance of such an act can not be estimated as an isolated event; it can not be severed from the century and a half of progressive diplomatic history out of which it has been evolved and of which it is a fitting consummation.

NO UNWORTHY PRICE PAID FOR WHAT HAS BEEN ACHIEVED.

Every form of democratic government necessarily implies an "opposition," whose never-ending duty it is to present for public condemnation every measure of the ruling majority to which even plausible objections can be made. After exhausting their efforts to find even plausible objections to the outcome of the Limitation of Armament Conference its critics have been able only to intimate, rather than assert directly, that the price of it all has been the making of an entangling alliance with three European powers entirely at variance with the national tradition.

Devoted as the writer has always been to that part of our policy first defined by Washington, by whom all such alliances were so justly condemned, devoted as he has always been to our peculiar American system known as the Monroe doctrine, which must survive so long as this Republic endures, he would be the first to condemn, in no uncertain terms, the outcome of the conference if any such crime could be laid at its door. The fact is there is no basis whatever for the charge that has been made; it loses even the semblance of plausibility the moment we pause to consider the nature of an "alliance" as defined by international law.

AN "ALLIANCE" AS DEFINED BY INTERNATIONAL LAW.

Naturally enough "alliances" are defined with the greatest fullness by Vattel (bk. 3, ch. 6), the famous Swiss publicist, whose treatise on the law of nations appeared in 1758 at a time when alliances, "offensive and defensive," were leading factors in European diplomacy. It was to such military alliances as Vattel defines that Washington and Jefferson were specially opposed. The Cyclopedic Law Dictionary has thus condensed the views of Vattel into a narrow compass: "Alliances are defensive or offensive. (1) Defensive alliances are those in which a nation agrees to defend her ally in case she is attacked. (2) Offensive alliances are those in which nations unite for the purpose of making at attack, or jointly waging war against another nation. Alliances may be at the same time offensive and defensive; and most offensive alliances are of this character." According to Grotius (II, ch. 15, sec. 13) and other text writers, the casus foederis of a defensive alliance does not arise in the case of an unjust war of aggression begun by the power who has only stipulated for aid in another contingency. The difficulty in such cases is to determine what constitutes a just or defensive war, since certain wars, offensive in form, are actually defensive both in spirit and substance.

As it thus appears that there can be no such thing as an "alliance," as that term is understood in international law, unless the contracting nations agree generally to cooperate in hostilities against some power specially named, or against any power with whom the other party may become involved in actual war, it is only necessary to place side by side, with the foregoing definitions, the four-power treaty (no other has been accused) in order to expose the utter emptiness of the charge that has been made against it. The very brief terms of that treaty (about 200 words) are as follows:

I.

"The high contracting parties agree as between themselves to respect their rights in relation to their insular possessions and insular dominions in the region of the Pacific Ocean.

"If there should develop between any of the high contracting parties a controversy arising out of any Pacific question and involving their rights which is not satisfactorily settled by diplomacy and is likely to affect the harmonious accord now happily subsisting between them, they shall invite the other high contracting parties to a joint conference to which the whole subject will be referred for consideration and adjustment.

II.

If the said rights are threatened by the aggressive action of any other power the high contracting parties shall communicate with one another fully and frankly in order to arrive at an understanding as to the most efficient measures to be taken, jointly or separately, to meet the exigencies of the particular situation."

THE BRANDEGEE INTERPRETATION CLAUSE.

Those who are bold enough to charge that the four-power treaty embodies an "alliance," entangling or otherwise, are frank enough to admit that no trace whatever of such a thing can be found in its terms. Their contention is that an alliance may be *inferred*, that it may be tortured out of the terms used by implication. As one of the most acute and distinguished of its opponents has expressed it: "It is said that there is no military force lurking anywhere in and about this treaty. I grant you that in the language itself it is not provided for." In order to prevent any such method of interpretation, whereby a meaning may be extorted from a treaty which its language does not express, international law long ago invented what is known as an "interpretation clause." In this case we have such a clause carefully embodied in the Brandegee resolution, which reads as follows: "*Resolved* (*two-thirds of the Senators present concurring*), That the Senate advise and consent to the ratification of Executive N, Sixty-seventh Congress, second session, a treaty between the United States, the British Empire, France, and Japan, relating to their insular possessions and insular dominions in the Pacific Ocean, concluded at Washington December 13, 1921, subject to the following reservation and understanding which is hereby made a part and condition of this resolution of ratification: The United States understands that under the statement in the preamble or under the terms of this treaty there is no commitment to armed force, no alliance, no obligation to join in any defense." All contrary implications have thus been made impossible.

SUMMARY.

From what has now been said it clearly appears: (1) That the United States, acting as an arbitrating power between Europe and Asia, has done much to secure the peace of the world for the next 10 years by removing the probable causes of conflict in the Pacific Ocean; (2) that by removing such causes of conflict, through the making of the four-power treaty, it has been able to bring about a tremendous reduction in the

naval armament which is likely to extend to land armament; (3) that in order to accomplish such momentous results it has not been necessary to enter into any alliances, entangling or otherwise; (4) that such engagements as have been entered into are simply war-preventing agreements carefully designed to forestall future conflicts by removing in advance the causes out of which such conflicts might otherwise have arisen.

LETTER FROM SECRETARY HOOVER.

Mr. LENROOT. Mr. President, on May 25 last the Senator from Georgia [Mr. WATSON], in the course of the speech that he made, referred to the confirmation of the members of the Cabinet at the special session of the Senate immediately following the inauguration of President Harding, and used this language:

Mr. President, who came in here from the east portico and personally took his stand there by yourself, sir, and embarrassed Senators by asking them to confirm at once and without debate such Cabinet officers as the Englishman, Herbert Hoover, and the man who in violation of law is holding the position of Secretary of the Treasury, Mr. Mellon, Morgan's partner, and Secretary Fall, and Harry Daugherty, of whom I am going to say something else before I take my seat? Had the President not come here in person and made that appeal to our forbearance and our courtesy there would have been objection, prompt and strong, to the confirmation of Hoover, the charity broker, who never publishes any accounts or any vouchers of what he does with the hundreds of millions of American money that he has handled.

It is that phrase to which I call attention—

Who never publishes any accounts or any vouchers of what he does with the hundreds of millions of American money that he has handled.

The privileges of debate enables Senators to use their own judgment of what they say upon this floor. They may make statements that have no foundation whatever; some of them sometimes do. It so happens that this statement is without any foundation whatever, and I ask unanimous consent that there be read from the desk a letter from Secretary Hoover.

The VICE PRESIDENT. Is there objection?

Mr. WATSON of Georgia. There is, Mr. President.

Mr. LENROOT. Very well; I desire to read the letter.

Mr. WATSON of Georgia. Mr. President, I desire to take the floor in my own right.

Mr. LENROOT. I desire to read the letter.

Mr. WATSON of Georgia. Have I the floor, Mr. President?

The VICE PRESIDENT. The Senator from Georgia has not the floor. The Senator from Wisconsin has the floor.

Mr. LENROOT. The letter of Secretary Hoover is as follows:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, May 27, 1922.

Hon. IRVINE L. LENROOT,
United States Senate, Washington, D. C.

MY DEAR MR. SENATOR: I notice in the CONGRESSIONAL RECORD for May 25 a statement by Senator WATSON of Georgia to the effect that I have never published any accounts or any vouchers as to what has been done with the hundred millions of American money that has been handled in charity under my direction.

This statement appears to be based on the most absolute misinformation, and it seems to me desirable that it should not stand uncorrected. As a matter of fact, the two relief associations with which I have been associated—namely, the Commission for Relief in Belgium and the American Relief Administration—have not only published their complete accounts annually—and at some periods semiannually—and distributed them to the press and to other persons interested, but beyond this these accounts have been subjected to searching audit by independent firms of accountants and certified to as correct.

Wherever these associations have handled funds belonging to the United States Government, the whole of the accounts and vouchers have of necessity been deposited in the United States Treasury in order to obtain payment of appropriations. As a matter of fact, a large part of these accounts have actually been reprinted in the CONGRESSIONAL RECORD itself.

These associations have also handled sums of money for foreign Governments and in each case the accounts have been investigated and approved by these Governments. Furthermore, each of these associations was presided over by directors of high standing in the community, they have always operated under the treasurership of important bankers, and in every instance of their disbursements and receipts have been so organized as to require combined action of numbers of men.

It is only due to these men who have given these services in the interest of humanity and in the spirit of the best of America that these misstatements should be corrected.

Yours faithfully, HERBERT HOOVER.

Mr. President, I am not surprised that the Senator from Georgia objected to the reading of this letter. A Senator comes in on this floor and makes charges against a man that have not the slightest foundation. This man or any man against whom such charges are made has not the privilege of the floor and can not make answer to such charges except in a communication to some Senator, and yet the Senator from Georgia, after making such charges, objects to the party against whom he makes the charges putting a letter into the CONGRESSIONAL RECORD stating the facts. I have no comment to make, Mr. President. I have read the letter, and the country will judge between the Senator from Georgia and the Secretary of Commerce, Mr. Hoover.

Mr. WATSON of Georgia. Mr. President, this is about the third time the insolent junior Senator from Wisconsin [Mr. LENROOT], who voted for the Esch-Cummins bill, one of the worst bills that ever was rushed through the Senate, has risen here and personally attacked the junior Senator from Georgia. On one occasion that Senator in his arrogance demanded that the junior Senator from Georgia be compelled by the Senate to answer elsewhere than on this floor to what he had said here in this Chamber. I defied him then; I defy him now. I defy him on the floor of the Senate and I defy him outside. I am not in the least afraid of him here or elsewhere, and the sooner the arrogant Senator learns that the better it will be for him and for me.

The VICE PRESIDENT. The Chair will have to warn the Senator from Georgia to proceed in order.

Mr. WATSON of Georgia. In what manner have I violated the rule?

The VICE PRESIDENT. In using words derogatory to another Senator.

Mr. WATSON of Georgia. The Senator from Wisconsin, Mr. President, was not admonished by the Chair, though he was exceedingly rough in his language toward me. The Senator from Georgia is in full command of himself, and he knows exactly the words he is using, but he will take his seat if the Chair says he is out of order.

Mr. HARRISON. I ask unanimous consent that the Senator from Georgia be permitted to proceed in order.

The VICE PRESIDENT. The Chair did not call the Senator to order. The Chair merely warned the Senator to proceed in order, and he has a perfect right to proceed.

Mr. WATSON of Georgia. Mr. President, I have never willfully violated the proprieties of the Senate. I have lived now for some years; I think a gentleman should know how to demean himself; and I think I am a gentleman; but when a Senator virtually accuses me of having told a falsehood, although he cloaks his language in such a way that it can not be objected to, I nevertheless feel the sting and I resent it. I have been charged with telling a falsehood, and the Senator who charged me with that will have to answer to me for it.

Mr. President, this Englishman, Herbert Hoover, has never published any vouchers and account statements in American newspapers. Even now he alludes to statements that he has published in foreign newspapers. We do not read those papers, Mr. President. We have to secure our knowledge of public affairs from American newspapers.

Every word I said in regard to the unprecedented way in which the Cabinet nominations were presented to the Senate was true. There would have been objection to Herbert Hoover; there would have been objection to Senator Fall, and there would have been objection to Mr. Mellon, who is holding his office in violation of one of the first laws ever passed by the very first American Congress.

When I objected, Mr. President, to the reading of the letter, it was not because I was afraid of its contents, but because I did not wish it to go to the country that there was unanimous approval of that self-given coat of whitewash by Herbert Hoover. The letter has been read; it proves nothing. Herbert Hoover has never published in America the vouchers and statements of the vast sums of money that he has been handling, and he has been accused constantly of having appropriated $10,000 a month of that money to his own personal use, and of having paid extravagant salaries to men and women who did nothing but go around Europe in limousines and have a good time.

Mr. President, the Senator from Wisconsin is well known on this side as a bitter hater of the South. We do not love him; we make no secret of it. We ourselves are not ashamed of our section, of our blood, or our race, and we of the South are ready to meet any man in this Chamber or elsewhere who tries to slur the record of the South, or of any of the typical men of the South.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. McCUMBER. I ask that the Secretary restate the amendment.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 39, after line 18, it is proposed to strike out paragraph 218 in the following words:

PAR. 218. Bottles, and all articles of every description, composed wholly or in chief value of glass or paste, blown or partly blown in the mold or otherwise, colored, cut, engraved, etched, frosted, gilded, ground (except such grinding as is necessary for fitting stoppers or for purposes other than ornamentation), painted, printed in any manner, sand-blasted, silvered, stained, or decorated or ornamented in any manner, whether filled or unfilled, or whether their contents be dutiable or free, 40 per cent ad valorem: *Provided*, That the foregoing containers of merchandise subject to an ad valorem rate of duty or to a rate of duty based in whole or in part upon the value thereof, shall be dutiable at the rate applicable to their contents, but not less than the rate provided for in this paragraph: *Provided further*, That for the purposes of this act bottles with cut-glass stoppers shall with the stoppers be deemed entireties.

And to insert a new paragraph 218, as follows:

PAR. 218. Biological, chemical, metallurgical, pharmaceutical, and surgical articles and utensils of all kinds, including all scientific articles, utensils, tubing, and rods, whether used for experimental purposes in hospitals, laboratories, schools and universities, colleges, or otherwise, all of the foregoing, finished or unfinished, composed wholly or in chief value of glass or paste, or a combination of glass and paste, 75 per cent ad valorem; illuminating articles of every description, including chimneys, globes, shades, and prisms, incandescent electric light bulbs, with or without filaments, for use in connection with artificial illumination, all of the foregoing, finished or unfinished, composed wholly or in chief value of glass or paste, or a combination of glass and paste, 70 per cent ad valorem; all glassware commercially known as plated or cased glass, composed of two or more layers of clear, opaque, colored, or semitranslucent glass, or combinations of the same, 70 per cent ad valorem; table and kitchen articles and utensils, and all articles of every description not specially provided for, composed wholly or in chief value of glass or paste, or combinations of glass and paste, blown or partly blown in the mold or otherwise, or colored, cut, engraved, etched, frosted, gilded, ground (except such grinding as is necessary for fitting stoppers or for purposes other than ornamentation), painted, printed in any manner, sand-blasted, silvered, stained, or decorated or ornamented in any manner, whether filled or unfilled, or whether their contents be dutiable or free, 65 per cent ad valorem; table and kitchen articles and utensils, composed wholly or in chief value of glass or paste, or a combination of glass and paste, when pressed and unpolished, whether or not decorated or ornamented in any manner or ground (except such grinding as is necessary for fitting stoppers or for purposes other than ornamentation), whether filled or unfilled, or whether their contents be dutiable or free, 50 per cent ad valorem: *Provided*, That any of the articles specified in this paragraph, if containers of merchandise subject to an ad valorem rate of duty or to a rate of duty based in whole or in part upon the value thereof, shall be dutiable at the rate applicable to their contents, but not less than the rate provided for in this paragraph: *Provided further*, That for the purposes of this act bottles with cut-glass stoppers shall with their stoppers be deemed entireties.

Mr. JONES of New Mexico. Mr. President, on Monday night we were discussing chemical glassware. It will be recalled that the present rate on chemical glassware is 45 per cent, and that the committee amendment proposes to increase that to 75 per cent. There was some discussion regarding that item, and the Senator from New Jersey [Mr. FRELINGHUYSEN] presented some arguments devoted chiefly to the cost of production in the United States and in Germany. No other factor entering into the question of competition was stated by him, as I recall. Later the Senator from North Dakota [Mr. MCCUMBER] quoted some prices of August last year, as found in the Reynolds report, showing that there was a difference. Later I called attention to the fact that we should consider some other questions, and stated that the facts which had been presented alone would not enable us to judge as to the competition. I suggested at the time that this country was not being flooded with importations and that that really was the most important fact to be taken into consideration; in other words, that it was evident that the difference in wages and even the difference in prices in Germany and in the United States last August were not sufficient to justify us in becoming alarmed at the situation. When I suggested that the importations were small, the Senator from Utah [Mr. SMOOT], as I inferred from the manner in which he made his statement, wanted us to believe that the importations were still quite large.

I read from the report of the Tariff Committee that the chemical-glassware industry was one which was brought into existence in the United States during the war; that the manufacturers of that glassware thought that the present rate of duty was sufficient; and in that connection I referred to the importations. The Senator from Utah did not at that time give us the full facts regarding the importations. He did say, however, that there was $190,000 of importations, and wanted to leave the inference that that was a very large relative proportion. The facts are that prior to the war we were importing from $1,200,000 to $1,500,000 worth of chemical glassware, and the importations since the war have been as follows:

During the last six months of 1918 they amounted to $33,786, and during 1919 to $62,181. Imports increased during 1920, and in the first half of that year amounted to $121,809; but for the whole year 1920 they amounted to only $190,624, which shows that during the last half of the year 1920 the importations very greatly decreased.

We have not full statistics regarding 1921, but for the nine months of 1921 they were $133,866, showing that there is no great flood of these importations. They have fallen from $1,500,000 to less than $200,000, only about from 10 to 15 per cent of what we were importing prior to the war; and, mind you, these importations are thus limited under existing law, and if we study the report of the Tariff Commission I am satisfied that it will appear to a reasonable mind that there is no necessity for any increase of duty.

The Tariff Commission has made a very exhaustive survey of the development of this industry in the United States. Of course, the chemical glassware industry should be considered in connection with the whole glassware industry. It is a part of it. It is merely one item, and there are other factors which might well be considered.

The glassware industry of this country has prospered, and according to the last information we have regarding it, it has prospered more than in any previous year. I believe that at this point I will give a statement regarding the profits of the glassware industry of the country. These figures are obtained from the Internal Revenue Department of the Government, from the official returns of these corporations made in connection with the income-tax requirements.

I find that during the years 1911, 1912, and 1913 the average percentage of profit was 13.6 per cent. In 1918 it was 21.2 per cent. In 1919 it was 22.4 per cent. In 1920 it was 28 per cent. In the year 1920, the second year after the war, the percentage of profit had increased more than 100 per cent above the prewar profits. These concerns were earning at that time 28 per cent on their invested capital; and, by the way, the invested capital had increased from $21,000,000 prior to the war to $47,000,000 in 1920, and the information I have is that that increase in capital represented undistributed earnings.

Mr. SIMMONS. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SIMMONS. I understood the Senator to say that the profit of the glass industry in 1920 was 28 per cent.

Mr. JONES of New Mexico. That was the statement I made.

Mr. SIMMONS. I wish to call the Senator's attention to the fact that 1920 was the year in which we had the great slump in the prices of certain industries of the country. Certain industries of this country, representing probably half of the people of the country, instead of having any profit at all had enormous losses.

Mr. HITCHCOCK. Does not the Senator mean 1921?

Mr. SIMMONS. No; it commenced in the fall of 1920. When we marketed the crop of 1920 we got less than a third of what we had been getting, and it continued in 1921.

Mr. JONES of New Mexico. The Senator has made a valuable statement in this connection. Not only that, Mr. President, but I call attention to the fact that since the industries of the United States began the manufacture of chemical glassware they have exported more than has been imported.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Does the Senator from New Mexico yield to the Senator from New Jersey?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. FRELINGHUYSEN. That is perfectly true. We not only supplied the home market, but we also supplied the Allies with chemical laboratory glassware when the supply of the Allies from Germany was cut off.

Mr. JONES of New Mexico. But I will state to the Senator that our export of this ware has been much larger since the war than it was during the war. In 1918, the last year of the war, our exports were a little over $179,000. In 1919 they were over $200,000. In 1920 they were $262,000, and in 1921 they were $231,735. For the very last year, 1921—and I have before me now the available statistics for the whole year 1921—the imports amounted only to $175,807, while our exports for the same year amounted to $231,735.

Mr. FRELINGHUYSEN. Mr. President, the Senator is perfectly right in regard to the exports. Prior to the war this industry was not established in this country. We did not know how to make this laboratory glassware, and our workmen learned how to make it. They became very efficient, and not only that but they made a very durable type of chemical glassware, and they manufactured it and accomplished the production toward the middle or the end of the war; and I am informed that a great deal of this exportation was to the Allies, to the laboratories of England and France, and our factories furnished the supply that had been shut off from Germany. The point that I made the other night in my speech was that this industry having been established in 10 factories in this country, and with now the menace of German and Belgian and

Czechoslovakian competition, I thought it was a fair proposition in view of the great need of this glassware that we should protect the American industry and be independent of importations. That was the point I made.

Mr. JONES of New Mexico. Mr. President, I will state that the Senator's recollection regarding this export trade or foreign trade in chemical glassware is not in accord with that furnished us by the Tariff Commission. In regard to our exports of chemical glassware the Tariff Commission says:

> For the first time in its history the United States has become an exporter of domestic chemical glassware. During the calendar year of 1918 chemical glassware, valued at $179,682, was exported to 17 specified foreign countries and to others not specified. Canada, Cuba, Mexico, and China, in the order named, were the destinations of about 60 per cent of the total. During the six months ended December 31, 1917, the value of exports of this ware was $65,336, this being the first export recorded. It is believed that a shortage of the ware in these countries, formerly buyers from Europe, was the cause of the exports, and that the bulk of this trade will not be permanent.
>
> The export movement continued in increasing volume during the first nine months of 1920. Exports during the third quarter amounted to $69,579, as compared to an average of $51,842 during the preceding four quarters.

Of course, when Europe shall get back to normal conditions, this export trade of the United States may be interfered with; but I read this as evidence of the fact that up to the present time there is no very acute competition regarding this particular item, with the rates in existing law as they are. According to the very latest information we have, in the year 1921 we actually exported more than we imported.

Mr. HITCHCOCK. In other words, the Senator objects to the enormous rate of 75 per cent imposed in the proposed schedule, because, like many other rates in the schedules of the bill, it is not based upon ascertained facts but on dubious prophecy.

Mr. JONES of New Mexico. The Senator is quite right. The proponents of these very high duties seem to be scared about something. There is no particular basis for it that I can ascertain, yet they conjure up these ghosts from day to day and wonder what can be done which is not being done.

Mr. HITCHCOCK. Can the Senator, as a member of the committee, state what prophet is employed by the committee? Statisticians seem to be useless, as far as the committee are concerned. How do they go out and find a prophet? Evidently these schedules are based on prophecy and anticipation. I would like to know who is the official prophet of the Committee on Finance.

Mr. JONES of New Mexico. So far as I have been able to observe, the official prophet is the one who is particularly interested in the particular industry——

Mr. HITCHCOCK. That is, each industry furnishes the committee with its own prophet and its own prophecy?

Mr. JONES of New Mexico. And the member of the committee who is closest in touch with those people. I understand, so far as pottery and glassware are concerned, the Senator from New Jersey is the prophet, because his constituents seem to be more directly interested in those commodities than are the constituents of other Senators.

Mr. KELLOGG. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Minnesota?

Mr. JONES of New Mexico. I yield.

Mr. KELLOGG. I am not on the committee, and I am trying to get at some of the facts pertaining to this chemical-glassware matter. What was the duty under the Underwood law?

Mr. JONES of New Mexico. Forty-five per cent.

Mr. KELLOGG. What was the duty before that?

Mr. JONES of New Mexico. Under the Payne-Aldrich law it was 60 per cent.

Mr. KELLOGG. Was there any chemical glassware manufactured in this country before the war broke out?

Mr. JONES of New Mexico. There was not, so far as I am advised.

Mr. KELLOGG. Why was there not?

Mr. JONES of New Mexico. It was because our people were engaged in manufacturing other kinds of glassware. The quantity of this ware was comparatively small. The total supply to the United States amounted to about $1,500,000, and about half of that was used in the scientific and educational institutions of the country; and under the law practically all the time from 1790 down to the present these articles were imported free of duty.

Mr. KELLOGG. Could the American manufacturer compete under those duties with the German manufacturers?

Mr. JONES of New Mexico. We do not know anything about that, because there was no attempt made to produce these wares in this country. I intend to read to the Senator before I conclude a statement of conditions under which this industry is operating in the United States to-day, and I think the fair inference from the study which the Tariff Commission has made is that the manufacturers of this glassware can compete with the world without any tariff. I think that is a fair deduction from the information which the Tariff Commission has furnished us and which I shall now present to the Senate.

Mr. FRELINGHUYSEN. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from New Jersey?

Mr. JONES of New Mexico. I yield.

Mr. FRELINGHUYSEN. Of course, I am not going to reply to the satire of the Senator from Nebraska [Mr. HITCHCOCK] or the Senator from New Mexico [Mr. JONES] regarding this question.

Mr. JONES of New Mexico. It was good-natured satire, I will say to the Senator.

Mr. FRELINGHUYSEN. But they ask who made these prophecies. I want to say to the Senator that if he had read the hearings he would have found that the workingmen themselves, who during the war accomplished this great achievement in supplying us with this laboratory glassware, which was so necessary to life and health, came here and made the prophecy that unless they were protected they could not continue in the manufacture of this highly technical ware.

That is where the prophecy came from. If the Senator had read further he would have found also that prior to the war practically every bit of this glassware used in this country was purchased from abroad; and he would have ascertained further that these skilled workingmen in this country developed a higher and a better type of glassware, so much so that many of the manufactures of this high type of glassware have been exported because it is more durable.

Mr. JONES of New Mexico. I agree with much the Senator has said. The industry in this country has developed to such an extent that we make a far better grade of this ware than is made anywhere else in the world, and, as we will find out by further consideration of the report of the Tariff Commission, that fact alone justifies the belief that the United States manufacturers are able to compete with the world to-day.

As to the other factor, about the labor organizations appearing before the committee, I was present when they were testifying before the Finance Committee, and the report of their testimony is found in the appendix of the Senate Finance Committee hearings. It would really be interesting to anyone who cares to weigh the testimony which was presented to us at that time to read those hearings. In questioning the witness who was there and presenting those facts, I suggested to him that there were many other things to be considered than the mere difference in the wages paid to the foreign workmen and those paid to workmen in the United States; that the efficiency of labor, the cost of material, and many other things should be considered; but all he undertook to cover in the oral discussion of the matter before the committee was merely the difference in wages.

It developed that in 1920 a committee from organized labor engaged in this industry in the United States, together with representatives of the manufacturers, went over to Europe to study this question, and they brought back to us, in rather an exhaustive report, some very valuable information. But in that report itself is to be found the very criticism which I have been suggesting here, and I want to read to the Senate just a few words regarding it. In this report, on page 5199 of the hearings, under the general heading "Difficulties in preparing this report," I find the following statement:

> In the preparation of this report it would be impracticable to even attempt a detailed review of all that attracted our attention abroad, nor would it serve the purpose that prompted the investigation. This investigation was intended to be centered upon the flint-glass industry alone; nevertheless one must not lose sight of the fact that numerous things which have a direct bearing on the relation of the glassworker to the glass industry must be comprehended in order to even remotely understand the industry as it is conducted in the Old World.
>
> The subjects of fuel, power, materials, shipping facilities, location, peculiar construction of plants, child labor, natural advantages, equipment, money, exchange, communication, packing, language, measurements, weights, capacities, production, selection, skill, methods of producing, market for ware, taste, good will, ingenuity, necessity, and determination constitute but a few of the many things that could be treated in this report were it not for the fact that it would mean a document so voluminous that it would not be read.

There the people who prepared that testimony and made a report on wages suggested the other factors surrounding this industry which must be taken into consideration.

There is no one in this Chamber who has a greater sympathy and consideration for those who toil than have I, but I know that the workingmen of this country do not want to be used as tools for the purpose of creating monopolies and letting a few industries profiteer on the people of this country. If I were permitted to express my sentiments here, the people who

continually talk about labor would be characterized in a way which I am afraid would not be becoming in the Senate, but it would be expressive of the conditions which exist.

Mr. President, in the name of labor we would exploit the people of the country, we would build up these large industries, allow them to make extortionate profit, allow them to accumulate undistributed profits and add to their capital. Since prior to the war their capital had more than doubled at the end of 1920 and upon that doubled capital they have been making more than twice the earnings which they made upon the more modest capital prior to the war. Again I say that no one is justified in rising in this Chamber and using the holy name of labor as an excuse for sinister purposes.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. JONES of New Mexico. I yield.

Mr. SIMMONS. I think apparently the committee did not have the differential in the labor cost here and abroad of producing this product, but we have information as to the average labor cost paid in the glass industry and the production of the various fabrications of glass which our manufacturers make in this country. It appears from those statistics that the average labor cost in the glass industry is somewhere around 33 per cent of the value of the product. That is the total labor cost. Now, the duty that is imposed is intended not to cover the total labor cost, but the difference between the labor cost here and abroad; yet there is a duty proposed in the pending bill which is twice as great as the entire average labor cost in the glass industry in the country.

Mr. JONES of New Mexico. That is true as to this article of manufacture and it will be found to be the case practically throughout the bill. The duties are levied not merely upon the labor cost which goes into the foreign production but are levied upon the labor cost, the cost of the material, the costs of every kind, the fuel, the raw material. They are levied upon the transportat on cost and they are levied upon the profits of the foreign producer.

Mr. SIMMONS. I do not understand that there is any particular contention in connection with this item or the glass schedule that the material cost is very different as between this country and competing countries, but the Senator from New Jersey makes the point that this duty is asked for by the laboring men. I assume that if the laboring men ask for anything at all, they could not ask in conscience for anything more than a sufficient duty to cover the difference in the labor cost here and abroad. Certainly labor can not ask for this duty. Labor certainly can not come here and say "We want a duty on this product wh ch not only measures the difference but which is twice as much as the entire American labor cost."

Mr. JONES of New Mexico. I am sure that must be the position of the laboring men in this country who are the workers in these industries. Most of them are skilled men in their line, and they are intelligent men. I do not believe they are going to be fooled by all the protestations of sympathy here for the labor ng men of the country. I want the laborers in this country to live as well as anybody. I want them to receive good wages and to become prosperous and healthy citizens of the country and to raise their families in splendid environments. But that is not the real purpose here. Every one of these industries is trying to beat down the cost of labor, trying to reduce wages, as they have been doing since the war and in the face of the greatest profits which the industries have ever known.

Now, in regard to the chemical ware I am sorry we did not take up the subject in its logical order, but I believe at this point I will give some general information regarding the industry for the purpose of showing the amount of labor which goes into the manufacture of glassware. We have the Federal census report upon the industry for 1914, and that is illustrative of the situation in the industry. I am not sure that I have all the various items compiled for the year 1919, but I have most of them at any rate. I will state the condition of the industry in 1914.

The number of establishments was 348. The persons engaged in the industry numbered 78,804. The proprietors were 93. The salaried employees were 4,209. The wage earners were 74,502. The primary horsepower employed was 163,139. The capital was $153,925,876. The salaries and wages paid were $55,204,723. The salaries amounted to $6,548,904 and the wages to $48,655,819. The amount paid for contract work was $150,185. The cost of materials was $46,016,504. The value of the products was $143,085,019. The value added by manufacture was $77,068,515.

Mr. McCUMBER. Mr. President, will the Senator state what year he is quoting?

Mr. JONES of New Mexico. The year 1914.

Mr. McCUMBER. It is 1914 and not the present basis?

Mr. JONES of New Mexico. Yes.

Mr. McCUMBER. Let me ask the Senator another question while I am on my feet. Is the Senator now referring to the entire glass business?

Mr. JONES of New Mexico. Yes.

Mr. McCUMBER. He is not referring to the chemical glassware, where the labor cost is very much higher.

Mr. JONES of New Mexico. If the Senator would honor me with a little closer attention I am sure he would not have to ask me to repeat. I made the statement in the beginning that it was the entire industry. By the way, I am sure the Senator was engaged with his expert, and that is the reason why he did not hear my statement in the first place.

Mr. McCUMBER. I apologize to the Senator if I did not hear him. Often I have to confer with the experts.

Mr. JONES of New Mexico. The statement I made was in regard to the year 1914.

We have the statistics, I think, for the whole year of 1919. I do not appear to have that document at hand at the moment, but it is in just about the same proportion of increase in every line. The cost of material and the cost of production have increased from $123,000,000 to more than $261,000,000 in 1919. So the industry is not a poverty-stricken one by any means. It has had a continuous growth for half a century. Not at any time has there been a decrease in the output of its product, not a decrease in capital, not a decrease in the amount added to the cost of production by manufacture. It has been an increase all the time under all the laws which we have had and under the present law since the war. No one can point to any extended period in any era of its history when it has not prospered, when it has not increased its production, and at the present time it has enormously increased its prices and profits.

Now, in regard to the chemical ware: After giving a description of it under the present duty the Tariff Commission gives us the domestic production and shows its very great increase. Then here is what it has to say regarding the prospects of the industry under the existing law. First it tells us about the equipment that is necessary, as follows:

> The ordinary equipment of a glass factory for the blowing of bulbs and bottles suffices for the production of chemical hollow-blown ware. Molds, blowpipes, and furnaces constitute the principal equipment, and are the same in all countries.
>
> Methods and processes: The making of hollow-blown chemical ware is similar to that of incandescent lamp bulbs and bottles. Lamp-blown and volumetric ware made from tubing, and often according to designs of laboratory scientists, and from the factory blanks, is the work of specially trained artisans. There are less than 250 workmen of this class in the United States, for the most part brought from the Thuringian factories of Germany. Since the war one American firm has developed the use of machinery to do in part what was laboriously done by hand in Germany in the manufacture of the great variety of products coming under the head of "lamp-blown and volumetric ware."
>
> Organization and capitalization: There are no factories engaged exclusively in the production of chemical hollow glassware, and in the large, well-organized, and long-established factories where it is made it is not a major product. Its manufacture is dependent upon the existing organization and capitalization of the factory.

The domestic production and consumption are given.

> Since 1915 there have been no imports of chemical glassware, and the domestic production at this time—

This particular part of the report was written in February, 1919—

> is fully equal to the demands of domestic consumption. The exports of this ware, though small, indicate that the existing factories are meeting our requirements. The shortage of the highly skilled labor required for the making of lamp-blown and volumetric ware makes it doubtful if American shops can meet the domestic requirements for this class of ware.
>
> The following table shows the production of chemical glassware in the United States for the period 1915–1918.

It ranges from $748,000 in 1915 to $1,910,000 in 1918.

Then comes the question of exports, and it is shown that we are exporting more than we are importing at the present time. Those are the latest data upon the subject, and they include the whole of the year 1921.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, I desire to say that this is a new industry only in the sense that the article is manufactured by new capital which has been brought into existing business concerns. It is a mere extension of the operations of the great glass industry which is already established in this country. Is not that correct?

Mr. JONES of New Mexico. Yes; that is precisely the situation.

Mr. SIMMONS. So that it is not one of those infants that it has been claimed should be nurtured by the tariff until it is

strong enough to stand upon its own feet. I want to ask the Senator if it is not true that wherever we have entered upon the manufacture of glassware of any kind in a very short time we have shown our ability to hold our own in competition with the world? Is it not a fact, leaving out for the present this chemical glassware, that as to all the other glassware which is produced in this country the manufacturers are able to produce it so cheaply and so abundantly that we have supplied the domestic demand, and there have been practically no imports or only negligible imports for years past? Is that not true?

Mr. JONES of New Mexico. The Senator from North Carolina is quite right about that.

Mr. SIMMONS. If we have been able wherever we have undertaken to make a particular product out of glass, very soon to reach the point where we were able to supply the domestic market, and at such reasonable prices as to keep out imports, what is the reason for supposing that this great organized industry, which has recently gone into a new field, can not do the same thing with reference to the chemically produced glass? The statistics which the Senator has read indicate that the manufacturers of that glassware already are able to supply the domestic demand, and that the imports, while larger than of some other qualities of glassware, are not now so large as are the exports. If we have been able to do this with reference to the whole glass industry of this country, is there any reason to suppose that we can not do exactly the same thing with reference to this new development of the glass industry?

Mr. JONES of New Mexico. The Senator undoubtedly is thinking along correct lines. This chemical-glassware industry is merely a new item of production undertaken by existing glassware concerns of the country during the war. Now, here is what the Tariff Commission has to say about competitive conditions:

> Domestic chemical glassware has not as yet been compelled to face extensive foreign competition. High-quality German glass is now being imported, but the amount reaching the domestic market has not been sufficient to affect prices to any extent——

Mr. FRELINGHUYSEN. What is the date of that statement?

Mr. JONES of New Mexico. The Senator has a copy of this report, and he can find out—

> and this is the only weapon remaining in the hands of a foreign competitor. Certain domestic brands will sell on a quality basis at prices considerably above those obtainable for even the best foreign ware because the greater durability lowers the ultimate cost to a level which the foreigner can not attain.

Bearing in mind that statement, the question of duty does not make any difference. It says that the producers of this country manufacture a quality which is so much superior to the great mass of the foreign chemical ware that there is really no competition between them.

Mr. FRELINGHUYSEN. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from New Jersey?

Mr. JONES of New Mexico. Before yielding I desire to make some further statements along the same line.

Mr. FRELINGHUYSEN. Mr. President, I hope the Senator at that point will do me the courtesy of yielding. I yielded to him while I was discussing the matter.

Mr. JONES of New Mexico. I yield to the Senator.

Mr. FRELINGHUYSEN. I merely wish to suggest that the Senator will find from further investigation that the glassware of this type which is being manufactured in the United States is limited to the highest-priced article, the general run of which is about the same as the German importations. In relation to the suggestion of this being a highly organized industry, I wish to say that the industry is not highly organized, that it is competitive, and that the employees of one concern in my State—the Kimball Glassware Co.—have twice within the last year accepted a reduction in their wages in order that the Kimball Glassware Co. might continue to meet competition from Germany in this type of glassware. I thank the Senator for his courtesy.

Mr. JONES of New Mexico. Mr. President, the Senator again gives us some very partial information and makes a statement which, if taken alone, might influence some; but I will say to the Senator that the foreign cost of this chemical ware has been greatly increased during this year and even during the last month or two. I will give him some figures regarding that before I conclude; but I wish to proceed regarding the question of competition:

> The great durability of domestic glassware makes it the cheapest in the final analysis. Institutions which sell at actual cost will no doubt find it to their advantage to use this material regardless of the price of foreign ware, because, although the first cost is high, the replacement cost is low and smaller reserve stocks can be carried. Those institutions, on the other hand, which plan on obtaining a profit from the sale of glassware to students will find it to their advantage to use the fragile foreign material. In this case heavy breakage increases the turnover and therefore the profit.
>
> A comparison of the foreign and domestic wares clearly shows the economy resulting from using the latter. In one large commercial laboratory all the foreign glassware (best grade Jena) on hand August, 1914, was broken before February, 1915.

That is, all of it was broken in six months.

> A large percentage of the domestic ware bought to replace it was in active service three years later. There was some breakage due to carelessness, but the breakage resulting from physical and thermal shock, incurred during routine operation was negligible. This does not do full justice to the high quality of the domestic ware, because, for the sake of increased speed in the laboratory operations, it was subjected to shocks which would have been disastrous to any foreign ware ever sold in the domestic market.

It seems to me that under those circumstances there can not be very much harm come from competition even without any duty whatever. The fact that the foreign product is not coming into this country, it seems to me, demonstrates that under existing law there is no great competition in this country; and the fact that the American ware has so much greater durability must make for the prosperity of the American industry. The fragile foreign ware can not compete with any of the domestic ware in this country when the people of this country who use this commodity come to understand the difference in actual cost of the American product as compared with the foreign product.

Mr. SIMMONS. Mr. President, will the Senator permit me at that point to read a brief statement from the Drug and Chemical Market, which is issued every Wednesday, and which is a weekly business paper for those who make, sell, or buy chemicals, dyestuffs, and drugs, essentials, and fatty oils?

Mr. JONES of New Mexico. I will be glad to have the Senator read it.

Mr. SIMMONS. The statement is valuable because it comes from a large dealer in drugs and chemicals who has just made a visit to Europe, Mr. R. H. de Greeff, of R. W. de Greeff & Co., of New York. Mr. de Greeff says:

> Generally speaking, I do not consider the proposed tariff drawn on scientific lines as a tariff should be. Rates in many instances appear to me to be needlessly prohibitive. After a recent survey of conditions in Europe, I am of the opinion that the cost of production in all countries, including Germany, particularly on technical chemicals, has risen to such an extent that competition from Europe is likely to be much less active than before 1914. I am therefore inclined to believe that the effect of the proposed tariff will be to raise prices in this market considerably, in many cases to several times pre-war levels, and that the result as regards revenue will be very disappointing.
>
> Speaking from the exporter's point of view—

Not the importer's but the exporter's point of view—

> in which I am principally interested, I am afraid that as chemicals are in many instances raw materials, these prices here will handicap us in export business in such materials as might still be shipped from here. I admit adequate protection is justified on many pharmaceutical products and on dyestuffs.

That is reported in this trade journal, the Drug and Chemical Market.

Mr. JONES of New Mexico. Mr. President, that is fortified by a letter which I have in my hand which gives a good deal of information bearing directly upon German prices. This letter states:

> I have prepared Schedule A, showing six popular items of surgical glassware giving the price in German marks in the year 1913 and the mark prices in Germany to-day; and as an example of how the prices are going up I inclose a quotation which we received from Germany dated November 29, 1922, on a number of ordinary graduates made of glass; also a copy of our order for these graduates and a copy of a letter from Germany dated May 2, 1922, in which they are advancing prices 150 per cent, which compels us to cancel the order, as we could not possibly afford to pay these prices subject to the present tariff of 45 per cent duty.

The letter from which I am reading is dated May 23, 1922.

> We also give you a copy of a letter from Germany proposing to furnish us with glass jars (proposal dated February 2, 1922); a copy of our order, dated ———, ———; and a copy of subsequent correspondence stating that they can not accept the order only at the prices prevailing at the time of shipment; and a copy of the invoice on which we have received these jars, showing an advance of 33⅓ per cent and 45 per cent since we placed the order.
>
> (The three items on the bottom of Schedule A, marked with red check, show these present-day prices on glass jars just mentioned.)
>
> Size 4 by 4 inches cost us in Germany in 1913 7.1 cents; in 1921, 7.2 cents.
>
> Size 6 by 6 inches cost us in Germany in 1913, 12 cents; in 1922, 13½ cents.
>
> Size 8 by 8 inches cost us in Germany in 1913, 24 cents; in 1922, 26.4 cents.
>
> You will, therefore, see that although the rate of exchange of the German mark is low, it has absolutely nothing to do with the cost of merchandise, as they advance their mark prices according to the rate of exchange.
>
> Schedule B gives a synopsis of the expenses of transportation of hollow glassware in 1913, as compared with three invoices in 1922.
>
> This synopsis is exemplified by a list of details in C, D, and E; one invoice of 3 cases and one invoice of 8 cases which arrived on the steamship *Panaman* April 26—

Giving the customs entry numbers—
and one shipment which arrived May 3—
Giving that customs entry number.

From this you will see that in 1913 we figured 25 per cent transportation charges, insurance, etc., in addition to customs duties; whereas in this year the costs vary from 47½ to 111½ per cent, according to the bulk of the goods and their value.

In regard to those costs of transportation, I want to insert some of these exhibits.

On the three cases of small glassware the items of expense in transportation are given, and it shows that in the case of the first invoice 47½ per cent of the net merchandise value was required to pay those transportation charges, not including any duty; in the case of the second invoice 64 per cent, and in the case of the third invoice 111½ per cent of the net merchandise value.

Mr. President, without reading those exhibits I should like to have them inserted in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

THE KNY-SCHEERER CORPORATION OF AMERICA,
New York, May 22, 1922.

Import expenses on 3 cases of small glassware #1955–1957. S/S. "Panaman" arrived April 26th, 1922. Customs entry #8/6337–2478. Tuttlingen invoice #402 of February 9, 1922.

Value of merchandise without packing: M 6663.00 at $0.0034=$22.65.
Packing: M 260.00=$0.88=4 per cent of net merchandise value.
Inland freight to Hamburg and incidental expense: M 467.60=$1.59=7 per cent of net merchandise value.
Ocean freight: 1.068 cbm. at $3.00=$3.20=14 per cent of net merchandise value.
Insurance: 1 per cent of net merchandise value.
Entry, cartage, and incidental expenses: 10 per cent of net merchandise value.
Six per cent German export tax on merchandise value, including packing, equal to 6¼ per cent of net merchandise value.
Purchasing commission: 5 per cent of net merchandise value.
Total import expenses, exclusive of duty: 47½ per cent of net merchandise value.

THE KNY-SCHEERER CORPORATION OF AMERICA,
New York, May 22, 1922.

Import expenses on 8 cases of hollow glassware #1964–1971. S/S. "Panaman" arrived April 26th, 1922. Customs entry #8/6337–2478. Tuttlingen invoice #402 of February 9, 1922.

Value of merchandise without packing: M 16960.05 at $0.0034=$57.66.
Packing: M 1480.00=$5.03=9 per cent of net value of merchandise.
Inland freight to Hamburg and incidental expense: M 2068.40=$7.03=12½ per cent of net value of merchandise.
Ocean freight: 3.806 cbm. at $3.00=$11.42=20 per cent of net value of merchandise.
Insurance: 1 per cent of net value of merchandise.
Entry, cartage, and incidental expenses: 10 per cent of net value of merchandise.
Six per cent German export tax on merchandise value, including packing, equal to about 6½ per cent of net value of merchandise.
Purchasing commission: 5 per cent of net value of merchandise.
Total import expenses, exclusive of duty: 64 per cent of net value of merchandise.

—

THE KNY-SCHEERER CORPORATION OF AMERICA,
New York, May 22, 1922.

Import expenses on 3¼ cases of hollow glassware marked 1976–2006, 2008–2010, S/S. "Mount Clinton," arrived May 3d, 1922. Customs entry #8/9267–2481. Tuttlingen invoice #411, March 8, 1922.

Total value of merchandise without packing: Mk. 33379.75, at $0.0035=$116.83.
Packing: M. 6780=$23.73=20 per cent of net merchandise value.
Inland freight to Hamburg and incidental expenses: M. 8087.90=$28.31=24¼ per cent of net merchandise value.
Ocean freight: 17,127 cbm., at $3=$51.38=44 per cent of net merchandise value.
Insurance: 1 per cent of net merchandise value.
Entry, cartage, and incidental expenses: 10 per cent of net merchandise value.
Six per cent German export tax on merchandise, including packing, equal to about 7 per cent of net merchandise value.
Purchasing commission: 5 per cent of net merchandise value.
Total import expenses, exclusive of duty: 111½ per cent of net merchandise value.

Mr. JONES of New Mexico. Mr. President, I believe that is all I care to say at this time regarding chemical glassware.

Mr. SUTHERLAND. Mr. President, I noticed a statement made by the Senator from North Carolina [Mr. SIMMONS], and approved by the Senator from New Mexico [Mr. JONES], to the effect that the labor cost of the class of glassware which has been under discussion—namely, what is known as flint glass—is about 30 per cent. It is testified with reference to this particular industry that the value of the entire production is approximately $100,000,000. The number of skilled workmen employed in the industry is approximately 7,000. The number of unskilled help employed is approximately 30,000. The approximate wages paid to labor are about $55,000,000, or 55 per cent of the total value of the production.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from North Carolina?

Mr. SUTHERLAND. I yield to the Senator.

Mr. SIMMONS. If those figures are correct, they must apply to some particular branch of the glass industry, and not to the whole. If they apply to the whole, they are in striking conflict with the official figures which I was quoting a little while ago.

Mr. SUTHERLAND. I will say to the Senator that of course we are discussing now not window glass or plate glass or these other varieties of glass which are machine made, and in which the labor cost is low; we are discussing flint glass, which is largely handmade, and into which labor enters much more largely than it does in the case of these other kinds of glass.

Mr. SIMMONS. I understand, and I understand the Senator to say, that the entire labor cost is 55 per cent of the total value of the production. If that be true, the Senator only wants to protect the laboring man to the extent of the difference between the cost price here and abroad, I imagine. That is the Republican theory. I never have understood them as asking for more.

Mr. SUTHERLAND. That is the theory.

Mr. SIMMONS. The duty which the Senator is advocating in the case of this industry is 75 per cent. I should be very glad if the Senator would tell why he needs 75 per cent duty if he wants to cover the entire American labor cost, which he says, is 55 per cent. A duty of 75 per cent would be 20 per cent higher than the entire labor cost. Why does the Senator insist upon a duty higher than the entire labor cost for the purpose of equalizing the difference between the labor costs here and abroad? Certainly this article costs something when it is produced in other countries.

Mr. SUTHERLAND. Mr. President, I call the Senator's attention to the fact that the materials used in this industry, a large part of the cost of which is labor, constitute the next largest item in the cost of production, of course. Sand, for instance, which is extensively used in the making of glass, costs the German manufacturers 71 cents per ton, while the American manufacturers are required to pay $5.72 per ton, a large part of which is labor.

Coal costs the German manufacturers $2.91 to $4.74 a ton, as compared with $6.35 to American manufacturers, and, of course, the labor cost is approximately 75 per cent of the cost of the production of coal. Lime costs the German manufacturers $2.19 per ton, as compared with a cost of $20.50 per ton to the American manufacturer. So that while the item of labor directly employed in this industry constitutes approximately 55 per cent of the production cost in this country, there is also a very large labor cost involved in the production of the materials used, so that the protection now sought to be given of from 50 to 75 per cent is not really sufficient and does not really mark the difference between the cost of production abroad and in this country.

Mr. SIMMONS. Mr. President, I have never heard, up to this time, any contention that there was any great difference in the cost of material as between this country and abroad.

Mr. SUTHERLAND. I have just read the figures, which are testified to by representatives of the workers and of the manufacturers who made a joint trip to Europe, and who investigated in person the costs of the materials on that side and on this side.

Mr. SIMMONS. Does the Senator mean to tell the Senate that the item of coal, which he says must be considered in this connection, is cheaper in Germany than it is in America?

Mr. SUTHERLAND. Quite a good deal cheaper, on account of the labor costs in this country, the transportation costs, and so on.

Mr. SIMMONS. I had understood that since the armistice, Germany having lost some of her coal-producing property, was in great trouble about coal, and was having to pay rather high prices for it. But let that go. Then the Senator mentioned sand. He said that was an element and that that has to be produced. The sand is not a manufactured product, is it?

Mr. SUTHERLAND. Labor enters very largely into the production of sand. It is largely the labor and transportation costs which must be considered.

Mr. SIMMONS. Does the glass manufacturer produce the sand also?

Mr. SUTHERLAND. The glass manufacturer uses the sand, and it costs money to quarry sand; it costs money to crush it, to prepare it, and to wash it for the use of the glass manufacturers. It is a very expensive product to transport, because of its weight, and the production cost is largely made up of the wages of the labor in producing it. So that the labor costs in the production of these various materials are very much higher in this country than they are in Europe.

Mr. SIMMONS. The sand, then, is one of the raw materials of the glassmaker. The glassmaker does not make the sand. It is produced by some other branch of industry. The glassmaker simply buys it as a part of his material?

Mr. SUTHERLAND. Sometimes the glass manufacturers own the glass-sand plants and sometimes they purchase the sand.

Mr. SIMMONS. By this duty the Senator wants to compensate the labor not only producing the glass but the labor which produces the raw material of the glassmaker. I assume that the laborers who are engaged in the production of the sand which the Senators says the glassmaker has to buy are protected in connection with the producing of that sand, and we do not want to protect them twice. I assume that the laborer who is producing the coal is protected in the production of the coal, there being a duty on coal, and we do not want to protect him twice.

Mr. SUTHERLAND. I call the Senator's attention to the fact that there is no duty on coal. Coal is on the free list and has been for some years.

Mr. SIMMONS. Does the Senator insist that if there is a highly specialized article in the production of which there must be used a half dozen different raw materials which have to be produced by labor we have to protect not only the glassmakers, in this instance, in the labor he has employed but we have to protect all the labor that is employed in the making of all the multitudinous articles which constitute the raw materials of the glassmaker?

Mr. SUTHERLAND. The point I make is that the costs of the labor entering into all these materials are very much higher, and the materials naturally cost our manufacturers here much more than similar articles cost the manufacturers on the other side; so that the labor cost of 55 per cent does not include all the labor that enters into the production of glass.

Mr. SIMMONS. But 55 per cent of the cost of production of the total output of the particular industry with which we are now dealing is labor, and the Senator is now asking for a duty not to equalize the difference between the labor costs here and in competing countries but he is asking for a duty 20 per cent higher than the entire labor cost of the American production; and in order to help the Senator's contention out, he says that not only must there be protection for the labor producing the glass products but for the labor also producing the various raw materials out of which the glass is made, and therefore in this duty we must protect the labor in the glass factory and also include in that protection the labor engaged in the manufacture or the production of the various raw materials of the glassmaker. That is a theory of protection I have never before heard advanced.

Mr. SUTHERLAND. I think I can make it clear that the rate of protection is not as large as it really should be in order to give ample protection merely to the workingmen directly employed in the glass industry.

Mr. McCUMBER. Mr. President, if I understand the Senator correctly he claims, first, that if the proportion of labor in the manufacture of glass is 55 per cent in the United States, and that it costs $1.50 to dig the sand and deliver it at the factory in Germany, and costs $5 to dig the sand and deliver it to the manufacturer in the United States, the difference between $1.50 and $5 becomes a very material factor in the cost of the production of the glass in this country over and above the mere cost of the labor.

Mr. SUTHERLAND. Certainly. Some analysis was made by the Senator from New Mexico showing our increases in exports and imports. Our total imports of glassware from January 1 to September 30, 1921, were $7,985,614. From January 1 to September 30, 1920, they were $5,250,824. So, for the corresponding period in 1921 the imports were $2,734,790 more than in 1920.

Our total exports of glassware from January 1 to September 30, 1920, were $21,779,826, and from January 1 to September 30, 1921, they were $12,176,914; so for the nine months in 1921 the exports had decreased below the corresponding nine months in 1920 by $9,602,912.

If you will analyze the subject of imports and exports you will learn that in the first nine months of 1921 we had a trade balance in our favor of $4,191,300, as compared with a trade balance for the same nine months in 1920 of $16,529,002. In other words, our trade balance for the first nine months of 1921 was just about 25 per cent of our trade balance for a similar period in 1920, thereby indicating a very remarkable change in the situation, to the detriment of the American manufacturer and the American workingman.

I read now from the joint brief of William P. Clarke, of the American Flint Glass Workers' Union of North America, Toledo, Ohio, and Thomas W. McCreary, superintendent Phoenix Glass Co., Monaca, Pa.:

An important fact, and one that must not be overlooked, is that the glassware that we export is made by machinery that requires but little labor, being either automatic or semi-automatic, while the glassware that is brought into our country is made by skilled workmen; consequently the imported glassware serves to displace American workmen.

The figures appearing in our reports of exportations are largely of kinds of glass which are made almost entirely by machinery, whereas the importations are of those kinds of glass into the cost of production of which labor enters much more largely.

On Monday evening before we adjourned I made some statements regarding the labor costs in connection with these various items in this country as compared with European countries, but further statements have been made regarding that subject, so that I propose to put into the record a comparison of the wages paid skilled workmen in some of those countries as affecting the various items we are now discussing.

Mr. JONES of New Mexico. Is the Senator reading from the report of the testimony?

Mr. SUTHERLAND. I am about to read again from the joint brief of William P. Clarke and Thomas W. McCreary, from which I just quoted.

Mr. JONES of New Mexico. That report was made upon data obtained in the latter part of 1920.

Mr. SUTHERLAND. In 1921.

Mr. JONES of New Mexico. From October, 1920, to March, 1921.

Mr. SUTHERLAND. The figures shown are for the year 1921; just how late in the year, it does not state.

Mr. JONES of New Mexico. The Senator will find in the first part of that report a statement as to when those people went to Europe and when they returned. They went over in October, 1920, and returned in the early part of March, 1921.

Mr. SUTHERLAND. I read:

All through Europe we learned that the glassworkers were paid a wage far less than that paid to American workmen performing a like class of work, and this may be well understood by a study of the comparative figures that follow, all of which is based on the value of the American dollar.

Electric bulbs (not lamps): Skilled labor cost per 100—Wardsley, England, $0.46; Leamington, England, $0.35; Edinburgh, Scotland (average), $0.42; Weisswasser, Germany, $0.20; Milan, Italy, $0.28; in America, $1.54.

The foregoing prices show the comparisons at the time of our visit to each locality. Money values have since changed. For example, in Germany wages have increased 30 per cent, and another 40 per cent is expected and credited in this note, while the mark has dropped in value from 0.0143 to 0.0058, leaving the present wage for skilled bulb workers in Germany approximately 15 cents per 100, as compared with 20 cents one year ago.

In other words, this report was written after they came back, and taking into account the further depreciation in exchange the situation is still more unfavorable to American labor than it was at the time these men made this study on the other side.

Thermos bottles: The comparative skilled-labor cost for producing 100 inside and 100 outside pint thermos bottles on the occasion of our visit to Weisswasser, Germany, January, 1921, was $2.41 to the American manufacturer as compared to 46 cents to the German manufacturer. The comparison at this writing is $2.05 to the American manufacturer as compared with 21 cents to the German manufacturer.

Lamp chimneys: The skilled-labor cost for producing a 10-inch duplex lamp chimney in Germany is 12 cents per 100 as compared with $2.11 in the United States. The same chimney is made in Czechoslovakia at a cost of 7 cents.

The skilled-labor cost for producing a 12-inch duplex lamp chimney in Germany is 14 cents per 100 as compared with 10 cents in Czechoslovakia and $2.96 in the United States.

The small help used in connection with shops producing chimneys costs 91 cents a week in Czechoslovakia and $1.68 in Germany and $13.75 in the United States.

Shades: A small electric shade, under 6 inches in size, costs 9 cents per 100 for skilled labor in Germany as compared with $1.87 in the United States.

A small electric shade, one end finished, costs 31 cents per 100 for skilled labor in Czechoslovakia as compared with $2.48 in the United States. The unskilled labor for the making of this article in Czechoslovakia is $2.59 per week as compared with $55 in the United States.

In Germany the skilled workmen are paid 26 cents per 100 for producing a 10-inch dome shade made from opal glass, while in the United States the skilled workmen receive $4.23 for a like number. The unskilled labor employed in making this class of ware receive $1.68 per week in Germany as compared with $55 in America.

The skilled-labor cost in Belgium for producing goblets, sherbets, cordials, egg cups, champagnes, wine glasses, and similar ware is 50 cents per 100 as compared with $2.72 in the United States. The unskilled labor in Belgium employed in producing this class of glassware is $5.64 per week as compared with $27.50 in the United States. This applies to the boys in the shop.

Our investigation justifies the statement that the wages paid to glass cutters are: Belgium, $11.46 per week; Germany, $7.14; Czechoslovakia, $8.44; United States, $30.

Mold makers are an important factor in the glass industry and their wages compare as follows: Belgium, $10.50 per week; Germany, $5.71; Czechoslovakia, $5.20; United States, $27 to $42.50.

The wages for unskilled and semiskilled workmen, such as are employed in connection with the furnaces, mixing room, and lehrs, are: Belgium, $7.50 to $9.36 per week; Germany, $3.29 to $6.43; Czechoslovakia, $5.85; United States, $19.20 to $33. In addition to this, we found that women were frequently employed doing the work that men do in America and receiving a much less wage.

I call the Senator's attention further to this fact: I made the statement the other night that the producers in this line of the glassware on the other side of the Atlantic declare that they are going to put their glassware into this country even if we impose a duty of 100 per cent. It is important to know that the consumers in this country are not getting the benefit of the great difference in the cost of production over there and on this side. These goods are put on the market in this country, but the importers are taking a very considerable profit, and the retailers are taking a very much larger profit. Our large importing department stores are among the greatest objectors to this tariff, because they are buying their goods in Europe at a very small fraction of what they are selling them for to our consumers on this side. They are not interested in our consumers. They are interested wholly in their own profits. It is from the standpoint of the importer's profit and the department store profit that Senators on the other side of the aisle seem to be discussing this matter.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from West Virginia yield to the Senator from New Mexico?

Mr. SUTHERLAND. I yield.

Mr. JONES of New Mexico. I put in the RECORD this morning a statement showing that the prices which are charged in Germany are now considerably higher than they were prior to the war.

Mr. SUTHERLAND. Higher in German marks but not in American money.

Mr. JONES of New Mexico. Oh, yes; in American money at the present rate of exchange. What the Senator is reading is the report which was made upon conditions in the latter part of 1920 and the early part of 1921, and the situation has marvelously changed since that time.

Mr. SUTHERLAND. The situation is going to change a good deal more in this way, if I may interrupt the Senator. Orders were received in Germany, I know, on the one item of electric-light bulbs for something like 50,000,000 of the bulbs. Because they had all they could do in manufacturing for their home consumption they could not take that order, although it was offered. As soon as conditions over there become more normal and they are able to increase their production and supply not only their home demands but something in addition, then the situation will very materially change. They are now beginning to catch up, and when they do they are then going to be able to flood this market with these materials. It is that danger against which we are now trying to legislate, so that within the next year or two our workmen will not be walking the street while workmen on the other side are busily engaged in filling orders from this side.

Mr. JONES of New Mexico. I recall the 50,000,000 order mentioned in the hearings, but that was before there had been any adjustment of prices in Germany with the present depreciation in exchange. But the late information is that we can not get any goods in Germany at any such prices. I doubt if there is that great difference in labor costs to-day. Of course, we know that the prices of labor in Germany have been increasing month by month, by leaps and bounds.

Mr. SUTHERLAND. Increasing in German marks, because as their money depreciates they have to give their laborers more marks, of course, but in the end they have not gotten any more or as much in American money or gold-standard money as they were getting before.

Mr. JONES of New Mexico. That is true in some lines, but in others it is not true.

Mr. SUTHERLAND. It appears to be true in this particular line.

Mr. JONES of New Mexico. I have no recent information regarding this particular line, but in some other lines wages have increased. However, if there is this great disparity in cost of labor in this country and Germany, and if that is the controlling factor, why is not this country being flooded with German goods?

Mr. SUTHERLAND. For the reason that I stated a few moments ago. It appears from the testimony before the committee that as to the particular item to which I refer, and by inference possibly in many other lines, their people are just beginning now to stock up. Their people during the war had not been engaged in productive industries. Their men were out on the battle fields. The demand for home consumption is just beginning to be felt there. They have been quite busy supplying domestic demands over there. But they have a potential producing capacity at a price so much less than we can produce for in this country that unless we give our people a fair rate of protection it will be a very short time until our factories will be closed down, or largely closed down, and our country flooded with these foreign-made materials.

Mr. JONES of New Mexico. I do not care simply to consume time in referring to the matter, but the position which the Senator takes is that under existing conditions in Germany this country is not being flooded with goods, but he thinks that at some time in the future——

Mr. SUTHERLAND. I read the figures showing that the importations were largely increasing.

Mr. JONES of New Mexico. But they are not increasing beyond the pre-war importations.

Mr. SUTHERLAND. At the same rate of increase we have had in recent months they will very largely swamp this country in a very short time.

Mr. JONES of New Mexico. So far as the general industry is concerned, I can say that our exports have been increasing very largely also compared with what they were prior to the war.

Mr. SUTHERLAND. But those are exports of the kinds of glassware which we have not under consideration at this time—plate glass, window glass, and machine-made glassware. We are exporting little or no glassware of the kind which we are now discussing, and we are importing it in increasing quantities.

Mr. JONES of New Mexico. What kind of ware?

Mr. SUTHERLAND. The kind that is called flint glass, the kind of glassware we are now engaged in discussing.

Mr. JONES of New Mexico. Not the chemical ware?

Mr. SUTHERLAND. That comes under the general term of flint glassware.

Mr. JONES of New Mexico. Yes; I know that, but the amount of it is not increasing.

Mr. SUTHERLAND. That was shut off entirely during the war, and a new industry started in this country. Of course, that is on a little different basis than some of the other branches of the flintware manufactures.

Mr. JONES of New Mexico. Prior to the war we were importing about $1,500,000 worth of it, and now our imports do not reach $200,000 worth.

Mr. SUTHERLAND. The Senator knows perfectly well that we imported all of our chemical glassware before the war. It was shut off entirely during the war and during that time this industry started up in the United States under what amounted to an embargo, fully justifying the Republican theory of protection. If we had given that industry protection years ago, we would have had that class of material made here, instead of being very greatly hampered in research work all over the country and not being able to get the kind of glassware that we needed during the war. During the war the condition of extreme protection, the most extreme that could possibly be devised, amounting practically to an embargo, permitted the industry to start up in the country and to supply the American consumer with the needed glassware, and to such a stage of perfection did it go that it now exceeds in quality the goods that were formerly obtained from Germany. Many of our institutions, those which used this glassware, fancied, as they did about a great many articles, that we could not possibly ever make the same quality on this side that was made on the other side.

Mr. JONES of New Mexico. The Senator, of course, can assign the reason which he has assigned for the industry not developing in this country prior to the war, but it is a mere matter of prophecy or guess.

Mr. SUTHERLAND. Oh, no. We know absolutely what has happened, and it is easy to figure why.

Mr. JONES of New Mexico. But we do know that it was the fact that there was none to be had from abroad that caused our people to begin its manufacture.

Mr. SUTHERLAND. We know that was the very highest degree of protection that we could possibly have.

Mr. JONES of New Mexico. There is no question about that.

Mr. SUTHERLAND. We know that under that condition this industry started up.

Mr. JONES of New Mexico. Yes; we know that, but the domestic industries were engaged in producing other things. They were making big profits, and it was no special inducement for them to undertake the production of the little amount of

chemical ware which was required in the American market. I think we may surmise one way as well as another. But the fact remains that the industry has now begun the production of such ware, and it is making a much better quality, and, as the Tariff Commission says, in its last analysis it is cheaper than any chemical ware made anywhere. Moreover, the manufacturers of this ware, as I pointed out on Monday evening, show that the present duty of 45 per cent is sufficient if they can have it applied to all of the goods used by the educational institutions of the country. If the Senator proposes to provide against the potentialities to which he has been referring, I submit that the 75 per cent rate which is proposed in the pending bill will not accomplish the purpose if the difference in the labor costs, as he has outlined them, are practically always to be taken into consideration. The manufacturers themselves say that 45 per cent is sufficient. Evidently they are not afraid of the various factors to which the Senator has been referring this morning. They do not look to have them result in anything practical in the way of competition.

Mr. SUTHERLAND. Mr. President, those who are most interested and who buy this chemical glassware in the greatest quantities appreciate now more than they ever before did the necessity of our not only keeping this industry alive but in a healthy condition; and they urge, as their statements which have been heretofore placed in the RECORD show, that a rate of duty be imposed upon its product sufficient to keep it going in order that we may make these goods on this side and never again be absolutely dependent upon the production on the other side of the water. We have learned that in reference to a great many articles.

Personally I favor the policy which will enable us to become as nearly as possible economically independent in the production of all of these articles. That is the difference between the attitude of the Senator from New Mexico and my own. The Senator from New Mexico wishes to employ men on the other side of the water in making these commodities, whereas I believe in employing them on this side.

Mr. JONES of New Mexico. Mr. President——

Mr. SUTHERLAND. If the Senator will excuse me for a moment, I desire to say that on yesterday I attended the Decoration Day exercises in one or two of the cities in my State where large quantities of glassware of different kinds are produced. It would be very illuminating to the Senator from New Mexico, as well as others who are not in favor of insuring to the American workingman proper returns for his labor by protecting the industries in which he is engaged, so that he may continue to be employed at the American scale of wages and be enabled to maintain himself and his family according to American standards of living, if they could go to those towns in my State and to other towns in other States to see the comfortable homes in which the workingmen live, talk to those men, and see what a high class of citizens they are, and how they are educating their children and bringing them up according to the best standards of American citizenship, though many of them perhaps came here one or two generations ago from the other side of the water. I am in favor of maintaining such homes in my State and in other States where this industry flourishes under normal conditions of reasonable protection and of maintaining for those people American standards of wages in order that they may rear their families and bring them up according to American standards.

Mr. JONES of New Mexico. Mr. President, the Senator from West Virginia certainly could not have been in the Chamber this morning when I stated my views regarding this very subject.

Mr. SUTHERLAND. I was in the Chamber; I have been here ever since the Senate convened, I will say to the Senator from New Mexico.

Mr. JONES of New Mexico. Then, I am sorry the Senator has placed a wrong interpretation upon what I said.

Mr. SUTHERLAND. I beg the Senator's pardon. I have no desire at all to misrepresent the Senator. What I said was an inference drawn from the general tenor of the argument on the other side of the question that, in my judgment, their theory would work out in the way I have stated. That, however, is a matter of opinion, of course.

Mr. JONES of New Mexico. I desire to state in the most emphatic terms that the Senator from West Virginia has not correctly stated my position regarding this matter.

Mr. SUTHERLAND. I beg the Senator's pardon. I certainly would not desire to misrepresent him.

Mr. JONES of New Mexico. I am not in favor of having the foreigner do the work. I am not in favor of destroying the very satisfactory conditions which the Senator from West Virginia has stated as prevailing among the workers in the glass industry of this country. I have not yet made any proposition regarding the items which are contained in the pending bill which, in my judgment, would have any such result.

Mr. SUTHERLAND. That is where the Senator from New Mexico and I differ.

Mr. JONES of New Mexico. But what I am opposed to is the placing of such excessive duties in this bill as to enable the industries of this country to monopolize the American market and to profiteer on the American people. I submit that the Senator from West Virginia has not yet shown that any such high duty as is proposed in this instance is necessary in order to maintain the prosperity of the workingmen who are employed in this industry.

Mr. SUTHERLAND. I did not interrupt the Senator at length at any time while he was making his speech. If he wishes to make another speech when I get through, he will have an opportunity to do it. I am willing to allow the Senator to interrupt me for a question, but, if the Senator will permit me, I prefer to go on. I shall yield the floor after a little while, and the Senator may then make his speech in his own time.

Mr. JONES of New Mexico. I beg pardon, but I did not want it to appear that the Senator had correctly stated my position.

Mr. SUTHERLAND. The point I am making is that it would be exceedingly difficult, and I believe impossible, to convince the Senator from New Mexico that the theory of protection is a proper theory upon which to frame a tariff law. I shall not attempt to do that; I can not hope to convince the Senator from New Mexico that the principle of protection is proper and that tariff duties should be levied against goods from foreign shores in order to build up American industry and safeguard the welfare of the American workingman.

Mr. SIMMONS. Mr. President——

Mr. SUTHERLAND. I yield to the Senator from North Carolina.

Mr. SIMMONS. I wish to ask the Senator a question. The Senator does not deny that there have been considerable exports of chemical glassware, does he?

Mr. SUTHERLAND. I understand that there have been some exportations, and I presume they have been due to the same reasons which operated in the case of bulbs and other commodities to which reference has been made—that there was a demand on the other side and that large orders coming from this side were being refused by the foreign manufacturers because at the time they had not been actively producing and the large home demand kept them going to the extent of their capacity. I presume that the production of chemical glassware in foreign countries during the war had largely fallen off; during that period it had not been used to any great extent; but now, the war having ceased, the demand for chemical glassware has become larger than their factories possibly are able to fill, so that the glassware was obtained where it could be obtained; that is, they came over here to get it.

Mr. SIMMONS. Mr. President, I notice that of chemical glassware there was exported during nine months of the year 1921 $189,000 worth. That would be at the rate, perhaps, of $225,000 worth a year.

Mr. JONES of New Mexico. The amount exported for the whole year was $231,735 worth.

Mr. SIMMONS. I only had the figures for nine months. Those exportations took place nearly three years after the war closed and the concerns in Germany manufacturing this product have probably gotten on their feet in that time as well as in Czechoslovakia, which are the countries the Senator seems to fear.

Mr. SUTHERLAND. Has the Senator the information as to where the exports went?

Mr. SIMMONS. That is exactly what I wanted to ask the Senator if he could tell us.

Mr. SUTHERLAND. I have not that information, but I will endeavor to secure it.

Mr. SIMMONS. Then I will read to the Senator what the Tariff Commission has to say about that. Speaking of these very exports it says:

> They have been largely to Canada, England, Cuba, China, Mexico, and Brazil.

I should like to ask the Senator why does he think that England and Canada and Brazil were importing these products from America if they could buy them so much cheaper from Germany or from Czechoslovaki? Would he not expect Great Britain to have gone to Germany for its supplies in 1921 instead of coming over here to America, if what he says is true, that they can make them for practically nothing over there and they do cost something over here?

Mr. SUTHERLAND. Mr. President, it has been shown from facts placed in the RECORD what the cost of the manufacture of this general class of glassware is, and we know that its production in the European countries was interrupted. I am unable to state all the reasons which compelled foreign countries to come over here, but the production of these goods in foreign manufacturing countries evidently was disturbed during the war, and the new factories which had risen here, no doubt making efforts to place their goods wherever they could, had found a market in Canada and in the other countries mentioned. We know, however, that our competitors can do in the future what they have done in the past, and produce this glassware, in proportion, as cheaply as they do the other classes of glassware for which figures have been given as to labor costs and the costs of material, and so forth. Therefore we know that, in order to protect this industry, we must give them a reasonable rate of duty, without shutting the foreign competitor out entirely.

Mr. SIMMONS. The Senator thinks we can not compete with Germany in this market in these goods, but that we can compete and do compete with Germany in the English market. In this market under the present law the manufacturer has a protection against Germany of 40 per cent, but in the English market, to which we have been exporting this product, Germany is upon an equality with us; there is no differential in the tariff, if there is any tariff on these goods at all, as applied to her and as applied to us. If we can go over to England and undersell Germany and supply the English market with this commodity, why can we not do it here in our own country, where we have under the present law a tariff wall against Germany of 40 per cent? The same thing is true with reference to Brazil, where we were underselling Germany, and of Canada, where we were underselling Germany, and of Cuba and China and Mexico, and all about. Practically all the countries, I suppose, where they do not make this particular material, are mentioned there as countries to which we are exporting this very product and were exporting it to the extent of $225,000 during the year 1921.

Mr. SUTHERLAND. Mr. President, something has been stated about profits and profiteering by our companies on this side manufacturing flint glassware. I desire to read a table from a publication printed in Brussels in December, 1920, showing the profits of Belgian flint-glass manufacturers, showing the capital and profits in francs:

Profits of Belgian flint-glass manufacturers.

[From a publication printed in Brussels, December, 1920.]

	Capital.	Profits.
	Francs.	*Francs.*
Belgian flint-glass works	1,250,000	5,355,000
Flint-glass works of Fanquez at Verg	250,000	357,000
Flint-glass works at Jumet	2,000,000	3,775,000
Flint-glass works of Pige	1,200,000	3,686,000
Glass works of Marin at Jumet	1,100,000	4,002,000
Glass works at Hamendes	2,000,000	5,870,000
Glass works of Paix	1,000,000	2,021,000
The D. Jones works of Charleroi	1,200,000	7,714,000

The total of eight glass plants, with a capital of 10,000,000 francs, had profits of 32,780,000 francs.

No great profit has been made by the flint-glass manufacturers of America. In substantiation of that statement the Tariff Commission reported the average profit made on the capital invested in tableware establishments to be about 10.34 per cent; the average profit in the blown and pressed tableware establishments to be one-tenth of 1 per cent; the average profit of plants making lighting goods to be 10.25 per cent; while the average profit in the lamp-chimney business was 4.86 per cent; all of which certainly is not an exorbitant profit when the risks of the business venture are thoroughly understood.

I think that is all I care to say at this time, Mr. President.

Mr. JONES of New Mexico. Mr. President, I want to read a statement from the Tariff Commission in this connection:

> The manufacturers that have established this new industry in the United States since 1914 are satisfied with the existing rate of duty of 45 per cent ad valorem, but urge that the provision in paragraph 573, which admitted about half of the total chemical ware imported free of duty, be repealed and that all chemical ware be made dutiable at 45 per cent ad valorem. They state that this is necessary in order to encourage and build up their new industry; that large quantities of the ware used in educational institutions are not required to be of a high grade, and therefore the cheaper ware will be imported free of duty when normal trade conditions are restored; and that while they can compete under the existing rate of 45 per cent, they can not compete with duty-free ware.

Inasmuch as it seems that the manufacturers of this product themselves are satisfied with a 45 per cent duty, I move——

Mr. SUTHERLAND. I will ask the Senator if that was not based upon American valuation.

Mr. JONES of New Mexico. It was not. It says "the existing rate of duty," which is 45 per cent on the foreign valuation.

Mr. BORAH. Mr. President, owing to the fact that we have no morning hour these days, and no opportunity is given to discuss matters which Senators may have in mind, I am going, for a short time, to ask the indulgence of the Senator who has the bill in charge while I discuss a matter which seems of some concern.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. BORAH. I yield.

Mr. McNARY. The Senator from Idaho is going to discuss a very important subject, and I know that a great many of the Senators would like to hear what he is about to say. As there are only a few present, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Hale	McKinley	Shortridge
Borah	Harris	McLean	Simmons
Brandegee	Harrison	McNary	Smith
Bursum	Hitchcock	Moses	Smoot
Calder	Johnson	Nelson	Spencer
Capper	Jones, N. Mex.	New	Sterling
Caraway	Jones, Wash.	Newberry	Sutherland
Curtis	Kellogg	Nicholson	Townsend
Dial	Kendrick	Oddie	Underwood
Edge	Keyes	Page	Wadsworth
Ernst	Ladd	Poindexter	Walsh, Mass.
Fletcher	La Follette	Ransdell	Warren
France	Lenroot	Robinson	Watson, Ga.
Glass	McCumber	Sheppard	Willis

The PRESIDING OFFICER. Fifty-six Senators having answered to their names, a quorum is present.

THE RUSSIAN SITUATION.

Mr. BORAH. Mr. President, it is now near the end of the fourth year since the signing of the armistice which put an end to actual hostilities in the World War. The Genoa conference and its ignoble ending reminds us, however, that our peace is nothing but war carried on in a different way. All the old purposes and passions, the ancient animosities, the intolerance, the relentless bigotry, which characterize war were at Genoa and finally encompassed its failure. There was not in that conference—speaking of the conference as a whole—a single move or plan based upon true principles of reconstruction. Everything was conceived and carried out in the spirit of destruction and war. Although Europe, with its vast armies, its military alliances, its tax-ridden people, its hungry men and women, its crippled, its diseased, and its indescribable misery, was spread out before those assembled, this, and all this, was not sufficient to brace the conference to a single high and honorable resolve. The world has had to witness in its bloody and treacherous past many international conclaves, but none ever met with such great responsibilities confronting it, and none ever adjourned with so little to its credit.

It must be apparent to everyone that a continuance of the policies which have characterized the dominant powers of Europe since the war will either end in another world conflict or, if not in actual war, bring about such a condition of retrogression as will engulf the masses of all nations in unending peonage. The people want peace. They want to go back to work. They want to trade with each other and respect and recognize each other. But they are held back, as it were, in a leash by the policies of their political masters—policies which they are neither permitted to approve or condemn. Never was there a time when so much was being said about democracy, about unity and cooperation, and never have the people had so little to say about these things, and all things which involve liberty and life.

We have had four years of actual war—bloody and remorseless war—leaving as a legacy a debt which it is difficult for the human mind to comprehend, leaving the sick, the diseased, the blind, and the insane in every community. We have now also had four years of hate and vengeance, four years devoted to punishment and destruction. Is it not time to risk something, to venture something, in the cause of a new era, of a new order, to accept the creed, the fundamental tenet of which is live and let live? Has tolerance no part or place in postwar politics? Is every act or move of the victor Governments to be gauged solely by the question of material advantage or gain—coal or oil? Are questions of human rights and human liberties to have no weight in making up or shaping our policies? Shall we absolutely refuse to recognize those whose

form of government does not suit us or who have not something to give us in the way of advantage in matters of trade and barter? Will not recognition promote friendly relations, and may we not forego something of our views and risk something in the cause of greater amity and peace?

The Russian problem is conceded by all to be the key to a restored Europe, to a peaceful Europe. There can be no such thing as peace in Europe, or a normal condition of affairs, or disarmament, or relief from taxes and similar burdens until the Russian problem shall have been settled. That was made evident at every session of the Genoa conference. Only in proportion as they were able to deal with that subject were they able to hold sessions which seemed to have any vital motive or any ultimate purpose or object to be attained.

Not only does the Russian problem involve the prosperity of Europe but it is only less important to this country. We may pass tariff bills, but until Europe is restored and the markets of Europe again resume, we can not hope to enjoy the prosperity or the contentment in this country which we are entitled to enjoy. Until the markets of Europe shall have been opened, and the manufacturers of this country can find a market for their surplus products, it will be impossible for them to buy, as they would necessarily have to buy, of the farmer in order to insure his prosperity. While the tariff bill has its place in the consideration of affairs at this time, until there is a settlement of the European situation upon policies which permit of the return to the ordinary duties and obligations of peaceful citizenship, we can not hope to enjoy prosperity in this country. Until the markets of Europe are open and the people of Europe are buying our economic situation here will be unsatisfactory.

This is not the time, even if I were able to do so, to recount the history of the Russian people. It is as fascinating a story as has been written in the history of the world. But I do call attention very briefly to the part which Russia played in the Great War. It is a telling and at times the most controlling and determining part; a fact which, it seems to me, we ought not wholly to overlook at this time. It will enable us, it occurs to me, to form more tolerant, wiser, and sounder views concerning those people.

Lloyd-George, in his speech before the House of Commons upon his return from Genoa, used this language:

> The Russians are a gallant people, a loyal and patient people, a people capable of greater heights of unselfish devotion than almost any race in the world, as they demonstrated through the first two or three years of the Great War, when more particularly on one occasion they sacrificed themselves in order to save the Allies; but a people accustomed for generations to obey ruthless and relentless authority, and who, under the lash of despair, had been very formidable to their neighbors.

This tribute is not in excess of their deserts. At one time the Russian people mobilized 21,000,000 men in the Great War. In February, 1917, they had 14,000,000 men in arms, fighting over a front of 3,500 miles. They had arrayed against them at one time one-third of the entire German Army, two-thirds of the Austrian Army, the entire Hungarian Army, and two-thirds of the Turkish Army. They lost during the war 2,500,000 men upon the field of battle and between 3,000,000 and 3,500,000 wounded. They had prisoners taken to the number of 2,000,000, 1,000,000 of whom died in prison. They themselves captured some 400,000 German prisoners, 1,000,000 Austrians, and 300,000 Hungarians. Indeed, as the Premier of England said, at one time they sacrificed themselves in order to save the Allies.

No nation suffered more or sacrificed more in the Great War during those years than the Russian people, and the fighting which they did was never excelled on any front in the world struggle or elsewhere. As has been recounted before, being without arms, in a large measure deprived of the means of carrying on the conflict which they should have had, they stood beside their fighting comrades, seized weapons from the falling men, and continued the battle. Indeed, it is said that at times they fought the opposing forces with their bare fists. Those are matters which ought to throw some light upon what we may expect of the Russian people, as a people, when they are given an opportunity to demonstrate the qualities they actually possess.

During the war came the revolution in Russia. It has had the course of all great revolutions. It came rather unexpectedly, even among the Russian people. It took a course in some respects wholly unexpected. Indeed, human foresight can not foresee or gauge the course of these great mass movements, these revolutions which shake continents. There is no law, human or divine, by which to judge them. They are a law unto themselves. In defiance of all preconceived plans or mortal schemes they set up their own standards and map out, even as they move, their own course. Eccentric, unnatural, remorseless, some blind, inherent force seems to drive them along their bloody pathway in utter disregard of the purposes of their instigators, and exempt from all control of their supposed masters. Their end and their results no one can foresee.

The final results are often beyond all anticipation, even of their most powerful actors. If there be in human affairs such a thing as fate, imperious and inexplicable, master of the human will, transcendent over the human intellect, it is most manifest in these upheavals of human passion. We see crimes committed, with no apparent object in view; cruelty, senseless and purposeless, practiced; deeds done to the utter confusion of the perpetrators; policies, ruthless and self-destructive, urged and pursued; and yet, in the end a result obtains conducive to human progress, vital to the welfare of the human family and outweighing in good all the deplorable sacrifices by which it was achieved. In spite of all, the fateful drama goes forward, sinister and revolting figures cross and recross the stage, scenes close and the curtains fall, chaos seems to rule supreme; nevertheless, out of this woof and warp of crime and incompetency a higher life, a better people, a nobler nation, emerges. This was notably true as to the French Revolution, and I doubt not at all will be true of the Russian Revolution. In common with all who deplore human suffering and execrate those who inflict cruelty upon their fellows, I would prefer that these great changes could come about in a different way. Nevertheless, the change must come—it is a part of the law of human progress, the reason for which I am little able to understand and the justice of which it seems utterly useless to question.

One striking feature of this great movement which ought not to be overlooked, because it has had a very marked effect upon the attitude of mind of the Russian people, is that from the beginning the Allies expressed little sympathy with the revolutionary movement in Russia. With the exception of the United States, as those views were expressed by President Wilson, there was no true sympathy upon the part of the governments engaged in the war. Every move that was made seemed to have for its purpose the augmenting and sustaining of counter revolutions and, as a very great Russian has said, while the Allies seemed anxious to have Russia back in the war, there was little expression of feeling as to what the ultimate result of the struggle for free government in Russia should be.

As I have said, there was an exception to that in the expression made by this country through President Wilson, and, if I may, I take a moment to read the statement by the ex-President in his address to the Congress on January 8, 1918, in stating the war aims:

> The evacuation of all Russian territories and a settlement of all Russian questions such as to insure the best and most untrammeled cooperation of other nations of the world in order to afford Russia a clear and precise opportunity for the independent settlement of her autonomous political development and of her national policy, promising her a cordial welcome in the League of Nations under institutions of her own choice, and besides a cordial welcome, help, and assistance in all that she may need and require. The treatment meted out to Russia by the sister nations in the months to come must be a decisive proof of their good will, of their understanding of her needs as apart from their own interests and of their intelligent and disinterested sympathy.

That was, it seems to me, the true principle "under institutions of her own choice," sound and ancient American doctrine. "Afford Russia a clear and precise opportunity for independent settlement of her autonomous political development." Wiser words in regard to Russia have not been spoken. These were spoken January 8, 1918, long after the fall of Kerensky and the advent of Lenin.

The expression of that view at that time was received throughout Russia with approval, and undoubtedly created a feeling of confidence in the American policy. It is one of the unfortunate things of the war, one of the things which has left disaster and suffering in its wake, that that policy in the first instance expressed has not been undeviatingly pursued by the Government of the United States. We had nothing to gain by deviating from the most sympathetic and helpful policy toward the Russian people, and we had everything to lose by adopting a different course.

There has been in history, so far as I know, but one revolution to be compared with the Russian Revolution, and I want to draw some comparisons to-day between the French Revolution and the Russian Revolution. I want to look in upon the French Revolution during its progress, observe the issues and the principles which were raised, the questions which were presented to the outside nations, and the manner in which outside nations dealt with the subject in hand. It seems to me it establishes a precedent to which we may recur, if not for absolute guidance, yet for wise suggestion as to the present situation.

There is scarcely a principle or a proposition which has been raised by outside nations with reference to the Russian Revo-

lution which was not raised and presented and discussed and considered and determined by outside nations with reference to the French Revolution. There was scarcely a question of policy considered at that time different from that which has been presented with reference to the Russian Revolution. I am going to recur briefly, in order to secure a better statement of those issues than I can present, to the great debate between Pitt and Fox relative to what England should do in the matter of treating and trading with the French Republic and with reference to its recognition.

We should bear in mind that for 12 long years two of the ablest statesmen of the English-speaking tongue discussed the policy of England with reference to the French Revolution. Then I want you to go with me to the policy which was adopted by our own Government under the leadership of men equally distinguished in statesmanship and, to my mind, much wiser in the policy which they adopted.

We are told in these days that nothing has ever occurred like the Russian Revolution in its atrocity, its inhumanity, and its cruelties, and nothing like the questions presented by it have ever before been presented. As we go through this debate, I invite attention to the fact that the things which we are discussing now are the things which they discussed in those days.

Mr. Pitt said in the famous debate on February 3, 1800:

I consider the French Revolution as the severest trial which the visitation of Providence has ever inflicted upon the nations of the earth.

This debate was taking place during the question of treating and trading with the Government of France, Mr. Pitt urging that the system which they had set up was in contravention to all orderly governments, that it had utter disregard for the sanctity of property or for the sacredness of life, and that the people who were at the head of it could not be trusted, and for England to recognize such a system of so-called government was to encourage the spread of the doctrines which they were teaching, which would result ultimately in the destruction of all orderly forms of government.

Upon page 98, of volume 3 of these debates, it is said:

They—

The French Republic—

had issued a universal declaration of war against all the thrones of Europe; and they had, by their conduct, applied it particularly and specifically to you—

That is, the English Government.

They had passed the decree of the 19th of November, 1792, proclaiming the promise of French succor to all nations who should manifest a wish to become free; they had by all their language, as well as their example, shown what they understood to be freedom; they had sealed their principles by the deposition of their sovereign; they had applied them to England by inviting and encouraging the addresses of those seditious and traitorous societies who from the beginning favored their views, and who, encouraged by your forbearance, were even then publicly avowing French doctrines and anticipating their success in this country; who were hailing the progress of those proceedings in France, which led to the murder of its King; they were even then looking to the day when they should behold a national convention in England formed upon similar principles.

How similar to the fear of the spread of the soviet doctrine into this country at the present time. One of the main arguments against recognizing the soviet government is that this would accentuate and tend to spread and to some extent honor the doctrine which they say is inimical to all forms of order and orderly government.

Again, he said:

What would have been the effect of admitting this explanation? To suffer a nation, an armed nation, to preach to the inhabitants of all the countries in the world that themselves were slaves—

That is, the inhabitants of the other countries—

and their rulers tyrants; to encourage and invite them to revolution, by a previous promise of French support, to whatever might call itself a majority, or to whatever France might declare to be so. This was their explanation; and this, they told you, was their ultimatum.

This was the view of Mr. Pitt relative to what he called an "armed system," not a government, not a responsible political entity, but an armed system controlled and directed by men who had no regard for property, for life, or for established order.

Upon page 105 it is said:

These terms should be—

That is, these are the terms which it was proposed should be made to France—

That these terms should be the withdrawing their arms within the limits of the French territory; the abandoning their conquests; the rescinding any acts injurious to the sovereignty or rights of any other nations; and the giving in some public and unequivocal manner a pledge of their intention no longer to foment troubles or to exite disturbances against other Governments.

Mr. President, very similar, indeed, to the request which the Premier of England thought essential, and the idea which seems to be uppermost in the mind of the Government at Washington, a request which seems to be understood as necessary to be granted before any recognition of the soviet government can be had.

I call attention to this that we may understand that these questions have been met, and met by American leaders and American statesmen, as we shall see in a few moments. Before I go to that I want to read a paragraph or two in the reply from Mr. Fox. The reply was made on the same evening, and to my mind the greatest piece of debating of which history gives a record.

Fox, who was contending for the recognition of the French Republic and for treating and trading with the French Republic, said:

Gracious God! Were we not told, five years ago, that France was not only on the brink but that she was actually in the gulf of bankruptcy? Were we not told, as an unanswerable argument against treating, that she could not hold out another campaign; that nothing but peace could save her; that she wanted only time to recruit her exhausted finances; that to grant her repose was to grant her the means of again molesting this country; and that we had nothing to do but persevere for a short time, in order to save ourselves forever from the consequences of her ambition and her Jacobinism? What! After having gone on from year to year upon assurances like these, and after having seen the repeated refutations of every prediction, are we again to be seriously told that we have the same prospect of success on the same identical grounds?

For five years, Mr. President, there has appeared in a large portion of the press of this country and from the lips of high officials the statement that within 30 days or 60 days, or at most within a brief period, the soviet government would collapse; that all we had to do was persist in the policy of nonrecognition or nonaid, either one way or the other, and it must inevitably follow. For five years the soviet government has been meeting every test which can be applied to a government from without and from within. At the present time it seems to be conceded upon all hands that it is much stronger than it has been at any time during those five years. Notwithstanding that fact, the prophecy is still put forth—for the consolation of those, I suppose, who put it forth—that within a short time the soviet government is to fail, and to recognize it is to aid in its maintenance a little longer.

Further on Mr. Fox said:

Look back to the proclamations with which they set out. Read the declarations which they made themselves to justify their appeal to arms. They did not pretend to fear their ambition, their conquests, their troubling their neighbors; but they accused them of new modeling their own Government. They said nothing of their aggressions abroad; they spoke only of their clubs and societies at Paris.

Sir, in all this, I am not justifying the French—I am not striving to absolve them from blame, either in their internal or external policy.

Again he said:

I therefore contend, that as we never scrupled to treat with the princes of the house of Bourbon on account of their rapacity, their thirst of conquest, their violation of treaties, their perfidy, and their restless spirit, so we ought not to refuse to treat with their republican imitators.

Mr. President, when the whole story of all the cruelties and the atrocities of the soviet government shall have been told, it will not exceed or excel in brutality, in inhumanity, in cruelty those of a government which we have recognized ever since we have been in existence. My friend, the able Senator from New Jersey [Mr. EDGE], said the other day that to recognize the soviet government with its present policies would be infamous. We recognized the czar government at a time when the peasantry of Russia was tied to the land, whipped and sold and treated as common chattels. Is there anything in the present situation more infamous, more intolerable? Human language is inadequate to tell the story of the wrongs which have been heaped upon the peasantry of Russia these 300 years—who said during these years we should withdraw recognition of Russia? It is said that we should not recognize Russia because the rights of property are not respected. Did we not recognize the old government when life was not respected; when human beings were ranked in dignity with the land?

Further on he said:

No man regrets, sir, more than I do the enormities that France has committed; but how do they bear upon the question as it now stands? Are we forever to deprive ourselves of the benefits of peace because France has perpetrated acts of injustice?

Mr. STERLING. Mr. President, may I ask the Senator from whom he is quoting?

Mr. BORAH. Charles James Fox in reply to Pitt. I will pause to say that history has justified beyond peradventure the speech of Charles James Fox. It has been said that no man ever lost so many motions in the House of Commons as Fox and no man was so often right. There are those who find consolation in that fact.

Now we come, Mr. President, to the doctrine upon which America proceeded, although this is stated by Mr. Fox. Said Fox:

I think the people of France, as well as every other people, ought to have the government which they like best themselves; and the form of that government, or the persons who hold it in their hands, should never be an obstacle with me to treat with the nation for peace, or to live with them in amity.

Let us turn now, Mr. President, from the great debate between two great English statesmen, which continued off and on for 12 years. During its continuance there continued war, conflict, the sacrifice of human life, and continued deepening misery. Upon this side of the water the same question arose as to whether or not we should recognize the Republic of France.

I invite the attention of those who profoundly respect the Father of Our Country and the Cabinet which surrounded him to some of the views which they expressed, the action which they took, and the result of policies which they pursued. Upon the 18th day of April, 1793, seven years prior to the debate when Pitt and Fox were still discussing the question, President Washington sent a letter to Mr. Hamilton, and, as I remember, to all other members of the Cabinet, and in that letter was this question:

Question 2. Shall a minister from the Republic of France be received?

Question 3. If received, shall it be absolutely or with qualifications; and, if with qualifications, of what kind?

That, Mr. President, was on the 18th day of April, 1793. On the 6th day of April, 1793, there was established in Paris what was known as the Committee of Public Safety, 12 days before the writing of this Cabinet letter. That Committee of Public Safety held within its control and its unlimited discretion the life of every man, woman, and child within the confines of France. At the head of that Committee of Public Safety was Barere, of whom Macaulay could say he "tasted blood and felt no loathing; he tasted it again and liked it well." But the dominant and controlling figure of that committee was Danton. That committee was without law save the discretion of those who sat—nine of them—and the property and the lives and the destiny of France were absolutely within its control. The power of Lenin could not be greater, nor more arbitrarily or cruelly used.

What happened? This letter was sent out on the 18th day of April, 1793. On the 19th day of April, 1793, the Cabinet met and they unanimously decided to receive the minister from the French Republic. There was no dissenting voice among the members of the Cabinet. Shortly thereafter, on the 18th of May, 1793, Washington recognized Genet as minister of the French Republic in pursuance of the policy which had been outlined at a Cabinet meeting and agreed to unanimously by the Cabinet.

I call attention, Mr. President, to the fact that this recognition took place at a time when I have said that Barere and Danton were at the head of the Committee of Public Safety. They continued until the 6th day of April, 1794, a year to a day subsequent. Upon the 6th day of April, 1794, Robespierre reorganized the Committee of Public Safety and became its controlling spirit; and there has not been in all the history of the world such austere depravity as characterized the reign of terror under the last months of Danton and until the 28th day of July, 1794, when Robespierre died under the guillotine which he himself had been using in such a marked and ruthless way. During that time the wise, the farseeing Washington continued to recognize the French Republic.

Mr. President, let us ascertain, if we can, upon what principles Washington and his Cabinet acted. However, before I proceed to that I will go a little further into some of the details of the organization of the French Republic during those days. On June 20, 1789, the representatives of France, finding the great hall closed, adjourned to the tennis court, and there took solemn oath that they would not adjourn until France should have a new constitution. If any particular and single event may be considered as the beginning of the French Revolution, I presume this might be so considered.

On July 14, 1789, the Bastille fell and the mob took control of Paris. In August, 1789, the assembly issued its declaration of the rights of man, which was a general statement of principles and the basis of civil society. The declaration of rights as made at that time was just as obnoxious, quite as much despised, and quite as much feared by the established order which then prevailed in Europe as is any enunciation which has come from the soviet government. It was regarded as inimical to all forms of government. Men were sent to prison in England for even advocating it; much more would they have been punished for practicing it.

In August, 1789, the assembly abolished all orders of nobility—the peerage, hereditary distinctions of all kinds and prerogatives of all kinds. On January 17, 1790, the Jacobin Club became the real political power in Paris and throughout France. It was a case of mob rule for a time.

In June, 1790, France was geographically redistricted and rearranged; her whole judicial system was revised; the power of the National Assembly was enlarged; church lands were confiscated; and all the old landmarks of government were obliterated. The guillotine was set up, and daily did its bloody work, and hundreds were executed.

In June, 1791, the King and Queen undertook to escape from France; were captured and brought back, and thereafter to all practical purposes were prisoners. On April 20, 1792, France declared war on Austria, and the long wars growing out of the French Republic began. Belgium was shortly thereafter invaded. On June 20, 1792, the mobs of Paris overawed the assembly and forced their way into the King's palace.

On August 10, 1792, Danton, at the head of a vast mob, swept over the assembly and the monarchy, overpowering everything. The streets of Paris ran red with blood, and other cities were laid bare to the mob. About this time took place what is known as the fearful massacre of the prisoners in the different jails. On September 21, 1792, the convention abolished royalty and proclaimed a Republic. In November, 1792, began the trial of the King and shortly thereafter of the Queen. On November 19, 1792, the French Assembly issued what Pitt called a universal declaration of war, of which we have read in his speeches. On December 15, 1792, they issued another general proclamation of the same nature, declaring that the French Army would go to the assistance of all peoples who wished to abolish their governments and establish governments in harmony with the principles of the French Republic. On January 21, 1793, Louis XVI was executed, and thus the revolution threw down the glove to all Europe. On October 16, 1793, the Queen was executed. So, Mr. President, within three months after execution of the King and prior to the execution of the Queen, Washington and his compeers saw fit to recognize the existence of the French Republic. Between the time of the execution of the King and the execution of the Queen occurred what was known in France as the reign of terror or mob rule. No language, Mr. President, which has been used, or which could be used in the description of the atrocities of the soviet government could exceed the atrocities which were practiced during those months. There must have been a deep, a profound reason for the recognition of that Government in France, to which we will come in a few moments.

On June 2, 1793, Lyon, by decree of the convention, was doomed to destruction; its name was to be blotted out; 3,500 were arrested, and half of them thrown into prison and massacred. Toulon and Marseille suffered likewise. This was the condition, Mr. President, in France at the time of the action of Washington's Cabinet.

Now, who composed that Cabinet? Excepting always, of course, living Cabinets, it was undoubtedly the greatest in all history, not only of our country but of all the world. They were not only administrators but they were builders of government; they were constructors; they were the carpenters who set up the fabric. There have not been in the history of mankind two men who better understood the science of government than Alexander Hamilton and Thomas Jefferson. The wide-ranging genius of Jefferson surveyed every possible activity within the political world, and Hamilton's constructive genius has never been excelled in the history of mankind. With them sat Washington, and these men, none of them in sympathy with the things which were being practiced in France, for reasons of peace, of stability, and the fundamental principle that a people have the right to set up their own government, recognized the existence of the French Republic and continued to do business with it from the 18th day of May, 1793 on, and the relationship was never broken.

I digress to quote a few words from Alexander Hamilton upon the French Revolution. It is one of the arguments, or rather one of the statements, made by those opposed to the recognition of soviet Russia that all who favor it are Bolsheviks and more or less in sympathy with the practices which have prevailed in Russia. I presume the same arguments would have been made in that day against Hamilton and Jefferson had there been living at that time those with such barren processes of thinking as seem to prevail upon the part of those who put forth these assertions now. Of course those who make such assertions well know them to be false, but falsehood is the handy weapon of the intellectual bankrupt.

Hamilton said, speaking of the French Revolution:

A league has at length been cemented between the apostles and disciples of irreligion and of anarchy. * * * The practical development of this pernicious system has been seen in France. It has seemed as an engine to subvert all her ancient institutions, civil and religious, with all the checks that seemed to mitigate the rigor of authority; it has hurried her headlong through a rapid succession of dreadful revolutions which have laid waste property, made havoc among the arts, overthrown cities, desolated provinces, unpeopled regions, crimsoned her soil with blood, and deluged it in crime, poverty, and wretchedness; and all this as yet for no better purpose than to erect on the ruins of former things a despotism unlimited and uncontrolled, leaving to a deluded, an abused, a plundered, a scourged, and an oppressed people not even the shadow of liberty to console them for a long train of substantial misfortunes, of bitter suffering.

George Washington, in a letter written later, quoting from page 140 of Lodge's Life of Washington, says:

My conduct in public and private life, as it relates to the important struggle [of the French Revolution] in which the latter [France] is engaged, has been uniform from the commencement of it, and may be summed up in a few words: That I have always wished well to the French Revolution; that I have always given it as my decided opinion that no nation has a right to intermeddle in the internal concerns of another; that every one had a right to form and adopt whatever government they liked best to live under themselves.

Notwithstanding the conditions which prevailed in France—the confiscation of property, the disregard of established institutions, the repudiation of debts, and the atrocities which were practiced—Washington was not willing to deviate from the proposition that a people have the right to set up whatever form of government they wish to live under and that it is the business of outside nations to recognize whatever form of government they may themselves see fit to establish. He talked little or not at all of trade, of safety of investments, of Bourbon debts—these matters he wisely supposed could be better handled after cordial relations were established. Time proved he was correct in his view. It was upon the basis of this policy, and in due regard for these principles, that the wise men sitting about the Cabinet table in 1793 concluded to recognize the French Republic. What was the result of it? Instead of the propaganda going forward in this country which seems to have been feared then from some sources, and is now feared with reference to Soviet Russia, it ceased almost entirely. The American Republic was a friend to the French people. There was no occasion to continue acts of enmity to our institutions or disregard of our wishes. The policy which Washington pointed out in 1793 and established was the policy to which England had to come, and to which Pitt, supported by Fox, had to accede after they had brought Europe to turmoil and destruction and war for 15 long years.

Who can doubt in the light of history that had it been within the mind of Pitt to have accepted the policy of the wise leader of the western Republic the great war between France and England would have terminated 10 years before it did? And just so surely as the policy which is now being pursued is pursued with reference to Soviet Russia it will inevitably continue and prolong the misery, the turmoil, and the discontent of Europe.

Mr. President, it may be possible, by reason of the policies which are being pursued, to break down the soviet government. It may be possible that it will fall. I do not pretend to say that it will not. But suppose the soviet government falls. What then? What takes its place? Here are 170,000,000 people in distress and in turmoil. There is only one directing force in it, and, as Lloyd-George said at Genoa, there they sit, representing this 170,000,000 people. Suppose we destroy it, break it down, and plant chaos in the midst of Russia. What then? What government takes it place? What power will control and bring order? Who will speak to the warring forces and say: "Be still"? Are we willing to break down the only semblance of authority, the only semblance of order, which prevails in that country and leave it to utter chaos? What do we propose to give them instead? Shall we hunt out some representative of the old régime and force him upon the Russians? That would be infamous. Or shall we connive at the destruction of their present government and leave them to bloody chaos?

Mr. President, this is, as I might say, preliminary to the discussion of the practical questions, the vital questions, which will necessarily arise in connection with recognition. I am not going to-day to undertake to discuss them, but shall do so very shortly. I wanted to say this much as a preliminary to the discussion of the more practical propositions. There is the practical proposition of commercial relations, debts, and property. I shall discuss those things, I hope, very soon. I want to say in closing that I make no concealment of the fact that I have sympathized from the beginning with the revolutionary movement in Russia. I expressed that opinion early in 1917, and I entertain the same feeling now.

No people, with whose history I am familiar, had been scourged and tortured as the Russian people. They had suffered much and they suffered long at the hands of their corrupt and merciless masters. The unrelenting and sanguinary rule of the Romanoffs has no parallel in all the annals of crime. If ever a people had ample justification for overthrowing their government and seeking surcease of sorrow in a new life, these people were more than justified. The Great War, destroying, as it did, the rooted institutions of centuries, also broke some fetters. In Russia, at least, they heard and believed that this war was being fought in the interest of the people, of democratic government. With this gospel of a new life ringing in their ears, the tragic year of 1917 was ushered in. It found the whole social and economic fabric of Russia in collapse; a court mildewed with the stupid superstitions and loathsome lechery of Rasputin; venal public ministers bartering their influence in the highest market; millions cold and hungry in the streets with bacchanalian debauchery in the places of power. Then came the breaking up of the great deep.

The elemental forces of human nature, crazed with hunger, wild with the hope of liberty, were released and the Russian Revolution was born. The reign of the Romanoffs was in any event to have an end. In that stupendous fact certainly all lovers of humanity may rejoice. The manner of their going, could it have been controlled, all would have had different, but that this dynasty should end once and for all is one of the compensations of the war. It had cursed and encumbered the earth long enough. And those who believe as I do in that kind of human progress which is initiated and sustained, not alone by great personages or dominant figures, nor guided by select groups of men, but which comes forward by reason of the great dumb forces of oppressed and outraged and downtrodden humanity, still believe that "the judgments of the Lord are true and righteous altogether."

Some will say such reasoning is to approve and commend these things done in the name of revolution. You might as well charge me with approving the atrocities of the French Revolution because I believe such revolution was unavoidable, that it marked the beginning of a new and far better era in France. I do not regret the Russian Revolution, but I do deplore its cruelties. Humanity seems sometimes to get into a trap from which there is no escape except to hew its way out. I regret the method, but I would not have humanity eternally entrapped. In these great social upheavals kings and lords and leaders are of but little concern and criticism is of no avail. The people are patient and long suffering before they are cruel. I do not know of a revolution in all history, a revolution which had its roots deep down in the sufferings and the sorrows and sacrifices of the people, but was amply justified and in the end altogether for the betterment and the advancement of mankind. I venture to believe the Russian Revolution will be no exception. In the end there will emerge a freer, a more released, a more democratic Russia. Untrained in the affairs of self-government, untutored in the duties and obligations of a free people, schooled alone by 300 years of oppression and venal mastery, they are nevertheless a great people, a patient, kindly people, and from this fearful ordeal they will come forth a peaceful, home-loving, and self-governing people.

Ever since the Russian soldier carried back from France in the Napoleonic wars the seeds of democracy, a higher conception of liberty, there has been among them an unquenchable desire, an unconquerable purpose to be unchained and free. Now, belated but inevitable and upon the most stupendous and bewildering scale ever presented to the consideration of mankind, through blood and travail, through unspeakable suffering and infinite misery, they are working out their salvation. I make no apology for the awful mistakes committed on the way, but in the words of the leader of our own revolution, the father of our own country, I take the liberty to say:

Born in a land of liberty, my anxious recollections, my sympathetic feelings, my best wishes are irresistibly excited whensoever in any country I see an oppressed nation unfold the banners of freedom.

I believe the recognition of the de facto government of Russia would be in the interests of world peace, of the economic rehabilitation of Europe, and of the ultimate triumph of democracy throughout Russia. It would also be in harmony with the best traditions of our Republic and the high precedent established by one whose poise no political storm could disturb and whose intellectual vision neither political bigotry nor personal prejudices could cloud.

I am going to close my remarks by a quotation from Mr. Root when he was in Russia as a representative of this Government. In an address to the Russian provisional government Mr. Root said:

As we look across the sea we distinguish no party, no class. We see great Russia, as a whole, as one mighty, striving, aspiring democracy. We know the self-control, essential kindness, strong common sense,

courage, and noble idealism of the Russian character. We have faith in you all. We pray for God's blessing upon you all. We believe you will solve your problems, that you will march side by side in the triumphant progress of democracy until the old order everywhere has passed away and the world is free.

Why can not we live up to that doctrine? Shall we forever pay lip service only to the great principles of humanity, to the great truths of international amity? I care less for the teachings and the doctrine now prevailing to some extent in Russia than many who decry them most. My ideal of government is that of a government of law—orderly, regulated liberty. I care nothing for theories or doctrines over there; I see only 170,000,000 Russian people, a great people, ultimately to be a powerful people, struggling in almost blinded madness to be free of the inhumanities and the cruelties of the past. It is with those people as a people that we should sympathize, and of them as a people we should think when forming our policies and mapping out our program. To say that the people do not want the present government of Russia is not borne out by the facts. It has stood for five years against conspiracies from within and conspiracies from without. The people have fought and sacrificed for it because they believed that it is the way to a better government and a freer democracy. It is their government. It is better for the world, better for peace, better for humanity, and better for the Russians that we recognize it and seek through friendly intercourse to modify those provisions which conflict not only with their interests but, as we believe, with the interests of all nations.

Mr. EDGE. Mr. President, I have listened with great interest to the very able presentation of the Senator's viewpoint, and his conviction that the recognition of the soviet government is necessary, as he stated almost at the close of his address, in order to bring about world peace. I am just as firmly convinced that the recognition of the soviet government by our Government would have just the opposite effect, and that world peace will be absolutely impossible if the American Government subscribes to the doctrines of the soviet government, as is demonstrated by the happenings almost every day and every week on the other side of the ocean.

The Senator from Idaho drew a very interesting parallel between the French Revolution and the Russian Revolution, and what followed in each case. I am not going to discuss the question of the justification of the Russians or of the French in starting their separate revolutions. I believe in many ways the people of both countries were undoubtedly eminently justified; but it is not a question of drawing a parallel, as I view it, between the fact that the Russian Revolution occurred and that the French Revolution occurred as they did, but it is a question of drawing a comparison between what followed those revolutions in the way of policy of government. Following the French Revolution was the establishment of a great republic, founded on the principles of liberty and justice, the recognition of contracts, and the sanctity of business understandings very similar to our own. What followed the Russian Revolution was, first, not the bolshevistic régime, as I recall it without refreshing my knowledge of the history, but the Kerensky régime, which was a constitutional government, and which was duly recognized by our Government; and following that the bolshevistic, soviet government.

So, when the parallelism between the two revolutions is drawn, or when the justification for those revolutions is discussed, it seems to me it is apart from the situation as we must face it. It is entirely a question of the kind of a government we are called upon and requested to recognize.

Even Lloyd-George, before the speech delivered in the House of Commons which has been quoted by the Senator from Idaho, in addressing the conference before he left Genoa, among other things, stated as follows:

> It is no use concealing facts from ourselves, because they have an unpleasant habit of coming up again after you have buried them. The real fact is that there have been such divergences of opinion upon questions of vital principle that it has been found impossible to reconcile them. There is no doubt at all that the two systems are quite irreconcilable—the system in Russia and that obtaining in other parts of the world.

I think America's traditions and America's position are splendidly put in these few lines from the last letter of our great Secretary of State, Mr. Hughes, which in principle follows the plain policy contemplated by the previous administration. Secretary Hughes stated as follows, in part:

> Business intercourse consists in the making of contracts and the acquisition of property rights. Nations may adopt what policies they please for the future conduct of their local affairs. If these policies are not enlightened, production will languish and trade will shrivel up; still, they will be within their rights in determining their future policy in local affairs. But if they seek international intercourse they must perform international obligations. When they have invited intercourse with other nations, they put themselves outside the pale if they enter upon a policy of confiscation. No State is entitled to a place within the family of nations if it destroys the foundation of honorable intercourse by resort to confiscation or repudiation, and fails to maintain an adequate system of government through which valid rights and valid engagements are recognized and enforced.

The Senator did not to-day touch upon the practical side of this. He did so briefly in a colloquy with the Senator from New Jersey a few days ago, and, as I recall his statement then, he advanced the thought that because the Russian representative at Genoa had agreed to recognize the previous debt of the United States, a hundred and eighty odd million dollars loaned to the Kerensky government, but had agreed to recognize that debt only providing we would assist other nations of the world to advance a billion dollars to Russia, therefore we could not say that the Russian Government was maintaining a policy of repudiation of that debt.

If I follow correctly the Senator's line of reasoning—and I do not want to state any thought as his which he did not utter—it appeals to me that Russia is approaching us, then, for nothing more nor less than an unadulterated bribe. In other words, if we will help loan them $1,000,000,000, they will recognize a previous debt which they have continuously refused to recognize. But we did not do it, since which time Russia, as I understand, has practically withdrawn any such proposition.

Much stress has been placed upon the German-Russian treaty for commercial exchange. The Senator from Idaho, I think, stated the other day that 14 countries had entered into commercial relations with Germany, not a full recognition of the Government, but simply commercial understandings. Of course, as the Senator himself admitted a week ago, there is nothing in the world to prevent an American business man doing business in Russia at the present time.

I understand that a large volume of business is being done by American business men with Russia without any false sense of security from our Government, which, it seems to me, would be the result of a recognition by our Government of the soviet government. In other words, they are doing it absolutely at their own risk.

As to the Russo-German commercial treaty, which was rather looked upon by other nations of the world as a sort of a coup on the part of Germany from an industrial and commercial standpoint, I read recently in a metropolitan newspaper that this is the way the business men of Germany, with that apparently very favorable treaty in existence, view commercial intercourse with Russia under the present policy of the Russian Government.

The Russo-German Association, which is an association for the promotion of mutual trade relations between countries, represents 1,200 industrial firms, 50 chambers of commerce, and 50 other affiliated bodies.

> This association of Berlin business men concerned in trade with Russia has voted that no trade with Russia is possible so long as the Bolshevik government remains in control or until four conditions are fulfilled: Restoration of security of life, property, and contracts, and complete freedom of action.

That is apparently a large, representative commercial organization in Germany. Despite the ground-floor understanding that their Government apparently has obtained with Russia, they stand stronger for national honor than they do for possible commercial advantage.

I fear that the recognition of the soviet government by our Government would simply deceive the business men of America. As stated, they can do business now with Russia if they elect to do so, but when we recognize another government, with that is supposed to go the protection of American nationals in that country, or any other country so recognized.

How are we able to protect the American business man doing business in a country which claims at the outset that they will not guarantee property rights, and who have maintained a policy of confiscation?

I appreciate, as the Senator has said, that there was confiscation in the French Revolution; that there was confiscation in all revolutions as a part of the war; but I can differentiate between that kind of confiscation and the policy of a government following a war and following a proclamation of peace which still continues to maintain that property rights and the sanctity of contracts have no part in that government.

No; Mr. President, while I sympathize, as the Senator from Idaho does, with the people of Russia and have no brief for the czarist government which went before, still they are following false gods, and I believe we will be doing an injury and continue to foment and encourage strife and uncertainty, through recognition, carrying with it certain approval. This strong Nation, now looked upon for world leadership, with all desire to help the oppressed, must help them along consistent

lines only which insure honorable government and honorable transactions.

Mr. FLETCHER. Mr. President, on this subject I think it might be well to refer to some facts not so much as bearing upon the question of whether we should officially recognize soviet Russia or not, but upon the actual conditions as they exist. This is after all a practical and not a theoretical matter. I do not say what position I shall take when the resolution is presented for the recognition of soviet Russia. I do want to say, however, that my sympathies all along have been and are with the Russian people. I have always regarded them as well meaning, law-abiding, excellent people. I am in accord with the Senator from Idaho [Mr. BORAH] on the proposition that people everywhere ought to select their own form of government.

The question here is whether the government now in operation and in power in Russia is a government of the Russian people at all or not. Certainly it has not any of the features of a democracy. It is communism and socialism combined, in a sort of way sui generis. It surely is not a government of the Russian people, for the Russian people, or by the Russian people. However, there are certain forces operating there, certain people in power, Lenin and Trotski, and they and their supporters and followers are exercising a degree of governmental authority. Whether we shall recognize them or not, as I said, is a question we can deal with a little later.

The trouble with the Russian situation to-day is on the inside. The trouble is there is no productivity in Russia. There is no progress being made in Russia, and there can not be any progress until there is some sort of readjustment along the lines indicated by our Government over a year ago; not that we want to dictate to Russia, but we suggested a plan and a way whereby Russia could move forward. But that problem must be solved in Russia and not by us or by any other country. It must be determined in Russia and by Russian people what they will do to plant themselves upon a foundation, the only basis upon which any government can succeed and any people become prosperous.

A very interesting article appears in the Manufacturers' News of May 25, 1922, by Secretary of Commerce Herbert Hoover. I believe Mr. Hoover is as thoroughly acquainted with the Russian situation and the Russian problem as any man in this country or perhaps any other country. I want to refer to the facts stated by him as showing the actual conditions there, and, if I may, for the moment suggest something by way of response to the implication at least that America has not done her part toward Russia and that a solution of the difficulties could be found in our recognition of the soviet government. Mr. Hoover points out that—

> During the last two years there has been no ban on any merchant sending in his goods or any investor lending his savings for development of industry if he felt so inclined. No practical advantage has been taken of this situation, and the productivity and industrial machinery of Russia have continued to degenerate steadily.

Mr. BORAH. Mr. President——

Mr. FLETCHER. I yield to the Senator from Idaho.

Mr. BORAH. What evidence is there that conditions in Russia continue to degenerate?

Mr. FLETCHER. I submit, in the language of Mr. Hoover, that—

> The proof that access to Russia alone was not the solution is evident, for if we subtract the goods that have been moved into Russia by the charity of America and the two or three hundred million dollars of goods imported with the old gold reserve, the supplies moving in the course of normal trade have been pitiable, and the people were starving even before the drouth. The export of goods from Russia—

That is, under the Government in Russia. The movement has been pitiable even though the doors have been open for the last two years. As to the exports, let me continue the statement of Secretary Hoover:

> The export of goods from Russia for 1921 was less than $10,000,000, as compared with $700,000,000 before the war.

These are the facts.

Mr. BORAH. Mr. President, I have very profound respect for anything Mr. Hoover may say upon the subject, but, as I said, it is not my purpose to-day to discuss that phase of it. I am going to do so in a day or two, and I think I can demonstrate to a certainty that there is an error as to those figures.

Mr. KING. Mr. President, will the Senator yield?

Mr. FLETCHER. Certainly.

Mr. KING. If the Senator will examine the Pravda, the official organ of the soviet government, published in Moscow, he will find confirmation in part, at least, of the statements made by Mr. Hoover. As a matter of fact, the exports from Russia have been diminishing constantly, and the imports into Russia have been diminishing, as shown by the records in the ports of Revel and Esthonia and those in the Black Sea. The imports are pitifully small. That the exports are but a fraction of those in pre-war time conditions revealed by Tchitcherin and his associates at the Genoa Conference, and the reports there made demonstrate beyond peradventure the catastrophic condition, industrially and economically, of the Russian people to-day.

Mr. FLETCHER. I think there is no doubt about it.

Mr. BORAH. I have examined all those things, and I shall be glad to debate that feature of the matter.

Mr. KING. At this time I would be glad to debate it with the Senator.

Mr. FLETCHER. That fact is further indicated by the condition as to the enormous inflation of money in Russia. To-day 4,000,000 rubles make $1 of our money. It takes a million rubles to get a shave, and that is perhaps the reason why not many of them get shaved.

But as to what we have done for the Russian people, Mr. Hoover says very properly:

> America has not been remiss. Before the next harvest the American Relief Administration, under my direction, will have expended more than fifty million dollars in American charity on the saving of Russian people from starvation and in providing seed for the next harvest. This operation will perhaps do more than save 10,000,000 of humanity from death. It will through this act of charity have saved the soul of the Russian people from an abyss of depair too terrible for human expression.

Mr. BORAH. I agree that our charity has perhaps saved 10,000,000 people, but our policy has starved 20,000,000.

Mr. FLETCHER. I shall get to that in a moment. We are providing charity for Russia to-day, as Mr. Hoover said, in a measure ten times greater than all the rest of the world. We are saving the lives of 10,000,000 of their people. But the solution can not be found in charity. I quite agree with that. That is in accord, perhaps, with the Senator's suggestion. Charity will not solve their problems. This is only a temporary relief, founded upon their most urgent and pressing necessities, to save human life, but it shows that America has been doing her part.

> Really, the lasting help—

Said Mr. Hoover—

> must be based upon cold economics, or it will bring no real reconstruction or relief to Russia.

There can be no question about that. A recognition of the Russian Government is not going to solve the problem there. What good will it do for us to admit an ambassador from Russia and set him up on Sixteenth Street or somewhere in Washington as a representative of the Russian Government and thus recognize Russia? Where does that lead? As the Senator from New Jersey [Mr. EDGE] suggested, it may be rather misleading than otherwise. That alone is not going to solve their problem, and it may not even contribute to that end. They must work that out at home, among themselves, on the inside. Their political, industrial, and economic problems can not be solved by outside interference or effort.

Mr. Hoover further said on that point very forcefully:

> Some people believe that if we would establish in Washington a soviet ambassador then goods would begin to flow; but goods do not move in an economic vacuum. More political officials will not solve this issue; it requires the restoration of the dynamic forces of productivity and the establishment of security for investment. The foundation of these things must be laid in Russia; it can not arise in the United States.

That, it seems to me, very largely answers the question about the great importance of recognizing soviet Russia. We laid down the principles, as I have mentioned, upon which recovery and the required productivity could be based. Mr. Hoover says with respect to that:

> Our Government stated these standards one year ago, as follows: "No lasting good can result so long as the present causes of progressive impoverishment continue to operate. It is only in the productivity of Russia that there is any hope for the Russian people, and it is idle to expect resumption of trade until the economic bases of production are securely established. Production is conditioned upon the safety of life, the recognition by firm guaranties of private property, the sanctity of contract, and the rights of free labor."

There is the actual situation. We must face the facts as they exist. Russia can do what is needful; and until she does plant herself upon those sound economic principles and adopt something of that kind as a standard and firmly fix her course accordingly, the mere recognition of the Government will not benefit her very greatly.

Mr. President, I shall ask to have inserted in the RECORD this article by Mr. Hoover, appearing in the Manufacturers' News, and it will speak for itself. It impresses me strongly and answers, it seems to me, the criticism of our policy and our conduct toward Russia.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The article referred to is as follows:

WHY WE CAN HAVE NO TRADE WITH RUSSIA.

(By Herbert Hoover, Secretary of Commerce.)

The Russian people are being destroyed from inside by the destruction of productivity. Communism has been abandoned for a cross breed of individualism and milder but equally unworkable forms of socialism. Nor must communism or socialism be confused with the Russian people, for to-day the adherents to those beliefs in Russia have diminished to a very small minority. But whether the adherents are small or large, Russia must work out her own political and economic system.

Our relationship to this problem must be predicated upon one basis only—what will bring real assistance to the Russian people in this time of their greatest need. We are providing charity in Russia to-day in a measure ten times all the rest of the world and we are saving the lives of 10,000,000 of their people. The solution can not be found in charity, for unless productivity is restored charity will be overwhelmed. Real and lasting help must be based upon cold economics or it will bring no real reconstruction or relief to Russia.

Some officials in Russia and their followers in the United States seek to blame the responsibility for this situation upon our continuation of the blockade after the war was won. This blockade, imposed as a war measure against the cooperation of Russia with Germany, was continued for a year after peace. I strongly advocated that this should not be done, because I felt that whatever goods could filter to Russia would relieve just that much individual misery, and that it would be well for the world to lift the curtain on this experiment in economics. We know now, however, that it would not have made one jot of economic difference in the real situation of the Russian people had the blockade never been imposed.

During the last two years there has been no ban on any merchant sending in his goods or any investor lending his savings for development of industry if he felt so inclined. No practical advantage has been taken of this situation and the productivity and industrial machinery of Russia have continued to degenerate steadily. The proof that access to Russia alone was not the solution is evident, for if we subtract the goods that have been moved into Russia by the charity of America and the two or three hundred million dollars of goods imported with the old gold reserve, the supplies moving in the course of normal trade have been pitiable, and the people were starving even before the drought. The export of goods from Russia for 1921 was less than $10,000,000, as compared with $700,000,000 before the war. Some people believe that if we would establish in Washington a soviet ambassador, then goods would begin to flow—but goods do not move in an economic vacuum. More political officials will not solve this issue; it requires the restoration of the dynamic forces of productivity and the establishment of security for investment. The foundation of these things must be laid in Russia; it can not arise in the United States.

Some Russian officials have held out promises of great advantage to us if we would reestablish ambassadors and would come to her economic assistance. It is a constantly reiterated statement that here is a vast field for the sale of American goods, for the employment of millions of American workmen, and for large profits to those straw men called capitalists. These statements have the same degree of inflation as the Bolshevik ruble, which now stands 4,000,000 to the dollar.

When Russia was running full blast previous to the war, she took 1 per cent of the exports of the United States which, when reduced into terms of working time of our workmen and farmers, meant, roughly, the employment of say 30,000 Americans. We are therefore not, nor ever will, be dependent upon Russia for the physical welfare of our people.

Russia is bankrupt. She has no productivity; her factories and mines, even where founded on Russian raw material and repairs, are producing but from 2 to 25 per cent; her railways are transporting less than 7 per cent of their pre-war capacity; her agricultural production is below her own needs instead of the great normal surplus; she has eaten up her entire fat, and can for a long time have nothing to exchange for the services of our workmen or the savings of our investors. Therefore if we would supply work, capital, and talent to the reconstruction of productivity in Russia, they must be given upon credit of charity.

When our people are called upon to place their savings in such investments, they will be likely to ask for security for repayment and evidence that there will be a return to productivity in order that payment may be made. We arrive at once at the primary consideration of those economic essentials that will make productivity possible and that will give security to investment.

Our Government stated these standards one year ago as follows: "No lasting good can result so long as the present causes of progressive impoverishment continue to operate. It is only in the productivity of Russia that there is any hope for the Russian people, and it is idle to expect resumption of trade until the economic bases of production are securely established. Production is conditioned upon the safety of life, the recognition by firm guaranties of private property, the sanctity of contract, and the rights of free labor."

This statement sets no moral or political standards; it is but the hard, cold, economic fact. Since this statement Russia has made some progress toward these primary essentials. But the fatal difficulty is that under even the present somewhat modified system both security and promise of productivity are insufficiently certain, and this certainty has to be made clear, not to the American Government, which is not a money lender, nor to the American banker, who is but a broker, but to the American investor whose savings are at stake and to the American merchant whose goods are to be contracted for.

Unless the confidence of these merchants and investors can be secured there will be no credits extended other than the minor sums of the greedy speculator. Our citizens in considering these things naturally raise the question of the treatment of our fellow countrymen who have already invested their savings in Russia, not alone because of any solicitude for the comparatively small amount of such investment, but because their treatment will be the index of confidence to others, and far beyond this, because there lies here a principle to which the American people must needs take heed, for that principle lies at the root of the whole basis of international commerce. Our only course is to decline relationships until these things are maintained. Upon confidence in the good faith in these principles among nations rests the whole fabric of international life.

While Russia slowly swings toward the standards that we believe are vital to her recovery and to the point where it is possible to undertake her rebuilding America has not been remiss. Before the next harvest the American Relief Administration under my direction will have expended more than $50,000,000 in American charity on the saving of Russian people from starvation and in providing seed for the next harvest. This operation will perhaps do more than save 10,000,000 of humanity from death. It will through this act of charity have saved the soul of the Russian people from an abyss of despair, too terrible for human expression.

PRIMARY CAMPAIGN EXPENDITURES.

Mr. HARRISON. Mr. President, some weeks ago the Senate consumed much time in the consideration of the corruption that was alleged, and which the jury in Michigan said was proven, in the so-called Newberry case. The majority of Senators voted not to unseat the sitting Member. Some of us thought when the action was taken that seeds were being sown that might grow into bad fruit in adjoining States and that that action would be accepted as a license for certain candidates for office in the future to expend money without respect to law or morals. I desire to have read from the morning Washington Post an editorial entitled "High cost of politics."

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Assistant Secretary read as follows:

HIGH COST OF POLITICS.

Compared to some State primary election contests that have attracted national attention, the cost of the Gifford Pinchot campaign for the gubernatorial nomination in Pennsylvania, $121,705, does not seem excessive. However, it doubtless has surprised many persons to learn that Mr. Pinchot personally was put to an expense of $93,562 in waging his fight, while his wife's contribution of $29,500 brought the family campaign account to a total of $123,662. It simply shows that the use of money in primary campaigns is not necessarily limited to the perpetuation of so-called reactionary control and the advancement of candidacies backed by despised political machines. Even the reformer appreciates the power of the dollar when strongly fortified by its kind, and without qualms adapts it to practical use in the furtherance of his ambition to serve the public for the greater public weal.

But the successfully conducted Pinchot fight against the Republican State machine in Pennsylvania also offers further proof that the direct primary is not a poor man's game. Mr. Pinchot won by a narrow margin, considering the total vote cast at the primary; had he not been a rich man, able to contribute liberally of his wealth as well as his ardor for the cause and what he believes to be better State government, he could not in all probability have made his ideals prevail. His opponent in the gubernatorial nomination race, Attorney General Alter, who had the "organization" backing, filed a campaign-expense account amounting to the modest sum of $1,131.80. Had the latter had more money to contribute in his own behalf, or had Mr. Pinchot met his opponent on terms of financial equality—well, the result, as hinted, might have been different.

Mr. HARRISON. Mr. President, in that connection, I shall not ask to have read to the Senate but shall incorporate in my remarks, if consent is given, an editorial which appeared in a morning newspaper, the Philadelphia Record, headed "Pinchot's cash victory."

The VICE PRESIDENT. Without objection, the editorial will be printed in the RECORD.

The editorial referred to is as follows:

PINCHOT'S CASH VICTORY.

Gifford Pinchot and members of his family paid $124,000 to win the Republican nomination for governor of Pennsylvania. They admit it.

The Pinchot committee supposed to have managed the ex-forester's primary campaign, and, obliged to file a sworn statement of the amount expended, is quoted as reporting the cost of the campaign at $121,705.51.

The Record is willing to take the statement of Mr. Pinchot that the contributions of himself, his wife, and another relative were $124,000 as the truth; and in its opinion the use of this enormous amount of money for such a purpose is a scandalous thing, a brazen employment of the funds of a rich man with an itch for office which no man fit to be governor should be permitted to contribute in an effort to secure his election.

As to the other statement, which seems to be intended to create the impression that only $133,000 was contributed and expended in the Pinchot campaign, the Record challenges its truth. It is clearly not a veracious statement of the total cost of the Pinchot primary campaign. If it is intended to create the impression that only that much money was expended in the State in behalf of Pinchot it is not stating the facts.

The attorney general of Pennsylvania, though an unsuccessful opponent of Mr. Pinchot for the G. O. P. nomination, is nevertheless the attorney general of Pennsylvania. He should immediately appoint a commission to investigate the Pinchot campaign contributions, and in the interest of public morality, expose the contributors to the fund whose offerings to the cause of the politicians opposed to other politicians were used in the recent primary fight and are not accounted for.

The charge against Senator NEWBERRY, of Michigan, was that his relatives contributed and there was expended in his primary campaign about $175,000. But the candidate himself did not give any considerable amount to this fund. That scandalous use of boodle, which has been denounced from one end of the country to the other, hardly compares with the brazen admission of Mr. Pinchot that he parted with over $93,000 of his own money; that his wife gave $29,500, and another relative contributed $1,500 to help make Mr. Pinchot the Republican candidate for governor of Pennsylvania.

This adds an issue to the contest for governor of Pennsylvania this year.

Is the election to be bought? Having put up $124,000 for the primary victory, how much are the Pinchots going to spend between now and the November election?

Is there not some way to halt the purchase of the governorship of Pennsylvania?

There is. The majority of the people of Pennsylvania have the power to stop it by voting for John A. McSparran. The Democratic candidate for governor has no boodle to buy the election. But the people are

powerful enough to elect a man who has not a few hundred thousand dollars to spend in an effort to occupy the executive mansion at Harrisburg.

If there were no other reason why Gifford Pinchot should not be elected governor of Pennsylvania or of any other State, he has furnished one sufficient to preclude the probability of his selection by the enormous amount of money he admits having spent to secure the Republican nomination.

Mr. HARRISON. Then, I notice in the Philadelphia Inquirer:

Large sums spent in primary contest. Pinchot report shows expenditures of more than $122,000. Combine campaign for Alter probably cost nearly half a million dollars.

I am sorry there are not more Republicans in their seats. It seems that they can not be prevailed upon to stay here when we are talking about the results of recent elections and enormous campaign contributions and expenditures. There are now on the other side of the aisle only three Republican Senators, there being 57 vacant seats over there. If that number of them were coming up for reelection in the approaching campaign there would be more than that number absent after the 4th of March next, in view of the revelations that are constantly coming to the front. This article continues:

HARRISBURG, PA., May 29.—Gifford Pinchot, Republican nominee for governor of Pennsylvania at the recent primary, to-day filed his expense account, showing he had expended $93,562.14, including $82,253.97 which he contributed to the Pinchot-for-governor campaign committee, which certified to expenditures of $117,013.08 and unpaid bills of $4,692.43.

That reads like the testimony in the Newberry case.

The only personal contribution made to Mr. Pinchot was $3,750 from William Flynn.

Mr. Pinchot's personal account shows a contribution of $82,253.97 to the committee, $11,163.02 spent for copies of voters' lists, and $145.15 personally expended for traveling. The Flynn contribution was reported as made to him.

The State-wide committee accounted for $118,033.27 received from all sources, including what Mr. Pinchot gave; $29,500 from Mrs. Gifford Pinchot; $1,500 from Mrs. C. B. Wood, Simsbury, Conn., an aunt of Mr. Pinchot; $500 each from Dr. M. Carey Thomas, Dr. C. I. King, and Frank P. Williams; $1,000 each from Mrs. Barclay H. Warburton and Dr. Henry S. Drinker; $240.83 refunded from the Philadelphia and Forest County committees; $990 from small contributions, and $48.47 interest earned on daily deposits.

The expenditure account shows $41,037.35 as the big item, it being for the postcard campaign, which reached 2,000,000 voters, and for which Mr. Pinchot secured the voters' list; other expenditures being, for Philadelphia County committee, $5,000—

Probably they got that as Goldstein got his out in St. Louis from the Lowden slush fund—

Twenty-second ward committee, Philadelphia, $3,000; Erie County committee, $2,000; Dauphin County committee, $3,000; Lackawanna committee, $3,000; Pittsburgh committee, $3,000; and 22 counties, $7,175; organization expenses and dissemination of information, $5,221.66; copies of newspapers distributed, $4,717.09; office help, $5,695.89; office furniture, rent, etc., $1,588.30; mailing, $8,283.34; telephone and telegraph, $2,360.72; printing, $15,126.22; traveling expenses, $5,127.97; advertising paid for, $1,779.54.

The unpaid bills are chiefly for advertising.

ALL ALTER ACCOUNT NOT FILED.

Attorney General George E. Alter, candidate for the Republican gubernatorial nomination, filed his expense account showing he had spent $1,131.80, of which $1,000 was contributed to John H. Montgomery, chairman of the Alter committee, at Pittsburgh. He received no contributions and owes nothing.

It is estimated that nearly half a million of dollars was spent through various county organizations in the campaign to nominate Alter for governor.

The Alter committee of Potter County received $500 from Frank E. Baldwin and spent it. Other counties have yet to be heard from.

Congressman WILLIAM J. BURKE'S statement of his expenditures for Senator showed he had received $1,900 and spent $2,089. Among his contributors were A. Moore, $1,200; and J. Mulvehill, $200.

The statement of James J. Walters, chairman of the Burke committee, shows $8,894 received, $4,297.57 spent, and $4,563.60 owed. The big item of expense was advertising. John Douglas, jr., contributed $4,500; M. F. Boyle and W. F. Hughes each $500. A $500 contribution from a Pittsburgh labor union was noted.

Mr. President, recently the eyes of the country have been focused on two primary contests. One was in Indiana between Senator NEW and Mr. Beveridge. The attention of the country was concentrated on that contest because the administration was strongly supporting Senator NEW, and his friends made the most of that support. He had stood by the administration in this Chamber as perhaps no other Senator had, and he was entitled, in the State of Indiana, as would any other sitting Republican Senator have been in his State who had been servile to the wishes of the administration, to the support of the friends of the administration in that State. The night before the election in Indiana Mr. King—I believe that was his name—the campaign manager of Senator NEW, gave out a statement in which he said that in no speech of Mr. Beveridge had he praised the work of the Harding administration. So the country interpreted the result in Indiana as a repudiation of the administration and as an indication that some spark of progressivism was still left in at least a part of the Republican Party.

The other contest that was waged was in Pennsylvania, and there the result was received by the country as "glad tidings of good news," for they thought that Pinchot had smashed the old reactionary political machine of Pennsylvania, the old guard which had so long dominated the politics of that State. They knew, too, that Pinchot was not pleasing to the present administration, and they accepted it in a way as a victory for progressivism in Pennsylvania. It pains those of us who believe in progressive principles, who believe in the great masses having a voice in the running of the Government, to read the revelations of these reports of expenditures and to realize that one who has been known as one of the chief apostles of progressivism, although he was termed by the late Senator Penrose as a "tree doctor," should have forgotten the teachings of progressivism and expended some $93,000 of his own money and $29,500 more of money contributed by his wife.

The Newberry case sinks into insignificance when we analyze this campaign for nomination of a governor in Pennsylvania. Of course, Senators who voted to indorse the manner in which Senator NEWBERRY was nominated in Michigan and who voted to seat him here can have no complaint; they can find no fault with the expenditure of a large sum in Pennsylvania because when they seated Senator NEWBERRY they placed their stamp of approval upon the manner in which he had been nominated. Of course, under the leadership of the junior Senator from Missouri [Mr. SPENCER] and under the authorship of the junior Senator from Ohio [Mr. WILLIS] they did get themselves into somewhat of a mess and relieved their consciences to some extent by adopting a condition to the resolution that seated the Senator from Michigan; but every line of that condition, which was placed there by the majority side, condemns the enormous expenditure of Pinchot in his campaign for governor of Pennsylvania.

Here is what you said. I suppose that Pinchot did not believe you meant what you said in this condition, but at any rate you said:

That whether the amount expended in this primary—

The Newberry primary—

was $195,000, as was fully reported or openly acknowledged, or whether there were some few thousand dollars in excess, the amount expended was in either case too large—

And yet, in the sworn statement of Mr. Pinchot, he said that he spent $93,000 of his own money and $29,500 of his wife's money, and spent some other contributions from other sources. By this resolution, the Willis proviso—it ought to go down in history as the Willis proviso—you said:

The amount expended was in either case too large, much larger than ought to have been expended.

The expenditure of such excessive sums in behalf of a candidate, either with or without his knowledge and consent, being contrary to sound public policy—

The Senator from Michigan said that that expenditure was made without his knowledge. Pinchot, the so-called Progressive, says under his oath that he contributed $93,000 and his wife $29,500; so the only difference—at that is small—is in the amounts that were expended by these two gentlemen—one in a primary in Michigan for the Republican nomination for Senator, the other in a primary in Pennsylvania for the Republican nomination for governor. The amount in Michigan was spent, as the Senator from Michigan says, without his knowledge. The amount in Pennsylvania was spent, as Pinchot says, with his knowledge and out of his pocket or out of the purse of his wife.

They go further in this resolution and say:

The expenditure of such excessive sums in behalf of a candidate, either with or without his knowledge and consent, being contrary to sound public policy, harmful to the honor and dignity of the Senate—

So says the Willis proviso. I suppose that the Senator from Ohio and some other Senators over there who voted for this resolution would say that that did not apply to the governorship out in Pennsylvania; that they had gotten into the habit there in that State, and they were just keeping up the custom. We find that some so-called Progressives are willing to reform only along their certain lines. They reform up to a certain point, but when it comes down to the expenditure of large sums to be elected to office they are not such reformers.

Out in Indiana, where ex-Senator Beveridge won, he did not file any account at all. He perhaps thought—and he was no better in that respect than the Senator from Indiana [Mr. NEW]—that in view of the decision of the Supreme Court in the Newberry case it was not necessary to file any account, and they did not file any. Nobody knows how much Beveridge, the so-called Progressive, spent in Indiana; but we do know in the

case of Pinchot, because Pinchot was not running for a Federal office, and under the laws of Pennsylvania he had to make his report; and we do know that Pinchot, the so-called once Progressive, who is now willing to vote for the nomination of Harding, the reactionary, for another term as President, spent $93,000 of his own money and $29,500 of his wife's money, and other money in addition thereto, to win the gubernatorial nomination.

This Willis proviso goes further:

The expenditure of such excessive sums in behalf of a candidate, either with or without his knowledge and consent, being contrary to sound public policy, harmful to the honor and dignity of the Senate, and dangerous to the perpetuity of a free government—

If it is dangerous to spend such excessive sums to elect men to the United States Senate, why is it not dangerous to the perpetuity of a free government to expend such enormous sums to nominate men to State offices?

And it goes further:

Such excessive expenditures are hereby severely condemned and disapproved.

And yet I read in the morning papers that one of the distinguished Senators who calls himself a Progressive when the reactionary bunch does not need his vote to put over reactionary legislation visited the home of Mr. Pinchot yesterday, and there they confabed together over "progressive" measures that are to be taken up in the future; and yet he knew, doubtless, at that time that Mr. Pinchot had won the nomination for governor in Pennsylvania through the expenditure of approximately $135,000, and he had assisted in drafting the Willis proviso—which many Senators claimed as coauthors at the time but which all of them now disclaim having had anything to do with—in which resolution he had said that excessive expenditures "are hereby severely condemned and disapproved." So we have about come to the point of believing that a Progressive Republican has about as little respect for limiting his expenditures to be elected to office as a reactionary Republican has.

Mr. KING. Mr. President, will the Senator yield?

Mr. HARRISON. Yes.

Mr. KING. I do not see why the Senator calls Mr. Pinchot and Mr. Beveridge Progressives.

Mr. HARRISON. I did not; I said "so-called Progressives."

Mr. KING. I think they are something like Bevo near beer—about one-half of 1 per cent of progressivism.

Mr. HARRISON. Mr. President, these large expenditures must stop. If a man, because he is enormously wealthy, runs in a primary for the nomination and expends over an eighth of a million dollars, how much will he expend when it comes down to making the real fight for the election? The gentleman who is nominated for the Democratic ticket in Pennsylvania, although most worthy and able, is a poor man. He is a farmer. He is the head of the grange, as I understand, in that State. He will never be able to get around the first heat if Pinchot, because of his wealth, is to continue to pour out lavishly these large expenditures as he did for his nomination.

Mr. President, I have merely called the attention of the Senate to this matter so that something will be done—and we have, of course, no jurisdiction of the situation in the State of Pennsylvania—but something should be done to prevent wealth polluting elections and controlling the nomination and election of public servants to office.

LETTER FROM SECRETARY HOOVER.

Mr. WATSON of Georgia. Mr. President, this morning, while I was signing up some letters at my desk, I was very much surprised to hear my name brought into the debate by the junior Senator from Wisconsin [Mr. LENROOT]. In the course of his brief remarks introducing a letter from Secretary Hoover, he several times in parliamentary language called me a liar. It seems that I am accused of having spoken untruthfully of Mr. Hoover's management of the vast sums of money that had been intrusted to him both by the Government and by charitable societies and individuals. That statement was made by me first during the debate in this Chamber which sprang up on the subject of the $20,000,000 donation to the Russian people, whose government we do not recognize. As Senators present will remember, the bill passed last December, in order that we might make, as the newspapers stated, a Christmas gift to the Russian people, whose government we ignore.

Why did not Mr. Hoover take notice of my statement then, last December? Why did he wait until nearly the 1st of June? If he is a gentleman, why could he not have addressed his letter to me?

Usually, Mr. President, when a Senator here representing a great sovereign State—in my case one of the original thirteen, of whose record I am intensely proud, and whose good name I mean to maintain on this floor against all comers—usually when a Senator makes a statement here which is inaccurate, the person who feels aggrieved addresses that Senator, calls his attention to his error, and asks him to correct it on the floor of the Senate, so that the correction shall go to the country in as public a manner as the error was committed. Mr. Hoover did not address me last December, and did not address me this month.

What is the misstatement which he says was made to his injury? It was that he had not published his statement of accounts and his vouchers showing the disposition which he had made of these many, many millions of dollars. He says in his letter that his accounts have been published in the CONGRESSIONAL RECORD. He does not state when and he does not state where. Therefore I could not find them without giving the subject more attention and more time than perhaps it deserves. He says they have been repeatedly published in the newspapers. What newspapers? Of what date? How could anyone possibly run down information of that sort, when his own citation does not give you the data upon which you can proceed? Why did he not attach to his letter, as an exhibit, a copy? Why does he not tell what men and women are on his pay rolls, and what salaries they are getting? He does not do so. I invite him to do so. The country would like to know.

Does he deny that his agents were so neglectful of their work that 2,000 tons of flour rotted on the wharves at Trieste when the citizens of Vienna were dropping from exhaustion on the streets of that capital, this flour having been bought in America, and having been intended to feed those starving Viennese? Does he deny that some of the provisions bought with the money which Congress appropriated here in December rotted on the Sea of Azof because there had been no proper allowance made for the shallowness of the water across the bar of the Volga River, piercing the interior of the destitute region of Russia? My understanding is that the water on the bar is about 16 feet, whereas the steamers in which the food was sent drew something like 26 feet, and the steamers not being able to cross the bar, it is said that the food was ruined. If that is not true, let him deny it.

Who is Hoover, anyway? In Who's Who, the British publication, he was listed among the British, his office was given as in London, and his residence was given as in London. This was shortly before the World War.

What was the secret influence which suddenly put him at the head of things in this country? Who sent him here? Who appointed him? What credentials did he bear? What testimonials did he bring? Why was he received here as a man to be trusted, and to be given almost unlimited sums of money to dispose of as he saw fit?

At the opening of the presidential campaign of 1920, Herbert Hoover was reported as saying that he did not know whether he was a Democrat or a Republican. Does he know now? Does anybody know? He is a "Hooverite"; that is what he is. He ran for President, he got a few votes in California, and they are said to have cost him as much as the votes about which the Senator from Mississippi [Mr. HARRISON] has been talking this afternoon.

Mr. President, if I have done injustice to Mr. Hoover or to anybody else, I will be only too glad to set matters right, but I want to be approached in the right manner myself.

I wonder how he got into the Cabinet of President Harding. Was there a dearth of strong men in the Republican Party of the East, North, and West? Why did they have to pick up this Englishman and put him in the Cabinet and give him such vast powers? Let him explain that. Let him write another letter to the Senator from Wisconsin.

ATTORNEY GENERAL DAUGHERTY.

Mr. President, coming down to another matter, in the Washington Herald of this morning there appears an article by Mr. Mark Sullivan, the gist of which is that the charges against Attorney General Daugherty are too old to deserve attention at this time. There is no statute of limitations running against treason. If the Attorney General is guilty, as charged in the Morse case and in some other cases which are not old, then he is guilty of moral treason to the administration of which he is a member, and he is guilty of treason to one of the noblest professions that a man ever embraced. As a lawyer, I have always been proud of the profession, jealous of its reputation and of its honor. Some of the grandest men of the Old World and of the New have been lawyers. Some of the greatest men of antiquity and of modern times have been lawyers. There has hardly been a great fight for civil liberty in France, Italy, England, America that was not led by a member of the legal pro-

fession. With the banner in their hands they have moved along the forefront of the battle for human progress. With the torch uplifted, they strode from generation to generation and from century to century, carrying the light of civilization. But perhaps the meanest man on earth is the lawyer who possesses no high sense of honor and who prostitutes a noble profession to ignoble ends.

The Morse case is not quite so old. Mr. Morse himself is not so old; but apparently he is going to get away with the frauds he committed on the Government, because the statute of limitations will be pleaded, after a while, and all of these cases will be barred. Are these premeditated delays being had for that purpose, to let the time for prosecution expire? It looks that way.

I will not speak further about the Morse case, but I will call attention once more to those matters which I mentioned here in the Senate last week and about which the whole country is speaking. I read:

Add to what you have already said that the district attorney's office in New York recommended criminal prosecution and confiscation of cargo, yet Daugherty wired to release ship. J. M. Young is a matter of record in the district attorney's office, and it might be a good idea to ask Major Clark, who is handling the case in the district attorney's office, for the facts in the congressional inquiry.

Mr. President, there has been ample time to get a telegraphic denial from New York if that specific statement is not true. If it is true, then there is a great scandal, which will besmirch the whole administration of President Harding. The matter can not be brazened out. It must be met. The American people demand it. If the very fountain of justice is impure, what will be the *state* of the stream below? I read again:

2. Wine seizure. The case referred to is the Continental Wine Co., of which Nathan Musher has been indicted only last Saturday in Philadelphia for conspiracy to violate the national prohibition act. Why did Mr. Daugherty cause the $200,000 worth of wine to be released?

Did he cause it to be released? Can he not write a denial here, as Hoover has done? Do they think the people are going to be silent and inactive while charges like that are repeated here on the floor of the Senate? Should he not have enough regard for his honor and for the honor of the administration to make some denial, if denial can be made? If the facts are true, then he ought to be impeached. No man guilty of things like that ought to be the Attorney General of the United States. I read again:

3. Director Harold H. Hart, Thomas Ready, and Michall Lynch in New York, in the Federal prohibition department there, were indicted last November for a conspiracy to violate the Volstead Act. They released illegally 2,000,000 gallons of liquor. When they were arraigned in court Felder appeared for them. Since this time there has been nothing heard of the case and criminal prosecution has come to a stop.

What is the mystery of Felder's influence with the Department of Justice? Two million gallons of whisky seized under the law of the land, and released illegally! Surely, that is as large a transaction as came to light in the "Whisky Fraud" cases, which gave so much trouble to the administration of President Grant. Surely, that is as great a fraud as those which were hurled against Ballinger and forced him out of President Taft's Cabinet. I read further:

4. There seems to be a good bit of discussion about the George Myers pardon, multimillionaire of Ohio, who was sent to Atlanta for violation of the Mann Act. After the judge and district attorney recommended that he be kept in jail, Daugherty recommended to the President that he be pardoned.

Why? This man of many millions was 50 years old, according to my information, and the child whom he debauched was a girl of 15. Upon what ground was the recommendation for clemency based? What were the reasons for opening the prison door to a man so vile as that? The very man who opened the prison door to such a man as that, because he has millions, refused to open it to those political prisoners, who merely said some indiscreet things during the war, and thereby came within the scope of the espionage act. They have served, year in and year out. Some of them have been sick; their wives have lost the support of their labor; their children have begged for bread, and yet no pleadings for them can touch the official heart.

Why the difference between these poor men and this rich millionaire who ran with and ruined a little girl of 15? The American people want to know, and if they are not told there will be an avalanche of condemnation at every election that takes place hereafter in which the Republicans are pitted against the Democrats.

Mr. President, in the morning's New York World the leading editorial is headed "Mr. Harding's Ballinger." I ask unanimous consent that the Secretary may read it and that it may appear as a part of my remarks in 8-point type.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LENROOT. Mr. President——

Mr. WATSON of Georgia. Mr. President, I want the editorial read at the desk.

Mr. LENROOT. I understood the Senator from Georgia had yielded the floor.

Mr. WATSON of Georgia. I yielded with that understanding. I supposed the Secretary would rise and read the article as I requested; if not, I shall do it myself.

The PRESIDING OFFICER. The Senator requested that the article be printed in the RECORD in eight-point type, and that request has been granted.

Mr. WATSON of Georgia. And I asked that the Secretary read it.

The PRESIDING OFFICER. Is there objection to having the article read?

Mr. LENROOT. How long is it?

Mr. WATSON of Georgia. I will read it myself if it can not be read at the desk.

The PRESIDING OFFICER. Is there objection to the reading of the article?

Mr. LENROOT. Of what length is it?

The PRESIDING OFFICER. It is about a half a column in length. Is there objection to the reading of the article? The Chair hears none, and the Secretary will read as requested.

The reading clerk read as follows:

MR. HARDING'S BALLINGER.

[From the World, Wednesday, May 31, 1922.]

Under the headline "Clear up the war-fraud scandals" the strongly Republican Chicago Tribune supports the "legitimate challenge" of Senator CARAWAY to Attorney General Daugherty to "bring about a Senate investigation of the charges that the Attorney General has sought to protect men guilty of war frauds from prosecution by the Government." The Tribune supplements its demand with the warning that neither Mr. Daugherty nor the Republican Party "can afford to carry the burden of such charges as have developed in this matter."

The Philadelphia North American is even more emphatic than its Republican contemporary in Chicago. It declares flatly that "if Attorney General Daugherty retains a shred of regard for the President and the administration, he will resign without delay an office which has been put under a cloud by his incumbency."

The Attorney General has already become the Ballinger of the Harding administration. Like Mr. Harding, Mr. Taft was a kindly disposed President, loyal to his friends and willing to assume all the responsibility. When the Ballinger scandal became notorious Mr. Taft thought it did not amount to much and would blow over if he gave it time. It did not blow over. On the contrary, it was the chief influence in wrecking the Taft administration.

Earlier still, President Grant was stubbornly loyal to friends who did not deserve loyalty, and the record of some of them would have irredeemably ruined a lesser reputation than that of the hero of Appomattox.

Except for Mr. Harding's intervention, Congress would already have acted on the resolution for an investigation of the Department of Justice. With a congressional election in the fall, it is certain that the leaders of the House and Senate have not blocked it because of their high personal regard for the Attorney General. That is a responsibility they would not assume voluntarily.

In trying to hush up the Daugherty matter they are doing the will of the President, and Mr. Harding is making the most serious blunder of his administration. Mr. Daugherty may be fit to be Attorney General of the United States, but his fitness has been impeached in a manner that can not be ignored. If there is to be public confidence in the Department of Justice and in the administration of justice under that department, either the charges against the Attorney General must be disproved or there must be a new Attorney General.

If this were merely a partisan attack by Democrats, the President might be justified in his attempt to smother the case, but some of the most serious charges against Mr. Daugherty have been made by Republican Members of Congress, and Republican newspapers are among his severest critics. Mr. Harding may be able to protect his Ballinger for a time, but soon or late the issue is bound to come to a head. Thus far Mr. Harding has apparently learned nothing from the fatal mistake that was made by Mr. Taft.

LETTER FROM SECRETARY HOOVER.

Mr. LENROOT. Mr. President, the Senator from Georgia [Mr. WATSON] complains because I did not exhibit to him the letter of Mr. Hoover to me before presenting it for the record. I will very frankly say that I did not do so, as I ordinarily

would have done, because of an incident which happened on the floor of the Senate on the 11th day of last April, when the Senator from Georgia in the course of a speech undertook to state the contents of a certain letter written by Mr. Wheeler, of the Anti-Saloon League, to the senior Senator from Tennessee [Mr. SHIELDS]. It so happened that the Senator from Georgia was mistaken as to the contents of the letter. I asked him upon the floor of the Senate whether he would not examine the letter, which had already been put in the RECORD, and, if he found that he was mistaken, whether he would not make a correction upon the floor of the Senate. I sent the letter over to the Senator from Georgia by a page. The Senator from Georgia after reading the letter again asserted the statement which he had previously made. I then asked unanimous consent to put that letter in the RECORD, and the Senator from Georgia objected. I then stated, Mr. President, as follows:

Mr. LENROOT. Mr. President, the Senator from Georgia [Mr. WATSON] this afternoon stated that Mr. Wheeler, counsel of the Anti-Saloon League, had written a letter to the Senator from Tennessee [Mr. SHIELDS], offering, if the Anti-Saloon League might name the judge, to assist in securing an additional judge in Tennessee. I called the attention of the Senator from Georgia to Mr. Wheeler's letter, and I stated that I did not believe the Senator from Georgia would intentionally misrepresent anybody. We all make our mistakes, Mr. President, in the heat of debate, and I make my share of them, but I had supposed that every Senator upon this floor, when his attention was called to a misstatement which involved a gross injustice to any individual, would be willing to correct the statement. The Senator from Georgia read the letter, but the Senator from Georgia refuses to correct the statement. It is not for me to judge of the conduct of any Senator, but I ask unanimous consent to have the letter of Mr. Wheeler to the Senator from Tennessee printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

Mr. WATSON of Georgia. I object, unless the remarks of the Senator from Tennessee [Mr. SHIELDS], at the point where I took them up, also go into the RECORD.

I then read the letter in the record, exactly as I was compelled this morning to read the letter of Mr. Hoover into the record, because of the objection of the Senator from Georgia.

Mr. President, I do not question that the Senator from Georgia believed it, when he made the statement that Mr. Hoover had never made public any of the accounts of the expenditures of the money that had come into his hands. However, there are many things that I do not know with reference to facts which have taken place, but because I do not happen to know that a thing has been done I would not feel warranted in rising to my feet on the floor of the Senate and charging that it had not been done. The Senator from Georgia may. Of course, he is the judge of his own conduct.

But what are the facts? He questions the accuracy of the statement of Secretary Hoover. After the Senator concluded his speech this afternoon, I remembered that I had in my office a considerable number of such reports, which had come to me from time to time as they were published and issued. I sent word to my secretary to bring over whatever he could lay his hands upon. I hold in my hand now a bunch of the reports which the Senator from Georgia states were never published and which he repeats to-day were never published. One of them is entitled:

COMMISSION FOR RELIEF IN BELGIUM.

Herbert Hoover, chairman. Executive personnel. Balance sheet and accounts. French Government accounts. Belgian Government accounts. Supporting schedules. Statistical data. Covering six years from commencement of operations, October, 1914, to September 30, 1920.

Another is entitled:

Interim report of European Relief Council, including statement of contributions by States, and auditors' preliminary report on accounts. May 31, 1921.

Another is entitled:

American Relief Administration. Herbert Hoover, chairman. Audited accounts fiscal year ending June 30, 1921.

The next is entitled:

American Relief Administration. Herbert Hoover, chairman. Audited accounts to June 30, 1920, and supporting statistical tables.

The next is entitled:

American Relief Administration. Fiscal report and audit of $100,000,000 appropriation submitted to the President of the United States by United States Grain Corporation, fiscal agent of the American Relief Administration. September 25, 1920.

I send these reports to the Senator from Georgia by a page, and the Senator from Georgia will, of course, use his own judgment as to whether he will correct his statement.

Mr. WATSON of Georgia. Mr. President, I wish to say, with reference to the Wayne B. Wheeler letter, that the Senator from Tennessee [Mr. SHIELDS], in the course of his long and able speech against the new judgeship bill, referred to a letter that Mr. Wheeler had written him, and I gathered from what the Senator said that he understood Mr. Wheeler to want to come to some kind of an understanding with him about the creation of a new district in Tennessee and the appointment of the judge to fill it. My recollection is that Mr. Wheeler stated in that letter that he had always been in favor of a new judge from that district, and would gladly aid the Senator from Tennessee in getting one. The Senator from Tennessee read to the Senate his reply to Mr. Wheeler, and my recollection of it is that he rather curtly rebuffed Mr. Wheeler, spurning his cooperation, and said in effect that Tennessee was represented by two Senators who could take care of her affairs without any assistance from Mr. Wayne B. Wheeler. That is the substance of his statement as I recall it, though my memory may not be accurate.

The fact that Mr. Wayne B. Wheeler immediately lost all interest in the new judgeship for Tennessee, and that Tennessee did not get a new judgeship would seem to indicate that he had wished to come to some understanding with the Senator from Tennessee, and failing in that effort, he ceased to be in favor of a new judgeship for Tennessee.

In regard to Mr. Hoover, I said that he did not refer to any page of the CONGRESSIONAL RECORD. He said in his letter that his reports, his accounts, and his vouchers were in the CONGRESSIONAL RECORD, as I recall the letter. The documents sent to me by the Senator from Wisconsin are not in the CONGRESSIONAL RECORD. They may be official. I shall examine them at my leisure. As I remember it, Mr. Hoover not only handled Government funds but he handled vast sums taken up by societies and contributed by individuals. These reports would not cover those sums. But, as I said in my statement to the Senator a few moments ago——

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. WATSON of Georgia. I yield.

Mr. LENROOT. The reports are not confined to Government contributions.

Mr. WATSON of Georgia. As I said, I shall be glad to examine them, and if I have done Mr. Hoover an injustice, I will correct the statement.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. EDGE in the chair). The Senator from Mississippi suggests the absence of a quorum. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ashurst	Frelinghuysen	McLean	Smith
Ball	Gerry	McNary	Smoot
Borah	Gooding	Moses	Spencer
Brandegee	Hale	New	Sterling
Broussard	Harris	Newberry	Sutherland
Bursum	Harrison	Norbeck	Townsend
Calder	Jones, N. Mex.	Norris	Underwood
Capper	Jones, Wash.	Oddie	Wadsworth
Caraway	Kellogg	Page	Walsh, Mass.
Curtis	Kendrick	Pittman	Warren
Dial	Ladd	Poindexter	Watson, Ga.
du Pont	La Follette	Ransdell	Watson, Ind.
Edge	Lenroot	Rawson	Willis
Ernst	Lodge	Robinson	
Fletcher	McCumber	Sheppard	
France	McKinley	Simmons	

The PRESIDING OFFICER. Sixty-one Senators having answered to their names, there is a quorum present. The question is upon agreeing to the committee amendment.

Mr. MCCUMBER. What is the pending amendment, Mr. President?

The PRESIDING OFFICER. The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. The pending amendment is the amendment of the Committee on Finance, on page 39, beginning in line 19, where the committee proposes to strike out paragraph 218 as printed in the House bill and to insert a new paragraph 218.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment.

Mr. JONES of New Mexico. Mr. President, on page 40, line 18, in the committee amendment, I move to strike out the numerals "75" and to insert the numerals "45." If no Senator desires to discuss the matter further, I ask for the yeas and nays on the amendment to the committee amendment.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New Mexico [Mr. JONES] to the committee amendment, on which he asks for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I am paired with the Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the Senator from Texas [Mr. CULBERSON] and vote "yea."

The PRESIDING OFFICER (when Mr. EDGE's name was called). The present occupant of the chair transfers his pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Oklahoma [Mr. HARRELD] and votes "nay."

Mr. JONES of New Mexico (when his name was called). I desire to announce the transfer of my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED]. I ask that this announcement may stand for the day. I vote "yea."

Mr. JONES of Washington (when his name was called). I have a pair with the Senator from Virginia [Mr. SWANSON], who is necessarily absent for the day. I promised to pair with him, and I therefore withhold my vote. If at liberty to vote, I should vote "nay."

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. SIMMONS (when Mr. OVERMAN's name was called). I wish to announce the unavoidable absence of my colleague [Mr. OVERMAN] from the Chamber. If he were present, my colleague would vote "yea."

Mr. WARREN (when his name was called). I have a general pair with the Senator from North Carolina [Mr. OVERMAN], which I transfer to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. WATSON of Georgia (when his name was called). I transfer my general pair with the Senator from Arizona [Mr. CAMERON] to the junior Senator from Alabama [Mr. HEFLIN] and vote "yea."

The roll call was concluded.

Mr. HALE. Transferring my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER], I vote "nay."

Mr. GLASS. I desire to inquire if the senior Senator from Vermont [Mr. DILLINGHAM] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. GLASS. I have a general pair with that Senator, and in his absence I withhold my vote.

Mr. HARRISON. I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. CURTIS. I desire to announce that the Senator from Rhode Island [Mr. COLT] is paired with the Senator from Florida [Mr. TRAMMELL].

Mr. WILLIS (after having voted in the affirmative). I observe that my regular pair, the senior Senator from Ohio [Mr. POMERENE], is not in the Chamber; but I am advised that, if present, he would vote as I have voted. I therefore feel justified in permitting my vote to stand.

Mr. ERNST (after having voted in the negative. I transfer my pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Oregon [Mr. STANFIELD] and allow my vote to stand.

Mr. CURTIS. I desire to announce that the senior Senator from Minnesota [Mr. NELSON] is absent on official business.

The result was announced—yeas 26, nays 40, as follows:

YEAS—26.

Ashurst	Harrison	Norris	Walsh, Mass.
Borah	Jones, N. Mex.	Pittman	Walsh, Mont.
Caraway	Keyes	Robinson	Watson, Ga.
Dial	King	Sheppard	Williams
Fletcher	La Follette	Simmons	Willis
Gerry	Moses	Smith	
Harris	Myers	Underwood	

NAYS—40.

Ball	Ernst	McLean	Rawson
Brandegee	France	McNary	Shortridge
Broussard	Frelinghuysen	New	Smoot
Bursum	Gooding	Newberry	Spencer
Calder	Hale	Nicholson	Sterling
Capper	Kellogg	Norbeck	Sutherland
Cummins	Kendrick	Oddie	Townsend
Curtis	Ladd	Page	Wadsworth
du Pont	Lodge	Poindexter	Warren
Edge	McCumber	Ransdell	Watson, Ind.

NOT VOTING—30.

Cameron	Harreld	McKinley	Shields
Colt	Heflin	Nelson	Stanfield
Crow	Hitchcock	Overman	Stanley
Culberson	Johnson	Owen	Swanson
Dillingham	Jones, Wash.	Pepper	Trammell
Elkins	Lenroot	Phipps	Weller
Fernald	McCormick	Pomerene	
Glass	McKellar	Reed	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the amendment offered by the committee.

Mr. JONES of New Mexico. Mr. President, we have thus far discussed only one item of this paragraph in detail. That was done because that item had been separately treated in the investigation of the subject. The remainder of the paragraph is by far more important than the item which we have considered. I expect, however, simply to discuss that in a very general way and hope we may get a vote on it before a very great while. I wish, however, to read the remainder of the paragraph, and call attention to the changes in rates which are proposed. We are dealing now with commodities which affect every household in the land, and the duties will be enormously increased if the proposal of the committee is adopted.

Beginning on line 19 of page 40 of the bill, I find this statement—

illuminating articles of every description, including chimneys, globes, shades, and prisms, incandescent electric light bulbs, with or without filaments, for use in connection with artificial illumination, all of the foregoing, finished or unfinished, composed wholly or in chief value of glass or paste, or a combination of glass and paste, 70 per cent ad valorem.

Under existing law the duty varies. This amendment proposes a new classification. It puts under this one clause articles which have been dutiable at 30 per cent. The other articles were dutiable at 45 per cent under existing law.

The paragraph proceeds—

all glassware commercially known as plated or cased glass, composed of two or more layers of clear, opaque, colored, or semitranslucent glass, or combinations of the same, 70 per cent ad valorem.

Under existing law, the duty is 45 per cent.

The paragraph continues—

table and kitchen articles and utensils, and all articles of every description not specially provided for, composed wholly or in chief value of glass or paste, or combinations of glass and paste, blown or partly blown in the mold or otherwise, or colored, cut, engraved, etched, frosted, gilded, ground (except such grinding as is necessary for fitting stoppers or for purposes other than ornamentation), painted, printed in any manner, sand-blasted, silvered, stained, or decorated or ornamented in any manner, whether filled or unfilled, or whether their contents be dutiable or free, 65 per cent ad valorem—

The present rate of duty is 45 per cent, and the proposed rate is higher than any ever known on any of the articles in this paragraph—

table and kitchen articles and utensils, composed wholly or in chief value of glass or paste, or a combination of glass and paste, when pressed and unpolished, whether or not decorated or ornamented in any manner or ground (except such grinding as is necessary for fitting stoppers or for other purposes other than ornamentation), whether filled or unfilled, or whether their contents be dutiable or free, 50 per cent ad valorem.

The present rate of duty is 45 per cent. The proviso is one which has been common in legislation on this subject heretofore. It makes the containers bear the same rate of duty as the articles imported, but not less than the rate provided for in this paragraph.

Mr. SMOOT. The Senator means the contents, not the containers.

Mr. JONES of New Mexico. I will read it:

Provided, That any of the articles specified in this paragraph, if containers of merchandise subject to an ad valorem rate of duty or to a rate of duty based in whole or in part upon the value thereof, shall be dutiable at the rate applicable to their contents, but not less than the rate provided for in this paragraph: *Provided further*, That for the purposes of this act bottles with cut-glass stoppers shall with their stoppers be deemed entireties.

Mr. President, it seems to me that we ought in the first place to be content here with the reading of one paragraph from the report of the Tariff Commission as to tariff considerations.

All these articles are either blown or pressed glassware, and the Tariff Commission makes a short statement which I will read. I do not intend, however, to content myself with the mere reading of that, but it should be sufficient for anyone to realize that the present state of the industry is satisfactory, and that there is no necessity for disturbing it.

I read:

The figures of production, imports, and exports for the blown and pressed ware branch of the industry for the fiscal year ending June 30, 1914, show that there was little foreign competition in the domestic market in many lines. American factory production amounted to $30,279,290.

This is in 1914.

Domestic producers exported $2,671,164, or 8.8 per cent, while the imports amounted to $2,216,021, or 7.3 per cent of the value of domestic production. The great expansion in the production of the different groups of articles in the period 1904 to 1914 is a further indication of healthy domestic conditions. The production of stem ware and blown tumblers increased 81 per cent, that of cut-glass ware 255 per cent, gas and electrical lighting ware 129 and 450 per cent, respectively, jellies, tumblers, and goblets, 125 per cent. Tableware, with no competitive importations, increased 21 per cent. Lamp chimneys and lantern globes used in the burning of kerosene oil decreased in volume during the period, owing to diminished demand for them.

Mr. President, this paragraph, involving as it does this great variety of glassware, demonstrates that this paragraph of the

bill at least can not be founded upon any theory except that of preventing any importation of any one of these commodities. As to a number of them, there is no competition now. As to the others, there are some importations, but they are inconsequential; but we are increasing this duty higher than has ever been suggested before in any law, and at a time when the industry has been growing, growing in almost geometrical progression, under existing conditions, and the Tariff Commission tells us that existing conditions are healthy.

Mr. President, in order to show what has happened since 1914 I quote from the next page, where I have supplemented the figures with some more recent ones that are now available. This production of $30,000,000 in 1914 had increased in 1919 to more than $70,000,000. That enormous production, mind you, involves many different items. It involves decorated ware; it involves peculiar designs; and, of course, we have been importing some of these various items, but the tariff on them has cut very little figure for the reason that the people of the country wanted the designs, and were not particular about the price. The importations are of that kind, but they have not amounted to much. As stated over here, our importations amounted to only 7.3 per cent of our domestic production in 1914, and our exports were greater, 8.8 per cent; and so I find that since 1914 the importations decreased, of course, all during the war, and while in 1921 they increased somewhat in value, the quantity which was being imported prior to the war is not coming in here now.

Under the heading "Domestic production and consumption" the Tariff Commission say:

The production of pressed and blown ware was valued at $30,279,290 in 1914. This was an increase of 37.9 per cent over 1904, and was 24.6 per cent of the total production of glass of all kinds in 1914.

So, mark you, under this paragraph we are dealing with about one-fourth of all the pressed and blown glassware. It is an item of great consequence. It involves so many different kinds of glassware, nearly every one of which is essential to the comforts of every home in the land, from the common goblet to the most valuable cut-glass ware. Those are all involved in this.

In the 10-year period 1904 to 1914 there was a slight falling off in the production of lamp chimneys, less than 1 per cent, and in that of lantern globes a decrease of 22.7 per cent—

Of course, we all understand why there was that decrease. There was a decrease in the demand. The electric light has been supplanting the kerosene lamp—

but in electrical and gas lighting ware there were increases of 450.3 per cent and 129.7 per cent, respectively. Tableware production increased 21 per cent; goblets, tumblers, and jelly glasses, 145.6 per cent; opal ware, 324.9 per cent; and cut-glass ware, 255.8 per cent—

Showing an enormous increase in this production, and if existing law had not been sufficient to protect the industry, how can anyone account for these enormous increases in production?

The imports of pressed and blown ware from 1911 to 1914, inclusive, were a little over 1,250,000 annually—

That is, of the pressed and blown ware generally—

the maximum being in 1911, $1,313,457. The production of general tableware, lighting ware, and lamp chimneys is sufficient to supply domestic consumption.

As I stated a moment ago—

The severest competition has been on thin blown ware such as stem ware, goblets, tumblers, etc.

As to the exports, it says:

The value of the exports of tableware, cut glass, lighting ware, etc., in 1914, was $2,671,164—

Nearly twice the importations. Further, as to the nature of these importations:

Very little pressed tableware has been imported; in fact, considerable quantities were exported before the war began. Imported pressed ware consists largely of door knobs. There have been considerable importations of fine grades of blown ware and decorated blown ware. Most of this is stem ware. Many plain goblets come from France. Ornamental tumblers, etched, cut, or colored, and also highly decorated and colored articles, such as oil and vinegar cruets, sugars and creams, salts and peppers, and cologne bottles, used to come from Austria. Some also came from Germany.

For the fiscal year 1913, under the tariff act of 1909, the value of the imports of blown and pressed ware (including ware dutiable in paragraphs other than par. 84) was $3,006,621; and for the fiscal year 1914, mainly under the tariff act of 1913, the value of the imports of the ware was $3,387,853, including the interim imports from July 1 to October 1, 1913, of $670,839.

Nearly 70 per cent of the imports of 1913, and 65 per cent of those of 1914, were blown ware or decorated blown and pressed ware, dutiable in 1913 at 60 per cent and in 1914 at 45 per cent ad valorem. Incandescent lamps with metal filament constituted the bulk of the remainder in both years.

In regard to the prices, if there was a great deal of this ware coming in here, there could not have been any great increase, but—

the increases in the average net selling prices f. o. b. factory of staple articles of pressed and blown ware from 1913 to 1917 were as follows: Blown tumblers, 132 per cent; pressed goblets, 120 per cent; plain nappy, 70 per cent; packers' jelly, 40 per cent; pitcher, common, one-half gallon, 37 per cent; nappy, 4-inch, 60 per cent; tumblers, common, one-half pint, 17 per cent.

The Tariff Commission then gives the various rates which have existed from back in 1883, varying from 40 per cent up to 60 per cent, and remarks:

The fluctuations in rates of duty apparently did not affect imports, which have been uniform as a rule.

We are also given a table showing the production of these different kinds of ware in the United States between the years 1904 and 1914, together with the percentage of increases of production at that time under these different tariff laws, varying, as I say, from 40 per cent up to 60 per cent. That table is as follows:

Blown and pressed ware—Production in the United States.
[From Federal census.]

Glass production.	1904	1914	Per cent of increase.
Pressed and blown, value	$21,956,158	$30,279,290	37.91
Tableware, 100 pieces	1,283,974	1,554,056	21.03
Jellies, tumblers, and goblets, dozen	7,346,214	18,030,243	145.44
Lamps, do	487,017	580,196	19.14
Chimneys, do	7,039,756	6,989,624	.72
Lantern globes, do	1,765,247	1,363,562	22.74
Globes and other electrical goods, do	1,901,415	10,461,843	450.33
Shades, globes, and other gas goods, dozen	878,244	2,016,800	129.65
Blown tumblers, stem ware, and bar goods, dozen	6,282,606	11,377,310	81.08
Opal ware, do	1,091,208	4,636,051	324.94
Cut ware, do	83,736	297,957	255.81
Decorated glassware, do	.....	1,158,077	.....

I should like to call attention to a table which gives the names of the countries to which we are exporting these wares and the amount to the country. I find that we are exporting to France, Germany, Netherlands, Russia, Sweden, United Kingdom, Canada, Central America, Mexico, Cuba, South America, China, British India, Japan, Australia, New Zealand, Philippines, British South Africa, and then small amounts to other countries, the table showing that our exports back in 1912 were $3,329,290 to those various countries. Of course, the greatest amount went to Canada, but to the United Kingdom we sent a great deal, to Germany we sent this ware to the value of $149,439, and to France we sent these commodities. Up until the war we were increasing our exports to those countries. In 1916 the exports were nearly five and a half million dollars, and about the same amount in 1917 and 1918.

Of the cut or engraved glassware we were exporting considerable amounts to Europe since the war. Most of it was during the war, in 1918, but we have given here the figures for the year 1919—after the war—when our exports of cut glass were $269,125.

Of electric lamps, in 1913 we exported $622,980 worth, most of them to the Western Hemisphere but some of them to Europe, Asia, Oceania, and Africa, and in 1919 we exported to South America $1,715,180 worth of electric lamps.

Then, under the head of "All other domestic exports," an assortment of different wares, I see we sent to Europe in 1919 wares to the value of $1,479,413; we sent to Canada $2,271,861 worth; and to a number of different countries in South America, Asia, Australia, the Philippines, and to Africa.

I do not care to discuss this matter at any great length, but I am going to move to keep those duties just where they are at the present time. The Tariff Commission has reported that the present conditions are healthy in the domestic production, and what more do we want than that? We have brought into one new paragraph a vast number of these different items, many of which are not imported here at all, all of them in common use in the country.

Do we want deliberately to build up monopolies here in these necessaries of life, to put a tax upon every table in the land for the benefit of a few manufacturers who want to profiteer? As I read this morning they are making profits higher than ever before known. In 1920 they paid income taxes on average earnings of 28 per cent.

That would be the effect of making these rates what the committee proposes they should be made. I submit there can be no reasonable justification for it, and therefore, without attempting to put any of these items back to 30 per cent, where some of them are now, on line 24, page 40, I move to strike out "70" and to insert in lieu thereof "45."

Mr. McCUMBER. Mr. President, I wish it were possible for all Senators to read the report made by a committee of workingmen who were sent across the ocean to investigate the cost of making glassware in Europe, and who also determined the cost of making glassware in this country. The purpose was to

demonstrate what the American manufacturers could possibly pay their men and continue in business in the United States. There are a good many pages of the report, in which they give the cost of almost every article of glassware. It covers, I think, very close to 100 pages. It is a very full report. Of course, in a discussion of the matter here it would be impossible even to give a summary of that report, but I want to call the attention of Senators to the report of the Tariff Commission read by the Senator from New Mexico. The body of that report was made in 1918, and then it was continued with supplemental data of imports, and so forth, to 1921, I think.

We all understand the condition in 1918, before the war had really been closed. We understand what a poor index that necessarily is in the determination of what should be the tariff rates to-day. There were practically no importations at that time. War conditions were such, of course, that there could be no importations. But the testimony we have here, to which I have referred, was from a committee which investigated the subject a short time ago. Then we have the Reynolds report, which would indicate to some extent the difference in the selling price of the product abroad and at home, which will give us, of course, some relation between the probable cost abroad and at home.

I want to call attention to a few of the common articles of importation. I will take, for instance, blown-glass tumblers. The Reynolds report shows that the unit is the dozen. The foreign value in the United States was 69 cents a dozen. The landing cost was 8 cents. The present duty is 45 per cent. The American selling price of a like article is $1.48, as against 69 cents, or 250 per cent above the foreign valuation. Thus we can get some idea of the amount of tariff which would be necessary to equalize the rates.

I will take the next item, which is blown-glass pitchers. These come by the hundred unit. The foreign value of 100 of them was $18.74. The American selling price of a comparable article was $93.33. So we have here $18.74, the cost in the foreign market, as against $93.33, or almost five times as much, in the United States, or a difference of about 500 per cent. We are giving a duty of 70 per cent ad valorem. Those articles which cost $18.74 are sold in this country at $46.16, a very fine profit. I believe that the importers could afford to pay the duty and still have a reasonable profit upon their importing price.

I could go through all the rest of like articles and get about the same results. I think that in the matter of the ordinary glassware it costs about three to five times as much to produce it in this country as it does in the foreign countries. While, as has been suggested, I expect the prices in the foreign country to go up, and I expect the prices in this country to go down, the cost of production in the foreign country to increase and the cost of production in this country to decrease, yet after making all of these allowances up to date I think that 70 per cent will not be more than a proper protective basis.

Mr. JONES of New Mexico. Mr. President, of course we have listened to the same statement before in connection with other matters. I think the first part of the Senator's statement referring to labor and cost and indicating a desire to protect labor is taking a very good name in vain. I do not believe that the good name of labor should be prostituted in this fashion.

It is apparent that all of these conditions have changed. The data for the report to which the Senator refers were gathered in the year 1920, about a year and a half ago, beginning in October of that year and during the following three months. The prices to which he has referred are the Reynolds commission, secured as of last August, and they are based upon German ware in great measure. He has said nothing, however, about electric-light bulbs, not a word so far as I can recall, but that item is put in the bill dutiable at 70 per cent. I want to read a very short statement from a letter which was put in the RECORD on May 25, coming from Mr. Untermyer, of New York, regarding electric-light bulbs. It is a letter addressed to the senior Senator from Wisconsin [Mr. LA FOLLETTE], dated May 24, 1922. I read:

MY DEAR SENATOR: As counsel for the joint legislative committee on housing of the State of New York, I desire to have promptly placed before Congress, with a view of securing such action as Congress may deem appropriate, the following state of facts with respect to the General Electric Co. and my comments thereon:

The company has a virtual monopoly in the manufacture and sale of electric-light bulbs in the United States. It manufactures and sells upward of 97 per cent of all such bulbs. The manufacturers of the remaining 3 per cent of bulbs are financially so weak and are being so harassed with lawsuits by the General Electric Co. that they are on the verge of extermination and are continuing their precarious existence subject to the will of the General Electric Co. A limited part of the product is manufactured and sold under licenses from the General Electric Co.

The distribution system employed in order to maintain this monopoly provides for two classes of selling agents known as class "A," located in the large distributing centers, and class "B," who are supplied by the jobbers, the latter in turn making distribution to the consumer. Prior to the entry in the Federal court at Toledo of the decree, to which reference will hereafter be made, the General Electric Co. sold its product outright through these distributing agencies, but since that decree the sales have been made under cover of a pretended consignment plan whereby the bulbs remain the property of the General Electric Co. The latter, after allowing itself a clear profit of over 50 per cent above the cost of production and overhead charges, requires the distributing agencies to exact from the consumer retail prices that add at least another 70 per cent over the selling price of the manufacturer, which the consumer is required to pay.

The prices charged the latter throughout the United States are shown to be grossly extortionate, but a large part of the profit is hidden under fictitious or exaggerated depreciation, overhead, and other illegitimate charges.

The situation can best be illustrated by a few figures. The total business of the General Electric Co. in all lines for the year 1920 was $268,000,000, of which $60,000,000 of its total sales—which excludes those of its chief licensee, the Westinghouse Co.—consisted of electric-light bulbs, from which it will be noted that about 22 per cent of its total sales consisted of bulbs. Its total net profits for that year were about $25,000,000, of which it is forced to admit that about 80 per cent was derived from the manufacture and sale of bulbs, so that 22 per cent of its total business yielded 80 per cent of its total profits.

This does not take into account the added burden of 70 per cent allowed to its distributing agents, which is at least twice what it should be, and is more than double the cost of distributing the various other lines in which it deals. These other products, which are largely competitive, are practically "carried" on the back of the extortionate profits allowed to the agents on bulbs.

As one of the many evidences of the concealment of profits in the bulb business the following figures for the year 1920 are instructive: The total plant account of the company on which $182,271,111.59 had been expended up to the end of that year stands on the books at $66,536,682.23, as of December 31, 1920, which is less than the actual cost of new construction for the four years next preceding that time. There was deducted in that year the sum of $15,577,359.92 by way of depreciation on the plant account; for the year 1919, $7,688,893.68; for the year 1918, $15,224,162.54. Similar deductions have been made in other accounts in order to make it appear that the company is earning only about 31 per cent upon the manufacture of bulbs in addition to the arbitrary allowances made to its distributing agents.

It is believed that a legitimate system of bookkeeping would show a manufacturing profit of 100 per cent or more on bulbs. Since the investigation by our committee there has been slight reductions in price; the cost of current has been materially cheapened by improvements in the manufacture of bulbs under patents taken out or acquired by the General Electric Co.; but the effect of this intolerable monopoly has been and is to paralyze and render impossible any independent effort to cheapen such cost.

Mr. President, that is the concern in whose interest the committee proposes to legislate. The present tariff upon bulbs is 30 per cent, if my memory serves me aright. It is now proposed to increase that to 70 per cent. In the face of the statement which I have just read, coming from the attorney of a commission which has been investigating housing and construction problems in New York, I wonder if the chairman of the Committee on Finance feels like going further with the proposal to impose a duty of 70 per cent upon bulbs?

Mr. DIAL. Mr. President, I have not had the pleasure of hearing the Senator from New Mexico during his entire speech, but I desire to say that a great quantity of this glass is made by machinery, and the employment of that method of production is increasing all the time. Hence the labor employed is not particularly expert labor. Machines made for this purpose are being improved and the hand labor in connection with the manufacture of this article has been reduced very greatly during the last few years.

Mr. JONES of New Mexico. I am very glad to have the Senator from South Carolina make that contribution to the discussion at this particular time. I have referred to the matter which he has suggested in connection with other paragraphs of the bill, but I am glad to have it referred to in this instance. It is a very important consideration. The truth is that no industry in the country has made such improvements and advancements in production as has the glassware industry, if I have been able to comprehend my reading upon the subject. The one great problem in connection with the industry now in some lines is as to whether human labor, or so-called skilled labor, in the blowing of glass is to be entirely eliminated through machine production.

Mr. DIAL. Even in the South human labor in connection with glass manufacture has been very much curtailed.

Mr. JONES of New Mexico. In connection with another paragraph, I expect to call more particular attention to that matter, but in this kind of ware machinery is largely being used; and the use of it is increasing in the manufacture of various classes of glassware. The cost of labor does not cut nearly so much figure as Senators would want us to believe, for the labor cost in many of these articles is comparatively nominal. Of course, in the production of some articles skilled labor is almost all there is to it except the raw material; but I do not want Senators to profane the name of labor as is being constantly done in the discussion of this bill.

Mr. SIMMONS. Mr. President, just one word about this matter. The letter which the Senator from New Mexico has just read from Mr. Untermyer is exceedingly valuable in connection with this discussion. That letter starts out with the statement that the General Electric Co. produces 97 per cent of these bulbs. The other 3 per cent are produced by some independent concerns, which have been practically driven out of business by the vexatious litigation against them by the General Electric Co. Mr. Untermyer says:

The manufacturers of the remaining 3 per cent of bulbs are financially so weak and are being so harassed with lawsuits by the General Electric Co. that they are on the verge of extermination and are continuing their precarious existence subject to the will of the General Electric Co.

So we have here the case of one great overshadowing trust, that manufactures practically all of this product. According to Mr. Untermyer the General Electric Co.'s total business in 1920 was $268,000,000, and $60,000,000 of its total sales consisted of electric bulbs. It will be noted that upon 22 per cent of its total sales 80 per cent of its profits were made; that is to say, these bulbs constitute but 22 per cent of its total sales; its entire profits amounted to $25,000,000, and 80 per cent of that $25,000,000 was made from these bulbs; so that $20,000,000 represents the profit of the General Electric Co. upon its sales of $60,000,000 worth of bulbs.

This trust, making these enormous profits, is so far protected from foreign competition under the present law that during nine months of 1921 there was imported into the United States only $21,770 worth of these bulbs, and it is now proposed further to protect this admitted monopoly, which is making 80 per cent of its profits on the sale of 22 per cent of its products, that 22 per cent being bulbs, by giving it a protection amounting to 70 per cent; or, in other words, increasing its present protection of 30 per cent by 40 per cent more. I presume that is not for the purpose of excluding the $21,770 worth of foreign bulbs that are imported here, for the General Electric Co. would care nothing about that, but it is for the purpose of putting the General Electric Co. in a position so that, if it shall see fit to raise its present extortionate charges against the public, it may do so without running the risk of foreign competition. In other words, Mr. President, their profits are now up to the full level of the 30 per cent protection; they are enormous; but the General Electric Co. in its greed wants to raise them higher. If they are raised higher, then competition from abroad will come in, and so it wants more protection, in order that it may raise its rates even still higher and be safe against foreign competition.

A Senator on the other side says that this product can be made in Germany for $8—I suppose by that is meant $8 a unit—and I presume it can be made here for less than $8 a unit. He says this product when it comes from abroad is sold in this market for $47. If it is sold in this market for $47, it is because the General Electric Co., a trust, able to fix its prices at what it pleases, has raised the price so high that the foreigner can come here and get the benefit of the high prices which the General Electric Co. has established. They were not charging the high prices in this market which the Senator on the other side mentioned when they bought in the $22,000 worth of bulbs, because of the high cost of production in Germany; they were charging it simply because they wanted the benefit of this market, and the prices of the bulbs were so high in this market that they could charge two or three times as much as it cost in Germany to produce them, and, in my opinion, two or three times as much probably as it cost in this country.

We ought to have some evidence from the committee, under the circumstances, as to what it costs to produce bulbs in this country; but we have none. If the Senator from North Dakota will now tell me what it costs to produce the bulbs in this country, I can reach some idea of the profit the General Electric Co. is charging the people of the country for bulbs. All I know about it now is that they made a profit of $20,000,000 on $60,000,000 of sales of bulbs in this country.

Mr. McCUMBER. Mr. President, does the Senator desire me to answer now?

Mr. SIMMONS. If the Senator has the information, I should be very glad to have it.

Mr. McCUMBER. I will quote from an epitomized statement of the witness, Mr. William P. Clarke, representing the American Flint Glass Workers' Union, who went to Europe for the purpose of investigating the subject.

Mr. SIMMONS. I am not asking the Senator about the European cost; I am asking about the cost of producing bulbs by the General Electric Co. in this country.

Mr. McCUMBER. Mr. Clarke tells what the American cost is of producing bulbs, and that is all I can go by. I do not know whether the bulbs referred to were produced by the General Electric Co.; but he gives the cost of the bulbs in the United States.

Mr. SIMMONS. The General Electric Co. produce all except 3 per cent.

Mr. McCUMBER. Then, perhaps that is the cost to which he is referring, although I am not certain as to that. I will, however, give the figures to the Senator if he wishes them.

Mr. SIMMONS. I should like to have them.

Mr. McCUMBER. I shall have to read his statement, which is an epitomized statement:

In 1914, to the best of the witness's knowledge, the wages of German glassware workers averaged $10.71 a week, based upon the American standard. The wages of American glassworkers at that time were $16.23 a week—

That was back in 1914—

At the present time skilled men are paid $5.27 a week in Germany, as a maximum, in American money—

Only about half of what was paid them in 1914.

The cost of production in the United States as compared to the cost in Germany—

I assume he means the labor cost—

is 8 to 1. The relative cost of production is also much lower in Czechoslovakia, Belgium, and France.

American glassworkers have never, in more than 40 years, been paid in excess of $35.02 a week, and are not getting a living wage at the present time. The cost of skilled labor in the production of electric bulbs (glass only, without the filament) is not over 15 cents a hundred in Germany, while the domestic labor costs for the same article are $1.54 a hundred, or ten times as much.

The selling price of the American-made electric bulbs is $27 a thousand. The witness was informed by a dealer in German electric bulbs that they were laid down in the United States at from $19 to $22 a thousand.

Now, this is the point:

The American cost for these bulbs is $15.40 a thousand for the skilled labor only, not taking into consideration overhead, fuel, and other expenses. Electric bulbs sold for $18 or $19 a thousand in 1911 in the United States. American-made lamp chimneys sell for $1.35 per dozen in Chicago, Ill., and a German substitute, practically as good, is selling for 30 cents per dozen.

Ninety per cent of American glassworkers work on a piecework basis, unlimited production, and in no instance do they work less than eight hours a day; in most instances eight and a half hours.

Remember that the American cost for these bulbs is $15.40 a thousand for the skilled labor only, and in another section of the testimony it is claimed that the labor alone is more than 50 per cent; but averaging it at 50 per cent the cost would be $30.80 in the United States, while the Germans are able to sell at from $19 to $22 a thousand as compared with our cost of more than $30 per thousand in the United States, without taking into account the overhead expenses, and so forth.

Mr. SIMMONS. Mr. President, I understood the Senator in his first statement to say that certain bulbs which could be produced in Germany for $8 a thousand were sold in this market for $47.

Mr. McCUMBER. Oh, no; I stated that this witness was informed by a dealer in German electric bulbs that they were laid down in the United States at from $19 to $22 a thousand, and the American cost for these bulbs in labor alone is $15.40. I understand that that cost is about 50 per cent of the cost, which would make, with the material added, about $30.80; and that does not take into consideration the overhead expenses, cost of selling, and so forth.

Mr. SIMMONS. Mr. President, I know nothing about the labor cost of producing these products in Germany or in the United States; but I shall not accept, because I do not believe, the statement that the labor cost of this product can be eight times as much in the United States as it is in Germany. That seems to me wholly incredible, especially in view of the statement that I read into the record this morning from a gentleman who has just been over in Germany investigating the industries in that country, in which he said that the labor costs over there were at a very much higher level than they were before the war. Some products may have been produced in Germany immediately after the war closed at a very inadequate labor cost because of a general feeling among the German people at that time that it was their patriotic duty to aid the Empire—the Republic, as it is now—in its scheme of capturing world markets by working for very low wages, just as there was a sentiment among the manufacturers to contribute their mite to the same general scheme by accepting small profits; but I think all the testimony tends to show that to-day the workmen are insisting in Germany, as they are in all the countries in the world, upon the international scale of wage, just as the German manufacturers are insisting upon full profits.

It is incredible to me that in the country next to our own of the greatest industrial development, with the most thorough organization, both as to labor and as to manufacturers, it should cost only one-eighth as much for a man to make a given

product as it costs in this country. If you were to tell me a story of that sort with regard to the labor in Haiti or with regard to the labor in Africa as compared with that in America, I would believe it; but when you tell me that in Germany, a country distinguished throughout the world for its intelligence and its efficiency in production, a country which, by reason of its intelligence and its efficiency, was gradually acquiring the commercial ascendency of the world, with the same kind of machinery a German laborer can produce eight times as much as an American laborer can produce, I say it is incredible.

Mr. President, so far as the cost of this product in this country is concerned, I do not know whether it is properly represented or not, but I do know that a large part of this work is done to-day by machinery, and improved machinery, as the Senator from South Carolina has just stated; and wherever we are introducing these improved machines the labor cost constitutes a constantly diminishing factor in production. I read the other day of a machine which, operated by a single man, could make 150 pairs of shoes in one day. Undoubtedly this great American trust that dominates the industry absolutely is employing the finest machinery in the world, the most up-to-date machinery in the world; and if this product can be made in Germany for $8 labor cost, or $18 total cost, I have but little doubt that it can be made in this country for practically the same cost.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. SIMMONS. Certainly.

Mr. NORRIS. If those figures are correct, that it costs eight times as much to manufacture these bulbs here in the United States as it does abroad, I am very much interested to know why they are not imported.

Mr. SIMMONS. I thank the Senator for the suggestion. I was just reaching it as the Senator made the point.

Here we have this situation: We have a trust here in this country, and it is now claimed that that trust is not charging extortionate prices, that its cost of production is very high, that it is higher than the German cost of production by eight times so far as the labor element is concerned, and that the total cost of production of this article abroad is, I believe the witness said, $18 as against $30, more than a third less than it is in this country; and yet, Mr. President, in the face of that fact, with a tariff of only 30 per cent, we are advised that the entire German importation for the last year, 1921, was of the value of less than $25,000. What does any reasonable man suppose would happen if that were true?

Mr. President, we talk about things here, it seems to me, in an illogical and unreasoning way. This great body is supposed to have some common sense, and we ought to look at these questions from a common-sense standpoint. We ought not to be accepting any juggling of figures that may be brought to us here by people who are seeking to get more protection, people who are seeking to bring about a condition which will enable them to increase their already swollen profits.

As a matter of common sense, Mr. President, if the figures of the Senator from North Dakota are correct, if Germany is alert, if Germany wants trade, and we have the most inviting market upon the face of the earth, we have a trust here that raises the price of this product well up toward the sky, and affords the finest opportunity of exploitation upon the face of the earth, provided Germany is able to meet American competition, and we are told that she can meet it because she can make her product at two-thirds of what it costs us to make it, and if these labor-cost figures are correct, she can make it for very much less than two-thirds of what it costs us to make it. If those figures are correct, she ought to be able to make this product for at least one-fourth of what it costs us to make it. Indeed, I might even reduce those figures, and say she ought to be able to make it at one-eighth of what it costs us to make it. If the labor cost is only one-eighth of the labor cost here, and the labor cost is 55 per cent of the total cost of this product, then tell me why Germany can not make it for one-fourth of what we are making it here? She can send her product over here, and she can get the benefit of these high trust prices, established by the General Electric Co. The cost, they say, is $30 a thousand. I suppose they are selling the product for about $47 or $48 a thousand, judging from the profits they make. So the field is open to Germany at prices anywhere below $47 a thousand.

It is said the manufacturers in Germany can produce these commodities at one-eighth the American labor cost. If we can make them for $30, and the labor cost in Germany is one-eighth ours, you can lop off $27.25 for difference in labor costs, and you can lop off more for the other differences which it is contended exist, and if these figures are correct this product can be made by Germans and sold in the American market for probably one-third the prices which are now charged by the General Electric Co. and the manufacturers of Germany make money.

Then, in the name of high heaven, under those conditions, why does Germany permit the General Electric Co. to command the whole market in the United States? Why does she not come in and take charge of it? Why does she content herself with sending only $22,000 worth of this ware here in nine months? What is to prevent her from doing it? Nothing but that 30 per cent tariff. It is likely that the 30 per cent tariff does keep her out right now. I think it is very likely that the German cost is very much nearer the American cost, and that the 30 per cent keeps them out and protects the trust.

The trust would probably be satisfied with these conditions. They already have a high enough tariff to keep the German product out. They already have a tariff that has kept the Germans out. Every sensible man knows that that 30 per cent would not have kept the Germans out if they could make this ware at one-eighth the labor cost at which it is made in this country.

Why does the General Electric Co. ask for a higher rate? They have a profit which gives them command of the whole market. Of the 60,000,000 bulbs consumed in this country the General Electric supplied in nine months in 1921 all except $22,000 worth, or at the rate of about $25,000 worth in a year. They ought to be content with that. That is true not only of this year but it has been true of the years which have passed. Why, in that situation, does the General Electric Co. want more? There is but one reason in the world for it, and that applies not only to this case but to many cases where industries which now are not confronted with any foreign competition to speak of are still asking for much higher rates of duty.

They are not satisfied with the profits they are now making. They want to increase their profits. They want to advance their prices. The present law protects them only to the extent of their present profits. If they go above those profits, then the foreigner can get over the wall of protection and bring his products in here. They want the opportunity to increase their prices and their profits without the risk of foreign competition.

The General Electric is already amply protected by this 30 per cent rate. It is already secure with its 30 per cent duty against foreign competition, and if we give them 40 per cent more they can increase their prices 40 per cent over the present prices, if they want to, and still be as secure and protected against German competition as they are now.

This bill reeks with that sort of thing. It is written not by a committee of the Congress of the United States; it is written by the industries which are here seeking higher and higher protection in order that they may exploit and rob the people to a greater extent than they are now robbing them. They have written these rates, and they are asking the American Senate to indorse them.

For one, I say that rates like these are an insult to my intelligence and my common sense, and the bill is full of them.

Mr. KING. Mr. President, I have just come into the Senate, and I ask the Senator whether the articles embraced in the paragraph under consideration are made largely by the electric company which is generally known as the Electric Trust?

Mr. SIMMONS. The letter of Mr. Untermyer, who has just investigated this matter thoroughly, is to the effect that the General Electric Co., which is a trust, produces 97 per cent of the entire amount consumed in the United States.

Mr. KING. Mr. President, some months ago I was in New York and I made some investigation in regard to this so-called trust. The proof before the Lockwood committee, as well as other extraneous facts which came to the attention of the public, quite clearly established that the company or organization referred to is a trust.

Why the Department of Justice has not proceeded against it for the purpose of dissolving it, or why criminal proceedings have not been commenced for violations of the Sherman antitrust law, I am not able to understand. There is some criticism of the Department of Justice because of its failure to prosecute combinations and conspiracies which are violators of the Sherman Act, and I have hoped that it would vigorously attack some of these gigantic monopolies that are preying upon the people.

The Carbide Trust is one. Under the last administration the Federal Trade Commission made an investigation of this last-named organization and, I feel sure, found that it came within the denouncements of the statute. Mr. Myron T. Herrick, ambassador to France, is one of the leading officials of this trust. There is no indictment of the Carbide Trust; no steps taken to secure the dissolution of that illegal organiza-

tion; no indictment of the Electric Trust; and no proceedings, as I am advised, to secure the dissolution of that illegal organization.

We have made very liberal appropriations to the Department of Justice for the purpose of enforcing the Sherman antitrust law and the Clayton Act. So far as I can learn the prosecutions instituted have been few, and the actions to secure dissolution of trusts have been infrequent not only by this administration but also by former administrations. Many of the people seem to regard the Sherman Act as a joke; I am afraid that this mental attitude has been the product of either the incompetency or the indifference of some of the prosecuting officers of the Government. However, during the last two years of the former administration there was a genuine effort to enforce the law, and the results of the investigations made would have become universally known if the same officials had been continued for a short time. There is a feeling that both parties have failed to attack illegal combinations with that earnestness which should characterize the enforcement of the law. I have felt that the Sherman law has been often flouted by big business interests, and that the officials who should have proceeded against them were too indifferent to such violations.

District attorneys, I am told, have been slow to proceed because of the policy of the Department of Justice, which seemed to proceed upon the theory that no suit could be brought under the Sherman or Clayton Acts without the authorities at Washington directed, no matter how conclusive the evidence seemed to be against defendants. In other words, while local district attorneys have felt authorized to initiate prosecutions for the violation of the Federal statutes for homicide, for instance, counterfeiting, violation of the narcotic drugs act, and the violation of a multitude of other penal statutes, when it came to enforcing the Sherman antitrust law they had to get the consent of Washington.

Without specially declaring the cause, it is apparent that there has grown up in the United States a multitude of oppressive industrial organizations. They are trusts or monopolies, and defy the laws of competition or, rather, they destroy them. They have existed for years under both administrations, and they are now prosperous and potential under the Republican administration. The result will be that if those laws are not enforced against such organizations the people will ultimately demand that corporations engaged in interstate commerce shall obtain a Federal license to do business or be subjected to some sort of Federal control, the effect of which will be to destroy initiative, retard the development of legitimate business, and arrest that proper industrial progress which should characterize this the greatest Nation in the world.

I am not opposed to big business. Through the policies of integration, there are of necessity great organizations. Perhaps Mr. Roosevelt, as much as any statesman in modern times, appreciated that fact, but he, rather inclined to follow the school of philosophy expounded by some of the professors in the University of Wisconsin, felt constrained to advocate the control of these corporations by Federal regulation. I would regard that as mischievous, impolitic, and unwise for many reasons, and particularly for the good of the people; but Federal control of these great industrial organizations is bound to come unless the law of competition is observed in the United States.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Iowa?

Mr. KING. I yield.

Mr. CUMMINS. While I suppose this discussion is not very material to a tariff law, yet it is a very interesting one, and the subject appeals very strongly to the chairman of the Committee on Interstate Commerce.

I suppose the Senator from Utah will concede the general purpose of the antitrust law was to secure and maintain a helpful competition among the industries and productions of the country——

Mr. KING. I agree with the Senator.

Mr. CUMMINS. A competition which would result in fixing reasonable prices for the commodities which those industries produce. The Senator from Utah knows that the Standard Oil Co. was successfully prosecuted, and I am wondering why he is including in his criticism the Supreme Court of the United States as well as the Department of Justice. I pause for answer to that inquiry.

Mr. KING. Mr. President, it is embarrassing for a lawyer to speak in a disparaging or critical way of the courts, especially the Supreme Court of the United States, a court which we all respect. Yet I may say, with all due deference to the court, that in my opinion a number of its decisions construing or applying the Sherman antitrust law have tended to weaken that law and deprive it of some of the potency which the legislators who framed the law believed that it possessed.

Mr. CUMMINS. But the Senator from Utah will remember that the Supreme Court held that the Standard Oil Co. was in violation of the antitrust law, and proceeded to render the decree or the judgment which it believed to be necessary in order to dissolve it and to bring in the competition which theretofore had been suppressed.

Mr. KING. I did not have in mind particularly, I may say to the Senator, when I made that reply, the Standard Oil case. I had in mind the steel case, for instance, and others, particularly where the so-called rule of reason was applied.

Mr. CUMMINS. I am not myself thinking of those cases in which the defendants have been held not guilty. I am thinking of the cases in which the defendants have been pronounced guilty. Has there been any more competition among the oil companies since the decree in that case was rendered than before?

Mr. KING. No; I think there has been and is, if the Senator will pardon me, a head to the Standard Oil Co. yet, though there appear to be a number of parts which seem to be entirely independent of each other. There seems to be some central, powerful, and integrating force which guides all the parts and directs their efforts to a common end.

Mr. CUMMINS. The Senator will remember that the American Tobacco Co. was dissolved by a decree finally affirmed and, indeed, rendered by the Supreme Court of the United States. Does the Senator think that there has been any more competition among the manufacturers of tobacco in its various forms than before?

Mr. KING. I am not able to answer the question because of the conflicting testimony which has been brought to my attention.

Mr. CUMMINS. The Senator remembers, because it happened in his own country, that a railroad combination, of which the Southern Pacific Railroad Co. was a part, was found to be in violation of the antitrust law and dissolved. Has there been any marked advantage to the people noticed by the Senator since that dissolution took place?

Mr. KING. Let me say to the Senator that we can easily differentiate transportation companies interstate in character from the industrial corporation, because the former are amenable to the Interstate Commerce Commission in the question of rates and such regulations as the commission by law has promulgated or may hereafter promulgate.

Mr. CUMMINS. Nevertheless those companies were found to be guilty of a violation of the antitrust law, and probably very righteously so. I am asking these questions to put up to the Senator from Utah the consideration of some more effective way in which to deal with these things. It is of very little account, from my standpoint at any rate, to have the Attorney General proceed toward the dissolution of some trust or alleged trust, and after it is all over, after he has won a victory and has accomplished his purpose, to discover that we have just as little competition, or possibly less competition, than we had before.

Mr. KING. Let me see if I understand the Senator. His conclusion would seem to be that the Sherman antitrust law, even where it has been applied, has been wholly ineffectual to remove the wrongs of which complaint was made, and, therefore, I would assume from the Senator's position, if I understand it correctly, that he thinks the Sherman antitrust law ought to be repealed.

Mr. CUMMINS. I do not think so, but I think the Senator from Utah could employ his great talents even to better advantage in considering how it can be rendered more effective than in challenging the fidelity of the various Attorneys General in enforcing it. I am in entire sympathy with the object to be accomplished, but I think it is hardly fair to say in this public way that the Attorney General, either under the previous administration or under this administration, has failed to recognize and perform the duties which that law imposes upon him. I really think they have done the best they could and have proceeded in every case in which they have believed that anything could be accomplished for the benefit of the people by prosecution. I hope the Senator from Utah will find some measure of constructive legislation that will enable us to bring back and to maintain that competition upon which alone, as I believe, the safety of the American people depends.

Mr. KING. Mr. President, the Senator's statement concerning the importance of maintaining competition I regard as profoundly wise and opportune. I think unless we do preserve the law of competition we will destroy our industrial system, and

when we destroy our industrial and economic system our political system will be destroyed or radically changed, because, whether we will or not, there is such intimate relation between the industrial and economic life of the people and their political system that when the foundation of the industrial system is broken down or greatly disturbed the political system will react to such changes. History proves this statement. It finds corroboration in the situation in Russia during the past five years.

Mr. HARRIS. Mr. President——

Mr. KING. I yield to the Senator from Georgia.

Mr. HARRIS. The Senator from Iowa has referred to the Standard Oil decision. The Senator does not remember, I suppose, that two years ago the Senate passed a bill I introduced which would have corrected that matter. Under the dissolution decree of the Standard Oil Co. they did not change the stockholders; they dissolved the one big company and formed several, about 20, and divided the territory. The same stockholders own the same interest practically in all the companies, and of course those companies are run, as the Senator from Utah says, just as one company. About 70 per cent of all the stock in all the 16 or 20 different Standard Oil companies is owned by the same people; about 53 per cent of all the stock is owned by 16 persons. They are to-day, as investigation by the Federal Trade Commission shows, operated as one company, and there is no competition. The Senate passed a bill which would have prevented that and prevented the stock from being sold or transferred to the same people who now own a majority of the stock. For instance, in the case of the death of a present stockholder or the sale of any of the stock owned by the stockholders they would not be allowed to sell that stock to one of the present stockholders of the company.

As long as the same stockholders control a majority of the stock in all the companies, of course there will never be any competition. Since the Clayton antitrust law was enacted preventing price discrimination the Supreme Court dissolution decree was a good thing for the different Standard Oil companies. If there was only one company on the same commodity they could not discriminate in prices, except as to difference in the cost of selling or transportation; but as there are several companies, they can discriminate in price and not violate the law, even though most of the stock of all the companies is owned by a few persons. That is a condition that has existed in a number of instances in the past. The Standard of Ohio has sold gasoline at one price in the State of Ohio, and the Standard of Indiana sold at another price in Indiana, just across an imaginary State line, and they were not violating the law because they were different corporations. If they were all one corporation they could not violate the law, and they would have to sell at one price and not discriminate.

The dissolution of the Standard Oil Co. was the very thing they would have preferred. As I have stated, under the Clayton Act, preventing discrimination in price, the Standard Oil Co. can now discriminate in price in different territory without violating the law, because there are a number of the companies, and they have divided the territory, giving to each Standard Oil Co. a certain territory which does not conflict or interfere with any of the other several companies.

Mr. CUMMINS. I do not want to be misunderstood or leave any opportunity for misunderstanding. I think the Supreme Court of the United States did everything that it could do in the dissolution of the Standard Oil Co. I can not imagine any power that it had that it did not exercise in the rendition of its decree. There are opportunities for amending the law, possibly.

I doubt, though, whether the position of the Senator from Georgia is correct in that if the Standard Oil Co. were a single organization instead of 22 or 23 or 30—I do not remember just how many there are—that condition would prevent the Standard Oil Co. from selling at one price in Indiana and another price in Illinois and at still another price in Ohio. I do not know of any law that prohibits any discrimination with regard to selling price in different localities.

Mr. HARRIS. I think under section 2 of the Clayton Act that would be against the law. I would state that the Senate passed a bill which I introduced which I believe would correct these abuses, but the House declined to pass it. Bills of a similar nature are before the Senate now, but we have not had any action on them yet, and I am afraid we will not get any action on them at this session.

Mr. KING. I repeat what I was stating when I yielded to the Senator from Georgia, that the views of the Senator from Iowa I regard as eminently sound. There is such an intimate relation between the industrial life and the political life of the country that unless we have industrial prosperity and industrial progress and development we will witness great mutations in our political life and conditions. The Senator is familiar with the French economists, who have pointed out that the struggles of the past to get civil liberty, political liberty, and religious liberty were followed by struggles for industrial freedom. There must be industrial freedom as well as political freedom and civil liberty. Indeed, I might say these can not long exist—civil and political liberty—unless there be industrial liberty.

As I said a moment ago, I have no objection to big business per se, but it must be honest business, it must be fair business, it must be competitive business. The Senator paid me the compliment to say that I might employ my talents to better advantage in suggesting in a constructive way some emendations of the law instead of criticising some who are charged with the enforcement of the law.

Mr. President, I do not want to do any person or party an injustice, but I have felt that there has not been as vigorous an enforcement of the Sherman law as was necessary or proper for the interests of the country. There has been uncertainty as to what it meant or what the courts would do and many obstacles have been interposed to prevent its execution. Officials have at times been discouraged with the results which had followed their efforts. In my opinion, the criminal features of the law have not been invoked as often as they should have been. I believe the American people want that law enforced. They want trusts dissolved; they are opposed to industrial organizations which prevent competition and devour the smaller business enterprises. They are not opposed to big business per se. It is only when corporations become criminal and destructive of competition that the people feel that corporations ought to be proceeded against and their power curbed or destroyed.

Let me say to the Senator that I introduced a bill some time ago which is now pending before his committee; it may not be a constructive contribution to the law, yet I think that it would improve the Sherman antitrust law to some extent. I ask the attention of the Senator, when the committee meets, to the measure which I introduced some months ago.

However, Mr. President, I rose merely to say that the evidence, I think, shows that the electric trust dominates the domestic field as to the products embraced within the paragraph under consideration; and we are now not only condoning its crimes, its exploitations, its profiteering, but we are licensing its predatory activities. I can not conceive of any justification for this paragraph and for the enormous duty which is placed upon the products therein referred to.

In conclusion let me again say, Mr. President, that we must have either a free and fair competitive system in the United States, in which there is an open field for the humblest and the smallest capitalist, or it is going to be governmental regulation, and the big business interests must understand it.

They have got to treat the public fairly; they have got to be satisfied with reasonable profits. If they reach out in a ruthless way for the purpose of destroying competition and drawing into a few huge, colossal industrial organizations the business of the United States, then an irresistible demand will be made for Federal control of interstate commerce, the licensing of corporations, or the regulation of all corporations which are engaged in interstate commerce. That I should regard as a calamity.

It is, Mr. President, because I believe in business organizations, in the right of men to organize and to make fair profits, even large profits, that I am pleading for corporations and for the great industries to deal fairly with the people. I am a better friend of big business which is honest and legitimate than are some of the Republicans on the other side of the Chamber who are proposing to give big business a bigger club with which it may beat down the masses of the people. If Republican Senators license corporations and domestic producers to exploit the people, they are enemies not only to the people but to business itself. We want a prosperous and a contented people. Contentment will bring prosperity. There will be contentment and peace and progress in our land when we practice justice and when all interests perceive their close relationship—indeed their interdependence. Let business men have a fair field—unhampered by foolish and obsolete laws and regulations; but do not enact laws to give them special privileges or license them to plunder the people.

Mr. SMOOT. Mr. President, incandescent electric-light bulbs were provided for in paragraph 229 as the pending bill came from the other House. I wish to say to the Senate that the General Electric Co. had nothing whatever to do with the transference of that item from paragraph 229 to paragraph 218. That transfer was based upon a statement made by Mr. William P. Clarke, national president of the American Flint Glass

Workers' Union, of Toledo, Ohio, who had just returned from a visit to Germany, and who testified before the committee after the hearings had been closed. He was accompanied by Mr. P. W. McCreary, the superintendent of the Phoenix Glass Co., of Pittsburgh, Pa., who had also accompanied Mr. Clarke to Germany.

The statement was made there—I think it has already been referred to in the Senate to-day, and I do not wish to repeat it; it will be found on pages 5190 and 5191 of the hearings—that so far as the electric bulbs are concerned—and Mr. Clarke pointed to the bulbs in the chandelier in the committee room—it costs a little more than ten times as much to make those bulbs in this country as it costs to make them in Germany.

Mr. DIAL. Mr. President, I should like to ask the Senator whether he thinks the witness was unbiased? Is it not to the interest of those he represented to keep up the cost?

Mr. SMOOT. I rather think the laboring man desires to keep the costs up, if possible, in order that he may continue to receive the wages he is receiving to-day. I will say to the Senator now that if Mr. Clarke's testimony is correct, and the latest report I have from the Department of Commerce is also correct, the worker in Germany hardly receives any more for a month's work than is paid in this country for a day's work on this class of commodity.

Mr. DIAL. If that is true, I do not see how they can live at all.

Mr. SMOOT. I am not discussing the question as to how they can live, but I have here a report which, when the proper time comes, I am going to put in the RECORD, showing exactly what the foreign labor receives, according to the findings of the Department of Commerce.

Mr. DIAL. Personally, I have not much faith in either one of the reports.

Mr. SMOOT. The Senator has a perfect right to have no faith in them or to have all the faith possible, but that does not change the testimony given. The majority of the committee decided to put bulbs under paragraph 218——

Mr. HITCHCOCK. Mr. President, did I understand the Senator to say that labor in the United States costs 10 times as much as labor in Germany?

Mr. SMOOT. Yes; and more than that, if this report is correct.

Mr. HITCHCOCK. When was that?

Mr. SMOOT. That was at the end of 1921. I have a copy of the report to which I have referred. It is just out, and has not been printed as yet.

Mr. HITCHCOCK. Such a condition would enable the German manufacturers to drive our manufacturers out of our home market.

Mr. SMOOT. I do not know how soon they will do that; I can not say anything about what Germany is going to sell her products for; and that is not what I rose to discuss at this time.

Mr. HITCHCOCK. The Senator states that the figures he has given are for last year?

Mr. SMOOT. They are brought up to December, 1921.

Mr. HITCHCOCK. Of course, the foreign producers, then, must have taken possession of our market by this time?

Mr. SMOOT. No; they have not done so as yet.

Mr. HITCHCOCK. Can the Senator state what the imports are?

Mr. SMOOT. Those figures have already been given.

Mr. HITCHCOCK. The imports are merely nominal, are they not?

Mr. SMOOT. They are.

Mr. HITCHCOCK. They amounted to about $21,000 as against millions of dollars of production in this country?

Mr. SMOOT. They are nominal so far as electric light bulbs are concerned.

Mr. HITCHCOCK. Let me ask the Senator another question: Did the Senator believe the statement that labor was 10 times more expensive in the United States than in Germany?

Mr. SMOOT. Well, I do not believe the statement that was made by Mr. Clarke; but I am at a loss to know what position I will take since I received the report to which I have referred from our own Department of Commerce.

Mr. HITCHCOCK. The Senator would not like to have us believe that labor is 10 times more expensive in this country than it is in Germany, would he?

Mr. SMOOT. I do not ask the Senator to believe anything. I do not propose to say that the figures are absolutely correct because I have not made a personal investigation, but I do not propose to quote anything here unless I have the evidence for it, and then I shall give the source of the information.

Mr. CUMMINS. Mr. President, may I ask the Senator a question?

Mr. SMOOT. Yes.

Mr. CUMMINS. Is the statement that the Senator has just made the probable basis for the action of the House in fixing the duty upon electric light bulbs at 35 per cent?

Mr. SMOOT. I will say to the Senator that Mr. Clarke's testimony was not given before the House, nor was it given in the regular hearings of the Senate Finance Committee, but it is in the appendix to the hearings. He appeared before the committee after the regular hearings had closed upon this schedule—in fact, when we had almost concluded the hearings on the whole bill—and his testimony appears in connection with the administrative features of the bill.

Mr. CUMMINS. If we frame a tariff bill upon any basis of that kind the rate proposed is a perfectly inadequate rate, and we shall have to put a duty of 1,000 per cent upon electric-light bulbs, even if we were to introduce the competitive basis. Does the Senator from Utah think we ought to do that?

Mr. SMOOT. No; and the Senator from Utah did not even vote to transfer this item to this paragraph.

Mr. CUMMINS. I am glad to hear that.

Mr. HITCHCOCK. I suggest that if the particular testimony referred to is in the appendix, that appendix ought to be treated like the vermiform appendix of a human being, and be taken out.

Mr. SMOOT. Mr. President, I am simply calling attention to what was the moving force—if I may so call it—which induced the committee to strike out paragraph 229 and transfer electric-light bulbs to paragraph 218.

What I rose to say, Mr. President——

Mr. McCUMBER. Mr. President, may I suggest to the Senator from Utah that the witness, according to the testimony I read, said the cost was as 1 to 8. The Senator says as 1 to 10.

Mr. SMOOT. I will read it.

Mr. McCUMBER. Just a moment. The Senator has said that the American laborer gets about as much for a day's work as the German does for a month's work. I have a statement that came from Germany only yesterday, giving the wages in this industry and other mechanical industries, in which it is shown that the German wage is $8 a month, while we are paying from $45 to $50 a week. So the figures are not very far off. The standard German wage was 12 marks per hour, and Senators can figure out the number of marks it takes to make a dollar and see that the statement made by the witness is not so far out of the way as to the actual facts. I will say further the testimony of the witness is not subject to the criticism that is aimed against it, and it is not unbelievable.

Mr. SMOOT. I will say frankly that the testimony before the committee is that we are paying laborers for this identical work from $8 to $9 a day. Mr. Clarke said the American wage was not eight times greater than the German wage, but ten times greater, as I stated. I quote from the testimony of Mr. Clarke as follows:

> Senator JONES. Is that agency under the direction to any extent of the Reparations Commission appointed under the Versailles treaty?
> Mr. CLARKE. Not to my knowledge; no.
> I was going to say there is an electric bulb in that bracket [indicating chandelier in the committee room]. The cost of the skilled glass-worker producing that in Germany to-day is not in excess of 15 cents a hundred—that is, for producing the glass bulb, not the lamp—while to-day in America the price of producing that bulb amounts to $1.54.
> Senator JONES. Ten times as much?
> Mr. CLARKE. Ten times as much.

Mr. NORRIS. Mr. President——

Mr. SMOOT. I yield to the Senator.

Mr. NORRIS. It seems to me that this discussion ought to take place in secret executive session. It is quite evident that the Germans have not found out about America using electricity. They would be importing these bulbs which they are making at this low price, and we would have the General Electric Co. driven out of business, which would be a calamity that none of us would stand for a moment. If we carry on this discussion much longer, even though it is only printed in the graveyard known as the CONGRESSIONAL RECORD, some enterprising sympathizer with Germany will find it out, some pro-German left over from the war may get hold of it, and he will publish it in Germany, and the result will be that we will be covered up with electric-light bulbs here and will not be able to get out before the election next November. This debate, Mr. President, will have a tendency to let it leak out and get to the German. He does not know about it now. He does not know that our electric-light bulbs are costing ten times as much as the German bulbs cost; and if he finds it out, notwithstanding we have a duty of 70 per cent in this bill, it will not make

any difference. We might just as well have it 100 per cent, but it would not do any more good. We are gone; there is no show for us.

Mr. SMOOT. Mr. President, I did not rise to discuss the question of bulbs at all. I rose to discuss the other items in this paragraph, although I will say to the Senator that there is a reason why they have not shipped them into this country if our information from the Tariff Commission is correct, and, in passing, I may state just what that is.

The world, as far as glassware is concerned, has been rather bare of products outside of the United States. I think Germany has found a market even better than or as good as the market of the United States, and has sold those bulbs. That is what is reported.

Mr. SIMMONS. There is no better market than this, judging from the prices that are paid in this market.

Mr. SMOOT. Mr. President, I want to call particular attention to the other items in this schedule.

Mr. JONES of New Mexico. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. SMOOT. I want to get through.

Mr. JONES of New Mexico. I understand that the Senator does, but just a word. I want to suggest a possible explanation of this difficulty. In the summary of the Tariff Commission's report under paragraph 229, in speaking of the production of incandescent lamps and bulbs, I find this statement:

> In 1916 the bulbs were made by five plants, with an estimated production of 20,000,000 per month. The bulbs are blown into iron molds coated with carbonaceous paste. A high polish is effected by rotating the blank in the mold during the blowing. Mechanical processes simulating the hand method of blowing have been devised.

I wonder if that is not the reason why we are not swamped in this country with bulbs—that they are made by machinery, and that this hand labor that we have all been talking about here cuts very little figure in the transaction?

Mr. SMOOT. No; I will say to the Senator that I think he is wrong in that.

Mr. JONES of New Mexico. There are mechanical devices for blowing different kinds of glassware. They have the glassware put into tubes, and have the molds for them, and they have a little air machine that blows into the tubes and makes the glass take the shape of the molds; and I think this question of German labor does not cut any figure here, because, if these witnesses were at all correct, as the Senator from Nebraska says, we would be swamped with bulbs.

Mr. SMOOT. I think Mr. Clarke, the head of the union, knows what he is talking about. Whether he does or whether he does not, that is what he testified before the committee as to the bulbs; and, of course, the cost of the glass bulb itself is only about half of the cost of the finished bulb. That is only the cost as far as the glass is concerned. But, Mr. President, 26 manufacturers of illuminating glass were represented in the tariff hearings before the Finance Committee, and they reported that they had operated their plants at less than 30 per cent of capacity since January 1, 1921, and that since July 1, 1921, more than 90 per cent of their workers had been idle.

Mr. LA FOLLETTE. That was not on account of the importations.

Mr. WALSH of Montana. Mr. President, let me inquire of the Senator from Utah if they attributed that to the lower cost of labor.

Mr. SMOOT. Only partly. The greater part of it was because of the lesser demand for the article; but if the Senator will take the importations he will find that the importations have been increasing right along under this paragraph. I am not speaking of the bulbs; I am speaking now of the rest of the items that fall under the 70 per cent ad valorem duty that we are discussing at this time.

Mr. WALSH of Montana. Mr. President, let me say, if the Senator will permit me, with reference to the importance of this matter of low wages in Germany, that there is a brief note here in the Commerce Reports, being a weekly survey of foreign trade published by the Department of Commerce, in its issue of April 17, which, with the permission of the Senator, I should like to read, as follows:

> AMERICAN FIRMS WIN BRIDGE CONTRACTS IN ARGENTINA.
>
> During the past few months American fabricators have been successful in securing some attractive bridge construction contracts from the Argentine State Railways, in keen competition with German and Belgian concerns.

Mr. SMOOT. This is not bridge material, this is not steel that we are talking about.

Mr. WALSH of Montana. No; but the same labor problem is involved.

Mr. SMOOT. There is quite a difference between making steel, as far as labor is concerned, and making the items that fall under this paragraph.

Mr. WALSH of Montana. If the Senator will permit me, I continue:

> It appears that the local officials are not satisfied with the workmanship turned out by European shops, and preference was given to American bidders at prices which are really higher, considering that it is the practice of nearly all domestic companies to provide for payment in United States gold.
>
> American bridge-shop practice has been developed to a far higher degree than in the case of European manufacturers of like materials. This has been necessary because of the higher grade labor used in the United States. Multiple punch machines and spacing tables, such as are common in first-class shops in the United States are almost unknown in Europe, where practically all work is drilled at a much higher cost of production, in spite of the lower wages paid to labor. American exporters, realizing that there is attractive business to be had in Argentina, are pursuing this market with a willingness to conform to local requirements, which, they state, are by no means unreasonable.

So, Mr. President, when we establish the fact that the rate of wages in a particular industry is lower in Germany than it is in this country, we have not advanced anywhere of consequence toward determining which country can produce at the less cost.

Mr. SMOOT. Oh, well, the labor required in producing structural steel is infinitesimal compared with the labor that is required in making illuminating articles. There is no comparison at all.

Mr. President, I simply wanted to say that much at this time. I do not know that it is necessary to say anything further, because we have thrashed this matter over and over again here.

Mr. JONES of New Mexico. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Senator from New Mexico suggests the absence of a quorum. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Hale	McCumber	Shortridge
Borah	Harris	McKinley	Simmons
Brandegee	Harrison	McLean	Smith
Bursum	Hitchcock	McNary	Smoot
Calder	Jones, N. Mex.	New	Spencer
Capper	Jones, Wash.	Newberry	Sterling
Cummins	Kellogg	Nicholson	Sutherland
Curtis	Kendrick	Norris	Townsend
Dial	Keyes	Oddie	Wadsworth
Edge	King	Page	Walsh, Mont.
Ernst	Ladd	Poindexter	Warren
France	La Follette	Rawson	Watson, Ind.
Frelinghuysen	Lenroot	Robinson	Williams
Gooding	Lodge	Sheppard	Willis

The PRESIDING OFFICER. Fifty-six Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment offered by the Senator from New Mexico to the committee amendment.

Mr. JONES of New Mexico. Let the amendment to the amendment be stated.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The PRINCIPAL LEGISLATIVE CLERK. On page 40, line 24, the Senator from New Mexico moves to strike out "70" in the committee amendment and to insert in lieu thereof "45," so as to read:

> Illuminating articles of every description, including chimneys, globes, shades, and prisms, incandescent electric light bulbs, with or without filaments, for use in connection with artificial illumination, all of the foregoing, finished or unfinished, composed wholly or in chief value of glass or paste, or a combination of glass and paste, 45 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I will modify my amendment to the amendment. At the present time some of the articles, for instance, electric-light bulbs, are dutiable at 30 per cent under existing law, while other articles, such as lamp chimneys, globes, and that sort of thing, are dutiable at 45 per cent. If we are going to keep all those different items together in this paragraph, I am inclined to believe that my amendment should be 40 per cent rather than 45 per cent; at any rate, I will first make the amendment for the bracket at 40 per cent instead of 70. Therefore I ask leave to change my amendment so that it will read 40 per cent instead of 45.

The PRESIDING OFFICER. The Senator has a right to do that.

Mr. JONES of New Mexico. And upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the principal legislative clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as to the transfer of my pair as before, I vote "nay."

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRISON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. ELKINS] to the Senator from Alabama [Mr. HEFLIN] and vote "yea."

The PRESIDING OFFICER (when the name of Mr. JONES of Washington was called). Making the same announcement as to my pair as on a previous vote, I withhold my vote.

Mr. KENDRICK (when his name was called). I transfer my pair with the Senator from Illinois [Mr. MCCORMICK] to the Senator from Louisiana [Mr. RANSDELL] and vote "yea."

Mr. LODGE (when his name was called). I transfer my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the senior Senator from Minnesota [Mr. NELSON] and vote "nay."

Mr. WARREN (when his name was called). Making the same announcement that I made earlier in the day as to the transfer of my pair, I vote "nay."

Mr. WILLIS (when his name was called). I am paired with my colleague, the senior Senator from Ohio [Mr. POMERENE]. I am unable to obtain a transfer, and therefore I am obliged to withhold my vote.

Mr. BALL. I transfer my pair with the senior Senator from Florida [Mr. FLETCHER] to the senior Senator from California [Mr. JOHNSON] and vote "nay."

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. DIAL. I transfer my pair with the senior Senator from Colorado [Mr. PHIPPS] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS].

The result was announced—years 27, nays 29, not voting 40, as follows:

YEAS—27.

Borah	Hitchcock	Lenroot	Simmons
Capper	Jones, N. Mex.	McNary	Smith
Caraway	Kellogg	Norbeck	Sterling
Cummins	Kendrick	Norris	Townsend
Dial	King	Rawson	Walsh, Mont.
Harris	Ladd	Robinson	Williams
Harrison	La Follette	Sheppard	

NAYS—29.

Ball	France	New	Spencer
Brandegee	Frelinghuysen	Newberry	Sutherland
Bursum	Gooding	Nicholson	Wadsworth
Calder	Hale	Oddie	Warren
Curtis	Lodge	Page	Watson, Ind.
du Pont	McCumber	Poindexter	
Edge	McKinley	Shortridge	
Ernst	McLean	Smoot	

NOT VOTING—40.

Ashurst	Gerry	Myers	Shields
Broussard	Glass	Nelson	Stanfield
Cameron	Harreld	Overman	Stanley
Colt	Heflin	Owen	Swanson
Crow	Johnson	Pepper	Trammell
Culberson	Jones, Wash.	Phipps	Underwood
Dillingham	Keyes	Pittman	Walsh, Mass.
Elkins	McCormick	Pomerene	Watson, Ga.
Fernald	McKellar	Ransdell	Weller
Fletcher	Moses	Reed	Willis

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

Mr. JONES of New Mexico. I move, at the same place in the committee amendment, to strike out "70" and insert in lieu thereof "45." That is the highest duty at present on any of the items in that bracket.

The PRESIDING OFFICER. The Senator from New Mexico proposes an amendment to the committee amendment, which the Secretary will state.

The READING CLERK. On page 40, line 24, strike out "70" and insert in lieu thereof "45."

Mr. JONES of New Mexico. Mr. President, I do not care to discuss this item further, but I will say just a word of explanation to some Senators who were not here when this matter was being discussed.

The committee has stricken out paragraph 229, which dealt with incandescent electric-light bulbs and lamps, with or without filaments, and there the House put a duty of 35 per cent. The whole of paragraph 229 has been stricken out, and electric-light bulbs have been put in here.

It has developed in the course of the discussion, I believe, that at least 95 per cent of these bulbs are made by one concern which is harassing the two or three other concerns now making a few of the bulbs. It does not clearly appear as to how those bulbs are made, but my judgment is, from the circumstances of the case, that they must be made by machinery. They have been put in this bracket with lamp chimneys, lantern globes, and things of that sort, which are manufactured, I think, largely by human labor, by mouth blowing. In my judgment they should not have been put in here at all.

There are no importations of any consequence. The whole industry was gone into carefully in a letter written by Mr. Untermyer addressed to the senior Senator from Wisconsin [Mr. LA FOLLETTE], and which was put in the RECORD on May 25. According to all of the testimony it is not only a monopoly but an oppressive monopoly, one which has forced out of business a number of concerns, either by buying them out or making some other arrangement. The statement is made that it is harassing the few remaining concerns producing the 3 per cent.

There are no importations of any consequence. The production is over 20,000,000 a month, and less than $21,000 worth of those bulbs are being imported into the United States. We do not know just what kind of bulbs they are, but in all probability they are some novelty in the line, because it is impossible to think of competition in the ordinary white glass bulb. They must be novelties in design, decorated, or something of that sort, or peculiarly ground bulbs, but clearly there is no competition now.

The Tariff Commission reports that the industry is in a flourishing condition under existing circumstances and that its condition is healthy. I do not believe that any excuse has been offered for the increase in duty. No explanation has been given why the separate paragraph in which it was previously found has been stricken out and the article put in here with some special articles produced by human labor. Some one must have exercised Machiavellian skill in framing this paragraph. It is a new paragraph entirely. It is a rewriting of the paragraph as it came over from the House. They have taken out paragraph 229 altogether and combined it with this paragraph. Of course, I do not know, because I was not present at the writing of the paragraph, but it looks to me very much as if there had been a very deft hand at work in the framing of the new paragraph.

Mr. SMOOT rose.

Mr. JONES of New Mexico. I do not apply that to any member of the Finance Committee.

Mr. SMOOT. I will say to the Senator that the reason why it was rewritten was for administrative purposes. It was rewritten by the department. The department, however, did not put in bulbs, but the balance of the paragraph was rewritten by the department.

Mr. JONES of New Mexico. I have reference to the transfer of bulbs from paragraph 229 to this paragraph.

Mr. ROBINSON. May I ask the Senator from Utah why the bulbs were transferred in that way?

Mr. SMOOT. The rates were changed and the bulbs were transferred here because they come under this paragraph, anyhow, ordinarily. They are glassware. That is not the reason why they were transferred from paragraph 229 to this paragraph. I have already stated that that was done on the testimony of Mr. Clarke, the representative of the labor union.

Mr. DIAL. Mr. President, may I ask the Senator from New Mexico if the manufacturers asked for this protection?

Mr. JONES of New Mexico. I do not know. The Senator from Utah just stated that it was done upon the testimony of the representative of one of the organized unions. I remember that Mr. Clarke appeared before the committee, representing union labor in these industries. I recall that he did particularly refer to glass bulbs, but there was no discussion at the time as to whether the bulbs were produced by machinery or not. We are in the dark, or at any rate I am. I simply make the suggestion about their being produced by machinery upon this statement in the summary of the Tariff Commission:

> The bulbs are blown into iron molds coated with carbonaceous paste. A high polish is effected by rotating the blank in the mold during the blowing. Mechanical processes simulating the hand method of blowing have been devised.

Mr. DIAL. I was trying to ascertain whether or not the manufacturers are satisfied with the present tariff or whether the manufacturers themselves have asked for the increase.

Mr. JONES of New Mexico. So far as I know, none of the manufacturers appeared and asked for this increase in duty.

Mr. DIAL. Then, we are giving more than they want?

Mr. JONES of New Mexico. Whether Mr. Clarke represented some of the independent concerns producing the 3 per cent of these bulbs, and they were producing them by mouth blowing, I do not know. There was not anything stated upon that subject. I remember very well when Mr. Clarke appeared before the committee. I remember very well his statement about the difference in the cost of labor in this country and in Germany. So far as equalizing any cost of labor at the figures which Mr. Clarke presented to us, of course, it could not be done at all. We either had to ignore that cost or assume that labor of that value was not being used in the production of bulbs. I do not see how we can justify increasing the present rate.

Bear in mind that the present rate upon these bulbs is 30 per cent. The amendment proposed by the committee would increase that to 70 per cent. That is considerably more than 100 per cent increase. The importations at the present time are merely nominal. I am quite sure that they consist solely of novelties of one kind or another.

Mr. HITCHCOCK. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. If the Senate Committee on Finance were guided by that fairy tale about labor on these articles being ten times as high in the United States as in Germany, it is no wonder they have increased the rate to this extent. If that is the sort of testimony the Senate Finance Committee has been listening to, it is no wonder they have brought in these preposterous schedules. Between making a schedule based on such fairy tales as that and making a schedule based on prophesies of what may happen two or three years from now, it is no wonder we are confronted with these prodigious increases in the rates. There is really nothing to be surprised at. The only surprise is that instead of making this rate 70 per cent, they did not make it 600 or 700 per cent or even a thousand per cent.

Mr. JONES of New Mexico. The witness, Mr. Clarke, stated that the price of labor in this country was ten times that in the foreign countries, and for the whole glass industry he said he could safely say it was eight times as much. Discussing in committee particularly the cost of labor in the production of these bulbs, he declined to state that the labor in this country was ten times as high as that in Germany for the whole glass industry, but he said he could safely make it 8 to 1 for the whole glass industry.

Mr. ROBINSON. Mr. President, will the Senator from New Mexico yield to me to make a brief statement?

Mr. JONES of New Mexico. Certainly.

Mr. ROBINSON. It is almost impossible to make a reliable comparison between the cost of labor in Germany and the cost of labor in the United States entering into this product. Everyone knows the German mark is greatly depreciated and has been for a long period. The German mark, for instance, during September of last year was worth about 1 cent. Since that time it has gone much lower.

Mr. JONES of New Mexico. For nearly six months it has been about 3 marks for 1 cent.

Mr. ROBINSON. Yes. The statement by Mr. Clarke does not take into account fully the difference in the value of German money and American money, nor does it take into account, what is more important in this connection, the difference in the cost of living.

I make the statement, based upon information obtained personally during last summer, information that I believe to be reliable, and I think perhaps the Senator from Montana [Mr. WALSH] will confirm the statement, that German labor now is paid relatively more than it was prior to the war. The depreciation of the German mark has undoubtedly resulted in a decline in values of everything that Germany produces, when stated in German money. That is true of labor. But the German laborer is receiving better compensation now, compared with other classes of citizens, and was during last summer, than he received prior to the war. Persons who are employed on salaries, like clerks and, for instance, many government employees, are suffering by reason of the depreciation of the mark more than the German laborer is suffering.

A year ago the cost of living in Germany was approximately one-fifth what it cost to live in the United States. I state that from personal experience.

Mr. DIAL. Mr. President——

Mr. ROBINSON. If the Senator will let me pursue this question a little further, I will then yield to him.

For instance, the price of a first-class room, a large room with bath, in the Adlon Hotel in Berlin during September and October of last year was 145 marks, or $1.45 in American money. That hotel is comparable to the Willard Hotel in the city of Washington and other hotels of the same class.

Mr. DIAL. The Senator from Arkansas is referring to the price per day of the room?

Mr. ROBINSON. I am referring to the price per day. The charge for a similar room in the Atlantic Hotel, in the city of Hamburg—and the Atlantic Hotel is the principal hotel there—a large room without a bath was 90 marks, which was the equivalent of 90 cents a day. The same room in a first-class Washington hotel would cost between $5 and $7.50 per day. A room in a Washington hotel of the same class as the room I have referred to in the Adlon Hotel, which cost last summer 145 marks, the equivalent of $1.45 then, would cost from $8 to $12.50 per day in the United States. Not only is the relative cost of living in Germany and the United States as I have stated it true of hotel rooms and similar accommodations, but it is also true of meals served a la carte; and it is likewise true of nearly all other commodities of common use and consumption.

So, after all, even though the value of the German day wage is much less than the value of the American day wage, stated in American money, its purchasing power in Germany is not much less than the purchasing value of the day wage of the American laborer. Therein lies the fallacy in the conclusions drawn from the testimony of Mr. Clarke. If German laborers received approximately what American laborers receive when stated in American money, and then purchased the commodities that they consume in their daily life at one-fifth or one-sixth of what American laborers pay, it can readily be seen what an advantage the German laborer would have over the American laborer. German labor has never been paid as much as American labor. It is a mental impossibility, therefore, to state with any degree of accuracy what the equivalent of the German wage is in American wages. Now I yield to the Senator from South Carolina.

Mr. DIAL. The discussion has been very interesting. The Senator from Arkansas has answered a part of the question which I intended to ask, to wit, The mark must buy a good deal or else the Germans must not eat much?

Mr. ROBINSON. Mr. President, I saw men working in large department stores in the city of Berlin who are receiving approximately the same number of marks which they were paid when the mark was at its normal value. I recollect a visit with some other Senators to a famous cutlery store in the city of Berlin, one of the largest in the world. I saw there men of apparently superior intelligence who stated that they were eating but two meals a day and were not adequately supplied with food for those two meals. There was quite general complaint that the laborer had the best of it, in that he had been able to force an increase in his wages, whereas salaried persons and persons who were working for stated sums, who did not belong to the labor organizations in Germany, were working approximately for the same number of marks that they received before the war. German labor is decreasing in efficiency because of the decline in standards of living.

I make that statement to reinforce the first proposition I asserted when I arose, that it is difficult if not impossible accurately to compare the value of the German wage with the American wage, and accurately to state the relative purchasing power of the two; but if the Finance Committee proposes to place a tariff on electric light bulbs on the basis of a wage scale that will enable the German laborer to receive in American money approximately the equivalent of what the American laborer receives, it would be true that they would have to impose a tariff of several hundred per cent. I think that is all I desire to say on that subject.

Mr. McCUMBER. Mr. President, the Senator from Nebraska [Mr. HITCHCOCK] a short time ago ridiculed the idea that the wages in the United States were ten times as high as wages in Germany. I am very glad to have the Senator from Arkansas reinforce the statements of witnesses and members of the committee that that is about the ratio.

Mr. ROBINSON. Mr. President, I do not want the Senator from North Dakota to understand me to say that the German laborer is paid only one-tenth of the amount that the American laborer is paid, or approximately that. What I actually said, or what I intended to say, was that unquestionably the American laborer is paid much more than the German laborer—several times more—but it is a mental impossibility for me to

work out the difference between the purchasing power of the German wage and the purchasing power of the American wage. In my judgment, however, when those two elements are taken into consideration the respective wages are not so different as would at first appear.

Mr. McCUMBER. Admitting that, Mr. President, we are not concerned as much as to what the German with his wage can purchase in Germany; what we are interested in is the wage the German receives in making the goods that are imported into the United States and what the American laborer is paid for producing the same kind of goods. That is the real crux of the situation.

Mr. ROBINSON. Will my friend yield for a question?

Mr. McCUMBER. Certainly.

Mr. ROBINSON. Does the Senator from North Dakota think that the American laborer producing this product is underpaid now?

Mr. McCUMBER. Oh, no; I think he is highly paid.

Mr. ROBINSON. Does the Senator expect if the proposed tariff rate of 70 per cent is provided that his wages will be increased?

Mr. McCUMBER. In the United States?

Mr. ROBINSON. Yes.

Mr. McCUMBER. I do not; on the contrary I think all wages in the United States ultimately will go down. I have stated that several times. Furthermore, I think that German wages will go up. I can not believe, no matter how hard the German Government may try to retrench along other lines, that they can let their laborers live on one-tenth or one-fifth or one-third of what they had before the war. I believe that any such effort will fail in the end and that wages for German labor are bound to increase.

Mr. ROBINSON. Mr. President, no such thing is happening in Germany now. I tried to make that clear. Perhaps I am unfortunate in expressing myself or incapable of making my meaning clear——

Mr. McCUMBER. Wages are going up in Germany, I think.

Mr. ROBINSON. I understand that; but the fact is, when the price that the laborer is now paying for the things which he consumes is compared with the value of the wage which he is receiving, he is better off than a large number of other classes of German citizens, and he is receiving in many instances more than he received before the war.

Mr. McCUMBER. I am willing to concede that the wages of labor have increased in Germany away out of proportion to wages of the average salaried individual. That is also true in the United States. In 1920 many a college professor could well have resigned and become a janitor, for then he would have received better pay. What I say in this respect applies to many salaried individuals in the United States. But, Mr. President, that does not meet the question. The Senator says that the salaried man in Germany is not receiving any more in the depreciated mark than he received before the war, and, admitting that the mark is now worth 1 cent instead of 24 cents, he is only receiving, measured by the gold standard, one twenty-fourth as much money as he received in 1914. But remember that the goods that are produced, not by salaried men but by the German laborer, must come in competition with goods produced here; and the point that I rose to suggest was that the Senator from Arkansas has reinforced the statement which had been made here that the German wage is immeasurably below that of the American wage.

Now, let me call the Senator's attention to another fact: In 1921 the Tariff Commission sent one of their very best experts over to Europe for the purpose of making a comparison of the labor wage of the German with the labor wage of the American. He reported that in the skilled-labor class, measured by American dollars, the average wage of the German was from 8 to 9 cents per hour. The average American wage was about from $8 to $10 per day. There is quite a difference between the two. In other words, the German wage was from 80 to 90 cents a day and the American wage of the same skilled labor was from $8 to $9 a day. So the American wage was exactly ten times the German wage. There is no use of Senators sneering at facts. That is the report of the Tariff Commission based on the conclusions of an expert who was sent over there in 1921 to investigate conditions. While I think the American wage has gone down 15 to 20 per cent since then, and I think within the last two or three months the German wage has gone up, I should say to-day that the American wage is at least six times the amount of the German wage.

Mr. ROBINSON. Now will the Senator yield?

Mr. McCUMBER. Certainly.

Mr. ROBINSON. The Senator has said that he expects the German wage to continue to go up.

Mr. McCUMBER. Certainly higher than it is now.

Mr. ROBINSON. And he expects the American wage to go down?

Mr. McCUMBER. Yes; somewhat.

Mr. ROBINSON. Under existing conditions, with a tariff of 45 per cent, the importations are small. We have no overflow supply being imported.

Mr. McCUMBER. There is no overflow supply to be imported as it is now, either.

Mr. ROBINSON. What is the necessity for increasing the tariff if under present conditions importations are small and the admitted disparity between German wages and American wages is constantly diminishing—that is, the German wage is constantly going up and the American wage constantly going down?

Mr. McCUMBER. Mr. President, suppose that every bushel of wheat in Canada had been sold, and we were to put a tariff upon wheat. It would not answer to say, "Why, they are not importing any." They can not import any until the next crop is raised. If the Germans have sold their entire surplus—and the records show that not 4 per cent of their product came to the United States—they will have to take some time to accumulate a surplus in order to bring it here, will they not? I assume that they can increase their product to almost any extent they desire as soon as they get really established.

Mr. ROBINSON. If the Germans have sold their product elsewhere than in the United States, it was probably because they found a more profitable sale elsewhere than in the United States under existing tariffs. Is not that true? The Germans have been doing business in the United States since the war, and the presumption is that if we afforded the most profitable market, they would have sold to us rather than to some one else. Now, in that connection, does the Senator say that the failure of Germany to export to the United States electric bulbs is due to the fact that her entire output, or practically her entire output, has been consumed elsewhere?

Mr. McCUMBER. Yes. There has been an exceedingly big demand in the last year or two for electric-light bulbs and everything in that line throughout the other countries. That is the report of the Tariff Commission; and, remember, with all of Germany's output—and it was heavy—we took only about 4 per cent, which is a very small part. But when once you admit, as you must admit, that the wages here are from five to six times as great as those in Germany, and that the wage element is about 50 per cent of the cost of the product, and then you remember that before the war our wages were only about twice as much instead of being five or six times as much, it must necessarily follow that if we allow the old rate of tariff to prevail the time is not far distant when they can drive our product out of the market.

Mr. ROBINSON. Mr. President, when you remember, as I have repeatedly tried to say in another form, that in Germany the German laborers are paid in marks, and that German marks have a purchasing power there out of proportion to and in excess of their value in American money, you will see that with German wages constantly going up and American wages constantly going down, and with importations now very small, there can be but little necessity for an increase in the tariff.

Mr. McCUMBER. Of course the Senator understands that we have not attempted to make a tariff that will measure the difference between what might be fairly said to be the present cost of production in Germany and that in the United States.

Mr. ROBINSON. Yes.

Mr. McCUMBER. We have made the tariff only a small percentage of the real difference to-day; but I believe——

Mr. ROBINSON. If the Senator will pardon an interruption, therein, I think, lies an inconsistency in the position which the committee occupies. It is claimed that in order to protect the American industry against the cheap labor of Germany it is necessary to levy a tariff of 1,000 per cent.

Mr. McCUMBER. Yes; but no one claims it.

Mr. ROBINSON. Now, if that be true, or approximately that, I want to ask the Senator how he expects to protect American industry by simply levying a tariff of 70 per cent?

Mr. McCUMBER. No one has claimed that, Mr. President.

Mr. ROBINSON. The object of your tariff is protective; is it not?

Mr. McCUMBER. Yes.

Mr. ROBINSON. It is not intended as a revenue tariff?

Mr. McCUMBER. But does the Senator think for a moment that just the labor element, even though it be 10 times as great here, means that you have to have 1,000 per cent tariff in order to meet the difference?

Mr. ROBINSON. No. The Senator has stated that the labor cost is 50 per cent. That would make 500 per cent tariff neces-

sary under the protective theory; but I am not particular about the exact figures. The point I am trying to make clear to the Senator is that from my viewpoint there is an inconsistency in levying a tariff of 70 per cent when a protective tariff would require a rate of 500 per cent; that you accomplish nothing except to enable the home manufacturer to put up his price.

Mr. McCUMBER. No, Mr. President; I do not think we can escape the proposition that even though the price of labor, instead of being 10 to 1, should drop down to being 3 to 1, still the German could produce and sell in reasonable competition. I do not say that he would take away our own manufacture entirely, but I do say that we would have to have a good protection, even if the ratio was only 3 to 1.

There is nothing about the American laborer that makes him so greatly superior to the German laborer. If Hans Heideman labors 10 hours a day in a mill in Germany, he does not, when he comes to the United States, change his nature. He is the same industrious individual when he comes to the United States that he was when he left Germany. He is not a bit more skillful than he was when he was in Germany. He is exactly the same individual, and if you give him the same machinery in Germany that he has in the United States he will make just as good use of it. I hear so much about the superiority of the American workman, as if Ole Olesen when he was in Norway could not produce more than one-third as much work as he could produce when he landed upon American soil. He is the same Ole Olesen, and he has not changed in character or industry or anything else. Let us get away from that feature of it.

Mr. ROBINSON. Will the Senator yield?

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from North Dakota yield to the Senator from Arkansas?

Mr. McCUMBER. I yield, Mr. President, to my good-natured friend.

Mr. ROBINSON. If anything I have said warrants this outburst of fine sarcasm on the part of my friend from North Dakota, I am totally unconscious of it. There is, however, a suggestion that I want to make to the Senator from North Dakota. He has referred to the efficiency of German labor. All classes of German labor, in my judgment, from observation and reading, are efficient. They work full time. They work skillfully.

I am not so sure, if it amounts to anything in this controversy, that a German laborer in the United States would manifest the same industry and energy and devotion to his duty that he manifests in his home land. I have never seen anything more amazing than the application of the German laborer to his toil. I do not speak now particularly of skilled labor; but when I was in Germany last summer, almost every man that I saw was going about his labor disheartened, it is true, half discouraged and undernourished, but he was working full time, working hard, and working efficiently. Nowhere else in the world, in my judgment, is more efficient labor to be found than in Germany, even now, although it is much less efficient now than formerly; but how are you going to protect this helpless American industry by levying any rate of tariff adequate in the mind and conscience of the Finance Committee? To justify a tariff of 70 per cent they argue that a tariff of 500 per cent is necessary. If you will study the history of the manufacture of electric-light bulbs in the United States during the last few years, you will find that it has prospered beyond the power of the mind to grasp; and I am not afraid that with a tariff of 45 per cent on its products the General Electric Co. will be driven out of business.

Mr. McCUMBER. Mr. President, I do not know that there is any necessity of carrying this discussion on any further; but I want to call the Senator's attention to a fact, just a simple little fact, that still stares us in the face, and we can not very well avoid it.

Under the Payne-Aldrich law in 1909 we had a duty of 60 per cent on these things. With a duty of 60 per cent, and when wages in the United States were about twice what they were in Germany, there were imported into the United States from two to four million dollars' worth of this product annually. If the Germans could import into this country from two to four million dollars' worth annually of blown glassware, with a duty of 60 per cent, when their wages were at least half those of the American wage earner engaged in the same class of work, then if we add 10 per cent more to that and make it 70 per cent when the American wage is to 5 to 6 to 10 times as much as the German wage, can not the German product still come in, and come in in large quantities?

Mr. ROBINSON. Yes; and if it is true that an exorbitant price and an excessive profit is now being charged for this commodity in America there is no reason why competition should be shut off and the public deprived of the benefit of it. The Lockwood committee made an investigation of this subject and made an extensive report.

Mr. McCUMBER. Mr. President, I think both the Senator and I have spoken several times upon this amendment.

Mr. ROBINSON. Yes; but, if the Senator will permit me, I will conclude in a single paragraph what I desire to say.

The Lockwood committee found that "the prices at which lamps are sold still appear to allow a margin of from 150 per cent to 300 per cent between the manufacturing cost and the price paid by the consumers. About 70 per cent of this profit is absorbed by methods in the distribution of lamps to which the company insists on clinging in order to throttle competition between the jobbers and retailers to whom it sells these lamps under the pretext of consignment contracts accompanied by limitations on the resale prices, which it fixes, we believe, in violation of the terms of the decree, to which reference has been made."

I have not personally investigated the accuracy of that finding. It was made by a legislative committee of the State of New York, which went into the subject very fully. At the time of the report the margin of profit of this business ranged from 150 to 300 per cent, and I submit, in view of those circumstances and other facts developed during the course of the investigation, that the General Electric Co. is not in immediate danger of having its business destroyed.

Mr. McCUMBER. In conclusion, let me say that if I considered that any tariff bill was enacted for the purpose of destroying every company we thought had grown too large, or if it was to be used for the purpose of destroying companies which had made combinations with other companies, or had committed some offense, of course that would be one thing; but inasmuch as I have not regarded that as the real reason for levying a tariff, but rather regarded it as an attempt to measure, as nearly as we can, the difference between what the article could be produced for in the foreign country and what it could be produced for in this country with reasonable wages, it has not occurred to me that I should take into consideration the Lockwood report or any other report of the wickedness of any of these great corporations, but rather the simple question, in the end, whether we would be able to compete, not to-day, not necessarily to-morrow, but two or three or four years from now, with a country whose labor wages are about from one-fifth to one-tenth of the labor wages here in the United States.

Mr. ROBINSON. I am making no attack upon the General Electric Co. I have not gone into the question in detail of the manner in which that company does business, and I do not desire to do so, but under a tariff which provides 45 per cent ad valorem there is a finding of the Lockwood committee that a profit on lamps ranging between 150 and 300 per cent is being realized, and I cited that finding of fact to the Senator from North Dakota as proof that no additional tariff is required.

Mr. McCUMBER. That does not agree with the testimony we have here as to the difference between the cost of production at home and abroad, and that is really what we have to go on in fixing a tariff duty.

Mr. WALSH of Montana. Mr. President, in the debate on this particular paragraph the prominence given to the alleged low cost of labor in Germany moved me to put into the record a short time ago a brief article from the journal issued by our own Department of Commerce, a publication, I think, originating with the present administration. It is a weekly bulletin for the information of our people interested in foreign commerce. It tells us that the manufacturers of American structural iron were able successfully to compete with German and Belgian firms for large contracts in the Argentine Republic, notwithstanding the higher rate of wages in this country and a higher grade of labor in this country, because machinery was used in this country and effectively used, which was not employed beyond the seas.

The Senator from Utah [Mr. SMOOT] endeavored to break the force of that statement thus put out by the Department of Commerce by saying that there is no such quantity of labor employed in the manufacture of structural steel as there is in the manufacture of the commodities now under consideration. Whatever truth there may be in that, and doubtless it is true, it is a matter of no consequence, because the comparison must be between the labor used in the production of structural steel in Germany and the labor employed in the production of structural steel in this country, and notwithstanding the fact that labor in that industry cost less in Germany, we are still able to compete in the markets of the world.

But that fact does not deter the framers of this bill from imposing a duty of from 30 to 40 per cent on structural steel,

as will be found by reference to paragraph 313 of the bill. Of course, there is nothing peculiar about that. We are producing this commodity of enormous value in this country, selling it in competition with the world in the markets of the world, and yet a tariff wall is put up so as to enable the manufacturers of structural steel in this country to charge consumers here 30 to 40 per cent more than they could buy it for from the foreign manufacturer.

As the discussion has been renewed, I embrace the opportunity to put in another article from the same source, found in the last issue of the Commerce Reports which has just come to hand, the issue of May 29, 1922. From it I read as follows:

German industrial production and general business are stagnant. Labor costs are rising, larger proportions of raw materials must be imported, and the production of fuel is decreasing slightly. The productivity of German labor is less by 20 or 25 per cent than before the war, on account of the lowering of the standard of living.

The Senator from Arkansas has just told us about representative Germans living upon two meals a day, and that they have been doing so for several years past, as I can attest myself. I repeat:

The productivity of German labor is less by 20 or 25 per cent than before the war, on account of the lowering of the standard of living.

All these and other factors have apparently brought present German production in general down to about 60 per cent of the pre-war standard. German industry, especially manufacture for export, has for some time been materially aided by the spread between the internal and the external value of the falling mark. This element is now becoming less active, through the decline in the internal value of the mark and the removal of several other factors which tended to keep down artificially production and labor costs, among which may be mentioned low rents, low public utility rates, artificially low rate of coal, and various food subsidies.

So, Mr. President, the contention that these rates are necessary simply because the rate of wages in Germany is less than the rate of wages in this country is altogether inconclusive to anybody who attends to the question even in a superficial way.

Reference has been made here to the export trade. The export trade obviously will be handicapped to a very high degree by this bill, not alone by reason of the high duties placed upon commodities entering into the composition of the articles of export but by reason of the fact that our market being closed to the producers abroad, naturally their markets are correspondingly closed to the exports of commodities from this country.

I invited attention the other day to the fact that although the State of Montana is protected by this bill upon hides and upon wool and one thing or another of that kind, 15 cents a bushel on corn and 30 cents a bushel on wheat, the fact about the matter is that these tariffs are of no benefit to us, generally speaking, and whatever benefit does accrue to us by reason of the duty on wool and some things of that kind is many times more than offset by the fact that the foreign markets for our exports is to a large extent closed.

I invited attention to the fact that copper, in the production of which my State stands second, is on the free list and has no protection at all. A duty upon copper would be useless, because we export 60 per cent of the production of this country. Notwithstanding what anyone may say about the matter, I insist that the duty upon wheat is absolutely of no value to us, when we export 250,000,000 bushels of that commodity every year.

It is not only as to the commodities to which I have referred that this bill, if it should become a law, will operate to restrict and paralyze our export trade, but it is, as I have pointed out, operative in exactly the same way in respect to a multitude of our manufactured products the surplus of which must go abroad for markets.

That is illustrated in some opinions which I find published in the magazine called Drug and Chemical Markets, printed for the information of those engaged in the drug and chemical trade. I read from the issue of April 26, 1922. Apparently the magazine sought expressions of opinion from various parties engaged in the production and manufacture of drugs and chemicals. I read as follows:

R. H. de Greeff, R. W. Greeff & Co., New York: Generally speaking, I do not consider the proposed tariff drawn on scientific lines as a tariff should be. The rates in many instances appear to me needlessly prohibitive, as after a recent survey of conditions in Europe I am of the opinion that the cost of production in all countries, including Germany, particularly on technical chemicals, has risen to such an extent that competition from Europe is likely to be much less active than before 1914. I am therefore inclined to believe that the effect of the proposed tariff will be to raise prices in this market considerably, in many cases to several times pre-war levels, and that the result as regards revenue will be very disappointing. Speaking from the exporter's point of view, in which I am principally interested, I am afraid that as chemicals are in many instances raw materials increased prices here will handicap us in export business in such materials as might still be shipped from here. I admit that adequate protection is justified on many pharmaceutical products and on dyestuffs.

I invite attention to this particularly, because the writer is evidently wedded to the theory of a protective tariff. He wants a protective tariff upon his commodities, but he insists that these high, these exorbitant, these unjustifiable rates are going to operate to the destruction of the export business of the United States and are therefore indefensible.

I invite particular attention to what he says concerning Germany:

I am of the opinion that the cost of production in all countries, including Germany, particularly on technical chemicals, has risen to such an extent that competition from Europe is likely to be much less active than before 1914.

It is quite likely, indeed I think we can not resist the conclusion, that the same conditions will operate to make competition in electrical bulbs less formidable hereafter than it was prior to 1914, and therefore there is no reason for an increase in the present rate upon that particular commodity.

Another gentleman interested in the drug and chemical business gave his views as follows:

C. P. Gulick, National Oil Products Co., Harrison, N. J.: It is our opinion that the schedules proposed on imported fats, oils, and waxes, such as are noncompetitive with domestic goods of the same character, are somewhat high and that the result will be that these important raw materials will be diverted to European consumers to the detriment of American concerns. Such a result would be inevitably followed by a serious falling off of American export business. The time is rapidly approaching, if not already here, when the United States must be considered a first-class producing country and be allowed access to the world's raw materials in the freest possible exchange in order to be in a competitive position with world producers and manufacturers, as we are now confronted with the necessity of disposing of our exportable surplus of manufactured goods. Our industries can not thrive upon a basis of domestic consumption, and therefore, unless we are placed squarely upon a basis that will enable us to compete for world markets, our industries have already reached their limit of expansion.

Another gentleman, Paul G. Kayser, of the Meteor Products Co., of New York, said:

While we appreciate the necessity of protecting the chemical industry in this country, we feel that the proposed rates on many of the products are ridiculous and simply act as a barrier to further importations. If the gentlemen in Washington wish to build a wall around the United States and prohibit importations of chemical products, competition, which creates efficiency, will be entirely eliminated. When once competition is eliminated, we seriously doubt that prices will decline. If our tariff-making bodies were composed of business men who understood the needs of each particular industry instead of politicians who were being directed to protect the interests of large finance, our tariff problems would be much more satisfactorily solved.

I repeat that I put these statements in the record because they emanate from gentlemen who are wedded to the principle of protection. I submit them in connection with a statement made by me a few evenings ago in the colloquy with my distinguished neighbor, the Senator from Idaho [Mr. GOODING], who thinks that the issue here is the life or death of the protection principle. I submit that issue is not here at all. This is a protection measure. It must be discussed upon that basis. The question is, discussing it upon that basis, are the rates which are fixed by the bill defensible at all?

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from New Mexico [Mr. JONES] to the amendment of the committee.

Mr. WALSH of Montana. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Harrison	McNary	Smoot
Ball	Hitchcock	Myers	Spencer
Borah	Johnson	Newberry	Sterling
Brandegee	Jones, N. Mex.	Nicholson	Sutherland
Calder	Jones, Wash.	Norbeck	Townsend
Capper	Kellogg	Norris	Underwood
Cummins	Kendrick	Oddie	Wadsworth
Curtis	Keyes	Page	Walsh, Mass.
Dial	King	Pittman	Walsh, Mont.
du Pont	Ladd	Ransdell	Warren
Edge	La Follette	Rawson	Watson, Ga.
Ernst	Lenroot	Robinson	Watson, Ind.
France	Lodge	Sheppard	Willis
Frelinghuysen	McCumber	Shortridge	
Hale	McKinley	Simmons	
Harris	McLean	Smith	

The PRESIDING OFFICER. Sixty-one Senators having answered to their names, a quorum is present. The question is upon the amendment offered by the Senator from New Mexico [Mr. JONES] to the amendment of the committee.

Mr. JONES of New Mexico. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as on the former vote as to my pair and transfer, I vote "yea."

Mr. EDGE (when his name was called). Making the same announcement as to the transfer of my pair, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of Washington (when his name was called). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I am paired with him for the day. Therefore I withhold my vote.

Mr. KENDRICK (when his name was called). I have a general pair with the senior Senator from Illinois [Mr. MCCORMICK]. Being unable to secure a transfer, I am compelled to withhold my vote. If permitted to vote I would vote "yea."

Mr. MCKINLEY (when his name was called). I have a pair with the junior Senator from Arkansas [Mr. CARAWAY]. I transfer that pair to the junior Senator from Washington [Mr. POINDEXTER], and vote "nay."

Mr. NEW (when his name was called). Repeating the announcement made on the previous votes as to the transfer of my pair, I vote "nay."

Mr. WARREN (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. WATSON of Georgia (when his name was called). Transferring my general pair with the Senator from Arizona [Mr. CAMERON] to the Senator from Rhode Island [Mr. GERRY] I vote "yea."

Mr. WATSON of Indiana (when his name was called). Transferring my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the Senator from New Hampshire [Mr. MOSES] I vote "nay."

Mr. WILLIS (when his name was called). I am paired with my colleague, the senior Senator from Ohio [Mr. POMERENE]. I am unable to obtain a transfer and therefore withhold my vote. If permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. BALL. I have a general pair with the senior Senator from Florida [Mr. FLETCHER], who, I understand, has not voted.

The PRESIDING OFFICER. The senior Senator from Florida has not voted.

Mr. BALL. I transfer my pair with the Senator from Florida to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. SIMMONS. I wish to announce the unavoidable absence of my colleague [Mr. OVERMAN]. He is paired with the Senator from Wyoming [Mr. WARREN]. If present and permitted to vote, my colleague would vote "yea."

Mr. UNDERWOOD. The senior Senator from Ohio [Mr. POMERENE] is unavoidably absent from the city. I wish to announce that if he were present on this question he would vote "yea." As has been stated, he is paired with his colleague, the junior Senator from Ohio [Mr. WILLIS].

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 31, nays 30, as follows:

YEAS—31.

Ashurst	Jones, N. Mex.	Myers	Smith
Borah	Kellogg	Newberry	Sterling
Capper	Keyes	Norbeck	Townsend
Cummins	King	Norris	Underwood
Dial	Ladd	Pittman	Walsh, Mass.
Harris	La Follette	Robinson	Walsh, Mont.
Harrison	Lenroot	Sheppard	Watson, Ga.
Hitchcock	McNary	Simmons	

NAYS—30.

Ball	Ernst	McLean	Smoot
Brandegee	France	New	Spencer
Broussard	Frelinghuysen	Nicholson	Sutherland
Bursum	Hale	Oddie	Wadsworth
Calder	Johnson	Page	Warren
Curtis	Lodge	Ransdell	Watson, Ind.
du Pont	McCumber	Rawson	
Edge	McKinley	Shortridge	

NOT VOTING—35.

Cameron	Gerry	Moses	Shields
Caraway	Glass	Nelson	Stanfield
Colt	Gooding	Overman	Stanley
Crow	Harreld	Owen	Swanson
Culberson	Heflin	Pepper	Trammell
Dillingham	Jones, Wash.	Phipps	Weller
Elkins	Kendrick	Poindexter	Williams
Fernald	McCormick	Pomerene	Willis
Fletcher	McKellar	Reed	

So the amendment of Mr. JONES of New Mexico to the committee amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. JONES of New Mexico. Mr. President, following the bracket on which we have just voted is another bracket or series of items put together, which reads—

all glassware commercially known as plated or cased glass, composed of two or more layers of clear, opaque, colored, or semitranslucent glass, or combinations of the same, 70 per cent ad valorem.

The present duty on those items is 45 per cent. It is proposed by the committee to be increased to 70 per cent. I have been unable to find anything in the evidence bearing upon that particular kind of glassware. There may be some such evidence, but I have not found it. If some Senator has any evidence on the subject I think the Senate is entitled to have it.

Mr. McCUMBER. Mr. President, the plated or cased glass industry is a comparatively new industry in the United States. Part of the products are used in the illuminating industry, but the cased glass is also used in signal lights and various kinds of decorated tableware. It is manufactured by the fusing of a thin section of colored glass into a piece of clear glass. The operation is a most delicate one, calling for a considerable degree of skill on the part of the operator. A highly trained personnel was developed in this country during the war, and the committee placed the rate at 70 per cent ad valorem on these commodities in the hope that it might suffice to maintain the industry in the United States. Of course, I appreciate the fact that if the duty on the other article should be placed at 40 per cent, it may be that 70 per cent is too much of a differential between the two.

Mr. UNDERWOOD. Mr. President, I merely wish to say a word in reference to this item. Of course, as to a new industry that is growing up in this country it is difficult to obtain figures as to what it can do and what it has done. It is therefore most difficult to make a comparison. All through the framework of this bill, whenever it is necessary to increase a rate of duty and the figures are not satisfactory, we are told that the industry started during the war, and that now that the war is over it is likely to be put out of commission. Therefore, we are asked to vote for a much higher rate of duty.

That line of reasoning, Mr. President, does not seem to me to be sound. This is not a war industry. I can readily see that during a war a man may invest his money in the manufacture of powder or shells, either for patriotic purposes or with the hope of great profit, with the expectation of going out of business when the war is over. I can not see, however, how a man engaged in such an industry as the manufacture of this kind of ornamental glass, in no way connected with war preparations and which the demands of war can not develop, should build up his industry, knowing that the tariff rate that protected him from foreign competition amounted to 45 per cent and that the war would be over some day, and then that his industry must rely alone on the 45 per cent rate, could gamble his business on the expectation of having the rate increased to 70 per cent in order to save his business after the war was over; and especially when at the time that he went into the business during the war the party which had written the present law was in power in all branches of the Government.

Mr. President, the psychology of that argument may seem sound to some people, but it does not seem sound to me. It appears to me to be self-evident that a man who would employ his money in a new enterprise, knowing what the rate of tariff taxation was and was likely to continue to be, must have been satisfied that he could prosper under that tariff tax, and he did not take the extreme risk of putting his money into a business which, in order that it might survive foreign competition, would compel him to come to the Congress of the United States and ask that the rate be nearly doubled.

Mr. JONES of New Mexico. Mr. President, the only way in which we can get an opportunity even to vote for a lower rate is to offer an amendment at this time, because it is all a part of this general committee amendment. I therefore move to strike out, on page 41, line 4, the numerals "70" and insert "45."

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. JONES of New Mexico. Mr. President, the next item is one of the most important in this whole paragraph. It includes—

table and kitchen articles and utensils, and all articles of every description not specially provided for, composed wholly or in chief value of glass or paste, or combinations of glass and paste, blown or partly blown in the mold or otherwise, or colored, cut, engraved, etched, frosted, gilded, ground (except such grinding as is necessary for fitting

stoppers or for purposes other than ornamentation), painted, printed in any manner, sand-blasted, silvered, stained, or decorated or ornamented in any manner, whether filled or unfilled, or whether their contents be dutiable or free, 65 per cent ad valorem.

The present rate on those items is 45 per cent. That includes all of the kitchen articles and tableware not specially provided for in other paragraphs. I have discussed at considerable length the industry and the competition in glassware, and I do not believe that the proposed rate of duty is justified.

I move, on page 41, line 14, to strike out the numerals "65" and to insert "45."

Mr. HARRISON. Mr. President, what did I understand the Senator from New Mexico to say was the rate on kitchen utensils and table articles?

Mr. JONES of New Mexico. The present rate is 45 per cent, and the committee propose to increase it to 65 per cent.

Mr. HARRISON. They propose to increase the rate 20 per cent on kitchen utensils?

Mr. JONES of New Mexico. It amounts to an increase of nearly 50 per cent. It is an increase from 45 per cent to 65 per cent.

Mr. HARRISON. And the Senator proposes to reduce it to the present rate?

Mr. JONES of New Mexico. I propose to reduce it to the present rate.

Mr. SMOOT. Mr. President, I simply want to say that this is principally champagne glasses and what is called stem-ware glassware. It is blown with a small stem, like a champagne glass, and the very finest glass that is made falls under this paragraph.

The Senator talks about kitchen articles and utensils. There is nothing in this paragraph outside of this specially made glass. I do not know of any greater luxury in the United States than falls under this very paragraph.

Mr. HARRISON. How does the Senator get champagne glasses in table and kitchen articles? The Senator may use champagne glasses out in Utah under the name of kitchen utensils, but I never before heard champagne glasses included in kitchen articles or utensils.

Mr. NORRIS. This was before the eighteenth amendment was adopted.

Mr. SMOOT. I am telling the Senator the kind of ware that falls under this paragraph. The wording was prepared by the Tariff Commission, and that is why we rewrote this paragraph. Of course, it is for the Senate to say whether they want to reduce the rate on this class of goods or not. When the Senator from Mississippi goes out to dinner—no doubt he goes very often—he will find that grapefruit is served in one of these glasses, called stem ware, and the glass itself is the very finest glass, perhaps etched, and the most costly glass there is. If the Senator wants that to come in at 45 per cent, well and good. Those are about the only goods that come in under this particular paragraph.

Mr. HARRISON. May I ask the Senator, before he takes his seat, whether this includes frying pans and all kitchen utensils? I can not understand why the wording of the paragraph should be "kitchen utensils and table articles" and yet champagne glasses should be included in it, and frying pans and such articles as that that generally go as kitchen utensils are excluded.

Mr. TOWNSEND. We are talking about glass.

Mr. SMOOT. We are talking about glass now. We are not talking about iron or steel or tin. We are talking about glass and table articles, and that is what they are.

Mr. JONES of New Mexico. Mr. President, I should like to be advised where the Senator gets his information as to the class of tableware included in this paragraph, and the amount of imports, if he can furnish it.

Mr. SMOOT. I will say to the Senator that I get my information from the Tariff Commission, the members of the Tariff Commission that handle these very goods, and the examiners at the port of entry.

Mr. JONES of New Mexico. I will state to the Senator that this is the bracket in which falls practically all the table glassware, if I am correctly advised.

Mr. McCUMBER. Mr. President, if the Senator will allow me, he will notice that there are two kinds of table and kitchen ware. It is rather difficult to say that a particular kind of glass will or will not be used on the table or in the kitchen; but it describes the character of the glass—

and all articles of every description not specially provided for.

Now, you will observe that it says:

Composed wholly or in chief value of glass or paste, or combinations of glass and paste.

Now, notice the next clause:

Blown or partly blown in the mold or otherwise, or colored, cut, engraved, etched, frosted, gilded, ground, * * * painted, printed in any manner, sand blasted, silvered, stained, or decorated or ornamented in any manner, whether filled or unfilled, or whether their contents be dutiable or free.

You will notice that that describes, generally, a special kind of glass which is blown, and for the most part is etched or is painted or decorated in some manner. Now, if the Senator will turn to line 15, just below, he will find—

Table and kitchen articles and utensils, composed wholly or in chief value of glass or paste, or a combination of glass and paste, when pressed and unpolished—

Not the blown articles, but those that are pressed in molds, comprising the ordinary cheaper tumblers and kitchen ware that I think the Senator has in mind, and not these more expensive articles. It is impossible to describe even the higher-class articles without using the words "kitchen" or "table," because they may be so used; but these are the higher-class articles as distinguished from the very much cheaper class mentioned immediately below.

Mr. JONES of New Mexico. Mr. President, I can not entirely agree with the Senator from North Dakota. The mold-made glass is a machine product, made by machinery, as is the pressed glass.

Mr. SMOOT. No; not when it is blown into a mold, and this is blown into a mold. That is the difference.

Mr. JONES of New Mexico. This says "whether blown into a mold or not."

Mr. SMOOT. No; it does not say that. It says "blown in the mold or otherwise," which means this——

Mr. LA FOLLETTE. "Blown or partly blown."

Mr. JONES of New Mexico. Here is the information we have about it. It is a machine product.

Mr. SMOOT. I can not understand why the Senator says it is a machine product.

Mr. JONES of New Mexico. Because I am told this, speaking of tableware:

Tableware is made in large quantities by a pressing process; the article takes its form from a mold under the pressure of a plunger, the exterior surface being modeled by the mold and the interior surface by the plunger. A large proportion of tableware is also blown or made in paste mold machines.

Mr. SMOOT. Certainly; but the Senator is reading about the next paragraph.

Mr. JONES of New Mexico. I understand, but I am reading now about the other ware that comes within this bracket that we are talking about.

Mr. SMOOT. No blown ware falls in the bracket that we are talking about now.

Mr. JONES of New Mexico. It is blown in a mold.

Mr. SMOOT. Of course it is blown in a mold. That is why it is blown, and, therefore, it is not pressed.

Mr. JONES of New Mexico. I am not talking about pressed ware. I realize that the pressed ware comes down in the next bracket, but here is the language that we are considering:

Table and kitchen articles and utensils, and all articles of every description not specially provided for, composed wholly or in chief value of glass or paste, or combinations of glass and paste, blown or partly blown in the mold or otherwise, or colored, cut—

And so on.

Mr. SMOOT. Yes; it is all blown.

Mr. JONES of New Mexico. It is blown but not necessarily by the mouth.

Here is the kind of machinery that they use:

A paste mold is made of iron, and is coated inside with a paste of carbon. The blower gathers the molten glass and blows it in the mold which he opens and closes with his foot. Only ware of a round shape, which can be rotated in the mold, can be made in a paste mold.

There they have the machinery which they operate making that glassware, and it is not the ordinary process of blowing by the mouth.

Mr. SMOOT. That is the accessory apparatus, after the thing is blown into the mold.

Mr. JONES of New Mexico. The statistics upon the subject do not show that any of it of any great consequence is being imported into this country now, but they show that what is coming in of this high class ware is ornamented ware, coming in because of the selection of the ornamentation. All the information bears out that statement, and I do not see any reason for an increase of that duty. I therefore move to strike out "65" and insert "45," on line 14.

The amendment to the amendment was rejected.

Mr. JONES of New Mexico. On page 41, line 21, I move to strike out "50" and insert in lieu thereof "45," so as to read:

table and kitchen articles and utensils, composed wholly or in chief value of glass or paste, or a combination of glass and paste, when pressed and unpolished, whether or not decorated or ornamented in

any manner or ground (except such grinding as is necessary for fitting stoppers or for purposes other than ornamentation), whether filled or unfilled, or whether their contents be dutiable or free, 45 per cent ad valorem.

That is the cheapest kind of glassware.

Mr. McCUMBER. Why does the Senator make such a small cut in that rate, when he asked for such a large cut in the first one, reducing it from 70 to 40? Why does the Senator ask for 45 per cent in this case?

Mr. JONES of New Mexico. I wanted to be certain that the industry is getting enough protection to live on. The bill is being framed on that theory. The present rate of duty is 45 per cent, and, from all the data which we can get upon the subject, it seems that the industry is prospering at the present time. It is not only prospering but making large profits. Therefore, no one, it seems to me, can justify an increase in this rate. But I do not know just what it should be. I am satisfied the industry would thrive with a rate very much lower; but it so happens that we have a 45 per cent rate now. The industry is thriving now, and the duty certainly should not be increased. I do not want to injure the industry, or take any chances of injuring it, so I am simply moving to substitute the rate in existing law for that which has been recommended by the committee.

Mr. McCUMBER. It seems to me that the Senator moved to make it 45 per cent simply because the Underwood law, the Democratic tariff law, made it 45 per cent, rather than upon any conviction of his own as to whether it ought to be 45 per cent or 35 per cent or 25 per cent.

Mr. JONES of New Mexico. Mr. President, the Senator is making a decidedly unkind remark, when I have explained to him just why I moved to make the rate 35 per cent, and I did not give the reason which the Senator has stated. What I said was that I did it because that is the present rate, that the industry is thriving under the existing law, and I did not want to take any chance of injuring the industry; but certainly nothing has been shown to justify an increase in the duty. May I ask the Senator why the committee proposes to increase the rate from 45 to 50?

Mr. McCUMBER. I can give the reasons. We did it because the cost of production in this country has greatly increased, compared with the cost of production in foreign countries, and we considered 50 per cent to be necessary. The Senator has not given any reason why he considers 45 per cent necessary, but he considers that 50 per cent is too much.

Mr. JONES of New Mexico. The Senator can not give a reason as to why he made it 50 rather than 75, based on anything which he has stated. He might have guessed anything above the present rate, or up to 150 per cent, based on the statement which he has just made. If he is talking about wages in Germany again, if he has those figures in his mind, he could make it almost any amount and still be within the reasoning he has stated.

Mr. McCUMBER. I simply wanted to know why, inasmuch as we have reduced another rate from 70 to 40, there should not be a corresponding reduction in this case. I could see no particular difference.

Mr. JONES of New Mexico. The reason was very apparent why the majority of the Senate reduced the other rate. It was not reduced to 40, however; it was reduced to 45. There were special reasons for it, of course. The majority of the Senate were not willing to increase a duty in favor of a monopoly, established to be such by all the testimony which has been presented here. If that is what the Senator is piqued about, I can only express to him my most profound sympathy.

Mr. McCUMBER. I was not aware that I would appear to be piqued by simply asking a very straightforward question, to which I thought the Senator would give me a straightforward answer. I did not know that I had shown any evidence of being piqued in asking the question. I think the Senator is entirely mistaken if he assumes anything of the kind.

Mr. JONES of New Mexico. Very well. As I said, I moved to make the rate 45 per cent instead of 50 per cent because 45 per cent is the existing rate, and under that rate the industry is prospering at least as greatly as ever in its history. Under that rate it has prospered and grown. I presented to the Senate to-day the statistics showing its marvelous growth, and the cost of production is decreasing in this country. I mean by that that the use of machinery is becoming more and more the means of production and taking the place of human labor, and this product is the product produced by machinery.

I hardly want at this time to make a statement regarding the competition between machine products and human-labor products, but this is the very cheapest kind of tableware, and why the rate should be increased at all I do not believe appears. Therefore, Mr. President, I move to strike out "50" and insert in lieu thereof "45."

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

The next amendment of the committee was, in paragraph 219, cylinder, crown, and sheet glass, unpolished, page 42, line 18, to strike out "35" and insert "50," so as to make the proviso read:

Provided, That none of the foregoing shall pay less duty than 50 per cent ad valorem.

Mr. McCUMBER. The committee intends to recommend some change in that paragraph, and I ask that it may go over. We did not have time to consider it this morning.

The PRESIDING OFFICER. Without objection, it will be passed over.

Mr. JONES of New Mexico. I may state to the Senator that paragraph 217 has not been disposed of yet.

Mr. McCUMBER. There is a further matter with regard to paragraph 217 I desire to consider in the committee, and I hope the Senator will allow that paragraph to go over also.

Mr. JONES of New Mexico. Very well.

The PRESIDING OFFICER. Without objection, it will be passed over.

Mr. McCUMBER. Let us proceed with paragraph 220.

The next amendment of the committee was in paragraph 220, page 42, line 25, before the word "cents," to strike out "5" and insert "4," so as to read:

Cylinder, crown, and sheet glass, by whatever process made, polished, not exceeding 384 square inches, 4 cents per square foot.

Mr. JONES of New Mexico. Mr. President, I merely want to make the statement that that is an increase of 33⅓ per cent over existing law.

Mr. SMOOT. It is a decrease of 20 per cent in the rate fixed by the House.

Mr. JONES of New Mexico. The Senator is right about that, but the committee amendment is an increase of 33⅓ per cent over existing law.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, in paragraph 222, page 43, line 19, to strike out "11" and insert in lieu thereof "12½," so as to read:

Cast polished plate glass, finished or unfinished, and unsilvered, not exceeding 384 square inches, 12½ cents per square foot.

Mr. JONES of New Mexico. Mr. President, I wish to call attention to just what is meant by paragraph 222. The increase on line 19 from 11 to 12½ cents is more than a hundred per cent increase over the present rate, as the present rate is 6 cents per square foot. On line 21 a rate is proposed of 15 cents per square foot, and the present rate for that item is 8 cents. On line 22 the proposed amendment of 17½ cents is considerably above the existing rate, which is 12 cents per square foot. The provision at the bottom of the page is something new, as I have said. It reads:

Plate glass described in this paragraph, containing a wire netting within itself, not exceeding 384 square inches, 15 cents per square foot.

That is a new, separate item. I think that wire-netting glass fell in a basket clause in the existing law. The same thing may be said regarding the next two items. They are new, and I have not had an opportunity to find out just what the present rate is. I hope the Senator from Utah will find from the expert just what the existing rate is.

This paragraph furnishes us some very interesting thoughts. It will be observed that the large increases are on the smaller sizes, and there is a very good inducement for that. I do not think it can be justified, but there is a very great and strong inducement for that discrimination.

In the first place, I wish to make some observations regarding the cast plate-glass industry. Over 60,000,000 square feet of polished plate glass was produced in 1914. The 1914 output in square feet was 11.6 per cent of the total of all building glass. The output of window glass was 77 per cent of the total. In value, however, plate glass was 40.1 per cent of the value of all building glass as compared with 48.2 per cent in value for window glass. In 1917 the domestic output of polished plate glass was about 75,000,000 square feet.

In 1913 seventy-one and a fraction per cent of the polished plate-glass imports were of the sizes not exceeding 720 square inches. In 1914 this class of imports was 63.64 per cent of the total imports. The imports of glass 384 square inches or less in size were 2.8 per cent of the total in 1914. The imports of all

sizes of plate glass in 1899 were 5.48 per cent of the domestic production of that year, and the imports during the fiscal year 1914 were 4.67 per cent of the domestic product of 1914.

American mirror manufacturers have been importing for years 75 per cent of all the plate glass they use on account of the superior quality of the foreign product. Under the higher duties of the act of 1897 during the five years 1903 to 1907 there were annual average imports of 4,000,000 square feet of glass not exceeding 5 square feet in size, and the imports of these small sizes were also larger in the years 1910–11, following the enactment of the act of 1909, than those following the reduction of the rates of duty in the act of 1913.

Apparently, therefore, the imports of much of the plate glass were in response to the requirements of American mirror manufacturers for the higher grades made in foreign countries. They also were influenced by market conditions here and abroad, and these were governed by domestic shortage of supply at times.

A plate-glass syndicate or trust has been in existence in Belgium which carefully regulates the production of its manufacturing members, following the world's markets closely for the purpose of preventing overproduction and of giving stability to selling prices.

In 1914 the kind of glass we are considering now, cast polished plate glass, unsilvered, the domestic production was $14,773,787, while the imports for consumption were only $631,618. We exported at that time a small amount. Since then the imports have been diminishing. There are no large quantities of imports coming in now, but we will reach more definite figures a little later.

In 1917 there were nine companies operating 15 plate-glass factories in those States, producing approximately 75,000,000 square feet of polished plate glass. The production of polished plate glass in 1914 was 60,000,000 square feet, valued at $14,000,000. That would be only a little over 20 cents a square foot, as I roughly figure it. That was an increase of 12.2 per cent in quantity and 85.2 per cent in value over the production of 1904.

As to the earnings of some of these corporations, in six plate-glass establishments the amount of capital employed in 1915 was $9,720,629 and the net sales were $4,930,141. The total value of the land, buildings, and equipment was $6,176,867. The average profit on capital invested was 4.14 per cent and the highest 6.6 per cent. The factories included above are independent plate-glass manufactories. The most important plate-glass company is not included in the above data. This concern operates seven plate-glass and two window-glass factories. It produces about 47 per cent of all plate glass manufactured in the United States. It owns a plate-glass factory in Belgium and operated it before the war. Since 1913 its output (to 1918) increased nearly 29 per cent. Its capitalization (1916) was $25,000,000. About 45 per cent of the assets of the company are invested in the production of plate glass, and the company states that its profits have to a much greater extent been realized from its other investments, which are both commercial and in other lines of manufacture. The printed annual report of the company states that for the year 1916 its total sales (plate glass and other) amounted to $31,580,255.74. The earnings were $6,886,188.57.

The usual dividends of 12 per cent on the preferred stock and 1¾ per cent quarterly on the common stock were paid during the year, and the sum of $915,957.51 was charged for depreciation, leaving a balance of $4,381,231.16, which was added to the surplus account. So it would seem that the one concern producing about one-half of the plate glass is not only doing a large business but it is the dominant factor in the industry and making enormous profits.

The imports of plate glass are given at a very small figure. The polished plate glass, unsilvered, produced in 1914, was valued at $14,753,787. The imports of 1913 were valued at $321,605, or 2.18 per cent of the production of 1914, while the value of the imports for 1914 was 4.93 per cent of the domestic production. The plate glass imported was mainly of the finer and more expensive grades and used for mirrors.

As to prices, the Tariff Commission says:

> The table on page 125 of the average wholesale prices since 1905 for polished plate glass for glazing having an area of from 3 to 5 square feet, shows some surprising fluctuations. The average price per square foot for the year 1905 was 19.75 cents; the next year the average was 22.67 cents. In 1908 it dropped to 17.33 cents, but two years later it jumped to 24.92 cents. In 1913, the year before the war, it was 23 67, or 24 per cent higher than in 1905. In 1915 it dropped to 18.67 cents and the next year it soared to 29.17 cents, due to foreign demand, which led to an export trade in American plate glass for the first time in the history of the industry.

The duties upon the different kinds of glass have varied from time to time, but I shall not take the trouble to go into that matter at this time. After discussing the subject of competitive conditions and tariff considerations, the Tariff Commission states:

> It would appear that the changes in tariff rates in the different tariff acts did not affect the importation of the small sizes of plate glass and that they were governed by other market conditions.

Aside from the ordinary plate glass, the finer grades are being imported. It would seem that the smaller sizes of the ordinary plate glass are what are also being imported into this country. There is a very peculiar situation at this time. The smaller sizes of glass are generally known as wind-shield glasses and are used in automobile wind shields. The prices of these smaller sizes have enormously increased. The way they are represented in the trade indicates that the industry is dominated by some central controlling power.

I call attention to a few facts. I have here some price lists, and here is what has occurred with respect to the smaller sizes used in the automobile industry.

Under the old discount rate there was a reduction of 90 per cent from the list price of the ordinary sizes of this plate glass. That has now been reduced to 85 per cent, which, in effect, is an increase of 50 per cent in the prices at the present time as compared with the pre-war price. The pre-war price was practically the same by the different producing concerns. I have here three price lists of different concerns, and they quote the same price for the various sizes of glass of the same quality. One concern, however, quoted to the writer of this letter which I hold in my hand an 86 per cent discount. That seems to have been a special discount rate, because the dealer who wrote this letter evidently understood something about the trade which the general trade probably did not understand. They have a special price on what are called "automobile sizes." It is the same kind of ware, the same kind of glass, and comes in the same sizes; but they choose to call it automobile glass, and make a special discount for that of only 60 per cent off the price stated for automobile plate glass. I read from this letter:

> I have measured some windshields in various cars, and find some of them measure 8 by 36, which in the automobile bracket lists for $3.72, less 60 per cent discount, leaving a value of $1.488 each net. In the regular schedule the 8 by 36 inches lists for $7, less 86 per cent discount, which would leave a net price of 98 cents. In 1914 this listed $5.50, with 90 per cent discount, which would be a net price of 55 cents.

So we have to-day this one size glass, measuring 8 by 36 inches, which in 1914 was sold to the trade generally for 55 cents, but is now selling to the general trade at 98 cents and to the automobile trade at practically $1.49, an increase in price over the regular 1914 listed price of almost 200 per cent. That is the kind of prices they are maintaining to-day in that industry as related to those smaller sizes.

Another wind shield measured 14 by 36 inches, which, in the automobile bracket, lists at $7.56, with 60 per cent discount, making a net price of $3.02. In the regular schedule of plate glass it lists for $14.90, with an 86 per cent discount, which would be a little over $2.08 net. In the 1914 list it was quoted at $11.40, with a 90 per cent discount, making a net price of $1.14. Thus to-day as against the 1914 price of $1.14, for the ordinary trade we have a price of practically $2.09, and for the automobile trade of practically $3.02.

> In hospital furniture we use a variety of sizes, on which I will quote you 1913 and 1922 list prices in 1913.

In 1913 on the 16 by 20 inch size, which falls within paragraph 222 which we are now considering, not exceeding 384 square inches, or 2⅔ square feet, in the list price was $7; in 1922, $8.35; the 16 by 30 inches in 1913 was $11, in 1922 it was $14.50. Remember that for the 1913 price the discount was 90 per cent, so that the net price on the first article listed at $7 would be 70 cents; in 1922, with a list price of $8.75, and only 86 per cent discount, the net price would be pretty nearly twice the 1913 price.

In the same way the net cost of the article listed at $11 in 1913, with 90 per cent discount, would be only $1.10, but with a price of $14.50 in 1922, with approximately an 85 per cent discount, leaving 15 per cent of the $14.50, the net cost would be increased more than 100 per cent over the 1913 price. So the price of the 18 by 33 inch size in 1913 was $17, and in 1922 it was $19.15; and of the 20 by 36 inch size in 1913 the list price was $21.25, and the 1922 price was $22.50. The 20 by 36 inch size is listed in the automobile bracket at $11.10; net, $4.40; and in the regular schedule, as noted above, at $22.50 less 86 per cent; net, $3.15; and in the old schedule with 90 per cent, or $2.125. So we have these prices on the same size plate glass and the same quality jumping from $2.125 in 1913 to $4.40 net at the present time. The writer of the letter says:

> It might be interesting for you to note that the various jobbers use this same price list, and to substantiate this I am sending you the plate-glass list of three of the principal concerns in the country.

I may say that I have checked them over and they corroborate what is stated in the letter.

Mr. President, I do not care to discuss this matter further. I am anxious to get rid of these schedules, but the only purpose of increasing these duties at the present time is to maintain the enormously increased prices. The importations are comparatively small; they constitute but a slight percentage of the production. The commodity is machine made and the prices are more than 100 per cent higher than they were before the war.

The concerns manufacturing glass are making large profits—that is, the dominant interest is making large profits—and to increase these duties, as is now proposed, will simply add more profit to the concern and make the product more expensive to the trade.

The importations have been very small, and since the war are practically negligible. I may add that since the war we have been exporting large quantities and importing very little. In the last month of 1921 of the sizes not exceeding 384 square inches—that is, the smaller sizes—there were only 363,605 square feet imported, and of the size above that not exceeding 720 square inches, just about a half a million square feet; and above 720 square inches only 806,000 square feet. In 1914 we exported $35,767 worth; in 1917 we increased that to practically $2,250,000; in 1918 we exported $3,155,627 worth; in 1919 we exported about four and a quarter million dollars' worth; in 1920, nearly $3,000,000 worth; and in the nine months of 1921 we exported $1,125,854 worth. The country is not being overrun with these importations, and the prices now are twice what they were prior to the war; and to increase these duties will simply be deliberately to undertake to maintain existing prices.

Mr. McCUMBER. Mr. President, 12½ cents a square foot is equivalent now to about 18 per cent ad valorem.

The second bracket of 15 cents per square foot is also equivalent to 18 per cent ad valorem.

The third bracket of 17½ cents per square foot also amounts to about 18 per cent ad valorem.

I am not certain, but my remembrance is that the duties on the glass containing wire netting range about the same equivalent ad valorem of 18 per cent.

Mr. President, before voting on this amendment, and while I am on my feet, I ask unanimous consent that when the Senate closes its work on this calendar day it recess until to-morrow at 11 o'clock.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. Mr. President, I just want the RECORD to show these facts:

In 1909 it cost a great deal more to make large glass per square foot than it did to make small glass. Another thing: Whenever a large plate was broken it was cut into smaller sizes. At that time it was almost impossible to get rid of the smaller sizes; but the way they make glass to-day they can make a large plate just as cheaply as they can make a small plate, taking the price of the article into consideration. It is true, as the Senator from New Mexico says, that there is a larger demand for the small plates than there was in 1909, or even in 1913. Therefore, the rates in 1909 were made to protect the larger sizes, on account of the excessive cost of making the larger sizes over the small sizes. That to-day has been overcome in the making of plate glass to a large extent.

Mr. President, we increased the rates on the smaller sizes and we decreased the rates on the larger sizes. That was to meet the changed situation existing in the industry. The Senator will find that none of the ad valorem rates in paragraph 222 will be any more than 18 per cent; and I think in the case of the plate glass described in the last clause, containing wire netting within itself, the equivalent ad valorem will be less than in the case of the other items in the paragraph.

Mr. JONES of New Mexico. Mr. President, I just want to make this statement about the rate to which the Senator from Utah has referred: It depends entirely on the price. These are specific duties, and, of course, when you raise the price of the thing, if the duty is specific, that lowers the rate; and I want to call attention to just what this increase means on the different prices.

Under the existing law the duty of 6 cents per square foot amounted to 18.6 per cent. Under the Payne-Aldrich rate, which was 10 cents per square foot, it amounted to 44 per cent. Under the Senate amendment it is proposed to make that rate 12½ cents per square foot, which would be an average of 50 per cent. The rate of 15 cents per square foot amounts to an average of 60 per cent. The rate of 17½ cents per square foot amounts to 20 per cent on the 1921 import price and 70 per cent on the pre-war normal price.

So that is what these duties mean. Owing to the increased prices of these articles now, as compared with the prices prior to the war, we find that this rate here, which amounts to only 20 per cent on the present price, the high price which has been built up, if applied to the pre-war price, would be equivalent to 70 per cent. So, I take it, that you can not measure these increases by percentages. The fact is that in the first bracket you are raising the duty from 6 cents to 12½ cents per square foot, or over 100 per cent, and in the next item you are raising it from 8 cents to 15 cents, which is nearly 100 per cent.

In the next item you are raising it from 12 cents to 17½ cents, and on the other items here I have not ascertained just what the present duty is; but they are increased, I suppose, in about the same ratio. I do not know; I have not had an opportunity to look up what the present rate is on the item at the bottom of page 43, or the two items on page 44.

Mr. President, on page 43, line 19, I move to strike out the numerals "12½" and insert "6."

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment on line 19.

The amendment was agreed to.

Mr. JONES of New Mexico. On page 43, line 21, I move to strike out the numerals "15" and insert "8."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. JONES of New Mexico. On line 22, I move to strike out the numerals "17½" and insert "12."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on line 22.

The amendment was agreed to.

Mr. JONES of New Mexico. In the case of the remainder of the items in that paragraph I shall not offer any amendments, but shall content myself with voting against the committee amendments.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. On line 25 the committee proposes to strike out "12" and insert "15," so as to read:

Plate glass described in this paragraph containing a wire netting within itself, not exceeding 384 square inches, 15 cents per square foot.

The amendment was agreed to.

The ASSISTANT SECRETARY. On the next page, page 44, line 1, the committee proposes to strike out "15" and to insert in lieu thereof "17½," so as to read:

Above that, and not exceeding 720 square inches, 17½ cents per square foot.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 2 the committee proposes to strike out "25" and to insert "20," so as to read:

All above that, 20 cents per square foot.

The amendment was agreed to.

The ASSISTANT SECRETARY. In paragraph 223, line 7, the committee proposes to strike out "11" and to insert "13½," so as to read:

Cast polished plate glass, silvered, cylinder and crown glass, silvered, and looking-glass plates, exceeding in size 144 square inches and not exceeding 384 square inches, 13½ cents per square foot.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 8 it is proposed to strike out "13" and insert "16," so as to read:

Above that, and not exceeding 720 square inches, 16 cents per square foot.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 9 it is proposed to strike out "22½" and insert "21," so as to read:

All above that, 21 cents per square foot.

The amendment was agreed to.

The ASSISTANT SECRETARY. At the end of line 9, after the words "per square foot" and the colon, it is proposed to insert:

Provided, That none of the foregoing shall pay less duty than 35 per cent ad valorem—

and a colon.

The amendment was agreed to.

Mr. SUTHERLAND. I call the attention of the clerks at the desk to the fact that they omitted to approve the two words "Provided further" in line 11.

The PRESIDING OFFICER. Those are in the original bill.

Mr. SUTHERLAND. They are in italics.

The PRESIDING OFFICER. They are always in italics.

Mr. SUTHERLAND. "Provided" was in the original bill, but not "Provided further."

The ASSISTANT SECRETARY. The word "further" is added to the word "provided" on line 11.

The PRESIDING OFFICER. Without objection, the amendment will be agreed to.

Mr. SMOOT. Paragraph 229 is the next.

The ASSISTANT SECRETARY. In paragraph 229, on page 46, beginning with line 5, the committee proposes to strike out that paragraph, or the two lines 5 and 6, in the following words:

Incandescent electric-light bulbs and lamps, with or without filaments, 35 per cent ad valorem.

Mr. SIMMONS. Mr. President, let me ask the Senator from Utah, if we strike that out, does it appear anywhere else in the bill?

Mr. McCUMBER. It has already been voted on.

Mr. SMOOT. That was included in paragraph 218, so this amendment is necessary to conform to that.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

EXECUTIVE SESSION.

Mr. McCUMBER. Mr. President, I think that completes the glass schedule, with the exception of what we have passed over. That being the case, I think we will not try to go on with the others to-night, unless Senators so desire.

I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After three minutes spent in executive session the doors were reopened, and (at 9 o'clock and 45 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Thursday, June 1, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 31 (legislative day of April 20), 1922.

UNITED STATES MARSHAL.

W. H. King to be United States marshal, district of South Dakota.

REGISTER OF THE LAND OFFICE.

George C. Jackman to be register of the land office, Marquette, Mich.

POSTMASTERS.

ILLINOIS.

Menno Vandervliet, Danforth.

KANSAS.

Anna L. January, Osawatomie.

MICHIGAN.

William Florian, Grand Junction.

NEBRASKA.

Andrew E. Stanley, Loomis.
Mamie L. Reams, Naponee.

NEW HAMPSHIRE.

Ervin W. Hodsdon, Center Ossipee (late Mountainview).

NORTH DAKOTA.

George H. Dickey, Esmond.
Fred Fercho, Lehr.

PENNSYLVANIA.

Donald C. Mapel, Greensboro.
Arthur B. Winter, Jermyn.

WYOMING.

Ralph R. Long, Gillette.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *May 31, 1922.*

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Hear us, O God, our Father. Thou art merciful and gracious, long-suffering, slow to anger, and of great love! Our expectation is from Thee. Be with us again in the exercise of our duties. Mercifully grant that Thy Holy Spirit may in all things direct and rule our hearts. Help us to accept Thy claims and conform our lives to them. We thank Thee for the good things our eyes have seen and our ears heard and which our souls have welcomed. Out of the hallowed lessons and associations of our National Memorial Day may there come a rededication to public service. May our citizens everywhere, in unfaltering terms, renew their devotion to the Republic, and may there be a new birth of Divine strength and enthusiasm for the things noble, just, and good. Through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of Saturday, May 27, 1922, and of Sunday, May 28, 1922, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment bills of the following titles:

H. R. 11408. An act granting the consent of Congress to the county of Winnebago and the town of Rockton, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River, in said town of Rockton; and

H. R. 11409. An act granting the consent of Congress to the city of Ottawa and the county of La Salle, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Fox River.

The message also announced that the Senate had passed with amendments the bill (H. R. 9344) providing for the appropriation of funds for acquiring additional water rights for Indians on the Crow Reservation in Montana, whose lands are irrigable under the Two Leggins Irrigation Canal, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

The message also announced that the Senate had passed bills of the following titles; in which the concurrence of the House of Representatives was requested:

S. 3425. An act to continue certain land offices, and for other purposes;

S. 2753. An act for the relief of José Louzau; and

S. 3396. An act creating the positions of Second Assistant Secretary and private secretary in the Department of Labor.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. 3425. An act to continue certain land offices, and for other purposes; to the Committee on the Public Lands; and

S. 2753. An act for the relief of José Louzau; to the Committee on Claims.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 11065. An act making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1923, and for other purposes;

H. R. 10442. An act to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916, as amended by an act to amend said act approved July 21, 1921;

H. R. 6523. An act for the relief of John Burke, former Treasurer of the United States, for lost bonds without the fault or negligence on the part of said former Treasurer; and

H. R. 6524. An act to permit the correction of the general account of John Burke, former Treasurer of the United States.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, in accordance with the previous announcement, I move that the House do now adjourn.

The SPEAKER. The gentleman from Wyoming moves that the House do now adjourn. The question is on agreeing to that motion.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. JOHNSON of South Dakota. A division, Mr. Speaker.

The SPEAKER. A division is asked for.

The House divided; and there were—ayes 47, noes 44.

Mr. JOHNSON of South Dakota. I ask for the yeas and nays, Mr. Speaker.

The SPEAKER. The gentleman from South Dakota asks for the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. As many as favor the motion to adjourn will, when their names are called, answer "yea." Those opposed will answer "nay."

The question was taken; and there were—yeas 101, nays 86, not voting 244, as follows:

YEAS—101.

Ackerman	Ellis	Madden	Steenerson
Andrews, Nebr.	Fairfield	Magee	Stephens
Appleby	Freeman	Mapes	Strong, Kans.
Barbour	Gensman	Miller	Strong, Pa.
Benham	Glynn	Millspaugh	Swing
Bird	Graham, Ill.	Mondell	Thompson
Brennan	Greene, Mass.	Montoya	Timberlake
Brooks, Ill.	Greene, Vt.	Moores, Ind.	Tincher
Brown, Tenn.	Hadley	Morgan	Towner
Burroughs	Hawley	Norton	Underhill
Burton	Herrick	Ogden	Vaile
Campbell, Kans.	Hickey	Osborne	Volstead
Campbell, Pa.	Hicks	Parker, N. J.	Webster
Cannon	Hoch	Patterson, Mo.	Wheeler
Chalmers	Hukriede	Pringey	White, Kans.
Chandler, N. Y.	Hull	Rhodes	White, Me.
Chindblom	Kirkpatrick	Ricketts	Williams, Ill.
Clouse	Kline, Pa.	Roach	Winslow
Colton	Kraus	Robsion	Wood, Ind.
Cooper, Ohio	Lawrence	Rodenberg	Woodyard
Dale	Lea, Calif.	Rogers	Wurzbach
Dallinger	Leatherwood	Rose	Yates
Darrow	Lineberger	Shaw	Young
Dunbar	McKenzie	Shelton	
Echols	McLaughlin, Mich.	Sinnott	
Elliott	McLaughlin, Nebr.	Sproul	

NAYS—86.

Almon	Gahn	Lowrey	Sisson
Bland, Va.	Garner	Lyon	Steagall
Blanton	Garrett, Tenn.	McCormick	Stedman
Bowling	Garrett, Tex.	McDuffie	Stevenson
Box	Gilbert	McSwain	Sumners, Tex.
Briggs	Gorman	Martin	Swank
Browne, Wis.	Hammer	Moore, Va.	Thomas
Buchanan	Hardy, Tex.	Mudd	Tillman
Bulwinkle	Hayden	Oldfield	Tyson
Byrnes, S. C.	Huddleston	Overstreet	Upshaw
Byrns, Tenn.	Humphreys	Park, Ga.	Vinson
Christopherson	James	Pou	Ward, N. C.
Collier	Jeffers, Ala.	Quin	Williams, Tex.
Connally, Tex.	Johnson, Ky.	Raker	Williamson
Crisp	Johnson, Miss.	Rankin	Wilson
Davis, Tenn.	Johnson, S. Dak.	Reece	Wingo
Dominick	Keller	Rucker	Wise
Doughton	Lampert	Sabath	Woodruff
Drewry	Lanham	Sanders, Tex.	Wright
Dupré	Lankford	Sandlin	Zihlman
Fisher	Lazaro	Scott, Tenn.	
Fulmer	Linthicum	Sinclair	

NOT VOTING—244.

Anderson	Carew	Dunn	Hardy, Colo.
Andrew, Mass.	Carter	Dyer	Harrison
Ansorge	Chandler, Okla.	Edmonds	Haugen
Anthony	Clague	Evans	Hawes
Arentz	Clark, Fla.	Fairchild	Hays
Aswell	Clarke, N. Y.	Faust	Henry
Atkeson	Classon	Favrot	Hersey
Bacharach	Cockran	Fenn	Hill
Bankhead	Codd	Fess	Himes
Barkley	Cole, Iowa	Fields	Hogan
Beck	Cole, Ohio	Fish	Hooker
Beedy	Collins	Fitzgerald	Hudspeth
Begg	Connell	Focht	Husted
Bell	Connolly, Pa.	Fordney	Hutchinson
Bixler	Cooper, Wis.	Foster	Ireland
Black	Copley	Frear	Jacoway
Blakeney	Coughlin	Free	Jefferis, Nebr.
Bland, Ind.	Crago	French	Johnson, Wash.
Boles	Cramton	Frothingham	Jones, Pa.
Bond	Crowther	Fuller	Jones, Tex.
Bowers	Cullen	Funk	Kahn
Brand	Curry	Gallivan	Kearns
Britten	Davis, Minn.	Gernerd	Kelley, Mich.
Brooks, Pa.	Deal	Goldsborough	Kelly, Pa.
Burdick	Dempsey	Goodykoontz	Kendall
Burke	Denison	Gould	Kennedy
Burtness	Dickinson	Graham, Pa.	Ketcham
Butler	Dowell	Green, Iowa	Kiess
Cable	Drane	Griest	Kincheloe
Cantrill	Driver	Griffin	Kindred
King	Mann	Porter	Snyder
Kinkaid	Mansfield	Purnell	Speaks
Kissel	Mead	Radcliffe	Stafford
Kitchin	Merritt	Rainey, Ala.	Stiness
Kleczka	Michaelson	Rainey, Ill.	Stoll
Kline, N. Y.	Michener	Ramseyer	Sullivan
Knight	Mills	Ransley	Summers, Wash.
Knutson	Montague	Rayburn	Sweet
Kopp	Moore, Ill.	Reavis	Tague
Kreider	Moore, Ohio	Reber	Taylor, Ark.
Kunz	Morin	Reed, N. Y.	Taylor, Colo.
Langley	Mott	Reed, W. Va.	Taylor, N. J.
Larsen, Ga.	Murphy	Riddick	Taylor, Tenn.
Larson, Minn.	Nelson, A. P.	Riordan	Temple
Layton	Nelson, J. M.	Robertson	Ten Eyck
Lee, Ga.	Nelson, Me.	Rosenbloom	Tilson
Lee, N. Y.	Newton, Minn.	Rossdale	Tinkham
Lehlbach	Newton, Mo.	Rouse	Treadway
Little	Nolan	Ryan	Tucker
Logan	O'Brien	Sanders, Ind.	Vare
London	O'Connor	Sanders, N. Y.	Vestal
Longworth	Oliver	Schall	Voigt
Luce	Olpp	Scott, Mich.	Volk
Luhring	Padgett	Sears	Walsh
McArthur	Paige	Shreve	Walters
McClintic	Parker, N. Y.	Siegel	Ward, N. Y.
McFadden	Parks, Ark.	Slemp	Wason
McLaughlin, Pa.	Patterson, N. J.	Smith, Idaho	Watson
McPherson	Perkins	Smith, Mich.	Weaver
MacGregor	Perlman	Smithwick	Woods, Va.
Maloney	Petersen	Snell	Wyant

So the motion to adjourn was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Treadway with Mr. Cockran.

Mr. Langley with Mr. Clark of Florida.

Mr. Paige with Mr. Sullivan.

Mr. Hutchinson with Mr. Bell.

Mr. Jefferies with Mr. Rayburn.

Mr. Fitzgerald with Mr. Driver.

Mr. Ansorge with Mr. Kindred.

Mr. Johnson of Washington with Mr. Tague.

Mr. Anthony with Mr. Aswell.

Mr. Connolly of Pennsylvania with Mr. Jones of Texas.

Mr. Arentz with Mr. Bankhead.

Mr. Jones of Pennsylvania with Mr. Logan.

Mr. Atkeson with Mr. Mansfield.

Mr. McArthur with Mr. Oliver.

Mr. Bacharach with Mr. McClintic.

Mr. Kelly of Pennsylvania with Mr. Kitchin.

Mr. French with Mr. Harrison.

Mr. Beck with Mr. Riordan.

Mr. Frothingham with Mr. Black.

Mr. Kendall with Mr. Lee of Georgia.

Mr. Beedy with Mr. Woods of Virginia.

Mr. Michaelson with Mr. Kunz.

Mr. Burtness with Mr. Deal.

Mr. Henry with Mr. O'Brien.

Mr. Mott with Mr. Padgett.

Mr. Goodykoontz with Mr. Smithwick.

Mr. Patterson of New Jersey with Mr. Larsen of Georgia.

Mr. Volk with Mr. London.

Mr. Crago with Mr. Montague.

Mr. Kiess with Mr. Collins.

Mr. Snyder with Mr. Gallivan.

Mr. Kennedy with Mr. Kincheloe.

Mr. Cramton with Mr. Tucker.

Mr. Moore of Ohio with Mr. Sears.

Mr. Bland of Indiana with Mr. O'Connor.

Mr. Siegel with Mr. Jacoway.

Mr. Boise with Mr. Parks of Arkansas.

Mr. Vare with Mr. Mead.

Mr. Bond with Mr. Drane.

Mr. Graham of Pennsylvania with Mr. Rainey of Illinois.

Mr. Radcliffe with Mr. Fields.

Mr. Griest with Mr. Weaver.

Mr. Dickinson with Mr. Barkley.

Mr. Knutson with Mr. Griffin.

Mr. Bowers with Mr. Hooker.

Mr. Sanders of Indiana with Mr. Favrot.

Mr. Stiness with Mr. Carew.

Mr. Krieder with Mr. Brand.

Mr. Chandler of Oklahoma with Mr. Taylor of Arkansas.

Mr. Lehlbach with Mr. Cullen.

Mr. A. P. Nelson with Mr. Stoll.

Mr. Nolan with Mr. Hudspeth.

Mr. Kissel with Mr. Carter.

Mr. Newton of Minnesota with Mr. Taylor of Colorado.

Mr. Dowell with Mr. Cantrill.

Mr. Crowther with Mr. Ten Eyck.

Mr. Fess with Mr. Goldsborough.

Mr. Newton of Missouri with Mr. Hawes.
Mr. Olpp with Mr. Rainey of Alabama.
The result of the vote was announced as above recorded.
Accordingly (at 12 'oclock and 33 minutes p. m.) the House adjourned until Thursday, June 1, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. FISH: Committee on Foreign Affairs. H. J. Res. 322. A joint resolution favoring the establishment in Palestine of a national home for the Jewish people; without amendment (Rept. No. 1038). Referred to the House Calendar.

Mr. CHANDLER of New York: Committee on the Judiciary. H. J. Res. 337. A joint resolution granting consent of Congress and authority to the Port of New York Authority to execute the comprehensive plan approved by the States of New York and New Jersey by chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922; without amendment (Rept. No. 1039). Referred to the House Calendar.

Mr. JOHNSON of Mississippi: Committee on Interstate and Foreign Commerce. H. R. 11626. A bill to extend the time for constructing a bridge across the Mississippi River at or near the city of Baton Rouge, La.; without amendment (Rept. No. 1048). Referred to the House Calendar.

Mr. JOHNSON of Mississippi: Committee on Interstate and Foreign Commerce. H. R. 11362. A bill declaring Tchula Lake, Holmes County, Miss., to be a nonnavigable stream; with an amendment (Rept. No. 1049). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. STEPHENS: Committee on Naval Affairs. H. J. Res. 47. A joint resolution authorizing the Secretary of the Navy to receive for instruction at the United States Naval Academy, at Annapolis, Mr. Jose A. de la Torriente, a citizen of Cuba; without amendment (Rept. No. 1040). Referred to the Committee of the Whole House.

Mr. STEPHENS: Committee on Naval Affairs. H. J. Res. 281. A joint resolution authorizing the Secretary of the Navy to receive for instruction at the United States Naval Academy, at Annapolis, Md., Willem van Doorn, a subject of the Netherlands; without amendment (Rept. No. 1041). Referred to the Committee of the Whole House.

Mr. VINSON: Committee on Naval Affairs. H. R. 6538. A bill for the relief of Grey Skipwith; without amendment (Rept. No. 1042). Referred to the Committee of the Whole House.

Mr. VINSON: Committee on Naval Affairs. H. R. 8046. A bill for the relief of Themis Christ; without amendment (Rept. No. 1043). Referred to the Committee of the Whole House.

Mr. KRAUS: Committee on Naval Affairs. H. R. 6358. A bill authorizing the accounting officers of the Treasury to pay to A. E. Ackerman the pay and allowances of his rank for services performed prior to the approval of his bond by the Secretary of the Navy; without amendment (Rept. No. 1044). Referred to the Committee of the Whole House.

Mr. SWING: Committee on Naval Affairs. H. R. 7921. A bill granting six months' pay to Alice P. Dewey; without amendment (Rept. No. 1045). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 6832. A bill granting six months' pay to Anton Kunz, father of Joseph Anthony Kunz, deceased, machinist's mate, first class, United States Navy, in active service; without amendment (Rept. No. 1046). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 855. A bill for the relief of Fred G. Leith, United States Navy; without amendment (Rept. No. 1047). Referred to the Committee of the Whole House.

Mr. DARROW: Committee on Naval Affairs. H. R. 8921. A bill for the relief of Ellen McNamara; without amendment (Rept. No. 1050). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on the Public Lands was discharged from the consideration of the bill (H. R. 6204) to grant the military target range of Lincoln County, Okla., to the city of Chandler, Okla., and reserving the right to use for military and aviation purposes, and the same was referred to the Committee on Military Affairs.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GENSMAN: A bill (H. R. 11826) to regulate air navigation within the District of Columbia; to the Committee on the District of Columbia.

By Mr. PATTERSON of Missouri: A bill (H. R. 11827) granting the consent of Congress to the county courts of Howard and Saline Counties, in the State of Missouri, to construct a bridge across the Missouri River; to the Committee on Interstate and Foreign Commerce.

By Mr. RAINEY of Illinois: A bill (H. R. 11828) for the enlargement and extension of the post office building at Chicago, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. VESTAL: A bill (H. R. 11829) to regulate and control the manufacture, sale, and use of weights and measures and of weighing and measuring devices; to the Committee on Coinage, Weights, and Measures.

By Mr. TAGUE: Joint resolution (H. J. Res. 340) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. RAKER: Joint resolution (H. J. Res. 341) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. SWING: Joint resolution (H. J. Res. 342) appropriating $50,000 for protecting the lands and property in the Palo Verde Valley and elsewhere along the Colorado River within the limits of the United States; to the Committee on Appropriations.

By Mr. BRAND: Resolution (H. Res. 357) directing the United States Department of Agriculture and the Post Office Department to investigate the feasibility of furnishing market prices of cotton, corn, wheat, live stock, and dairy products to the farmers by radiophone; to the Committee on Agriculture.

By the SPEAKER (by request): Memorial of the Legislature of the State of Louisiana, relating to the Mississippi River floods, and requesting appropriations for the relief of those living within the flooded areas; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HAWLEY: A bill (H. R. 11830) authorizing the Secretary of the Interior to grant a patent of certain lands to Truman H. Ide; to the Committee on Public Lands.

Also, a bill (H. R. 11831) granting an increase of pension to Rachel Killin Garrett; to the Committee on Pensions.

By Mr. KRAUS: A bill (H. R. 11832) for the relief of Charles E. Reyburn; to the Committee on Claims.

By Mr. McSWAIN: A bill (H. R. 11833) for the relief of Rev. S. T. Matthews; to the Committee on Claims.

By Mr. MONTAGUE: A bill (H. R. 11834) granting a pension to Jannie E. Bell; to the Committee on Invalid Pensions.

By Mr. SHAW: A bill (H. R. 11835) granting a pension to Ellen McFarland; to the Committee on Pensions.

Also, a bill (H. R. 11836) granting a pension to William S. Harrell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11837) granting an increase of pension to Mary J. Lawson; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11838) granting an increase of pension to Barbara E. Rhea; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11839) granting an increase of pension to Sarah White; to the Committee on Pensions.

By Mr. VESTAL: A bill (H. R. 11840) granting a pension to Reuben R. Romey; to the Committee on Pensions.

By Mr. WURZBACH: A bill (H. R. 11841) granting an increase of pension to Mary J. Martin; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5831. By the SPEAKER (by request): Petition of Mid-City Citizens' Association, of Washington, D. C., favoring the passage of Senate Concurrent Resolution 23; to the Committee on Rules.

5832. Also (by request), petition of Presbytery of Springfield, at Jacksonville, Ill., indorsing House bill 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5833. By Mr. CAREW: Petition of a mass meeting of citizens of the city of New York, favoring the maintaining of the Republic of Ireland; to the Committee on Foreign Affairs.

5834. By Mr. CHALMERS: Petition of Toledo Circle Ladies G. A. R., urging favorable action on Morgan-Bursum pension bill; to the Committee on Invalid Pensions.

5835. By Mr. HAWLEY: Petition of sundry citizens of the State of Oregon, protesting against the passage of House bill 9753; to the Committee on the District of Columbia.

5836. By Mr. KISSEL: Petition of National Cloak & Suit Co., of New York City, N. Y., relating to the reappointment of William P. G. Harding to the Federal Reserve Board; to the Committee on Banking and Currency.

5837. Also, petition of New York Produce Exchange, New York City, N. Y., protesting against the passage of Stevenson bill; to the Committee on Agriculture.

5838. By Mr. LINEBERGER: Petition from 270 citizens of South Pasadena, Eagle Rock, San Bernardino, and Los Angeles, Calif., asking that protection and help may be extended to make Armenia a self-supporting and self-protecting nation; to the Committee on Foreign Affairs.

5839. Also, petition of citizens of St. Paul, Minn., favoring the Towner-Sterling bill (H. R. 7); to the Committee on Education.

5840. Also, petition of Los Angeles Presbytery of the United Presbyterian Church of Long Beach, Calif., indorsing House Joint Resolution 131, prohibiting polygamy and polygamous cohabitation in the United States; to the Committee on the Judiciary.

5841. Petition of Los Angeles Presbytery of the United Presbyterian churches at Long Beach, Calif., indorsing Senate Joint Resolution 31, proposing a constitutional amendment authorizing Congress to enact uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

5842. Also, petition of Los Angeles Presbytery of the United Presbyterian Church of Long Beach, Calif., indorsing House bill 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5843. By Mr. YOUNG: Petition of 27 widows and dependents of Civil War veterans, of Velva, N. Dak., urging support of the Bursum-Morgan bill; to the Committee on Invalid Pensions.

SENATE.

THURSDAY, *June 1, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. ROBINSON. Mr. President, I think we ought to have a quorum.

Mr. STERLING. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Gooding	New	Smoot
Borah	Hale	Newberry	Spencer
Brandegee	Harris	Norbeck	Sterling
Calder	Johnson	Oddie	Sutherland
Capper	Jones, N. Mex.	Page	Townsend
Caraway	Jones, Wash.	Pepper	Underwood
Culberson	Kellogg	Pittman	Wadsworth
Curtis	La Follette	Poindexter	Walsh, Mass.
Dial	Lenroot	Pomerene	Walsh, Mont.
du Pont	Lodge	Ransdell	Watson, Ga.
Edge	McCumber	Rawson	Watson, Ind.
Frelinghuysen	McNary	Robinson	Willis
Gerry	Myers	Sheppard	
Glass	Nelson	Simmons	

Mr. RANSDELL. I was requested to announce that the several Senators, whose names I shall state, are detained at a hearing before the Committee on Agriculture and Forestry: The Senator from Nebraska [Mr. NORRIS], the Senator from New Hampshire [Mr. KEYES], the Senator from North Dakota [Mr. LADD], the Senator from Illinois [Mr. MCKINLEY], the Senator from South Carolina [Mr. SMITH], the Senator from Wyoming [Mr. KENDRICK], and the Senator from Mississippi [Mr. HARRISON].

The VICE PRESIDENT. Fifty-four Senators have answered to their names. A quorum is present.

INVESTMENT AND PROFIT IN SOFT COAL INDUSTRY (S. DOC. 207).

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, pursuant to law, a preliminary report of the commission on investment and profit in soft coal mining covering the period 1916 to 1921, inclusive, which was referred to the Committee on Education and Labor and ordered to be printed.

PETITIONS AND MEMORIALS.

Mr. CAPPER presented a resolution adopted by the congregation of the Chelsea Congressional Church, at Kansas City, Kans., favoring the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. McLEAN presented a memorial of the Fairfield County Farm Bureau, of Danbury, Conn., remonstrating against the appropriation of public funds for the purpose of free seed distribution, which was referred to the Committee on Agriculture and Forestry.

He also presented telegrams in the nature of petitions from Anthony Safranik, chairman of employees of Frank Parizek, manufacturer of pearl buttons, of West Willington; Charles H. Ruha, chairman of employees of B. Schwanda & Sons, of Stafford Springs; Prichal Bros., manufacturers of ocean pearl shell, of Higganum; and Havlin & Pokorney, manufacturers of ocean pearl shells, of Higganum; all in the State of Connecticut, praying for the prompt passage of the pending tariff bill and stating they do not understand the reason for delay in the Senate, which were referred to the Committee on Finance.

He also presented letters in the nature of petitions from Rev. Richard D. Hatch, rector, and the congregation of Trinity Church, of Southport; Rev. Reginald R. Parker, of Hartford; Rev. Robert C. Whitehead, Stratford Congregational Church, of Stratford; Rev. W. S. Woolworth, of Chestnut Hill; and Rev. Herbert L. Wilber, of Jewett City; all in the State of Connecticut, praying that relief be granted the suffering peoples of Armenia, which were referred to the Committee on Foreign Relations.

Mr. TOWNSEND presented petitions numerously signed by sundry citizens in the State of Michigan, praying for the imposition in the pending tariff bill of only a moderate duty on kid gloves, which were referred to the Committee on Finance.

He also presented petitions of sundry citizens in the State of Michigan, praying for the imposition in the pending tariff bill of an adequate protective duty on agricultural products, particularly grains, cattle, sheep, hogs, and sugar, which were referred to the Committee on Finance.

He also presented petitions of sundry citizens of Memphis, Armada, Mount Clemens, Detroit, Swartz Creek, Clayton Township, and Bay City, all in the State of Michigan, praying for inclusion in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, and also adequate protection on farm products, which were referred to the Committee on Finance.

Mr. LADD presented a resolution adopted by the eleventh annual convention, North Dakota State Federation of Labor, at Bismarck, N. Dak., favoring payment of the so-called soldiers' bonus solely from funds derived from war and excess-profits taxes, which was referred to the Committee on Finance.

He also presented a resolution adopted by the pastors of the Episcopal, the Congregational, the First Lutheran, the Trinity Lutheran, and the Methodist Episcopal Churches of Williston, N. Dak., favoring the granting of relief to the suffering peoples of Armenia, which was referred to the Committee on Foreign Relations.

REPORT OF THE COMMITTEE ON BANKING AND CURRENCY.

Mr. McLEAN, from the Committee on Banking and Currency to which was referred the bill (S. 3633) to authorize the coinage of a 50-cent piece in commemoration of the one hundredth anniversary of the birth of the late President Rutherford Birchard Hayes at Delaware, in the State of Ohio, reported it with an amendment.

JOHN G. SESSIONS.

Mr. ROBINSON, from the Committee on Claims, to which was referred the bill (S. 3157) for the relief of John G. Sessions, reported it with an amendment and submitted a report (No. 730) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RANSDELL:

A bill (S. 3665) providing additional funds to continue in effect the act providing for the care and treatment of persons afflicted with leprosy and to prevent the spread of leprosy in the United States; to the Committee on Appropriations.

By Mr. PEPPER:

A bill (S. 3666) granting a pension to Matilda A. Swift; to the Committee on Pensions.

A bill (S. 3667) for the relief of the estate of David B. Landis, deceased, and the estate of Jacob F. Sheaffer, deceased; to the Committee on Claims.

By Mr. WADSWORTH:

A bill (S. 3668) for the relief of Gertrude Lustig; to the Committee on Claims.

By Mr. EDGE:

A bill (S. 3669) for the advancement of certain retired officers of the United States Army; to the Committee on Military Affairs.

THE MUSCLE SHOALS PROJECT.

Mr. NORRIS. I ask unanimous consent to present an amendment to House bill 10871, being the War Department appropriation bill. I ask to have the amendment printed and lie on the table.

Mr. UNDERWOOD. I should like to ask the Senator from Nebraska to what his amendment relates?

Mr. NORRIS. It relates to the Muscle Shoals proposition.

Mr. UNDERWOOD. For curiosity I wanted to know; that was all.

Mr. NORRIS. I ought to state that in offering the amendment I do so under instructions from and by the authority of the Committee on Agriculture and Forestry. I think that ought to be shown in the RECORD.

The amendment was ordered to be printed and to lie on the table, as follows:

On page 132, after line 5, insert the following:

MUSCLE SHOALS.

For the continuation of the work on Dam No. 2 on the Tennessee River at Muscle Shoals, Ala., to be immediately available, $7,500,000.

AMENDMENT TO HOUSE RIVER AND HARBOR BILL.

Mr. ROBINSON submitted an amendment providing that the jurisdiction of the Mississippi River Commission be extended from St. Paul to the head of the passes, and to the tributaries and outlets of the Mississippi River in so far as they are affected by the flood waters of the Mississippi River, intended to be proposed by him to the bill (H. R. 10766) authorizing appropriations for the prosecution and maintenance of public works on canals, rivers, and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

RECLASSIFICATION OF GOVERNMENT EMPLOYEES.

Mr. STERLING. Mr. President, I hope to be allowed to proceed without interruption in the few remarks that I have to make. I desire to speak of certain phases of the reclassification problem. My remarks are made necessary, I think, by reason of certain articles which have appeared of late in the press.

In the Washington Star of May 29 appeared an article from which I read first the headlines:

Executive order on reclassifying expected July 1. President considers making it effective for 60,000 United States employees. All details completed. Appropriation awaited. Many becoming impatient over further delay as bonus issue comes up again.

I wish to say that the contents of the article are not quite so portentous as the headlines would lead us to believe, but they are bad enough. I desire to call attention to just a few quotations from the article:

President Harding is considering putting reclassification of the nearly 60,000 Federal employees in the District of Columbia into effect July 1 by Executive order. The reclassification schedules, necessary to fix up the pay rolls promptly on that date, have been actually prepared by the United States Bureau of Efficiency, in cooperation with the administrative officers in each of the Government establishments, in compliance with an Executive order of President Harding on October 24, 1921.

All that is necessary to establish the new salaries on July 1 is for Congress to appropriate the money necessary to pay them.

Then again:

Because the tariff bill has been occupying the center of the stage, and probably will continue to do so for several months, many Senators who are opposed to passing another bonus bill, and still more who are opposed to the Sterling-Lehlbach bill, are impatient over further delay, since it would junk all the work that has been done by the Bureau of Efficiency and would require the study to be made all over again by the Civil Service Commission. This would entail an additional appropriation for the employment of "experts" and take a year's time for another "investigation."

The Sterling-Lehlbach bill, carrying schedules for reclassification of the Government employees, passed the House six months ago and has been hanging fire in the Senate while debate drags on over the tariff.

Further on in the article it is said:

The real friends of the Government employees in both the House and the Senate are impatient over the proposed delay, even more than over the new appropriation that would be required. Because they believe that the short cut is to put through the reclassification schedules worked out by the Bureau of Efficiency and the administrative officers, pressure is being brought to bear on President Harding to issue an Executive order under which the army of Government workers would start the new fiscal year with a new statutory salary schedule carrying substantial increases.

Again the article states that—

The reclassification schedule promulgated by the Bureau of Efficiency under President Harding's Executive order of October 24, 1921, which is the same as the schedule in the bill introduced in the House and Senate, respectively, by Representative WILL R. WOOD of Indiana and Senator REED SMOOT, of Utah, can be put into effect July 1 without any further investigation or any further expense.

So, Mr. President, it would appear that under guise of an efficiency rating system the Bureau of Efficiency is to-day, at great expense to the Government, putting into the Federal departments a classification of positions that has not only not received the approval of Congress but in so far as it has been considered by Congress has been rejected. In the form of S. 1079 and H. R. 2021 it was before the Committees on Civil Service of the present Congress. These committees held hearings on this proposal and others that had been worked out and reached the conclusion that the Bureau of Efficiency plan as embodied in the two bills referred to was the inferior. The House committee favorably reported a bill drafted along radically different lines. The Representative from Indiana [Mr. WOOD], the House sponsor for the classification scheme of the Bureau of Efficiency, offered on the floor of the House to have that bureau's scheme substituted for the committee's bill as an amendment. The amendment was overwhelmingly rejected and House bill 8928, embodying the other plan, was passed.

The Senate Committee on Civil Service, to whom the House bill was referred, reported unanimously in favor of its passage with amendments. It went to the Appropriations Committee of the Senate under an agreement which limited the Appropriations Committee to a consideration only of the salary rates proposed. It has not yet been reported by that committee, although the bill was referred to the committee, Mr. President, when I reported it on behalf of the Committee on Civil Service to the Senate on February 6 last.

To go back somewhat further in the history of these measures and of the activities of the Bureau of Efficiency, this bureau on March 3, 1917, was directed by Congress in the legislative appropriation act to investigate the classification, salary, and efficiency of the employees of the departments and independent establishments and report fully or partially to Congress by January 1, 1918, as to needed equalizations or reclassification. It was further instructed to ascertain the rates of pay of various States and municipal governments and commercial institutions in different parts of the United States and to submit to Congress at its next regular session a report showing how such rates compare with the rates of pay of employees of the Federal Government performing similar services.

The Bureau of Efficiency became so busy demonstrating how the Bureau of War Risk Insurance should not be run and in other of its war-time activities that it failed to carry out the mandates of Congress regarding classification and salary standardization. On March 1, 1919, Congress established a Congressional Joint Commission on Reclassification of Salaries to take up this entire subject.

The joint commission started with the idea that the United States Bureau of Efficiency would be of great assistance, a laboratory, as it were, for the detailed work involved, and that its chief, Mr. Herbert D. Brown, would be its technical adviser, but it was not so to be; trouble arose. According to the view of the Bureau of Efficiency, the chief difficulty was that the reclassification commission wanted to give the employees an opportunity to prepare a statement of their duties to be considered in classifying the positions. The commission, it seems, wanted to work on the basis of a statement of facts agreed upon by the employee and his superior. The Bureau of Efficiency did not consider it necessary to have the employees in on the matter at all; it could not see why the employee should have his day in court before the verdict was rendered.

The Bureau of Efficiency has apparently not given publicity to another phase of the differences. The commission had two members literally and six figuratively from Missouri; they had to be shown; and it did not propose to do just as Mr. Brown said without inquiry and investigation. It summoned for conference and advice specialists in this field from outside the service, and it discovered, through its own inquiries and from information received from this outside help, that Mr. Brown was proposing not a modern, up-to-date classification, such as is being made the basis of modern personnel administration, both in public and private employment, but a halfway salary classification such as had been proposed many years ago by the old Keep Commission, made up of Government administrators. Such a classification well administered would have been perhaps an improvement over existing conditions, but it would not have furnished the basis for an effective reform in general personnel administration.

Some inspection, I am informed, was made of the material the Bureau of Efficiency had collected regarding the salaries paid outside the service; but, to make a long story short, the commission decided that it would not get its expert advice from Mr. Herbert D. Brown. He and the commission parted company. Thus Mr. Brown's scheme has been three times con-

sidered and rejected; once by a congressional joint commission, again by the two Committees on Civil Service of the present Congress, and then by a most decisive vote on the floor of the House.

Having been excused as not the best-qualified man for technical leadership in reclassification and salary standardization, Mr. Brown began a campaign against the work of the congressional commission. Examination of the printed reports of his testimony before the Appropriations Committees discloses that in this campaign, intentionally or unintentionally, he grossly misrepresented the facts. He made several statements which any fair-minded investigator who looks into the matter will have to admit are absolutely incorrect. In his public addresses he has again and again reiterated these incorrect statements; and no one can tell how far he and his assistants have gone in their private attacks on the work of the congressional commission and the bills that grew out of it.

Again and again he or his assistants have sought to create the impression that the congressional commission classified employees on the basis of their titles and not on the basis of the actual duties of their positions. Nothing could be further from the fact. In all the literature regarding the Federal civil service with which I am familiar there is no clearer exposition of the worthlessness of existing titles of positions than is contained in the report of the congressional commission. It is a conclusive statement. That commission never for one moment gave any consideration to an existing title in determining the proper classification of a position. As it reiterates time and time again, so that any fair-minded reader of ordinary intelligence can grasp the point, it classified positions on the basis of the duties and responsibilities involved and the qualifications that an employee would have to possess in order satisfactorily to enter upon the performance of those duties. It classified the position and not the incumbent. What qualifications the incumbent may have had that were not required for the job had nothing to do with the classification of the position he occupied; my understanding is that the congressional commission did not even inquire into these purely personal qualifications. When a member of the House Appropriations Committee got the erroneous impression that they did so inquire and so classify and asked the representative of the Bureau of Efficiency if his impression was not correct, it was the duty of the Bureau of Efficiency to correct that false impression and not to confirm it, as was done.

The truth is that the classification proposed by the congressional commission, as provided for in H. R. 8928, being the bill now before the Appropriations Committee, is based on the actual duties and responsibilities of and the qualifications for the positions. The Bureau of Efficiency scheme is a classification on the basis of the Bureau of Efficiency's idea of the value of the duties and not on the duties themselves.

Mr. KELLOGG. Mr. President, will the Senator yield?

Mr. STERLING. I announced at the beginning, if the Senator will excuse me, that I should like to proceed without interruption.

One more word regarding titles. The congressional commission realized that short titles are necessary, so that all concerned with positions can have a standard terminology in speaking of them. It wanted employees, administrators, Civil Service Commissioners, Budget authorities, Appropriations Committees, and Congress, all to have an agreed and standardized terminology, so that we may all use a common language. It proposed to substitute good titles for the existing bad titles. It appears that the Bureau of Efficiency does not want titles. It gives the impression that it prefers to work in the dark and not to let the world know what it is doing. Possibly it objects to titles because titles when properly applied let in the light.

Mr. Brown testified that in so far as he knew positions had not been allocated to classes under the general plan that has received the indorsement of the committees and the House and that no reliable estimates had been made regarding cost. Had he read intelligently and carefully the report of the congressional commission and familiarized himself with the procedure being followed by it he would have been better informed. The congressional commission tentatively allocated to classes practically all the positions in the District of Columbia which came under its jurisdiction, and it compiled elaborate statistical tables giving full information on the subject. Its printed report contained its estimates of cost on a percentage basis. The detailed tables it prepared were submitted to the committees but were not printed.

Subsequently new estimates were based on the figures compiled by the congressional commission as revisions were made in the bill, and these figures were checked by reports submitted by the department heads. No attempt has been made to have these estimates final and precise to the last figure. It has been assumed that Congress should act before the final steps are taken and that Congress should indicate its wishes respecting details. I am of the opinion that the whole matter of fixing Government salaries and dealing fairly with the Government and with the employees should not be delegated to Mr. Herbert D. Brown as Government autocrat.

A favorite assertion of Mr. Brown is that a dictionary classification, as he has been pleased facetiously to call it, has failed wherever it has been tried. The congressional commission, when it investigated the matter, did not find this to be the fact. It learned that progressive large employers, both public and private, were in increasing numbers adopting detailed duties classifications as the corner stone of good personnel administration.

At the joint hearings of the two Committees on the Civil Service this point was gone into, and witnesses familiar with the practice in other jurisdictions testified that such classifications were increasing in number. Such a classification is now recognized generally as a first step in modernizing employment procedure and general personnel administration. Curiously, Mr. Brown's own report on the Civil Service Commission abounds in evidence to show the imperative need of just such a classification as the congressional commission proposed. The improvements that have been made by the Civil Service Commission in the last few months are due largely to the publication of the classification made by the congressional commission and are mere forerunners of what we may expect when a good duties classification with uniform titles becomes operative in the service, provided Mr. Herbert D. Brown does not exercise his veto power and insist on his own classification whatever may be the wishes of Congress.

My information is that after Mr. Brown had been eliminated from the work of the congressional commission he desisted for a time from prosecuting his own scheme of classification. Possibly he had some doubts whether the appointment of a congressional commission to do the work did not by necessary implication repeal the authority given to him by earlier legislation, especially as he had failed to comply with the time elements of that authorization. Later, according to his statement before the Appropriations Committee of the House, a member of that committee authorized him to go ahead, and he began, directly and indirectly, spending thousands of dollars, his own organization's time and the time of the department officials and employees in furthering his own scheme, which would be run by the Bureau of Efficiency and thus give it an excuse for being and keep it from absorption into the Budget Bureau.

To avoid a too obvious duplication of the ground covered by the congressional commission and to get the greatest possible sanction of law for his expenditures, he has worked under the guise of establishing a system of efficiency ratings. His authority for that is in a rider on an appropriation bill. His whole bureau was brought into existence on a rider to an appropriation bill, it has been nurtured through riders, and it has no basic fundamental law covering its existence that has been carefully considered by the Congress. Mr. Good, when chairman of the Appropriations Committee of the House, after having brought about a reduction in Mr. Brown's salary from $10,000 to $7,500, his salary prior to the increase to $10,000 having been $6,000, gave it as his parting advice to the House that the Bureau of Efficiency should be merged into the Budget Bureau, thereby saving a good deal of money and wasted energy. The Congress has never had proper opportunity to consider this proposal, and if Mr. Brown can prevent it the Congress probably never will.

In passing, I should perhaps say that Mr. Good at one time was a supporter of the bureau on the floor of the House, but somehow his affections were alienated. He seemed to think that Mr. Brown had misrepresented to the Appropriations Committee the facts regarding his increase in salary. The House under Mr. Good's leadership was very insistent that the salary of the Chief of the Bureau of Efficiency should be definitely fixed, because at the rate it was rising it was threatening soon to pass out of sight. A little of the inflation was let out by Congress, and the salary was anchored at $7,500.

To come now to his efficiency scheme, as I interpret it, it embraces classification, allocation, salary standardization, and efficiency ratings—all of them. Under a rider to an appropriation act he is planning to perform administratively what some of us have had the temerity to believe were functions that properly belonged to Congress.

His classification scheme on its face, without investigation, seems like simplicity itself. He establishes 18 grades and at-

taches to each grade a salary range. Under each grade he gives a few illustrations of positions he regards as typical of that grade. When he gets an idea of the duties of a position, he puts the position into a grade. If it exactly fits the illustration, well and good. If it does not, he classifies it by analogy. He seeks the agreement of the administration, and if he gets it he is satisfied. There are those who say that he sometimes asserts he has the agreement of the administration, when in fact he has not, and from his record that does not seem entirely impossible.

Classification by analogy presents wonderful opportunities to a skillful manipulator. I understand that the accepted word is "adjustment." When things become uncomfortable in any respect, "analogy" permits "adjustment." Some critics seem to be of the opinion that "adjustments" are already more frequent in cases of upper administrative officers in a position to make vigorous objections and cause trouble than they are among the rank and file in the routine clerkships and labor positions. Inspection of the salary scale and of the administrative positions of the proposal, too, has led some people to an opinion that there has been a deliberate attempt to secure the support of upper administrative officers at the expense of the routine workers. Now, I do not allege that this is the fact, but I assert that it is entirely possible under a scheme that establishes no fundamental definition of grades and which permits classification by analogy. I would go further and say that with human nature as it is and the Government service what it is, a one-man classification by analogy is likely to result in "adjustments." If this system goes into effect it is easy to predict for the word "adjustment" a future in the public service which will be second only to that enjoyed by "influence," and there will then be the two partners, "influence" and "adjustment." Consider the "influence" that could be exerted for "adjustment" by the persons whose backing should enable the one-man Bureau of Efficiency to put through such a device. A bipartisan commission of three, with a reputation for judicial procedure and integrity, would not ordinarily be intrusted with such power, but would be bound by fundamental controlling definitions. To permit such a scheme as the Bureau of Efficiency proposes to put in practice would be indefensible, regardless of the personality and reputation of the man at the head of the bureau that is to administer it.

The salary scale in the Bureau of Efficiency proposal is its own handiwork. The Reclassification Commission proposed to show the Congress what the salary would be for each of the more than 1,700 classes of positions it found in the service and to get congressional approval for them. The Bureau of Efficiency proposes to go to the other extreme, and not to bother Congress about the salaries at all. It will fix the whole matter up quietly, without any fuss and feathers by "adjustments" with administrative officers; and all this, Mr. President, plainly appears from the quotation I made from the article in the Washington Star at the beginning of my remarks. Why let Congress as a whole pass on such an item, all-important though it be, when entire authority over the whole matter can be vested in the United States Bureau of Efficiency, at least so long as it is continued under its present head?

The salary scale on its face appears reasonably generous to upper administrative officers, but somewhat niggardly in dealing with the rank and file. We say "on its face," because the Brown efficiency rating system has a joker in it whereby for the rank and file of employees the upper salary rates in his salary scale are for bait rather than for realization.

Under his efficiency scheme an employee's salary rate within the range prescribed for the grade to which his position is allocated will depend on his efficiency rating; but, Mr. President, there is a distinction. It will not necessarily depend on his efficiency. It is here that the extreme ingenuity of the Chief of the United States Bureau of Efficiency becomes apparent. He has devised a three-cup game of "now you see it and now you don't," whereby while we are all talking about rewarding the efficient Government employee according to his efficiency Mr. Brown gets our eye on an efficiency rating and ends up with the average employee of the lower ranks at or below the middle of his grade, regardless of the efficiency of the average employee. We are mesmerized for a moment in a sort of haze of quantity, quality, percentages, and standards; but we come to at the end when on further study we are aroused to the fact that Mr. Brown has safely kept the average salary from rising, regardless of the efficiency of the employees.

The trick is done by having the standard for measuring the quantity of work done by employees, working in groups of five or more of one grade under a single supervisor, made out of rubber or any other sufficiently elastic material so that it will stretch. If the employees begin to get so efficient that there is some danger of the average salary for the group getting above the middle rate for the average, all you have to do is to stretch the standard and they are safely back where they started. Now and then one employee peculiarly efficient may be permitted to reach the upper rates, but it will be at the expense of others in the group, who will fall a corresponding distance below the average.

Figures, percentages, averages in the hands of so experienced an efficiency expert as the Chief of the United States Bureau of Efficiency furnish, of course, the necessary elastic medium for a standard. In his book of rules for the system, circular No. 4—a pamphlet which was referred to the Committee on Civil Service for consideration along with Executive orders and legislation relating to the Bureau of Efficiency and for consideration also in connection with reclassification but a few days ago—in his book of rules for the system, in paragraph 30, he provides for an appropriate test to determine that the standard has been stretched to just the proper length so that the average quantity rating for the group will not exceed 100 per cent. The quality rating can not exceed 100 per cent, and therefore the product of the two can not give an efficiency rating over a hundred, and a rating of 100 puts the employees at the middle salary for the grade.

Mr. President, some of us seem to belong to a school of thought or of ethics very different from the one of which Mr. Brown is an exponent. To us a standard is something fixed and uniform and not something which will vary from department to department, from bureau to bureau, from office to office, and from time to time. To us the ideals of equal pay for equal work, payment on the basis of efficiency, and justice alike to the Government and to the employees are something more than mere phrases.

Mr. President, I am unable to sit quietly by while a scheme is established without consulting Congress which provides for classification by analogy, allocation by adjustment, and efficiency measurement by a variable instead of a standard. As chairman of the Civil Service Committee, a committee that has worked faithfully in the consideration of the various reclassification measures that have been referred to it, that has been in close touch with the Civil Service Committee of the House and its able chairman, Mr. LEHLBACH; that has given attention to the work and the report of the Joint Reclassification Commission; that has consulted well-recognized experts in reclassification and personnel problems, and having no other interest than the good of the service at heart, and feeling, I think, the full weight of my responsibility in this most important matter, I most earnestly protest against these or any further attempts upon the part of the head of the Bureau of Efficiency to carry out a scheme which, I believe, is bound to prove unsatisfactory to the Government, the heads of departments, and unjust to employees—and, so proving, it will be detrimental to the public welfare.

Mr. President, I send to the desk a resolution which I ask to have read, and then I shall ask unanimous consent for its present consideration.

The VICE PRESIDENT. The Secretary will read the resolution.

The reading clerk read the resolution (S. Res. 297), as follows:

Resolved, That the Senate Committee on Civil Service be, and it is hereby, authorized and directed to investigate and report upon the activities, methods, and procedure of the United States Bureau of Efficiency in devising and installing a system or systems of classification of positions, salary standardization, and efficiency rating in the Federal service, and upon the activities of said bureau, its chief, or any of his assistants, in opposing pending legislation on these subjects (H. R. 8928), which has passed the House of Representatives, has been favorably reported with amendments by the Senate Committee on Civil Service, and has been referred to the Committee on Appropriations.

Mr. STERLING. I ask unanimous consent for the immediate consideration of the resolution just read.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. I object to its present consideration.

Mr. STERLING. Then, I ask that it may lie on the table.

The VICE PRESIDENT. The resolution will go over, under the rule.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I ask that we return to page 39, paragraph 217, for the purpose of acting upon some committee amendments.

Mr. CALDER. Mr. President, will the Senator from North Dakota yield so that I may call up House bill 9527, providing for the extension of bank charters?

Mr. McCUMBER. Let us dispose of this paragraph first, if the Senator will allow me to proceed.

Mr. CALDER. Very well.

The VICE PRESIDENT. The Secretary will state the amendment.

The READING CLERK. In paragraph 217, on page 39, line 11, the committee proposes to strike out "28" and insert in lieu thereof "50," so as to make the proviso read:

Provided, That none of the above articles shall pay a less rate of duty than 50 per cent ad valorem.

Mr. McCUMBER. The committee amendment proposes to raise the limit from 28 per cent ad valorem to 50 per cent ad valorem. I ask that the Senate shall disagree to the committee amendment, and then I shall ask that the lines including the words "that none of the above articles shall pay a less rate of duty than 28 per cent ad valorem" be stricken out.

Mr. SIMMONS. Mr. President, I was temporarily out of the Chamber when the consideration of the tariff bill was resumed. I would like to inquire of the Senator what paragraph he is referring to?

Mr. McCUMBER. It will be found on page 39 of the bill, paragraph 217.

Mr. SIMMONS. The Senator desires to recede from the committee amendment making the rate 50 per cent?

Mr. McCUMBER. First, I shall ask that the Senate disagree to the committee amendment proposed on line 11, whereby 28 per cent is changed to 50 per cent. That will leave the rate 28 per cent. If that amendment is disagreed to, as I request, I shall then ask that the entire provision be stricken out, so that there will be no limitation.

Mr. SIMMONS. I have no objection at all to changing the rate from 50 to 28.

Mr. WATSON of Georgia and Mr. JONES of New Mexico rose.

Mr. McCUMBER. I think Senators will have no objection to reducing the rate from 50 to 28. Then I shall move to strike out the entire proviso.

Mr. SIMMONS. After the rate is reduced from 50 to 28, of course there will be a vote on whether we shall adopt 28 per cent?

Mr. McCUMBER. Yes; but I think no one will object to my suggestion.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. McCUMBER. That leaves the proviso to read:

Provided, That none of the above articles shall bear a less rate of duty than 28 per cent ad valorem.

We have fixed the rate by specific duties, and that action will cut out the provision that it shall not be less than 28 per cent. So if the specific duty is less than 28 per cent, the specific duty, of course, will govern.

Mr. SIMMONS. What is the specific duty?

Mr. McCUMBER. There are several of them. I read:

Plain green or colored, molded or pressed, and flint, lime, or lead glass bottles, vials, jars, and covered or uncovered demijohns, and carboys, any of the foregoing, filled or unfilled, not specially provided for, and whether their contents be dutiable or free (except such as contain merchandise subject to an ad valorem rate of duty, or to a rate of duty based in whole or in part upon the value thereof, which shall be dutiable at the rate applicable to their contents), shall pay duty as follows: If holding more than one pint, 1 cent per pound; if holding not more than one pint and not less than one-fourth of a pint, 1½ cents per pound; if holding less than one-fourth of a pint, 50 cents per gross.

Mr. SIMMONS. I now understand what the Senator's proposition is. I did not at first. The Senator proposes to cut the ad valorem rate out and leave the specific rate.

Mr. McCUMBER. That is correct.

The VICE PRESIDENT. The question is on agreeing to the amendment striking out the proviso as amended.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee to paragraph 217.

The next amendment was, on page 39, line 14, to strike out the word "as" after the word "use."

The amendment was agreed to.

The next amendment was, on page 39, line 15, after the word "employed," to strike out the words "as containers."

The amendment was agreed to.

The next amendment was, on page 39, line 17, to strike out the word "operations" and to insert the words "operations, and not to include bottles for table service and thermostatic bottles."

The amendment was agreed to.

Mr. WATSON of Georgia. Mr. President, some weeks ago——

Mr. McLEAN. Mr. President, I wonder if the Senator from Georgia heard the request of the Senator from New York [Mr. CALDER] that he be allowed to call up House bill 9527, extending bank charters?

Mr. WATSON of Georgia. I have just been in conference with the Senator from New York, and he very courteously agreed to give way to me for a few moments.

Mr. McLEAN. Very well.

EUROPEAN RELIEF EXPENDITURES.

Mr. WATSON of Georgia. Mr. President, some weeks ago, while we were debating the new judgeship bill, the senior Senator from Tennessee [Mr. SHIELDS] read into the record a letter he had received from Mr. Wayne B. Wheeler, of the Anti-Saloon League. The Senator also read his reply to it, and proceeded to make some comments of an explanatory or interpretative character.

When subsequently a request was made by the junior Senator from Wisconsin [Mr. LENROOT] to place the Wayne B. Wheeler letter in the RECORD, I thought it was simply a matter of fairness to the Senator from Tennessee and to myself that Senator SHIELDS's answer to Mr. Wheeler's letters, together with his comment, should all go in together, so that the RECORD would present to the country exactly what had happened and the people could see whether or not the construction placed on the letter by me, and apparently by Senator SHIELDS, was justified.

I did not unconditionally object to the putting in of the letter of Mr. Wheeler. I have never in any case made an objection purely obstructive. My objection was conditional, and my consent would have been given had the Senator from Wisconsin been willing that Senator SHIELDS's reply to Mr. Wheeler's letter, and his comment upon it, should also have gone into the RECORD, so that the whole thing would have been connectedly presented. So much for that.

My conduct on that occasion was alleged as an excuse for what I took to be a discourtesy yesterday in reading into the record a letter from Mr. Herbert Hoover. In that letter Mr. Hoover said:

Wherever these asssociations have handled funds belonging to the United States Government, the whole of the accounts and vouchers have of necessity been deposited in the United States Treasury in order to obtain payment of appropriations. As a matter of fact, a large part of these accounts have actually been reprinted in the CONGRESSIONAL RECORD itself.

I made objection to the publication of that letter until I could make some comment upon it myself. My statement had been as follows:

Herbert Hoover has never published in America the vouchers and statements of the vast sums of money that he has been handling.

It will be noticed that I used the words "statements and vouchers," and every lawyer and layman who heard me must have been conscious of the fact that I was taking the legal view of it and was speaking of such a statement as would be rendered by a guardian, an administrator, an executor, a trustee, a receiver, an assignee. In fact, almost every person intrusted with funds belonging to others is required by law to publish an itemized statement accompanied by vouchers sustaining it. That is exactly what I had in mind, and that is why I said that no such statement and vouchers had ever been published by Mr. Hoover.

With a supreme air of triumph the Senator from Wisconsin [Mr. LENROOT] held in his hands certain documents which he said proved that Mr. Hoover had done what I said he had not done, and he sent them to my desk asking that if upon examination I found that my statement was incorrect I would make the correction. That I promised to do.

Last night I examined these documents, and I must say that I feel some doubt now as to whether they have been examined by the Senator from Wisconsin [Mr. LENROOT].

They do not at all contradict my statement. There are no itemized statements. There are no vouchers here. There are no pay rolls or salary lists. Only one person out of all of the great numbers employed is mentioned by official designation and his salary given. These documents form no part of the CONGRESSIONAL RECORD. As yet no one has cited that part of the CONGRESSIONAL RECORD which contains any statements or vouchers or itemized accounts of Mr. Hoover. As yet no one has mentioned any newspaper that has published such statements, accounts, or vouchers which any lawyer would know ought to be itemized.

These statements, however, do contain astonishing information. They show that Mr. Hoover had the handling of the vastest sums of money ever handled by any one man in the history of the world. The sums are almost incredible. No emperor, no king, no Crœsus, no King Solomon, no bonanza king, no American millionaire, ever handled such vast sums

as were put in the hands of Mr. Hoover. I crave the indulgence of the Senate while I recite a few of the facts appearing in these reports.

Administration and general expenses to the 17th of June, 1920: London, $665,000; New York, $1,778,000; Rotterdam, $553,000; Brussels, $524,000; National Committee for Relief in Belgium, expenses and cash advances, $211,000; Lille, $28,000; Antwerp, $84,000; making the expense account of administration nearly $4,000,000, and no reference is made as to where the items or the vouchers could be found. The loss on furniture, fittings, and motor cars is put at $25,000—no items given.

I did not say that he has no vouchers. My statement was that he had not published any. I did not say that he had no itemized statement. What I said was that he had not published any. As yet my statement has not been disproved.

This account seems to show that Mr. Hoover had from $400,000,000 to $600,000,00 every year during the whole period of time he was in charge of the European work. The sums are simply staggering.

Here is the summary of the expenses of administration and general expense:

London office	$665,400.28
New York office	1,778,460.69
Rotterdam	553,223.35
Brussels	524,376.00
Paris	36,121.00
National committee	211,539.00
Lille	28,192.00
Antwerp	84,156.00

Who got the salaries? Who were on the pay roll, what men and what women? What did each get and what services did they render? Have the American people no right to know? Have the charitable individuals, societies, State and Federal Governments no right to know?

Here is a statement on page 62:

Transport expenditures, $165,239,023.32.

In London:

Accountants' charges	$81,274
Printing and stationery	78,313
Cables and postage	77,426
Office rent	38,597
Traveling expenses	26,988
General expenses	56,470
Press salaries and expenses	3,291
Salaries and wages	293,978
Clothing expenses	2,131

Making total expenses of the London office, $665,400.28.

Now, Mr. President, how did they expend $78,000 in printing? What did they print? Who got all these salaries, and what is meant by "press salaries"? Should not the people who gave this money know where it went and how such a large sum was expended in London as $665,000?

Here is New York City:

Clothing and campaign expenses.

What is meant by campaign expenses? We have no information, but the campaign to get clothing for the European needy cost this fund $882,572. Who got the money, and what service was rendered? In what sort of work did the campaign consist? Who were the campaigners? Who were the men and women who got the salaries, and how much did each get?

Here is the next item:

Salaries and wages, $490,878.

Adding these two together we have considerably more than $1,300,000 for salaries, wages, and campaign expenses. Then:

General expenses not itemized	$139,513
Cables, telegrams, and postage	74,609
Press expenses	40,783

What were those press expenses? What is meant by that?

Accountants' and auditors' fees	$35,250
Traveling expenses	35,427
Stationery and printing	20,689

Then I come again to Belgium, at Rotterdam:

Salaries and wages	$287,722
Clothing department	76,000
Traveling expenses	44,552
General expenses	35,696
Motor-car expenses	9,515
Press expenses	1,011

What is meant by press expenses?

Then we come to Brussels, Belgium:

Delegates' expenses	$219,936.79

What is meant by that, Mr. President? I would really like information on the subject. What delegates were these, and why did they have to have expenses and salaries out of these charity funds?

Motor-car expenses	$153,316.00
Salaries	63,400.00
Traveling expenses	24,694.77
General expenses	28,000.00
Printing and stationery	10,529.00
Telegrams and cables	895.00

Now, let us take page 98:

Circulars, stationery, and printing	$93,434
Secretary's salary, 31st of May, 1919	23,377

As I said, he is the only officer designated in these accounts and even his name is not given, although I suppose it could be found by examining some other part of the report.

Secretary's traveling expenses	$3,847
Clerical assistance	7,597
Flags, etc	2,760
Cables	1,470
Sundries	1,257
Telephone	1,019
Press cuttings	904

For clippings out of newspapers—eulogistic of Mr. Hoover and his work, no doubt—$904 is charged up to the charity fund.

Under the heading "Lille office working account," I quote the following:

Delegates	$6,176.62
Motor car	6,066.04
Office salaries and wages	5,636.99
General expenses	1,617.45
Traveling and hotel	3,277.17

Staff house—

Whatever that may mean—

$2,177.60; office expenses, $1,365.23.

Under the heading "Antwerp office expenses" appear the following items:

Salaries	$34,431.08
Clothing department expenses	22,706.48
Auto expenses	7,907.30
Delegate's allowances	5,686.38
Stationery and printing	5,109.52
General expenses	5,359.78
Traveling expenses	1,430.59

At Rotterdam there is an item for motor cars of $16,586.15, and so on throughout the report. There is not a single itemized statement, not a single voucher; and no reference is made, so far as I can see, to where one could find either the itemized statements or the vouchers.

I have read enough, Mr. President, to accomplish my purpose, which was to show that no such statement, accompanied with vouchers, as the law invariably requires of those acting in a fiduciary capacity and handling trust funds, has been filed in connection with these accounts.

EXTENSION OF CHARTERS OF NATIONAL BANKS.

Mr. CALDER obtained the floor.

Mr. McCUMBER. Mr. President, the Senator from New York [Mr. CALDER] is a member of the Finance Committee, and I am going to leave it to his own good judgment as to whether he thinks we ought to sandwich in between these extraneous matters a little consideration of the tariff bill.

Mr. CALDER. The bill for which I desire to ask consideration will, I think, meet with no objection. I think we can complete its consideration in a moment or two.

Mr. President, the Committee on Banking and Currency on May 27 reported unanimously House bill 9527, which proposes to extend the charters of national banks. I ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The Senator from New York asks unanimous consent for the present consideration of a bill, the title of which will be stated by the Secretary.

The ASSISTANT SECRETARY. A bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WATSON of Georgia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Borah	Harris	Newberry	Spencer
Broussard	Harrison	Norris	Sterling
Calder	Jones, N. Mex.	Oddie	Sutherland
Capper	Jones, Wash.	Page	Townsend
Caraway	Kellogg	Pepper	Underwood
Culberson	Kendrick	Poindexter	Wadsworth
Curtis	Keyes	Pomerene	Walsh, Mass.
Dial	Ladd	Ransdell	Warren
du Pont	La Follette	Rawson	Watson, Ga.
Edge	McCumber	Robinson	Watson, Ind.
France	McKinley	Sheppard	Williams
Frelinghuysen	McLean	Shortridge	Willis
Gerry	McNary	Simmons	
Glass	Nelson	Smith	
Hale	New	Smoot	

Mr. UNDERWOOD. I desire to take this opportunity to announce the absence of the senior Senator from Florida [Mr. FLETCHER] on account of sickness, and to say that he is paired with the Senator from Delaware [Mr. BALL]. I ask that this announcement may stand for the day.

The PRESIDING OFFICER. Fifty-seven Senators having answered to their names, a quorum of the Senate is present. Is there objection to the request of the Senator from New York for the present consideration of the bill named by him?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations, which had been reported from the Committee on Banking and Currency with amendments, in line 6, after the word "have," to strike out "perpetual"; in the same line, after the word "until," to insert "99 years from July 1, 1922, or from the date of its organization if organized after July 1, 1922, unless"; in line 9, before the word "dissolved," to insert the word "sooner"; in line 10, after the word "stock," to insert the word "or"; on page 2, line 1, after the word "by," to strike out "the provision of"; and in the same line, after the word "Congress," to strike out "hereinafter" and insert "hereafter"; so as to make the bill read:

Be it enacted, etc., That section 5136 of the Revised Statutes of the United States be amended so that the paragraph therein designated as "Second" shall read as follows:

"Second. To have succession until 99 years from July 1, 1922, or from the date of its organization if organized after July 1, 1922, unless it shall be sooner dissolved by the act of its shareholders owning two-thirds of its stock, or unless its franchise shall become forfeited by reason of violation of law, or unless it shall be terminated by act of Congress hereafter enacted."

SEC. 2. That all acts or parts of acts providing for the extension of the period of succession of national banking associations for 20 years are hereby repealed, and the provisions of paragraph 2 of section 5136, Revised Statutes, as herein amended shall apply to all national banking associations now organized and operating under any law of the United States.

The amendments were agreed to.

The bill was reported to the Senate as amended and the amendments were concurred in.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof for a period of 99 years or until dissolved, and to apply said section as so amended to all national banking associations."

NEW YORK-NEW JERSEY PLAN OF PORT DEVELOPMENT.

Mr. EDGE. Mr. President, in order that the States of New York and New Jersey may be permitted to carry out a very large and comprehensive plan for port development, it becomes necessary for Congress to adopt a permissive act giving them that privilege. I ask unanimous consent for the immediate consideration of Senate Joint Resolution 171, which has been favorably reported by the Committee on the Judiciary, with three slight amendments.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution which the Secretary will report?

Mr. HARRISON. Let it be reported.

The ASSISTANT SECRETARY. Senate Joint Resolution 171, granting consent of Congress and authority to the Port of New York Authority to execute the comprehensive plan approved by the States of New York and New Jersey by chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which had been reported from the Committee on the Judiciary with amendments.

The amendments were, on page 10, line 6, to strike out "subject matter" and insert "matters"; on the same line to strike out "of" and insert "covered by"; on line 9 to strike out "and any modifications thereof"; and on line 15, after the word "agreement," to insert: "*Provided further*, That no bridges, tunnels, or other structures shall be built across, under, or in any of the waters of the United States, and no change shall be made in the navigable capacity or condition of any of such waters until the plans therefor have been approved by the Chief of Engineers and the Secretary of War," so as to make the joint resolution read:

Whereas, pursuant to the agreement or compact entered into by the States of New York and New Jersey under date of April 30, 1921, and consented to by the Congress of the United States by resolution signed by the President on the 23d day of August, 1921, the two States have agreed upon a comprehensive plan for the development of the port of New York, embraced in statutes duly enacted by the two States in form following, that is to say:

"SECTION 1. Principles to govern the development:

"First. That terminal operations within the port district, so far as economically practicable, should be unified.

"Second. That there should be consolidation of shipments at proper classification points so as to eliminate duplication of effort, inefficient loading of equipment, and realize reduction in expenses.

"Third. That there should be the most direct routing of all commodities, so as to avoid centers of congestion, conflicting currents, and long truck hauls.

"Fourth. That terminal stations established under the comprehensive plan should be union stations, so far as practicable.

"Fifth. That the process of coordinating facilities should, so far as practicable, adapt existing facilities as integral parts of the new system, so as to avoid needless destruction of existing capital investment and reduce so far as may be possible the requirements for new capital; and endeavor should be made to obtain the consent of local municipalities within the port district for the coordination of their present and contemplated port and terminal facilities with the whole plan.

"Sixth. That freight from all railroads must be brought to all parts of the port wherever practicable without cars breaking bulk, and this necessitates tunnel connection between New Jersey and Long Island, and tunnel or bridge connections between other parts of the port.

"Seventh. That there should be urged upon the Federal authorities improvement of channels, so as to give access for that type of waterborne commerce adapted to the various forms of development which the respective shore fronts and adjacent lands of the port would best lend themselves to.

"Eighth. That highways for motor-truck traffic should be laid out so as to permit the most efficient interrelation between terminals, piers, and industrial establishments not equipped with railroad sidings and for the distribution of building materials and many other commodities which must be handled by trucks; these highways to connect with existing or projected bridges, tunnels, and ferries.

"Ninth. That definite methods for prompt relief should be devised which can be applied for the better coordination and operation of existing facilities while larger and more comprehensive plans for future development are being carried out.

"SEC. 2. The bridges, tunnels, and belt lines forming the comprehensive plan are generally and in outline indicated on maps filed by the Port of New York Authority in the offices of the secretaries of the States of New York and New Jersey, and are hereinafter described in outline.

"SEC. 3. Tunnels and bridges to form part of the plan: (a) A tunnel or tunnels connecting the New Jersey shore and the Brooklyn shore of New York to provide through-line connection between the transcontinental railroads now having their terminals in New Jersey with the Long Island Railroad and the New York connecting railroad on Long Island, and with the New York Central and Hudson River Railroad and the New York, New Haven & Hartford Railroad in the Bronx, and to provide continuous transportation of freight between the Queens, Brooklyn, and Bronx sections of the port to and from all parts of the westerly section of the port for all of the transcontinental railroads. (b) A bridge and/or tunnel across or under the Arthur Kill, and/or the existing bridge enlarged to provide direct freight carriage between New Jersey and Staten Island. (c) The location of all such tunnels or bridges to be at the shortest, most accessible, and most economical points practicable, taking account of existing facilities now located within the port district and providing for and taking account of all reasonably foreseeable future growth in all parts of the district.

"SEC. 4. Manhattan service: The island of Manhattan to be connected with New Jersey by bridge or tunnel, or both, and freight destined to and from Manhattan to be carried underground, so far as practicable by such system, automatic electric as hereinafter described or otherwise, as will furnish the most expeditious, economical, and practicable transportation of freight, especially meat, produce, milk, and other commodities comprising the daily needs of the people. Suitable markets, union inland terminal stations, and warehouses to be laid out at points most convenient to the homes and industries upon the island, the said system to be connected with all the transcontinental railroads terminating in New Jersey and by appropriate connection with the New York Central & Hudson River Railroad, the New York, New Haven & Hartford, and the Long Island Railroads.

"SEC. 5. Belt lines: The numbers hereinafter used correspond with the numbers which have been placed on the map of the comprehensive plan to identify the various belt lines and marginal railroads.

"No. 1, middle belt line: Connects New Jersey and Staten Island and the railroads on the westerly side of the port with Brooklyn, Queens, the Bronx, and the railroads on the easterly side of the port. Connects with the New York Central Railroad in the Bronx; with the New York, New Haven & Hartford Railroad in the Bronx; with the Long Island Railroad in Queens and Brooklyn; with the Baltimore & Ohio Railroad near Elizabethport and in Staten Island; with the Central Railroad Co. of New Jersey at Elizabethport and at points in Newark and Jersey City; with the Pennsylvania Railroad in Newark and Jersey City; with the Lehigh Valley Railroad in Newark and Jersey City; with the Delaware, Lackawanna & Western Railroad in Jersey City and the Secaucus meadows; with the Erie Railroad in Jersey City and the Secaucus meadows; with the New York, Susquehanna & Western, the New York, Ontario & Western, and the West Shore Railroads on the westerly side of the Palisades above the Weehawken Tunnel.

"The route of the middle belt line, as shown on said map, is in general as follows: Commencing at the Hudson River at Spuyten Duyvil, running easterly and southerly generally along the easterly side of the Harlem River, utilizing existing lines so far as practicable and improving and adding where necessary, to a connection with Hell Gate Bridge and the New Haven Railroad, a distance of approximately 7 miles; thence continuing in a general southerly direction, utilizing existing lines and improving and adding where necessary, to a point near Bay Ridge, a distance of approximately 18½ miles; thence by a new tunnel under New York Bay in a northwesterly direction to a portal in Jersey City or Bayonne, a distance of approximately 5 miles, to a connection with the tracks of the Pennsylvania and Lehigh Valley Railroads; thence in a generally northerly direction along the easterly side of Newark Bay and the Hackensack River at the westerly foot of the Palisades, utilizing existing tracks and improving and adding where necessary, making connections with the Jersey Central; Pennsylvania; Lehigh Valley; Delaware, Lackawanna & Western; Erie; New York, Susquehanna & Western; New York, Ontario & Western; and West Shore Railroads, a distance of approximately 10 miles. From the westerly portal of the Bay Tunnel and from the line along the easterly side of

Newark Bay by the bridges of the Central Railroad of New Jersey (crossing the Hackensack and Passaic Rivers) and of the Pennsylvania and Lehigh Valley Railroads (crossing Newark Bay) to the line of the Central Railroad of New Jersey, running along the westerly side of Newark Bay, and thence southerly along this line to a connection with the Baltimore & Ohio Railroad south of Elizabethport, utilizing existing lines so far as practicable and improving and adding where necessary, a distance of approximately 12 miles; thence in an easterly direction crossing the Arthur Kill, utilizing lines so far as practicable and improving and adding where necessary, along the northerly and easterly shores of Staten Island to the new city piers and to a connection, if the city of New York consent thereto, with the tunnel under the Narrows to Brooklyn, provided for under chapter 700 of the laws of the State of New York for 1921.

"No. 2: A marginal railroad to The Bronx extending along the shore of the East River and Westchester Creek, connecting with the middle belt line (No. 1) and with the New York, New Haven & Hartford Railroad in the vicinity of Westchester.

"No. 3: A marginal railroad in Queens and Brooklyn extending along Flushing Creek, Flushing Bay, the East River, and the upper New York Bay. Connects with the middle belt line (No. 1) by lines No. 4, No. 5, No. 6, and directly at the southerly end at Bay Ridge. Existing lines to be utilized and improved and added to and new lines built where lines do not now exist.

"No. 4: An existing line to be improved and added to where necessary. Connects the middle belt line (No. 1) with the marginal railroad (No. 3) near its northeasterly end.

"No. 5: An existing line to be improved and added to where necessary. Connects the middle belt line (No. 1) with the marginal railroad (No. 3) in Long Island City.

"No. 6: Connects the middle belt line (No. 1) with the marginal railroad (No. 3) in the Greenpoint section of Brooklyn. The existing portion to be improved and added to where necessary.

"No. 7: A marginal railroad surrounding the northerly and westerly shores of Jamaica Bay. A new line. Connects with the middle belt line (No. 1).

"No. 8: An existing line to be improved and added to where necessary. Extends along the southeasterly shore of Staten Island. Connects with middle belt line (No. 1).

"No. 9: A marginal railroad extending along the westerly shore of Staten Island and a branch connection with No. 8. Connects with the middle belt line (No. 1) and with a branch from the outer belt line (No. 15).

"No. 10: A line made up mainly of existing lines, to be improved and added to where necessary. Connects with the middle belt line (No. 1) by way of marginal railroad No. 11. Extends along the southerly shore of Raritan Bay and through the territory south of the Raritan River reaching New Brunswick.

"No. 11: A marginal railroad extending from a connection with the proposed outer belt line (No. 15) near New Brunswick along the northerly shore of the Raritan River to Perth Amboy; thence northerly along the westerly side of the Arthur Kill to a connection with the middle belt line (No. 1) south of Elizabethport. The portion of this line which exists to be improved and added to where necessary.

"No. 12: A marginal railroad extending along the easterly shore of Newark Bay and the Hackensack River and connects with the middle belt line (No. 1). A new line.

"No. 13: A marginal railroad extending along the westerly side of the Hudson River and the upper New York Bay. Made up mainly of existing lines—the Erie Terminals, Jersey Junction, Hoboken Shore, and National Dock Railroads. To be improved and added to where necessary. To be connected with middle belt line (No. 1).

"No. 14: A marginal railroad connecting with the middle belt line (No. 1) and extending through the Hackensack and Secaucus Meadows.

"No. 15: An outer belt line extending around the westerly limits of the port district beyond the congested section. Northerly terminus on the Hudson River at Piermont. Connects by marginal railroads at the southerly end with the harbor waters below the congested section. By spurs connects with the middle belt line (No. 1) on the westerly shore of Newark Bay and with the marginal railroad on the westerly shore of Staten Island (No. 9).

"No. 16: The automatic electric system for serving Manhattan Island. Its yards to connect with the middle belt line and with all the railroads of the port district. A standard-gauge underground railroad deep enough in Manhattan to permit of two levels of rapid-transit subways to pass over it. Standard railroad cars to be brought through to Manhattan terminals for perishables and food products in refrigerator cars. Cars with merchandise freight to be stopped at its yards. Freight from standard cars to be transferred onto wheeled containers, thence to special electrically propelled cars, which will bear it to Manhattan. Freight to be kept on wheels between the door of the standard freight car at the transfer point and the tailboard of the truck at the Manhattan terminal or the store door, as may be elected by the shipper or consignee, eliminating extra handling. Union terminal stations to be located on Manhattan in zones as far as practicable of equal trucking distance, as to pickups and deliveries, to be served by this system. Terminals to contain storage space and space for other facilities, the system to bring all the railroads of the port to Manhattan.

"SEC. 6. The determination of the exact location, system, and character of each of the said tunnels, bridges, belt lines, approaches, classification yards, warehouses, terminals, or other improvements shall be made by the port authority after public hearings and further study, but in general the location thereof shall be as indicated upon said map, and as herein described.

"SEC. 7. The right to add to, modify, or change any part of the foregoing comprehensive plan is reserved by each State, with the concurrence of the other."

Whereas the carrying out and executing of the said plan will the better promote and facilitate commerce between the States and between the States and foreign nations and provide better and cheaper transportation of property and aid in providing better postal, military, and other services of value to the Nation: Therefore be it

Resolved, etc., That subject always to the approval of the officers and agents of the United States as required by acts of Congress touching the jurisdiction and control of the United States over the matters, or any part thereof, covered by this resolution, the consent of Congress is hereby given to the carrying out and effectuation of said comprehensive plan, and the said Port of New York Authority is authorized and empowered to carry out and effectuate the same: *Provided*, That nothing herein contained shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of said agreement: *Provided further* That no bridges, tunnels, or other structures shall be built across, under, or in any of the waters of the United States, and no change shall be made in the navigable capacity or condition of any such waters until the plans therefor have been approved by the Chief of Engineers and the Secretary of War.

SEC. 2. That the right to alter, amend, or repeal this resolution is hereby expressly reserved.

Mr. ROBINSON. Mr. President, this seems to be quite a voluminous measure, and I think the Senate ought to be given an opportunity to understand its purposes and effect. There are several pages of preamble.

Mr. EDGE. If the Senator from Arkansas will permit me, I did not want to take the time of the Senate from the consideration of the tariff bill.

Mr. ROBINSON. But, Mr. President, the Senator has taken the time of the Senate from the consideration of the tariff bill by asking unanimous consent for the consideration of this measure; and I do not think anyone here, except, perhaps, the Senator from New Jersey and some other Senators who may have had an opportunity of familiarizing themselves with it, understands the purposes of this joint resolution. There are nine pages of preamble to the joint resolution, appearing to present a large number of facts which make its passage necessary. What I want to know is the purposes and effect of the joint resolution. I have not had an opportunity of reading it, and it has not been read.

Mr. EDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from New Jersey?

Mr. ROBINSON. Certainly.

Mr. EDGE. I shall be very glad to explain the joint resolution in a very few moments.

The recitals to which the Senator refers are the recitals of the projects which the two States hope to carry out. The joint resolution provides for absolutely no appropriation from the Government. It does not contemplate any appropriation from the Government. Under Federal laws, the War Department must give permission for the improvement of navigable waters. They have gone over this joint resolution very carefully and have suggested two or three slight amendments, and the Committee on the Judiciary have reported the measure favorably with those slight amendments. The long joint resolution is merely, as stated, a recital of what these two States hope to put into effect; and the Senator will notice that at the end of the joint resolution it is provided that if in any way, at any time, any of these projects do not meet the approval of the Government, the two States are prohibited from carrying them out. It means the expenditure of eight or ten million dollars to try to enlarge and increase the facilities of the port of New York, not only for the benefit of that section of the country, but, I think it will be agreed, for the benefit of the entire country.

The coming to Congress is merely a perfunctory matter growing out of the fact that the States are prohibited from going into any interstate development without congressional permission. That is all that the joint resolution contemplates. The Committee on the Judiciary have undoubtedly investigated, as their responsibility entails, any privilege that might be granted by the passage of this joint resolution; and, as I have stated, the War Department has sent in its report in every way approving the joint resolution, with slight amendments.

Mr. ROBINSON. The joint resolution appears to be designed to carry out an agreement entered into between the States of New Jersey and New York for a comprehensive scheme of development and improvement in which the States are jointly interested.

Mr. EDGE. That is it exactly. The two States have entered into a treaty already, which has been ratified by the legislature of each State.

Mr. ROBINSON. I have no objection to the passage of the measure.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

POTEAU RIVER DAM, ARK.

Mr. CARAWAY. I ask unanimous consent, out of order, to report back favorably from the Committee on Commerce Senate bill 3416, to permit the city of Fort Smith, Sebastian County, Ark., to erect or cause to be erected a dam across the Poteau River, and I submit a report (No. 729) thereon. I ask unanimous consent for the immediate consideration of the bill. It

will take only a moment. It grants to the city of Fort Smith the right to construct a dam across a river to protect the city water supply.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Commerce, with amendments.

The amendments were, on page 2, line 1, after the word "dam," to insert "for water-supply purposes"; at the end of line 4 to strike out the period and to insert a comma and the words "at such location and in accordance with such plans as may be approved by the Chief of Engineers and the Secretary of War: *Provided*, That this act shall not be construed to authorize the use of such dam to develop water power or generate electricity"; after line 4 to strike out section 2, as follows:

SEC. 2. That the right is hereby reserved to alter, amend, or repeal this act—

and in lieu thereof to insert:

SEC. 2. That this act shall be null and void unless the actual construction of the dam hereby authorized is commenced within one year and completed within three years from the date hereof—

and to insert a new section, as follows:

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved—

so as to make the bill read:

Whereas the city of Fort Smith, Sebastian County, Ark., a duly organized and incorporated city in said county and State, is dependent for its water supply upon the Poteau River, a stream originating in the State of Oklahoma and emptying into the Arkansas River just east of the State line between the States of Arkansas and Oklahoma; and

Whereas it is necessary for a dam to be constructed in order to preserve the purity of the water supply of the said city of Fort Smith: Therefore

Be it enacted, etc., That the city of Fort Smith, a duly incorporated city, of Sebastian County, Ark., is hereby granted permission to erect or cause to be erected a dam for water-supply purposes across the Poteau River at or near a point just west of the State line dividing the States of Arkansas and Oklahoma, and near or just above the mouth of Mill Creek, at such location and in accordance with such plans as may be approved by the Chief of Engineers and the Secretary of War: *Provided*, That this act shall not be construed to authorize the use of such dam to develop water power or generate electricity.

SEC. 2. That this act shall be null and void unless the actual construction of the dam hereby authorized is commenced within one year and completed within three years from the date hereof.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I ask that we return to paragraph 219 of the bill.

The ASSISTANT SECRETARY. Paragraph 219 is on page 42, and relates to cylinder, crown, and sheet glass, by whatever process made, unpolished.

Mr. McCUMBER. I desire to suggest several committee changes in the paragraph. It is the paragraph that relates to cylinder, crown, and sheet glass, generally known as window glass, and that character of glass.

I wish to say at this time that the committee in its first hearings gave so much time to the paragraphs of the bill on which there were contests that it may be that in some instances where there was no contest it did not give the consideration that ought to have been given to the amendment of some of the House provisions. It was understood that the committee should be in session every morning for the purpose of looking further into any of these matters as they arose.

The committee has carefully gone over paragraph 219 and will suggest an amendment to each one of these rates, with the exception of the first one, namely: To leave the "1¼" as it is; to change the "1⅜" to "1⅝"; to change the next item of "2¼" to "1⅝"; to change the next item of "2¾" to "1¾"; to change the next item of "3¼" to "2"; to change the next item of "3¾" to "2¼"; to change the item on line 17, of "4 cents," to "2½ cents"; and then to strike out the proviso "That none of the foregoing shall pay a less duty than 50 per cent ad valorem."

Taking them in their order as committee amendments, I move to strike out, on line 10, "1¾" and to insert in lieu thereof "1⅝"; but before that is voted upon I wish to make a little explanation of what would be the equivalent ad valorem duties, taking the average, of each one of these items for the first nine months of 1921.

The duty on the first item, which is left unchanged, would amount to 20 per cent ad valorem. The duty on the second item, glass exceeding 150 and not exceeding 384 square inches, 1⅜ cents, would be equivalent to 28 per cent ad valorem. The duty on glass exceeding 384 and not exceeding 720 square inches, as proposed to be modified, would be equivalent to 33 per cent. The duty on glass exceeding 720 and not exceeding 864 square inches, 1¾ cents per pound, would be equivalent to 29 per cent. The duty on glass exceeding 864 and not exceeding 1,200 square inches, reducing the rate to 2 cents per pound, would be equivalent to 33 per cent ad valorem. The duty on glass exceeding 1,200 square inches and not exceeding 2,400 square inches, 4 cents per pound, would be equivalent to 38 per cent ad valorem. The duty on glass above 2,400 square inches, 2½ cents per pound, would be equivalent to 42 per cent ad valorem. The ordinary glass used for window glass, as stated here, would bear a duty equivalent to about 20 per cent ad valorem.

Therefore, I move to strike out, in line 10, "1¾," and to insert in lieu thereof "1⅝," so as to read:

Above that, and not exceeding 384 square inches, 1⅝ cents per pound.

Mr. JONES of New Mexico. Mr. President, this paragraph and the one which was dealt with earlier in the morning session present some very interesting features. The modified rates proposed by the Senator from North Dakota are considerably higher than those in the present law, and while we all agreed to the amendment proposed this morning by the committee in paragraph 217, yet, when we come to consider the original text of the bill, which remains unchanged by any Senate committee amendment, there will be amendments offered to that provision.

In this connection I desire to reserve for separate votes in the Senate paragraphs 218 and 222.

Paragraph 219, as has been stated by the chairman of the committee, includes common window glass, and the industry presents a most interesting situation. I prefer to read just what the Tariff Commission has said about it rather than to state in my own language what the facts are, and I think it important to get something of a picture before the Senate as to the processes of this industry, as to how it is controlled, and the arrangement which exists now parceling out not only the market of the United States but of the world.

We have in the report of the Tariff Commission a statement of some comparative costs in this country and Belgium for hand-blown glass, but we have no comparison of costs of the handmade and the machinemade glass. In fact, we have no data whatsoever regarding that cost, but we do find the most interesting statement as to the American cost of production of the handmade glass, and I will read just what the commission has to say about it:

The American cost of production in the foregoing—

That is the American data, which has been considered and compared with the Belgian cost—

The American cost of production in the foregoing is based mainly on the skill of the hand blower who limits his own production to nine cylinders of glass per hour, his labor to 40 hours per week, and his period of employment per year to six months. This hand blower makes a cylinder of glass about 5 feet long and 12 to 15 inches in diameter, or about 2,800 square inches, and it takes him longer to make it than it takes a machine to blow a cylinder over 39 feet long and 22 inches in diameter containing about 32,000 square inches. The machine tender operates three to five machines at the same time, and produces this immense quantity of glass and receives 25 per cent less wages than the hand blower. The high rate of earnings of the hand blower ($50 per week in 1917) is charged into the labor cost of his restricted output of nine small cylinders a day, while the lesser earnings of the machine operator ($40 per week in 1917) when distributed as labor cost over his great quantity of production make a relatively small labor cost in a 50-foot box. As machine production is 60 per cent of the total production, the ability of machine factories to compete with the handmade glass of European countries is a reasonable conclusion.

Mr. HITCHCOCK. Mr. President, why is it that under those circumstances machine production is only 60 per cent?

Mr. JONES of New Mexico. It is by reason of an understanding between the makers of this glass.

Mr. HITCHCOCK. It would seem to be very much to their advantage to use machines for all of it.

Mr. JONES of New Mexico. There is no question about the economic advantage, but it seems to be a psychological as well as an economic situation which is presented, and that is one of the complexities of this problem. But I want to present it to the Senate. The Tariff Commission states some tariff considerations, as follows:

TARIFF CONSIDERATIONS.

The tariff problem centers around the small sizes of window glass, up to and including glass 16 by 24 inches in size, or 384 square inches. The tariff on the larger sizes is satisfactory to manufacturers.

Notwithstanding that, the chairman of the committee this morning, in his reduction of these duties, increased the present rate to a very considerable extent, when the Tariff Commission report that the present rates of duty upon the larger sizes are satisfactory to the manufacturers. They say further:

The consumers of window glass in the United States require from 50 to 55 per cent of the single strength in the small sizes up to 16 by 24. Single strength measures approximately 12 lights to the inch in thickness and weighs about 16 ounces to the square foot; double strength, about 9 lights to the inch and weighs about 24 ounces to the square foot.

Then the present rates of duty are given, both under the act of 1909 and the present law.

The rates of duty in the tariff act of 1909 on the small sizes were reduced in the tariff act of 1913 from 1¼ cents, 1⅝ cents, 1⅞ cents, and 1¼ cents per pound to seven-eighths cent and 1 cent per pound, according to value and surface area.

This morning, in suggesting its rates, the committee practically readopted the rates under the act of 1909, which were materially reduced by the act of 1913, but notwithstanding that reduction in the act of 1913 the manufacturers themselves say that on the larger sizes the existing rates are satisfactory.

In addition to that, "some window-glass manufacturers have stated (1916) that without material injury to the industry the duties on the larger brackets might be reduced."

But instead of reducing them, as the manufacturers say might be done, the committee proposes to increase them, and, so far as the investigation of the Tariff Commission is concerned, no manufacturer has said that they should be increased.

Mr. HITCHCOCK. The committee not only proposes to increase the specific duties over existing law, but it also provides that those specific duties must constitute at least a 50 per cent ad valorem?

Mr. JONES of New Mexico. The committee this morning receded from that proposal and struck out the whole proviso, so that is no longer in the bill.

Mr. HITCHCOCK. That is abandoned?

Mr. JONES of New Mexico. Upon their motion this morning that proviso was stricken out.

The Senator from North Dakota this morning gave to us the percentages of duty which his modified rates would amount to. I want to call attention to the fact, however, that his percentages are based upon the prices of 1921, as he stated, and those prices are at least 100 per cent higher than the pre-war prices. If we get our percentages on the pre-war prices, the equivalent ad valorem rates would be just about twice the ad valorem rates which were given to us by the Senator from North Dakota. Of course, based upon the value which he used, his figures are correct, but the prices on which he based his calculations ranged from 100 per cent to even higher than 100 per cent above the pre-war prices.

This very kind of glass, the common window glass, which was selling before the war for $4.50 a box, is now selling for $9 a box, just 100 per cent higher, and other kinds are selling for more than 100 per cent higher.

Mr. SIMMONS. Does the Senator mean the foreign price?

Mr. JONES of New Mexico. I am giving the American price as the basis for my statement as to these increased prices, but I feel certain that the foreign price has also advanced. It may be I am in error in making that statement as the basis of the calculation of the Senator from North Dakota, but without definite information I do not believe it possible for me to be.

Mr. SIMMONS. I am quite certain the Senator is right. Of course, to test the rate we would have to take the foreign price and not the American price.

Mr. JONES of New Mexico. In this connection I will have to refer to some data which I have, and which will probably clear up the matter. I find the statement here that the landed cost of the Belgian glass is $8 per box. Of course, that includes the duty of 70 per cent under the present rate, but does not include any importer's profit or overhead expenses and costs. The domestic manufacturers are charging $9 per box for that article. Prior to the war the domestic manufacturers were selling the same article for $4.50 per box. So the Belgian price is really above a parity with the domestic manufacturers' price.

Mr. SIMMONS. The Senator adds profits?

Mr. JONES of New Mexico. Yes; that is when we add the necessary overhead and profits of the importers. On window glass the profit is a little higher than the average, I think, on account of the breakage and transportation.

Mr. SIMMONS. The Senator, I think, is absolutely right, so far as importation from Belgium is concerned. On the foreign price he would add the overhead and profits. That is what is ordinarily allowed for overhead and profits. If they were added to the foreign price it would exceed the present domestic price, but I understood that the Senator from North Dakota in giving his ad valorem equivalent was probably estimating it upon a much lower foreign price than indicated in the statement of the Senator from New Mexico. If the Senator from New Mexico will pardon me, I would like to inquire of the Senator from North Dakota what was the foreign price upon which he made his calculation in making his statement a little while ago as to what would be the ad valorem equivalent of the specific rates under paragraph 219?

Mr. McCUMBER. I have the data here if the Senator from New Mexico will yield to me.

Mr. JONES of New Mexico. I am glad to yield to the Senator.

Mr. McCUMBER. It will also correct to a considerable extent the misapprehension as to the foreign values being double. I have also the foreign values. I did not read the entire table, but I will state some of them at this time.

On not exceeding 150 square inches; that is, a 10 by 15 glass. The present valuation is 6 cents a pound, and the pre-war price was about 4 cents. So that was about two-thirds of the present valuation, or one-third less than the present valuation.

The next one is exceeding 150 and not exceeding 384 square inches. The present valuation is 5 cents per pound, and the pre-war valuation was 2.6. That comes nearer doubling than any of them.

Now I will take the next one, exceeding 384 and not exceeding 720 square inches. The present price—and what I mean by the present price is the price for the first nine months of 1921—was 5 cents per pound. The pre-war price seems to range from 3 to 4½ cents per pound. So on that there is very little difference.

Exceeding 720 and not exceeding 864. The present price is 6 cents per pound, and the pre-war price was 6 cents per pound. So the ad valorem would be just the same as the pre-war.

Exceeding 864 and not exceeding 1,200 square inches. The present price is 6 cents, and the pre-war was from 5½ to 5.9. So it is very close to the same price.

I have not yet had time to go over the last two in the comparison, but I think in the larger glass we have gotten down very close to the pre-war basis, and on the others they would average, I would say, about one-fourth greater than the pre-war prices.

Mr. SIMMONS. The Senator is giving the price of those articles by the pound?

Mr. McCUMBER. Yes; that is what I was giving.

Mr. SIMMONS. Will the Senator please tell me where he gets the prices that he has presented?

Mr. McCUMBER. As I stated, we took the best data we had. It is not right up to date. We took the first nine months of 1921. That is as far as we have been able to get complete records. Taking the first nine months of 1921 as our basis, it would give us 6 cents per pound upon the first, 5 cents on the second, 5.5 on the third, 6 on the fourth, 6 on the fifth, 6 on the sixth, and 6 on the seventh bracket.

Mr. SIMMONS. Where are those prices quoted?

Mr. McCUMBER. They are quoted in the reports of the importations for 1921. We have not all the months, but we have a completed report for the first nine months of 1921. I have an idea that at the present rate possibly it may be a little lower, although I have no definite figures.

While I am on my feet, may I call the attention of Senators to the fact that the difference in the rates is not so very much. They are not very much higher on the valuation than under the present law. For instance, where we have a rate of 1¼ cents per pound, the Underwood law was seven-eighths. There was quite a little difference there, but where the House proposes 1⅜, and we have changed it to 1⅝, the present law is 1 cent per pound. Where we have 1⅝, the present law is 1⅛, a difference of one-half. Where we have 1¾, the present law is 1½. Where we have 2—and I am speaking of what we now propose—the present law is 1½. Where we have 2¼, the present law is 1⅞. Where we have 2½, the present law is 2. So there is only a very slight increase in percentages above the present law. Of course, the ad valorem rates make more difference because they are based upon the price in 1921.

Mr. JONES of New Mexico. But I call attention to the fact that the increase in the first item, which is not modified by the committee, from seven-eighths of 1 cent to 1¼ cents, is an increase of three-eighths of a cent above the seven-eighths of 1 cent, which I should say would amount to about 40 per cent.

Mr. McCUMBER. I gave that as 1¼ and 1⅜, and the reason why we did not lower it was that it only amounts to 20 per

cent ad valorem, and we considered that a very reasonable rate.

Mr. JONES of New Mexico. Twenty per cent ad valorem on the 1921 prices?

Mr. McCUMBER. Yes.

Mr. JONES of New Mexico. In the next bracket it is changed from 1 cent, as it is under the existing law, to 1⅜. That would be an increase of three-eighths, which would amount to about 37½ per cent, as I roughly figure it.

Mr. McCUMBER. That is, it would amount to that much over the present law?

Mr. JONES of New Mexico. Yes; 37½ per cent above the present law. In the next line, where the rate is 1¼, it is proposed to change it to 1⅝, an increase of four-eighths above nine-eighths, which would be, as I roughly figure it, about 40 to 50 per cent increase over the present duty.

The next item is a new bracket not found in the present law, but the sizes would fall within the 1¼ cent bracket. That proposes a change to 1⅞. That would be an increase of five-eighths in that bracket on the sizes above 720 square inches and not exceeding 864 square inches. The present rate is 1¼, and they increase that to 1⅞.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. EDGE in the chair). Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. JONES of New Mexico. I yield.

Mr. SIMMONS. As I understood the Senator from North Dakota, he said that the ad valorem equivalent would be, I think, 29 per cent. I may be mistaken.

Mr. JONES of New Mexico. That is the ad valorem equivalent of the rate, based upon 1921 prices.

Mr. SIMMONS. The ad valorem equivalent under the present law in 1920 was 11.66.

Mr. JONES of New Mexico. An increase of nearly three times.

Mr. McCUMBER. Let me correct the Senator in his last statement on this bracket. It is true there is one more bracket in the pending bill than there is in the present law. The Senator is correct in that statement. Where we have the two brackets together, in lines 13 and 15, we propose 1⅞ cents, and in the next one we propose 2 cents. The present rate of duty is 1¼ cents on all that are included in that bracket, so it is one-half of 1 cent above the one and one-fourth of 1 cent above the other per pound.

Mr. JONES of New Mexico. I may possibly have made the wrong figures here. I think the Senator is right about it, and that I made a miscalculation.

Mr. SIMMONS. I wish to ask the Senator from North Dakota what is his estimate as to the ad valorem equivalent with the bracket that reads:

Above that, and not exceeding 864 square inches, 2⅜ cents per pound.

Mr. McCUMBER. Twenty-nine per cent is the equivalent ad valorem.

Mr. SIMMONS. The Senator said that was very little higher than the present law. The present ad valorem equivalent for 1920, which is the last year given, was 11.66.

Mr. McCUMBER. Of course, if we have a quarter of a cent per pound and increase it to one-half cent per pound, we have increased 100 per cent. That is true if you measure by percentage increases. I was speaking simply of the difference in the amount per pound between the Underwood-Simmons law and the pending bill; and then, of course, I gave the ad valorem equivalent under the bill we propose in case the rates are the same as the average for the first nine months of 1021. That is as close as I could get it.

Mr. SIMMONS. Of course, where we are dealing with fractions and fractional increases in a specific rate, it appears small, but when we reduce those fractions to ad valorem percentages, it makes quite a difference. Taking that particular bracket, reading practically the same in both cases, the ad valorem equivalent of the rate now proposed by the Senator from North Dakota would be 29 per cent as against 11.66 per cent.

Mr. McCUMBER. That is on glass exceeding 720 and not exceeding 864.

Mr. SIMMONS. Yes; above 720 and not exceeding 864.

Mr. McCUMBER. Will the Senator get the exact one? I can give him the ad valorem rate upon it if I know which one he refers to.

Mr. SIMMONS. This is above 384 and not exceeding 720.

Mr. McCUMBER. On that the equivalent ad valorem duty, as I stated, is 33 per cent. The price in 1921, taking the average for the nine months, was 5 cents per pound. The pre-war price ranged from 3 to 4½ cents per pound. Of course, if we take the price of 3 cents per pound and put a duty of 1⅜ cents on it, the equivalent ad valorem would be very much above 33 per cent, but if we take the 4½ cents per pound price, it would only be a very little above the 33 per cent.

Mr. SIMMONS. But, of course, we have to take the price for the same year for the purpose of making the comparison.

Mr. McCUMBER. The average pre-war price was in the neighborhood of 3¾ cents, as against 5 cents, the average for 1921.

Mr. SIMMONS. For the purpose of comparison, would not the Senator have to get the average price to-day and apply the rate of the Underwood law and the rate of the pending bill?

Mr. McCUMBER. Not having the importers' figures except for the nine months of 1921, we had to accept them as the proper basis for making our calculations; and I understand the prices are about the same now. They are very much lower, of course, than they were in 1920, for the price that year was the peak price.

Mr. SIMMONS. That is true.

Mr. JONES of New Mexico. Mr. President, I call attention to the fact that in the Payne-Aldrich law there was a limitation upon prices also. That is left out of the present law and also from the bill as it comes from the committee. The act of 1909 read, in part, as follows:

PAR. 99. Unpolished, cylinder, crown, and common window glass, not exceeding 150 square inches, valued at not more than 1½ cents per pound, 1½ cents per pound; valued at more than 1½ cents per pound, 1⅞ cents per pound; above that, and not exceeding 384 square inches, valued at not more than 1⅞ cents per pound, 1⅞ cents per pound; valued at more than 1⅞ cents per pound, 1⅞ cents per pound.

Above that the Payne-Aldrich law simply fixed the rates based upon the sizes.

Mr. SIMMONS. I desire to ask the Senator a question. The Senator is entirely right; it would not be quite fair to make a comparison based on the prices in 1920, because those prices were, in the main, very high, and, of course, when the prices are high the ad valorem goes down. Now, the Senator is making the point that prices have gone down since then, and that would necessarily increase the tariff ad valorem equivalent. He is right about that. I want to inquire of the Senator if his investigation has disclosed whether there has been any fall in the prices of this character of glass. I know there has been a fall in many prices, but I was under the impression that the decline in prices had not reached glass as yet either here or abroad.

Mr. JONES of New Mexico. The Senator is right, so far as any information I have is concerned, that prices of glass to-day are just about 100 per cent higher in this country than they were prior to the war.

Mr. SIMMONS. Have those prices fallen any since 1920?

Mr. JONES of New Mexico. There has been some reduction from actual war prices. For instance, the kind of glass to which I referred a while ago as selling at $9 a box now and $4.50 prior to the war did sell at one time during the war for $13.50. So there has been something of a reduction since the peak of the war prices. I find in the Tariff Information Survey a comparison of the rates in the Payne-Aldrich law and the existing law, and, inasmuch as the rates now suggested by the committee are practically the same as the Payne-Aldrich rates, not taking into consideration, however, the limitation upon prices in the Payne-Aldrich law—and I do not know just what effect that will have upon the bracket—I shall refer to that table. Upon the first two brackets the Payne-Aldrich law rates ranged from 92.1 per cent to 34 per cent, whereas the present law rate is 20.77 per cent. I would judge that, on the average, one would be at least twice as high as the other. The table to which I am referring is found on page 76 of the Tariff Information Survey, B-9.

In the next bracket, above 150 but not exceeding 384 square inches, there were two valuations given, which made a difference in the rate of duty under the Payne-Aldrich law, the duty in the one case being 107.51 per cent and in the other 54.23 per cent. Those two items were thrown together in the present law, and the rate of duty was 31.51 per cent.

In the next size, above 384 and not exceeding 720 square inches, where two different valuations also are given, we find that the rate on the lower value amounted to 107.94 per cent and on the other to 58.66 per cent, while under the present law the rate is 32.71 per cent.

The two brackets, including glass above 720 and not exceeding 864 square inches and above 864 and not exceeding 1,200 square inches, which were found in the Payne-Aldrich law, are revived in this proposal by the Senate committee. Under the present law the two were combined, and the average rate was 42.83 per cent.

Above 1,200 and not exceeding 2,400 square inches the 1909 act imposed a duty of 64.27 per cent, as against the duty in the present law of 47.74 per cent.

Above 2,400 square inches, the Payne-Aldrich law imposed a duty of 119.76 per cent and the present law 28.33 per cent.

As I take it, the committee has practically gone back to the Payne-Aldrich rates, except in the very highest brackets.

Mr. McCUMBER. Mr. President, I wish to say to the Senator that we did not have the Payne-Aldrich provision before us at all in considering this paragraph. We simply took the House rates as they were, the prices, and so forth, and made the changes; but paid no attention to the Payne-Aldrich Act. If we have come close to the Payne-Aldrich rates in any particular, it is not because of any attempt to use them as a guide.

Mr. JONES of New Mexico. It is merely a coincidence, then.

Mr. SMOOT. No; there is not any coincidence.

Mr. JONES of New Mexico. Let us see as to that.

Mr. SMOOT. The Senator is speaking of window glass, is he not?

Mr. JONES of New Mexico. I am; and if the Senator will turn to the paragraph he will find that in the first bracket of the Payne-Aldrich law the rate was 1¼ cents, and that is just what it is in this bill, and in the next bracket it was 1⅝ cents, and that is just what it is here.

Mr. SMOOT. Of course, that is what the rates are in the House bill; but it is not the rate to be proposed by the Senate committee.

Mr. JONES of New Mexico. Yes it is; that is precisely the rate. I have the figures here. It is merely a coincidence, and I am not complaining about that at all.

Mr. SMOOT. I thought the Senator said that all the rates in paragraph 219 were the rates of the Payne-Aldrich Act.

Mr. JONES of New Mexico. Oh, no; I said that the proposal of the committee this morning practically duplicated the Payne-Aldrich rates. As I remarked, however, there is no point to that; it is merely a coincidence.

Mr. SMOOT. The Senator will notice, for instance, there is a duty of 4 cents a pound——

Mr. JONES of New Mexico. I said in the highest brackets there was a change, and it is a considerable change.

Mr. SMOOT. I misunderstood the Senator. I understood him to say that the rates reported by the committee were practically the same as the Payne-Aldrich rates.

Mr. JONES of New Mexico. I did, except as to the highest brackets.

Mr. SMOOT. I did not hear the Senator make that observation.

Mr. JONES of New Mexico. But, of course, that does not alter the situation at all. We are considering the rates of duty as proposed.

Mr. President, I was reading something about the organization of this industry and the difference between hand-blown and machine-made glass. I do not remember just how far I read about the methods of production, but it is important, I think, to get it all together in one picture, so I may repeat to some extent regarding the methods of production.

With an iron blowpipe the hand blower, in a surprisingly skillful manner, makes a cylinder of single-strength glass about 5 feet in length and from 12 to 15 inches in diameter. The most successful machine draws, hoists, and blows cylinders of glass nearly 39 feet in length and about 22 inches in diameter. From the cylinder made by machine more than eight times as much glass is obtained as from the cylinder made by hand. The large machine cylinder is made in less time. The machine blower operates from three to five machines at a time. The processes of flattening, annealing, cutting, and boxing are the same for machine and hand-made glass. A method of drawing the glass in a continuous flat sheet is still in an experimental stage in the United States, but is said to be successfully employed in Belgium.

Now, as to the organization:

The principal machine company operates 118 machines and 6 factories, and is the largest window-glass producer in the world. Its productive capacity, organization, and facilities enabled it to export 80 per cent of all the window glass exported in 1916, an exceptional year, the total amounting to over $3,000,000 in value. This one company could produce nearly all the window glass needed in the American market. It curtails production, however, and with other machine factories divides the domestic market with the 55 small hand-blown glass factories, which operate about six months of each year and produce 40 per cent of the total window glass. Prior to the war and notwithstanding the great advantages of machine production, there were practically no sales of machine glass in foreign countries, the price understandings limiting the trade to our domestic market, and all the factories remaining idle for half of each year. A wider and a larger market appears obtainable through greater machine production and better selling facilities.

In the discussion of glass making in connection with the bottle and jar paragraph it was stated that these glass-making machines were of American invention, and that they did not sell those machines to operators in Europe, but leased them, with the understanding that none of their commodities should be sent over to the United States, and the producer of the machine agreed to limit his product to the domestic market. We have not just that statement regarding these machines which make window glass, but from this statement I infer that there must be some such understanding as that. At any rate, it is perfectly clear that the American market is absolutely controlled and dominated by these machine operators. Through their graciousness, they permit the handmade factories to operate to the extent of 40 per cent of the domestic consumption, and the hand makers—I do not know whether this was done deliberately for the purpose of having high profits for a certain period of the year or not—but the hand makers work only six months in the year, and evidently the prices have been raised up high enough so that the hand factories can make a sufficient profit in six months of the year to compensate them for what would be ordinarily considered a year's effort. These manufacturers have stated that they were satisfied with the present rates, and some of them thought that the present rates on the larger sizes might be reduced below the present law.

That is the situation we are dealing with; and the Finance Committee proposes to increase these duties from about 25 to 35 per cent above existing law. It may be that that will be satisfactory to the country; but where you have an industry supplying the American market, where the one great dominating producer is not complaining, where it is evidently making profits beyond the dreams of a Crœsus, manufacturing its share, which is 60 per cent, of American consumption by machinery, and where that machine turns out the glass eight times as fast as a man can make it, and when they all sell at the same price, it seems to me to be a very satisfactory arrangement to turn over to the machine producer 60 per cent of the American market, let him make that product for one-eighth what it costs the hand producer, and sell it at the same price.

That is the situation as I gather it from the information furnished by the Tariff Commission.

I read a little comment from the Tariff Commission:

While the American people have not as yet secured the expected results of machine production, the revolution in the production of window glass began when the cylinder-blowing machine produced glass commercially in 1905. The unrest then created culminated some years later in a bitter war of prices between the producers of handmade and machine-made glass.

It was feared that if the machines were a commercial success it would not be possible to produce handmade glass on a profitable basis. The entire industry became demoralized. Hand glass manufacturers sold the product for any price they could obtain. The skilled hand workers agreed to a sliding scale based on selling prices, and during the years 1912 and 1913 the average wage of single-strength blowers went down from 45 cents per 50-foot box to 15 cents per 50-foot box, or from upward of $6 per day down to $15 per week, or less than Belgian wages. The price war ended in a compromise, the machine company, after serious losses, reaching the conclusion, as stated by its general manager, that "from a business standpoint we thought it was much more profitable for us to be satisfied with a reasonable share of the country's business rather than to drive out operatives from an industry that had existed as long as this one had existed."

In 1914 a little over 8,000,000 boxes of window glass of 50 square feet each were manufactured in the United States and in 1916–17 about 9,000,000 boxes. About 60 per cent of this product was blown by machine and 40 per cent by the hand method. In Belgium window glass blown by hand is the rule. A machine blower in the most efficient American factories can blow five cylinders of window glass simultaneously, each nearly 39 feet long and 22 inches in diameter, in less time than an American or Belgian hand blower can blow a cylinder 5 feet long and 15 inches in diameter. The American machine blower is paid about $40 a week (1917), while American hand blowers average about $50 a week (1917). The Belgian hand blower does not receive half the wages of the American machine blower. The great advantage in the cost of production of American machine blowing over that of American hand blowing is apparent The machine factories could drive hand-blowing factories out of the business and they could readily produce all the window glass needed. Fear of a price war prevents the machine factories from operating to their full capacity. This was explained by the principal machine company in 1916 in its annual report (see p. 47, Glass Report of Tariff Commission):

"That so long as the company was securing what we considered a satisfactory portion of the going business it would be far more profitable to curtail its operations to the extent we did rather than attempt to operate to capacity and possibly precipitate a price war in the midst of the greatest export business we have ever had."

The effectiveness of machine production in the domestic and foreign market is practically nullified by the policy of restricting output to suit the requirements of hand production. Machine production is marketed under conditions that encourage the continuation of antiquated methods. Profits of machine production are based on the costs of production of handmade glass, selling prices being practically the same.

Mr. President, with such examination as I have been able to make of this question I would not try to destroy the existing condition. I think it would require a very much more careful study of the subject than I have been able to make; but it does seem to me that we are justified, under all the circumstances, in letting the industry so far as taxation is concerned remain where it is to-day. We have no competition from abroad, under existing law, to amount to very much. There is an importation of some of the smaller sizes of glass, but

what importations there are constitute, it seems to me, a healthy competition.

At any rate, it is apparent that with this industry controlled as it is now, with agreements existing as to the output, with the factories operating only six months in the year for the specific purpose of curtailing production, we know that one result and only one result can follow the increasing of this duty, and that is that the people who now control the industry would raise their prices high enough to prevent any competition which would affect their interests. There is no escape from that conclusion, and the manufacturers have said, what I desire to repeat, especially as regards the larger sizes, that the tariff on the larger sizes is satisfactory to the manufacturers. Some window-glass manufacturers have stated that without material injury to the industry the duties on the larger brackets might be reduced. Of course, that applies to the larger sizes, but instead of reducing the rates in those brackets the committee proposes to increase them.

In these smaller sizes it does not seem to me that there is any undue competition. At any rate, it does not appear that the American operators, either by machine or hand, are exerting themselves to avoid competition even in the smaller sizes and under existing law. When they can afford to operate all these factories, machine and hand, only six months in the year, how can anyone try to justify shutting out the small amount of importations which, if allowed to enter, would create healthy competition?

Mr. President, as I said, I do not want to disturb this industry. There is a great problem here, an economic problem, which ought to be solved in some manner; but I do not think this is the place to try to solve it. I do not want to injure the industry or interfere with existing conditions, but it does seem to me that all parties concerned should be satisfied with existing conditions, and I shall therefore move to amend these rates so that they will conform to existing law.

On page 42, line 10, I move to amend the proposed committee amendment by striking out "1⅛" and inserting "1."

Mr. SMOOT. Mr. President, when this paragraph was reached the Finance Committee asked that it go over. Certain members of the committee were not satisfied even with the House provisions, although they were reported to the Senate. A minority of the Republicans of the Finance Committee were bitterly opposed to the proviso put in by the House; that is, that "none of the foregoing shall pay less duty than 35 per cent ad valorem." It was reported to the Senate, and that 35 per cent was increased to 50 per cent, but upon consideration of it, after I had requested that it go over, the committee decided to strike out the proviso entirely. They have also reduced the House specific rates, with the exception of the first bracket.

The first bracket is on window glass not exceeding 150 inches. The value of that to-day is 6 cents a pound. The equivalent ad valorem of the 1¼-cent rate is 20 per cent.

Mr. POMERENE. The Senator speaks of it as being worth 6 cents a pound. Does he mean according to the American valuation?

Mr. SMOOT. No; the foreign valuation. Last year it was worth 10 cents a pound; but it has been reduced from 10 cents a pound to 6 cents, and that is the foreign valuation to-day.

Mr. POMERENE. In what countries?

Mr. SMOOT. In Belgium. Belgium is the great glass-producing country outside of America, and all our competition virtually comes from Belgium.

The next bracket we propose to reduce to 1¼ cents. The equivalent ad valorem is 28 per cent. The price of that glass is 6 cents per pound also.

The next bracket we propose to reduce to 1⅛ cents. The price of that glass is lower than the price of any other glass offered in Belgium to-day, and I think the pre-war price of this glass was lower than that of any other glass. I can not state why that is, but it is the fact. I take it, though, that it comes about because there is so much of it used that the competition is very keen. I think more than likely that is the cause, although I am not positive. The equivalent ad valorem for the 1⅛ cents is 33 per cent.

The next bracket we reduce to 1¾ cents. The present price of that glass is 6 cents and the ad valorem equivalent is 29 per cent.

The next bracket we reduce to 2 cents from the House rate, which is 3⅛ cents. The equivalent ad valorem is 33 per cent.

The next bracket we reduce to 2¼ cents. The value is 6 cents and the ad valorem rate is 38 per cent.

The rates provided for in the House text are the rates which were in the Payne-Aldrich law. They are altogether too high, and the committee recognized that and proposed an amendment, which the chairman of the committee has already suggested, to equalize as nearly as possible the relative cost in the production of the different sizes of glass falling under this paragraph.

I think myself we can make the machine-made window glass as cheaply in this country as it can be made anywhere in the world, but Belgium has an advantage of from 50 to 75 per cent in the wage scale alone. They make the glass in the same way we make ours. Their raw material is at hand, just as the raw material in this country is at hand, and it is a great deal cheaper there because of the cheaper labor. The manufacturers there have a freight rate from Belgium to the coast cities of the United States which is about one-third the freight rate from where the glass is manufactured in this country to the same cities.

Those are the only two reasons why there should be any duty at all on this glass, and that is the position the committee takes. The rates which the committee reports are the rates they think and believe will equalize the advantage which Belgium has over the American manufacturer, as far as this market is concerned. Does the Senator desire to offer his amendments now?

Mr. JONES of New Mexico. My attention has just been called to the fact that the committee amendments have not been acted upon.

Mr. SMOOT. That is what I was about to say, and I was going to suggest that if the Senator insisted on it I would ask that the committee amendments be withdrawn so that he might offer his amendments; but I think the best way would be to offer the committee amendments now.

Mr. JONES of New Mexico. In lieu of the proposed amendment I move to strike out, on line 10, "1⅛" and insert "1."

Mr. SMOOT. That would be in the second degree.

The PRESIDING OFFICER. The committee amendment has not yet been formally presented.

Mr. SMOOT. If the Senator will allow the committee amendments to be offered, and then offer his amendment as an amendment to the committee amendment, I think that would be the best way.

Mr. JONES of New Mexico. I think that would be the better parliamentary way to handle it.

Mr. SMOOT. I now move, on page 42, line 7, after the word "made," to insert "and for whatever purpose used." I suppose the Senator will not have any objection to that; but, by way of explanation, I want to say that those words are by way of amendment, put in here to overcome a ruling which has been made by the customs department that wherever glass has been cut it does not fall under this paragraph, but falls under the manufactures of glass and carries a rate of 60 per cent; that if a pane of glass 10 by 20 is cut in two and made 10 by 10 it takes the 60 per cent rate. This is to cure that situation.

Mr. JONES of New Mexico. The amendment is very appropriate.

The PRESIDING OFFICER. The Senator from Utah offers the following amendment on behalf of the committee.

The READING CLERK. On page 42, line 7, after the word "made" and before the comma, insert the words "and for whatever purpose used" and a comma.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

ATTORNEY GENERAL DAUGHERTY—THE MORSE CASE.

Mr. CARAWAY. Mr. President, in the interest of historical accuracy, I want to make a statement with reference to the Attorney General's connection with the Morse case. It becomes particularly necessary that I should do it now, because at the other end of the Capitol an investigation has just been denied. An article also which appeared in the Evening Star paper yesterday afternoon, written by a special news writer whom I do not have the honor to know, but who I am sure intended to be fair, makes it desirable that I shall make this statement.

Yesterday afternoon the Star carried the following statement:

President retains faith in integrity of Mr. Daugherty. Belief held Attorney General merely made poor defense.

In this statement appears, among others, this paragraph:

Senator WATSON—

Which refers to Senator WATSON of Indiana—

had communicated by telephone the fact that Senator CARAWAY had revived the Morse case. Mr. Daugherty, who had been hearing about the Morse case for 11 years, was not perturbed by it. In Ohio politics Mr. Daugherty has some violent opponents as well as stanch friends.

The skeleton of the Morse case has been rattled every time Mr. Daugherty has been in the public eye. When Mr. WATSON of Indiana told him it was up again, the Attorney General told him not to worry as he hadn't received a cent from Morse. Mr. Daugherty imagined that the conversation related to whether he had received any money, and he authorized Mr. WATSON to deny it. During the

course of the debate Senator WATSON went a step further and indicated that the Attorney General had denied his connection with the case altogether.

CALLED ERROR IN JUDGMENT.

In support of the contention that the Attorney General could not have claimed any such thing, administration supporters insist that Mr. Daugherty would never deny what had been common knowledge and what had been printed in the newspapers at the time of his connection with the Morse pardon. The error in judgment which Mr. Daugherty made in ignoring the Senate proceedings for nearly three weeks before issuing a statement of explanation is now freely admitted by the administration group, but this was due as much to Harry Daugherty's own feeling that nothing new had been developed and nothing injurious, as it was to the feeling of others in the administration circle who believed the whole thing a tempest in a teapot which would blow over if let alone.

There is reason to believe that the criticism which has swept the country because of Mr. Daugherty's belated explanation has not penetrated very deeply here. The view prevails that the incident soon will be passed by, and that the continued confidence of President Harding in Attorney General Daugherty will be demonstration enough that he does not think his friend did anything ethically unwise or morally wrong.

After reading that paragraph I shall read part of another:

There is something more than personal friendship and loyalty in Mr. Harding's attitude toward his lifetime associate and political mentor. It is true that to Harry Daugherty, more than anyone else, Mr. Harding owes his nomination at Chicago in 1920, which was equivalent to an election. It is true that Mr. Harding is under obligation to Mr. Daugherty, but it is also a fact that Mr. Harding knew in the fall of 1920 everything about the part Harry Daugherty played in obtaining a pardon for Morse under the Taft administration, and that he did not consider it a bar to the appointment of Mr. Daugherty.

The first statement on which I want to comment is the last one read. There is internal evidence in this article that it comes from an inspired source. It is the defense of the Attorney General by the Attorney General and the President of the United States. In it it is said that President Harding in 1920 knew all the relations of Daugherty to the Morse case, and, knowing it, he does not regard that as a disqualification for Mr. Daugherty to be Attorney General.

In the light of what is now known, if that statement is inspired, and I believe it to be, it means that the President knew when he named Mr. Daugherty as Attorney General that Daugherty and Felder perpetrated a fraud upon Taft when he was President and had procured a commutation by fraud from Taft of Morse's sentence. I say "if he knew." This paper was published yesterday, and it is the last defense of Daugherty and the administration, in which the statement is made that the President knew all the facts. If he did, he knew that Morse was doped in order to give the impression, when doctors should examine him, that he had Bright's disease when he did not have it.

If the President of these United States thinks that it is perfectly legitimate and ethical that an attorney shall practice a fraud upon the Executive of the Nation in order to procure a commutation of a criminal sentence, it is well that the country should know it. This article appearing in the Star, with every evidence of inspiration, says that the President knew all these things when he named Daugherty as Attorney General, and that he does not think it is at all to his discredit and does not think he has done anything unethical.

Let us read another paragraph from this inspired article:

If Harry Daugherty had come out immediately after his connection with the Morse case was mentioned in Senate debate by Mr. CARAWAY, of Arkansas, and said, "Yes; I was an attorney for Morse and helped get him a pardon—I was a private lawyer then and had a right to defend my client," no one would have thought any more about the incident. But in a telephone conversation between Harry Daugherty and Senator WATSON of Indiana a misunderstanding occurred.

But before commenting on that statement let me read another paragraph and comment on it.

But in a telephone conversation between Harry Daugherty and Senator WATSON of Indiana a misunderstanding occurred. This correspondent is presenting the version of the conversation which is told by friends of Mr. Daugherty.

In that statement is not a word of truth, but I do not think that the news writer who wrote it is responsible. He says this is a version that Daugherty's friends give out. He means to say, "This is what Daugherty told me to say to the country, that the Senator from Indiana, in a telephonic conversation with me, said 'CARAWAY has mentioned the Morse case, and we misunderstood each other in the telephonic conversation.'"

That is not what happened. I am not falling out with Mr. Lawrence, who wrote the article. I am sure that he wrote what the Attorney General told him, because the article carries every evidence of inspiration. It is coming from the Attorney General. It is intended to put the Attorney General's construction of the matter before the country in order to soften the matter for the Senator from Indiana, whose reputation for veracity stands destroyed if Daugherty be believed. It is therefore here asserted it was a telephonic conversation.

Let us see what the RECORD shows. It was not a telephonic conversation at all. I read from the CONGRESSIONAL RECORD of May 2, page 6175. I had mentioned in a speech I was making the Attorney General as having received a fee for procuring a pardon. I was talking about the President refusing to see some little children and said that they had no money to employ expensive counsel and therefore got no hearing. The Senator from Kentucky [Mr. STANLEY] interrupted me and said:

Mr. President, I am amazed at the statement of the Senator from Arkansas.

Then the Senator from Indiana [Mr. WATSON] said:

Mr. President, will the Senator permit an interruption?

I shall not read it all, but I said:

I have the floor and will permit an interruption, although I do not intend to lose the floor.

Then the Senator from Kentucky said:

If the Senator from Indiana will permit me—

After he had finished his statement and I said:

Mr. President, I am proud to say that the kind of lawyers we license to practice in my State do not have to be penalized to prevent them from doing a thing like that.

Mr. WATSON of Indiana then said:

Will the Senator permit an interruption?

I said that I would. Then the RECORD proceeds:

Mr. WATSON of Indiana. We did not hear over on this side what it was that the Senator said about the Attorney General. Will he kindly repeat it?

Mr. CARAWAY. I know the Senator did not hear it, because all the Senators over there got busy in order not to hear what was being said. I said that I understood that the greatest achievement of the Attorney General was that he got a pardon for a criminal, and got a fee of $25,000 for doing it.

Mr. WATSON of Indiana. Does the Senator mean since he became Attorney General?

Mr. CARAWAY. Oh, no.

Mr. WATSON of Indiana. May I further question the Senator?

Mr. CARAWAY. Yes, sir.

Mr. WATSON of Indiana. To what case does the Senator refer?

Mr. CARAWAY. The Morse case.

Mr. WATSON of Indiana. Does the Senator charge on his responsibility as a Senator that Mr. Daugherty, even before he was Attorney General, received a fee for helping to get Mr. Morse out of the penitentiary?

Mr. CARAWAY. I charge that that was a matter of public information. I was not, of course, present when any contract was made. I will say that I have heard it so often that I think it is true, without question.

Mr. WATSON of Indiana. The Senator, then, accepts a rumor as true, and charges it on the floor of the Senate?

Mr. CARAWAY. Does the Senator from Indiana say that it is not true?

Mr. WATSON of Indiana. I do.

Mr. CARAWAY. On the Senator's own personal knowledge?

Mr. WATSON of Indiana. I do.

Mr. CARAWAY. That Mr. Daugherty did not represent Morse?

Mr. WATSON of Indiana. I did not say that he did not represent Morse; but I say on my knowledge of the situation that he received no fee for the service rendered, nor did he represent Morse directly, according to my understanding.

Mr. CARAWAY. Did he indirectly represent him?

Mr. WATSON of Indiana. No.

Mr. CARAWAY. Why did the Senator say, then, that he did not directly represent him?

Mr. WATSON of Indiana. I meant by that that my understanding of the situation is that he was representing his client, and that the testimony of Mr. Morse was necessary, and that in that way he had contact with Mr. Morse; but he did not get him out of the penitentiary; he had not anything to do with getting him out of the penitentiary; and he received no fee for getting him out of the penitentiary.

Mr. CARAWAY. How does the Senator know that?

Mr. WATSON of Indiana. I know it from the language of the Attorney General.

Mr. CARAWAY. Did he tell the Senator that he did not?

Mr. WATSON of Indiana. He did.

Mr. CARAWAY. That he never got a cent for it?

Mr. WATSON of Indiana. Not for that.

Now, that disposes of the statement that the Attorney General now makes that the reason they misunderstood each other was that they were having a telephonic conversation or that he was told that I had "mentioned the Morse case," and then Senator WATSON of Indiana had gone to the telephone and called up the Attorney General and said: "CARAWAY is talking about the Morse case again," or that the Attorney General then said, "I did not get anything out of it," or that the Senator from Indiana had then made his statement. There was no telephonic conversation.

Oh, Mr. President, it goes a bit further than that. The Attorney General, when he wants to put his "side" of this controversy to the country, ought not to deceive the newspaper men as he had deceived the Senator from Indiana. He caused the Senator from Indiana to make a statement here on the floor of the Senate that subsequent events show was entirely untrue, although I am sure the Senator from Indiana believed it was true when he repeated the assurance given him by the Attorney General that he had nothing to do with the Morse case—I know that he did, because he is an honest man. Now the Attorney General has caused a newspaper man to say "there was a telephonic conversation" and the misunderstanding arose in that way. He ought to be candid with his friends when they are trying to "set him right."

But to show how wholly absurd that statement is, reading on down in the colloquy, I asked the Senator from Indiana [Mr. WATSON] this question, all this being in the same colloquy:

When did the Senator discuss this matter with the Attorney General?
Mr. WATSON of Indiana. On various occasions.

Not one time, not over the telephone, but on various occasions. Then I asked the question:

How came the Senator to discuss it with the Attorney General?
Mr. WATSON of Indiana. Because I had heard the rumor.
Mr. CARAWAY. Did the Senator believe it?
Mr. WATSON of Indiana. The rumor?
Mr. CARAWAY. Yes.
Mr. WATSON of Indiana. I did not.
Mr. CARAWAY. Then why did the Senator go to the Attorney General with it, if he did not believe it?
Mr. WATSON of Indiana. Because I am the kind of a man that if anyone of my friends is involved in any trouble I go and talk to my friend about it.
Mr. CARAWAY. And the Attorney General told the Senator it was not true?
Mr. WATSON of Indiana. It was not true.

Now, that is one more hoax laid to rest until to-morrow. A Representative from Kansas gave out an interview in the Daily News the other day in which he impugned my motives in this matter. I had no objection to his doing so. He is the man who pulls his forelock down between his ears and insults the memory of Bobbie Burns by pretending he resembles that great poet. He is the man who put in his pocket the rule to investigate Daugherty, which his committee had ordered him to report, and refused to report it. Of course, his statement was absolutely untrue and he doubtless knew it at the time he made it, but that does not detract from his reputation, as it is established.

I am going to say this, and I am saying it without heat or feeling because it is not worth that—that when anyone says that any information I have used in this matter came from anyone who was or is interested in anyone who was indicted or that is about to be indicted, either one of two things is true—he is absolutely without information or is telling a willful falsehood, because not a line of it came from that source. That will not, however, keep some folks from repeating it. I am conscious of that. But I shall say it just as plainly as I know how on any occasion.

This article from which I read says that this misunderstanding between the Attorney General and the Senator from Indiana [Mr. WATSON] came about because the Senator from Indiana had a telephonic conversation with Daugherty and had misunderstood or misconstrued his remarks. Those are two statements, and in each one there is something that is not true. First, the Senator from Indiana, as I have repeated over and over again, did not go to the telephone and call the Attorney General and advise him that the Morse case was up.

The Senator from Indiana was on the floor when I mentioned the Morse case. He rose and had to ask what case I was talking about. I told him the Morse case. Then he immediately entered his positive denial that the Attorney General had anything to do with the Morse case, and based his reason for the denial upon repeated conversations he and the Attorney General had had about the matter. Therefore, there is not any use now to offer that explanation further.

The Attorney General, I want to repeat, ought to be candid. He has apologists in the Senate and out who want to condone his offense, who rush to his defense when he is mentioned. He ought, in God's name, to tell them the truth one time, so that every time they offer a defense for him they may not utter a statement that is not true.

This article, as I have said, makes a statement that is not true; and yet I am as sure as I am of anything that the Attorney General told the writer of the article that it was true, and he, the writer, believed it. I am not impugning the writer's wish to tell the truth, because I am sure that he was repeating what the Attorney General told him was the truth. He was quoting Daugherty's explanation by way of apology to the Senator from Indiana. It says:

During the course of the debate Senator WATSON went a step further and indicated that the Attorney General had denied his connection with the case altogether.

The Senator from Indiana did not indicate it; he stated it positively.

Now, here are two statements. The Attorney General said he had nothing to do with the Morse case and that he did not get a cent out of it. In his letter of the 26th of May the Attorney General repeats that part of the statement. It happens to be as incorrect as the other statements he has made about this matter, as I shall show in a minute. I read now from a letter that the Senator from Wisconsin [Mr. LENROOT] put into the RECORD from H. M. Daugherty, Attorney General, of May 26. It appears on page 7710 of the RECORD of that date. The last paragraph reads:

As for compensation, I never received anything from Mr. Morse personally. All I ever received from anybody in connection with the Morse case, both civil and criminal, was about $4,000 advanced to me by Mr. Felder, and was about half enough to pay my necessary expenses and disbursements connected with over a year's active investigation, preparation, and service in the cases.

I have here what purports to be an interview with Thomas B. Felder, in which it is stated:

Flat and unequivocal denial that Attorney General Harry M. Daugherty "ever received one penny" of compensation for his efforts in behalf of getting Charles W. Morse released from Federal prison was made here to-day by Col. Thomas B. Felder, Georgia attorney, the Attorney General's partner in the famous proceedings.

Felder admitted that he (Felder) received a retainer of $5,000 and $1,000 expense money from Morse, "but this was paid," he said, "long before H. M. Daugherty had any knowledge of or connection with the case."

Colonel Felder declared he made several unsuccessful attempts to persuade the Attorney General to accept some compensation in the Morse case—chiefly stocks in one of Morse's enterprises—but each time the Attorney General refused to accept it.

The Attorney General wrote a letter which has been referred to before, but from which I am going to quote again. It may be a little more informative to lawyers than to other people, because lawyers know what a retainer means. Every lawyer knows that a retainer is not a part of the fee that he is to get for actual services rendered, but is the earnest money that is given him in order to induce him to accept the case of the litigant or to refrain from engaging on the other side of the litigation. Here is Daugherty's letter. It is authentic, and it is dated April 30, 1913:

I inclose you herewith copy of the letter setting forth the contract you made of August 4, 1911, with Mr. Felder for his services and mine. You will observe that I was correct in the statement that there was a balance due of $25,000 when you were commuted.

Everybody knows that "a balance" means that some part of a debt has been paid; that something has been received. Mr. Daugherty does not say that "the entire fee and compensation that you promised to pay yet remains unpaid," but, "you will observe that I was correct when I stated that there is yet a balance due. Over and above what you have paid you still owe $25,000."

Now, in the face of that statement, for Attorney General Daugherty now to say that he got nothing from Morse, and for Felder to say that the Attorney General got nothing from Morse borders upon the ridiculous; and certainly it is not a candid statement.

But let us see what was contained after the preliminary sentence in the letter of August 4, 1911, which Felder wrote to Morse and which Daugherty inclosed in his letter to Morse of April 30, 1913. Following the opening paragraph appears this statement by Felder to Morse:

1. You are to pay Hon. H. M. Daugherty a retainer of $5,000, and the actual expenses incurred by him in looking after your matters. Expenses not to exceed $1,000.

That would make $6,000.

2. I will pay such expenses as I may incur in connection therewith.
3. You are to direct counsel—

I will skip that and go down to the next paragraph.

4. We are to receive, in the event we secure an unconditional pardon or commutation for you, the sum of $25,000, which is to be in full compensation for services rendered in connection with your application for a pardon.

So they had this contract with Morse: First, "you are to pay Harry Daugherty $5,000 as a retainer"—that is, he must receive that before he acts at all—and $1,000 which is to be expense money, and then, if we get you commuted, you are to pay both of us $25,000, which is to be the fee. Felder then says, "I am to pay my own expenses."

In view of the circumstance for Daugherty now to say that he got no compensation in the case compels the statement that he lacks candor.

I have here the CONGRESSIONAL RECORD of May 22, 1922, on page 7378 of which appears a letter written by Colonel Felder, to which I desire to refer. The colonel, as we know, is a very free letter writer; he has written several letters to me. In his interview already quoted by me he says the $5,000 retainer fee and $1,000 for expense money were paid to him in advance of Daugherty coming into the case, but here is his contract that Morse signed on the 4th day of August, 1911, from which it appears that he was to pay Hon. H. M. Daugherty a retainer of $5,000 and the actual expenses incurred by him in looking after your matters. Expenses not to exceed $1,000. That makes $6,000.

2. I will pay such expenses as I may incur in connection therewith.

Felder was not to get any retainer; he was not to get any expense money; he was to get his half of the $25,000 contingent

upon getting a commutation or pardon for Morse. Daugherty was to get $6,000; $5,000 as a retainer and $1,000 expense money. I now quote from the letter which Colonel Felder wrote to Leon O. Bailey, Hanover National Bank Building, New York, N. Y., dated October 12, 1917, and which was written from Washington, D. C.:

This decision was communicated—

He had been referring to the refusal of the President to grant a pardon—

This decision was communicated by Mr. H. M. Daugherty and myself to Mr. Morse, who had agreed to pay $6,000 cash to cover expenses—

That indicates he is mixing the two accounts, for there was a $5,000 contingent fee and $1,000 expense money—

to cover expenses (this sum was paid)—

That is what Felder said—

and $25,000 conditional upon our obtaining his release from the penitentiary.

In view of Daugherty's letter in which he said that Morse would observe that he was correct that only $6,000 had been paid, because the balance due was $25,000. That is what it means—"You owe us $25,000, and you will see from this contract that I was right." He could see that from the contract only in this way—I refer again to Felder's letter to Morse—

1. You are to pay Hon. H. M. Daugherty a retainer of $5,000 and the actual expenses incurred by him in looking after your matters. Expenses not to exceed $1,000.

* * * * * * *

4. We are to receive, in the event we secure an unconditional pardon or commutation for you, the sum of $25,000, which is to be in full compensation for services rendered in connection with your application for pardon.

That was the contract, and Daugherty says:

You will observe that I was correct in the statement that there was a balance due of $25,000 when you were commuted.

The only way he could observe that was from the contract and from the fact that he had paid the retainer of $5,000 and the expense money of $1,000. That is the payment Harry Daugherty got—$6,000—because it will be seen from the contract which Felder sent to him that Morse was to pay $6,000, $5,000 as a retainer, $1,000 expense money, and $25,000 as a fee.

Now, for the Attorney General to say that he got nothing is absolutely futile, because everybody who can read will know it is not true.

But that is not all. I recall, further, that Mr. Daugherty now says, as I read a few moments ago from his letter, that he never got a penny from Morse personally, that all he got was $4,000 from Felder, but Felder in this interview says:

Colonel Felder declared he made several unsuccessful attempts to persuade the Attorney General to accept some compensation in the Morse case—chiefly stocks in one of Morse's enterprises—but each time the Attorney General refused to accept it.

Further along in this interview, which, if I may be permitted, I desire to put in the RECORD, Felder says that Daugherty never got a penny out of it. In 1917 he says they got $6,000, and Daugherty in 1922 says he got $4,000 from Felder, and Felder says Daugherty refused every time he offered anything to him. Well, at least they would do well to hold a conference before they give out their next statement.

Mr. President, I think that matter has been so thoroughly gone over that it is settled. The Attorney General and his apologists must fall back upon some other statement with reference to whether Daugherty got anything out of the Morse case. In this connection it is amusing to note the statement of the Senator from Indiana—and I believe he was telling the truth about it—that not only did Daugherty not get anything out of this case but that he was not even promised anything. I asked him this question:

Let me ask the Senator—

That is, the Senator from Indiana—

whether this was the truth then—that he tried to get that fee, and it was so large that the prisoner would not pay it?

Mr. WATSON of Indiana. Oh, no; nothing of that kind, of course.

And yet here is Daugherty's letter dunning Morse for exactly $25,000, and here is Felder's letter in 1917 saying that Morse would not pay it, and Daugherty cussed him out for everything he could think of, and denounced him because he would not pay it; and yet the Senator from Indiana, reporting what the Attorney General had told him, says that there is not anything in the statement that he ever tried to get a fee out of the Morse case.

Let me, however, call attention to another phase of the Attorney General's and Felder's connection, Mr. President. Here is a letter that came to me on the 26th of last month. It was handed to me on the floor of the Senate, and its significance did not dawn on me at the time. I want to read two paragraphs from it. It is written by Col. T. B. Felder. The letterhead is—

FELDER, CHOROSH & M'CROSSIN.

Thomas B. Felder, William H. Chorosh, Edward J. McCrossin, Benjamin Shapiro, Counselors at Law, 165 Broadway, New York. Cable address, "Felderlaw." Phone, Cortland 7986.

He says:

I note that from day to day you continue your attacks upon the Attorney General and myself.

The Attorney General holds a public office, and I assume that you have a right to attack him as often and as viciously as you see fit. I am a private citizen engaged in the practice of law. I have been so engaged since I was 18½ years old. I have endeavored from the date of my admission to the bar to live up to the high standards and ideals of my profession. I can truthfully say that I have never, under any temptation, committed consciously an unprofessional act.

And so on. I just want you to know how highly he speaks of himself; and then he says that in view of that fact he does not see how I can say these cruel things about a gentleman. I want to assure him that I did not; but here is the important thing:

H. L. Scaife was employed in the Department of Justice. He resigned. The Senator from Ohio [Mr. WILLIS] and I fell into the error of thinking he had been discharged, and the Senator from Ohio said he, Scaife, had that bitterness that came from being discharged. He was not discharged. He resigned because the Attorney General would not prosecute certain cases that he had been set to investigate, and he believed they were to be whitewashed, so he resigned. He then furnished information on which WOODRUFF and JOHNSON, two Republican Members of the House, made speeches. Then later Colonel Felder came to Washington. He sent an agent to hunt up Captain Scaife, and asked him to call on him, Felder, in his room in the Shoreham Hotel. Scaife went, and Felder said: "I come to you at the request of the Attorney General. I represent the Bosch Magneto people—not the people that now own it, the American people, but the Germans who owned it before it was seized by the Alien Property Custodian. I represent them, and the Attorney General wants me to hire you to act with me to recover this property for them, and therefore I have come to employ you." Scaife was offered a substantial sum to engage in this matter. He evaded the offer. Felder said: "I have already had a talk with the Attorney General. We agree. I have talked for an hour and a half with Colonel Goff, who is handling this Bosch Magneto matter, and we agree. The Attorney General only wants me to hire you in this matter, and then it is all right."

Captain Scaife, I want to repeat, was the man who made the investigation, or one of them. He was the man that the Attorney General must rely upon if he successfully resisted a suit by the German claimants of this property; and at the request of the Attorney General Felder tried to hire away from the Government the man who could have been most helpful to the Government or most hurtful to it.

That statement never was denied. It went into the RECORD on the 5th day of May, 1922, and is there until to-day undenied. Neither the Attorney General nor Felder ever denied it. Felder wrote me this letter, and it contains his plea of guilty and avoidance. He says:

It is inconceivable to me—

And I beg the pardon of the Senator from Georgia for putting it into the RECORD—

that in the light of the facts that any United States Senator, save and except TOM WATSON, could make the charges against a gentleman that you made against me in connection with both the Morse and Scaife matters.

As I remarked awhile ago, I never talked about a gentleman in this case at all.

As to both matters I feel that I have not only clean hands but a clear conscience. I have fully discussed the Morse situation heretofore—

That is true. He has given out four different statements, every one of them false and neither one of them true.

I have fully discussed the Morse situation heretofore, and I now desire to take up with you the charges in relation to the Bosch Magneto case. You charge that I had been employed by the conspirators to protect them against punishment.

I never made any such charge. I said that he and the Attorney General had gone into an agreement to defraud the Government.

As a matter of fact, I was employed not by the American Bosch Magneto Co., the company that bought the seized property, but by the Bosch Magneto Co., the victim of the alleged conspiracy—

That is, he does not represent the company which has the property, but he is employed by the German owners who did own it prior to the time the Alien Property Custodian seized it

because it was the property of alien enemies. He represents these foreign owners—

the victim of the alleged conspiracy by the company—

That is, by the German company—

in connection with whose affairs it was charged on the floor of both the Senate and House—and I think the charges are correct—that the Government had been defrauded. The interest of my client and of the Government is in complete harmony and accord. If you entertain the slightest doubt as to this, I would suggest that you send for Major Scaife and get the facts from him at first hand. I am also ready to have the client to whom I referred in my letter to Congressman WOODRUFF call upon you and explain the full facts.

That is, he claims that he can show by his client that it would be to the Government's interest to let the German owners of the property regain it. The Government having sold it, and therefore being unable to deliver it, would be compelled to pay to these aliens whatever it is worth. I saw Major Scaife yesterday, and he said, "Why, the statement of Felder is absolutely untrue." He said that if the people that Felder now says he represents, the old German owners, were to recover, it would mean that the Government would have to pay anywhere from two to five million dollars, and the former German owners would be the profit takers and the American taxpayers would be the victims; and yet Felder does not deny, nor has the Attorney General denied, that they entered into an agreement whereby Felder was to represent these alien enemy owners whose property had been seized because they were alien enemies and sold to an American company; that he and the Attorney General had entered into an agreement whereby Felder was to represent one side, and of course the Attorney General was representing the other, and the taxpayers were to pay whatever the judgment might be; and he says now that there is no incompatibility between his interest and the Government's position.

I rather think he meant to say that there was no incompatibility between the interest of the Attorney General and himself, that they would profit, but, of course, the American people would pay the bill, whatever it was.

I overlooked the significance of that letter, because it opened with a plea and closed with a threat. He said this in his conclusion:

The only motive that I have is to leave to my young son the name that I bear as unsullied and as untarnished as I received it. I do not propose to be further vilified or slandered by you or any other man under Senatorial immunity. I am requesting man to man that you immediately cease your vilification of me. I make this request in seriousness and sincerity.

I am,

Very truly yours, THOMAS B. FELDER.

I did not refer to that before, because I did not want to make my friends uneasy for fear I was going to die prematurely, and, therefore, when I saw that threat I threw the letter in the desk and waited to see what would happen. I am not talking under Senatorial immunity, because, to satisfy this punctilious gentleman who has a colonel's prefix—though whether he got it by marriage or like he got into the Morse case, I do not know—I said some time ago, in order to get rid of answering letters, that I would waive all personal immunity. I do not intend to waive a legal right and be sued by a blackmailer, but personally I waived quite a long time ago any immunity that Mr. Felder thought I had, and that waiver stands now, and I am still talking about him, and he has not called on me yet, and is not coming. That is settled. But the reason why I read that letter is to show that here is one party to that agreement who has the effrontery to say that while he and the Attorney General had entered into the conspiracy as Scaife said he told him they had, yet that there was nothing incompatible in their relationship one with the other; that the Attorney General, representing the Government, and he, who was to sue the Government for the alien owners of this Bosch magneto, were representing the same interest, and, therefore, they could conspire together and hire each other's witnesses away from one another without any impropriety.

This inspired article says that the President thinks that this is a tempest in a teapot and will soon blow over, that the American people will soon forget, and that the President has the utmost confidence in his friend, who made him President, and does not think he [Daugherty] did anything ethically unwise or morally wrong. The article then says:

The paradox of the situation which is as much a mystery to the administration as people outside of it is why the Attorney General should be attacked to-day for helping to free Morse a decade ago when to-day the Department of Justice is doing everything in its power to put Morse back in jail.

I do not believe that there is anything paradoxical about it. Morse never paid his fee, so why should he not go to jail? He got out under a false representation that he was sick, and the Attorney General helped him perpetrate the fraud, and then he, Morse, perpetrated a fraud on the Attorney General, and would not pay his fee. I do not blame the Attorney General for wanting to put him back in jail, and I do not know why it should be said that it seems paradoxical that the Attorney General is pursuing him now. He is the only man the Attorney General is pursuing that I know anything about.

Then the article makes this further statement:

All sorts of conflicting rumors are afloat as to the purpose of the attack. Senator CARAWAY is held immune from any connection with the influences at work to discredit Mr. Daugherty, but it is charged again and again that information is being furnished Democratic Senators in the hope that they will keep up such a bombardment of the Department of Justice as to stave off possible prosecutions of persons prominent in a previous administration.

Whoever told the writer that silly falsehood ought to apologize to a reputable newspaperman for having him repeat it. He says "Democratic Senators." I do not know what has been furnished to other Democratic Senators. Not a line has come to me from anybody interested; and I want to call attention to the silliness of that kind of a smoke screen. The Attorney General was not doing a thing on earth but sitting up and drawing his salary and rewarding his friends and giving out interviews that the Civil Service ought to be abolished in order to help his friends into office. He was not prosecuting anybody. He was not investigating anybody. Everything was as serene as a spring day until this fight on the Attorney General commenced, and the papers to-day say that the Attorney General has 40 rooms to hold the lawyers that he had gotten together to prosecute the criminals. If any persons are trying to shield criminals by stirring up the Attorney General, they exercise no more intelligence than the Attorney General did when he gave out his interview about not having a thing to do with Morse, because if anybody goes to jail it will be because people have attacked the Attorney General and made him get busy.

He was not doing a thing. He was not threatening to do anything. Since the attack came he got $500,000, using part of it to hire a man away from a local paper here to be his publicity agent, and give out these big scare heads about Democrats going to jail. He took part of it to investigate Members of Congress who talked about it. I presume that is where the money came from; I do not know where he got the funds if they did not come from that source. That is his investigating fund. But up until this attack commenced he was not prosecuting anybody anywhere, and that silly statement that somebody is trying to throw up a smoke screen does not do credit to their intelligence. I have a 6-year-old boy, and if he would believe a thing like that I would send him to a school for the feeble-minded. He could not learn anywhere else.

Mr. President, I ask unanimous consent to incorporate in the RECORD the article in yesterday evening's Star, from which I read, and the article from the Times containing the conflicting statements of Felder and Daugherty, if there is no objection.

The VICE PRESIDENT. Without objection, it is so ordered.

The articles referred to are as follows:

PRESIDENT RETAINS FAITH IN INTEGRITY OF MR. DAUGHERTY—BELIEF HELD ATTORNEY GENERAL MERELY MADE POOR DEFENSE—KNEW OF MORSE CASE BEFORE APPOINTMENT—RUMORS CREDIT ATTACKS TO PERSONS DESIROUS OF HAMPERING WAR FRAUD PROBES.

(By David Lawrence.)

Attorney General Daugherty will not resign. President Harding has not asked him to do so and he never will. Mr. Harding has unlimited confidence in the integrity of his Attorney General and does not believe him guilty of anything wrong in the Morse case.

This is the inflexible attitude of the administration as revealed to-day after the President and his advisers returned from a cruise on the Mayflower, where the impression caused by the attacks in the Senate against the Attorney General was the subject of informal discussion.

Practically everybody in the administration group admits that Mr. Daugherty handled his own defense poorly and that the mix up between him and Senator WATSON of Indiana was most unfortunate. But on the basis of what has happened to date the administration feels no less confidence in Mr. Daugherty, nor does it feel that when all the facts and influences attempting to injure the Attorney General are exposed in the forthcoming war prosecutions the public will have an unfavorable impression of the man at the head of the Department of Justice.

PRESIDENT KNEW OF MORSE CASE.

There is something more than personal friendship and loyalty in Mr. Harding's attitude toward his lifetime associate and political mentor. It's true that to Harry Daugherty more than anyone else Mr. Harding owes his nomination at Chicago in 1920, which was equivalent to an election. It's true that Mr. Harding is under obligation to Mr. Daugherty, but it is also a fact that Mr. Harding knew in the fall of 1920 everything about the part Harry Daugherty played in obtaining a pardon for Morse under the Taft administration and that he did not consider it a bar to the appointment of Mr. Daugherty.

If Harry Daugherty had come out immediately after his connection with the Morse case was mentioned in Senate debate by Mr. CARAWAY, of Arkansas, and said: "Yes; I was an attorney for Morse and helped get him a pardon—I was a private lawyer then and had a right to defend my client"; no one would have thought any more about the incident. But in a telephone conversation between Harry Daugherty and Senator WATSON of Indiana, a misunderstanding occurred. This correspondent is presenting the version of that conversation which is told by friends of Mr. Daugherty.

Senator WATSON had communicated by telephone the fact that Senator CARAWAY had revived the Morse case. Mr. Daugherty, who had been hearing about the Morse case for 11 years, was not perturbed by it. In Ohio politics Mr. Daugherty has some violent opponents as well as stanch friends. The skeleton of the Morse case has been rattled every time Mr. Daugherty has been in the public eye. When Mr. WATSON of Indiana told him it was up again the Attorney General told him not to worry, as he hadn't received a cent from Morse. Mr. Daugherty imagined that the conversation related to whether he had received any money, and he authorized Mr. WATSON to deny it. During the course of the debate Senator WATSON went a step further and indicated that the Attorney General had denied his connection with the case altogether.

CALLED ERROR IN JUDGMENT.

In support of the contention that the Attorney General could not have claimed any such thing, administration supporters insist that Mr. Daugherty would never deny what had been common knowledge, and what had been printed in the newspapers at the time of his connection with the Morse pardon. The error in judgment which Mr. Daugherty made in ignoring the Senate proceedings for nearly three weeks before issuing a statement of explanation is now freely admitted by the administration group, but this was due as much to Harry Daugherty's own feeling that nothing new had been developed, and nothing injurious, as it was to the feeling of others in the administration circle who believed the whole thing a tempest in a teapot which would blow over if let alone.

There is reason to believe that the criticism which has swept the country because of Mr. Daugherty's belated explanation has not penetrated very deeply here. The view prevails that the incident soon will be passed by, and that the continued confidence of President Harding in Attorney General Daugherty will be demonstration enough that he doesn't think his friend did anything ethically unwise or morally wrong.

The paradox of the situation which is as much a mystery to the administration as people outside of it is why the Attorney General should be attacked to-day for helping to free Morse a decade ago when to-day the Department of Justice is doing everything in its power to put Morse back in jail. It is a fact that when the Shipping Board developed its case against Morse and asked the Attorney General about it he unhesitatingly told the Shipping Board to go ahead and then and there mentioned his early connection with the Morse case and the possibility of misunderstanding if he himself were to undertake the prosecution personally. He authorized, however, the appointment of a special Assistant Attorney General to handle the prosecution of Morse, and it was not until several weeks after this was done that the attack came in the Senate.

All sorts of conflicting rumors are afloat as to the purpose of the attack. Senator CARAWAY is held immune from any connection with the influences at work to discredit Mr. Daugherty, but it is charged again and again that information is being furnished Democratic Senators in the hope that they will keep up such a bombardment of the Department of Justice as to stave off possible prosecutions of persons prominent in a previous administration. The air is full of these charges and countercharges, but the answer of the administration is a decision to go ahead with the prosecution of Morse and everybody else who is now indicted or may be for connection with war contracts.

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T. B. FELDER SEES PLOT TO INJURE ATTORNEY GENERAL—GEORGIA ATTORNEY SAYS HE GOT ONLY FEE PAID BY BANKER FOR HIS RELEASE.

The names of 23 men were drawn to-day by the jury commission to serve as an additional grand jury which will hear and investigate the evidence to be laid before them by Attorney General Daugherty concerning alleged fraudulent war contracts. The talesmen summoned will appear before Chief Justice McCoy in the District Supreme Court at 9 o'clock Thursday morning, when they will be examined for qualification.

[By International News Service.]

NEW YORK, May 23.—Flat and unequivocal denial that Attorney General Harry M. Daugherty "ever received one penny" of compensation for his efforts in behalf of getting Charles W. Morse released from Federal prison was made here to-day by Col. Thomas B. Felder, Georgia attorney, the Attorney General's partner in the famous proceedings.

RETAINER WENT TO FELDER.

Felder admitted that he [Felder] received a retainer of $5,000 and $1,000 expense money from Morse, "but this was paid," he said, "long before H. M. Daugherty had any knowledge of or connection with the case."

Colonel Felder declared he made several unsuccessful attempts to persuade the Attorney General to accept some compensation in the Morse case—chiefly stocks in one of Morse's enterprises—but each time the Attorney General refused to accept it.

Neither did Daugherty sign the contract of August 4, read in the Senate by Senator CARAWAY (Democrat), of Arkansas, under which Morse agreed to pay $25,000 to Felder and Daugherty for procuring his release, Felder said to-day.

"I sent a duplicate copy of the contract to Daugherty with a request that he sign it," Felder said, "but so far as I know he never considered he was a party to this contract, and from time to time he declined to accept anything to which I thought he was entitled."

TELLS OF NEW YORK CONFERENCE.

Felder said his files showed that he came to New York on April 13, 1913, at Daugherty's request, for a conference with Morse over the litigation of the Metropolitan Steamship Co., one of Morse's enterprises.

"The day after this conference," Felder said, "I called at the office of Charles W. Morse and demanded payment in my own behalf of the $25,000 contingent fee. Morse said he did not have the money, but offered me a block of stock in the Morse Securities Co., which I accepted. I was assured the stock was valuable and dividends were being paid, but none were paid.

"Some time later, realizing the stock was useless, I again called on Morse and demanded that he take back the stock and pay my fee. He admitted the stock I held was worthless, and turned over to me 2,000 shares of stocks that had a par value of $10,000 a share. From this stock I secured some dividends, but the stock began to decline soon and is now worthless.

"Several times I offered one-half of what I secured to Mr. Daugherty, and each time he refused to accept it.

"I make the assertion boldly that this groundless assault on Daugherty is the result of a deliberate conspiracy entered into by people who have plundered the Government to discredit him."

WRITES LETTER TO WATSON.

Felder to-day set forth his position exonerating the Attorney General in a letter to Senator JAMES E. WATSON, Republican, of Indiana, who was the first to deny on the Senate floor that Daugherty had ever received any compensation in the Morse case.

Colonel Felder further charged that the effort "to get Daugherty" is connected with the Government's investigation of the notorious Bosch Magneto case.

In a statement to-day Felder said:

"Martin E. Kern, of Allentown, Pa., a German alien who served three terms in the penitentiary, bought this property, and he and his assistants benefited millions of dollars.

"The Department of Justice actively took up investigation of this case, and failing to deter the Department of Justice, the people behind that case have inaugurated a campaign with Senator CARAWAY and Senator TOM WATSON, of Georgia, to discredit and stigmatize the Attorney General.

"Senator CARAWAY stated on the floor of the Senate that I was employed in the Bosch Magneto case to protect conspirators. This statement was absolutely false."

—

WICKERSHAM, PALMER, AND MCADOO LINKED IN DAUGHERTY EXPOSE.

[By William K. Hutchinson, International News Service.]

Four Cabinet officers from three successive administrations were linked up to-day with the Morse case, which already has aroused political Washington to fever heat.

Three Attorney Generals and a Secretary of the Treasury—Wickersham, Palmer, Daugherty, and McAdoo—named already on the floor of the Senate, are facing systematic delving into their records by political opponents. Threats of future developments in the ever-widening circles of the case are rivaled only by the records already made public.

CARAWAY "JUST STARTING."

Senator CARAWAY, Democrat, of Arkansas, announced to-day his attacks on Harry M. Daugherty, Attorney General in Harding's Cabinet, and George W. Wickersham, Attorney General in Taft's Cabinet, were "just starting."

On the other hand, Senator MOSES, Republican, of New Hampshire, declared developments in the case would "seriously embarrass" William Gibbs McAdoo, Secretary of the Treasury, and A. Mitchell Palmer, Attorney General in the Wilson Cabinet.

The revelations to date involved these Cabinet officers as follows:

Attorney General Daugherty, charged with knowledge of fraud perpetrated upon President Taft in the procuring of a pardon for Charles W. Morse, New York banker, in 1911, charged with having accepted a $5,000 retainer from Morse for his work in procuring the pardon. Charged with signing a contract to obtain Morse's release for $25,000.

Attorney General Wickersham, charged with knowledge of fraud in the procuring of a pardon for Morse.

Former Secretary of the Treasury McAdoo, charged with accepting a fee from Morse in connection with a Shipping Board case during the war.

Former Attorney General Palmer, charged with "embarrassing deeds" in connection with the sale of the Bosch Magneto Co., in which Morse was interested.

REPUBLICANS ARE WORRIED.

Born of a denouement in the Senate by Senator CARAWAY, the Morse case has usurped all talk in Senate corridors. Republicans to-day were plainly worried, awaiting the "next blow" from CARAWAY. On the Democratic side the threat of Senator MOSES that the publishing of certain records in the Morse and Bosch Magneto cases "would seriously embarrass and impugn the records" of Palmer and McAdoo had a disheartening effect.

CARAWAY first charged that Daugherty had conspired with Thomas B. Felder, an Atlanta pardon attorney, to obtain Morse's release. Denials, by Republican Senators, resulted in CARAWAY producing a "photostatic copy" of the purported "pardon contract" signed by Daugherty, Felder, and Morse. CARAWAY continued his attack by charging Daugherty and Felder knew that Morse's release had been obtained through the "injection of poisonous chemicals" to fool examining physicians who decided he was suffering from Bright's disease.

Going further, CARAWAY charged Daugherty and Felder knew of this purported "fraud" and had conferred with Attorney General Wickersham, impelling him to refrain from asking Taft to revoke the pardon. Wickersham, CARAWAY said, also knew of the alleged fraud.

Both sides in the Senate to-day were anxiously awaiting further developments.

Attorney General Daugherty remained silent to-day concerning his connection with the Morse case, and it was announced at the Department of Justice that he would not hold his usual conference with newspaper correspondents this afternoon.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. UNDERWOOD. Mr. President, before the vote comes on paragraph 219, I wish to say a few words in reference to it. As I have stated several times in the course of this debate, when the present law was written one of the purposes of the committee in drafting the law, and I presume the purpose of the Congress in passing it, was to remove taxation from that class of articles which were largely necessities of human life, and from that class of articles which went into the construction of homes in America. I have already pointed out what was done in the framing of the present law in the matter of the removal of taxes or the reduction of taxes on lumber, on cement, and on many other articles which go into the home.

We now reach the paragraph which covers window glass. A home could hardly be a home unless it had windows to allow the sunlight of heaven to pour in upon the rich and the poor alike. Paragraph 219 was rather a remarkable paragraph, as reported by the committee, when this bill first came before the Senate. I am glad to congratulate the committee on the fact that this morning they modified their views and reduced to some extent the burden of taxation which they intended to levy.

They have also changed the form of classification. I do not blame the committee for changing the form of classification under the original excessive taxes which they proposed to levy. Under the tariff laws which have heretofore been passed in reference to this article this paragraph read:

Unpolished, cylinder, crown, and common window glass.

That is in the present law, and that language was also in the Payne-Aldrich act of 1909. But the committee changed the classification by making it read:

Cylinder, crown, and sheet glass.

Of course, sheet glass means common window glass. I suppose that if the committee had not put a 50 per cent ad valorem tax on all the glass in this particular paragraph, there would have been no particular reason for striking out the words "common window glass" and inserting in place thereof "sheet glass."

As the paragraph was originally reported to the Senate it fixed specific rates on the various sizes of glass, so many cents a square foot, and then wound up by providing that "None of the foregoing shall pay a duty of less than 50 per cent." As there was none of this class which paid a duty before of anything like 50 per cent, and not much of it would have paid a duty of as much as 50 per cent if this specific rate had been left, when the committee reported the bill to the Senate it practically amounted to providing a rate which would require the rich, who have the great plate-glass windows, and the poor, who have the common window glass, alike to pay a tax of 50 per cent. In other words, on every dollar they pay for their window panes they were to add at least a half a dollar more in the shape of a tax, to go to the Government if the glass was imported, and if bought at home, a tax to go to the manufacturer of glass. But I am glad that the committee has had a change of heart, and has concluded at least to go back to the rates which in the lower brackets approximate the Payne-Aldrich rates, which were cut in two under the present law.

This paragraph provides for the making of window and plate glass that is unpolished. The next paragraph provides a higher tax on the glass when it is polished. But the proposition is the same. I will not apply my statement to all the glass that is made for windows, but, practically speaking, this is the condition which confronts the importation and the manufacture of glass:

The bigger the plate of glass is, the more inches it extends in length and breadth, the higher the price; the smaller it is in length and breadth, the lower the price is; and that is why the man who lives in a humble house has small window panes in his house.

Of course, as the price of glass is higher when the width and breadth are greater, the manufacturer endeavors to make his glass as wide and long as possible, whether it is made by machinery or whether it is made by hand. But glass is brittle. Glass is difficult to keep in large shapes, and it breaks, and when it breaks the manufacturer takes the broken pieces, cuts them into smaller sizes, and sells them in smaller sizes, because he has lost the opportunity to make the greater plate. This applies particularly to the next paragraph, covering polished glass, because, of course, a great deal of the breakage comes in the polishing of the glass; but it also applies to this paragraph.

This breakage produces the culls of this industry. It is what you might call a by-product. It is something that happens when the real objective of manufacture is not obtained, to wit, the making of the larger piece of glass. Of course, when you come to the by-product, the cull that is thrown off, that is something which must be disposed of, and all manufacturers want to get rid of it. Their prime object in manufacturing is the great sheet of glass. The smaller glass, which comes from the culls, must be disposed of, and the competition on glass coming from abroad is in that class. This I have gotten from witnesses who came before the Ways and Means Committee of the House of Representatives when the present law was written and when the Payne-Aldrich bill was before the House, that the main competition does not lie in the great sheets of glass. This book giving the information published by the Tariff Commission makes the same statement, that the active competition which the manufacturer desires protection against is not in the broad window panes, but is in the culls, and although the committee cut the rates in the balance of the lines in changing this schedule, they made no cut in the rate on the culls, in which the real competition is found, in the very first bracket as the bill was originally reported.

The bill provides:

Cylinder, crown, and sheet glass, by whatever process made, unpolished, not exceeding 150 square inches.

"Sheet glass" should read "common window glass."

A plate of glass measuring 150 square inches, if it was square, would be a little above 12 inches square, so this bracket covers all the glass from a foot square down. There is no question about whose houses glass a foot square goes into. It goes into the houses of the people of this country who are least able to pay this tax, and yet the committee in making this reduction from its first proposal this morning reduced every rate except the first rate.

The present law put a tax of seven-eighths of 1 cent on this plain glass. The committee, in reporting the bill, increased that rate to 1¼ cents a pound. The chairman of the committee—and I have not verified his figures, but I will assume they are correct, for the sake of this argument—states that under this tax of 1¼ cents a pound on glass from 12 inches square down, the present rate would amount to about 20 per cent ad valorem.

I have not worked it out for 1921—that is, nine months, and it is not given in this bill—but I am reading from the Summary of Tariff Information as furnished by the Tariff Commission, and for the year 1918, under the present law, the Tariff Commission says that the ad valorem rate on the goods imported was 8.84 per cent, less than 9 per cent.

Mr. SMOOT. The price at that time was 10 cents a pound, and to-day it is 6 cents.

Mr. UNDERWOOD. I am not talking about the price. Of course, the price varies. If we go back and take the present rate it will not change the prices that we shall probably have after war prices have ceased.

Mr. SMOOT. Some of these articles, I will say to the Senator, are cheaper now than they actually were before the war.

Mr. UNDERWOOD. I am not responsible for the figures, as I said in the beginning, which the chairman of the Committee on Finance announced to the Senate. I have not had a chance to work them out. I am assuming that he is correct, and I am sure that he did not overstate them.

In 1919 the imports of this particular article of glass embraced in the first bracket were 4,443 pounds, valued at $50,708. According to the way the Tariff Commission worked it out, they say that is equal to an ad valorem tax of 6.98, or just a little below 7 per cent. In 1920 they tell us the imports amounted to 3,190,492 pounds, valued at $319,395, and that the ad valorem rate amounted to 8.74 per cent, a little less than 9 per cent. I assume that the Tariff Commission are correct in working out the ad valorem equivalent on this glass that is 12 inches, or under, square. If that is true for 1918, 1919, and 1920, the three years that are worked out in the report, there was not an equivalent ad valorem rate on one of the articles, for the three years where the Tariff Commission worked it out, of as much as 9 per cent ad valorem.

Mr. SMOOT. That is true.

Mr. UNDERWOOD. It can not be otherwise. It is here. It is the record.

Mr. SMOOT. There is no doubt of that; but at the same prices it could not be more than 12 per cent under the rates we have reported here. It is only the difference between seven-eighths of a cent and 1¼ cents per pound.

Mr. UNDERWOOD. The Senator from Utah is always very pleasing in his explanations, but I will say——

Mr. SMOOT. Does the Senator from Alabama deny that?

Mr. UNDERWOOD. Just let me tell the Senator this: The Senator from North Dakota said he based this 20 per cent on the imports of 1921.

Mr. SMOOT. Oh, no; Mr. President——

Mr. UNDERWOOD. Of course the Senator from Utah was not present when the Senator from North Dakota said that, and if he wants to deny what the Senator from North Dakota said in his absence he can do so. I listened to the Senator from North Dakota and I understood him to say that the basis of his figures was the imports of 1921. If I am incorrect, I want to know it.

Mr. McCUMBER. Mr. President, I can make that definite now. I gave the figures as based on the first nine months of 1921, the average import price. Taking the first bracket, the average import price value was 6 cents a pound, and, of course, at 1¼ cents per pound we would have an equivalent ad valorem of 20 per cent. At seven-eighths of a cent per pound on the same basis it would be an ad valorem equivalent of 15 per cent. So the difference between the Underwood law and the

pending bill upon the first bracket would be 5 per cent ad valorem.

But may I correct the Senator from Alabama in one statement he made, and that is that if we would take the pre-war prices, the equivalent ad valorem would be about 40 per cent, or double. The pre-war price in 1914 was 4 cents as compared with our 6 cents. Therefore, it was two-thirds as high as it is at the present time, or a difference of 2 cents per pound. I do not know whether the Senator was here, but I gave the different prices on the pre-war basis as compared with the prices on which we are basing our ad valorem rates, namely, the first nine months of 1921. On the fourth bracket they are just the same as pre-war, and on the other brackets below they are very close to the same.

Mr. UNDERWOOD. I understand that, and that is just the logic of my argument. I am glad the Senator from North Dakota has set the Senator from Utah right.

Mr. SMOOT. The Senator from Utah understood that the Senator from Alabama was talking about the year 1920.

Mr. UNDERWOOD. Oh, no; the Senator can refer to the RECORD and see that I did not say that.

Mr. SMOOT. I say the Senator from Utah understood that that is what the Senator from Alabama said. I may have been mistaken. I said the price for 1920 was 10 cents, and the Senator will find that that is the case if he will look at the figures.

Mr. UNDERWOOD. But I did not say that.

Mr. SMOOT. Then I misunderstood the Senator.

Mr. UNDERWOOD. I said the Senator from North Dakota based the statement I read on the figures of 1921, and making the comparison, I read what the Tariff Commission said in reference to 1918, 1919, and 1920. They have not followed the figures out and made an estimate for 1921, but I read what they said for those three years, and then I said that the Senator from North Dakota had said that this rate, based on the figures for 1921, would be equal to 20 per cent.

Mr. SMOOT. That is what I said.

Mr. UNDERWOOD. Then there was no occasion for the Senator to interrupt me in my statement, because it is perfectly clear.

Mr. SMOOT. I misunderstood the Senator.

Mr. UNDERWOOD. Of course, we all sometimes misunderstand each other.

Mr. President, of course, as the Senator from North Dakota has said, when they get to the higher brackets they do not increase the ad valorem rate so much. I knew that when I started, because the high brackets of this glass show it. For instance, the last sizes of glass are 2,400 square inches. That is something like——

Mr. SMOOT. Four by five feet.

Mr. UNDERWOOD. Yes. That is the last bracket and includes anything above 2,400 square inches. It covers the great plate-glass windows of luxuriant department stores or of the luxuriant homes.

Mr. SMOOT. It is unpolished.

Mr. UNDERWOOD. I mean when it becomes polished. Of course, this is the base on which the polished glass is made. I am speaking of the raw material now, because when you get the raw material then you increase the tax on the finished product. But this is the base on which you put the glass in the fashionable stores and the plate-glass window of the palace, and you do not make such a very great increase when you come to that. You make the same discrimination when you come to the next paragraph, 220, polished glass, the finished product.

The last product that you tax are the great windows of luxury, which you tax at 2½ cents per pound. The article that must go into every little home of America you tax at 1¼ cents per pound, and yet this broken glass, this refuse of manufacture, is taxed. Of course not all of it is of that character, some of it being made for that purpose, and that is where the competition comes in. Competition in glass comes from the smaller pieces which are made where the manufacturer fails to accomplish his objective and make the larger piece of glass. I have had that detailed before committees time and time again. In other words, you are going to take the culls of manufacture and put your burden of taxation on them in order that you may increase the cost of building the home.

This is nothing new. You have done it in reference to lumber, you have done it in reference to cement, and you have done it in pretty nearly every article that goes to build a home. You are not going to get much revenue out of it. It is not productive of much taxation at the customhouse, because these people are perfectly capable of meeting the competition in the great proposition of manufacture. Where this glass is not made of the culls or broken glass, it is manufactured by machinery, and the Tariff Commission itself says that for machine-made glass the American manufacturer stands on an even basis with the manufacturer abroad.

More than that, the glass industry in America has a natural protection of its own that many other commodities do not have. Freight rates are high on glass. It is bulky and difficult to handle. The rates are much higher than on other commodities. Therefore to carry glass from abroad to the domestic market in the United States the freight rate is an item of consequence. Insurance is a serious matter. Men who ship glass insure the cargo against the danger of breakage and that costs money. So there is a very considerable item of transportation on all glassware moving from a foreign market before it enters the domestic market, which is to the benefit of the local manufacturer.

Of course, I know that the committee will answer, when I read them the figures of importation, that it may be true now, but that the war is over and that it is going to vastly increase in the near future, as every other article is going to increase in the imagination until the pending bill is passed. In 1914 the production of glass amounted to 400,000,000 pounds. That was when the industry had full competition from Belgium. Belgium was the principal manufacturer of glass that came in competition with the American producer in the American market. But during the war the Belgian mills were closed because Belgium was occupied by the German Army. After the war was over Belgium was back in possession of her own, and by the beginning of the year 1919 the production was increasing. The production in 1919 was 368,912,209 pounds, valued at $41,000,000. I thought I had in my hand the imports for 1919 summarized, but I do not find them. However, for 1919, in the first bracket, they amounted to 404,443 pounds; in the second bracket they amounted to 112,811 pounds; and so on down. I shall not take the time of the Senate to read them, because I have not added them up, but I will make a comparison of the imports in 1914, for which I have the figures in hand.

I stated awhile ago the production in 1914, when Belgium was in full blast and the rates under the present law were in effect. The Senator from Utah [Mr. SMOOT], however, suggests to me that Belgium was being shot to pieces in 1914, and so I will go back and take 1913. I have not the production for 1913, but the imports into this country in 1913 were 20,458,970 pounds, as compared to a production in 1914 of 400,000,000 pounds—20,000,000 pounds as against 400,000,000 pounds. So the imports amounted to about 5 per cent of the American production. Those figures may not be absolutely accurate, but they are substantially correct; and it appears that when commerce was unimpeded, importations coming from Europe were unobstructed, and the rates of the present law were in force, the imports amounted to only about 5 per cent of the American production, and, of course, less than 5 per cent of the American consumption. If anybody can say that when the industries of America have 95 per cent of the control of the American market they are going to be destroyed because somebody imports 5 per cent of the glass that America consumes, I think he has a vivid imagination.

Of course, the manufacturer wants the entire market in his own line; but what are we going to do for the Government? It is said by the majority party that they are going to levy taxes in order to collect revenue at the customhouse; but until we let some of these articles flow through the customhouse we can not collect any revenue, because nothing will come in upon which to levy the tax. Is 5 per cent too much for the Government's share, leaving 95 per cent upon which the manufacturer may charge increased prices behind an adamant tariff wall?

I think that under any fair adjustment of tariff taxes the Government should be allowed to have some opportunity; but if we increase the rates we are going to make them so high that we shall shut out importations, as will undoubtedly be the case in these lower brackets, if this paragraph is permitted to stand as reported to the Senate, proposing to levy a tax of 50 per cent ad valorem. Importations will be reduced to a certain extent even by raising the present rates as now proposed by the committee amendment, and the American people will be compelled to pay that additional tax to the manufacturer without, so far as I can see, any justification whatever.

Mr. KELLOGG. Mr. President, will the Senator from Alabama yield to me?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Minnesota?

Mr. UNDERWOOD. I yield.

Mr. KELLOGG. Did I understand the Senator from Alabama to say that this bill carries a duty on ordinary building lumber?

Mr. UNDERWOOD. No. I said that under the present law, as it was written when I was chairman of the Ways and Means Committee, lumber was placed on the free list.

Mr. KELLOGG. And it is on the free list in the pending bill also, is it not?

Mr. UNDERWOOD. In some respects, I am free to say that the committee was wise enough to follow the example set for them in the present law, undoubtedly; but on other grades of lumber they have increased the rate of duty as to most articles that go into the building of homes; they have largely increased the duty over what it is in the present law.

Mr. KELLOGG. Building lumber and shingles by this bill are placed on the free list, are they not?

Mr. UNDERWOOD. The Senator from Minnesota means that the Republicans have continued lumber on the free list?

Mr. KELLOGG. Yes.

Mr. UNDERWOOD. Those articles are continued on the free list; but they were not on the free list under the Dingley Republican law and they were not on the free list under the Payne-Aldrich law, which was a Republican law. The Democrats, as I have stated, placed the ordinary grades of lumber, shingles, and many other articles on the free list in order that the builders of homes might have an opportunity, and in some few instances the Republicans have allowed them to stay where we placed them; but in numbers of other instances, as well as in this particular paragraph, they are raising the rates on building material, and in my opinion without any justification.

I do not care to take the time of the Senate in discussing all these items; there is no use of my doing that. Unpolished glass is the raw material; the next paragraph takes up the finished product, covering the glass after it is polished; and the next paragraph embraces a higher class of glass, which is more or less a luxury or a necessity for great buildings. But here is the crux of the glass schedule; here is the common glass. I realize that there are men who write tariff bills on the theory that the protection of an industry is more important for the Nation than the food and clothing and housing of the masses of the people. I do not say that in a spirit of demagoguery; I do not say it as an appeal because there are more poor people who vote than there are rich people; I have not invoked a spirit of that kind during my career in this Chamber; but I do say that the great mass of the American people in order to be good citizens, in order to love and honor their country, to live happy lives and raise their children properly, must have an opportunity to buy their food cheaply, to buy their clothes at reasonable prices, to build their own homes and not to be exploited by landlords exacting exorbitant rents. There is nothing that will make this Nation greater and more independent and insure a more patriotic and conservative citizenry than to allow every man in the Nation to own his own home. I say that when you pursue a deliberate policy, as is done in this bill, of raising the tax on food, raising the tax on clothes, raising the tax on the materials with which to build the homes, you are pursuing a policy that is in direct contravention of the best interests of our United States.

Mr. HEFLIN. Mr. President, before a vote is taken upon the pending item I merely wish to say a word concerning a thought which has been suggested by the speech of my colleague [Mr. UNDERWOOD]. I think it well for the country to know just what the program here is; just what is going on day after day with regard to this tariff bill. A few days ago the Republican Senate placed a tax upon sand from which glass is made. Nobody ever dreamed that any party would do that, but the Republican Party in the Senate has actually laid a tax upon sand. It has increased the price of the raw material, white sand, out of which glass is made. That is No. 1. They have not stopped at that, as my colleague has pointed out, but they have laid a tax upon unpolished glass, which is made from sand. That is No. 2. Then they have laid a tax upon the polished glass or finished glass, and that is No. 3.

So every fellow who uses glass in any form must pay all these taxes, because the consumer pays all the tax. Whenever the article is handed to him over the counter he pays every tax that is connected with it. I do not care what theorists may say about it; it is all put in the cost that the consumer pays when the article is handed over the counter to him.

I was just thinking while my colleague was speaking, Mr. President, about the fellow who buys a bottle in which to have milk delivered to his home for his baby, or several bottles bringing milk for the family. He has to pay a tax under this provision and under all these provisions—sand, unpolished glass, and polished glass. The more glass he buys the greater his tax. I got to thinking of some of the uses to which we put glass. I will mention just one or two, because I do not want to detain the Senate, for you seem to desire to vote on this item. I thought of fruit jars. The housewives of America, when fruit is here in abundance, want to preserve some of it for use in the winter, and they will cook up some of this fruit and will preserve it by putting it away in glass jars. The other side has made it more difficult for them to do that, because of the tax that they are laying on sand, unpolished glass, and polished glass. When they get ready to serve these luscious and delightful preserves in a glass bowl the tax proposition rises again, and when they go to drink this milk that comes in the glass bottle, from the drinking glass upon the table, here comes this Republican tariff tax upon sand, unpolished glass, and polished glass to stare them in the face with increased prices. You have taxed the windowpanes that let God's light of day into the homes of the people, and when the citizen needs glasses to enable him to read the pages of the Blessed Book you have taxed the spectacles that he must use. Verily, there is no escape from the taxgatherers of the Republican Party.

Mr. UNDERWOOD. I ask to have the pending amendment stated.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On line 7, after the word "made," it is proposed to insert a comma and the words "and for whatever purpose used."

Mr. UNDERWOOD. I do not care to take any issue on that. I understand that that is merely a technical provision.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. Now, on page 42, line 10, I move to strike out "1¾," and insert in lieu thereof "1⅞."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah.

Mr. UNDERWOOD. Before this increase is voted over the present rate, although it is a reduction from the rate printed in the bill, I think the Senator from New Mexico [Mr. JONES], in charge of this schedule, desires to propose an amendment. I therefore make the point of no quorum, in order that he may be here.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Harris	Nelson	Simmons
Brandegee	Heflin	New	Smoot
Broussard	Johnson	Newberry	Spencer
Bursum	Jones, N. Mex.	Nicholson	Sterling
Calder	Jones, Wash.	Norbeck	Sutherland
Capper	Kellogg	Norris	Townsend
Caraway	Kendrick	Oddie	Underwood
Curtis	Keyes	Page	Wadsworth
Dial	Ladd	Pepper	Walsh, Mont.
du Pont	La Follette	Poindexter	Warren
Edge	Lenroot	Pomerene	Watson, Ga.
Frelinghuysen	Lodge	Ransdell	Watson, Ind.
Gerry	McCumber	Rawson	Williams
Glass	McKinley	Robinson	Willis
Gooding	McLean	Sheppard	
Hale	McNary	Shortridge	

The PRESIDING OFFICER (Mr. LADD in the chair). Sixty-two Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Utah.

Mr. JONES of New Mexico. Mr. President, I move to amend the amendment of the Senator from Utah by inserting, instead of "1⅞ cents," in line 10, page 42, "1 cent"; and before proceeding to a vote I desire to make just a little statement.

We were in some confusion earlier in the day as to prices. I have just been handed a list of prices, coming from official sources, of certain sizes of glass manufactured in this country for domestic consumption, and the prices of the same glass for export, and the landed cost of the Belgian glass. There is quite a table of these prices, but they are decidedly interesting.

I find that the American export price is in most cases considerably less than the American price to the American consumer, and that the Belgian price landed in New York is greater than the American price in New York. They are given in brackets here. I will not read the numbers of the brackets, because I will ask to have this table inserted in the RECORD; but the first domestic price of the American glass is $2.77, and the export price of the same article is $2.76, about the same, and the net price of the Belgian glass is $2.65. The Belgian price is on the basis of 25 per cent discount from the list price, and 8 cents per franc.

The franc is worth more than that now. These were January, 1922, prices. The comparative prices as to the other brackets are as follows:

Single thickness.	Net domestic price American glass.	Net export price American glass.	Net Belgian glass at 25 per cent discount from list at 8 cents per franc.
34-inch bracket	$3.22	$2.98	$3.17
40-inch bracket	3.36	2.98	3.17
50-inch bracket	3.69	3.25	3.54
54-inch bracket	3.98	3.33	3.69
60-inch bracket	4.09	3.33	3.89
70-inch bracket	4.38	3.54	4.04
80-inch bracket	4.88	4.15	4.53
84-inch bracket	5.26	4.46	4.84

It will thus be seen that the price of the Belgian ware in the New York market is in every instance, I believe, higher than the export price of the domestic product. That is for single-thickness glass. For duplicate thickness the figures are:

Double thickness.	Net domestic price American glass.	Net export price American glass.	Net Belgian glass at 25 per cent discount from list at 8 cents per franc.
25-inch bracket	$3.76	$3.08	$3.95
34-inch bracket	4.06	3.49	4.74
40-inch bracket	4.30	3.49	4.74
50-inch bracket	4.92	3.93	5.29
54-inch bracket	4.98	4.05	5.52
60-inch bracket	5.04	4.05	5.82
70-inch bracket	5.34	4.24	6.04
80-inch bracket	5.76	4.81	6.80
84-inch bracket	5.88	4.88	7.25

So it appears that we are not threatened with importations from Belgium. In every case I believe the Belgian price is greater than the export price of the American product, and in most cases the Belgian price in New York is greater than the New York price of the American product. So it would seem that there is very little danger of our markets being flooded with Belgian ware, and when I called attention this morning to the fact that this industry is closely held, that under an agreement between the machine producers and the hand producers the factories of this country of all kinds are working only six months in the year, under an agreement that 60 per cent of the whole market shall belong to the machine producers and 40 per cent to the hand producers; with the market so closely held as that and with the manufacturers themselves saying that upon the higher brackets they need no further duty, one of them saying that the present duty could be reduced—in the face of that condition the committee proposes to increase materially the duties under existing law, and all I am seeking to do by the amendment which I suggest is to retain the rates found in the existing law.

The industry is prospering as it has never prospered before. We are exporting this glass now, and Belgium is our competitor, if we have any; and nobody has had much to say about the low cost of production in Belgium. This industry especially is struggling to get on its feet again in Belgium.

Mr. President, I ask to have inserted in the RECORD a copy of the price list to which I referred a while ago.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PARAGRAPH 219.

Prices of window glass January, 1922, 50 feet per box, f. o. b. New York.

"B" QUALITY.

	Net domestic price American glass.	Net export price American glass.	Net Belgian glass at 25 per cent discount from list at 8 cents per franc.
Single thickness:			
25-inch bracket	$2.77	$2.76	$2.65
34-inch bracket	3.22	2.98	3.17
40-inch bracket	3.36	2.98	3.17
50-inch bracket	3.69	3.25	3.54
54-inch bracket	3.98	3.33	3.69
60-inch bracket	4.09	3.33	3.89

Prices of window glass January, 1922, etc.—Continued.

	Net domestic price American glass.	Net export price American glass.	Net Belgian glass at 25 per cent discount from list at 8 cents per franc.
Single thickness—Continued:			
70-inch bracket	$4.38	$3.54	$4.04
80-inch bracket	4.88	4.15	4.53
84-inch bracket	5.26	4.46	4.84
Double thickness:			
25-inch bracket	3.76	3.08	3.95
34-inch bracket	4.06	3.49	4.74
40-inch bracket	4.30	3.49	4.74
50-inch bracket	4.92	3.93	5.29
54-inch bracket	4.98	4.05	5.52
60-inch bracket	5.04	4.05	5.82
70-inch bracket	5.34	4.24	6.04
80-inch bracket	5.76	4.81	6.80
84-inch bracket	5.88	4.88	7.25

Mr. SIMMONS. Mr. President, the Senator from New Mexico has made a very valuable contribution to this discussion. I stated a few days ago upon a venture that I believed that upon further investigation it would be found that our export prices were not very much above the import prices of foreign merchandise into this country. I think if the Senator will extend his investigation to other subjects along the same line he has pursued in getting the data he has just given the Senate he will find that there is practically the same difference between the domestic and export selling prices of domestic products which he has discovered with reference to the product we have been discussing.

The facts the Senator has given as to that article illustrate to my mind better than anything which has been developed in all of this discussion the cost to the American people of the proposed extortionate and prohibitory rates. They will enable the domestic producers to sell their products to the American consumers at profits far above what are reasonable, fair, and just, while selling the same products in foreign countries at a very much less price.

It is logical to argue that the difference between the domestic price of the domestic product and the export price of that product, if it will not accurately gauge the cost to the American people of these high rates which are now demanded, is at least an index of the extent to which this system enables the industries of the country to victimize the consumers of the country.

If we give the monopolized industries a protection which enables them to dominate and control the American market, and thus to fix their prices and their profits as high as they please, they will exact a big profit from the American people, while exacting of the foreigner only a moderate profit, which means, properly interpreted, that the protective system, as illustrated in this case, instead of inuring to the benefit of the American people, inures to the benefit of the foreign purchaser of our domestic products.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico [Mr. JONES] to the amendment of the committee.

Mr. JONES of New Mexico. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I have a general pair with the senior Senator from Colorado [Mr. PHIPPS], which I transfer to the senior Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. WARREN (when his name was called). I have a general pair with the junior Senator from North Carolina [Mr. OVERMAN]. I transfer that pair to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay." I ask that this announcement of my pair and its transfer may stand for the day.

Mr. WATSON of Georgia (when his name was called). I have a general pair with the junior Senator from Arizona [Mr. CAMERON]. Not being able to obtain a transfer, I withhold my vote.

Mr. WATSON of Indiana (when his name was called). I transfer my pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Maryland [Mr. FRANCE] and vote "nay."

The roll call was concluded.

Mr. BALL. I transfer my general pair with the senior Senator from Florida [Mr. FLETCHER] to the senior Senator from New Hampshire [Mr. MOSES] and vote "nay."

Mr. EDGE. I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Oklahoma [Mr. HARRELD] and vote "nay."

Mr. NEW. I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. GLASS (after having voted in the affirmative). I transfer my pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Arizona [Mr. ASHURST] and permit my vote to stand.

Mr. SIMMONS. I wish to announce that my colleague [Mr. OVERMAN] is necessarily absent. If present, he would vote "yea."

Mr. HARRISON. I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Nevada [Mr. PITTMAN], and vote "yea."

Mr. STANLEY. I transfer my pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "yea."

Mr. JONES of Washington. The senior Senator from Virginia [Mr. SWANSON] is necessarily absent for the day and I promised to take care of him with a pair. I find, however, that I can transfer that pair to the Senator from New Hampshire [Mr. KEYES], which I do, and vote "nay."

Mr. JONES of New Mexico (after having voted in the affirmative). I desire to announce the transfer of my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED]. I ask that this announcement may stand for the day.

Mr. CURTIS. I desire to announce that the Senator from Rhode Island [Mr. COLT] is paired with the Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 21, nays 45, as follows:

YEAS—21.

Caraway	Heflin	Pomerene	Underwood
Dial	Jones, N. Mex.	Robinson	Walsh, Mass.
Gerry	King	Sheppard	Walsh, Mont.
Glass	La Follette	Simmons	
Harris	Myers	Smith	
Harrison	Norris	Stanley	

NAYS—45.

Ball	Hale	Nelson	Smoot
Brandegee	Johnson	New	Spencer
Broussard	Jones, Wash.	Newberry	Sterling
Bursum	Kellogg	Nicholson	Sutherland
Calder	Kendrick	Norbeck	Townsend
Capper	Ladd	Oddie	Wadsworth
Cummins	Lenroot	Page	Warren
Curtis	Lodge	Pepper	Watson, Ind.
du Pont	McCumber	Poindexter	Willis
Edge	McKinley	Ransdell	
Frelinghuysen	McLean	Rawson	
Gooding	McNary	Shortridge	

NOT VOTING—30.

Ashurst	Ernst	McKellar	Stanfield
Borah	Fernald	Moses	Swanson
Cameron	Fletcher	Overman	Trammell
Colt	France	Owen	Watson, Ga.
Crow	Harreld	Phipps	Weller
Culberson	Hitchcock	Pittman	Williams
Dillingham	Keyes	Reed	
Elkins	McCormick	Shields	

So the amendment of Mr. JONES of New Mexico to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the amendment offered by the Senator from Utah [Mr. SMOOT], on line 10, to strike out "1¾" and insert in lieu thereof "1⅞."

The amendment was agreed to.

Mr. SMOOT. On page 42, line 11, I move to strike out "2¼" and to insert in lieu thereof "1⅞."

Mr. JONES of New Mexico. I move to amend by inserting "1⅛" instead of "1⅞" proposed by the Senator from Utah. I will state that we have had one roll call upon this paragraph, and I assume that the vote on the other items will be just the same. So I shall not ask for a roll call on the further amendments, but I desire to reserve a vote in the Senate upon all the amendments in this paragraph.

Mr. SIMMONS. Mr. President, may I ask the Senator from New Mexico if glass of the character covered by this rate is imported from Belgium?

Mr. JONES of New Mexico. I assume that all of it is. I know of none coming from any other country.

Mr. SIMMONS. Belgium is our only competitor?

Mr. JONES of New Mexico. Belgium is our only competitor.

Mr. SIMMONS. The glass she sends us sells in New York at a higher price than the domestic glass, I understand.

Mr. JONES of New Mexico. So it appears from the official price list which I inserted in the RECORD,

Mr. SMOOT. That is the selling price, but not the cost price.

Mr. JONES of New Mexico. It is the landed price f. o. b. New York.

Mr. SMOOT. I do not want to get into any discussion about it, but——

Mr. SIMMONS. We need to have some discussion about it. If the figures given by the Senator are true, we ought to have some discussion that would enlighten the Senate.

Mr. SMOOT. All I will say is that the foreign value in the United States currency, with the landing charges, freight, and insurance added, and the duty added to that, is a lower price than that at which it is sold for here. It is said that the profit in selling that article in the United States is all the way from 60 to 80 per cent, and with that 60 to 80 per cent profit over and above the cost of the article in Belgium, together with freight and landing charges, plus the duty and the profits, it is sold in some cases a little higher than the American article and in some cases a little lower.

Mr. SIMMONS. Let me ask the Senator from New Mexico another question. When the Senator spoke of the selling price of the Belgian glass in the New York market did he include the duty?

Mr. JONES of New Mexico. It is the f. o. b. New York price, and I assume that the present duty is included.

Mr. SIMMONS. The Senator assumes that the duty is included?

Mr. JONES of New Mexico. I assume that it is, because it is the f. o. b. New York price.

Mr. SIMMONS. Has the Senator subtracted the duty to see what would be the net result?

Mr. JONES of New Mexico. I have not, but I was trying by these figures to show conditions under the existing law. It seems to me they demonstrate that there is no necessity for increasing the duty. The prices to which the Senator from Utah has just referred are the prices of August of last year, while the prices which I have are of January of this year.

Mr. SIMMONS. And they are admittedly higher, I think.

Mr. JONES of New Mexico. I imagine in some cases they are a little higher and in some cases a little lower.

Mr. SMOOT. I think they are lower to-day not only in this country but in Belgium as well.

Mr. SIMMONS. They are lower than they were last August?

Mr. SMOOT. Yes.

Mr. SIMMONS. The evidence I have is that since last August the prices of imports into this country have increased.

Mr. SMOOT. Not at all on glass.

Mr. SIMMONS. I am not speaking specifically about glass. I was speaking about general prices.

Mr. SMOOT. I think the Senator will admit that the prices quoted there are prices at which the glass is sold in the United States, and also that the prices quoted of the foreign article are f. o. b. at the mill.

Mr. SIMMONS. Then if we take that to be true, the prices at which this product is offered for sale by the foreigner in New York, after paying the duty under the present law, are a little higher than the export prices of the American product.

Mr. JONES of New Mexico. And in a great many instances they are very much higher.

Mr. SIMMONS. Yes; very much higher.

Mr. JONES of New Mexico. In the higher brackets especially the prices are much higher. I mean by that the larger sizes of the glass.

Mr. SIMMONS. That would clearly demonstrate, I think, that the present duty affords the American producer all the protection that he can possibly ask for in conscience upon this article.

Mr. SMOOT. I know the Senator wants to be perfectly fair, and I know the prices he is quoting are the cost prices in Belgium plus the landing charges and the insurance and the duty, plus 60 or 70 per cent profit, as shown by the Reynolds report. They can cut that 60 or 70 per cent profit and then it would be under the selling price in the United States.

Mr. SIMMONS. But I do not suppose it includes importers' profits.

Mr. JONES of New Mexico. I am not willing to allow that statement to go unchallenged, because I read from the official paper and I will read just what it says:

Prices of window glass January, 1922, 50 feet, per box f. o. b. New York.

Mr. SMOOT. That is exactly what I said.

Mr. JONES of New Mexico. That does not include any profit by the importer.

Mr. SMOOT. But that is f. o. b. New York. That is where the importer buys the product and lands it at New York. The Reynolds report will show that to be the case.

Mr. SIMMONS. The importer's profit is not included, because the importer is not presumed to pay himself a profit. It is clear to me that there are no profits included in the foreign prices and that it is the landed cost plus the freight and insurance and the duty, and that is all. Now, the American export price includes in it a profit to the American wholesaler, and with that profit to the American wholesaler it seems that the landed cost with the duty added on the foreign article is a little higher than the export price of the domestic article.

Mr. SMOOT. Does the Senator from North Carolina mean that the importer will bring the glass in here f. o. b. New York and sell it at just what it costs him f. o. b. New York?

Mr. SIMMONS. I mean nothing of the sort, and no one has said anything that approached that. What the Senator from New Mexico has said to the Senate, and all that he said, is that the landing cost in New York to the importer of that article was so much, duty paid. The importer's profits will not be included until the importer sells it. The article he quoted does not give the selling price of that article in New York. The selling price, of course, would include the importer's profit. The quotation speaks of the landed cost, landed in New York, invoiced to a certain importer, and that includes nothing except what the importer gives for it plus the duty and the insurance and the freight. That is all. If it had said the selling price of the article in New York it would have been different, because the selling price would have included the importer's profit, but the Senator has said that his figures only applied to the landed cost. There is a vast difference between the landed cost and the selling cost.

Mr. SMOOT. I never in my life heard of a landing cost f. o. b. If the Senator from North Carolina can imagine a landing cost f. o. b., I can not understand it. I do not know what it is. I never heard of it.

Mr. SIMMONS. I buy an article for the purpose of reselling it. It is booked to me f. o. b.

Mr. SMOOT. Oh, that is c. i. f. That is not f. o. b.

Mr SIMMONS. Yes, it is f. o. b. at the point of shipment, and landed cost included the transportation and insurance charges, and the duty is the entrance fee, so to speak.

Mr. JONES of New Mexico. Mr. President, I want to call attention to the heading of that column. It says:

Net Belgium glass at 25 per cent discount from list at 8 cents per franc.

If you put the franc at its present value, this price would be increased accordingly about 12½ to 15 per cent. But even assuming that the Senator from Utah is right about it, that these articles are on the market at those prices, still we have the Belgium glass on the market, in a great many cases with the prices higher than the American glass on the market in New York and in every case higher than the American prices for export.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico to the amendment proposed by the Senator from Utah.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. On page 42, line 13, I move to strike out the numerals "2¼" and to insert in lieu thereof the numerals "1¾."

Mr. JONES of New Mexico. I move to amend the amendment offered by the Senator from Utah by inserting the numerals "1½" instead of "1¾."

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico to the amendment of the Senator from Utah.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. On page 42, line 15, I move to strike out the numerals "3¼" and to insert in lieu thereof the numeral "2."

Mr. JONES of New Mexico. I move to amend the amendment of the Senator from Utah by inserting the numerals "1½" instead of the numeral "2."

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico to the amendment of the Senator from Utah.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. On page 42, line 16, I move to strike out the numerals "3¼" and to insert in lieu thereof the numerals "2¼."

Mr. JONES of New Mexico. I move to amend the amendment proposed by the Senator from Utah by inserting the numerals "1⅞" instead of the numerals "2¼."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico to the amendment of the Senator from Utah.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. On page 42, line 17, I move to strike out the numeral "4" and to insert in lieu thereof the numerals "2¼."

Mr. JONES of New Mexico. I move to amend the amendment of the Senator from Utah by inserting the numeral "2" instead of the numerals "2¼."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico to the amendment of the Senator from Utah.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. On page 42, line 18, I ask that the committee amendment may be disagreed to; and if the Senate disagrees to the committee amendment, I shall then ask to strike out the proviso, which reads as follows:

Provided, That none of the foregoing shall pay less duty than 35 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. SMOOT. I now move, in line 17, page 42, to strike out, after the words "Provided," down to and including the word "further" in line 19.

The PRESIDING OFFICER. The amendment moved by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. On page 42, line 17, after the word "Provided," is is proposed to strike out:

That none of the foregoing shall pay less duty than 50 per cent ad valorem: *Provided further*—

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. Now, Mr. President, I should like to return to paragraph 25.

Mr. JONES of New Mexico. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Harris	Nelson	Simmons
Borah	Harrison	New	Smith
Brandegee	Heflin	Newberry	Smoot
Broussard	Johnson	Nicholson	Spencer
Bursum	Jones, N. Mex.	Norris	Sterling
Capper	Jones, Wash.	Oddie	Sutherland
Caraway	Kellogg	Page	Townsend
Cummins	Kendrick	Pepper	Underwood
Curtis	King	Poindexter	Wadsworth
Dial	La Follette	Pomerene	Walsh, Mont.
du Pont	Lenroot	Ransdell	Warren
Frelinghuysen	McCumber	Rawson	Watson, Ga.
Glass	McKinley	Robinson	Willis
Hale	McNary	Sheppard	

The PRESIDING OFFICER. Fifty-five Senators have answered to their names. A quorum is present. The Secretary will state the pending amendment in paragraph 25.

The ASSISTANT SECRETARY. In paragraph 25, coal-tar products, beginning on page 8, the first committee amendment, on page 9, line 14, has been agreed to. The next amendment is, on page 9, line 25, to strike out "tar" and insert "tar,".

The amendment was agreed to.

The next amendment was, on page 10, line 17, after the numerals "1546," and before the words "per cent," to strike out "30" and insert in lieu thereof "50."

Mr. KING. Mr. President, it seems to me that paragraphs 25 and 26 are so closely interrelated that a discussion of one involves a discussion and consideration of the other. I had hoped that the able Senator from New Jersey [Mr. FRELINGHUYSEN] or some other member of the committee would present such reasons as it may be thought the Senate should be put in possession of to justify the changes in this schedule from the schedule reported in the House bill. I was about to offer an amendment, but if any member of the committee cares to discuss these provisions, I hope he will do so for our enlight-

enment, and I shall be glad to pretermit action on my part for the present.

Mr. FRELINGHUYSEN. Mr. President, I think the suggestion of the distinguished Senator from Utah that paragraphs 25 and 26 should be discussed together is a very good one, because the two paragraphs are very closely related. Paragraph 25 provides for duties on intermediates, those products which are necessary to make the finished dyes, and paragraph 26 relates to dyes, flavors, perfumes, synthetic tanning material, phenolic resin, photographic chemicals, medicines, colors, and other coal-tar products. The committee have provided for a specific duty of 7 cents per pound for these products, and in one case 60 per cent ad valorem——

Mr. NORRIS. Mr. President, will the Senator read the products, so that we may know what they are? [Laughter.]

Mr. FRELINGHUYSEN. I thank the Senator for that suggestion. I can not read them. I will try to pronounce them when the time comes.

Mr. NORRIS. I should like to hear the Senator pronounce them, so that we may vote intelligently.

Mr. FRELINGHUYSEN. The committee has provided a specific duty of 50 per cent on the articles in paragraph 25 and 7 cents a pound, and 60 per cent on the articles in paragraph 26 and 7 cents a pound. In addition to that the committee has extended for one year the selective-license system now in the emergency tariff, which forms part of another paragraph, and they have also provided that if found necessary the President may extend it for a further period of one year. These paragraphs are all closely related, and refer to the protection of the dye industry established during the war; and the consideration of these paragraphs and their passage is a question of very important national policy.

The rates fixed by the committee of 50 and 60 per cent are based upon an average of the differentials between the cost of the manufactured dyes here and some of the imported prices. I do not think they are high enough, but I want to say at this point that we have before us the survey of the Tariff Commission, which states, on page 24:

> What rate of duty would protect all branches that now show any growth and will guarantee the development of those that are missing? To this the Tariff Commission is bound to answer that this end apparently can not be accomplished by any rate of duty familiar in American tariff legislation. This conclusion is inevitable when a comparison is made of what is known of domestic costs with the pre-war prices of German dyes or even with the very recent prices at which those dyes were offered in exchange for food.

Further on in that report, we find these words:

> Again, deceptive advertising and misleading propaganda can be protracted by many shrewd devices long enough to demoralize a market in spite of any law that has thus far been enacted.

I skip part of the report.

> A law that would be effective against German dumping of dyestuffs will be difficult to draw, for the usual test of dumping can hardly be applied. A comparison of their export with their domestic prices will have little meaning, because both are fixed by a monopoly and may be adjusted at will, and because private contract prices may easily be made to vary widely from published quotations.

Mr. President, before the war we had practically no dye industry in this country. Under the extremity of war the American manufacturer created an industry which made us independent of the country that formerly supplied us, Germany. Prior to the war Germany had absolute domination in the dye industry of the world. We purchased practically all of our dyes from her. To-day we are independent; but unless there is proper protection, and unless there is a restrictive license which will allow our chemists to continue their research and experimentation, this dye industry can not live.

Later in the debate I shall introduce in the RECORD the statements of prominent men, statesmen, and those who have had an opportunity to study this question carefully, tending to show that if we are to maintain this industry it is absolutely necessary that we not only have these duties for the dyes that are admitted under the selective embargo but also that we have the selective embargo to protect our industries against the competition of those who can undersell and practically manufacture at less cost than we can.

That is the reason why the committee have placed in the bill these two provisions and fixed these rates, as well as extending the embargo.

Mr. McCUMBER. I ask unanimous consent that the Senate will agree to recess until to-morrow at 11 o'clock when it completes its session this calendar day.

The VICE PRESIDENT. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

Mr. KING. Mr. President, I ask that the committee amendment be rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

Mr. KING. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. DIAL (when his name was called). Transferring my pair with the Senator from Colorado [Mr. PHIPPS] to the Senator from Texas [Mr. CULBERSON], I vote "nay."

Mr. EDGE (when his name was called). Making the same announcement as heretofore regarding the transfer of my pair, I vote "yea."

Mr. GLASS (when his name was called). Transferring my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Arizona [Mr. ASHURST], I vote "nay."

Mr. HARRISON (when his name was called). Transferring my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Nevada [Mr. PITTMAN], I vote "nay."

Mr. NEW (when his name was called). Making the same announcement as to the transfer of my pair, I vote "yea."

Mr. WARREN (when his name was called). Again announcing the transfer of my pair, I vote "yea."

Mr. WATSON of Indiana (when his name was called). I transfer my pair with the Senator from Mississippi [Mr. WILLIAMS] to the Senator from Vermont [Mr. PAGE] and will vote. I vote "yea."

The roll call was concluded.

Mr. BALL. Transferring my general pair with the senior Senator from Florida [Mr. FLETCHER] to the senior Senator from New Hampshire [Mr. MOSES], I vote "yea."

Mr. HALE. Making the same announcement as before, I vote "yea."

Mr. STANLEY (after having voted in the negative). I transfer my pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Nebraska [Mr. HITCHCOCK], and will allow my vote to stand.

Mr. FRELINGHUYSEN (after having voted in the affirmative). I transfer my general pair with the Senator from Montana [Mr. WALSH] to the Senator from Minnesota [Mr. NELSON] and will allow my vote to stand.

Mr. SMITH (after having voted in the negative). I have a general pair with the Senator from South Dakota [Mr. STERLING]. In his absence I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and will allow my vote to stand.

Mr. CURTIS. I have been requested to announce that the Senator from Rhode Island [Mr. COLT] is paired with the Senator from Florida [Mr. TRAMMELL], and that the Senator from Arizona [Mr. CAMERON] is paired with the Senator from Georgia [Mr. WATSON].

The result was announced—yeas 37, nays 20, as follows:

YEAS—37.

Hale	Ball	New	Spencer
Brandegee	Johnson	Newberry	Sutherland
Bursum	Jones, Wash.	Nicholson	Townsend
Calder	Kellogg	Oddie	Wadsworth
Capper	Lenroot	Pepper	Warren
Curtis	Lodge	Poindexter	Watson, Ind.
Edge	McCumber	Ransdell	Willis
France	McKinley	Rawson	
Frelinghuysen	McLean	Shortridge	
Gooding	McNary	Smoot	

NAYS—20.

Caraway	Heflin	Norris	Smith
Dial	Jones, N. Mex.	Pomerene	Stanley
Glass	Keyes	Robinson	Swanson
Harris	King	Sheppard	Underwood
Harrison	La Follette	Simmons	Walsh, Mass.

NOT VOTING—39.

Ashurst	Elkins	McKellar	Reed
Borah	Ernst	Moses	Shields
Broussard	Fernald	Myers	Stanfield
Cameron	Fletcher	Nelson	Sterling
Colt	Gerry	Norbeck	Trammell
Crow	Harreld	Overman	Walsh, Mont.
Culberson	Hitchcock	Owen	Watson, Ga.
Cummins	Kendrick	Page	Weller
Dillingham	Ladd	Phipps	Williams
du Pont	McCormick	Pittman	

So the amendment of the committee was agreed to.

Mr. McCUMBER. Mr. President, I should like to return to page 31, paragraph 201. I want to offer an amendment striking out paragraph 201 entirely and substituting a paragraph for it. This is the paragraph relating to fire brick, and so forth. At the end of that paragraph, as Senators will remember, on which we had a long discussion, we added:

> All brick not specially provided for, 25 per cent ad valorem.

That addition was simply to protect a few brickmakers along the Canadian line whose product competed with a Canadian product in the near-by vicinity. On account of freight rates we did not consider at that time that there was any danger of its affecting the general price of building bricks throughout the United States. That being its purpose, I am going to ask, if we can pass it through without further delay, to offer the amendment proposed by the Senator from Utah [Mr. SMOOT]; but since the amendment which was offered by the Senator from Utah was introduced we have made a slight change in magnesite, increasing the duty from $8 to $15 per ton, and the amendment as drawn by the senior Senator from Utah provided for a duty of four-tenths of 1 cent per pound to take care of the $8 per ton on the magnesite that was used in the fire brick. Raising that rate on the magnesite from $8 a ton to $15 a ton would make a differential which would require three-fourths instead of four-tenths of 1 cent per pound in the cost of the fire brick.

The amendment which I now offer would read as follows:

Strike out all of paragraph 201, page 31, and insert in lieu thereof the following:

"PAR. 201. Bath brick, chrome brick, and fire brick not specially provided for, 25 per cent ad valorem; magnesite brick, three-fourths of 1 cent per pound and 10 per cent ad valorem."

If that is carried, as I hope it will be, then, on page 217, after line 5, we would insert a new paragraph—that is on the free list—which would read:

PAR. 1535a. Brick not specially provided for:

That would put all of building brick and brick not specially provided for on the free list, with this proviso:

Provided, That if any country, dependency, Province, or other subdivision of government imposes a duty on such brick imported from the United States, an equal duty shall be imposed upon such brick coming into the United States from such country.

That last provision would adequately protect those along the border against the Canadian importation where the Canadian Government imposes an even higher duty upon the American brick; and inasmuch as that does not come into competition except in the close vicinity, I can not believe that there will be any serious objection to it.

Mr. UNDERWOOD. Mr. President, I should like to ask the Senator about his proviso. I have not been able to read it, and therefore could only catch it from the Senator's reading. The proviso in reference to the free list is what he is discussing?

Mr. McCUMBER. Right at the bottom of the amendment.

Mr. UNDERWOOD. I will read it over, so that I can ask my question better:

Brick not specially provided for: *Provided*, That if any country, dependency, Province, or other subdivision of government imposes a duty on such brick imported from the United States an equal duty shall be imposed upon such brick coming into the United States from such country.

That would exclude, of course, the brick on the border; I realize that; but would that apply to any other country except Canada?

Mr. McCUMBER. I do not think it can. I know of none coming from Mexico. I have not heard of any, and I do not think there are any.

Mr. UNDERWOOD. If a duty was imposed on countries that are not border countries, it would not apply?

Mr. McCUMBER. It certainly would not. It would, of course, if they imposed a duty, but I know of no other country that is imposing a duty except Canada.

Mr. ROBINSON. Mr. President, I ask that the amendment offered by the Senator from North Dakota be reported.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. The amendment is in two parts——

Mr. ROBINSON. No; I did not understand that the Senator had offered the second amendment at this time. That is the reason why I asked to have the amendment reported. I understood the Senator from North Dakota to say that if the first amendment was adopted—the amendment relating to bath brick, chrome brick, and fire brick—it was then his purpose, after that had been adopted, to offer the other portion of it, to place common brick on the free list.

The Senator can not, of course, propose two amendments at once, and he has not done it. He has proposed an amendment to strike out paragraph 201 and insert certain language in lieu of it; and I ask that the pending amendment be reported.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to strike out all of paragraph 201, on page 31, and to insert in lieu thereof the following:

PAR. 201. Bath brick, chrome brick, and fire brick not specifically provided for, 25 per cent ad valorem; magnesite brick, three-fourths of 1 cent per pound and 10 per cent ad valorem.

Mr. ROBINSON. Mr. President, I propose the following amendment to the amendment of the Senator from North Dakota: Strike out "25" and insert "10," so that it will read:

Bath brick, chrome brick, and fire brick not specifically provided for, 10 per cent ad valorem.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Arkansas to the amendment of the Senator from North Dakota.

Mr. ROBINSON. Mr. President, the paragraph as reported by the Finance Committee segregates brick into as many as nine different classes for the purposes of imposing a tariff.

The first class is fire brick weighing not more than 10 pounds each, not glazed, enameled, ornamented, or decorated. Upon that class of fire brick the original Finance Committee amendment contemplated a tariff of 15 per cent, the House having imposed a tariff of 10 per cent.

Upon the second class, according to the Finance Committee's arrangement—glazed, enameled, ornamented, or decorated fire brick—the committee proposed to impose a tariff of 30 per cent in place of 20 per cent as proposed by the House of Representatives.

The third class embraced brick weighing more than 10 pounds each, and not specially provided for, not glazed, enameled, ornamented, or decorated in any way. The Finance Committee amendment proposed to increase the House rate of 17 per cent to 25 per cent.

On the fourth classification—glazed, enameled, ornamented, or decorated brick weighing more than 10 pounds each—the Finance Committee amendment contemplated a rate of 35 per cent, increasing the House rate, which was fixed at 20 per cent.

On magnesite brick, the fifth class, the House proposed a duty of three-fourths of 1 cent per pound and 10 per cent ad valorem. The Finance Committee proposed to reduce that to four-tenths of 1 cent per pound and 10 per cent ad valorem.

Mr. SMOOT. And now it is proposed to increase it to three-fourths of a cent.

Mr. ROBINSON. But on account of the action of the Senate a day or two ago in imposing a high rate of duty on crude magnesite it is proposed in the pending amendment to increase that rate to three-fourths of a cent a pound.

Mr. McCUMBER. To go back to the House rate.

Mr. ROBINSON. The next classification, No. 6, related to chrome brick, not glazed, enameled, painted, vitrified, ornamented, or decorated. The Finance Committee amendment proposed to increase the rate from 20 to 25 per cent ad valorem.

The seventh classification included chrome brick, glazed, enameled, painted, vitrified, ornamented, or decorated in any manner. The Finance Committee amendment proposed to increase the rate from 23 to 35 per cent ad valorem.

Bath brick constituted the eighth classification, and upon that the House imposed a rate of 23 per cent and the Senate committee proposed to increase it to 35 per cent.

The remaining classification was brick not specially provided for, which included common brick, 25 per cent ad valorem. It is now proposed by the pending amendment to make a uniform rate of 25 per cent ad valorem on all classes of fire brick except magnesite, upon which the pending amendment proposes to impose a duty of three-fourths of a cent a pound and 10 per cent ad valorem, which is the House rate.

It is apparent that there is a material reduction in the rates on many of the classes of brick embraced in paragraph 201. In my judgment, however, there is no justification for the imposition of a rate of 25 per cent ad valorem on bath brick, chrome brick, and fire brick not specially provided for.

Bath brick, the first mentioned in the amendment, is an abrasive, and is used for polishing and cleansing. The importations have never been great. They are negligible, even under existing rates. The present rate is 15 per cent, and there are substantially no importations, and I can not see any reason for increasing the rate on that class of brick.

The same is true of chrome brick and fire brick. Certainly at this time, when building and structural materials are scarce and when the prices charged for them are exorbitant, there is not justification in sound policy for imposing high rates of duty upon their importation.

The proposal of the committee to follow this amendment, to place common brick upon the free list subject to a proviso, of course, meets with my approval. I never understood why the committee wanted to tax common brick 75 per cent. There are now substantially no importations. Even along the Canadian border the importations are very slight, and I do not believe that an embargo can be justified, such as is proposed by the proviso in the second amendment which the Senator from North Dakota has stated he will offer if the first is agreed to.

The Canadian border line is in a sense an imaginary line. For almost the entire distance across the continent no natural barrier separates the United States from Canada. There are some instances, at least, where the interests of the American public along the border ought to permit them to have the opportunity of purchasing brick manufactured in Canada. Canada imposes a rate of 22½ per cent on American brick, and there is an additional charge of about 2½ per cent, which makes the Canadian rate on importations of American brick 25 per cent, and this paragraph placing common brick on the free list really means nothing, accomplishes nothing of interest to those who want to consume brick in the construction of houses in the United States, for the reason that common brick are not imported except in a few localities along the Canadian border, and if this tax is imposed those importations will be discontinued. The purpose of this proviso is to lay an embargo against the importation of all Canadian brick into the United States, and it will have that effect.

The only effect of it will be to work inconvenience to the people in the United States along the Canadian border who are nearer to Canadian manufacturing plants of brick than they are to American manufacturing plants. They will be compelled by reason of this tax of 25 per cent to buy their brick from American manufacturers, even though it may be much more inconvenient for them to secure delivery, and even though the transportation charges may be somewhat greater than they would be if the brick were purchased from the Canadian manufacturers.

No such condition exists along the border as to work a great hardship on anyone. I have here the record of the hearings before the Ways and Means Committee of the House, in which I find a letter from Mr. H. S. Wheeler, of Tacoma, Wash., who complained about the importation of Canadian brick; and there was a letter from a Member of the House of Representatives from the State of Idaho, who said that the two small brick plants in his district—and I believe he represents the entire State—are in danger of being driven out of business by the importation of large quantities of brick from Scotland and other remote points.

The Refractories Manufacturers' Association, of New York, filed a brief complaining that they were being injured very seriously by the importation of brick from Scotland and elsewhere in the form of ballast, and there is some testimony in the record to show that small numbers of brick have from time to time come to the Pacific coast as ballast in ships; but the point of the matter is that, taking all of these complaints together, under the existing rates importations of brick of any character are negligible anywhere. There is no danger that the brick manufacturing industry will suffer even if brick were placed on the free list.

The industry in the eastern part of the United States, as I attempted to show on a former occasion, is controlled by organizations which constitute the most oppressive monopoly known. The Lockwood committee went into the subject very fully, and they made a report which shows that the Association of Brick Manufacturers control absolutely the sales of brick, the use to which the same may be applied, to whom sales may be effected, and that they have literally fixed the prices at which sales may be made, and that the prices so fixed have been exorbitant beyond all reason.

I ask every Senator, Why should an industry dominated by such influences be shielded by an increase in tariff rates? There is no claim by anybody that the brick industry in the United States is an infant industry or that it is unprofitable. On the contrary, the price for the output is controlled absolutely in nearly every locality in the United States. In New York City there is not a man engaged in selling of brick, no matter how near he may be to the point of consumption, who will sell his product for any less than any other dealer in New York City. If he does he is boycotted in every imaginable way.

No man can buy brick in excess of a supply for a certain number of days, and when a purchase is made the purchaser must certify the purposes for which the brick are to be used, the job on which they are to be used, and if he uses them for any other purpose he can not buy another brick from any dealer in New York City.

No person or organization not a member of this association can buy material from any member of it. No member who is a manufacturer is permitted to sell any material to any dealer within the jurisdiction of the association unless such dealer is a member of the association. Not only was that true but the dealer who bought brick had to bind himself to purchase other building materials from members of the association, and if he failed to enter into that agreement he could not purchase brick. In other words, if he bought brick from a member of the association he must also buy cement from the same dealer, as well as lime and other products.

Mr. STANLEY. Mr. President——

Mr. ROBINSON. I yield to the Senator from Kentucky.

Mr. STANLEY. As I understand this lamentable state of affairs is not only evidenced by the Lockwood report, but the question has been tried out in the courts of New York and they have been found guilty of this atrocious profiteering. On brick alone I understand they made over 150 per cent profit. In addition to that the junior Senator from New York [Mr. CALDER] had incorporated in the RECORD a memorial from the people of New York again reciting these facts and again asking the Senate for relief. They ask for bread and we have given them a stone or a brick.

Mr. ROBINSON. On the question just raised by the Senator from Kentucky I call attention to the Lockwood intermediate report, page 88, where it was established by the testimony of Mr. Marvyn Scudder, an expert accountant employed by the committee, that for the first six months of 1920 the cost of brick delivered at the job in New York City was $11.25 per thousand, for which the company received or realized $28.75 per thousand. I need not pause to make comment upon the fact that an industry which enjoys such very large profit does not need protection.

The business was controlled absolutely by a number of organizations. There were three different branches connected with the central body. The central body was called the Dealers in Mason's Building Materials in New York City. The three different branches connected with that body were the Hudson River Brick Manufacturers' Association, the Builders' Supply Bureau of Manhattan and Bronx, and the Masons' Supply Bureau of Queens and Brooklyn. The Hudson River Brick Manufacturers' Association conducted its operations largely through an organization known as the Greater New York Brick Co. The Hudson River Brick Manufacturers' Association was composed of all the large manufacturers of brick along the Hudson River. They supplied the metropolitan district.

The magnates of the industry from time to time held informal meetings at which the general conditions of the trade were discussed and the prices of brick were agreed upon. The actual fixing of prices, however, was effected largely through the activities of the Greater New York Brick Co. The manner in which those prices were fixed is testified to by Mr. William K. Hammond, one of the manufacturers who acted as his own selling agent. This is a quotation from Mr. Hammond's testimony:

> A customer who wants a load of brick will tell me what the others supply him with bricks at, and I will call up these parties, my competitors, and they will confirm it and say "Yes." The market price is quoted usually by the agent to his manufacturers daily, and on one day the manufacturer would ask why his brick is not sold, and usually says he wants an advance in brick and up goes brick pretty generally within a few days * * * the agents quoting uniform prices.

I read a paragraph now from the report:

> Uniformity of price and monopoly were assured by scrupulous enforcement by the manufacturer and the dealer of the rule that no dealer would buy from a manufacturer and no manufacturer would supply a dealer who was not a member of the parent organization.
>
> Frank L. Holmes, who was the sales agent for the Greater New York Brick Co., was asked, in this connection, the following question by Mr. Untermyer:
>
> "What I want to know from you is the name of anybody who is not a member of the association, who you know is not a member of the association, to whom you make sales of brick?—A. I can not tell you that."
>
> The Greater New York Brick Co. is a stock corporation organized by various brick manufacturers along the Hudson River. The stock was distributed to the members in proportion of the business done by them. The President, Mr. Fowler, testified that the company developed into a sort of an exchange or selling agency for the manufacturers of the State, and that the original purpose of the company was to make uniform prices.

Referring to the Association of Dealers in Masons' Building Material, the report says at page 91:

> The power of the association continued, however, to be exercised in the enforcement of its constitution and by-laws, under which most of the dealers in New York City were forced into its membership. Article 21 of the by-laws provided that no member who was a manufacturer should sell any material to any dealer within the jurisdiction of the association unless such dealer was a member of the association.

Omitting a part of the next paragraph, I read as follows:

> Inasmuch, as before stated, it was part of its unwritten law and apparently a law enforced by arrangement with the cement manufacturers that no person could buy brick from a dealer unless cement was purchased from the same dealer, it became impossible for an outside dealer to compete with a member of the association in the sale of building material. If a builder should defy this rule by buying his brick from an outside dealer he could get no cement.

I ask leave to insert in the RECORD at the end of my remarks, commencing with the paragraph entitled "Brick," on page 88, that portion of the report down to the paragraph relating to sand, gravel, and broken stone, on page 92.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBINSON. I have quoted this report to show that in one great community—and the same condition exists in all the large industrial centers—this industry is absolutely dominated by organizations within it.

Already there exists a shortage of household facilities throughout the United States because in large part of the excessive cost of building material. The industry is controlled absolutely in all the great building centers, and there is a shortage of housing facilities throughout the Nation. There is not the slightest justification for enabling this combination further to advance its prices to practice extortion on the American people. The rule that ordinarily applies in bona fide protective tariff legislation has no application in this case. There is no infant industry, there is no industry seriously menaced by competition with foreign industries. The sole effect of these exorbitant rates on this necessary building material will be to perpetuate and fasten upon the country this monopoly.

In the Lockwood report which I have put into the record, but in a part that I did not read, the statement is made that the conditions prevailing in New York are quite general throughout the country, especially in the large industrial centers. Why is it desired to put a tariff, a prohibitive tariff, that makes impossible the importation in any quantity of this necessary building material for the benefit of a combination that has outraged, robbed, and plundered the American people beyond the power of the human mind to conceive? It ought to be on the free list. There is no justification for putting a tariff of 25 per cent on it.

APPENDIX.

(3) BRICK.

The testimony of Marvyn Scudder, an expert accountant employed by the committee in relation to the cost of production to the selling price of brick, indicates the inflated prices at which these archprofiteers of the industry compel the public to pay.

Basing his conclusions on an examination of the books of the Empire Brick & Supply Co., which is the largest manufacturer of brick in the State, by direction of the committee, it appears from Mr. Scudder's figures that for the first six months of 1920 the cost of brick delivered at the job in New York City was $11.25 per thousand, for which the company realized $28.75 per thousand.

A number of the brick manufacturers were also members of the Association of Dealers in Masons' Building Materials in New York City. The membership of this association included manufacturers, jobbers, and dealers. There were three different branches connected with this central body:

(1) The Hudson River Brick Manufacturers' Association.
(2) The Builders' Supply Bureau of Manhattan and Bronx.
(3) The Masons' Supply Bureau of Queens and Brooklyn.

(a) Hudson River Brick Manufacturers' Association: The operations of the Hudson River Brick Manufacturers' Association were conducted largely through an organization known as the Greater New York Brick Co.

The Hudson River Brick Manufacturers' Association was composed of all the large manufacturers of brick along the Hudson River. They supplied the metropolitan district. These magnates of the industry from time to time held informal meetings at the Palantine Hotel, at Newburgh, N. Y., at which the general conditions of the trade were discussed and the prices of brick were agreed upon. The actual fixing of the price was, however, effected largely through the activities of the Greater New York Brick Co.

The manner in which these prices were fixed is testified to by William K. Hammond, one of the manufacturers who acted as his own selling agent:

"A customer who wants a load of brick will tell me what the others supply him with bricks at, and I will call up these parties, my competitors, and they will confirm it and say, 'Yes.' The market price is quoted usually by the agent to his manufacturers daily, and on one day the manufacturer would ask why his brick is not sold and usually says he wants an advance in brick, and up goes brick pretty generally within a few days * * * the agents quoting uniform prices."

Uniformity of price and monopoly were assured by scrupulous enforcement by the manufacturer and the dealer of the rule that no dealer would buy from a manufacturer and no manufacturer would supply a dealer who was not a member of the parent organization.

Frank L. Holmes, who was the sales agent for the Greater New York Brick Co., was asked in this connection the following question by Mr. Untermyer:

"What I want to know from you is the name of anybody who is not a member of the association, who you know is not a member of the association, to whom you make sales of brick?—A. I can't tell you that."

The Greater New York Brick Co. is a stock corporation organized by various brick manufacturers along the Hudson River. The stock was distributed to the members in proportion to the business done by them. The President, Mr. Fowler, testified that the company developed into a sort of an exchange or selling agency for the manufacturers of the State and that the original purpose of the company was to make uniform prices.

(B) Builders' Supply Bureau.—The Builders' Supply Bureau (which is said to have been dissolved since the indictment and plea of guilty of its members, including the brick manufacturers, but as to the genuineness of whose dissolution the committee entertains grave doubt) was in a sense a subsidiary of the Association of Dealers in Masons' Building Materials. Its operations extended over that part of the metropolitan district comprising Manhattan and The Bronx. It was a counterpart of the Masons' Supply Bureau which operated in Brooklyn and Queens and which claims also to have suspended its operations following the indictment and plea of guilty of its members (but as to the genuineness of which suspension the committee has not yet been able to make full inquiry). The methods of the two bureaus were identical. Both were essentially price-fixing associations.

Both bureaus embraced in their membership all of the important dealers in masons' supplies in New York City. They functioned along the following lines:

Whenever a member made a quotation on any commodity, he was required to file on that day with the bureau a card variously described as a "quotation" or "option" card. The members were then notified by the bureau of the quotations thus made.

Emma C. Schmitt, the secretary of the Brooklyn bureau, testified that as to each transaction she prepared a slip of paper on which she wrote "So and so have this day let an option on a job" and forwarded it to the other members. She stated that "it was practically a part of the routine."

The quotations of the various members having been thus divulged to all other members, the standardization of the prices became a simpler matter. In order that it might appear on record that contracts were actually closed upon the basis of these fixed or standardized prices, the rules required that each member should file with the bureau what was known as a "contract card." This card disclosed the terms on which the transaction was consummated and showed the prices charged for the material.

The evidence conclusively establishes that this card system resulted in a rigid uniformity of price. The card system was supplemented by weekly meetings of the members of the bureau. At all such meetings, and indeed at all times, the cards, both "Quotation" and "Contract," were accessible to the members of the bureau and open to their inspection.

In order to maintain a more vigilant supervision over its members to guard against infringement of the rules with respect to the filing of cards and to limit production, the members were further required to make monthly reports to the bureau showing the stock on hand of each member on the first day of the month, together with a statement of shipments made during the previous month. The methods employed by this bureau followed in a way the so-called "Eddy" system, otherwise known as the "New Competition by Open Price Associations." It placed in the hands of the dealer the most effective machinery for stifling competition and fixing prices.

(C) Association of Dealers in Masons' Building Material.—This association was composed of 42 members, and included both manufacturers and dealers in its membership. It was organized in 1900. Its jurisdiction extended over the city of New York except as to certain outlying portions of the city. Up to the year 1919 the association sent out to its members who were dealers a monthly sheet showing the prices prevailing in the market for the commodities in which the members did business, but at about the time of the investigation by the mayor's housing committee, for which the counsel for your committee acted for a short time and exposed the methods of this bureau, the practice of sending out this price sheet was discontinued.

The power of the association continued, however, to be exercised in the enforcement of its constitution and by-laws, under which most of the dealers in New York City were forced into its membership. Article 21 of the by-laws provided that no member who was a manufacturer should sell any material to any dealer within the jurisdiction of the association unless such dealer was a member of the association.

As a result of the rigid enforcement of this provision, every dealer in and about the city of New York was compelled to become a member of the association or go out of business. Although the organization seems to have discontinued its practice of directly fixing the prices of materials, it continues to maintain its vast power for evil by keeping its members solidly in line as a monopoly in masons' building material.

Inasmuch, as before stated, it was part of its unwritten law, and apparently a law enforced by arrangement with the cement manufacturers, that no person could buy brick from a dealer unless cement was purchased from the same dealer, it became impossible for an outside dealer to compete with a member of the association in the sale of building material. If a builder should defy this rule by buying his brick from an outside dealer, he could get no cement.

(D) Masons' Supply Bureau of Brooklyn: This association, as before stated, was also a member of the Association of Dealers in Masons' Building Materials. It was organized in February, 1918, at which time it had 16 members. The bureau operated on a card system identical with that of the Masons' Supply Bureau of Manhattan. Members were required to file every day in the office of the bureau a card showing the estimates made by each member on each job. This card was called the "option card." Members were also required to file in the office of the bureau what was known as a "contract card," showing the amount at which the contract was closed. They were further required to file with the bureau a monthly report showing all shipments made during the preceding month, and the amount of stock on hand on the first day of the month in which the report was filed. The option cards were open to inspection of all members.

Mr. McCUMBER. Mr. President, there were produced in the United States in 1920, 4,709,000,000 building bricks. The importations are so small, and have been, that they are not even made a note of. The report of the Tariff Commission says:

> Imports of common brick are negligible, and are confined to shipments from Canadian plants to points in the United States near the international boundary.

That is all I need to read to give the situation with reference to brick. If I thought, or if the committee thought, for one moment that this countervailing duty against a brickkiln on the Canadian side that exported its brick a few miles into the United States, it may be 100,000 a year free, while a brickkiln on the United States side would have to pay 25 per cent ad valorem to get its brick into Canada, would have the slightest effect on earth upon this great combine or help them in any way, we would have said to the little brickmaker out in Idaho, "We can not help you out against the brickkiln on the other side of the line because it would help perpetuate a great combination, and it is far better that you be killed than to have the entire country held up." But, Mr. President, everyone knows that the proposed amendment will not have the

slightest effect on the price of brick in the United States. Everyone knows that the combination about which Senators have been talking was created under the present law when bricks came in absolutely free from all countries, whether or not any other country levied a duty against our brick.

The only question is whether we should have even bothered to protect a little brick-kiln manufacturer at some place along the border who, perhaps, does not manufacture $25,000 worth of brick in a year. We thought it fair to say to the Canadian on the opposite side, "So long as your country imposes a 25 per cent ad valorem duty for making brick out of the same clay that is found across the international border, you will have to pay a similar duty for bringing your brick into the United States." It will affect only the little brickmaker along the border line and will not affect any others at all.

Mr. JONES of New Mexico. Mr. President——

Mr. McCUMBER. I yield to the Senator.

Mr. JONES of New Mexico. I have not studied the evidence regarding this particular item, but I have done so as to several other items which are produced along the Canadian border; and it is my impression that the American producers have been insisting upon a duty upon commodities from Canada, not because there is cheaper production in Canada, as a rule, but for the purpose of retaliation. Canada imposes a tariff on a number of United States products, and I have been strongly impressed with the idea that a great many of our producers are irritated because of that rather than that they are actuated by any fear that anybody can produce the commodity in Canada cheaper than it can be produced here.

I merely wonder if that is not the case regarding these brick; that some brick manufacturer has concluded that it is not fair for Canada to have a tariff against American brick and America not to have a tariff against Canadian brick. I became quite convinced that that was true regarding several other items; and I just wonder whether or not this is one of those retaliatory demands.

Mr. McCUMBER. I will say no; it is not retaliatory. I do not think that on one side or the other side of an imaginary line it is going to make any difference in the cost of producing brick.

Mr. JONES of New Mexico. It did not occur to me that it would.

Mr. McCUMBER. But the injustice is apparent when both are making their brick along the line and one can sell his brick on both sides of the line and the other can not. The proposed amendment will only affect the little territory contiguous to two brick kilns, one on each side of the line. It does not amount to anything substantial, although I am willing to admit that it will mean quite a lot to the man who is so situated that he is limited to selling his goods on one side of the line while his neighbor can sell it on both sides.

I want to say that we are putting on the free list brick from Canada or any other place in the world that imposes no duty against American brick. I do not know of anyone but the Canadian who can bring brick in in ballast under this change. The only question is whether it is worth our while to protect the few dozen brickmakers along the line.

Mr. JONES of New Mexico. I am inclined to believe that the Senator's statement rather indicates that my surmise is well founded and that the purpose of the amendment is largely for retaliation.

Mr. McCUMBER. No; it is designed to bring about equality, not retaliation.

Mr. JONES of New Mexico. Of course, the Senator may give it another name if he pleases.

Mr. McCUMBER. It has a different meaning altogether.

Mr. JONES of New Mexico. But it does not appear that there is any difference in the cost of production in Canada and in the United States, and it is a mere matter of transportation. So I just wondered if it will not be to the great injury of a number of American consumers to be compelled to transport their brick considerable distances from American brick producers when they have been getting their brick just across the border near home.

Mr. McCUMBER. It works the same on both sides, of course.

Mr. JONES of New Mexico. That is true; but it will undoubtedly inconvenience a number of people in the United States who have been getting their brick just across the border in Canada. I assume that it will not appear that there is one brick kiln on one side of the border and another brick kiln directly opposite on the other side, but it will probably be found that there is not a brick kiln on the United States side within a hundred miles of a brick kiln on the Canadian side along the border. The result will be that the transportation charge will be far more burdensome to the consumers of brick in many localities than will the slight amount of the duty.

Mr. ROBINSON. Mr. President, the serious feature of this subject is not in relation to the second amendment which the Senator from North Dakota proposes to offer if his first amendment carries, but it is the first amendment itself, imposing a duty of 25 per cent ad valorem on "bath brick, chrome brick, and fire brick, not specially provided for." In his brief filed with the committee the Representative from Idaho made this statement:

> There are two small plants producing fire brick located in my home county, Latah County, Idaho, and these plants are in competition with fire brick produced in Scotland, England, and elsewhere, where the wages and conditions are not at all adequate for the American laborer.

Of course, we all know the nature of this commodity. It is of such a nature that it is not possible for serious competition to occur between brick plants in Idaho and brick plants in England and Scotland. Idaho can not afford to manufacture brick to be sent to the Atlantic coast under any freight rate which is conceivable, and neither England nor Scotland can afford to manufacture brick and send them into the territory that Idaho could reach under any system that could be devised.

Mr. GOODING. Mr. President——

Mr. ROBINSON. I yield to the Senator from Idaho.

Mr. GOODING. I think the Senator is mistaken in that regard, because I have a letter from those owning brick kilns in Idaho, in which they state that at this time fire brick shipped direct from Scotland is piled up on the wharves of Seattle and Tacoma. Those brick have come around through the Panama Canal, carried in the holds of vessels as ballast.

Mr. ROBINSON. Small quantities have come in as ballast, but only small quantities. No considerable quantity of it can possibly reach the territory that the Idaho brick plants may reach.

Mr. GOODING. The principal market for the fire brick is in the larger towns, of course, such as Seattle and Tacoma.

I call the Senator's attention that at Claiborne, in British Columbia, there is a brickkiln that ships its product to Seattle for a freight rate $3.15 less a thousand than is charged on brick coming from the kilns in Idaho. So the British Columbia plant absorbs the market, for $3.15 on 1,000 brick, as a freight charge alone, is a good profit for anyone to make. Furthermore, Canada has a tariff of 24½ per cent against Idaho brick, and we can not ship brick into British Columbia and sell our commodity there at all.

Mr. ROBINSON. Therefore you do not want British Columbia to come over into the United States and sell her brick?

Mr. GOODING. We are willing to go 50–50 with them. Is not that fair?

Mr. ROBINSON. That is the proposition; because Canada has levied a tariff on importations of American brick we are to retaliate and levy a tariff on importations into the United States of Canadian brick.

Mr. GOODING. Canada has cheaper labor than we have in the western part of the United States; they have Chinese labor.

Mr. ROBINSON. How far is it from the brick plants in Idaho to the Canadian border?

Mr. GOODING. I think it is possibly 300 miles, or something like that.

Mr. ROBINSON. How far is it from the brick plants in Idaho to Seattle?

Mr. GOODING. I think in the neighborhood of 300 miles.

Mr. ROBINSON. To Seattle, Wash.?

Mr. GOODING. To Seattle, Wash.—300 or 400 miles—I am not quite sure of the distance, but I think it is about 300 miles.

Mr. ROBINSON. I am not prepared to controvert the Senator's figures with reference to the distance to the Canadian border, but I think the Senator will find it nearer 1,000 miles than 300 miles from Idaho to Seattle. However, that is not of controlling significance. From the conditions that surround the industry there is not the slightest possibility that material importations will occur, and the effect of the pending amendment imposing a rate of 25 per cent ad valorem will be to encourage further combination in the industry and to increase prices or to maintain prices which are already excessive.

I do not understand that there would be any serious danger of importations of brick into the United States which would be hurtful to the general interests of the country or to the brick industry even if brick were placed upon the free list, and I think it is a bad precedent and an unnecessary one to impose this high rate of duty on so necessary an article of common use.

SEVERAL SENATORS. Vote!

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Utah.

Mr. ROBINSON. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. STANLEY. Mr. President, I wish to be heard on the question before it is voted on. I suggest that if it is desired to have an executive session, it had better be had now, because I wish to discuss this schedule at some length, and I prefer not to proceed to-night. I can start to-night and talk for an hour and a half or two hours and then resume to-morrow, but it will add to the convenience of the Senate, as well as my own convenience, if I can surrender the floor at this time in order that the Senate may have an executive session and take up this schedule and discuss it briefly in the morning at 11 o'clock. I regard this schedule as important, and I much prefer to discuss it to-morrow than to discuss it to-night.

Mr. HARRISON. Mr. President, a parliamentary inquiry. Has unanimous consent been given to recess until 11 o'clock to-morrow?

The VICE PRESIDENT. Unanimous consent to that effect has been given.

Mr. HARRISON. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ball	Harris	McNary	Smoot
Brandegee	Harrison	New	Spencer
Bursum	Heflin	Newberry	Stanley
Calder	Jones, N. Mex.	Oddie	Sutherland
Capper	Jones, Wash.	Pepper	Swanson
Curtis	Keyes	Poindexter	Townsend
Dial	King	Rawson	Wadsworth
Edge	La Follette	Robinson	Warren
France	Lenroot	Sheppard	Watson, Ind.
Frelinghuysen	Lodge	Shortridge	Willis
Gooding	McCumber	Simmons	
Hale	McKinley	Smith	

The VICE PRESIDENT. Forty-six Senators have answered to their names. A quorum is not present. The Secretary will call the names of the absentees.

The Assistant Secretary called the names of the absent Senators.

The VICE PRESIDENT. Forty-six Senators have answered to their names. A quorum is not present.

Mr. McCUMBER. I move that the Sergeant at Arms be directed to procure the attendance of absent Senators.

The motion was agreed to.

Mr. HARRISON. A division, Mr. President.

Mr. SIMMONS. What was the motion?

Mr. McCUMBER. To bring in the absentees.

Mr. ROBINSON. I inquire of the Senator from North Dakota if he does not think we had better take a recess now?

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

Mr. ROBINSON. We have agreed by unanimous consent that when the Senate ceases its labors to-day it shall take a recess until 11 o'clock to-morrow, so that there is an order to take a recess.

Mr. SIMMONS. Mr. President, I want to say to the Senator from North Dakota that we have been operating here for some time under an understanding that we were to take a recess at 10 o'clock, and in many instances Senators have made their arrangements to go home at that hour. If the Senator wants to stay here until 12 o'clock, I think he ought to give us some little notice of it in advance, so that we will be prepared.

Mr. McCUMBER. I thought after we had discussed the brick matter for two days and finally I brought in a report to put brick on the free list, at least I would have the privilege of fixing it the way you wanted it, and put it upon the free list. I did not anticipate for a single moment that there would be any objection to that part of it.

Mr. SWANSON. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. SWANSON. No quorum is present, and no discussion is in order.

The VICE PRESIDENT. The point of order is well taken.

Mr. ROBINSON. Mr. President, I move that the Senate take a recess.

Mr. McCUMBER. I raise the point of order that there is no quorum present.

Mr. ROBINSON. I move that the Senate adjourn.

Mr. McCUMBER. I raise the point of order that there is a unanimous-consent agreement that when we close our session to-day we shall recess until 11 o'clock to-morrow.

Mr. ROBINSON. Mr. President, the Senator can not make a point of order that a recess is not in order and that a motion to adjourn is not in order. A motion to adjourn is always in order. The effect of agreeing to the motion to adjourn will be to suspend the proceedings of the Senate until 11 o'clock to-morrow. Unquestionably the Senate has a right either to adjourn or to take a recess. I do not think any parliamentarian will question that fact. If the Senator wants to filibuster in that way himself, he can be given an example of the effect of such a proceeding.

Mr. McCUMBER. I believe a point of order has been made against debate at this time.

Mr. ROBINSON. Mr. President, I move that the Senate do now adjourn.

Mr. CURTIS. Will the Senator withhold that motion? I hope the Senator from North Dakota will ask that the Senate take a recess until 11 o'clock to-morrow. We can not get a quorum here to-night.

Mr. ROBINSON. I withhold my motion to adjourn, but I will state that there will be no more agreements to recess unless the Senator from North Dakota sees fit to take a recess now or to adjourn.

Mr. McCUMBER. Mr. President, if the Senator had asked me in a real nice way to do that, I would have done it; but if the Senator——

Mr. ROBINSON. No; I will not ask the Senator, and the Senator can take his own course.

Mr. McCUMBER. If the Senator puts it in the form of a threat, I will answer him right back that I shall not make any request of that kind.

Mr. ROBINSON. Very well, Mr. President; I move that the Senate adjourn.

Mr. McCUMBER. I do not care what the Senator says; he is not going to drive me into any kind of a proposition of yielding or anything else. Does the Senator understand that?

Mr. ROBINSON. I respectfully request that the Senator from North Dakota be in order.

Mr. SWANSON. Mr. President, I rise to a point of order.

Mr. ROBINSON. There is not the slightest occasion for excitement on the part of anyone.

The VICE PRESIDENT. The Senate will be in order.

Mr. ROBINSON. I repeat, there is not the slightest occasion for excitement on the part of anyone. I move that the Senate do now adjourn.

Mr. TOWNSEND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ROBINSON. Mr. President, I move that the Senate do now adjourn. There is not the slightest occasion for excitement.

Mr. McCUMBER. And I hope that that motion will be opposed.

Mr. SWANSON. I ask for the yeas and nays on the motion to adjourn.

Mr. SPENCER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. SPENCER. The Senate has, by unanimous consent, agreed that when its proceedings to-day are ended it shall recess until 11 o'clock to-morrow. A motion to adjourn is not in order.

The VICE PRESIDENT. The point of order is well taken.

Mr. LENROOT. Mr. President——

Mr. SWANSON. Did the Chair sustain the point of order that a motion to adjourn is out of order?

The VICE PRESIDENT. It is not in order. There is a unanimous-consent agreement for a recess.

Mr. SWANSON. I rise to a point of order. No quorum has been disclosed, and under the Constitution, as I understand, no motion is now in order except a motion to adjourn, which has been made; and I ask for the yeas and nays on the motion to adjourn.

The VICE PRESIDENT. The Senate has unanimously agreed that it will take a recess. Against that unanimous-consent agreement the Chair can not entertain a motion to adjourn.

Mr. LENROOT. Mr. President, will the Chair hear me for a moment? May I suggest to the Vice President that the precedents are otherwise; that notwithstanding a unanimous-consent agreement for a recess has been entered into, a motion to adjourn nevertheless is in order. If I can have a moment, I will get the precedents for the Chair.

RECESS.

Mr. CURTIS. I ask the Senator from Arkansas to withdraw his motion, that I may ask unanimous consent that the Senate now stand in recess until 11 o'clock to-morrow.

Mr. ROBINSON. With that understanding I will withdraw the motion.

Mr. McCUMBER. With that gentle request I will consent to it, but not through a threat.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kansas?

There being no objection, the Senate (at 10 o'clock and 45 minutes p. m.) took a recess until to-morrow, Friday, June 2, 1922, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

THURSDAY, *June 1, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, to-day is but another announcement of Thy sovereign rule in life. It proves that Thou hast not left us but art going with us all the way. We bless Thee that the beautiful and glorious mission of Thy revelation was born in divine mercy. O Thou in whose presence our souls find release, we thank Thee for the holy ministry of the uplifted cross. May its sacrifice make us humble; may its sympathy make us social; may its love make us loving; may its charity make us benevolent; may its grace make us courageous, and may the joy of the Lord be our abiding strength. Amen.

The Journal of the proceedings of yesterday was read and approved.

READJUSTMENT OF PAY AND ALLOWANCES OF THE ARMY, NAVY, ETC.

Mr. McKENZIE. Mr. Speaker, I desire to submit a conference report on the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service for printing under the rule.

RESIGNATION OF A MEMBER.

The SPEAKER laid before the House the following communication:

HOUSE OF REPRESENTATIVES,
May 26, 1922.

Hon. FREDERICK H. GILLETT,
House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I have transmitted to the Governor of the State of Nebraska my resignation as a Member of the House of Representatives, effective June 4, 1922.

Sincerely yours,
C. F. REAVIS.

MEMORIAL EXERCISES FOR THE LATE REPRESENTATIVE ELSTON.

Mr. BARBOUR. Mr. Speaker, I ask unanimous consent that Sunday, June 25, 1922, be designated as the day for exercises in memory of the late Congressman JOHN A. ELSTON.

The SPEAKER. The gentleman from California asks unanimous consent that Sunday, June 25, 1922, be set aside for memorial exercises for the late Representative JOHN A. ELSTON. Is there objection?

There was no objection.

The SPEAKER. To-day is Calendar Wednesday, and the Clerk will call the roll of committees.

PROTECTION OF INTERSTATE AND FOREIGN COMMERCE FROM BRIBERY.

The Clerk called the roll of committees; when the Committee on the Judiciary was reached:

Mr. VOLSTEAD. Mr. Speaker, I call up for further consideration the bill (H. R. 10159) to further protect interstate and foreign commerce agaist bribery and other corrupt trade practices. I would like to know if there is anyone who wishes to use any time against the bill.

Mr. TILLMAN. I know of no one on this side who desires to oppose the bill.

Mr. VOLSTEAD. Then, Mr. Speaker, I yield 15 minutes to the gentleman from Kansas [Mr. CAMPBELL].

Mr. CAMPBELL of Kansas. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER pro tempore (Mr. MADDEN). The gentleman from Kansas asks unanimous consent to proceed out of order. Is there objection?

There was no objection.

Mr. CAMPBELL of Kansas. Mr. Speaker, it is time to call a spade a spade. There will not be another congressional investigation now to interrupt or halt the work of the Attorney General and the Department of Justice at the moment they are presenting evidence to a grand jury and asking for indictments of conspicuous conspirators and crooks who defrauded and robbed the Government during the war. [Applause.]

The Committee on Rules to-day disposed of the pending resolutions calling for such additional congressional investigation. I am able to say to my Republican colleagues that some of the most aggravated cases of fraud and conspiracy against the Government during the period of the war that were asked by resolution to be made the subject of another congressional investigation are now in the hands of a Federal grand jury in the District of Columbia. Other cases referred to are ready for presentation to the same jury as soon as those now under consideration are acted upon.

The work of the grand jury is not sensational. The crowd is absent. Reporters are not there. The functions of the grand jury constitute a process of Anglo-Saxon judicial procedure in bringing those charged with criminal offenses to the bar of justice. In the cases now being presented, and to be presented, the Attorney General hopes to send some conspicuous crooks who conspired to defraud and rob the Government during the war to the penitentiary.

The activities of a man in the Chicago convention will not operate in his defense in the grand-jury room. The presentation of a name to the San Francisco convention will not exempt his name from presentation by the grand jury. It is not difficult to understand the reason, therefore, for the attacks that have been made upon the Attorney General ever since it has been apparent that he was taking the necessary steps to bring the crooks who defrauded the Government to the bar of justice. There was no criticism; there were no attacks; photostatic copies or original letters relating to his private practice 12 or 13 years ago were not published and heralded to the country until after he cabled Morse, the millionaire shipbuilder, who was leaving the country under an assumed name, to return at once to face a possible indictment by a Federal grand jury for defrauding and robbing the Government. Morse, with many others associated with him, has been indicted. The court sustained the indictment yesterday. Ever since the indictment a flood of abuse has been turned upon the Attorney General, and continues to flow after the manner of the mouth of a sewer. Wittingly or unwittingly, those who indulge to-day in attacks on the Attorney General are aiding present and prospective defendants charged with robbing the Government when it was at war. [Applause.]

It is said there has been delay in commencing proceedings against those charged with these offenses. It must not be forgotten that the present Attorney General did not take charge of the Department of Justice until three years after the close of the war. The work of recovering documents withheld from the files during the war, or taken from the files some time during the three years following the war; the work of securing other evidence in place of that that was stolen; the work of locating important witnesses who had left the country, some to South America, some to Europe, has all taken time, unusual ability, and patience.

The steps taken by the Attorney General to do what has been done, what is being done now, and to prepare for what is to be done in the future were not given out for a daily sensation in the press. There has been a proper precaution to keep prospective defendants in ignorance of what has been going on in the Department of Justice. No precaution or necessary action has been overlooked. Last year the Attorney General took the necessary action to secure the extension of the period of the statute of limitations on crimes committed against the Government by contractors and conspirators during the war. Congress passed an act, and the statute of limitations has been extended. Months ago the Attorney General asked Congress to provide by law for an additional grand jury in the District of Columbia, where the venue lies in most cases of the frauds against the Government. Only a few days ago Congress passed an act creating the additional grand jury asked for. It was organized on yesterday and is taking testimony to-day against those who are charged with offenses against the Government growing out of the conduct of the war. Congress has made a special appropriation for the further preparation and for the prosecution of these offenses. The Attorney General has also asked for additional judges to help clear the dockets and speed the trial of cases in the courts, and the bill is still in conference between the two Houses.

On the 25th of March of this year, weeks before the speeches made on the floor of the House charging the Attorney General with unnecessary delay in prosecuting war grafters and the introduction of resolutions calling for an investigation of those charges, the Attorney General wrote a letter to former Congressman McCullough, of Ohio, who was a Member of the Graham committee investigating war contracts, urging him to accept employment in the Department of Justice in order to speed up action against those who had defrauded the Government in cantonment cases. In his letter the Attorney General expressed impatience with the delays. He was anxious for action. Mr. McCullough is in the Department of Justice to-day because of his familiarity with these frauds against the Government and of his ability as a lawyer.

Mr. Steinbrink, who was with Mr. Hughes in the aircraft investigation, has been employed to aid in these cases. Congressman REAVIS, of Nebraska, still a Member of this House, has been induced to resign and take part in the prosecution of

these frauds. He is an able lawyer and also was a member of the committee that investigated war contracts.

Colonel Anderson, of Virginia, one of the leading lawyers of the South, has consented to enter the Department of Justice to aid in the prosecution of fraud cases. Former Senator Thomas, of Colorado, is arranging his business so he can take part in the work of these prosecutions. Other men, whose names I am not at liberty to mention, conspicuous for their ability, are to aid the Department of Justice in these matters.

I want the Attorney General to know, and I know you want the Attorney General to know, and the country to know, that the House of Representatives wants action in the courts against those who robbed and defrauded the Government during the war, and punishment for their crimes, and recovery of their loot, instead of another congressional investigation that accomplishes nothing. [Applause.] We have had three years of congressional investigations and no results. The Department of Justice wants, the country wants, and Congress wants all the crooks and conspirators who participated in robbing and defrauding the Government, whether they be big or little, rich or poor, in office or out of office, to be brought to the bar of justice and there dealt with according to their deserts.

Now, just a word to you Democrats who are barking at the heels of the Attorney General and daily railing at the Department of Justice. You stood in silence for the period of the war. You did not raise voice or hand against conspiracies to defraud and rob the Government.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Not now.

During the war and for three years immediately following you defended conspirators and crooks against charges of wrongdoing.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Not now.

During all the years of the war, and for three years after you had full control of the executive departments of the Government and of all the files in all of the offices. You offered no protest while those who had robbed the Government were filching from the files evidence of their guilt and withholding or destroying it. The conspirators who defrauded, the crooks who robbed, and the evidence of their guilt were all under your control. You did nothing to prosecute them nor to preserve the evidence of their guilt. You did not institute either civil or criminal action in behalf of the Government against them as requested by this House by resolution on April 13, 1920.

They all enjoyed the benefit of your failure to act against them and your activities in their behalf. It is not strange therefore that you attack the Attorney General. It is the only way in which you can serve war crooks at the very moment he is presenting evidence against these crooks before a grand jury with a view of their indictment and conviction and subsequent action to recover the loot they took from the Government.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Not now.

You insist upon another congressional investigation instead of indictments and convictions in the courts. Another congressional investigation would afford a few harmless sensations. You do not mind that, and those already indicted and who stand in fear of indictment would like it. Action by the grand jury may start some of those who have so long enjoyed your protection on the road to the penitentiary. You apparently dread that, and it makes the prospective defendants shudder.

Notwithstanding your criticism and abuse, the processes of the courts will go on without interruption to the end that crimes against the Government may be prosecuted and trials proceed for the recovery of money and property of which the Government was robbed. Your abuse of the Attorney General now, and during the progress of the trial of these matters, is the best aid you can give to the defendants in criminal or civil actions.

These are cases of the whole people against these defendants. Everyone in any way connected with any of the departments of the Government should give hearty support to those in charge of the prosecution. The trials of these cases will proceed to a final issue in the courts. [Applause.]

Mr. TILLMAN. Mr. Speaker, I yield 15 minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. WALSH. Mr. Speaker, if the gentleman expects to discuss this matter——

Mr. GARRETT of Tennessee. I do, and I am going to conform to the requirements and ask unanimous consent to proceed out of order.

The SPEAKER pro tempore. The gentleman from Tennessee asks unanimous consent to proceed out of order. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Speaker, if one did not know, one would naturally suppose from the speech of the gentleman from Kansas [Mr. CAMPBELL] that he must have been suffering an intense disappointment. Three weeks ago the Committee on Rules, of which the gentleman from Kansas is chairman, adopted a resolution introduced by the gentleman from Michigan [Mr. WOODRUFF] to create a committee for an investigation of the War Department, the Department of Justice, including the Alien Property Custodian Department. The deciding vote on that resolution was cast by the gentleman from Kansas [Mr. CAMPBELL], the chairman of the committee. It did not originate with Democrats.

Here is the Democratic position about this matter: It has been stated again and again. The Democrats have not cared to initiate a congressional investigation to embarrass the administration in any way, but they have been and are now willing to acquiesce in an investigation, and the Democratic administration never at any time has resisted an investigation.

Mr. Speaker, I happen to have been through some of these investigations somewhat intimately, and I want to state now—I want it to go down into the RECORD for whatever it may be worth—that never at any time during the Democratic administration did there ever the suggestion come from any person, in a place of high responsibility, any Cabinet officer, that there ought not to be an investigation of expenditures. Nor did any such suggestion ever come from any person in that administration who had any discretion in dealing with matters. No resistance was had here when you undertook to create a committee, and did create a committee, of the most intensely partisan character for the purpose of investigation; but you have now a situation which, if I am correctly informed, is such that the Attorney General of the United States has, somehow, in some way, induced the gentleman from Kansas [Mr. CAMPBELL], chairman of the Committee on Rules, to change his vote and vote not to investigate his department. [Applause on the Democratic side.]

The gentleman from Kansas, with whom I am personally friendly, now arises here on the floor and as an excuse for his own turn-coating, for his own weakness of will, for his own lack of intellectual integrity and courage, assails the Democratic administration and refuses to yield to a courteous inquiry as to what individual he would attack.

Mr. Speaker, it is extremely painful to have to indulge in this sort of talk, but I wish it understood here and now that never at any time during the Democratic administration, or now, has there been an objection from any individual, from the former President of the United States down to every man who had any discretion in official activity, to an investigation. The gentleman from Kansas makes an assault upon the past administration. The committee that you would create, if the gentleman had stood by his vote, would investigate the past administration. It would add to the Graham investigation, if it could. The House organization is in the hands of the Republicans. The Republicans would not suffer any injustice by a committee that might be appointed, and the Democrats would be investigated and the Democratic administration would be investigated as well as the Republicans, and they are ready for it. [Applause on Democratic side.]

I have here a letter from the former Attorney General of the United States, a man who was assailed more viciously, probably, than any official in high life, except the President himself, by the Republicans, during the latter part of his administration. I can not read all of the letter because I have not the time. He knows this committee would investigate him and he invites the investigation. What does your Attorney General say? [Applause on the Democratic side.]

Mr. Speaker, I ask unanimous consent at this time to insert here this letter from the Hon. Mitchell Palmer.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD by inserting the letter referred to. Is there objection?

There was no objection.

The letter referred to is as follows:

LAW OFFICES PALMER, DAVIS, AND SCOTT,
Washington, D. C., May 23, 1922.

Hon. FINIS J. GARRETT,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: I hope that the House will pass the Woodruff resolution for the appointment of a committee to investigate "all contracts and expenditures made by the War Department, or under its directions, the Navy Department, or under its directions, and the Alien Property Custodian, or under his directions, during and since the late war with Germany." As Alien Property Custodian during the war I am particularly anxious that the American people should know the whole truth with respect to the operations of that office, and I should be very happy, indeed, if such a full and complete investigation would be made as would disclose not only all the voluminous details of the great task which fell to the Alien Property Custodian in taking over

and disposing of German property during the war but also all the plans, schemes, and propaganda now being forwarded by agents of the former German owners to undo a splendid piece of war work. The charges and insinuations now being made with respect to the Chemical Foundation and the Bosch Magneto Co. have been repeated many times and have already been fully investigated by two Senate committees, but until the final disposition of German property is made by legislation we may expect to hear them constantly reiterated. The trading-with-the-enemy act provides in section 12 that after the war the claims of enemy persons shall be disposed of as the Congress shall determine. Of course, I do not know the reason for the long delay of the Congress in legislating upon this important subject, but it occurs to me that an investigation of the character proposed in the Woodruff resolution might be very helpful to the Congress when it comes to consider such legislation. The Congress should know not only the disposition made of the German property but the character and purposes of the interests now trying to recover that property.

The Bosch Magneto Co. was German to the core. Before we entered the war its management violated our neutrality in the most infamous fashion. Its officers sought to conceal its true ownership behind a camouflage of German-American stockholders. They finally made sworn report, however, declaring all the stock to be enemy owned, and I thereupon took charge of the company. In the investigation as to its ownership Otto Heins, representing the German owners, declared its value to be $3,500,000. Its stock was finally sold through my direction at an open public auction sale, after wide advertisement, for $4,150,000 to the highest bidder, representing a syndicate of more than a hundred American bankers who organized a new corporation to make the business a 100 per cent American enterprise.

The sale was approved, after careful investigation, both as to adequacy of price and character of purchasers, by the advisory sales committee, the investigation and report having been made by two leading members of that committee—Otto T. Bannard, chairman of the board of the New York Trust Co., and George L. Ingraham, former chief justice of the appellate division of the Supreme Court of New York. The sale was regular in every respect and the intimations of fraud and crime in connection therewith do a serious injustice to many patriotic Americans who were earnestly engaged in performing a service for their country in ridding American business of the menace of German control during the war.

The Chemical Foundation is a nonprofit corporation, formed for the purpose of taking over nearly 5,000 American patents owned by Germans in the chemical industry, which patents had originally been taken out by Germans for the purpose of making it impossible for the chemical industry to develop in this country. The result of that policy was seen in the early days of the war when it became apparent to the world that the domination of the chemical industry was on the Rhine and its by-products—high explosives and poisonous gases—almost worked the wreck of civilization. To-day by reason of the Alien Property Custodian's plan of Americanizing these German patents and distributing them to American producers through a semi-public institution like the Chemical Foundation, having for its purpose only the development of the chemical science in America, it has become apparent that the world can never again be caught in the clutches of a German control of the chemical industry. I have no hesitation in saying that the biggest achievement of the Alien Property Custodian for the benefit of our country and its future welfare and security was the formation of the Chemical Foundation and the sale of these German patents to it. The Germans recognize its transcendent importance and would now resort to any device to set aside that sale and have the patents restored finally to their German owners, in the hope that they could thus again dominate the chemical industry of the world. Their present plan seems to be to discredit in the public mind by wide publicity of false charges every act of the Alien Property Custodian and thus persuade the Government of the United States, either through the Congress or through executive departments, to take such action as will restore to Germany the strangle hold upon American industry and commerce in many important lines of industry which the Alien Property Custodian loosened as a part of the Government's policy in prosecuting the war.

All the German property was taken over and the sales program was carried out during the incumbency of my successor, Hon. Francis P. Garvan, and myself. Neither of us has anything to conceal nor any apologies to offer to either the Germans or their friends in this country for the very considerable part which we took in advancing the interests of the United States in the important matters intrusted to our care. Let the investigation proceed. Let it be searching, thorough, and painstaking, so that the country may know—not the garbled half truths being broadcasted by the Germans and their friends, but the whole truth as can and will be told by all of the splendid Americans who helped in this great work.

Yours truly,

A. MITCHELL PALMER.

Mr. GARRETT of Tennessee. Mr. Speaker, the majority may do just what it pleases about this investigation. The responsibility is yours. If you do not want your officials investigated, you do not have to have them investigated; but I serve notice upon you now that you are not, with my consent, going to avoid an investigation of your own officials by attacking the officials of a former administration, who stand ready and anxious to participate in any investigation that you may desire to make. [Applause on the Democratic side.]

Mr. VOLSTEAD. Mr. Speaker, I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that I may speak out of order.

The SPEAKER. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Speaker, the gentleman from Tennessee [Mr. GARRETT] just stated that at no time did any high official, any Cabinet officer of the former administration, express any objection to or desire or purpose to avoid a congressional investigation. I am willing to accept the word of the gentleman from Tennessee, so far as he is informed. I can say that no Cabinet officer, no high official, no official of any grade under this administration has ever at any time, so far as I know, and I am fairly well informed, I think, suggested that there should not be every and all the investigations that Congress may desire to make. [Applause on the Republican side.]

The Attorney General, the Secretary of War, and the Alien Property Custodian have each and every one said to me that, so far as they are concerned, they would welcome any investigation that Congress may desire to make. In fact, these officials have expressed the opinion that a resolution for an investigating committee having been reported out by the committee, it should be adopted. I personally am glad that the Committee on Rules rescinded its former action. I have never at any time believed that this was the time for further congressional investigation. We had our investigating committees at work nearly all of the last Congress. The time for congressional investigation of matters growing out of war activities has passed. The time for legal investigation and inquiry by legal officers of the Government, the time for examinations before grand juries, the time for trial, has arrived. A congressional investigation at this time could serve no other purpose than that of delay, of muddying the waters, of preventing prompt action by grand juries and of the courts.

I am not surprised that gentlemen whose names may figure in investigations before grand juries prefer a congressional investigation to action by the grand juries and the courts. That is perfectly natural; that is their only hope; and while charging no one—I know, as does everyone within the sound of my voice, that every man who fears the outcome of legal investigation, action of grand juries and by the courts, welcomes congressional investigation, because it causes delays, tends to muddy the water, and holds out the hope of immunity. The officers of the administration have not influenced our opinion that congressional investigations at this time are unwise. None of them suggested that they should not be undertaken. We of the majority, believing that the time for loose investigation and the airing of mere sensation has passed, and that the time for legal action is here, take the responsibility of seeing to it that the Department of Justice and grand juries and the courts shall not be delayed or hampered by congressional investigations of the matters they have under consideration. [Applause on the Republican side.]

Mr. TILLMAN. Mr. Speaker, I yield five minutes to the gentleman from Virginia [Mr. MOORE].

Mr. MOORE of Virginia. Mr. Speaker, my large interest in this matter is not confined to the small questions—they seem to me—that have been suggested by the gentleman from Wyoming [Mr. MONDELL] and the gentleman from Kansas [Mr. CAMPBELL]. My large interest in this matter is the same that is beginning to be indicated by the general public, which is voicing itself quite emphatically in some of the leading newspapers of the country, including some of the great Republican organs like the New York Tribune. Those journals carry us back to the time when the country was shocked at the appointment of Mr. Daugherty as Attorney General and proclaimed it in many ways. They carry us back to the more recent time when two gallant ex-service men, members, not of the minority party but of the majority party—Messrs. WOODRUFF and JOHNSON—rose on the floor of the House and made charges against the Attorney General that shocked many Members of the House upon both sides. They introduced a resolution for an investigation of the Attorney General. That resolution went to the Committee on Rules, and the chairman of that committee was so shocked by the direct and serious charges that had been made by Messrs. WOODRUFF and JOHNSON that for the first time in my acquaintance with him on the floor of the House he showed a quality of independence, a purpose to act without partisanship.

The chairman of the committee on the 3d of May voted for the resolution, and except for his so voting it could not have been passed, and now, forsooth, the chairman stands here and says the criticisms he hears in regard to the Attorney General and in regard to this whole business, makes him think of the issue from the mouth of a sewer. Yet he is responsible for those criticisms having been deliberately considered and for the resolution to investigate having been adopted. After the Attorney General had been in the office for more than a year, listening to and considering the charges against him, the chairman of the committee was instrumental in having the resolution passed by his committee and directed to be brought before the House. The gentleman from Wyoming may not be estopped from lecturing this side of the House, the gentleman from Wyoming may not be barred from using such epithets and characterizations as the gentleman from Kansas has employed, but the gentleman from Kansas surely is subject to the bar of estoppel. He is in the attitude to-day of that rather unadmirable individual in Bunyon's Pilgrims Progress, Mr.

Facing-both-ways. [Applause.] He not only knew of pending prosecutions on the 3d of May but he knew, as a man and a lawyer, how prosecutions are conducted. He perhaps did not then know that certain prosecutions were going to be set on foot, because not until later—until he had been spurred by the charges of Messrs. WOODRUFF and JOHNSON—did the Attorney General become active, but the gentleman from Kansas was as much a lawyer on the 3d of May and had as much acquaintance with the business of the courts on the 3d of May as he has now, and he found no reason on the 3d of May to try to stifle the resolution introduced by Mr. WOODRUFF and backed by Mr. JOHNSON of South Dakota. Nevertheless, he finds great reason for doing it to-day. Now, I wish to say this—and I speak for myself, and I think I can speak for every Member on this side of the House—that anyone who directly or indirectly charges that we who favor an investigation, who favor it, among other reasons, because the sentiment of the country calls for an investigation, that we are endeavoring to prevent the prosecution and conviction of malefactors can receive but one answer. If any such assertion should be made with respect to me or any of the gentlemen who surround me upon this side it shall be answered in only one way, and that by a sharp, short word of three letters. [Applause.] No one shall be permitted to attempt to deceive the country by any such assertion as that. We are here not only to support prosecutions but we are here, as the gentleman from Kansas is not, to support an inquiry into the conduct of officials who have been publicly arraigned because of their alleged misconduct.

The SPEAKER. The time of the gentleman has expired.

Mr. TILLMAN. I yield the gentleman five additional minutes.

The SPEAKER. The Chair would suggest to the gentleman that he is proceeding out of order.

Mr. MOORE of Virginia. I ask that I may speak out of order.

The SPEAKER. The gentleman from Virginia asks unanimous consent to speak out of order.

Mr. CAMPBELL of Kansas. Mr. Speaker, I ask unanimous consent that the gentleman may proceed out of order. [Applause.]

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Virginia. If the gentleman was showing the same consideration and generous concern for his country as he shows for me, I would not have any cause to complain of him now. [Applause.] When I have the time and strength, not as a partisan but as an American citizen and Representative and as an American lawyer, I am going to discuss the record of the Attorney General since he took office. If the opportunity is afforded me, I shall undertake to show that his conduct is unparalleled so far in the history of the Department of Justice, and that if there ever was an official anywhere who ought to court investigation, if innocent, and, if guilty, ought to be brought to the bar of the Senate, it is the Attorney General; and when I deal with the subject I shall not confine myself altogether to the war-fraud cases, so called, but shall include cases which have arisen since the close of the war.

In April I introduced a resolution which was sent to the cemetery which is operated by the gentleman from Kansas [Mr. CAMPBELL], the chairman of the Committee on Rules—a cemetery where all Democratic measures are interred.

A MEMBER. The morgue.

Mr. MOORE of Virginia. That resolution had reference to the removal of officials of the Bureau of Engraving and Printing. In the remarks made somewhat later I said that the President had been guided and, in my opinion, wretchedly misguided by the Attorney General and by an official of the Treasury Department, and that under their guidance he had done a thing that was outrageous in its disregard of the interests and rights of a number of officials of the Government and in flouting the spirit of the civil service law. That resolution has not been considered and will not be considered. Certainly, no prosecutions can be prejudiced by having an investigation of that matter. And yet we are denied an ascertainment of the exact facts. I might make a showing here not only of the injustice that was done the country and the officials who were removed by the order of the President, but I might undertake to make clear to the men and women of the country—and there is a larger percentage of women in the Bureau of Engraving and Printing than serve any other department of this Government—that men have been placed, pursuant to the order which I believe had the Attorney General's full knowledge and active approval, at the very head of that bureau and who are to-day managing its affairs who are accounted by those who know them best as disreputable. [Applause.] I might produce a record from the Supreme Court of the District of Columbia that shows that a third man who was placed in the position that had been filled by a constituent of my friend from Tennessee [Mr. BYRNS]—his constituent was given a clean bill of health by the Treasury Department at 4.30 p. m., March 30, and dismissed at 6.30 the same day—who is under charges in a civil suit pending in the Supreme Court of the District of Columbia, one which the United States attorney of the District of Columbia and his superior, the Attorney General, should not ignore.

The SPEAKER. The time of the gentleman has expired.

Mr. TILLMAN. Mr. Speaker, I yield one more minute to the gentleman from Virginia.

Mr. MOORE of Virginia. Mr. Speaker, I had not expected to discuss this matter this morning, but I shall try to discuss it hereafter, not only with reference to the general situation in which we find ourselves with respect to the Department of Justice, but also with reference to this Bureau of Engraving situation. I do not and will not discuss it as a party man. I would scorn to take the strict partisan attitude the gentleman who faces me has taken this morning, and which is so inconsistent with his previous course on the same matter. Compared with the coat of many colors the gentleman has worn in the transaction relative to the Woodruff-Johnson resolution, the coat of Joseph would look like a mere monochrome.

I can only say one further thing this morning, that I am about to offer a resolution which will not call for the investigation of anybody or any department, but indicate how the House ought to save to itself the privilege of passing upon resolutions that are adopted by the Rules Committee and not be compelled to allow them to remain indefinitely in the pocket of the gentleman from Kansas weeks and months after his committee has directed them to be reported. [Applause.]

Mr. VOLSTEAD. I want to say that I intended to yield two minutes to the gentleman from Kansas [Mr. TINCHER], and after he concludes his speech I shall try to insist, if possible, that we keep to the bill under consideration.

Mr. TILLMAN. I wish to suggest that there have been three speakers on that side.

Mr. VOLSTEAD. I am not trying to cut off debate.

Mr. TILLMAN. If the gentleman is going to permit three speeches on that side, I insist that we have that many here.

The SPEAKER. The Chair is informed that the gentleman from Minnesota [Mr. VOLSTEAD] has used 20 minutes and the gentleman from Arkansas 21 minutes.

Mr. TILLMAN. I would suggest that if the gentleman from Kansas is to proceed out of order for two minutes, I should have the same amount of time. I understand the gentleman from Minnesota to yield five minutes more. I want the same time exactly.

Mr. VOLSTEAD. I yield five minutes to the gentleman from Kansas [Mr. TINCHER].

Mr. TINCHER. Mr. Speaker, I ask unanimous consent to proceed out of order.

Mr. TILLMAN. Mr. Speaker, reserving the right to object, I shall not object if the gentleman allows me to do the same thing over here and have the same amount of time.

The SPEAKER. The Chair will suggest that the gentleman from Minnesota is entitled to close, and if the gentleman from Arkansas uses more time, it should be used now. How much time is the gentleman from Minnesota going to yield?

Mr. VOLSTEAD. Two minutes more.

The SPEAKER. In order to equalize the time, the gentleman from Arkansas would have one minute. Will the gentleman from Minnesota use that time on this subject now and not wait until the gentleman has concluded?

Mr. VOLSTEAD. If you are going to speak out of order——

Mr. TILLMAN. All right. I bow to the decision of the chairman of the Judiciary Committee.

Mr. Speaker, I want to ask if the gentleman from South Dakota [Mr. JOHNSON] is on the floor.

The SPEAKER. The Chair does not see the gentleman.

Mr. TILLMAN. I will ask if the gentleman from Michigan is on the floor and if he desires any time?

Mr. WOODRUFF. I will state to the gentleman that I will be glad to utilize the minute he has remaining.

Mr. TILLMAN. I very gladly and cheerfully yield five minutes to the gentleman from Michigan.

The SPEAKER. The gentleman from Arkansas yields five minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. WOODRUFF. Mr. Speaker, I can not say that I was surprised this morning when the gentleman from Kansas [Mr. CAMPBELL] pulled from his pocket a document, which I first anticipated might be my resolution, and proceeded to read. In his discussion of this question he has very carefully overlooked and ignored everything that has been charged in the House upon the subject of the way the Department of Justice has handled or mishandled the war-fraud cases. If he will examine the charges I have made and the charges that have been made by my friend from South Dakota [Mr. JOHNSON], not a one of which has been denied, he will recognize the fact that the promise of the Attorney General to properly handle the war-fraud cases is precisely the same promise that the same Attorney General made to the House and to the country one long year ago. If you will recollect, about a year ago Mr. Daugherty gave an interview to the press in which he stated he was about to bring these war grafters to justice; that it was his purpose when he was going on this fishing trip to throw back the little fish and keep only the big ones. As a matter of fact, when the Attorney General started out upon that fishing trip, I take it he must have forgotten his bait, because up to date if he has hooked a minnow or a whale the country has not been able to discover it. [Applause on the Democratic side.]

Now, Mr. Speaker, I approve very heartily the appointment of Mr. McCullough and the appointment of our colleague, Mr. REAVIS, as Assistant Attorney General. I have unbounded confidence in both of these gentlemen. I believe that if the Attorney General will turn them loose on these cases and let them do as they want to do, the country will be well satisfied with the way the Department of Justice will operate. But the Members here must always bear in mind that the Attorney General, who for 14 long months has brought to the bar of justice not one single grafter, in the present reorganization of his office retains to himself at all times the right to say who shall and who shall not be prosecuted.

Mr. JEFFERS of Alabama. Will the gentleman yield for a moment?

Mr. WOODRUFF. Certainly.

Mr. JEFFERS of Alabama. I just want to say that the reason why Mr. Daugherty reserves for himself the right to say who shall or shall not be prosecuted might be found in the words of the gentleman from Kansas [Mr. CAMPBELL] himself, if I remember the words correctly. In the course of his remarks he said that when these conspicuous crooks and grafters marched off to the penitentiary Daugherty might lead them there.

Mr. WOODRUFF. I do not care to comment upon that. But I do want to call the attention of the House to this one fact, and that is that Mr. REAVIS, Mr. McCullough, and Mr. Steinbrink, or anyone else, called in by the Attorney General to assist in the prosecution of these cases will be there only in the capacity of subordinates, and as such must do as they are told.

Mr. KING. Mr. Speaker, will the gentleman yield?

Mr. WOODRUFF. Certainly.

Mr. KING. Will these two eminent gentlemen be required to proceed in their prosecutions without the aid of Captain Scaife and Major Watts?

Mr. WOODRUFF. Unquestionably they will be. Up to date I have learned of no movement on the part of the Attorney General to call into these cases the men who have, for the Department of Justice, investigated these cases.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUFF. Certainly.

Mr. CARTER. When were Mr. McCulloch and Mr. REAVIS appointed?

Mr. WOODRUFF. I learned from the statement of the gentleman from Kansas [Mr. CAMPBELL] that Mr. McCulloch was invited some time in March last. Mr. REAVIS has been retained, I understand, during the past three weeks.

Mr. CARTER. Was not that more than 12 months after the present Attorney General had qualified, and after your resolution of investigation had been presented?

Mr. WOODRUFF. Yes. Mr. McCulloch has been retained to handle the cantonment cases, and this occurred more than six months after the man in the Department of Justice, in whose hands the Attorney General had placed the handling of these contracts, had announced that these cases were closed; that there was nothing to them.

Mr. CARTER. And if the gentleman will permit, that was the first act in his defense of the Attorney General; that was the first act that the gentleman from Kansas [Mr. CAMPBELL] has cited which the Attorney General has done to prosecute the war grafters?

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. TILLMAN. Mr. Speaker, does the gentleman desire more time?

Mr. WOODRUFF. Yes; I would like to have two minutes more.

Mr. SNELL. Mr. Speaker, reserving the right to object——

A MEMBER. Oh, no!

The SPEAKER. The gentleman, of course, has the right to object to his speaking out of order.

Mr. TILLMAN. I yield to the gentleman two minutes more.

Mr. WOODRUFF. I ask unanimous consent, Mr. Speaker, to proceed out of order.

The SPEAKER. The gentleman from Michigan asks unanimous consent to speak out of order. Is there objection?

Mr. SNELL. Reserving the right to object, it seems to me this discussion should come to an end some time. Is this the last speaker?

Mr. KING. You have let everybody speak here who wanted to speak.

The SPEAKER. Is there objection?

There was no objection.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. WOODRUFF. Certainly.

Mr. KEARNS. Does the gentleman know that early in January Mr. Daugherty, as Attorney General of the United States, announced that he was preparing to prosecute these war-fraud and graft cases?

Mr. WOODRUFF. I had not known of his January announcement, but I have already mentioned the one of a year ago. I know that the Attorney General stated two weeks ago that for many months he had been trying to secure the services of able and conscientious attorneys to handle these cases, and that he had been unsuccessful. And I want to say to you now that that is the most dastardly arraignment of the American bar that has ever been made. [Applause.]

Mr. KEARNS. I will make the statement to the gentleman that early in January he was trying to surround himself with deputy attorneys general to conduct the prosecutions; and I will say this, further, that these fraud cases were already present on the 11th day of November, 1918, and no Attorney General up to the 4th of March, 1921, ever turned a hand to prosecute any of them.

Mr. WOODRUFF. I am sure the gentleman would not expect the Attorney General of the preceding administration to prosecute either himself or his friends. [Applause.]

Now, Mr. Speaker, I want to say a word further about the Attorney General and his inability to secure able assistants in this work: Three weeks ago he announced that he had been entirely unsuccessful in securing these assistants, and yet two or three weeks later he announces that he has secured the services of very eminent gentlemen throughout the country, and that in the face of the fact that three weeks previously he had announced that for months and months he has been unable to find such gentlemen. [Applause.]

Now, just a word in closing. It is probable that the action of the Committee on Rules this morning has foreclosed action by the House upon this resolution. But I want to serve notice upon every Member of this House that if the Attorney General's department does not secure the results that he now states he will secure; if the Department of Justice does not properly function in these cases, you will find me here when Congress meets again calling attention to his dereliction, and you gentlemen who will have had an opportunity to go back home and talk to your constituents will come back here singing a different song from that which some of you have been singing here to-day. [Applause.]

Mr. VOLSTEAD. Mr. Speaker, I yield five minutes to the gentleman from Kansas [Mr. TINCHER].

The SPEAKER. The gentleman from Kansas is recognized for five minutes.

Mr. TINCHER. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

Mr. TINCHER. Mr. Speaker, I would not have asked for any time on this question had not my friend from Virginia [Mr. MOORE], who is ordinarily so passive and has such control of himself, evinced such feeling in this matter. He served notice here that he was going to take the floor later on to denounce the Attorney General of the United States.

I can recall when we had congressional investigations, at a time when I think they were in place, and I then thought it

was proper that we should have them, because we could not have anything else. The executive departments of the Government were in charge of the "class of" people so well expressed by the gentleman from Michigan a moment ago; and I can recall, too, that when the various subcommittees brought in their reports here the distinguished gentleman from Tennessee [Mr. GARRETT], who has evinced such feeling in this matter this morning, appeared before this House and with all the oratory and force that he used this morning advocated the minority report to the majority report of that subcommitee.

But that is neither here nor there. We have an Attorney General. I thought he was all right. I did not hear a man on that side of the House raise one word against the Attorney General until a certain incident occurred, and that was the indictment, or the notice that there would be an indictment, advocated by him, and backed up by him, of this man Morse. Immediately we began to hear speeches attacking him personally, going back into his record—speeches not only in this Chamber but in the other Chamber.

Who is Morse? Where are the Morse shipyards? Why is it that certain gentlemen on every occasion rise in their places in this House to denounce the Attorney General or say something slurring of him ever since that indictment? It has been charged in that indictment, and the indictment by the grand jury has been sustained by the courts, that he filched from the Government money to build a "mansion" in the grand Old Dominion of Virginia, in a certain congressional district.

Why all this feeling? Who wants to handicap Daugherty so that he can not obtain the conviction of Morse? I have no brief for any of them. I want every profiteer and every gouger who stole from this Government during the war prosecuted. I am thankful that this morning any Member of Congress who has facts can appear before the Federal grand jury here in this District and offer those facts where we can have prosecutions, instead of majority and minority reports from a congressional committee. [Applause.] That is the effective and orderly way. I am not opposed to any investigation when any fact warrants, but I do want prosecutions. Let us not clear Morse. Oh, I have passed the Morse shipyards. I know of the unfinished ships in the Morse shipyards and of the mansions that he was constructing with Government money, and I say to you that I bid Harry Daugherty Godspeed in this prosecution whether he some time in the past favored the pardon of that man or not. No matter what the past may have contained, if Morse is guilty of the things he is indicted for, no man's voice should be raised in his behalf in either Chamber of this Congress, and no man should throw mud at Daugherty simply because he has begun proceedings against Morse. Perhaps I am wrong, but did you ever hear a Democrat in either House of Congress criticize Harry Daugherty until Morse was indicted? I thank you. [Applause.]

Mr. Speaker, I yield back the remainder of my time.

Mr. GARRETT of Tennessee. Mr. Speaker, I think the gentleman has a little time remaining. Will the gentleman yield?

Mr. TINCHER. I said I yielded it back.

Mr. GARRETT of Tennessee. Will the gentleman yield before he yields back his time?

Mr. TINCHER. No; I have yielded my time.

Mr. VOLSTEAD. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. VOLSTEAD: Page 3, line 15, after the word "him," strike out the word "many" and insert in lieu thereof the word "may."

Mr. VOLSTEAD. This is to correct a clerical error.

The amendment was agreed to.

Mr. VOLSTEAD. If no gentleman desires to make any further speech, I move the previous question on the bill to the final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. VOLSTEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

EMPLOYMENT OF FEDERAL PRISONERS.

The SPEAKER. Has the Committee on the Judiciary any further business?

Mr. VOLSTEAD. We have. Mr. Speaker, I call up House Concurrent Resolution 53, to create a joint committee of the Senate and House of Representatives to determine what employment can be furnished Federal prisoners, and for other purposes.

The SPEAKER. This bill is on the Union Calendar and the House automatically resolves itself into the Committee of the Whole House on the state of the Union. The gentleman from New York [Mr HUSTED] will please take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Concurrent Resolution 53, with Mr. HUSTED in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of a concurrent resolution, which the Clerk will report.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That a special joint committee of the Senate and House of Representatives be created, composed of three members of the Committee on the Judiciary of the Senate and three members of the Committee on the Judiciary of the House of Representatives, to be designated by the President of the Senate and the Speaker of the House of Representatives, respectively, that shall investigate and report to Congress, not later than the first Monday in December, 1922, what articles it is desirable to manufacture in the United States penitentiaries at Leavenworth, Kans., and McNeil Island, Wash., the cost of erecting buildings and the equipment of such buildings with the necessary machinery for the production of any such articles, the probable cost of manufacture of such articles and the prices now paid under contract for such articles, and such other data as may be pertinent to the general inquiry. Such committee may employ clerical and stenographic assistance, and the expenses thereof and of the committee may be paid one-half out of the contingent fund of the Senate and one-half out of the contingent fund of the House of Representatives upon vouchers to be approved by the chairman of such joint committee, but such expenses shall not exceed $2,000, which sum may be appropriated therefor.

With the following committee amendments:

Page 1, line 10, after the figures "1922" insert "as to employment of prisoners and."

Page 1, line 11, after the word "to" insert the words "produce or."

Page 2, line 11, after the figures "$2,000" strike out the words "which sum may be appropriated therefor."

Mr. VOLSTEAD. Mr. Chairman, this legislation was suggested by the prison authorities and by the Attorney General. We have two prisons, one at Leavenworth, Kans., and another at McNeil Island, Wash., where at present there is no adequate provision for prisoners to do any sort of labor. The original proposition as I introduced it at the request of the Department of Justice was to create a commission consisting of members of the Appropriations Committees of the two Houses and the various prison authorities. When it came before the Judiciary Committee we concluded that it would be better to have a joint committee appointed from the membership of the Judiciary Committees of the two Houses, for the reason that those committees have jurisdiction of this sort of legislation. It would seem apparent that it would be better to have members of these two committees functioning in making this investigation in connection with the Department of Justice and the prison authorities than members of the Appropriations Committees, that have no power to report the necessary legislation.

It is very important that action be taken in the near future. Up to within a few months there has been more or less work to do in the erection of buildings upon the prison grounds, but the buildings are about completed and something else must be provided to give the prisoners employment. Everybody who has had anything to do with prison matters realizes that the worst thing possible is to have prisoners remain in confinement without some opportunity to work.

Mr. JOHNSON of Mississippi. What kind of work are the prisoners required to do at this time?

Mr. VOLSTEAD. At this time they are simply helping to construct buildings upon the prison grounds, but the buildings, as I said, are about finished. We did provide a cotton-duck factory at Atlanta, and there we have an opportunity to employ practically the entire force. During the last year, which was the first year when the Government cotton-duck factory operated, we saved $128,000 from the products manufactured by the prisoners there. There is no question but that prisoners can in a large measure be made self-sustaining if we furnish them suitable work. We realize that it is difficult to find work against which the labor organizations will not complain, but I think such work can be provided, and if the gentleman will read the letter of the Attorney General which is attached to the report he will find that the matter has been pretty carefully considered and that there is a kind of work that can be furnished to these prisoners that will not be seriously objected to by anyone so far as I know.

Mr. RAKER. Will the gentleman yield for a question?

Mr. VOLSTEAD. Yes.

Mr. RAKER. This concurrent resolution provides for the appointment of three members from the Senate Judiciary Com-

mittee and a like number from the Judiciary Committee of the House to make this investigation and report.

Mr. VOLSTEAD. Yes.

Mr. RAKER. Have not the two committees of the Senate and the House all the assistants, and could not the two committees jointly now determine what would be a feasible industry to be placed in the two places?

Mr. VOLSTEAD. It is believed that it would be better to have a joint committee, as that might aid in having the two committees agree on what should be done, and besides that, we believe it would be better to have a smaller committee act than the entire Judiciary Committees of the House and the Senate. They would have, of course, to consult the various officers who have charge of prison work, as there is no doubt an advantage to have a joint committee of this kind.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. VOLSTEAD. Certainly.

Mr. WILLIAMSON. Will it be the purpose of this committee to work out some plan later to be enacted into law whereby the prisoners will be employed in a profitable way?

Mr. VOLSTEAD. That is it.

The resolution was read for amendment.

The Clerk read the following committee amendment:

Page 1, line 10, after the figures 1922, insert "as to employment of prisoners and."

The amendment was agreed to.

The Clerk read the following committee amendment:

Page 1, line 11, after the word "to" insert the words "produce or."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 2, line 12, strike out the words "which sum may be appropriate therefor."

The committee amendment was agreed to.

Mr. VOLSTEAD. Mr. Chairman, I move that the committee do now rise and report the concurrent resolution to the House with the amendments, with the recommendation that the amendments be agreed to and that the concurrent resolution do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HUSTED, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration House Concurrent Resolution 53, and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the resolution as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment?

There was no demand for a separate vote.

The amendments were agreed to.

The concurrent resolution was agreed to.

DEVELOPMENT AND ADMINISTRATION OF THE PORT OF NEW YORK.

Mr. VOLSTEAD. Mr. Speaker, I call up House Joint Resolution 337, granting consent of Congress and authority to the Port of New York Authority to execute the comprehensive plan approved by the States of New York and New Jersey by chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922.

The Clerk read the joint resolution, as follows:

Whereas pursuant to the agreement or compact entered into by the States of New York and New Jersey under date of April 30, 1921, and consented to by the Congress of the United States by resolution signed by the President on the 23d day of August, 1921, the two States have agreed upon a comprehensive plan for the development of the port of New York; and

Whereas the carrying out and executing of the said plan will the better promote and facilitate commerce between the States and between the States and foreign nations and provide better and cheaper transportation of property and aid in providing better postal, military, and other services of value to the Nation: Therefore be it

Resolved, etc., That, subject always to the approval of the officers and agents of the United States as required by acts of Congress touching the jurisdiction and control of the United States over the matters, or any part thereof, covered by this resolution, the consent of Congress is hereby given to the supplemental agreement between the States of New York and New Jersey evidenced by chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922, covering the comprehensive plan for the development of the port of New York embraced in said statutes in form following, that is to say:

"SECTION 1. Principles to govern the development:

"First. That terminal operations within the port district, so far as economically practicable, should be unified.

"Second. That there should be consolidation of shipments at proper classification points so as to eliminate duplication of effort, inefficient loading of equipment, and realize reduction in expenses.

"Third. That there should be the most direct routing of all commodities so as to avoid centers of congestion, conflicting currents, and long truck hauls.

"Fourth. That terminal stations established under the comprehensive plan should be union stations, so far as practicable.

"Fifth. That the process of coordinating facilities should, so far as practicable, adopt casting facilities as integral parts of the new system, so as to avoid needless destruction of existing capital investment and reduce so far as may be possible the requirements for new capital; and endeavor should be made to obtain the consent of local municipalities within the port district for the coordination of their present and contemplated port and terminal facilities with the whole plan.

"Sixth. That freight from all railroads must be brought to all parts of the port wherever practicable without cars breaking bulk, and this necessitates tunnel connection between New Jersey and Long Island, and tunnel or bridge connections between other parts of the port.

"Seventh. That there should be urged upon the Federal authorities improvements of channels so as to give access for that type of waterborne commerce adapted to the various forms of development which the respective shore fronts and adjacent lands of the port would best lend themselves to.

"Eighth. That highways for motor-truck traffic should be laid out so as to permit the most efficient interrelation between terminals, piers, and industrial establishments not equipped with railroad sidings and for the distribution of building materials and many other commodities which must be handled by trucks; these highways to connect with existing or projected bridges, tunnels, and ferries.

"Ninth. That definite methods for prompt relief should be devised which can be applied for the better coordination and operation of existing facilities while larger and more comprehensive plans for future development are being carried out.

"SEC. 2. The bridges, tunnels, and belt lines forming the comprehensive plan are generally and in outline indicated on maps filed by the Port of New York Authority in the offices of the secretaries of the States of New York and New Jersey and are hereinafter described in outline.

"SEC. 3. Tunnels and bridges to form part of the plan: (a) A tunnel or tunnels connecting the New Jersey shore and the Brooklyn shore of New York to provide through-line connection between the transcontinental railroads now having their terminals in New Jersey, with the Long Island Railroad and the New York connecting railroad on Long Island and with the New York Central & Hudson River Railroad and the New York, New Haven & Hartford Railroad in the Bronx, and to provide continuous transportation of freight between the Queens, Brooklyn, and Bronx sections of the port to and from all parts of the westerly section of the port for all of the transcontinental railroads. (b) A bridge and/or tunnel across or under the Arthur Kill, and/or the existing bridge enlarged to provide direct freight carriage between New Jersey and Staten Island. (c) The location of all such tunnels or bridges to be at the shortest, most accessible, and most economical points practicable, taking account of existing facilities now located within the port district and providing for and taking account of all reasonably foreseeable future growth in all parts of the district.

"SEC. 4. Manhattan service: The island of Manhattan to be connected with New Jersey by bridge or tunnel, or both, and freight destined to and from Manhattan to be carried underground, so far as practicable by such system, automatic electric as hereinafter described or otherwise, as will furnish the most expeditious, economical, and practicable transportation of freight, especially meat, produce, milk, and other commodities comprising the daily needs of the people. Suitable markets, union inland terminal stations and warehouses to be laid out at points most convenient to the homes and industries upon the island, the said system to be connected with all the transcontinental railroads terminating in New Jersey and by appropriate connection with the New York Central & Hudson River Railroad, the New York, New Haven & Hartford, and the Long Island Railroads.

"SEC. 5. Belt lines: The numbers hereinafter used correspond with the numbers which have been placed on the map of the comprehensive plan to identify the various belt lines and marginal railroads.

"No. 1, middle belt line: Connects New Jersey and Staten Island and the railroads on the westerly side of the port with Brooklyn, Queens, The Bronx, and the railroads on the easterly side of the port. Connects with the New York Central Railroad in The Bronx; with the New York, New Haven & Hartford Railroad in The Bronx; with the Long Island Railroad in Queens and Brooklyn; with the Baltimore & Ohio Railroad near Elizabethport and in Staten Island; with the Central Railroad Co. of New Jersey at Elizabethport and at points in Newark and Jersey City; with the Pennsylvania Railroad in Newark and Jersey City; with the Lehigh Valley Railroad in Newark and Jersey City; with the Delaware, Lackawanna & Western Railroad in Jersey City and the Secaucus meadows; with the Erie Railroad in Jersey City and the Secaucus meadows; with the New York, Susquehanna & Western, the New York, Ontario & Western, and the West Shore Railroads on the westerly side of the Palisades above the Weehawken Tunnel.

"The route of the middle belt line, as shown on said map, is in general as follows: Commencing at the Hudson River at Spuyten Duyvil, running easterly and southerly generally along the easterly side of the Harlem River, utilizing existing lines so far as practicable and improving and adding where necessary, to a connection with Hell Gate Bridge and the New Haven Railroad, a distance of approximately 7 miles; thence continuing in a general southerly direction, utilizing existing lines and improving and adding where necessary, to a point near Bay Ridge, a distance of approximately 18½ miles; thence by a new tunnel under New York Bay in a northwesterly direction to a portal in Jersey City or Bayonne, a distance of approximately 5 miles, to a connection with the tracks of the Pennsylvania and Lehigh Valley Railroads; thence in a generally northerly direction along the easterly side of Newark Bay and the Hackensack River at the westerly foot of the Palisades, utilizing existing tracks and improving and adding where necessary, making connections with the Jersey Central, Pennsylvania, Lehigh Valley, Delaware, Lackawanna & Western, Erie, New York, Susquehanna & Western, New York, Ontario & Western, and West Shore Railroads, a distance of approximately 10 miles. From the westerly portal of the Bay Tunnel and from the line along the easterly side of Newark Bay by the bridges of the Central Railroad of New Jersey (crossing the Hackensack and Passaic Rivers) and of the Pennsylvania and Lehigh Valley Railroads (crossing Newark Bay) to the line of the Central Railroad of New Jersey, running along the westerly side of Newark Bay and thence southerly along this line to a connection with the Baltimore & Ohio Railroad south of Elizabethport, utilizing existing lines so far as practicable and improving and adding where necessary, a distance of approximately 12 miles; thence in an easterly direction crossing the Arthur Kill, utilizing existing lines so far as practicable and improving and adding where necessary, along the northerly and easterly shores of Staten Island to the new city piers and to a connection, if the city of New York consents thereto,

with the tunnel under the Narrows to Brooklyn, provided for under chapter 700 of the laws of the State of New York for 1921.

"No. 2: A marginal railroad to The Bronx extending along the shore of the East River and Westchester Creek, connecting with the middle belt line (No. 1) and with the New York, New Haven & Hartford Railroad in the vicinity of Westchester.

"No. 3: A marginal railroad in Queens and Brooklyn extending along Flushing Creek, Flushing Bay, the East River, and the upper New York Bay. Connects with the middle belt line (No. 1) by lines No. 4, No. 5, No. 6, and directly at the southerly end at Bay Ridge. Existing lines to be utilized and improved and added to and new lines built where lines do not now exist.

"No. 4: An existing line to be improved and added to where necessary. Connects the middle belt line (No. 1) with the marginal railroad (No. 3) near its northeasterly end.

"No. 5: An existing line to be improved and added to where necessary. Connects the middle belt line (No. 1) with the marginal railroad (No. 3) in Lond Island City.

"No. 6: Connects the middle belt line (No. 1) with the marginal railroad (No. 3) in the Greenpoint section of Brooklyn. The existing portion to be improved and added to where necessary.

"No. 7: A marginal railroad surrounding the northerly and westerly shores of Jamaica Bay. A new line. Connects with the middle belt line (No. 1).

"No. 8: An existing line to be improved and added to where necessary. Extends along the southeasterly shore of Staten Island. Connects with middle belt line (No. 1).

"No. 9: A marginal railroad extending along the westerly shore of Staten Island and a branch connection with No. 8. Connects with the middle belt line (No. 1) and with a branch from the outer belt line (No. 15).

"No. 10: A line made up mainly of existing lines, to be improved and added to where necessary. Connects with the middle belt line (No. 1) by way of marginal railroad No. 11. Extends along the southerly shore of Raritan Bay and through the territory south of the Raritan River reaching New Brunswick.

"No. 11: A marginal railroad extending from a connection with the proposed outer belt line (No. 15) near New Brunswick along the northerly shore of the Raritan River to Perth Amboy, thence northerly along the westerly side of the Arthur Kill to a connection with the middle belt line (No. 1) south of Elizabethport. The portion of this line which exists to be improved and added to where necessary.

"No. 12: A marginal railroad extending along the easterly shore of Newark Bay and the Hackensack River and connects with the middle belt line (No. 1). A new line.

"No. 13: A marginal railroad extending along the westerly side of the Hudson River and the upper New York Bay. Made up mainly of existing lines—the Erie Terminal, Jersey Junction, Hoboken Shore, and National Docks Railroads. To be improved and added to where necessary. To be connected with middle belt line (No. 1).

"No. 14: A marginal railroad connecting with the middle belt line (No. 1) and extending through the Hackensack and Secaucus meadows.

"No. 15: An outer belt line extending around the westerly limits of the port district beyond the congested section. Northerly terminus on the Hudson River at Piermont. Connects by marginal railroads at the southerly end with the harbor waters below the congested section. By spurs connects with the middle belt line (No. 1) on the westerly shore of Newark Bay and with the marginal railroad on the westerly shore of Staten Island (No. 9).

"No. 16: The automatic electric system for serving Manhattan Island. Its yards to connect with the middle belt line and with all the railroads of the port district. A standard gauge underground railroad deep enough in Manhattan to permit of two levels of rapid-transit subways to pass over it. Standard railroad cars to be brought through to Manhattan terminals for perishables and food products in refrigerator cars. Cars with merchandise freight to be stopped at its yards. Freight from standard cars to be transferred onto wheeled containers, thence to special electrically propelled cars, which will bear it to Manhattan. Freight to be kept on wheels between the door of the standard freight car at the transfer point and the tailboard of the truck at the Manhattan terminal or the store door, as may be elected by the shipper or consignee, eliminating extra handling. Union terminal stations to be located on Manhattan in zones as far as practicable of equal trucking distance, as to pick-ups and deliveries, to be served by this system. Terminals to contain storage space and space for other facilities, the system to bring all the railroads of the port to Manhattan.

"SEC. 6. The determination of the exact location, system, and character of each of the said tunnels, bridges, belt lines, approaches, classification yards, warehouses, terminals, or other improvements shall be made by the Port Authority after public hearings and further study, but in general the location thereof shall be as indicated upon said map, and as herein described.

"SEC. 7. The right to add to, modify, or change any part of the foregoing comprehensive plan is reserved by each State, with the concurrence of the other."

And the consent of Congress is hereby given to the carrying out and effectuation of said comprehensive plan, and the said Port of New York Authority is authorized and empowered to carry out and effectuate the same: *Provided*, That nothing herein contained shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of said agreement: *Provided further*, That no bridges, tunnels, or other structures shall be built across, under, or in any of the waters of the United States, and no change shall be made in the navigable capacity or condition of any such waters, until the plans therefor have been approved by the Chief of Engineers and the Secretary of War.

SEC. 2. That the right to alter, amend, or repeal this resolution is hereby expressly reserved.

Mr. VOLSTEAD. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. ANSORGE].

Mr. ANSORGE. Mr. Speaker, on August 23, 1921, President Harding signed the bill known as the Edge-Ansorge joint resolution granting consent of Congress to the treaty between the States of New York and New Jersey, creating the port of New York district and establishing the Port of New York Authority for the comprehensive development of the port of New York.

Now, the two States have agreed upon the detailed plans for the development of the port and by the bill now before the House consent and authority of Congress is asked to the carrying out and effectuation of the comprehensive plan and that the Port of New York Authority be authorized and empowered to carry out and effectuate the same.

The detailed plans approved by this bill provide for extensive tunnels, bridges, terminals, and belt lines which will bring the transcontinental railroads into the city of New York, thereby eliminating congestion, delay, and expense of distributing foodstuffs and other commodities to the people of Greater New York and vicinity. The plans provide that terminals within the port shall be unified and consolidation of shipments shall be made at proper points to eliminate duplication of effort, congestion, and long truck hauls. Another provision calls for the laying out of highways for motor-truck traffic, for prompt and efficient distribution of building material and other commodities which must be handled by trucks, such highways to connect with existing or proposed bridges, tunnels, and ferries.

Heretofore the lack of cooperation between the two States in the development of the port of New York has been mainly responsible for the congestion which now characterizes the receipt and distribution of foodstuffs in the city of New York and adjoining territory. At the present time the terminal facilities at the port are woefully inadequate and antiquated.

It is estimated that it now costs three times as much to move foodstuffs from the meadows of New Jersey to upper Manhattan and the Bronx as it does to bring them all the way from the Middle West to the meadows of New Jersey.

For many years the States of New York and New Jersey have been endeavoring to reach an agreement whereby they could cooperate in developing New York Harbor and the contiguous waterways and ports.

Four years ago the two States by legislative enactment created a joint commission, which made a thorough study of harbor conditions. In conformance with the recommendations of that commission, which was known as the New York-New Jersey Port and Harbor Development Commission, the two States entered into an agreement or compact for the creation of the port of New York district and the establishment of the Port of New York Authority for the comprehensive development of the port of New York. That treaty or compact between the two States was signed with appropriate ceremonies at the chamber of commerce in the city of New York on April 30, 1921.

It has been said that the signing of that treaty was one of the most important events in the history of the two States and in the annals of real constructive progress in the United States.

To indicate the nonpolitical character of the Port of New York Authority it is interesting to note that the Republican governor of New York has appointed the former Democratic governor of New York as one of the members of the Port Authority to represent New York. The State platforms of both the Republican and Democratic parties in 1920 advocated the creation of a port authority with adequate powers to develop the port. There never was a project that savored less of politics and sectionalism than the proposed plan to develop the port under unified joint control.

The treaty expressly provides that no property held by any city or municipality shall be used without the consent of such city or municipality. Nor has the State of New York or the State of New Jersey parted with any of their sovereign rights nor relinquished control of any property belonging to the people of the two States. Furthermore, the joint resolution heretofore adopted and the one now before the House expressly provide that nothing therein contained shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of the agreement. The Secretary of War has already passed upon the bill before the House and several provisions suggested by him have been incorporated in the bill as reintroduced by me on May 26, 1922. The principal proviso added at the suggestion of the War Department is that contained on page 13 of the bill to the effect that—

> No bridges, tunnels, or other structures shall be built across, under, or in any of the waters of the United States, and no change shall be made in the navigable capacity or condition of any such waters until the plans therefor have been approved by the Chief of Engineers and the Secretary of War.

It will be seen, therefore, that neither the treaty nor the comprehensive plan violates any principle of home rule, and that the cities, States, and the Nation are fully protected.

The adoption of the treaty and the comprehensive plan between the two States were the first real progress made by the two States to jointly develop the port of New York.

One of the reasons why the port of New York has not received its share of congressional appropriations has been that the two States were not in harmony and failed to join in any requests.

Prior to the study by the New York-New Jersey Port and Harbor Development Commission the two States had done nothing except to encourage rivalry in the port. The Army Board of Engineers was unwilling to indorse appropriations for developing the port until there was some plan for the future. At one time New Jersey sought to secure a differential in its favor against New York. In the harbor-pollution case New York actually sued New Jersey in the United States Supreme Court. Each State said the other was polluting the harbor. The United States Supreme Court told both States to go back and sit around the table and agree upon a constructive solution of the harbor-pollution problem. In the rate case the Interstate Commerce Commission told both States to sit around a table and work out a constructive plan. Now, the States, by the treaty and comprehensive plan of development, have "agreed not to disagree" and to work jointly in the development of the port of New York, which is not alone an asset of the two States but an asset of the entire Nation.

The Secretary of War, in giving his approval to the original treaty resolution, stated that any improvement to the port of New York would be of benefit to the entire Nation. President Harding, in signing the Edge-Ansorge bill, congratulated the States of New York and New Jersey upon the spirit of cooperation for the future development of the port under unified joint control. The President expressed the hope that under the authority granted by the joint resolution the port of New York would become an ever-increasing asset of the Nation. That the House and Senate took a broad view of the proposed improvement to the port is evidenced by the fact that the resolution passed both Houses last July without a dissenting vote.

To date but 3 per cent of all Federal appropriations for river and harbor improvement have been expended on New York, and this in spite of the fact that more than 51 per cent of all the commerce of the Nation passes through the port of New York. This undoubtedly looks like discrimination. But there has been reason in the past for the failure of Congress to make necessary appropriations; till now we have had no constructive plan to present to Congress. New York and New Jersey were at loggerheads and were working at cross-purposes. Since the treaty of 1834 between the two States New York and New Jersey had done nothing jointly for the constructive development of the port. There was no cooperation of any sort either within the States or between the States. If, therefore, the people within the New York part of the district are for the first time realizing their unity, and under the leadership of the Port of New York Authority are working toward a comprehensive plan, Congress is not wholly to blame if we have not secured for New York port the fair share of appropriations to which we are entitled. I am satisfied that now the comprehensive plan for the improvement of the port of New York has been adopted by the two States, we shall be able to secure adequate cooperation from Congress to make it effective. The cost of doing business at the port of New York is reflected throughout the entire country. The port of New York is not a local matter. It is distinctly national in scope and function.

The port of New York should be efficiently and constructively organized and furnished with modern methods of pier, rail, water, and freight facilities and adequately protected in time of war.

The treaty between New York and New Jersey and the comprehensive plan adopted by the legislatures, and for which consent of Congress is, I hope, about to be given, mark the culmination of the most forward step ever taken for the intelligent and comprehensive development of the greatest natural port in the world. [Applause.]

Mr. MONTAGUE. Mr. Speaker, in the interest of more accurate procedure and in more concrete conformity to the authorization of Congress, I move to amend, on page 4, line 23, by striking out the words "is authorized and empowered" and inserting after the word "the," in line 23, the words "the consent of Congress is hereby given to the."

The SPEAKER pro tempore. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MONTAGUE: Page 12, line 23, after the word "Authority," strike out the words "is authorized and empowered" and, in the same line, after the word "the," insert the words "consent of Congress is hereby given to the."

Mr. MONTAGUE. Mr. Speaker, the Constitution authorizes Congress to consent to the agreement between these States. We have given that consent. Here is language which authorizes Congress in turn to authorize and empower the city of New York to carry out a certain agreement. We can do no more than consent. The authority of the Port of New York Authority to effectuate this plan is derived from the agreement itself, to which we will give consent because there is no objection to the bill. Therefore, in the interest of better practice and to conform to the organic requirement, I think the amendment which I have suggested should be adopted.

Mr. ANSORGE. Mr. Speaker, I would like to be recognized in opposition to the amendment.

Mr. VOLSTEAD. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. ANSORGE].

Mr. ANSORGE. Mr. Speaker, I dislike very much to oppose the amendment suggested by the gentleman from Virginia [Mr. MONTAGUE]. It seems to me that if we add the words suggested by him we are in effect repeating the language of lines 21 and 22 of page 12 and not adding anything not already contained in the resolution. Furthermore, by lines 23 and 24 of page 12 the Port of New York Authority is merely authorized to proceed and carry out certain plans which it has made. The Federal Government is not surrendering any right by telling the two States to proceed and do what they have agreed to do. The proviso beginning on line 24 protects the Federal Government so that the Federal Government is not surrendering any of its rights over its navigable waters. That proviso reads as follows:

That nothing herein contained shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of said agreement: *Provided further*, That no bridges, tunnels, or other structures shall be built across, under, or in any of the waters of the United States, and no change shall be made in the navigable capacity or condition of any such waters until the plans therefor have been approved by the Chief of Engineers and the Secretary of War.

Section 2 of the resolution reserves to the Federal Government the right to alter, amend, or repeal the resolution, as is usual in resolutions of this kind.

Then also, at page 2, there is the further proviso that—

Subject always to the approval of the officers and agents of the United States as required by acts of Congress touching the jurisdiction and control of the United States over the matters or any part thereof covered by this resolution the consent of Congress is hereby given, etc.

It seems to me that the Federal Government is amply protected by the resolution as now drawn.

There is another reason why we can not consent to that, even though the gentleman from Virginia might think it an immaterial change. The port authority, representing the two States, has passed on this detailed plan and the form of the resolution, and it has also been passed upon by the War Department. To make any such change as is now proposed would require us to again confer with the Secretary of War, who has already passed on this precise language. I think the Federal Government is sufficiently protected by the language as it now reads.

Mr. MONTAGUE. Mr. Speaker, will the gentleman yield?

Mr. ANSORGE. Yes.

Mr. MONTAGUE. Mr. Speaker, I do not desire to obstruct the passage of the resolution. I simply desire that the House maintain its constitutional integrity. The Congress can not authorize the States to make an agreement, and the gentleman making that statement falls into error. The Congress under the Constitution can only consent to an agreement made by the States, which is invalid without such consent. The States of New York and New Jersey have entered into an agreement to which we heretofore consented. These States now come with a supplementary or auxiliary agreement and ask us also to consent to it. But the bill not only provides for consent to that agreement but authorizes a corporate body—the Port of New York Authority—to effectuate the agreement.

Mr. SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. VOLSTEAD. Mr. Speaker, I yield five minutes to the gentleman from Virginia [Mr. MONTAGUE].

Mr. MONTAGUE. Mr. Speaker, if the Port of New York Authority has any authority to effectuate this agreement, it must derive that authority from the agreement itself, to which the Congress must consent. So that the language in question is either surplusage or in violation of the jurisdiction of Congress. I do not think Congress should undertake by language, however impotent, to give to any corporate body an authority which must be found in an agreement to which Congress can alone consent and can not authorize.

Mr. FAIRCHILD. Mr. Speaker, will the gentleman yield?

Mr. MONTAGUE. Yes.

Mr. FAIRCHILD. Does not the gentleman think that the provisos to which my colleague has referred fully protect the United States?

Mr. MONTAGUE. I do not know but that the Government would be protected in any event—not by the provisos, because I think the courts would interpret this so-called authorization

as either a nullity or a consent; but the particular provisos to to which he alludes relate only to the subject of control of navigation. Take the subject of bridges over navigable waters. The Congress can not authorize the construction of the bridge, it consents to such construction. The clause alluded to by the gentleman from New York [Mr. ANSORGE] is inserted in order to protect navigation, which is usually done by requiring the approval of the Chief of Engineers, and so forth.

Mr. FAIRCHILD. If the gentleman will yield further, the first proviso is broader than bridges, and is as broad as any possible right the United States Government can have.

Mr. MONTAGUE. The gentleman is entirely right. If the agreement to which we are asked to consent does not confer the authorization upon the Port of New York Authority, Congress can not confer it by the language to which I object.

Mr. LAYTON. Will the gentleman yield?

Mr. MONTAGUE. I will.

Mr. LAYTON. I desire to ask the gentleman whether this would not subserve his purpose as well as the purpose of the gentleman from New York, if the section was amended as follows, "and the consent of Congress is hereby given to the carrying out and effectuation of said comprehensive plan by the said Port of New York Authority," and then stop?

Mr. MONTAGUE. Well, I doubt whether the gentleman will agree to that. He desires consent for the Port of New York Authority to do something which the agreement alone must authorize.

Mr. LAYTON. Suppose you leave out the words "authorized and empowered" and make the proviso read as follows: "and the consent of Congress is hereby given to the carrying out and effectuation of said comprehensive plan by the said Port of New York Authority."

Mr. MONTAGUE. I will say to the gentleman and the gentlemen of the committee that the Constitution of the United States confers upon the Congress in words the authority to consent to the agreement. There is a clear distinction between consenting and authorizing, and I do not think we ought to undertake to confer power when we have no authority to confer.

Mr. CHANDLER of New York. Will the gentleman yield?

Mr. MONTAGUE. I will.

Mr. CHANDLER of New York. The use of the word "authorized" there is merely a verbal way of saying that we give consent.

Mr. MONTAGUE. It is a bad way and we ought not to do such a thing.

Mr. CHANDLER of New York. Why the amendment, if it means nothing but that?

Mr. MONTAGUE. We are dodging our duty and hiding under words that we ought not to use.

The SPEAKER pro tempore. The question is on the adoption of the amendment.

The question was taken, and the amendment was rejected.

The joint resolution was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. ANSORGE, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

LARCENY OF FREIGHT IN INTERSTATE COMMERCE.

Mr. VOLSTEAD. Mr. Speaker, I call up for consideration the bill H. R. 10768.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 10768) to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," approved February 13, 1913 (37 Stat., p. 670).

Be it enacted, etc., That the act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," approved February 13, 1913 (37 Stat., p. 670), be, and the same is hereby, amended so as to read as follows:

"That whoever shall unlawfully break the seal of any railroad car containing interstate or foreign shipments of freight or express, or shall enter any such car with intent, in either case, to commit larceny therein; or whoever shall steal or unlawfully take, carry away, or conceal, or by fraud or deception obtain from any railroad car, station house, platform, depot, steamboat, vessel, or wharf, with intent to convert to his own use any goods or chattels moving as, or which are a part of or which constitute, an interstate or foreign shipment of freight or express, or shall buy, or receive, or have in his possession any such goods or chattels, knowing the same to have been stolen; or whoever shall steal or shall unlawfully take, carry away, or by fraud or deception obtain, with intent to convert to his own use, any baggage which shall have come into the possession of any common carrier for transportation from one State or Territory or the District of Columbia to another State or Territory or the District of Columbia, or to a foreign country, or from a foreign country to any State or Territory or the District of Columbia, or shall break into, steal, take, carry away, or conceal any of the contents of such baggage, or shall buy, receive, or have in his possession any such baggage or any article therefrom of whatever nature, knowing the same to have been stolen, shall in each case be fined not more than $5,000 or imprisoned not more than 10 years, or both, and prosecutions therefor may be instituted in any district wherein the crime shall have been committed. The carrying or transporting of any such freight, express, baggage, goods, or chattels from one State or Territory or the District of Columbia into another State or Territory or the District of Columbia, knowing the same to have been stolen, shall constitute a separate offense and subject the offender to the penalties above described for unlawful taking, and prosecutions therefor may be instituted in any district into which such freight, express, baggage, goods, or chattels shall have been removed or into which they shall have been brought by such offender."

SEC. 2. That nothing in this act shall be held to take away or impair the jurisdiction of the courts of the several States under the laws thereof; and a judgment of conviction or acquittal on the merits under the laws of any State shall be a bar to any prosecution hereunder for the same act or acts.

SEC. 3. That to establish the interstate or foreign commerce character of any shipment in any prosecution under this act the waybill of such shipment shall be prima facie evidence of the place from which and to which such shipment was made.

Mr. JOHNSON of Mississippi. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. WALSH. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

Andrew, Mass.	Dupré	Larson, Minn.	Riddick
Anthony	Evans	Lazaro	Riordan
Arentz	Faust	Lee, Ga.	Robertson
Aswell	Fenn	Lee, N. Y.	Rosenbloom
Atkeson	Fields	Lehlbach	Rossdale
Bacharach	Fish	Linthicum	Rouse
Bankhead	Fitzgerald	Logan	Ryan
Beck	Focht	London	Sanders, Ind.
Bell	Fordney	Longworth	Sanders, N. Y.
Benham	Frear	Lyon	Scott, Mich.
Black	Frothingham	McArthur	Sears
Blakeney	Fuller	McCormick	Shreve
Boies	Gallivan	McKenzie	Siegel
Bond	Gernerd	McLaughlin, Nebr.	Sinclair
Bowers	Glynn	McLaughlin, Pa.	Slemp
Brand	Goldsborough	McPherson	Smith, Mich.
Brennan	Gould	MacGregor	Smithwick
Britten	Graham, Ill.	Madden	Snyder
Brooks, Pa.	Greene, Vt.	Maloney	Stafford
Brown, Tenn.	Griffin	Mann	Stedman
Burdick	Hawley	Mead	Stevenson
Burke	Henry	Michaelson	Stiness
Burtness	Herrick	Montoya	Stoll
Cable	Hill	Moore, Ill.	Sullivan
Campbell, Kans.	Himes	Moore, Ohio	Swank
Cantrill	Hoch	Moores, Ind.	Sweet
Carew	Hudspeth	Mudd	Swing
Clark, Fla.	Hutchinson	Murphy	Tague
Classon	Ireland	Nelson, A. P.	Taylor, Ark.
Cockran	Jacoway	Nelson, J. M.	Taylor, Colo.
Codd	James	Nelson, Me.	Taylor, Tenn.
Cole, Iowa	Jefferis, Nebr.	Nolan	Temple
Cole, Ohio	Johnson, S. Dak.	O'Brien	Thomas
Collins	Johnson, Wash.	Padgett	Tilson
Colton	Jones, Pa.	Paige	Timberlake
Connell	Kahn	Parks, Ark.	Treadway
Connolly, Pa.	Kelley, Mich.	Patterson, N. J.	Tucker
Cooper, Ohio	Kennedy	Perkins	Tyson
Cooper, Wis.	Ketcham	Perlman	Vare
Copley	Kiess	Petersen	Vestal
Coughlin	Kindred	Porter	Voigt
Cramton	Kinkaid	Pou	Volk
Cullen	Kitchin	Pringey	Ward, N. Y.
Davis, Minn.	Knight	Rainey, Ala.	Wason
Dempsey	Knutson	Ransley	Weaver
Dickinson	Kunz	Rayburn	White, Kans.
Drane	Lampert	Reavis	Wood, Ind.
Driver	Langley	Reed, N. Y.	Woods, Va.
Dunn	Larsen, Ga.	Rhodes	Young

The SPEAKER. Two hundred and thirty-six Members have answered to their names, a quorum is present.

Mr. CHINDBLOM. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. VOLSTEAD. Mr. Speaker, this looks like a long bill, but let me call your attention to the fact that what is contained on the first, second, and third pages is present law, so that the only new feature that is sought to be added to this law is contained on page 4. I read it because it is short and will explain itself.

SEC. 3. That to establish the interstate or foreign commerce character of any shipment in any prosecution under this act the waybill of such shipment shall be prima facie evidence of the place from which and to which such shipment was made.

In prosecutions under this statute it is often necessary to bring witnesses from a long distance at a considerable expense to the Government. I received from the Attorney General a

letter calling my attention to this situation and inclosing a letter from Judge John L. Relstab, which is attached to the report of the committee. I wrote him in reference to it, and submitted to him my draft of this section, and he approved it. He called my attention to the difficulties experienced in many cases in proving the interstate character of a shipment, though he said that there was hardly ever any real dispute about the fact of such interstate character. In seeking to prosecute under this statute it is necessary to make this technical proof, and the Government is often at large expense in getting witnesses from long distances. The bill has been recommended by the Attorney General as well as by this judge, and is the unanimous report of the Judiciary Committee. I can see no real objection to it, and it seems to me it ought to become the law.

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. VOLSTEAD. I will.

Mr. JOHNSON of Mississippi. Under this law if a man should be charged with stealing a piece of baggage or a piece of property of any value that is placed in a depot or on an express platform, and he should be indicted and carried it to court, the waybill would be the first proof of his guilt?

Mr. VOLSTEAD. Oh, no.

Mr. JOHNSON of Mississippi. What does prima facie mean?

Mr. VOLSTEAD. It is only prima facie evidence of the fact that the article stolen was in interstate commerce.

Mr. JOHNSON of Mississippi. It means the first proof that it was taken in interstate commerce.

Mr. VOLSTEAD. It does not show that he has taken anything at all. That fact would have to be established by evidence entirely separate from the waybill. The Government would have to show the commission of the offense outside of the waybill. The only question that could be established by the waybill would be the fact that the goods stolen were in interstate commerce.

Mr. JOHNSON of Mississippi. That is the most material part of this case. Unless you can establish the fact that it was interstate commerce, the man would not be subject to enter the pains and penalties of this law.

Mr. VOLSTEAD. It is true that it may be important testimony, but only on a point that has but slight relation to the actual crime.

Mr. JOHNSON of Mississippi. Does the gentleman believe it is fair to a person on trial to take him into court and submit a paper that has been mailed to one place from another, without giving him an opportunity to investigate and to examine those who sent the waybill, and to be confronted with his witnesses as guaranteed to him by the Constitution? Does the gentleman believe it is fair or constitutional?

Mr. VOLSTEAD. If he has stolen property, that must be proven entirely outside of the waybill. He is guilty, either under the State law or United States law of larceny. The evidence of the waybill will simply show whether he should be prosecuted in a State court or in a Federal court.

Mr. JOHNSON of Mississippi. Without bringing the witness who made the waybill and allowing the man being tried to be confronted with the witness who made the waybill, you propose by this bill to submit the waybill itself as prima facie evidence that the thing stolen was interstate commerce.

Mr. VOLSTEAD. I believe so. I do not believe anybody would suffer from it that does not deserve to suffer.

Mr. JOHNSON of Mississippi. The presumption of law is that every man is innocent until he is proven guilty.

Mr. VOLSTEAD. It is only prima facie evidence, and the party charged with an offense could in almost every instance disprove the fact if not true.

Mr. JOHNSON of Mississippi. That would be sufficient under your bill here to convict a man of taking interstate commerce.

Mr. VOLSTEAD. Yes.

Mr. JOHNSON of Mississippi. I think it is a very bad bill and ought to be killed.

Mr. VOLSTEAD. I do not think so.

Mr. JOHNSON of Mississippi. Mr. Speaker, I make the point of no quorum. It is a very bad bill and ought to be killed.

The SPEAKER. The gentleman from Mississippi makes the point of no quorum. Evidently no quorum is present.

Mr. WALSH. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors and the Sergeant at Arms will bring in absentees, and the Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Anderson	Arentz	Bankhead	Black
Andrew, Mass.	Aswell	Beck	Blakeney
Ansorge	Atkeson	Bell	Boies
Anthony	Bacharach	Benham	Bond
Bowers	Frothingham	Linthicum	Sanders, Ind.
Brand	Fuller	Little	Sanders, N. Y.
Brennan	Funk	Logan	Scott, Mich.
Britten	Gallivan	London	Sears
Brooks, Pa.	Gernerd	Longworth	Shreve
Brown, Tenn.	Glynn	Lyon	Siegel
Burdick	Goldsborough	McArthur	Sinclair
Burke	Gorman	McFadden	Slemp
Burtness	Gould	McLaughlin, Pa.	Smith, Mich.
Cable	Graham, Ill.	McPherson	Smithwick
Cantrill	Greene, Vt.	MacGregor	Snell
Carew	Griffin	Madden	Snyder
Clark, Fla.	Hardy, Tex.	Maloney	Stafford
Clarke, N. Y.	Haugen	Mann	Steagall
Classon	Hawley	Mead	Stedman
Cockran	Henry	Michaelson	Stiness
Codd	Hill	Moore, Ill.	Stoll
Cole, Iowa	Himes	Moore, Ohio	Sullivan
Cole, Ohio	Hudspeth	Moores, Ind.	Swank
Collins	Hull	Mott	Sweet
Colton	Husted	Mudd	Swing
Connell	Hutchinson	Murphy	Tague
Connolly, Pa.	Ireland	Nelson, Me.	Taylor, Ark.
Cooper, Ohio	Jacoway	Nelson, A. P.	Taylor, Colo.
Cooper, Wis.	James	Nelson, J. M.	Taylor, Tenn.
Copley	Jefferis, Nebr.	Nolan	Thomas
Coughlin	Johnson, S. Dak.	O'Brien	Tilson
Cramton	Johnson, Wash.	Padgett	Timberlake
Cullen	Jones, Pa.	Paige	Treadway
Davis, Minn.	Kahn	Parks, Ark.	Tucker
Dempsey	Kelley, Mich.	Patterson, N. J.	Tyson
Dickinson	Kelly, Pa.	Perkins	Upshaw
Drane	Kennedy	Perlman	Vare
Driver	Ketcham	Peterson	Vestal
Dunn	Kiess	Porter	Voigt
Dupré	Kindred	Pou	Volk
Edmonds	Kinkaid	Rainey, Ala.	Walters
Evans	Kirkpatrick	Ransley	Ward, N. Y.
Faust	Kitchin	Rayburn	Wason
Fenn	Knight	Reavis	Weaver
Fields	Knutson	Reed, N. Y.	White, Me.
Fish	Kunz	Rhodes	Wilson
Fisher	Langley	Riordan	Wood, Ind.
Fitzgerald	Larsen, Ga.	Robertson	Woods, Va.
Focht	Larson, Minn.	Rosenbloom	Yates
Fordney	Lee, Ga.	Rossdale	Young
Frear	Lee, N. Y.	Rouse	
French	Lehlbach	Ryan	

The SPEAKER. Two hundred and twenty-five Members have answered to their names, a quorum.

Mr. WALSH. Mr. Speaker, I move to dispense with further proceedings under the call.

CHANGE OF REFERENCE.

Mr. TOWNER. Mr. Speaker, I ask unanimous consent that the bill S. 1771, which was referred to the Committee on the Merchant Marine and Fisheries, and which is to authorize the United States Shipping Board to acquire a site for a fuel station in the Virgin Islands, be transferred from that committee to the Committee on Insular Affairs. I have consulted with the chairman of the Committee on the Merchant Marine and Fisheries, and he has no objection. I think the jurisdiction properly belongs to the Committee on Insular Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. MOORE of Virgina. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend the remarks I made this morning.

The SPEAKER. The gentleman from Virginia asks unanimous consent to revise and extend his remarks made this morning. Is there objection? [After a pause.] The Chair hears none.

LARCENY OF FREIGHT IN INTERSTATE COMMERCE.

The SPEAKER. The gentleman from Minnesota [Mr. VOLSTEAD] is recognized.

Mr. VOLSTEAD. Mr. Speaker, I yield five minutes to the gentleman from Mississippi [Mr. JOHNSON].

Mr. JOHNSON of Mississippi. Mr. Speaker and gentlemen of the House, my chief objection to this bill is found in section 3, page 4. Under the Constitution every man charged with a crime is entitled to be informed of the nature and the cause of the accusation against him and to have his witnesses confront him. If this bill should be adopted in its present form, it would deny to a person charged with violation of its provisions his constitutional rights. Of course, if it should be presented to the higher courts of the land it would be held unconstitutional, but thousands of poor people who would be unable to litigate their cases to the courts of last resort would be denied the protection contemplated by the Constitution.

The chairman of the committee, the gentleman from Minnesota [Mr. VOLSTEAD], says that it is necessary to enact this law for the reason that it will save the Government the expense of bringing witnesses from one State to another; it will save them the expense of bringing a witness from the place where the waybill was made to the place where the alleged

crime was committed. But the chairman forgets that if a man is being tried for a violation of this statute, if this bill is enacted into a law, where he is entitled to be informed of the nature of the accusation against him and be confronted by his witnesses, there is no provision made whereby he could examine the man who made the waybill, or who pretended to make it. He is denied the benefit of having the witnesses before the jury that the jury in trying him may judge of the demeanor of the witness testifying, and he is denied the opportunity to cross-examine the witness who made, or claimed to have made, the waybill.

Mr. WILLIAMSON. Does the gentleman contend that this waybill under this bill can be offered without any identification at all?

Mr. JOHNSON of Mississippi. Under the law as it exists to-day the waybill can not be considered as evidence until properly identified, but section 3 undertakes to make the waybill competent without identification.

Mr. GRAHAM of Pennsylvania. Will the gentleman yield?

Mr. JOHNSON of Mississippi. Yes.

Mr. GRAHAM of Pennsylvania. Does not section 3 contemplate that the waybill shall be properly identified?

Mr. JOHNSON of Mississippi. Under the law as it exists to-day the waybill would have to be properly identified; but under this bill I doubt if it would be necessary.

Mr. RAKER. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Mississippi. I yield.

Mr. RAKER. I know that the gentleman is experienced in these matters. Is not all that section 3 contemplates the fact that it authorizes it, when the waybill is properly proven, so as to be admissible in evidence, when admissible in evidence, to be approved by the court? The only thing that it establishes prima facie is the point from which and to which the article was shipped, thereby giving the Federal court jurisdiction instead of the State court. Is that not all?

Mr. JOHNSON of Mississippi. No. That is not all.

But, Mr. Speaker, there is not the consideration for the Constitution to-day that there was a few years ago. Many good men in legislative bodies are honest at heart, but are without moral courage to vote their convictions even when in their own judgment they are violating the Constitution of the United States; they allow political expediency to control in many cases.

A few weeks ago, while the galleries of this House were crowded to their capacity with negroes who had assembled there to make this House pass the antilynching bill, Members of this body who were afraid of the negro vote permitted themselves to vote against their own judgment as to the constitutionality of the bill in order to curry favor with the negroes.

Mr. Speaker, one of the first votes I cast when I became a Member of this body was for the law to enforce the eighteenth amendment to the Constitution. The law was passed, and since it has become a law this Congress has voted between sixteen and seventeen million dollars out of the Treasury of the United States for its enforcement. I am in favor of the strict enforcement of that law and will vote for all appropriations necessary. But, Mr. Speaker, as a prohibitionist in practice as well as in theory, I protest against the United States Government engaging in the "blind-tiger" business, when it fines and imprisons the individual citizens of the country for doing the same thing. The United States Shipping Board, through its chairman, A. D. Lasker, is permitting liquor to be sold on American ships, and it is his intention to continue this unlawful traffic. This shameful and outrageous practice should be stopped. It creates a disrespect for law. The rich as well as the poor should be made to respect the law. The law of this land follows the flag. If it does not, the law is a fraud and the Constitution is a lie.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. VOLSTEAD. Mr. Speaker, I yield five minutes to the gentleman from Iowa [Mr. GREEN].

The SPEAKER. The gentleman from Iowa is recognized for five minutes.

Mr. GREEN of Iowa. Mr. Speaker, I am very much in favor of the enactment of this bill. I live in a large railroad center, where eight great trunk lines come in, joining that town and Omaha. A great area of that city is covered by the switch yards of those trunk lines, a very much larger area in fact than the city proper covers. The whole police force of the city, if all went down to those switch yards and did nothing else, could not properly police them. The result is that there is going on continuously a series of thefts from the railroad companies, and the railroad companies in turn, when the goods are stolen, have to make up the loss to the shippers. I am unable at this time to give the total amounts that have been lost by the railroads of this country by thefts of that kind, but I have seen it stated, and my recollection is that it runs up to more than $100,000,000 annually that the railroads have to pay the shippers to make up the losses incurred by reason of these thefts, sometimes en route but more often in the switch yards of the various companies.

This loss is eventually saddled onto the shippers of the country as a whole. The railroad company pays it for the time being to the individual shipper, but in the long run it has to be added to the freight charge. Anyone can see that it necessarily must be added to the freight charge. The freight charge must be higher. A man engaged in a legitimate and proper business, trying to get his goods over the railroad, has to pay a larger amount because of the enormous amount of these thefts that are continually going on, and it is quite difficult to make the proper proof in certain cases.

Now I am unable, I confess—and I have had considerable experience in these matters—to see anything in the constitutional objection which was urged by the gentleman who has just spoken [Mr. JOHNSON of Mississippi]. Provisions of this kind are found in the criminal laws in nearly every State. They are found in the criminal laws of my own State with reference to other matters. The gentleman is in error when he says that the mere offering of a piece of paper, accompanied by the statement of some attorney with the waybill, will be sufficient for the court to admit the document in evidence. Under the bill the waybill must be properly identified. Just exactly what the court would hold would be proper identification I am unable at this time to say, as this measure has only come to my attention at this moment; but the court would certainly require some kind of identification such as would be required for any other document under similar circumstances. The provision under discussion does not pertain to the wrong itself which is the essence of the crime, and that is one reason why I am satisfied that the court will hold this provision to be entirely constitutional. It relates only to a preliminary fact which in itself shows no crime. It simply shows the circumstance of a fact under which a crime may or may not be committed.

I think this measure is a very important one. I think it is of the highest importance to the shippers of this country to be protected against these thefts, and I am at a loss to understand why anyone should be against this bill. [Applause.]

Mr. HERSEY. Mr. Speaker, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. HERSEY. This prima facie evidence is only in the nature of making it interstate commerce?

Mr. GREEN of Iowa. Yes. The gentleman is correct, as he always is with reference to legal principles.

Mr. VOLSTEAD. I yield five minutes to the gentleman from Pennsylvania [Mr. GRAHAM].

The SPEAKER. The gentleman from Pennsylvania is recognized for five minutes.

Mr. GRAHAM of Pennsylvania. Mr. Speaker, this is a very important proposition, it seems to me. The only change that is made by this bill is the change in section 3, which provides that the waybill shall be prima facie evidence of the shipment from point to point. Judge Rellstab, a very able and accomplished judge in New Jersey, in his letter touches the pivotal point in considering this matter when he says:

> To make the waybill prima facie evidence of the character of the shipment, affecting as it does only the jurisdiction of the United States court, would in no way injure or prejudice the defendant on the question of his guilt or innocence.

It is purely jurisdictional and will not be unconstitutional. The time of the court is now wasted on the immaterial question, to wit, the question of jurisdiction. Sometimes as much as a day or two days is taken in trying to trace the goods, say, from California to New Jersey, to establish the jurisdiction of the court. Why should that be, when the waybill shows it when properly authenticated by the court? It must be properly proven. A man can not rise and say, "Here is a waybill, Your Honor; I offer it in evidence," and contend that therefore it must be received as prima facie evidence of the shipment between the two points. He must establish that it is a waybill. But once that waybill is established, what harm or injury can flow from the consequential results that it shows a shipment in interstate commerce, provided the points are beyond State lines or within the requirements of that which constitutes a shipment in interstate commerce? It seems to me that in the interest of economy and simplicity this amendment ought to be adopted, and that in adopting it we will violate no constitutional provision whatsoever.

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. I yield to the gentleman from Mississippi.

Mr. JOHNSON of Mississippi. As the law is now the waybill properly identified is competent evidence to use against a man charged with violating the statute which is sought to be amended by this bill. The gentleman agrees to that, does he not?

Mr. GRAHAM of Pennsylvania. No. As it stands now you have got to prove the shipment from point to point.

Mr. JOHNSON of Mississippi. I say it is competent evidence, not prima facie evidence.

Mr. GRAHAM of Pennsylvania. I agree with my friend that it is one item of evidence that may be submitted, but it is not sufficient to prove the shipment.

Mr. JOHNSON of Mississippi. Now you propose by this amendment to make it prima facie evidence, first proof that the goods came from one State and went into another.

Mr. GRAHAM of Pennsylvania. Why should not that be done?

Mr. JOHNSON of Mississippi. Because a man should be given the opportunity to question the man who made the waybill.

Mr. GRAHAM of Pennsylvania. Why? That does not——

Mr. JOHNSON of Mississippi. I will answer the gentleman. The answer is in order that substantial justice be done every man charged with crime.

Mr. GRAHAM of Pennsylvania. But if the gentleman will permit me, that does not affect the question of his guilt. If a man is arrested charged with having broken into a car and stolen goods from it in the State of Ohio, and you show that that shipment was an interstate-commerce shipment, the question of his guilt or innocence rests in the proof of the material fact, did he steal from that car, and not whether it was a shipment in interstate commerce, for that is merely jurisdictional.

Mr. JOHNSON of Mississippi. Just one question. If you prove that he stole the goods, unless you prove that it was a shipment in interstate commerce, then the Federal court would have no jurisdiction, although the State courts would.

Mr. GRAHAM of Pennsylvania. That is quite true; but I submit that the question of jurisdiction is a minor question, and if decided in favor of the accused would mean only that he could not be tried in that court, but could be tried in another. The vital question with him is, Did he or did he not steal? And this amendment with reference to the waybill only makes it easy to establish the jurisdictional fact that the courts have power to try such cases.

Mr. JOHNSON of Mississippi. The question of jurisdiction may be minor to the railroads, but it is major to the man who is being tried.

Mr. Speaker, I make the point of no quorum present.

The SPEAKER. The gentleman from Mississippi makes the point of no quorum present. It is clear that there is no quorum present.

Mr. WALSH. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Massachusetts moves a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

Andrew, Mass.	Colton	Gorman	Larsen, Ga.
Arentz	Connell	Gould	Larson, Minn.
Aswell	Connolly, Pa.	Graham, Ill.	Lee, Ga.
Atkeson	Cooper, Ohio	Greene, Mass.	Lee, N. Y.
Bacharach	Cooper, Wis.	Griffin	Lehlbach
Bankhead	Copley	Hays	Linthicum
Beck	Coughlin	Henry	Little
Bell	Cramton	Hicks	Logan
Black	Cullen	Hill	London
Blakeney	Davis, Minn.	Himes	Longworth
Boles	Dempsey	Hudspeth	Luhring
Bond	Dickinson	Humphreys	Lyon
Bowers	Drane	Husted	McArthur
Brand	Driver	Hutchinson	McClintic
Brennan	Dunn	Ireland	McCormick
Britten	Dupré	Jacoway	McLaughlin, Nebr.
Brooks, Pa.	Edmonds	James	McLaughlin, Pa.
Brown, Tenn.	Evans	Jefferis, Nebr.	McPherson
Browne, Wis.	Faust	Johnson, S. Dak.	MacGregor
Burdick	Fenn	Johnson, Wash.	Madden
Burke	Fields	Jones, Pa.	Maloney
Burtness	Fish	Kahn	Mann
Cable	Fitzgerald	Kearns	Martin
Cantrill	Focht	Kelley, Mich.	Mead
Carew	Fordney	Kennedy	Michaelson
Chandler, N. Y.	Frear	Ketcham	Montoya
Chandler, Okla.	Free	Kiess	Moore, Ill.
Clark, Fla.	Frothingham	Kindred	Moore, Ohio
Classon	Fuller	Kinkaid	Mudd
Cockran	Funk	Kitchin	Murphy
Codd	Gallivan	Knight	Nelson, A. P.
Cole, Iowa	Gernerd	Knutson	Nelson, J. M.
Cole, Ohio	Glynn	Kunz	Nelson, Me.
Collins	Goldsborough	Langley	Nolan
O'Brien	Rhodes	Smith, Mich.	Tilson
Padgett	Riddick	Smithwick	Timberlake
Paige	Robertson	Snyder	Treadway
Park, Ga.	Rodenberg	Steagall	Tucker
Parks, Ark.	Rosenbloom	Stedman	Tyson
Patterson, Mo.	Rossdale	Stevenson	Upshaw
Patterson, N. J.	Rouse	Stiness	Vare
Perkins	Rucker	Stoll	Vestal
Perlman	Ryan	Sullivan	Voigt
Petersen	Sanders, Ind.	Swank	Volk
Porter	Sanders, N. Y.	Sweet	Ward, N. Y.
Pou	Scott, Mich.	Swing	Wason
Rainey, Ala.	Sears	Tague	Weaver
Ransley	Shreve	Taylor, Ark.	White, Me.
Rayburn	Siegel	Taylor, Colo.	Woods, Va.
Reavis	Sinnott	Taylor, Tenn.	Young
Reber	Sisson	Temple	Zihlman
Reed, N. Y.	Slemp	Thomas	

The SPEAKER pro tempore (Mr. MAPES). Two hundred and twenty-five Members have answered to their names. A quorum is present.

Mr. WALSH. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

Mr. VOLSTEAD. Mr. Speaker, I yield five minutes to the gentleman from Virginia [Mr. MONTAGUE].

Mr. MONTAGUE. Mr. Speaker, the amendment in question relates only to the matter of jurisdiction in that it undertakes to make the waybill prima facie evidence that the shipment involved is interstate commerce. The bill of lading is not involved, but only the waybill is embraced by this bill.

The procedure now followed is very expensive to the Government. Proof step by step that the shipment is interstate commerce must be made at the trial for larceny. A shipment made, for example in California terminating in New Jersey or on the eastern seaboard, may involve the expenditure for witnesses of several thousand dollars. As a matter of practice the proof relates, except indirectly, to the jurisdiction, namely, the fact that the article alleged to be stolen is interstate commerce. Therefore the Government is put to enormous cost to establish, not the man's guilt or innocence, but that the shipment in question is an interstate commerce shipment.

But I did not rise to discuss the measure, I simply rose because I thought it was due to the House that it might be apprised that the committee's report was a unanimous one, the minority members of the committee agreeing fully with the majority members in reporting the bill.

Mr. VOLSTEAD. Mr. Speaker, I yield five minutes to the gentleman from California [Mr. RAKER].

Mr. RAKER. Mr. Speaker and gentlemen of the House, the language of section 3 of the bill provides that the waybill shall be prima facie evidence of the place from which and to which such shipment was made. It shall be evidence sufficient until otherwise disproved. It does not affect the introduction of the waybill as evidence, which must be proven as in every other case; the court is to receive it as competent evidence to go to the jury. When the waybill has been thus identified and proven to be competent evidence received by the court—not until then, in that instance, until otherwise proven, it establishes the one fact, namely, that this article, which must be identified as it started from the point of shipment, belongs to the party, was actually shipped, and was, as thus shown by the waybill, in interstate commerce. The waybill is prima facie evidence of the fact which, in substance and effect, shows jurisdiction in the Federal court. That is all there is to it. Then the defendant on trial has all of his rights incident to a criminal case where he is charged with either petty or grand larceny that he would have had if this legislation had not been enacted. It is but another method of establishing the jurisdiction of the Federal court on the trial in an easy and simple way to try all the cases involving goods in interstate commerce and avoiding what has been heretofore enormous expense.

Mr. WALSH. Will the gentleman yield?

Mr. RAKER. Certainly.

Mr. WALSH. Even though the waybill is introduced as prima facie evidence there will still have to be evidence to show that the goods were actually transported in interstate commerce and that they were stolen.

Mr. RAKER. No question about that. Some three years ago the House appointed me on a committee to go to East St. Louis to make an investigation relating to interstate commerce and see whether or not the laws had been violated in reference to commerce between East St. Louis, Ill., and St. Louis, Mo., regarding the traffic of persons and the shipment of goods. We found that there was a gang or regular combination of men living in East St. Louis who were making their living from stealing goods from the cars in interstate commerce and then selling them to other people. The fact that the goods were in interstate

commerce was a fact hard to prove, and nine out of ten went scott free. It was a sad state of affairs that the shipment of goods in interstate commerce should be thus handled and the criminals not prosecuted and convicted. This legislation will materially help to remedy the situation.

Mr. VOLSTEAD. Mr. Speaker, I move the previous question on the bill to final passage.

The question was taken; and on a division (demanded by Mr. JOHNSON of Mississippi) there were 67 ayes and 1 no.

Mr. JOHNSON of Mississippi. Mr. Speaker, I object to the vote, and make the point that there is no quorum present.

The SPEAKER pro tempore. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 214, nays 2, answered "present" 2, not voting 214, as follows:

YEAS—214.

Ackerman	Elliott	Lazaro	Sabath
Almon	Ellis	Lea, Calif.	Sanders, Tex.
Andrews, Nebr.	Fairchild	Leatherwood	Sandlin
Ansorge	Fairfield	Lineberger	Schall
Anthony	Fess	Little	Scott, Tenn.
Appleby	Fisher	Lowrey	Shaw
Barbour	Foster	Luce	Shelton
Beedy	Freeman	Luhring	Sinclair
Begg	French	McDuffie	Sinnott
Benham	Fulmer	McFadden	Sisson
Bird	Gahn	McLaughlin, Mich.	Slemp
Bixler	Garner	McSwain	Smith, Idaho
Bland, Ind.	Garrett, Tenn.	Madden	Speaks
Bland, Va.	Gensman	Magee	Sproul
Blanton	Goodykoontz	Mansfield	Steagall
Bowling	Graham, Pa.	Mapes	Stephens
Box	Green, Iowa	Merritt	Stevenson
Brennan	Greene, Vt.	Michener	Strong, Kans.
Briggs	Griest	Miller	Strong, Pa.
Brooks, Ill.	Hadley	Mills	Summers, Wash.
Buchanan	Hammer	Millspaugh	Sumners, Tex.
Bulwinkle	Hardy, Colo.	Mondell	Taylor, N. J.
Burroughs	Hardy, Tex.	Montague	Ten Eyck
Burton	Harrison	Moore, Va.	Thomas
Butler	Haugen	Moores, Ind.	Thompson
Byrnes, S. C.	Hawes	Morgan	Tillman
Byrns, Tenn.	Hawley	Morin	Tincher
Campbell, Kans.	Hayden	Mott	Tinkham
Campbell, Pa.	Hersey	Newton, Minn.	Underhill
Cannon	Hickey	Newton, Mo.	Vaile
Carter	Hoch	Norton	Vinson
Chalmers	Hooker	O'Connor	Volstead
Chindblom	Huddleston	Ogden	Walsh
Christopherson	Hull	Oldfield	Walters
Clague	Jeffers, Ala.	Oliver	Ward, N. C.
Clouse	Jones, Tex.	Olpp	Watson
Collier	Kearns	Osborne	Webster
Connally, Tex.	Keller	Park, Ga.	White, Kans.
Crago	Kendall	Parker, N. J.	White, Me.
Crowther	Kincheloe	Parker, N. Y.	Williams, Ill.
Curry	King	Patterson, Mo.	Williams, Tex.
Dale	Kirkpatrick	Quin	Williamson
Dallinger	Kissel	Rainey, Ill.	Wingo
Darrow	Kleczka	Raker	Winslow
Davis, Tenn.	Kline, N. Y.	Rankin	Wood, Ind.
Deal	Kline, Pa.	Reber	Woodruff
Denison	Kopp	Reece	Woodyard
Dominick	Kraus	Reed, W. Va.	Wright
Doughton	Kreider	Ricketts	Wyant
Dowell	Lampert	Riordan	Young
Drewry	Lanham	Roach	Zihlman
Dunbar	Lankford	Robsion	The Speaker
Dyer	Lawrence	Rogers	
Echols	Layton	Rose	

NAYS—2.

Gilbert	Johnson, Miss.

ANSWERED "PRESENT"—2.

Herrick	Radcliffe

NOT VOTING—214.

Anderson	Clark, Fla.	Favrot	Hudspeth
Andrew, Mass.	Clarke, N. Y.	Fenn	Hukriede
Arentz	Classon	Fields	Humphreys
Aswell	Cockran	Fish	Husted
Atkeson	Codd	Fitzgerald	Hutchinson
Bacharach	Cole, Iowa	Focht	Ireland
Bankhead	Cole, Ohio	Fordney	Jacoway
Barkley	Collins	Frear	James
Beck	Colton	Free	Jefferis, Nebr.
Bell	Connell	Frothingham	Johnson, Ky.
Black	Connolly, Pa.	Fuller	Johnson, S. Dak.
Blakeney	Cooper, Ohio	Funk	Johnson, Wash.
Boles	Cooper, Wis.	Gallivan	Jones, Pa.
Bond	Copley	Garrett, Tex.	Kahn
Bowers	Coughlin	Gernerd	Kelley, Mich.
Brand	Cramton	Glynn	Kelly, Pa.
Britten	Crisp	Goldsborough	Kennedy
Brooks, Pa.	Cullen	Gorman	Ketcham
Brown, Tenn.	Davis, Minn.	Gould	Kiess
Browne, Wis.	Dempsey	Graham, Ill.	Kindred
Burdick	Dickinson	Greene, Mass.	Kinkaid
Burke	Drane	Griffin	Kitchin
Burtness	Driver	Hays	Knight
Cable	Dunn	Henry	Knutson
Cantrill	Dupré	Hicks	Kunz
Carew	Edmonds	Hill	Langley
Chandler, N. Y.	Evans	Himes	Larsen, Ga.
Chandler, Okla.	Faust	Hogan	Larson, Minn.
Lee, Ga.	Nelson, A. P.	Rodenberg	Taylor, Ark.
Lee, N. Y.	Nelson, J. M.	Rosenbloom	Taylor, Colo.
Lehlbach	Nelson, Me.	Rossdale	Taylor, Tenn.
Linthicum	Nolan	Rouse	Temple
Logan	O'Brien	Rucker	Tilson
London	Overstreet	Ryan	Timberlake
Longworth	Padgett	Sanders, Ind.	Towner
Lyon	Paige	Sanders, N. Y.	Treadway
McArthur	Parks, Ark.	Scott, Mich.	Tucker
McClintic	Patterson, N. J.	Sears	Tyson
McCormick	Perkins	Shreve	Upshaw
McKenzie	Perlman	Siegel	Vare
McLaughlin, Nebr.	Petersen	Smith, Mich.	Vestal
McLaughlin, Pa.	Porter	Smithwick	Voigt
McPherson	Pou	Snell	Volk
MacGregor	Pringey	Snyder	Ward, N. Y.
Maloney	Purnell	Stafford	Wason
Mann	Rainey, Ala.	Stedman	Weaver
Martin	Ramseyer	Steenerson	Wheeler
Mead	Ransley	Stiness	Wilson
Michaelson	Rayburn	Stoll	Wise
Montoya	Reavis	Sullivan	Woods, Va.
Moore, Ill.	Reed, N. Y.	Swank	Wurzbach
Moore, Ohio	Rhodes	Sweet	Yates
Mudd	Riddick	Swing	
Murphy	Robertson	Tague	

So the previous question was ordered.

The Clerk announced the following pairs:

Until further notice:

Mr. Treadway with Mr. Cockran.

Mr. Paige with Mr. Sullivan.

Mr. Langley with Mr. Clark of Florida.

Mr. Cole of Ohio with Mr. Martin.

Mr. Rossdale with Mr. Favrot.

Mr. Cramton with Mr. Woods of Virginia.

Mr. Henry with Mr. Sears.

Mr. Davis of Minnesota with Mr. Goldsborough.

Mr. McArthur with Mr. Black.

Mr. Chandler of Oklahoma with Mr. O'Brien.

Mr. Dickinson with Mr. Garrett of Texas.

Mr. Michaelson with Mr. Rayburn.

Mr. Kiess with Mr. Drane.

Mr. Evans with Mr. Wise.

Mr. Murphy with Mr. Tague.

Mr. Frear with Mr. Aswell.

Mr. Maloney with Mr. Kindred.

Mr. Dempsey with Mr. McClintic.

Mr. A. P. Nelson with Mr. Bell.

Mr. Fordney with Mr. Tyson.

Mr. Husted with Mr. Upshaw.

Mr. McKenzie with Mr. Kunz.

Mr. Hukriede with Mr. Barkley.

Mr. Vare with Mr. Pou.

Mr. Steenerson with Mr. Dupré.

Miss Robertson with Mr. Swank.

Mr. Knight with Mr. Larsen of Georgia.

Mr. Connell with Mr. Carew.

Mr. Arentz with Mr. London.

Mr. Kahn with Mr. Overstreet.

Mr. Siegel with Mr. Linthicum.

Mr. Vestal with Mr. Collins.

Mr. Knutson with Mr. Steadman.

Mr. Perkins with Mr. Humphreys.

Mr. Bowers with Mr. Cullen.

Mr. Atkeson with Mr. Lee of Georgia.

Mr. Sanders of Indiana with Mr. Taylor of Colorado.

Mr. Coughlin with Mr. Lyon.

Mr. Lee of New York with Mr. Crisp.

Mr. Fuller with Mr. Padgett.

Mr. Beck with Mr. Gallivan.

Mr. Perlman with Mr. Smithwick.

Mr. Ransley with Mr. Weaver.

Mr. Fitzgerald with Mr. Tucker.

Mr. Johnson of Washington with Mr. Bankhead.

Mr. Bacharach with Mr. Kitchin.

Mr. Gernerd with Mr. Taylor of Arkansas.

Mr. Glynn with Mr. Brand.

Mr. Snell with Mr. Logan.

Mr. McPherson with Mr. Cantrill.

Mr. Hutchinson with Mr. Griffin.

Mr. Cooper of Ohio with Mr. Stoll.

Mr. Larson of Minnesota with Mr. Johnson of Kentucky.

Mr. Burtness with Mr. Hudspeth.

Mr. Stiness with Mr. Fields.

Mr. Reed of New York with Mr. Mead.

Mr. Fenn with Mr. Parks of Arkansas.

Mr. Kennedy with Mr. Driver.

Mr. Frothingham with Mr. Rainey of Alabama.

Mr. Moore of Ohio with Mr. Jacoway.

Mr. Snyder with Mr. Rucker.

The SPEAKER. The Clerk will call my name.

The Clerk called the name of the Speaker, and he answered "Yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. VOLSTEAD, a motion to reconsider the vote by which the bill was passed was laid on the table.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 10925. An act to authorize the Secretary of War to sell real property known as the Pittsburgh Storage Supply Depot at Pittsburgh, Pa.

H. R. 241. An act to authorize the Secretary of War to grant a perpetual easement for railroad right of way and a right of way for a public highway over and upon a portion of the military reservation of Fort Sheridan, in the State of Illinois.

The Speaker announced his signature to enrolled bill of the following title:

S. 745. An act to amend section 24 and section 256 of the Judicial Code.

WOMEN'S OVERSEAS SERVICE LEAGUE.

Mr. VOLSTEAD. Mr. Speaker, I call up the bill (H. R. 7299) to incorporate the Women's Overseas Service League, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the following persons, to wit, Mrs. Larz Anderson, of Boston, Mass.; S. Elizabeth Arnold, of Pennsylvania; Mary W. Barret, of Seattle; Constance B. Bicknell, of Washington; Jennet Bigelow, of Washington; Stuart Blanton, of Virginia; Mary A. Bogart, of New York; Ethel Boyd Bowers, of New York; Zorah W. Bowman, of Toledo; Miss Brown, of New York City; Ona Camp, of Minneapolis; Pattie Carey, of Virginia; Mildred Chamberlain, of Chicago; Clara W. Chesbrough, of Toledo; Ada Knowlton Chew, of Pennsylvania; Alice Hill Chittenden, of New York; Keith Clark, of St. Paul; Annette Cull, of Toledo; Elizabeth A. Cullen, of New York; Caroline F. Davis, of Pennsylvania; Helen Day, of Washington, D. C.; Dorothea Denys, of Washington, D. C.; Florence Dickson, of Seattle; Mrs. Livingston Farrand, of Washington; Louise Welford Fleming, of Massachusetts; Laurie R. Frazeur, of Chicago; Sarah M. Gammin, of Seattle; Edith H. Gillingham, of Pennsylvania; Katherine Ginnel, of Boston; Rose Glass, of Seattle; Mary Montgomery Halsey, of Pennsylvania; Ada Dickie Hamblen, of Seattle; Miriam Heermans, of Chicago; Lesley Henshaw, of Cincinnati; Clara Hoefflin, of Minneapolis; Ruth Rose Holt, of Minneapolis; Gertrude Hussey, of Washington; Mrs. Lucile Livingston Johnson, of Cincinnati; Mary Jones, of Minneapolis; Mrs. D. Braden Kyle, of Pennsylvania; Anna Coleman Ladd, of Massachusetts; Margaret Lamble, of New York; Olive McGlasham, of Cincinnati; Mrs. James McCutcheon, of Atlanta; Estelle Martin, of Georgia; Grace Monks, of Boston; Julia Page Norton, of Toledo; Alice M. O'Brien, of Minnesota; Mary Hooper Perry, of Washington; Sybil Richards, of Massachusetts; Celia K. Robb, of Seattle; M. N. Robins, of Pennsylvania; Celia D. Shelton, of Seattle; Esther Smith, of Atlanta; Dr. Bessie Sroye, of Cincinnati; Elizabeth Starr, of Seattle; Rosanna Thorndike, of Boston; Elleigh Page Tucker, of Georgia; Amy Robbins Ware, of Minneapolis; Louise Welles, of Minneapolis; Mildred Windsor, of New York; Louise Worthington, of Cincinnati; Jennie Young, of Seattle; and such persons as may be chosen who are members of the Women's Overseas Service League, an unincorporated patriotic society of women who served overseas for the allied cause in the Great War, between August 1, 1914, and January 1, 1920, known as the Women's Overseas Service League, and their successors, are hereby created and declared to be a body corporate. The name of this corporation shall be "Women's Overseas Service League."

SEC. 2. That the same persons named in section 1, and such other persons as may be selected from among the membership of the Women's Overseas Service League, an unincorporated society of women who served overseas for the allied cause in the Great War between August 1, 1914, and January 1, 1920, are hereby authorized to meet to complete the organization of said corporation by the selection of officers, the adoption of a constitution and by-laws, and to do all other things necessary to carry into effect the provisions of this act, at which meeting any person duly accredited as a delegate from any local or State organization of the existing unincorporated organization known as the Women's Overseas Service League shall be permitted to participate in the proceedings thereof.

SEC. 3. That the purpose of this corporation shall be to keep alive and develop the spirit that prompted overseas service; to maintain the ties of comradeship born of that service, and to assist and further any patriotic work; to inculcate a sense of individual obligation to the community, State, and Nation; to work for the welfare of the Army and Navy; to assist in any way in their power men and women who served and were wounded or incapacitated in the World War; to foster and promote friendship and understanding between America and the Allies in the World War.

SEC. 4. That the corporation created by this act shall have the following powers: To have perpetual succession with power to sue and be sued in courts of law and equity; to receive, hold, own, use, and dispose of such real estate and personal property as shall be necessary for its corporate purposes; to adopt a corporate seal and alter the same at pleasure; to adopt a constitution, by-laws, and regulations to carry out its purposes, not inconsistent with the laws of the United States or of any State; to use in carrying out the purposes of the corporation such emblems and badges as it may adopt; to establish and maintain offices for the conduct of its business; to establish State, Territorial, and local subdivisions; to publish a magazine or other publications, and generally to do any and all such acts and things as may be necessary and proper in carrying into effect the purposes of the corporation.

SEC. 5. That no woman shall be a member of this corporation unless she served overseas for the allied cause in the Great War at some time during the period between August 1, 1914, and January 1, 1920, both dates inclusive.

SEC. 6. That the organization shall be nonpolitical and, as an organization, shall not promote the candidacy of any person seeking public office.

SEC. 7. That said corporation may acquire any or all the assets of the existing unincorporated national organization known as the Women's Overseas Service League upon discharging or satisfactorily providing for the payment and discharge of all its liabilities.

SEC. 8. That said corporation and its State, Territorial, and local subdivisions shall have the sole and exclusive right to have and to use in carrying out its purposes the name "Women's Overseas Service League."

SEC. 9. That the said corporation shall, on or before the 1st day of January in each year, make and transmit to the Congress a report of its proceedings for the preceding calendar year, including a full and complete report of its receipts and expenditures: *Provided, however,* That said report shall not be printed as public documents.

SEC. 10. That as a condition precedent to the exercise of any power or privilege herein granted or conferred the Women's Overseas Service League shall file in the office of the secretary of each State the name and post-office address of an authorized agent in such State upon whom legal process or demands against the Women's Overseas Service League may be served.

SEC. 11. That the right to repeal, alter, or amend this act at any time is hereby expressly reserved.

SEC. 12. That the persons duly elected at the first annual convention held in Philadelphia May 2, 1921, shall be the officers of the Women's Overseas Service League for the year beginning May 2, 1921, to serve until the next annual convention to be held at Washington, D. C., on May 1, 1922, or until their successors are duly appointed, and are the following: President, Mrs. Oswald Chew, Radnor, Pa. Vice presidents, Miss Amy Robbins Ware, Minneapolis, Minn.; Miss Esther Smith, Atlanta, Ga.; Miss Miriam Heermans, Chicago, Ill.; Miss Rose Glass, Seattle, Wash. Corresponding secretary, Miss Mary Bogart, New York. Recording secretary, Miss Dorothea Denys, Washington, D. C. Treasurer, Miss Sybil Richards, Boston. Executive committee, Miss Rosanna Thorndike, Boston, Mass.; Miss Brown, of New York City, N. Y.; Miss Margaret Robins, Philadelphia; Miss Pattie Carey, Virginia; Miss Helen Day, Washington, D. C.; Mrs. James McCutcheon, Atlanta, Ga.; Miss Keith Clark, St. Paul, Minn.; Mrs. Zorah W. Bowman, Toledo, Ohio.

Mr. GARRETT of Tennessee. Mr. Speaker, I raise the question of consideration.

The SPEAKER. The question is, Will the House consider the bill?

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 72, noes 22.

So the House determined to consider the bill.

Mr. VOLSTEAD. Mr. Speaker, I yield to the gentleman from Ohio [Mr. THOMPSON].

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a discussion that I have prepared upon the Ohio canals and the State and Federal laws bearing on the same.

The SPEAKER. Is there objection?

There was no objection.

INLAND WATERWAYS AND CANAL SYSTEMS OF OHIO.

Mr. THOMPSON. Mr. Speaker, in the Sixty-sixth Congress I voted for the transportation act under which the railroads are now operating. Section 500 of the act contains this language:

It is hereby declared to be the policy of Congress to promote, encourage, and develop water transportation service and facilities in connection with the commerce of the United States, and to foster and preserve in full vigor both rail and water transportation.

It shall be the duty of the Secretary of War, with the object of promoting, encouraging, and developing inland waterway transportation facilities in connection with the commerce of the United States, to investigate the appropriate types of boats suitable for different classes of such waterways; to investigate the subject of water terminals, both for inland waterway traffic and for through traffic by water and rail, including the necessary docks, warehouses, apparatus, equipment, and appliances in connection therewith, and also railroad spurs and switches connecting with such terminals, with a view to devising the types most appropriate for different locations and for the more expeditious and economical transfer or interchange of passengers or property between carriers by water and carriers by rail; to advise with communities, cities, and towns regarding the appropriate location of such terminals and to cooperate with them in the preparation of plans for suitable terminal facilities; to investigate the existing status of water transportation upon the different inland waterways of the country, with a view to determining whether such waterways are being utilized to the extent of their capacity and to what extent they are meeting the demands of traffic, and whether the water carriers utilizing such waterways are interchanging traffic with the railroads; and to investigate any other matter that may tend to encourage and promote inland water transportation. It shall also be the province and duty of the Secretary of War to compile, publish, and distribute, from time to time, such useful statistics, data, and information concerning transportation on inland waterways as he may deem to be of value to the commercial interests of the country.

From the foregoing it is seen that Congress is committed to the development of inland waterways. Yet the ink was hardly dry on the law until the Sixty-sixth Congress cut the rivers and harbors appropriation to $15,000,000. No waterways transportation representative sits on the Interstate Commerce Commission of the Nation, and it seems that influences of the big corporate interests controlling railroads are more powerful than the Government itself in this instance as they seem to be in all instances. Waterways development seems to be insidi-

ously fought and retarded by an invisible government superior to the Congress.

I want to call to the attention of the House one of the essentials of transportation, which seems to have escaped the attention of Congress when making appropriations for 1923. Heretofore it was believed that all the Government had to do was to canalize our rivers and deepen our harbors and the building of terminals would follow as a matter of consequence. The rivers and harbors act passed March 2, 1919, carried the following authorization:

The Secretary of War is hereby authorized and directed to cause preliminary examinations and surveys to be made at the following-named localities, and a sufficient sum to pay the cost thereof may be allotted from the amount provided in this section:

The Miami & Erie Canal, Ohio, including a branch canal connecting the Miami & Erie Canal with Lake Michigan, and such other routes between Lake Erie and the Ohio River as may be considered practicable by the Chief of Engineers, with a view to securing a channel of 12 feet in depth with suitable widths, or such other dimensions as may be considered practicable, including any recommendation for cooperation on the part of local interests.

After the passage of said act the General Assembly of Ohio passed a constructive measure tending to build up waterways in Ohio. The passage of the act providing for the survey of the Ohio canals was a signal of the intention of Congress to rebuild her neglected waterways in Ohio and inspired the people of my State to do something toward making the same possible.

I want to call to the attention of the House for only a few minutes provisions of this enabling act, which was passed within a year after Congress proposed to make the survey of Ohio canals with a view of giving an outlet to the coal fields of Kentucky and West Virginia and the ore fields of Michigan across the great State of Ohio.

The Ohio act, in part, provides that—

Whenever the Congress of the United States shall authorize the construction, maintenance, and operation of a canal or waterway along a definite route for the purpose of connecting the Great Lakes with the Ohio River, so as to provide a route for the passage of barges from the Great Lakes to the Ohio River, and shall make an appropriation for the construction, maintenance, and operation of the same on condition that the State of Ohio shall contribute a certain part of such cost of construction, then the lands within the canal zone described in the act may be organized into canal districts with all the rights, powers, liabilities, organization, and administration.

Section 3 of the act provides that the Governor of the State of Ohio shall, within 30 days after such authorization and appropriation by Congress, by proclamation, describe the boundaries of the zone containing lands which will be specially benefited by the construction and operation of said waterway. It further provides that the lateral boundaries of said zone shall follow a line 25 miles distant from and parallel to the median line of said proposed canal, and the terminal boundaries shall follow the arc of a circle drawn with a radius of 25 miles from each terminus of the same, except that all counties lying in whole or in part within 60 miles of either terminus of the proposed canal, and connected by navigable waterways, shall be included in said zone.

It was the intention of the general assembly to tax these lands within the zone of 25 to 60 miles from the waterway according to the benefits received. It is proposed to tax the lands nearest the canal more than the lands farther away. This law was passed in harmony with our road and ditch law. The farther away the land is located from the waterway the less tax is required from said lands, so that the lands 25 and 60 miles away from the waterway would pay only a small fraction of the cost of building these terminals.

Objections have been raised because of an arbitrary line 25 miles on each side of said canal and a 60-mile line at each terminus on the theory that it was not a local but national project. When the matter was first submitted it specifically provided a tax only for the building of terminals along the proposed canal on the theory that a waterway would be as useless without terminals as a railroad without its depots, and the general assembly concluded that the terminals were an essential part of the canal system if ever rebuilt; that when the same was being surveyed it should contain specific items for the costs of terminals, which should be included as a total cost for the construction of the canal. It is because the general assembly concluded that the terminals are a part of the cost of construction of the canal that it substituted the general term and provided—

That the State of Ohio, on any part thereof, shall contribute a certain part of such cost of construction.

Recently objection to building the terminals was made by a colleague because the cost of terminals would involve a tax on property within the 25-mile zone and a radius of 60 miles at each terminus. The theory of making it 25 miles was because trucks function best within a distance of 25 miles as the cheapest means of transportation, and hence said Ohio act provides that the cost of building these terminals should be borne according to benefits by those living within the 25-mile zone, save and except at each terminus, which is a radius of 60 miles.

The unthinking readily fall for this specious argument because it involves a tax, and of course all of us shy more or less from the payment of taxes and conclude that the other fellow should pay more. Now, let us see if it involves such a tax which the people should fear and shun, or is it one of those taxes which the people welcome because it brings immediate returns? When an ordinary taxpayer goes down in his pocket to pay his tax he seldom thinks of any returns to himself, excepting in the way of protection. Ordinarily we think of a tax only in support of our Government for the payment of the official family. But do we not also pay an indirect tax? At least when we pay for our fuel, food, and clothing. One can not mail a letter without paying for the cost of a stamp to carry that letter. These taxes we can not escape any more than the taxes in support of the Government, hence it becomes very vital to know if by improving our waterways and building our terminals the cost will bring us such returns as to justify making this improvement.

In the report of the superintendent of public works on canals of the State of New York for 1919 I find on pages 18 and 19 the following, to wit:

There can be no question as to the ability of canal transportation projects to earn a handsome profit. None dispute the tremendous potential traffic available for canal shipment, and investigation will convince even the most skeptical that the cheapest known means of transporting freight is to float it; furthermore, that the finest medium of inland water transportation in the country is the improved canals of New York State. During the 1919 season of navigation, under somewhat unfavorable conditions in that the type of boats used were not designed for Barge Canal navigation, conclusive evidence of the abnormally low cost of transportation on the improved canals was revealed. A steamer and consort carrying cargo from New York to Buffalo accomplished the trip in a little more than four days, at an operating cost of but 1.21 mills per ton-mile, or about 45 cents per ton. The cargo carried paid a rate of $1.50 per ton; thus the net earning for the trip was more than $1 per ton. Measured in terms of grain such operating costs would yield a basis of less than 1½ cents per bushel of wheat. The wheat rate at present is 9.7 cents per bushel, showing even a greater percentage of profit on the grain traffic.

Thus it will be seen, according to this report, that coal can be hauled from Cincinnati to Toledo, Ohio, a distance of 240 miles, for 29 cents per ton. Add to this the cost of mining the coal and the distance from Cincinnati, where mined, plus the overhead expenses, you will find that coal should be delivered in my district for at least $2. Thus the saving on coal will be, according to the present prices, from $4 to $6 per ton.

And what will these terminals cost after the Government rebuilds the Miami & Erie Canal? Naturally the heavy costs for terminals will be borne by Cincinnati and Toledo, because of transshipment at those points. But what will the terminals cost? I find, for instance, that three terminals will be able to serve the counties of Allen, Van Wert, and Putnam; one each at Spencerville, Delphos, and Ottoville.

The total tax value of these three counties is $222,034,880 and the average 80-acre improved farm is valued, according to the tax duplicate for these three counties, at $7,305. Placing the cost of these terminals at $50,000 for Spencerville and Delphos and $5,000 at Ottoville and distributing the tax equally within the 25-mile zone limit, each farmer owning an 80-acre improved farm would pay only $1.83 to help build these terminals. Thus the saving on 1 ton of coal would more than pay for these terminals.

The farmer in my district to-day is at a disadvantage because of the high freight rates. For instance, I find that a carload of hay in my section is sent into the coal regions of West Virginia, eastern Kentucky, and Tennessee. A hay dealer just recently informed me that he was compelled to pay $16.60 per ton freight from Delphos, Ohio, to Memphis, Tenn. According to the report of the superintendent of public works at New York, 2,000 tons of hay could be shipped from Delphos to Memphis for $1,628.60, while the railroad rate on 2,000 tons is $32,800, a difference of $31,171.34. One of my constituents recently sent a carload of hay to the Cincinnati market, and had left only $12 to harvest and market the hay and pay his commission merchant. His neighbor sent his hay to New York, but he had nothing left after paying the railroad charges. The farmer in my section is compelled to pay 32 cents per bushel to market his wheat in New York, while the rate, according to the New York official, from Buffalo to New York, a distance of 502 miles, is only 1½ cents per bushel. When the people once understood the value of waterways and that the reason business is stagnant is because of lack of transportation and distribution they will not be afraid of paying taxes equal only to the saving on 1 ton of coal.

Of course, I realize that certain railroad interests are willing to build a "ship canal"—get that word "ship canal"—out of the Federal Treasury but object to building the necessary terminals and facilities because they are afraid the people might use this form of transportation. These railroad officials care very little if merchandise and wares shipped by water are dumped on the muddy banks of our rivers and canals; but will the farmer and the merchant and the manufacturer use the waterway so long as these waterways do not have the necessary terminals and housing facilities where the products of the farm and the factory can be unloaded and housed. Only an imbecile or fanatic would use a waterway and have his merchandise dumped on the muddy banks.

The Federal Government should not appropriate one dollar for the improvement of our rivers and harbors and canals unless the local authorities agree to build the necessary and proper terminals. What could keep the traffic off the Mississippi River if we only had the necessary docks along this great natural waterway? As it is, the Government seems to be having a hard time building up the traffic in the face of the fact that the railroads are hauling freight along all our potential waterways for about 50 per cent of what they haul it away from these waterways.

I hope those interested in building up all our transportation facilities will examine the enabling act of Ohio, and that every State in the Union will pass some such enabling act so that all of our transportation facilities—the railroads, the waterways, and highways—will coordinate and work in harmony rather than continue the cutthroat competition of the past.

In northwestern Ohio is located the heart of the Maumee Valley at the confluence of two rivers which could be canalized for water transportation. According to the last Federal census the counties of the fifth district produced more than $57,000,000 of new wealth right out of the ground in the form of cereals.

This part of Ohio is now a part of the bread basket of the world and needs cheap transportation facilities. Like other portions of the country, transportation facilities have lessened rather than increased and are not in keeping with the increase of population; hence high freight rates.

As long as I remain in Congress I expect to stand for a broad policy of development of our inland waterways and the coordination of highways, railways, and waterways under one great transportation system.

The House Appropriations Committee of the present Sixty-seventh Congress, largely upon my representations, allowed a lump sum of $125,000 to start a field survey of three proposed Ohio barge canal routes to connect Lake Erie with the Ohio River. The sum to cover the expenses of the survey of such proposed routes should have been $225,000, as requested of the War Department engineers in House Document No. 188, Sixty-seventh Congress, second session. The amount of $125,000 allowed was originally named in H. R. 10615, introduced by me and intended by the Appropriations Committee for the survey of the Miami and Erie Canal route specified in the bill for a barge canal between Toledo and Cincinnati, and branching off from Defiance, Ohio, and connecting Lake Michigan; but it was finally agreed that the sum of $125,000 could be used by the engineers during the fiscal year beginning July 1, 1922, to start the work of field surveys upon any or all Ohio routes, with the assurance that the next appropriation would carry a sum sufficient to complete the surveys.

There is at present a 5-foot depth canal between Toledo and Cincinnati which has fallen into disuse except between Defiance and Toledo. The title of these canal lands reverts to the United States when no longer used by the State for canal purposes. Ohio, through its legislature, has shown its willingness, by reason of its recent act referred to in the foregoing, to cooperate with the Federal Government to the extent, at least, of building wharves and terminals whenever the Government shall see its way clear to rehabilitate any present Ohio canal or canals by translating them into more modern barge canals such as now exist in the State of New York.

Mr. VOLSTEAD. Mr. Speaker, I yield the remainder of my time to the gentleman from Pennsylvania [Mr. GRAHAM].

Mr. GARRETT of Tennessee. Mr. Speaker, before the gentleman does that, will he answer a question or two in respect to the bill?

Mr. VOLSTEAD. The gentleman from Pennsylvania drew the bill, and he will be able to answer any question. I yield to the gentleman from Pennsylvania.

Mr. GRAHAM of Pennsylvania. Mr. Speaker, this is a bill to incorporate the Women's Overseas Service League. There were upward of 24,000 women who went overseas to serve the country during the World War. They desire this incorporation for various reasons. The association can function better as a national organization than otherwise. They are coming in contact with kindred organizations on the other side of the water. They are contemplating the building of a memorial in France to the women who were injured or killed over there.

The purpose is to keep alive a friendly spirit among these women and it is to promote patriotism. Their work is to be patriotic. They are now working among the survivors of the war, doing service in hospitals and elsewhere, and aiding those who have been injured and afflicted and are still suffering. It seems to me, without taking up the time of the House and desiring to finish this matter briefly, that the object of this can be stated in a sentence. It is to grant to these women recognition. They have had no cross of honor. They have had no records of their achievement and their work, and yet, like the men who went over and engaged in the conflict on the other side, they exposed themselves and their lives in the service of their country, and this recognition of incorporation is, as it were, an act of Congress recognizing their patriotism and saying to them: You women shall receive this mark of honor at our hands. We regard the work which you did on the other side as of vastly great importance, and we want to give recognition of it by this expression of our good will toward you as an organization.

Mr. LOWREY. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. I will.

Mr. LOWREY. I ask for information. Are the Daughters of the American Revolution incorporated, if the gentleman knows?

Mr. GRAHAM of Pennsylvania. I do not know.

Mr. LOWREY. Is the American Legion incorporated?

Mr. GRAHAM of Pennsylvania. Yes; by us.

Mr. LOWREY. I wanted to get the absolute question of facts.

Mr. GARRETT of Tennessee. The bill passed the House; did it pass the Senate, incorporating the American Legion?

Mr. GRAHAM of Pennsylvania. Yes; this is simply a corollary to the recognition of the American Legion.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes, sir.

Mr. GARRETT of Tennessee. Of course, the gentleman is one of the best lawyers in the country and will recognize the distinction at once that this bill does not give this corporation a situs, and, so far as I can recall, all these special bills of incorporation have made them corporations of the District of Columbia. Does the gentleman have any objection to suggesting an amendment in line 18, page 3, after the word "corporate" to inserting the words "of the District of Columbia"?

Mr. GRAHAM of Pennsylvania. I have no objection to that.

Mr. GARRETT of Tennessee. Otherwise you are incorporating a corporation that has no situs.

Mr. GRAHAM of Pennsylvania. I think it is a perfectly legitimate amendment and we are willing to accept it.

Mr. GARRETT of Tennessee. The gentleman has control of the time.

Mr. GRAHAM of Pennsylvania. I shall make the amendment, or permit the gentleman to make it.

Mr. GARRETT of Tennessee. If the gentleman should yield he would lose the floor, and I suggest that he keep the floor and offer that amendment. I have another suggestion, if the gentleman will permit while he is kind enough to yield, in section 5 on page 5 there is a provision, "that no woman shall be a member of this corporation unless she served overseas for the allied cause." Now, that expression "allied cause" I do not think has any legal definition. In so far as the expression has been used in said papers, and in the laws which we have passed we have referred to the "allied and associated powers." I do not know just how to untangle it, but it strikes me there is something needed there. Officially, in so far as our own State papers are concerned, we were never an ally.

Mr. GRAHAM of Pennsylvania. That is true.

Mr. GARRETT of Tennessee. We were an associated power.

Mr. GRAHAM of Pennsylvania. And this is for the allied cause. Many of them went over before we were in the war and served there in the allied cause, and it is intended to make it broad and comprehensive enough; I do not think this suggestion is material like the other one the gentleman made which is material.

Mr. WATSON. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. I will.

Mr. WATSON. Is it the purpose of the association to permit members from all countries, or is it simply confined to American women?

Mr. GRAHAM of Pennsylvania. Only to American women.

Mr. WATSON. Those who went overseas, and women of other nations are not permitted to be members?

Mr. GRAHAM of Pennsylvania. No; this is purely an American organization of women of our country who served overseas.

Mr. HICKS. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Certainly to my colleague and Representative.

Mr. HICKS. Mr. Speaker, I note in the gallery some officers of the British warship now visiting Washington, and it seems to me that we should offer to them our felicitations and express to them our sincere feeling of regard and have them know that they are welcome guests of the American Congress. [Applause.]

Mr. GRAHAM of Pennsylvania. Now, Mr. Speaker——

Mr. FESS. Will the gentleman yield for a further inquiry?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. FESS. I notice in lines 23 and 24, page 2, the gentleman identifies one as being the city from which she comes and the other just the name of the State. Is not that unusual. That runs all through the bill.

Mr. GRAHAM of Pennsylvania. If the gentleman will pardon me, in the report from the committee there are a number of amendments designed to add the name of the State where it has been omitted, and I purpose to ask unanimous consent to present those amendments en bloc so they may be passed without voting on them seriatim. Now, I wish to say——

Mr. DALLINGER. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. I will.

Mr. DALLINGER. I wish to ask the gentleman from Pennsylvania if he thinks the name of a woman, Mrs., giving the name of the husband, is a legal name for a statute?

Mr. GRAHAM of Pennsylvania. Well, it is only a matter of identification. If she were to sign a deed, it would not be, but for identification in the matter of an incorporation I do not see any objection to it.

Mr. RAKER. Will the gentleman yield for just one question?

Mr. GRAHAM of Pennsylvania. Certainly.

Mr. RAKER. On August 22, 1919, this House passed an act unanimously incorporating the American Legion, did it not?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. RAKER. This gives to the women who went overseas the same right it gave to the men of the American Legion?

Mr. GRAHAM of Pennsylvania. It does.

Mr. RAKER. They ought to have the right, ought they not?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. DAVIS of Tennessee. What is there in this bill that confines the membership to American citizens or those who simply aided the American Army? Section 5 says:

> That no woman shall be a member of this corporation unless she served overseas for the allied cause in the Great War at some time during the period between August 1, 1914, and January 1, 1920, both dates inclusive.

It occurs to me that that would leave it open to citizens of any country who may have assisted in any of the allied powers.

Mr. GRAHAM of Pennsylvania. I do not think it would have that effect.

Mr. LINEBERGER. I note the dates between which these women shall have served in order to be eligible to this organization are August 1, 1914, to January 1, 1920. I assume, of course, that August 1 is intended for the date upon which the Great War, so called, began. Now, the armistice was signed on November 11, 1918. Why is it extended beyond that time? In the incorporation of the American Legion the term of service was from the time we entered the war, April 7, 1917, to November 11, 1918.

Mr. GRAHAM of Pennsylvania. You see that is a different question. The one regarding the Legion differs from the one brought up here.

Mr. LINEBERGER. The war ended on November 11, 1918.

Mr. GRAHAM of Pennsylvania. After the armistice was declared there were a number of these women in the service abroad, down to and including the date named here, January 1, 1920, and in order to include them that date was fixed.

Mr. LINEBERGER. Then you want to include all women who went in from November 11, 1918, to January 1, 1920?

Mr. GRAHAM of Pennsylvania. Some few went over after the armistice was declared in order to aid the wounded.

Mr. LINEBERGER. After the armistice, that was the allied cause.

Mr. GRAHAM of Pennsylvania. I think it would be practically the same as the allied cause was during the war. The cause will not die. It was simply made victorious; that is all.

Mr. LINEBERGER. It seems to me it should be amended to make it November 11, 1918.

Mr. GRAHAM of Pennsylvania. I hope the gentleman will not insist on that.

Mr. RAKER. Will the gentleman yield for a question right there?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. RAKER. Is it not a fact that even after the armistice, and during 1919, a great many women went overseas for the purpose of taking care of the wounded soldiers in the hospitals and engaged in other work during that time?

Mr. GRAHAM of Pennsylvania. That is quite true, and that is the reason for fixing this latter date. Now, I want to say to my colleagues that I wish they could have been present at a meeting held here in the city of Washington within 30 days, I think, past. There was a gathering of about 1,000 American citizens, women who had worked and wrought from patriotic motives in the service of their country. That meeting was addressed by Sir Auckland Geddes, the British ambassador; by Ambassador Jusserand, of France; and by General Pershing; and I wish you could have heard the words of praise and commendation that fell from their lips in addressing these women and expatiating upon the services which they rendered, which had created a debt of gratitude on the part of both these countries, and of our armies under Pershing, to these devoted women. I hope the House will permit the amendments that have been suggested and pass this bill quickly.

Mr. FESS. Will the gentleman yield further?

Mr. GRAHAM of Pennsylvania. Yes, sir.

Mr. FESS. I note that the date is about two and one-half years before we entered the war?

Mr. GRAHAM of Pennsylvania. Yes, sir. A great many of them went over then.

Mr. FESS. It includes the women that went over and served in the allied cause before we went in?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. FESS. In section 5, is it the gentleman's understanding that the term "no woman" is to be applied to American women, or will that include anybody from any country that served?

Mr. GRAHAM of Pennsylvania. It includes only those who served overseas that went from this country.

Mr. LAYTON. Would the gentleman have any objection to clearing up that point by incorporating in the bill the words "American Women's Overseas Service League"?

Mr. GRAHAM of Pennsylvania. That might make it so that it would not include women most deserving, who went over and served, but who would not be technically or legally American women, but women of this country.

Mr. GARRETT of Tennessee. Is the gentleman going to offer that amendment which I suggested?

Mr. GRAHAM of Pennsylvania. I ask unanimous consent, Mr. Speaker, to move that the amendments reported by the committee, adding the name of the State after each designated incorporator, may pass en bloc.

The SPEAKER. The Clerk will report the amendments.

The Clerk read as follows:

Committee amendments:

Page 1, line 5, after the word "Seattle," insert the word "Washington."

Page 1, line 6, after the word "Washington," insert the words "District of Columbia."

Page 1, line 7, after the word "Washington," insert the words "District of Columbia."

Page 1, line 10, at the beginning of the line, insert the word "Ohio." After the word "York," strike out the word "City."

Page 1, line 11, after the word "Minneapolis," insert the word "Minnesota."

Page 2, line 1, after the word "Chicago," insert the word "Illinois."

Page 2, line 2, after the word "Toledo," insert the word "Ohio."

Page 2, line 4, at the beginning of the line, insert the word "Minnesota." After the word "Toledo" insert the word "Ohio."

Page 2, line 8, after the word "Seattle," insert the word "Washington."

Page 2, line 9, after the word "Washington," insert the words "District of Columbia."

Page 2, line 10, after the word "Chicago," insert the word "Illinois."

Page 2, line 11, after the word "Seattle," insert the word "Washington."

Page 2, line 13, at the beginning of the line, insert the word "Minnesota." After the word "Seattle," insert the word "Washington."

Page 2, line 15, after the word "Seattle," insert the word "Washington."

Page 2, line 16, at the beginning of the line, insert the word "Illinois." After the word "Cincinnati," insert the word "Ohio."

Page 2, line 17, after the word "Minneapolis," insert the word "Minnesota."

Page 2, line 18, after the word "Minneapolis," insert the word "Minnesota."

Page 2, line 19, after the word "Cincinnati," insert the word "Ohio."

Page 2, line 20, after the word "Minneapolis," insert the word "Minnesota."

Page 2, line 23, after the word "Cincinnati," insert the word "Ohio." After the word "Atlanta," insert the word "Georgia."

Page 2, line 24, after the word "Boston," insert the word "Massachusetts."

Page 2, line 25, after the word "Toledo," insert the word "Ohio."

Page 3, line 3, at the beginning of the line, insert the word "Washington."

Page 3, line 4, after the word "Seattle," insert the word "Washington."
Page 3, line 5, at the beginning of the line, insert the word "Georgia." After the word "Cincinnati" insert the word "Ohio."
Page 3, line 6, after the word "Seattle," insert the word "Washington."
Page 3, line 7, after the word "Boston," insert the word "Massachusetts."
Page 3, line 8, after the word "Minneapolis," insert the word "Minnesota."
Page 3, line 9, after the word "Minneapolis," insert the word "Minnesota."
Page 3, line 10, after the word "Cincinnati," insert the word "Ohio."
Page 3, line 11, after the word "Seattle," insert the word "Washington."

The SPEAKER. The gentleman from Pennsylvania [Mr. GRAHAM] asks unanimous consent that these amendments be considered together. Is there objection?

There was no objection.

Mr. RAKER. Mr. Speaker, I want to ask the gentleman from Pennsylvania a question. On page 1, line 10, is it not a little indefinite, "Miss Brown, of New York"? That is the only place that occurs.

Mr. GRAHAM of Pennsylvania. I can not furnish any substitute name to put in there. It was passed without discussion in committee.

Mr. RAKER. Of course "Brown" is a very common name, and they could pick it up at any place.

Mr. BUTLER. Let the women settle it. [Laughter.]

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. LINEBERGER. Mr. Speaker, I desire to make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LINEBERGER. I desire to know if amendments will be permitted to be offered from the floor other than those which are offered by the chairman of the committee?

The SPEAKER. Unless the previous question is ordered the gentleman can be recognized.

Mr. DALLINGER. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. DALLINGER. I want to ask a question. On page 3, lines 11 and 12, after enumerating the names of these incorporators, it says "and such persons as may be chosen." Chosen by whom?

Mr. GRAHAM of Pennsylvania. Chosen by the members.

Mr. BUTLER. Chosen by the association.

Mr. GRAHAM of Pennsylvania. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. GARRETT] to offer an amendment.

Mr. GARRETT of Tennessee. Mr. Speaker, on page 3, line 18, after the word "corporate," I move to insert the words "of the District of Columbia."

Mr. GRAHAM of Pennsylvania. Mr. Speaker, I accept that amendment, and make the motion that it be inserted.

The SPEAKER. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GARRETT of Tennessee: Page 3, line 18, after the word "corporate" insert the words "of the District of Columbia."

Mr. HICKS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HICKS. From the fact that the gentleman from Pennsylvania [Mr. GRAHAM] has yielded to the gentleman from Tennessee [Mr. GARRETT] to offer an amendment, does not the gentleman from Pennsylvania now lose the floor?

Mr. GARRETT of Tennessee. Mr. Speaker, I do not care to take any time. The gentleman can take the floor back at once. I move the previous question on the amendment.

The SPEAKER. The gentleman from Tennessee moves the previous question on the amendment.

Mr. LINEBERGER. Mr. Speaker, I have some amendments that I wish to offer, and if I am not permitted to offer them I will make the point of no quorum.

The SPEAKER. That can be settled later. The gentleman from Tennessee moves the previous question on his amendment.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

Mr. GRAHAM of Pennsylvania. Mr. Speaker, I move to strike out section 12 of the bill.

The time has passed and the second meeting of the Women's Service League has been held in Washington within the past month, so that this section is without any object any longer.

The SPEAKER. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM of Pennsylvania: Page 6, line 16, strike out all of section 12.

The amendment was agreed to.

Mr. GRAHAM of Pennsylvania. Mr. Speaker, the gentleman from California [Mr. LINEBERGER] desires to offer some amendments, and I am perfectly willing that they may be offered, but I reserve the right to the floor.

The SPEAKER. If the gentleman yields to the gentleman from California to offer amendments, he can not retain the floor, but he can make an agreement with the gentleman from California.

Mr. DOWELL. The gentleman has already lost the floor by yielding for an amendment.

The SPEAKER. Certainly; but the Chair will recognize the gentleman again.

Mr. LINEBERGER. I will yield the floor back to the gentleman after offering this amendment which I desire to offer.

Mr. Speaker, on page 3, line 25, I move to strike out the words "January 1, 1920," and to substitute the words "November 11, 1918."

The SPEAKER. The gentleman from California offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LINEBERGER: Page 3, line 25, strike out "January 1, 1920," and insert in lieu thereof "November 11, 1918."

Mr. LINEBERGER. Mr. Speaker and gentlemen of the House, the object of this amendment is to preclude anyone belonging to this organization who did not serve overseas between August 1, 1914, and November 11, 1918, which was the date on which the armistice was signed. All service organizations which have been organized throughout the world for persons who served in the World War have fixed the date of November 11, 1918, the day upon which the armistice was signed, as the last date upon which eligibility would be granted. We have often had men who got into the Army one day or one hour after the expiration of that date who tried to get into the American Legion. This would not preclude any nurse or any woman who served at any time during the great World War from belonging to this organization, and, inasmuch as this is purely an organization formed of women who served in the World War——

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. LINEBERGER. I yield to the gentleman from North Carolina.

Mr. BULWINKLE. I call the attention of the gentleman to the fact that the epidemic of the flu among the troops in Europe was after the armistice was signed, and that these women incurred great danger when they nursed the soldiers at that time.

Mr. LINEBERGER. I will say to the gentleman from North Carolina that perhaps what he says is true, but no doubt these ladies were all overseas prior to that time. I do not think the records will show that any of those nurses went overseas for service after November 11, 1918, but I think that all the ladies to whom he refers had rendered service prior to that time.

Mr. RAKER. Will the gentleman yield right there?

Mr. LINEBERGER. I yield to the gentleman from California.

Mr. RAKER. Does not the gentleman know that as a matter of fact there were a great many nurses, Salvation Army women, Y. W. C. A. women, Red Cross women, Jewish welfare women, and others, who left the United States and who performed heroic duty overseas after November 11, 1918, who were sent over there and performed duty and stayed all the next year?

Mr. LINEBERGER. That may be true. At the same time there were soldiers who went overseas after November 11, 1918, and who did good service on the Rhine, who are not eligible to membership in the American Legion.

Mr. RAKER. The American Legion fixed the date for membership in their organization. Why should not these overseas nurses, Salvation Army women, Y. W. C. A. women, Red Cross women, Jewish welfare women, and others, who are forming their organization be given the right to determine what date shall fix the status of the members belonging to that organization, instead of it being fixed by members of the American Legion?

Mr. WALSH. If the gentleman will yield, this does not consist of overseas nurses. These are a lot of society women for the most part. I do not say that with any intention of reflecting upon them. A lot of women of means have organized this association; women who went over there and assisted the nurses and conducted various other activities. This does not

include the nurses' organization at all. I think the gentleman from Pennsylvania [Mr. GRAHAM] will bear me out in that statement, that this is not for the purpose of organizing the nurses. It is for these other women who had no attachment to any other organization and who were not employed in any connection with the war, but who went over there voluntarily. For the most part they are women of some means.

Mr. GRAHAM of Pennsylvania. I will say in answer to the gentleman——

Mr. LINEBERGER. Mr. Speaker, I still have the floor and I desire to reply to the gentleman from California [Mr. RAKER]. I desire to say that this is establishing a precedent of extending the time beyond the armistice, and I think it is a poor precedent. Why not have it January 1, 1922, instead of January 1, 1920? We still have American nurses overseas attending the soldiers on the Rhine, and I quite agree with the gentleman from Massachusetts [Mr. WALSH] that this could hardly be called a nurses' organization. Most of the nurses are eligible to membership in the American Legion by virtue of having rendered military service in the Army or Navy Nurse Corps. They were a part of the Military and Naval Establishments. Certain Red Cross nurses might get into this organization who could not qualify for the American Legion, also certain Y. M. C. A. workers, I suppose.

Mr. RAKER. Will the gentleman yield for another question?

Mr. LINEBERGER. If the gentleman will make it brief.

Mr. RAKER. I will make it brief and to the point. Can anyone point to the name of any women who went overseas in regard to the war who went over there for any other purpose except to assist the Army?

Mr. LINEBERGER. I am sure the gentleman does not desire to instruct me about the services of the women. I was in a hospital once there for two months, and no one has a higher regard for the women of America and the service they rendered the soldiers than I have. But I think it is a poor precedent, and I think the bill ought to be amended so as to put in the date of November 11, 1918, so as to hold this date as a precedent in granting charters to World War patriotic organizations who may come to us in the future in matters of this kind.

Mr. GRAHAM of Pennsylvania. Mr. Speaker, I desire to answer the question of the gentleman from Massachusetts. The nurses were not specially included; they can join the Legion, as I am informed. They are also members of this organization. This organization includes a multitude besides. Now, as to the question of dates for service it is a totally different question than that raised in regard to the Army, for there no enlistments were made and no men were sent over the seas after the armistice. That was the finish for the soldiers, but there were women who went overseas after the armistice and served men in the hospitals and did much benevolent work on the other side. If you make this amendment you cut those people out of the opportunity to become members of this organization, and I think it would be a rank injustice to them.

The SPEAKER. The question is on the amendment offered by the gentleman from California [Mr. LINEBERGER].

The question was taken; and on a division (demanded by Mr. LINEBERGER) there were 15 ayes and 57 noes.

So the amendment was rejected.

Mr. GRAHAM of Pennsylvania. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read the third time, and was read the third time.

The SPEAKER. The question now is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. WALSH and Mr. GARRETT of Tennessee) there were 78 ayes and 13 noes.

So the bill was passed.

On motion of Mr. GRAHAM of Pennsylvania, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. VOLSTEAD. Mr. Speaker, I call up the bill H. R. 4800.

Mr. WALSH Mr. Speaker, I make the point of order that no quorum is present.

ADJOURNMENT.

Mr. VOLSTEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 51 minutes p. m.) the House adjourned until to-morrow, Friday, June 2, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

620. Under clause 2 of Rule XXIV, a letter from the Chairman of the Federal Trade Commission, transmitting a preliminary report of the Federal Trade Commission on investment and profit in soft-coal mining covering the period 1916 to 1921, inclusive, was taken from the Speaker's table and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. KRAUS: Committee on Naval Affairs. H. R. 11340. A bill to advance Maj. Ralph S. Keyser on the lineal list of officers of the United States Marine Corps, so that he will take rank next after Maj. John R. Henley; without amendment (Rept. No. 1052). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 4723. A bill for the relief of William M. Phillipson; without amendment (Rept. No. 1053). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 397. A bill to remove the charge of desertion against the name of Frank George Bagshaw; with an amendment (Rept. No. 1054). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

The bill (H. R. 6411) granting a pension to Mace Williams; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

The bill (H. R. 11821) granting a pension to Dolly P. Beckner; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

The bill (H. R. 11583) granting a pension to George A. Wageck; Committee on Invalid Pensions discharged and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GENSMAN: A bill (H. R. 11842) for the prevention and removal of obstructions and burdens upon interstate commerce in grain by regulating transactions on grain future exchanges, and for other purposes; to the Committee on Agriculture.

By Mr. TINCHER: A bill (H. R. 11843) for the prevention and removal of obstructions and burdens upon interstate commerce in grain by regulating transactions on grain future exchanges, and for other purposes; to the Committee on Agriculture.

By Mr. MANSFIELD: A bill (H. R. 11844) authorizing the use of a special canceling stamp in the post office at Cuero, Tex.; to the Committee on the Post Office and Post Roads.

By Mr. BLAND of Indiana: Resolution (H. Res. 358) making House bill 11022 in order for consideration; to the Committee on Rules.

By Mr. WALTERS: Resolution (H. Res. 359) to provide for the services of a substitute telephone operator; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENHAM: A bill (H. R. 11845) granting an increase of pension to Nancy F. Ralston; to the Committee on Invalid Pensions.

By Mr. CHINDBLOM: A bill (H. R. 11846) for the relief of Theodore Kron; to the Committee on Claims.

Also, a bill (H. R. 11847) for the relief of Julius Laegeler; to the Committee on Claims.

Also, a bill (H. R. 11848) granting a pension to Harriet E. Blood Cantwell; to the Committee on Invalid Pensions.

By Mr. FAIRCHILD: A bill (H. R. 11849) granting a pension to Susan Kiley; to the Committee on Invalid Pensions.

By Mr. FESS: A bill (H. R. 11850) granting a pension to William Donnelly; to the Committee on Invalid Pensions.

By Mr. FOSTER: A bill (H. R. 11851) granting an increase of pension to Martha E. Leach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11852) granting an increase of pension to Susan R. Vititoe; to the Committee on Invalid Pensions.

By Mr. GALLIVAN: A bill (H. R. 11853) for the relief of John F. Cassidy; to the Committee on Claims.

By Mr. GLYNN: A bill (H. R. 11854) granting a pension to Hannah E. Cahey; to the Committee on Invalid Pensions.

By Mr. GRAHAM of Pennsylvania: A bill (H. R. 11855) for the relief of Jacob S. Steloff; to the Committee on Claims.

By Mr. GRIEST: A bill (H. R. 11856) granting an increase of pension to William McCloud; to the Committee on Invalid Pensions.

By Mr. KELLER: A bill (H. R. 11857) granting a pension to Elizabeth Walker; to the Committee on Pensions.

By Mr. KING: A bill (H. R. 11858) granting a pension to Carrie Howell; to the Committee on Invalid Pensions.

By Mr. LAYTON: A bill (H. R. 11859) granting a pension to Laura V. Bennett; to the Committee on Invalid Pensions.

By Mr. McPHERSON: A bill (H. R. 11860) granting a pension to Tabitha E. Isbell; to the Committee on Invalid Pensions.

By Mr. MILLSPAUGH: A bill (H. R. 11861) granting a pension to Catherine Crow; to the Committee on Invalid Pensions.

By Mr. MOORE of Virginia: A bill (H. R. 11862) granting a pension to Anna R. Little; to the Committee on Pensions.

By Mr. ROACH: A bill (H. R. 11863) for the relief of Chancey F. Bartholomew; to the Committee on War Claims.

By Mr. ROGERS: A bill (H. R. 11864) granting a pension to Sarah A. Byam; to the Committee on Pensions.

By Mr. SANDERS of Indiana: A bill (H. R. 11865) granting a pension to Mary E. Gates; to the Committee on Invalid Pensions.

By Mr. SHAW: A bill (H. R. 11866) providing for preliminary examination and survey to be made of the Illinois River, Ill., and its tributaries; to the Committee on Flood Control.

By Mr. TINKHAM: A bill (H. R. 11867) for the relief of Walter P. Crowley; to the Committee on Naval Affairs.

By Mr. UPSHAW: A bill (H. R. 11868) for the relief of the widow of John Curtis Staton; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5844. By Mr. BARBOUR: Petition of Grand Parlor, Native Sons of the Golden West, California, relative to Japanese immigration; to the Committee on Immigration and Naturalization.

5845. Also, petition of Grand Parlor, Native Sons of the Golden West, California, urging that all regulations permitting concessions to be granted for educational, religious, or charitable purposes, also include patriotic purposes; to the Committee on the Judiciary.

5846. Also, petition of the Tulare Fish and Game League, California, and the Tulare County Board of Trade, California, relative to the protection of game in the area which it is proposed to eliminate from the Sequoia National Park; to the Committee on Agriculture.

5847. Also, petition of residents of El Nido, Merced County, Calif., protesting against House bills 9753 and 4388 or Senate bill 1948, the so-called Sunday laws; to the Committee on the District of Columbia.

5848. By Mr. BECK: Petition of Mr. William F. Diven and others, of the town of Pine Valley, Clark County, Wis., urging legislation to protect the farmers against filled milk and butter frauds; to the Committee on Ways and Means.

5849. Also, petition of Mr. H. R. Burgdorff, of Oxford, Wis., and others, favoring legislation for the prohibition of the manufacture and sale of filled milk or any other substitute for milk or butter; to the Committee on Ways and Means.

5850. By Mr. CURRY: Petition of Grand Parlor, Native Sons of the Golden West, at its forty-fifth session, held at Oakland, Calif., April 17–21, 1922, advocating exclusion of Asiatic immigration; to the Committee on Immigration and Naturalization.

5851. By Mr. FRENCH: Petition of sundry citizens of the State of Idaho, protesting against the enactment of House bill 9753, and other Sunday bills; to the Committee on the District of Columbia.

5852. By Mr. KISSEL: Petition of International Motor Co., New York City, N. Y., regarding tariff on graphite; to the Committee on Ways and Means.

5853. Also, petition of E. Clemons Horst Co., San Francisco, Calif., regarding foreign trade and finance; to the Committee on Interstate and Foreign Commerce.

5854. By Mr. RAKER: Petition of C. C. Thomas Post, No. 244, Navy Post of the American Legion, San Francisco, Calif., urging support of the Secretary of the Navy's recommendation that $1,000,000 be appropriated to provide for the Naval Reserve Force; to the Committee on Appropriations.

5855. Also, petition of G. R. Milford, of Redding, Calif., indorsing House bill 5823, known as the public shooting ground and game refuge bill; to the Committee on Agriculture.

5856. Also, petition of Mrs. Helen Hatch, master counselor, and others, of Los Angeles Council of Sadol, International Magian Society, urging immediate action by Congress in behalf of Armenia; to the Committee on Foreign Affairs.

5857. Also, petition of Viall & Co., of Los Angeles, Calif., protesting against paragraph 1116 of House bill 7456; to the Committee on Ways and Means.

5858. By Mr. ROGERS: Evidence in support of House bill 11864, granting a pension to Sarah A. Byam; to the Committee on Pensions.

5859. By Mr. ROUSE: Petition of 17 citizens of Grant County, Ky., protesting against the schedule of freight rates issued for live stock in the territory south of the Ohio River effective June 1, 1922; to the Committee on Interstate and Foreign Commerce.

5860. By Mr. SANDERS of New York: Petition of Belus Calkins, jr., Kate Zehler, Mary A. Reiber, and Daniel W. Bump, of Varysburg, N. Y., urging the passage of the so-called Bursum-Morgan bill increasing pensions to Civil War pensioners; to the Committee on Invalid Pensions.

5861. By Mr. SNELL: Petition of Saranac Chapter, Daughters of the American Revolution, favoring the passage of the Sterling-Towner education bill; to the Committee on Education.

5862. By Mr. SUMMERS of Washington: Petition of numerous voters of College Place, Wash., protesting against the passage of House bills 4388 and 9753 and Senate bill 1948; to the Committee on the District of Columbia.

5863. By Mr. TINKHAM: Petition of Columbus Republican Club of Massachusetts, Revere, Mass., favoring the modification of the naturalization laws; to the Committee on Immigration and Naturalization.

5864. Also, petition of Boston Central Labor Union, favoring an amendment to the Constitution of the United States giving Congress the power to enact legislation to make uniform child-labor laws in the United States; to the Committee on Labor.

5865. By Mr. TOWNER: Petition of F. H. Gray, of Wiscasset, Me., and 18 other citizens of Maine, all employees of the Maine Central Railroad Co., urging the passage of the Towner-Sterling educational bill; to the Committee on Education.

5866. Also, petition of Mr. H. C. Johnson and 37 other citizens of Osnabrock, N. Dak., asking for the passage of the Towner-Sterling educational bill; to the Committee on Education.

5867. Also, petition of Mr. Emil Spiellinger, of Louisville, Ky., and 14 other citizens of the State of Kentucky, asking for the passage of the Towner-Sterling educational bill; to the Committee on Education.

SENATE.

FRIDAY, *June 2, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

WAR DEPARTMENT APPROPRIATIONS.

Mr. McCUMBER. Mr. President, the 30th day of June will soon arrive, and new appropriation bills, of course, will have to go into effect by the 1st day of July. It is quite apparent that we shall have to yield from time to time in the tariff discussion for the purpose of taking up the several appropriation bills. So I am going to move that the tariff bill be temporarily laid aside for the consideration of the Army appropriation bill.

The PRESIDENT pro tempore. Is there objection?

Mr. ROBINSON. Mr. President, I suggest to the Senator from North Dakota that he ask unanimous consent that the pending tariff bill be laid aside, and that the Army appropriation bill be taken up.

Mr. McCUMBER. Very well; I ask unanimous consent.

Mr. ROBINSON. I have no objection to that course, but I think there ought to be a quorum present, and I therefore suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Harris	McLean	Smoot
Borah	Harrison	McNary	Spencer
Brandegee	Heflin	Nelson	Stanley
Bursum	Hitchcock	New	Sterling
Calder	Johnson	Newberry	Sutherland
Cameron	Jones, N. Mex.	Nicholson	Underwood
Capper	Jones, Wash.	Oddie	Wadsworth
Cummins	Kellogg	Page	Walsh, Mass.
Curtis	Kendrick	Pepper	Walsh, Mont.
Dial	Keyes	Poindexter	Warren
Dillingham	Ladd	Ransdell	Watson, Ga.
du Pont	La Follette	Rawson	Watson, Ind.
Frelinghuysen	Lenroot	Robinson	Willis
Glass	Lodge	Sheppard	
Gooding	McCumber	Simmons	
Hale	McKinley	Smith	

The PRESIDENT pro tempore. Sixty-one Senators have answered to their names. There is a quorum present.

The Senator from North Dakota asks unanimous consent that the tariff bill be temporarily laid aside and that the Senate proceed to the consideration of House bill 10871, the Army appropriation bill. Is there objection?

Mr. UNDERWOOD. I desire to ask if it is the policy of those in charge of the bill to continue the consideration of the Army appropriation bill until its conclusion?

Mr. WADSWORTH. If the question is addressed to me, I will say that so far as I am concerned I hope we can keep the Army appropriation bill before the Senate until it is disposed of.

Mr. UNDERWOOD. The reason why I asked the question is because I merely wish to know, for the benefit of those on this side of the Chamber, what the business before the Senate will be; not that I suppose there will be any delay in the consideration of the appropriation bill, but it will probably take some little time.

Mr. BORAH. Mr. President, I do not desire to object to laying aside the tariff bill. At the same time I would like to have, if those in charge of the Army appropriation bill see fit to do so, a postponement of the measure for an hour or two, until we can have time to read the bill.

Mr. WADSWORTH. I will say to the Senator that it will take a great deal longer than an hour or two to read the bill. It is a bill of one hundred and fifty odd pages.

Mr. BORAH. I presume it is the intention to waive the formal reading of the bill for the purpose of considering committee amendments.

Mr. WADSWORTH. I hope that may be done.

Mr. BORAH. That is what I assumed, and that is the reason why I asked that we may have an opportunity to read the bill. Otherwise it puts those of us who have not had an opportunity to read the report and the bill in a position where we can not make progress in determining what we want to discuss, if anything. I think, however, I shall not object, but I hope that if we need a little time later we may have it.

Mr. WADSWORTH. Let me say to the Senator from Idaho that if an item is encountered in the bill on which Senators desire more time for consideration, for one I shall be entirely willing to postpone the consideration of that item and proceed with others.

Mr. WARREN. I hope the chairman of the Committee on Military Affairs will follow that course.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and House bill 10871 is before the Senate as in Committee of the Whole.

Mr. WADSWORTH. A number of Senators have routine business to present, and I yield for that purpose.

PETITIONS.

The PRESIDENT pro tempore. The Chair lays before the Senate resolutions adopted by the American Chamber of Commerce of the Philippine Islands, urging Congress to decide the permanent status of the Philippine Islands, and further requesting that Congress authorize the appointment of a committee of three American citizens to represent in Washington American interests in the Philippine Islands. The resolutions will be referred to the Committee on Territories and Insular Possessions.

Mr. CURTIS presented a resolution adopted by the Twenty-fourth Annual Congress, Kansas Daughters of the American Revolution, at Pittsburg, Kans., favoring the creation of a national military park and monument at Yorktown, Va., covering the Revolutionary fortifications at that place, which was referred to the Committee on Appropriations.

Mr. CAPPER presented a resolution adopted by the National Conference of Mothers' Congress, at Tacoma, Wash., favoring the passage of the so-called Capper-Fess physical education bill, which was referred to the Committee on Education and Labor.

Mr. WILLIS presented the petition of Lawrence W. Kutsch and sundry other citizens of Curtice, Ohio, praying for the imposition in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, which was referred to the Committee on Finance.

Mr. TOWNSEND presented petitions of sundry citizens of Battle Creek, Mich., praying that only a moderate duty on kid gloves be imposed in the pending tariff bill, which were referred to the Committee on Finance.

He also presented a petition of sundry citizens of Ashley and Ithaca, in the State of Michigan, praying for inclusion in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, which was referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. WILLIS, from the Committee on Commerce, to which was referred the bill (S. 3611) authorizing and directing the Secretary of War to abrogate a contract lease of land and water power on the Muskingum River, reported it with amendments and submitted a report (No. 732) thereon.

Mr. ROBINSON, from the Committee on Claims, to which was referred the bill (S. 3048) for the relief of L. D. Riddell and George W. Hardin, trustees of Milligan College, Tennessee, reported it with an amendment and submitted a report (No. 733) thereon.

He also, from the same committee, to which was referred the bill (H. R. 1764) for the relief of J. A. Leslie, reported it without amendment and submitted a report (No. 734) thereon.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 3570) for the relief of the United Dredging Co. (Rept. No. 735);

A bill (H. R. 7052) for the relief of G. C. Caldwell (Rept. No. 736); and

A bill (H. R. 8374) for the relief of the estate of Frank W. Knight (Rept. No. 737).

Mr. SPENCER, from the Committee on Claims, to which was referred the bill (S. 2960) for the relief of Arthur A. Padmore, reported it without amendment and submitted a report (No. 738) thereon.

Mr. NEW, from the Committee on Military Affairs, to which was referred the bill (S. 3424) to provide for the reclamation of the United States Military Reservation, Fort De Russey, Honolulu, Hawaii, reported it with amendments and submitted a report (No. 739) thereon.

REPORT ON PHILIPPINE ISLANDS.

Mr. CAPPER. Mr. President, I report back from the Committee on Printing House Concurrent Resolution No. 47, providing for the printing of 100,000 copies of the report of the special mission to investigate the Philippine Islands, and I submit a report (No. 731) thereon. The Secretary of War is very anxious that we have the report printed at once, and I ask unanimous consent for the immediate consideration of the concurrent resolution.

The PRESIDENT pro tempore. Is there objection?

Mr. ROBINSON. I ask that the concurrent resolution may be read.

The PRESIDENT pro tempore. The Secretary will read the concurrent resolution for the information of the Senate.

The reading clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That 100,000 copies of the report of the special mission on investigation to the Philippine Islands to the Secretary of War, without the map but with the data on the Philippines preceding and accompanying such report, be, and the same is hereby, ordered printed as a public document, to be distributed as follows: Sixty-five thousand through the document room of the House, 25,000 through the document room of the Senate, 5,000 through the Committee on Insular Affairs of the House, and 5,000 through the Committee on Territories and Insular Possessions of the Senate.

The PRESIDENT pro tempore. Is there objection to the receipt of the report or to the immediate consideration of the concurrent resolution?

Mr. ROBINSON. Pending that question I desire to ask the Senator from Kansas if this is a report from the Committee on Printing?

Mr. CAPPER. It is.

Mr. ROBINSON. A favorable report?

Mr. CAPPER. It is.

Mr. ROBINSON. A unanimous report?

Mr. CAPPER. A unanimous report.

Mr. ROBINSON. I have no objection to the adoption of the resolution.

The concurrent resolution was considered by unanimous consent and agreed to.

CONFIRMATION OF ENSIGNS IN THE NAVY.

Mr. HALE. Mr. President, I ask unanimous consent that the Senate may confirm in open executive session the following nominations.

The PRESIDENT pro tempore. Is there objection?

Mr. ROBINSON. Let the nominations be reported.

Mr. HALE. These are nominations of four members of the graduating class at Annapolis. These men had intended to retire on graduation, but have now decided to stay in the service, and the naval authorities have approved the action.

Mr. UNDERWOOD. This is confirming them the same as we confirmed the other members of the class?

Mr. HALE. Exactly the same.

The PRESIDENT pro tempore. The nominations will be reported for the information of the Senate.

The reading clerk read as follows:

The following-named midshipmen to be ensigns in the Navy from the 3d day of June, 1922:

Harold L. Fudge.
William H. Egan, jr.
Carl R. Brown.
Beverly M. Coleman.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Maine? The Chair hears none. Without objection, the nominations will be confirmed.

Mr. HALE. I ask that the President be notified.

The PRESIDENT pro tempore. The President will be notified. The Senate resumes its legislative session.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LENROOT:

A bill (S. 3670) granting an increase of pension to Arabella Miller; to the Committee on Pensions.

By Mr. HITCHCOCK:

A bill (S. 3671) for the relief of James A. O'Dell and certain other former privates and noncommissioned officers in the military service of the United States; to the Committee on Claims.

By Mr. NEW:

A bill (S. 3672) to amend sections 34 and 40 of the organic act of the Territory of Hawaii; and

A bill (S. 3673) to provide for the transfer of the lands and buildings of the Federal leprosy investigation station at Kalawao, on the island of Molokai, in the Territory of Hawaii, to the Territory of Hawaii, and for other purposes; to the Committee on Territories and Insular Possessions.

AMENDMENTS TO HOUSE RIVER AND HARBOR BILL.

Mr. SHEPPARD (for Mr. FLETCHER) submitted amendments providing for improvement works on the inland waterway from Pensacola Bay, Fla., and Mobile Bay, Ala., in accordance with report submitted in House Document No. 610, Sixty-third Congress, second session, a channel 5 feet deep and 40 feet wide, route to be the most practicable and the most economical in final cost; St. Johns River, Fla., from Jacksonville to Palatka, with a view of giving a 20-foot channel to Palatka; St. Johns River, Fla., from Palatka to Lake Monroe, with a view of making cut-offs and improving navigation; Blackwater Bay and River, Fla., and Bayou Chico, Fla., intended to be proposed by him to the bill (H. R. 10766) authorizing appropriations for the prosecution and maintenance of public works on canals, rivers, and harbors, and for other purposes, which were referred to the Committee on Commerce and ordered to be printed.

IMPERIAL VALLEY AND VICINITY.

Mr. ASHURST submitted the following concurrent resolution (S. Con. Res. 25), which was read, referred to the Committee on Printing, and ordered to be printed:

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 5,000 additional copies of Senate Document No. 142, Sixty-seventh Congress, presented by the Senator from California [Mr. JOHNSON] entitled "Problems of Imperial Valley and Vicinity," of which 3,000 copies shall be for the use of the Senate document room and 2,000 copies for the use of the House document room.

ADDRESS BY HON. D. R. CRISSINGER.

Mr. ODDIE. Mr. President, I ask unanimous consent that that portion of the very able and instructive address by Hon. D. R. Crissinger, Comptroller of the Currency, before the Pennsylvania Bankers' Association at Pittsburgh on May 26, on the maintenance of the gold standard, be printed in the RECORD in the usual RECORD type.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type, as follows:

ADDRESS OF THE COMPTROLLER OF THE CURRENCY, HON. D. R. CRISSINGER, BEFORE THE PENNSYLVANIA BANKERS' ASSOCIATION, PITTSBURGH, PA., MAY 26, 1922.

Almost the last among great financial communities to commit ourselves definitely to the gold standard, we find ourselves now summoned to determine, I may say, for all the world whether that standard shall be maintained or whether we shall abandon it and allow the economic craft to struggle without chart or rudder.

I remember very well the years of the heated controversy over the gold standard. In those times we were constantly being assured that our country was the victim of the gold standard because we were a debtor nation and others controlled the world's gold. We were told that the tendency was for gold constantly to increase in value, compelling the debtor always to pay in a dearer money than that in which he had borrowed.

It was not always easy to answer, for effective answer required the consideration of economic fundamentals concerning production, exchange, and consumption. But in 1896, after a campaign of education in these fundamentals, the verdict was in favor of maintaining a gold standard. I am very sure that if to-day the verdict had to be sought again on those issues the gold standard would win again by a far greater majority.

In the quarter century since 1896 we have seen that this standard does not mean the economic enslavement of a debtor country; rather, it means the assurance of equal opportunity to develop resources and the chance to transform the debtor community into a creditor state. In 1896 we were the greatest borrowing community in the world; in 1922 we find ourselves the greatest lending community, the mainstay and reliance of business, of bankers, of nations, of civilization itself, in the effort to weather the greatest storm that ever burst over mankind.

If the gold standard meant so much of opportunity to us as the great debtor State, how much more must its maintenance mean to us, now that we have become the great creditor Nation. Every argument that could be made in 1896, with however much plausibility, against maintaining the gold standard, now applies with a thousandfold more force in favor of rigidly adhering to it.

We know how absolutely necessary is a uniform monetary standard throughout the world. We know that without it our problems of exchange and of international commerce can not be solved. We realize that the debts which are owing to us, the balances which must be paid to us or by us, must somehow be adjusted to a single, common, universal standard; and that, as these obligations have all been thus far related to or measured by gold, we can not safely depart now from that standard.

Yet with our own interest absolutely bound up in the maintenance of this system we find that our very wealth and good fortune are fast becoming a menace to this system. The security of the gold standard depends on the maintenance of a free gold market, on the comparatively unrestricted flow of gold. If the movements of commodities shall too long continue in a particular direction they must inevitably create a vacuum which can only be filled by a movement in the opposite direction.

In the last eight years the movement of commodities has been away from our shores and the movement of gold has been toward us. The result is, as has been pointed out with possibly tiresome iteration, that our side of the world tends to gather to itself more than it needs of the gold, while the other side, burdened with debts, finds its store of gold constantly reduced and its powers to maintain a gold standard correspondingly weakened. The gold standard can not be maintained by piling up all the gold in one place.

Yet there is every sign that the movement of gold to us will have to continue, unless there shall be some settlement of international debts and such adjustments in governmental finances, international fiscal relations, and the producing and consuming opportunities of the nations as will restore something like equilibrium. At the basis of the trouble we find the huge domestic and international debts of the world—the fundamental disturbance that is destroying trade and commerce and our own industrial prosperity.

Domestic debts impose enormous burdens of taxation, while the international debts interpose well-nigh insurmountable obstacles to the adjustment of exchange relations. With financial exchange in this chaos, commercial transactions are rendered well-nigh impossible, because they tend to become mere speculation in exchange fluctuations.

There must be, first, some determination of policy toward the international debts, and, second, an adjustment of government budgets that will give confidence in the power of States to pay the debts and maintain the gold basis of money.

I do not believe it is possible at this time to reach a final settlement of all the international obligations. But there is absolute necessity that some general policy shall be agreed upon among the nations with reference to these obligations. A beginning must be made, an understanding reached, for balancing budgets and adjusting international debts, so that there may be a start toward international liquidation and stabilization. In the final analysis, we shall see plainly that the preservation of the gold standard depends on bringing all these obligations into a relationship with gold and then placing money on a gold basis and setting out toward ultimate payment in gold.

This is absolutely necessary, lest the stream of gold shall continue to flow toward American shores, until other nations find it impossible to go farther with the pretense of maintaining a gold monetary standard.

I recall, at one critical epoch during the war, reading a letter from London which said—this being a considerable time before America's entry into the war—that unless American financiers should extend credit to the allied nations, then the allies would buy from us, pay in gold, send us their last resources of the yellow metal, and then abandon the gold standard—leaving us with the gold, but depriving it of its monetary value.

I recall the shiver with which I contemplated the consequence of such a policy. We would be left with a vast stock of gold, which, repudiated by other nations, would become well-nigh valueless to us.

Fortunately that crisis was not precipitated. But conditions now, despite that peace has been restored, confront us with a grave danger that this same crisis may be brought before us again. We can not go on indefinitely compelling our creditors to settle with gold, which, once it reaches us, flows inevitably into vaults and there remains, comparatively useless to business either at home or abroad.

There must be adjustments among the nations that will enable them to reckon with confidence upon their financial futures. It is not necessary, as I view it, that Europe shall forthwith begin to pay interest upon its obligations to us. Indeed, to-day that would mean that Europe must drain itself of its remaining gold and break down the gold standard. The only alternative would be for Europe to furnish us with goods, which we could only accept at the price of substituting them for goods produced by our own industries. In either case our last state would be worse than our first.

The most that can be undertaken at this time—and it must be undertaken soon if we are to avoid disaster—is to reach a workable understanding and settlement as to the future of the international debts due us and existing between other countries, and along with this there must be a serious effort to balance budgets and bring costs of government within the capacities of the nations to pay.

It has been proposed that a conference of the various national financial establishments be held to devise measures to restore and maintain the gold standard. In every such discussion it must be kept in mind that the permanency of the gold standard depends fundamentally upon some adjustment or settlement, not cancellation, of all international debts, in terms of gold, so that they can be paid by the contracting parties without sorely impoverishing the people through unbearable burdens of taxes. It is well to remember that the economic possibilities of reconstruction must be measured in units of human energy, and an overload or a lack of such units means default and disaster. In every such effort our country must obviously take a part, for we are not only the leading creditor nation but we have become custodian of the greater share of the world's gold.

Nothing short of complete frankness, understanding, confidence, can serve the purposes of such an international adjustment. There must be perfect candor about policies and programs; complete understanding as to the end sought. There must be a recognition of the fact that the alternative, if we fail to stabilize the old order, is bound to be a cataclysm. In that cataclysm the present social and economic system of the world will face the tremendous question of whether, incapable of protecting itself against its own weakness, it deserves to survive.

Always a firm advocate of the gold standard, I have never been so convinced as I am now of its absolute necessity. We must maintain it and we must bear our part in making the rest of the world maintain it, or else we must be prepared to deal with new standards in the whole field of international intercourse. No man can guess what those standards might be. But, just as faith, honor, and square dealings constitute the only standard to which human conduct can ever be universally related, so in the present state of society one feels that the gold standard of money is the only one to which we can hope to relate the money systems of the world.

I speak of these things with great earnestness, because lately there have been evidences of a revival, in unexpected places, or sentiment altogether too hospitable toward the old fallacies of cheap and unsound money. Sometimes they have been dressed up in attractive disguises. Some of them, indeed, have been so thoroughly camouflaged that it is hard to recognize them as merely the refurbished and modernized doctrines of "Coin" Harvey, Gen. James B. Weaver, and "Brick" Pomeroy.

But on examination they will be found just that; and we will be wise to stamp them out now, with the inexorable logic of truth and experience. Our country must stand for the policies that are sound and lasting. Others may be tempted into dangerous experiments. We have seen the disastrous consequences of some of these, and we must hold firm for the things we know to be deserving of our confidence.

By such unswerving adherence we will strengthen the faith of others more sorely tempted than ourselves. If we stand firm, we will make a great contribution to the rehabilitation of the world and to the establishment of the new order of things. And I believe we will do this. I believe we will, by wisdom and caution, add much to the contribution we have already made for the salvation of civilized institutions.

QUESTION OF PERSONAL PRIVILEGE—QUORUM CALLS.

Mr. EDGE. Mr. President, I rise to a question of personal privilege.

I understand that a new rule has been inaugurated to the effect that Senators arriving in the Chamber in response to a quorum call after the roll call has been concluded and a quorum of Senators have answered to their names are not permitted to be included as having been present. The Senators who are located in the far corner of the Senate Office Building, among whom I happen to be, find it absolutely impossible 50 per cent of the time at least to reach the Senate Chamber before the conclusion of such a call when a quorum is ascertained to be present. Even though they leave their offices on the sounding of the bell, being obliged to make use of various elevator services and the subway trolley, unless they happen to catch a car at the moment they arrive and an elevator as well, they find it practically impossible to reach the Chamber. This morning, although I left my office immediately when the bell rang and reached the Chamber as expeditiously as possible, the roll call had been completed, an I was unable to respond to my name. I find that one or two other Senators are in precisely the same position as am I. If the rule to which I refer is to be invoked it will mean, of course, that the RECORD will show that we were not present on the quorum call.

In these days there is so much adverse criticism of absenteeism and failure to obtain quorums in the Senate that it seems to me there should be some liberality in the application of the rule. Of course, when a second roll call is ordered it is quite possible for a Senator to get on the roll, but when a quorum is secured on the first call, as I have stated, 50 per cent of the time it is impossible for Senators situated as I am to be recorded as present.

BITUMINOUS COAL PRODUCTION.

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent to submit the resolution which I send to the desk, and I ask for immediate action on it. The resolution ought not to provoke debate, for it merely asks for information upon a subject of great interest to the American people at the present time.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution referred to by the Senator from Massachusetts?

Mr. WADSWORTH. May we have the resolution reported for the information of the Senate, Mr. President?

The PRESIDENT pro tempore. The Secretary will read the resolution for the information of the Senate.

The Reading Clerk read the resolution (S. Res. 298), as follows:

Whereas it has been reported that as a result of the strike of the bituminous coal miners the consumption of bituminous coal is exceeding the production and that the available surface reserve is being rapidly exhausted; and

Whereas an adequate supply of bituminous coal at reasonable prices is vital to the domestic and industrial welfare of the Nation; and

Whereas it is of utmost importance that the consuming public possess all information possible relating to the present and probable supply and prices of bituminous coal; and

Whereas it has been represented that the Secretary of Commerce has been negotiating with certain coal operators for a voluntary agreement to fix prices during the pending emergency: Therefore be it

Resolved, That the Secretary of Commerce be, and he hereby is, directed to obtain and to report to the Senate, if not incompatible with the public interests, as expeditiously as possible all available facts relating to—

(1) The present supply of mined bituminous coal;
(2) The average weekly production and consumption of such coal since April 1, 1922;
(3) The amount of bituminous coal estimated to be necessary for all uses in the United States until May 1, 1923;
(4) The effect of such strike upon present coal prices and the probable effect upon such prices if a settlement of that strike is not reached before September 1, 1922;
(5) What action, if any, has been taken by the United States through its governmental agencies to terminate the strike; and
(6) What action, if any, has been taken by the United States to protect the consumers of coal from paying exorbitant prices by reason of curtailment of production.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. FRELINGHUYSEN. Mr. President, I do not intend to object to the consideration of the resolution, but I simply wish to refer to the fact that there has been upon the calendar since May 16, 1921, Order of Business 54, being Senate bill 1807, to aid in stabilizing the coal industry. That bill simply calls upon the Secretary of Commerce to procure the very facts which are asked for in the resolution now submitted by the Senator from Massachusetts. If Senators had not three different times objected to the consideration of that bill, possibly by this time it would have been passed and the Senate would have been in possession of the very valuable information which is so necessary to enable the Senate to determine what policy they shall pursue in regard to the coal strike.

I hope before Congress shall finally adjourn that Senators will change their attitude respecting the measure to which I refer and will give the power to the Secretary of Commerce to enable him to procure and report to Congress the true facts concerning the coal industry.

The resolution was considered by unanimous consent and agreed to.

AFFAIRS IN SANTO DOMINGO.

Mr. POMERENE. Mr. President, I received on yesterday a letter from a prominent American residing in the Dominican Republic inclosing an extract from an address delivered by the Governor of La Vega Province at the opening of the central highway from the capital to the north of the island, and also a translation of an editorial which appeared in Pluma y Espada, a paper published in the island. These two extracts will give the viewpoint of some gentlemen in the island who are not disposed to find fault with everything the American occupation is doing. I commend them to the attention of a few Americans who are disposed to befoul the American name and occupation in that island. I ask that, without reading, these two extracts may be inserted in the CONGRESSIONAL RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

[Translation of a paragraph of the address of the Governor of La Vega Province at the opening of the central highway from the capital to the north.]

You are the representative of the most democratic and most powerful Nation in the world, and you are also chief of the small Dominican State; in your first position, with a true sense of that American grandeur, you can well afford to be benevolent toward those influenced by love of their flag; in your second position as chief of the central government you can well carry out works of moral and political benefit, and this to you would be easy, dealing personally with a naturally calm Dominican people, and by common accord a solution will be found for this important national problem; with the assurance that if you do this the pages of Dominican history that record the acts of your administration will also class you as a member of the family of human benefactors—Jesus Christ, Lee, Jefferson Davis, Lincoln.

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[Editorial from Pluma y Espada, Velasquez Party organ.]

The point of attack for the "patriots" these days is the Duarte Highway—that the work is no good; that there has not been spent on this work what they said has been spent; that the road will soon be impassable from the fact that it has been so badly constructed; and a whole lot of other things which the "dogs in the manger" are shouting about. Perhaps there is something in the fact of the money invested on the work, but with all the evils of the "carretera" it is undoubtedly a great benefit to the country. Would to God that all the money which the government of occupation spends could be spent on "carreteras." The Carretera Duarte has in reality cost many millions. But we can not complain when we compare that sum with the millions thrown away by native governments on useless works. How much have the Dominicans spent in arsenals, in generals under orders, in revolutionary expenses? How were the loans invested made under the government of Lilis? What was done with the money received in the concessions to Haiti of grand parcels of Dominican land? All these operations and others just as shameful have left a blot on our history upon which we can only look with shame. These loans were only used to buy men, to corrupt men, and to throw our nation's honor in the mud. If all the millions spent by the Dominicans in shameless works had been spent on something like the Carretera Duarte, we would have obtained advantages which result from works of that magnitude. We have nothing to complain of. All the evils from which we are suffering we have bought at an enormous price. If Lilis had not been permitted to negotiate the loans the country would not have had to celebrate later on a convention with the Government of the United States, which convention was the first thing that compromised our independence. But in the madness of the orgies of that time nothing was thought of except filling the pockets, and with no thought for the future of the Republic. And in the course of years we all suffer, particularly those whose hands are clean of those crimes against the country, from the terrible consequences of all those economical disorders. With all that has been said, we do not pretend to justify the fact that $5,000,000 has been spent on the Carretera Duarte, it appearing to us that with that amount of money and better administration the work could have been finished better. What we do wish to say, assuming all responsibility, is that for all the evils from which we are suffering we have no one to blame but ourselves. In the management of funds of the nation we have almost always been unscrupulous, not to say bandits, and, of course, we are all now suffering from this. Consequently, I repeat, that it is to be hoped that the government which succeeds the occupation will be composed of honest men, never of those dishonest ones who have placed us where we are now, which leads us to sometimes think that the only method of solution would be suicide.

ADDRESS OF HON. W. G. M'ADOO.

Mr. SIMMONS. Mr. President, on the 24th day of May Hon. W. G. McAdoo delivered at Hutchinson, Kans., a very illuminating address dealing with economic and financial questions, and to some extent with political conditions. I have read it carefully, and I think it is entitled to a place in the RECORD. I ask, without reading, unanimous consent for its insertion in the RECORD in the regular RECORD type.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type, as follows:

SPEECH DELIVERED BY W. G. M'ADOO BEFORE THE KANSAS STATE DEMOCRATIC CONVENTION AT HUTCHINSON, KANS., MAY 24, 1922.

The question which most immediately concerns the American people is prosperity. The business man is weary of restricted trade and high taxes. The farmer is worn to a frazzle by heavy losses inflicted upon him through the merciless processes of so-called deflation or "normalcy." Labor is tired of unemployment and would like something else to do than hunting for a job or fighting wage reductions. The vast army of men and women of moderate salaries or small means who are dependent on good business for the opportunity to work are anxious for better times and sufficient pay to meet the cost of living. Everybody is tired of excessive railroad rates, of bad government, and, above all, of bad politics. The recent days of Democratic prosperity shine happily by contrast with these unhappy days of Republican "normalcy." How to regain prosperity persistently demands an answer. Among the most important essentials to its restoration are not alone the preservation but the increase of our foreign trade; and along with that, reduction of taxation, a more equitable distribution of the tax burden, and a tariff law that will not destroy our foreign markets.

Under our system of Government it is difficult to accomplish these ends except through political action. We are in the habit of relying in large part on political action for solution of economic problems and, so long as this continues, wise and well-administered government becomes more and more necessary to the life and prosperity of the people. Therefore, unless we are prepared to accept the evil consequences of the economic mistakes and absurdities that may follow upon the election of the wrong party or the advice of unwise leaders we should not vote blindly on political issues. We should study and understand them. When we apply the same brains to voting on political issues that we do to our business affairs we shall have better government and more prosperity.

An instance of what I mean by solving economic problems through political action is the Federal reserve system. For generations we had suffered financial panics and colossal losses because of a financial system which was both unsound and insufficient for the needs of the Nation. It could be remedied only through political action. The Republican Party, despite its claim that it alone possessed the "best minds" of the Nation, had proven itself during 50 years of power wholly incompetent to solve this problem, and was consistent in its solid opposition to this great reform. But the bill was passed and the Federal reserve system was established under a Democratic administration. The great economic problem involved in our financial system was thus solved through political action.

Why is the preservation and expansion of our foreign trade necessary to our prosperity? Because we produce, under normal conditions, more than we can consume. If this surplus is forced upon our home markets, when they are incapable of absorbing it, our producers are forced to accept ruinous prices, which affect not alone the surplus but the entire product. If the surplus can be marketed abroad at remunerative prices the value of the entire product is favorably affected and losses are turned into profits. Foreign markets are therefore of first importance to our farmers, our workingmen, and our producers generally. How are we to preserve and expand our foreign makets? Primarily through political action. If the political action of our Government is such as to close or restrict these markets business depressions are inevitable, with all of their attendant evils of unemployment, stagnation, and general distress.

Republican leaders at Washington seem to be obsessed with the idea that it is to our advantage to isolate ourselves from Europe politically and economically. They have not only refused to cooperate with other nations in establishing peace and order in Europe, but they are now engaged in passing a tariff law which will render still more difficult, if not impossible, the maintenance of our foreign trade.

From the materialistic point of view, and without dismissing the idealistic, which is of great importance, we are deeply concerned in the peace and stability of Europe and the preservation of those great markets for our surplus products. Europe has always been our best customer. Oriental and Latin-American trade, important as they are, do not compare with our interests in Europe. Not alone is European trade larger and more profitable to us than any other trade but European nations owe the United States about $12,000,000,000, which it is very much to our interest to collect some day. By cooperating, therefore, to the extent of our power in the maintenance of peace and the restoration of stable and prosperous conditions in Europe, we help ourselves in every direction.

The Democratic Party presented a plan for the preservation of European peace, the reestablishment of order, and the reduction of the vast land and naval armaments which are crushing the life out of peoples everywhere. This was embodied in the League of Nations. It would, in my judgment, have been successful had it been adopted. But the Republican Party defeated it and promised the American people, in lieu of that, some sort of organization of nations which would accomplish the same result. They have failed to organize such an association and have done nothing to preserve the peace of Europe or to lift the grinding burden of taxation through a reduction of military armaments. The only step they have taken is to make an alliance with Great Britain, France, and Japan which provides that "if any other power should threaten, by aggressive action, the rights of any of the four nations involved, they will confer with each other for the purpose of determining on the most efficient measures to be taken, jointly or separately" to meet the situation. This is the kind of an alliance which usually leads to war instead of peace, because, when any set of powers enters into such covenants they say, in effect, "We propose to maintain the policies outlined in this agreement against the rest of the world." This means that they must fight if those policies are challenged by other powers who may make a counteralliance against them or run away when the issue is presented.

But this is not its only vice. Under the exaggerated claims Republican leaders make for it, there is danger that the American people may be lulled into the belief that this is all that is required of America to preserve the peace of the world. As evidence of this, Senator LODGE, in a recent speech before the Republican members of the Massachusetts Legislature, claimed that this treaty has done more in "12 weeks for the world's peace than has been done anywhere else" in 24 years. This is, of course, a silly and preposterous claim. Was not the successful ending in 1918 of the goriest war in all history a greater immediate achievement for peace than the four-power Pacific pact of which Senator LODGE boasts? A Democratic administration did that. And could the four-power pact have been made if the war had not first been ended and if Woodrow Wilson's work at Paris had not laid the foundation for the Washington conference? It is the last Democratic administration that did more for world peace in the two years of 1918 and 1919 than had ever been done before by human effort. It is the Republican administration that has not contributed materially to world peace; it has merely postponed the realization of that boon until 1925.

The chief virtue of the four-power pact is the extent to which it may lead the administration into a genuine effort to cooperate with the rest of the world to secure peace. At best the four-power pact is a feeble step in that direction. Senator LODGE admits this in the speech to which I have referred, when he says: "The only obligation we assume is that of consultation, and when the consultation has been held, each nation that was in it is as free to do what she thinks right as she was when she entered the doors."

How can a mere agreement to hold a consultation be reasonably claimed as "more done in 12 weeks for the world's peace than has been done anywhere else in 24 years"? The disagreeable fact is that the four-power pact is no guaranty of the peaceful settlement of international disputes, even between the four powers involved, and that the United States surrenders its freedom of action in other important ways to such an extent that the advantages of consultation may be outweighed. Had the four-power pact provided for arbitration of disputes between the signatories, a method of peaceful settlement might have been provided, but it specifically leaves the settlement to force if disagreement results from the consultation. The pact, as a peace preserver, was further seriously weakened by the rejection of Senator ROBINSON'S really constructive amendment, which provided that any outside power—such, for instance, as Russia and Germany—which became engaged in a controversy between any one or more of the signatories, should be invited to the conference.

The four-power pact is an alliance. It is the very kind of entangling alliance that Washington reprehended; the very kind of an alliance which, throughout all human history, has been the fruitful cause of wars between nations. It is the very kind of an alliance which America thought she had made forever impossible when we defeated Germany and her allies during the World War. That it is such an alliance is conclusively shown by the fact that it binds the United States to act with a limited group of powers from which other powers interested in the same subject matter are excluded. For instance, it excludes Russia and Germany, each of which has important interests in the Pacific. This alliance has already provoked the inevitable counteralliance, that recently consummated at Genoa between Germany and Russia. That these powers will challenge our alliance when their national interests demand it is beyond reasonable doubt. What else could we expect Germany and Russia to do but come together when our policy and that of the other nations of the world have forced them into a position where, for mutual protection, no other course was open to them? Self-preservation among nations, as among individuals, is the first law of nature.

The peace of the world and restoration of order are of transcendent importance. To say that war can not be destroyed is to say that civilization can not be saved. War can be destroyed if the nations of the world, in good faith, organize to destroy it. The United States can take the lead and do this noble thing for mankind. The League of Nations having been defeated, the responsibility rests upon the Republican Party of providing some other effective means of securing the great boon of peace. Republican leadership is confronted with the alternative of standing on the ineffectual four-power pact and doing nothing more to preserve the peace of the world or of calling, in good faith, a meeting of the nations for the purpose of organizing some association or society of nations for the preservation of world peace. Our security as well as the restoration of the stable economic conditions which make for permanent prosperity depend upon the wisdom with which the administration meets this situation.

When we contemplate the flabby and timid diplomacy of the administration we wish for the inspiring days of "shirt-sleeve diplomacy," which made America distinctive and respected everywhere. "Shirt-sleeve diplomacy" meant that we were not afraid to take our place in the councils of the world, to define and assert American opinion and American rights, to vigorously present America's case in the style of diplomacy which the rolled up shirt sleeve implies. Instead of this heartening picture, we now have the spectacle of our ambassadors and representatives slinking about the courts of Europe, using the back stairs of international assemblages, sitting in the galleries of world conferences, looking on, spying about, observing, but accepting no responsibility. The administration has abandoned "shirt-sleeve diplomacy" for "shirt-tail diplomacy," because our envoys now sit meekly on their shirt tails and take no manly part instead of representing America with the vigor and directness which distinguished our diplomacy in more honorable days. No wonder we have gained the contempt and distrust of all the world.

As the fit mate to the Republican policy of political isolation, Republican leaders are now trying to effect our economic isolation by jamming through the Senate the most iniquitous and indefensible tariff bill ever presented to the American people. With a reckless disregard of the great economic forces which should be permitted to operate, if our own prosperity is to be restored and preserved, these leaders have determined to destroy our foreign markets and to confine American trade and intercourse within the boundaries of the United States. Nothing will do this so effectively as the pending tariff bill. That the farmers, the laboring men, and all classes of our people will pay a heavy price for this stupid policy is certain. The farmer will find inadequate markets for his products, the workingman will find insufficient employment for his labor, business men will find trade restricted and profits reduced, and all of the people, the great consuming public, will find the cost of living increased, whereas the only beneficiaries of this extraordinary piece of economic ineptitude will be the greedy monopolists and selfish interests, which will be given the

power by this bill to collect taxes in disguised form from the American people for their private benefit. The power of taxation should never be exercised by the Government except for the benefit of the Public Treasury, but under this bill the Government transfers its right of taxation to selfish interests and monopolists. It is the frankly declared purpose of the Republican leaders, as stated in the debates in Congress, to prevent, as far as possible, any foreign trade, and to confine American commercial activities to the boundaries of the United States. This bill can not help the farmer, because it will narrow the market for his products with resulting loss in values; and even where he is able to break through the tariff barriers and sell his products in foreign markets, he must meet the competition of Argentina, Canada, Australia, and other agricultural countries against which he can have no protection, whereas on every article he uses he must pay the increased prices which this new tariff bill will certainly impose. The consuming public will be forced to submit to heavier exactions than ever before from greedy profiteers and tariff barons.

And here we may draw a fundamental distinction between the Republican Party and the Democratic Party. The Republican Party is the tool of special privilege—trusts and monopolies and big business. The Democratic Party is the foe of special privilege—the foe of the trusts and greedy monopolists who are forever seeking, through control of the Government, legislation that gives them an advantage over the rest of the people.

What a curious idea it is that we can produce prosperity by imposing higher taxes on everybody and making every necessary of life more costly. That is exactly what this tariff bill will do. It puts a tax on the mouth of every baby and every adult in the land, and in like manner it puts a tax upon the body of every citizen—man, woman, and child—who wears clothes or consumes commodities. The taxes are on consumption, and nothing escapes. These taxes are skillfully concealed in the prices of the commodities, and go not into the Public Treasury for the benfit of the people but into the capacious pockets of the entrenched interests. It is impossible for the consumer to know how much he is paying in the form of concealed taxes. It is a part of the game to prevent him from knowing how much tribute he is paying for the enrichment of some already overrich but conscienceless protected-tariff baron; and when these barons get new fortunes by this illegitimate use of government they are made stronger to buy elections, to put their tools in control of the Government, and to make new raids of rapacity on a hoodwinked people.

A worse time than now for passing a tariff bill, so far as the interests of the people are concerned, could not be selected. The uncertain economic state of the world, the rapid fluctuations in exchange, and the generally unsettled conditions everywhere, make the enactment of a tariff law a wild revel of guesswork, so far as the consumer is concerned. The imposition of excessive duties on our imports is designed to destroy our import trade. If we destroy our import trade we destroy our export trade except as to those things which Europe can not buy elsewhere. That will reduce our export trade to very small proportions, and it is our farmers who will suffer most, because in normal times approximately 50 per cent of all of our exports is represented by the products of agriculture. This will reduce the farmer's buying power, and when he can not buy business suffers, factories shut down, labor is thrown out of employment, and general depression seizes the country. When labor is thrown out of employment or forced to accept less than a living wage, its buying power, like that of the farmer, is reduced; and when the farmer and the laborer are unprosperous the country is unprosperous. We never have real prosperity except when the farmer is able to sell his products at a profit and labor is employed at good wages. The margin between prosperity and depression is represented by a profitable foreign trade. It has been well said that the margin between prosperity and depression is not more than 15 to 20 per cent. It is frequently the pressure of that 15 to 20 per cent of surplus products that brings prices below the cost of production, causing great losses, whereas the absorption of that surplus at good prices establishes the value of the whole and brings prosperity to the country.

I am not so dogmatic about the tariff that I would not be willing to admit that economic conditions might arise where reasonable protection to certain home products may be justined, but in all such cases the schedule in the bill should be written upon the findings of an impartial tariff commission and not by the beneficiary himself. The creation of a nonpartisan Tariff Commission composed of the ablest economists in the country was one of the achievements of the Wilson administration, and the purpose was to secure through the investigations of that commission accurate information upon which just and scientific tariff laws could from time to time be enacted. Nothing could be fairer to those seeking protection and to the great consuming public, which must foot the bill, than a well-functioning, impartial, and nonpartisan tariff commission. Public opinion must be educated to the necessity of having our tariff bills based upon the reports and findings of this Tariff Commission. It has been thrown into the scrap heap by the Republican majority and the tariff beneficiaries have been permitted to write their own bill.

This tariff bill contains a provision which is so revolutionary and extraordinary, so pregnant with evil, that it is a new menance to the integrity and purity of our form of government. It gives the President the power, solely in his discretion, to raise rates 50 per cent, to change classifications and to embargo importations into this country. That such a law is wholly unconstitutional, I have no doubt, but until the courts so declare it will be the law of the land. It may take years before the Supreme Court can pass on this question. Meanwhile we shall have a congressional election in 1922 and a presidential election in 1924.

I do not wish to be understood as doubting the President's integrity, because I do not; but such power in his hands or in any President's hands is unwise and dangerous. That power if used for partisan ends could control elections and determine the destiny of the Nation. It is a vastly greater power than that possessed by the Congress because, under the Constitution a majority of both houses and the approval of the President are required before a change of duties or classifications can be made or an embargo can be laid. But under this bill the President alone is granted these powers—powers greater and more despotic than any autocrat of modern times has ever possessed—except the late Czar of Russia, where corruption in government, from the dispensation of tariff benefits, was one of the gravest scandals and abuses of that unhappy régime.

No matter how well meaning and honest a President may be, he can be imposed upon by selfish and designing men in the exercise of the wide discretion the proposed bill gives him. Classifications are so technical that the difference between great bounties and no bounties hangs sometimes on a word, or a punctuation mark, or a skillful phrase, and it is the predatory and selfish beneficiary who knows where to put that word or to place that punctuation mark or to phrase the skillful sentence that will give him wealth and advantage. A President, unversed in these technicalities, or careless, or unalert, or swayed unconsciously by partisan influence, may easily be imposed upon to the grave injury of the people. This law if passed makes the President a czar. It subverts our Constitution and alters our form of government, because it transfers legislative powers to the executive. It is one of the most audacious and sinister proposals yet brought forward by the predatory interests and their subservient tools.

The possession of the proposed power and discretion by the President will keep business in a state of constant uncertainty and apprehension. None of those engaged in foreign trade will be able to enter into contracts with the assurance that they can be performed. The President can at any time place an embargo on imports, or he can raise duties, or he can change classifications to the grave injury of business. Through these powers the President can put into effect the discredited and despised and unsound American valuation plan which has aroused strong opposition among business men all over the country. These things will revolutionize business as well as our customs laws. A long line of court decisions which have come down through the century establishing the principles of customs law and appraisals and forming a definite basis for the interpretation of an infinite number of scientific and technical questions of the greatest importance to trade and industry will be thrown out of gear. Business will be thrown into a state of confusion for years while awaiting decisions of the courts and claims running into millions of dollars will have to be paid by the Treasury if the courts fail to sustain the law.

What a preposterous idea this tariff bill is! Its frankly declared purpose is to destroy or restrict our foreign trade. If we destroy it, or reduce it to small proportions, what possible use is there for an American merchant marine? There will be no ocean-going trade for it to carry, and yet our "best mind" Republican leaders are gravely proposing a ship subsidy bill which will take $40,000,000 or more each year out of the already over-raided pockets of the American people to keep the American flag on the high seas! Why spend this great sum to float our flag around on ships which have no commerce to carry. It would be far more sensible to keep the flag at home along with

our goods which the new tariff bill will prevent us from shipping than to waste $40,000,000 per annum of the taxpayers' money to float it at sea on empty bottoms.

Internal taxation, like the tariff bill, is another thing that seriously affects our prosperity. The Republican platform of 1920 promised that the tax laws put upon the statute books for both war and peace purposes would be quickly repealed and a beneficent tax law, that would make everybody happy, would be put in its place. The platform said:

> But sound policy equally demands the early accomplishment of that real reduction of the tax burden, which may be achieved by substituting simple for complex laws and procedure; prompt and certain determination of the tax liability for delay and uncertainty; tax laws which do not, for tax laws which do, excessively mulct the consumer or needlessly repress enterprise and thrift.

The Republican House and Senate has been in almost continuous session at Washington since March 4, 1921, and it was not until late in that year that the Congress, laboring like the proverbial mountain, brought forth one of the most diminutive of mice in the shape of what the Republicans themselves have admitted is a fizzle and a failure as a revenue measure. It did not reduce the tax burden. Everybody is still suffering because of it. It did not substitute "simple" for "complex" tax laws and procedure. It made them more complex and difficult. It did not provide prompt and certain determination of the tax liability for delay and uncertainty. It aggravated the delays and uncertainties. The Republican "best minds" did not give us tax laws as promised which do not excessively mulct the consumer or needlessly repress enterprise and thrift. They gave us tax laws that do.

The late Senator Penrose, chairman of the Finance Committee which reported the bill, characterized it as a "temporary measure, which does not place the tax system on a suitable or scientific basis." Senator SMOOT, Republican, said it would be "condemned by the American people." The newspapers of the country denounced it, almost without exception, as a poor piece of legislation. The New York Globe, a Republican organ, said, "It is not satisfactory, even to the men who voted for it." The Journal of Commerce, organ of business, said:

> The pity of the whole situation is that, instead of giving relief to the average man, as it was expected, no doubt, by politicians that the new plan would do, the bill as drafted will hurt him. * * * Altogether it will be a sorry day for the employed man who depends upon his labor when this bill takes effect. His soi-disant friends have stabbed him in a vital spot while pretending, and perhaps really thinking, that they were helping him.

And it is a temporary measure, so they tell us, and admittedly inadequate and full of faults. The Republicans were able, after seven months of effort, in times of perfect peace, and with all the "best minds" of which they boast, to pass only a temporary measure which gives no satisfaction whatever to anybody; they promise a permanent bill later.

One of the most iniquitous features of this tax measure is that it throws into the courts a great number of new questions which must be decided before the taxpayer can know what the law really means, and it imposes upon the Treasury Department a vast number of new and complex regulations which must also stand the fire of court contests, and involves the department in an infinite amount of new and tedious administrative work which adds to the uncertainties of business transactions and keeps the taxpayer in doubt for many years as to where he stands with respect to his tax liability. The same things will be repeated when the Republicans give us the permanent tax bill they have promised.

This tax bill does, however, reduce the taxes of one class; for instance, it reduces the maximum surtax rates on very large incomes from 65 per cent to 50 per cent. President Harding and the Republican House of Representatives favored reducing the taxes on these very large incomes from 65 per cent to 32 per cent, but the violent outcry from the country at this palpable favoritism to the plutocrats forced the Senate, temporarily and reluctantly, to put the tax at 50 per cent, thus reducing the surtaxes on large incomes 15 per cent, but leaving the surtaxes on small and moderate incomes without relief. Those unfortunate taxpayers whose incomes are only $1,000,000 to $50,000,000 per annum were presented with a reduction of 15 per cent. They had to have a wider margin for contributions to the Republican war chest. But taxpayers with small and moderate incomes received little or no reduction. The Republican doctrine is to give to those who have and take everything possible from those who have not.

The administration's foreign policy—noncooperation; its tariff bill, designed to destroy or make negligible our foreign trade and raise the cost of living; its internal-revenue tax bill, which lifted no burdens from the backs of the people and favored only the wealthy classes, who needed no relief, show clearly that the administration has no sympathy with the needs of the masses of the people and has no sound conception of the vast political and economic problems which face this Nation and the world. Those policies, if maintained, can not bring permanent prosperity to the American people. The heavy speculations in the New York stock market and the slight symptoms of improved business conditions in some trades and in some localities must not be accepted as the certain indications of settled conditions or of returning prosperity. We can not expect permanent prosperity until we have entered upon an enlightened policy of international cooperation with other nations to preserve the peace of the world; until we, by wise action, secure our share of foreign markets; and until we reduce taxes upon business and upon the masses of the American people to the point where their savings will not be appropriated by the Government but left in their hands for the development of enterprise and industry.

The Democratic policy seeks international cooperation to destroy war and to permanently secure peace throughout the world; to preserve and enlarge our foreign markets, so that the farmer and the laboring man and the great masses of our people may get the largest rewards for their thrift and industry; to reduce taxes and redistribute them so that the rich shall not be favored at the expense of the poor, but that the rich and the poor shall bear their just shares of the burdens of government in proportion to their ability to pay. The Democratic Party must stand firmly for these policies. It must continue to be the party of liberalism and of progress. It must continue to be the defender of the rights of the people against the assaults of special privilege. It must never cease to fight for social justice and for equal opportunity for all.

EXTENSION OF CHARTERS OF NATIONAL BANKS.

Mr. KING. I am advised that yesterday during my absence House bill 9527 was passed, extending the charters of national banks for 99 years. I had opposed that bill and regret very much that it was brought up in my absence. I wish to enter a motion to reconsider.

Mr. ROBINSON. I desire to inquire whether the Senator has ascertained that the bill is still in possession of the Senate, or has it gone to the House?

The PRESIDENT pro tempore. The Chair is informed that the bill has gone to the House.

Mr. ROBINSON. I suggest that the Senator accompany his motion to reconsider with a motion to request the House of Representatives to return the bill to the Senate.

Mr. KING. I thank the Senator. I move that the House be requested to return the bill to the Senate.

The PRESIDENT pro tempore. Without objection, it will be so ordered, and the motion to reconsider will be entered.

LETTER FROM DAVID LAWRENCE.

Mr. CARAWAY. Mr. President, I ask unanimous consent to insert in the RECORD a letter from a gentleman who says I was mistaken about a fact, and I want to do him the courtesy of putting it in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

520 EVENING STAR BUILDING,
Washington, D. C., June 2, 1922.

DEAR SENATOR CARAWAY: I noticed in the CONGRESSIONAL RECORD this morning an extended comment by you on a story I wrote on Wednesday, May 31, about the Daugherty case. You were under the impression that this story was inspired by the Attorney General himself. This is not so. I have not talked with the Attorney General in several weeks and have never discussed the Morse case with him.

I do not mind telling you that the source of the story was as stated in the article, namely, "friends of Mr. Daugherty," who, I have reason to believe, are familiar with his side of the question. Let me add also that there was no effort on the part of Mr. Daugherty's friends to draw these matters to my attention, but that, following my usual course in controversial matters, I voluntarily sought the views of those who would know the Daugherty side. So the story was not inspired in any sense, but it was the natural result of a reporter's effort to get at both sides of a moot question.

I thank you for your statement in the RECORD that you were confident I was trying to be fair in this matter.

Sincerely yours,

DAVID LAWRENCE.

Senator T. H. CARAWAY,
The Capitol, Washington, D. C.

VIEWS OF SENATOR CULBERSON.

Mr. KING. Mr. President, I ask unanimous consent to have printed in the RECORD in 8-point type a letter by the senior Senator from Texas [Mr. CULBERSON] to Major Fisher in respect to the Ku-Klux organization, and what, if any, legislation is required with respect to it; also, another letter, which has to do with the attitude of the Senator from Texas upon the Cummins-Esch bill. It is very brief.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., March 30, 1922.

Major H. V. FISHER,
Commercial Bank Building, Houston, Texas.

DEAR MAJOR: Your recent letter asking my position with reference to the order known as the Ku Klux Klan which is now in operation in our State was duly received and I answer at the earliest opportunity.

I have no affiliation directly or indirectly with this organization and I am unqualifiedly opposed to its operations. If not curbed, it will usurp the functions of the State and be destructive of government itself. It will indeed overthrow our Anglo-Saxon civilization in its relation to government.

Steps should be taken, therefore, at once to arrest its progress and finally to destroy it.

Appeal can not be made to the Federal Government for this purpose for it is without jurisdiction unless application is made by Texas to the United States in the manner provided by the Constitution for protection against domestic violence, and this is unthinkable.

Fortunately, however, the power of the State is ample, and if no law now exists adequate to the occasion the Legislature may be called in extra session to supply this deficiency.

Truly your friend,
C. A. CULBERSON.

—

UNITED STATES SENATE,
Washington, D. C., May 22, 1922.

Hon. ALLISON MAYFIELD, *Chairman,*
Hon. CLARENCE E. GILMORE, *Commissioner,*
Railroad Commission of Texas, Austin, Texas.

GENTLEMEN: Replying at the earliest opportunity to your recent letter regarding the Transportation Act of 1920, known as the Esch-Cummins law, I beg to say that, as you know, I voted against this legislation when it passed the Senate originally and will be very glad to support the bill to which you refer to repeal it in its entirety.

I was one of the early advocates of the establishment of a State railroad commission in Texas and have always vigorously defended the right of the State to control the rates on shipments which are wholly within its boundaries.

Very sincerely yours,
C. A. CULBERSON.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House disagreed to the amendments of the Senate to the bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCFADDEN, Mr. DALE, and Mr. WINGO were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and a joint resolution, in which it requested the concurrence of the Senate:

H. R. 7299. An act to incorporate the Women's Overseas Service League;

H. R. 10159. An act to further protect interstate and foreign commerce against bribery and other corrupt trade practices;

H. R. 10768. An act to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," approved February 13, 1913 (37 Stats., p. 670); and

H. J. Res. 337. Joint resolution granting consent of Congress and authority to the Port of New York Authority to execute the comprehensive plan approved by the States of New York and New Jersey by chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 53) to create a joint committee of the Senate and House of Representatives to determine what employment can be furnished Federal prisoners, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were subsequently signed by the Vice President:

S. 745. An act to amend section 24 and section 256 of the Judicial Code;

H. R. 241. An act to authorize the Secretary of War to grant a perpetual easement for railroad right of way and a right of way for a public highway over and upon a portion of the military reservation of Fort Sheridan, in the State of Illinois;

H. R. 10925. An act to authorize the Secretary of War to sell real property known as the Pittsburgh Storage Supply Depot, at Pittsburgh, Pa.;

H. R. 11408. An act granting the consent of Congress to the county of Winnebago and the town of Rockton, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River, in said town of Rockton; and

H. R. 11409. An act granting the consent of Congress to the city of Ottawa and the county of La Salle, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Fox River.

HOUSE BILLS AND JOINT RESOLUTION REFERRED.

The following bills and joint resolution were severally read twice by title and referred as indicated below:

H. R. 10159. An act to further protect interstate and foreign commerce against bribery and other corrupt trade practices; and

H. R. 10768. An act to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," approved February 13, 1913 (37 Stat. p. 670); to the Committee on Interstate Commerce.

H. R. 7299. An act to incorporate the Women's Overseas Service League; and

H. J. Res. 337. Joint resolution granting consent of Congress and authority to the Port of New York Authority to execute the comprehensive plan approved by the States of New York and New Jersey by chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922; to the Committee on the Judiciary.

EMPLOYMENT OF FEDERAL PRISONERS.

The concurrent resolution (H. Con. Res. 53) to create a joint committee of the Senate and House of Representatives to determine what employment can be furnished Federal prisoners, and for other purposes, was referred to the Committee on the Judiciary.

WAR DEPARTMENT APPROPRIATIONS.

The Senate, as in Committee of the Whole, proceeded to the consideration of the bill (H. R. 10871) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. WADSWORTH. I ask that the formal reading of the bill be dispensed with and that it be read for amendment, the amendments of the committee to be first considered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. WADSWORTH. Mr. President, as preliminary to the reading of the bill, I desire to present a comparative statement of the appropriations for the Army as recommended by the Budget, as contained in the bill as passed by the House, as reported to the Senate, and of last year's appropriation for similar purposes. I ask that it may be printed in the RECORD at this point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement referred to is as follows:

Amount of bill as passed House	$287,897,731.67
Amount added by Senate (net)	45,985,120.00
Amount of bill as reported to Senate	333,882,851.67
Amount of estimates for 1923 (includes $15,180,401 added in House for rivers and harbors and not officially estimated)	374,541,318.47
Amount of appropriations, 1922	386,824,212.41
The bill as reported to the Senate is—	
Under the estimates for 1923	40,658,466.80
Under the appropriations for 1922	52,941,360.74

The President pro tempore. The Secretary will proceed to read the bill.

The reading clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, on page 1, line 6, after the figures "1923," to insert "and for other purposes," so as to make the first clause of the bill read:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923, and for other purposes.

The amendment was agreed to.

The next amendment was, under the head "Title I—Military activities and other expenses of the War Department incident thereto, Office of Secretary of War," on page 2, line 20, after the word "each," to strike out "7" and to insert "6"; in line 21, before the word "assistant," to strike out "5" and to insert "4"; and in page 3, line 2, after the words "in all," to strike out "$208,640" and to insert "$207,080," so as to make the paragraph read:

Salaries: Secretary of War, $12,000; Assistant Secretary, $10,000; Assistant and Chief Clerk, who shall sign such official papers and documents as the Secretary may direct, $4,000; private secretary to the Secretary, $2,500; clerk to the Secretary, $2,000; stenographer to the Secretary, $2,000; clerk to the Assistant Secretary, $2,400; assistant chief clerk, $2,400; disbursing clerk, $2,750; principal clerks—1 $2,500, 1 $2,250, 1 $2,000; chiefs of divisions—2 at $2,500 each, 2 at $2,200 each, 1 $2,000; deputy disbursing clerk, $2,000; chief telegrapher, $1,800; clerks—10 of class 4, 10 of class 3, 2 at $1,500 each, 19 of class 2, 2 at $1,300 each, 27 of class 1, 1 $1,100, 5 at $1,000 each; foreman, $1,400; carpenter, $1,200; engineer, $1,200; assistant engineer, $720; skilled laborer, $1,080; chief messenger, $1,000; messengers—2 at $1,000 each, 6 at $840 each; 4 assistant messengers at $720 each; telephone supervisor, $1,020; 13 telephone switchboard operators at $840 each; 5 laborers at $660 each; chauffeurs—1 $1,000, 2 at $840 each; skilled laborer, $900; 6 watchmen at $720 each; messenger boy, $480; charwoman, $240; in all, $207,080.

The amendment was agreed to.

The next amendment was, under the subhead "Contingencies of the Army," on page 4, line 19, before the word "authority," to strike out "and" and insert "or," so as to read:

For all contingent expenses of the Army not otherwise provided for and embracing all branches of the military service, including the office of the Chief of Staff; for all emergencies and extraordinary expenses, including the employment of translators and exclusive of all other personal services in the War Department or any of its subordinate bureaus or offices at Washington, D. C., or in the Army at large, but impossible to be anticipated or classified; to be expended on the approval or authority of the Secretary of War, and for such purposes as he may deem proper, including the payment of a per diem allowance not to exceed $4, in lieu of subsistence, to employees of the War Department traveling on official business outside of the District of Columbia and away from their designated posts, $95,000.

The amendment was agreed to.

The next amendment was, under the subhead "General Staff Corps. Contingencies, Military Intelligence Division," on page 6, line 15, after the word "information," to strike out "$100,000" and to insert "$225,000," so as to read:

For contingent expenses of the Military Intelligence Division, General Staff Corps, including the purchase of law books, professional books of reference; subscriptions to newspapers and periodicals; drafting, clerical, and messenger services in the Military Intelligence Division in Washington, D. C.; and of the military attachés at the United States embassies and legations abroad and rental of offices for such military attachés; the cost of special instruction at home and abroad, and in maintenance of students and attachés; for the hire of interpreters, special agents, and guides, and for such other purposes as the Secretary of War may deem proper, including $10,000 for the actual and necessary expenses of officers of the Army on duty abroad for the purpose of observing operations of armies of foreign States at war, to be paid upon certificates of the Secretary of War that the expenditures were necessary for obtaining military information, $225,000; to be expended under the direction of the Secretary of War.

The amendment was agreed to.

The next amendment was, on page 6, line 23, before the words "at $1,400 each," to strike out "18" and to insert "20"; in the same line, before the words "at $1,200 each," to strike out "20" and to insert "21"; in line 25, before the words "at $840 each," to strike out "3" and to insert "2"; in the same line, before the words "at $720 each," to strike out "9" and to insert "6"; and in line 26, after the words "in all," to strike out "$119,470" and to insert "$120,470," so as to make the paragraph read:

Clerks, messengers, and laborers, office of the Chief of Staff: Chief clerk, $2,500; clerks—1 $2,250, 4 at $2,000 each, 6 at $1,800 each, 10 at $1,600 each, 20 at $1,400 each, 21 at $1,200 each, 20 at $1,000 each; chief messenger, $1,000; messengers—2 at $840 each, 6 at $720 each; laborer, $720; in all, $120,470.

Mr. NORRIS. Mr. President, I should like the attention of the Senator from New York for a moment. I am not disposed to make objection to any of the amendments now being considered, but it has occurred to me that later on in the consideration of the bill there will be amendments which will be debated with a view to changing them. For instance, I have in mind the provisions in regard to the size of the Army. It has occurred to me that possibly the number of clerks might depend to some extent upon the size of the Army. Can we have an understanding that when we come to the consideration of the question of the size of the Army, if the committee amendment is rejected or modified, and it becomes necessary to modify any of the other amendments, there will be no objection to their reconsideration?

Mr. WADSWORTH. There will be no objection to their reconsideration. I may say to the Senate, however, that I think I can say with absolute accuracy that the number of clerks and messengers has been so severely slashed that proportionately they are far below the number which would ordinarily have been employed for an Army of 150,000 men or even for an Army of 133,000 men, which this bill provides for.

Mr. NORRIS. From the slight examination I have been able to make of the bill I think the Senator is absolutely right in that respect; but some Senators who expect to take an active part in the debate on the question of the size of the Army are not in the Chamber at the present time, and I assume, of course, that if there should be any change in the provisions respecting the size of the Army the Senator from New York would not object to reconsidering such amendments as it may be necessary to reconsider.

The PRESIDENT pro tempore. The question is on agreeing to the amendment last stated.

The amendment was agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was, under the subhead, "General service schools, Fort Leavenworth, Kans.," on page 8, line 17, before the word "services," to strike out "or special," and to insert "special and clerical," so as to make the paragraph read:

For the purchase of textbooks, books of reference, scientific and professional papers, instruments, and material for instruction; employment of temporary, technical, special and clerical services, including the services of one translator at the rate of $150 per month; and for other necessary expenses of instruction, at the School of the Line and the General Staff School, Fort Leavenworth, Kans., $35,000.

The amendment was agreed to.

The next amendment was, under the subhead "Military post exchanges," on page 9, line 8, after the word "established," to strike out "$75,000," and to insert "$200,000," so as to read:

For continuing the construction, equipment, and maintenance of suitable buildings at military posts and stations, for the conduct of the post exchange, school, library, reading, lunch, amusement rooms; for the conduct and maintenance of hostess houses, chapels, and gymnasiums, including repairs to buildings erected at private cost, in the operation of the act approved May 31, 1902; for the rental of films, purchase of slides, supplies for and making repairs to moving-picture outfits, and for similar and other recreational purposes at training and mobilization camps now established, or which may be hereafter established, $200,000.

The amendment was agreed to.

The next amendment was, on page 9, line 9, after the word "exceed," to strike out "$15,000" and to insert "$60,000," and in line 11, after the word "exceed," to strike out "$35,000" and to insert "$90,000," so as to make the proviso read:

Provided, That not to exceed $60,000 from this appropriation may be expended for the conduct and maintenance of libraries and not to exceed $90,000 may be expended for the conduct and maintenance of hostess houses.

The amendment was agreed to.

The next amendment was, under the subhead "Quartermaster supplies, equipment, etc., Reserve Officers' Training Corps," on page 10, at the end of line 24, to strike out "$2,750,000" and to insert "$3,600,000," so as to read:

For the procurement and issue, under such regulations as may be prescribed by the Secretary of War, to institutions at which one or more units of the Reserve Officers' Training Corps are maintained, of such public animals, means of transportation, supplies, tentage, equipment, and uniforms as he may deem necessary, and to forage at the expense of the United States public animals so issued, and to pay commutation in lieu of uniforms at a rate to be fixed annually by the Secretary of War; for transporting said animals and other authorized supplies and equipment from place of issue to the several institutions and training camps and return of same to place of issue when necessary; for the establishment and maintenance of camps for the further practical instruction of the members of the Reserve Officers' Training Corps, and for transporting members of such corps to and from such camps, and to subsist them while traveling to and from such camps and while remaining therein so far as appropriations will permit; or in lieu of transporting them to and from such camps and subsisting them while en route, to pay them travel allowance at the rate of 5 cents per mile for the distance by the shortest usually traveled route from the places from which they are authorized to proceed to the camp and for the return travel thereto, and to pay the return travel pay in advance of the actual performance of the travel; for pay for students attending advanced camps at the rate prescribed for soldiers of the seventh grade of the Regular Army; for the payment of commutation of subsistence to members of the senior division of the Reserve Officers' Training Corps, at a rate not exceeding the cost of the garrison ration prescribed for the Army, as authorized in the act approved June 3, 1916, as amended by the act approved June 4, 1920, $3,600,000, to remain available until December 31, 1923.

The amendment was agreed to.

The next amendment was, under the subhead "Military supplies and equipment for schools and colleges," on page 12, at the end of line 12, to strike out "$804" and to insert "$500," so as to read:

For the procurement and issue as provided in section 55–c of the act approved June 4, 1920, and in section 1225, Revised Statutes, as amended, under such regulations as may be prescribed by the Secretary of War, to schools and colleges, other than those provided for in section 40 of the act above referred to, of such arms, tentage, and equipment, including the transporting of same, and the overhauling and repair of personal equipments, machine-gun outfits, and horse equipments, as the Secretary of War shall deem necessay for proper military training in said schools and colleges, $500.

The amendment was agreed to.

The next amendment was, under the subhead "Civilian military training camps," on page 12, line 24, after the words "section 47–d" to insert "; for such expenditures as are authorized by said section 47–d as may be necessary for the establishment and maintenance of said camps," so as to read:

For furnishing, at the expense of the United States, to warrant officers, enlisted men, and civilians attending training camps maintained under the provisions of section 47–d of the national defense act of June 3, 1916, as amended by the act of June 4, 1920, uniforms, including altering, fitting, washing, and cleaning when necessary, subsistence, and transportation, or in lieu of such transportation and of subsistence for travel to and from camps, travel allowances at 5 cents per mile, as prescribed in said section 47–d; for such expenditures as are authorized by said section 47–d as may be necessary for the establishment and maintenance of said camps, $1,800,000.

The amendment was agreed to.

The next amendment was, on page 13, line 2, after "$1,800,000," to insert: "and no other funds appropriated in this act shall be available for the purposes of this paragraph."

The amendment was agreed to.

The next amendment was, on page 13, line 5, after the word "over," to strike out "35" and to insert "27," and on line 6, after the word "age," to insert "except those who received training within the fiscal year 1922 and except veterans of the war with Germany, who may be accepted if not over 30 years of age," so as to make the proviso read:

Provided, That the funds herein appropriated shall not be used for the training of any person who is over 27 years of age except those who received training within the fiscal year 1922 and except veterans of the war with Germany who may be accepted if not over 30 years of age.

The amendment was agreed to.

The next amendment was, under the subhead "Adjutant General's Office," on page 14, line 5, before the word "messengers," to strike out "21" and to insert "18"; at the end of the same line, to strike out "43" and to insert "35"; and at the beginning of line 10, to strike out "$1,156,770" and to insert "$1,148,490," so as to make the paragraph read:

Salaries: Chief clerk, $2,750; assistant chief clerk, $2,400; 5 chiefs of divisions at $2,400 each; 12 principal clerks at $2,000 each; clerks—89 of class 4, 90 of class 3, 154 of class 2, 388 of class 1, 48 at $1,000 each; engineer, $1,400; firemen—one $1,000, one $720; skilled mechanic, $1,200; typewriter repairer, $1,100; 18 messengers at $840 each; 35 assistant messengers at $720 each; 4 watchmen at $720 each; 5 skilled laborers at $840 each; 20 laborers at $660 each; 11 messenger boys at $480 each; 11 charwomen at $240 each; in all, $1,148,490; all employees provided for by this paragraph for The Adjutant General's Office of the War Department shall be exclusively engaged on the work of this office for the fiscal year 1923.

The amendment was agreed to.

The next amendment was, on page 14, line 15, after the word "States," to insert "and the District of Columbia"; in line 17, after the word "States," to insert "and the District of Columbia"; and in line 20, after the word "Army," to strike out "$202,000" and to insert "$250,000"; so as to make the paragraph read:

For expenses incident to completion of the work of furnishing to adjutants general of States and the District of Columbia statements of service of all persons from those States and the District of Columbia who entered the military service during the war with Germany, including the employment of clerical and other help in the office of The Adjutant General of the Army, $250,000, to be immediately available.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Inspector General," on page 14, line 23, after the word "clerks," to strike out "one" and to insert "two"; in line 25, after the figures "$840," to strike out "assistant messenger, $720"; and at the end of line 26, to strike out "$18,560" and to insert "$19,640"; so as to make the paragraph read:

Salaries: Chief clerk, $2,000; clerks—2 of class 4, 2 of class 3, 3 of class 2, 4 of class 1, 1 $1,000; messenger, $840; in all, $19,640.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Judge Advocate General," on page 15, line 4, before the words "of class 2," to strike out "five" and to insert "seven"; in line 5, after the figures "$840," to strike out "three assistant messengers at $720 each" and to insert "assistant messenger, $720"; and at the end of line 7 to strike out "$53,060" and to insert "$54,420"; so as to make the paragraph read:

Salaries: Chief clerk and solicitor, $2,500; patent expert, $3,600; clerks—2 of class 4, 4 of class 3, 7 of class 2, 20 of class 1, 2 at $1,000 each; messenger, $840; assistant messenger, $720; 4 charwomen at $240 each; in all, $54,420.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 16 it is proposed to strike out lines 10 to 26, both inclusive——

Mr. NORRIS. Mr. President, I desire to ask the Senator from New York if he will not pass over that amendment for the present.

Mr. WADSWORTH. I am perfectly willing to do that, Mr. President. If we pass it over, it will involve passing over from page 15 to the bottom of page 21.

I desire to ask just exactly how much the Senator from Nebraska wants passed over. The items which follow the bottom of page 21 have to do with the size of the Army. The portion to which the Senator has called attention affects only the commissioned officers. The pay of the enlisted men commences on page 24.

Mr. NORRIS. I should like to have the Senator pass over temporarily everything that pertains to the size of the Army.

Mr. ROBINSON. Mr. President, before that is done I want to ask the Senator a question about the pending amendment for information. Is this amendment so worded as to conform to the new Army pay act?

Mr. WADSWORTH. It is.

Mr. ROBINSON. It conforms to it in every particular?

Mr. WADSWORTH. It does.

Mr. ROBINSON. That is all I desired to understand.

The PRESIDENT pro tempore. The amendment beginning on page 15, line 10, will be passed over.

Mr. WADSWORTH. Mr. President, if it is the desire of the Senator from Nebraska to pass over all amendments or portions of the bill which affect directly or indirectly the size of the Army, the commissioned and enlisted strength, it will be necessary to pass over that portion of the bill commencing on line 9, page 15, to and including line 12 on page 28.

The PRESIDENT pro tempore. Does the Senator from New York suggest that all the amendments prior to line 13 on page 28 be passed over?

Mr. WADSWORTH. Yes. That, I understand, is the desire of the Senator from Nebraska, and I consent to that.

Mr. NORRIS. Yes, Mr. President.

The PRESIDENT pro tempore. All the amendments within those limits will be passed over. The Secretary will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 28, line 15, after the figures "$1,500," to insert a comma and the words "and for each fiscal year hereafter a like amount during her life is permanently appropriated," so as to make the paragraph read:

For amount required to make monthly payments to Jennie Carroll, widow of James Carroll, late major, United States Army, $1,500, and for each fiscal year hereafter a like amount during her life is permanently appropriated.

The amendment was agreed to.

The next amendment was, on page 28, line 19, after the figures "$1,500," to insert a comma and the words "and for each fiscal year hereafter a like amount during her life is permanently appropriated," so as to make the paragraph read:

For amount required to make monthly payments to Mabel H. Lazear, widow of Jesse W. Lazear, late acting assistant surgeon, United States Army, $1,500, and for each fiscal year hereafter a like amount during her life is permanently appropriated.

The amendment was agreed to.

The next amendment was, on page 28, line 25, after the figures "$1,200," to insert a comma and the words "and for each fiscal year hereafter a like amount during his life is permanently appropriated," so as to make the paragraph read:

For the amount required to make monthly payments to John R. Kissinger, late of Company D, One hundred and fifty-seventh Indiana Volunteer Infantry, also late of the Hospital Corps, United States Army, $1,200, and for each fiscal year hereafter a like amount during his life is permanently appropriated.

The amendment was agreed to.

The next amendment was, on page 29, after line 2, to strike out:

For compensation of clerks and other employees of the Finance Department, $1,000,000.

The amendment was agreed to.

The next amendment was, on page 29, after line 4, to insert:

For compensation of clerks and other employees of the Finance Department, $1,617,000: *Provided*, That $500,000 of this amount shall be available only for the compensation and traveling expenses of clerks and other employees engaged on work pertaining to the audit of World War contracts, and of this amount not to exceed $25,000 shall be available for personal services, at salaries not in excess of $3,000 per annum, in the Office of the Chief of Finance, War Department.

Mr. ROBINSON. Mr. President, that amendment appears to carry a very large increase over the House item, the latter appropriating only $1,000,000, whereas the Senate amendment provides for $1,617,000, with certain express limitations upon the use. I inquire of the Senator from New York the occasion for that very large increase in the House item?

Mr. WADSWORTH. Mr. President, this amendment suggested by the committee has to do with an exceedingly important activity in the War Department—an activity which the committee believes will in all probability mean the saving of millions and millions of dollars to the Government.

The Finance Department is charged not only with the keeping of the fiscal accounts of the Army itself and the pay of officers and men, but also with the duty of auditing contracts heretofore entered into, as well as examining and approving fiscal operations upon which the War Department is about to embark.

Since the termination of the World War the finance department of the War Department has been auditing the contracts into which the War Department entered during the war. There are 150,000 of those contracts. With a very limited force of accountants in the finance department, 15,000 of those contracts have been audited, and I may say that these are contracts which have been already in a sense closed. The money has been paid. As a result of the work of the finance department audit, going back over this contract history, there has been recovered from contractors who have sent in their checks voluntarily upon being notified and convinced of errors in the way of overpayment $1,894,000. In addition to that, the finance department has turned over to the Department of Justice audits as the result of which the Department of Justice is in process of collecting from contractors by legal procedure $4,370,000. In addition to that, there is now in process of investigation by this same small auditing force of the finance department a number of contracts; and that investigation up to date, although not complete in every respect and ready to be turned over to the Attorney General, indicates the very clear possibility of recovering $26,645,000 for the Government.

Only 15,000 of these contracts have been audited thus far. There are 135,000 more of them. The Chief of Finance, General Lord—and we heard indirectly, but none the less emphatically, from the Attorney General himself—believes that this work should be expedited. At the present rate of procedure it will take 15 years or more to go over these war-time contracts with this expert audit. The committee, therefore, was thoroughly persuaded that it was the part of wise economy to give them $600,000 over the appropriation made by the House, in order to enable them to go out and cover this field with greater rapidity. They believe that with an appropriation running annually, such as the committee suggests, they can clean up this work in four or five years. If it is allowed to go beyond four or five years' time, it is the general consensus of opinion that the whole thing will get out of the hands of the Government; witnesses will disappear; papers will disappear and be destroyed; it will be impossible to make an effective audit after three or four years have gone by. We believe that this means millions of dollars recovered to the Government.

Mr. ROBINSON. Mr. President, it is undoubtedly both necessary and advisable that the work of auditing these contracts proceed as speedily as may be, with due consideration to accuracy in results. The statement of the Senator from New York has, in my judgment, justified the increase in the appropriation beyond question. The results which are being obtained and the prospective accomplishments which it is hoped will be brought about through this department support very strongly the very large increase in this item. I am curious to know whether the request for this additional amount was submitted to the House committee, and whether it passed upon the question and then refused it.

Mr. WADSWORTH. My impression is that it was not, but I would not say for certain. A supplemental budget estimate of this increase was sent in, according to my recollection. But I desire to have it understood that my recollection is not entirely clear as to whether the House committee considered it.

Mr. ROBINSON. In view of the statement which the Senator from New York has made, I do not think that would be a controlling consideration with me when I vote, anyway. I merely desired as full information respecting the subject as could possibly be obtained within a brief time. I am satisfied that the Senator from New York has fully justified the increase.

Mr. WADSWORTH. It may be permissible for me to say, just to round out the story, that this work is the foundation and the basis for all the work in the way of prosecution which the Department of Justice may carry on.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 29, line 24, to strike out "$1,100,000" and insert "$1,689,450," so as to make the paragraph read:

MILEAGE OF THE ARMY.

For mileage to commissioned officers, warrant officers, members of the Officers' Reserve Corps when ordered to active duty, contract surgeons, expert accountant, Inspector General's Department, Army field clerks and field clerks of the Quartermaster Corps, when authorized by law, $1,689,450.

The amendment was agreed to.

Mr. WADSWORTH. I am instructed by the Committee on Appropriations to ask unanimous consent to present an amendment to be attached to this paragraph, which, frankly, is in the nature of legislation, but it is a provision which will save the Government a good deal of money.

The PRESIDENT pro tempore. The Secretary will report the amendment.

The READING CLERK. On page 29, line 24, add at the end of the paragraph the following proviso:

Provided, That hereafter the mileage allowance to members of the Officers' Reserve Corps when called into active service for training for 15 days or less shall not exceed 4 cents per mile.

Mr. WADSWORTH. That is contrasted with 8 cents per mile, which is the standing law. The committee believes that for this kind of transportation, for these short trips, for only 15-day periods, 4 cents a mile is ample compensation for the officers thus traveling. Otherwise they would receive 8 cents.

The amendment was agreed to.

The next amendment was, under the subhead "Claims for damages to and loss of private property," on page 30, line 2, after the word "exceed," to strike out "$500" and insert "$1,000," and in line 6 to strike out "$50,000" and insert "$80,000," so as to read.

For payment of claims of not to exceed $1,000 in amount for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army that have accrued, or may hereafter accrue, from time to time, $80,000.

The amendment was agreed to.

The next amendment was, on page 30, after line 11, to insert:

CLAIMS OF OFFICERS, ENLISTED MEN, AND NURSES OF THE ARMY FOR DESTRUCTION OF PRIVATE PROPERTY.

For the payment of claims of officers, enlisted men, and nurses of the Army for private property lost, destroyed, captured, abandoned, or damaged in the military service of the United States, under the provisions of an act approved March 4, 1921, $50,000.

The amendment was agreed to.

The next amendment was, on page 30, after line 18, to insert:

CLAIMS OF OFFICERS, MEMBERS OF THE NURSE CORPS, AND ENLISTED MEN FOR PAY AND ALLOWANCES, WORLD WAR.

Not exceeding $500,000 of the unexpended amount of the appropriations for pay, etc., of the Army for the fiscal years 1919 and 1920 is hereby made available for payment for the adjustment and settlement of claims of officers, members of the Nurse Corps, and enlisted men for pay and allowances growing out of service in the World War from April 6, 1917, to June 30, 1919, and from July 1, 1919, to June 30, 1920, inclusive, and shall remain upon the books of the Treasury to the credit of those appropriations until June 30, 1923.

The amendment was agreed to.

The next amendment was, on page 31, after line 6, to strike out:

TRANSPORTATION OF WOUNDED AND OTHERWISE DISABLED SOLDIERS, SAILORS, OR MARINES WHEN TRAVELING ON FURLOUGH.

For payment to railroad and steamship companies of the amount required to pay the difference between 1 cent per mile and the scheduled rate for tickets furnished to wounded or otherwise disabled soldiers, sailors, or marines under treatment at any Army, Navy, or other hospital, who are given furloughs in accordance with the provisions of the Army appropriation act of June 5, 1920, $25,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Chief of Finance," on page 32, line 13, before the words "of class 4," to strike out "28" and to insert "32"; in line 14, before the words "of class 3," to strike out "24" and to insert "20"; in the same line, before the words "of class 2," to strike out "40" and to insert "44"; in line 16, before the word "assistant," to strike out "4" and to insert "2"; at the beginning of line 18, to strike out "four" and to insert "two"; and at the end of line 18, to strike out "$285,810" and insert "$285,270"; so as to make the paragraph read:

Salaries: Assistant to Chief of Finance, $5,000; chief clerk, $2,750; chiefs of divisions—1 $3,000, 1 $2,750; principal clerks—1 $2,400, 1 $2,250, 4 at $2,000 each; clerks—32 of class 4, 20 of class 3, 44 of class 2, 16 at $1,300 each; 60 of class 1; 2 messengers, at $840 each; 2 assistant messengers, at $720 each; auditors for Red Cross accounts—1 $3,500, 1 $3,000, 2 at $2,750 each; in all, $285,270.

The amendment was agreed to.

The next amendment was, under the subhead "Quartermaster Corps," on page 33, line 21, after the word "ration," to strike out the comma and the words "at the rate of $0.75 per ration";

in line 22, after the word "allowances," to strike out "of commutation in lieu of rations" and to insert "for quarters and subsistence"; in line 24, after the word "men," to strike out "and male and female nurses"; on page 34, line 1, after the word "including," to strike out "warrant officers of the Mine Planter Service"; in line 7, after the word "contest," to strike out "male and female nurses on leave of absence"; in line 11, after the word "rations," to strike out "for members of the Army Nurse Corps while on duty in hospital, and"; and at the end of line 22, to strike out "$16,550,000" and to insert "$17,000,000"; so as to read:

QUARTERMASTER CORPS.

Subsistence of the Army: Purchase of subsistence supplies: For issue as rations to troops, including warrant officers of the Mine Planter Service, enlisted men of the Enlisted Reserve Corps and retired enlisted men when ordered to active duty, civil employees when entitled thereto, hospital matrons, nurses, applicants for enlistment while held under observation, general prisoners of war (including Indians held by the Army as prisoners, but for whose subsistence appropriation is not otherwise made), Indians employed with the Army as guides and scouts, and general prisoners at posts; for the subsistence of the masters, officers, crews, and employees of the vessels of the Army Transport Service; hot coffee for troops traveling when supplied with cooked or travel rations; meals for recruiting parties and applicants for enlistment while under observation; for sales to officers, including members of the Officers' Reserve Corps while on active duty, and enlisted men of the Army: *Provided*, That the sum of $12,000 is authorized to be expended for supplying meals or furnishing commutation of rations to enlisted men of the Regular Army and the National Guard who may be competitors in the national rifle match: *Provided further*, That no competitor shall be entitled to commutation of rations in excess of $1.50 per day, and when meals are furnished no greater expense than that sum per man per day for the period the contest is in progress shall be incurred. For payments: Of commutation of rations to the cadets of the United States Military Academy in lieu of the regular established ration of the regulation allowances for quarters and subsistence to enlisted men on furlough, enlisted men when stationed at places where rations in kind can not be economically issued, including enlisted men of the Enlisted Reserve Corps and retired enlisted men when ordered to active duty, and when traveling on detached duty where it is impracticable to carry rations of any kind, enlisted men selected to contest for places or prizes in department and Army rifle competitions while traveling to and from places of contest, applicants for enlistment, and general prisoners while traveling under orders. For payment of the regulation allowances of commutation in lieu of rations for enlisted men, applicants for enlistment while held under observation, civilian employees who are entitled to subsistence at public expense, and general prisoners sick therein, to be paid to the surgeon in charge; advertising; for providing prizes to be established by the Secretary of War for enlisted men of the Army who graduate from the Army schools for bakers and cooks, the total amount of such prizes at the various schools not to exceed $900 per annum; and for other necessary expenses incident to the purchase, testing, care, preservation, issue, sale, and accounting for subsistence supplies for the Army; in all, $17,000,000.

The amendment was agreed to.

The next amendment was, on page 35, at the beginning of line 1, to insert "other than in Alaska"; and in the same line, after the word "charged," to strike out "do not" and insert "are not estimated to," so as to make the paragraph read:

None of the funds appropriated in this act shall be used for the payment of expenses of operating sales commissaries other than in Alaska at which the prices charged are not estimated to include the customary overhead costs of freight, handling, storage, and delivery, notwithstanding the provisions of the act of July 5, 1884.

The amendment was agreed to.

The next amendment was, on page 35, line 8, after the word "sold," to strike out "does not" and to insert "is not estimated to," so as to make the paragraph read:

None of the funds appropriated in this act shall be used for payment of expenses of operating any utility of the War Department selling services or supplies at which the cost of the services or supplies so sold is not estimated to include all customary overhead costs of labor, rent, light, heat, and other expenses properly chargeable to the conduct of such utility.

The amendment was agreed to.

The next amendment was, on page 36, line 18, after the word "stores," to insert "except at establishments under the direct control of the Chief of Ordnance," so as to read:

Regular supplies of the Army: Regular supplies of the Quartermaster Corps, including their care and protection; construction and repair of military reservation fences; stoves and heating apparatus required for the use of the Army for heating offices, hospitals, barracks and quarters, and recruiting stations, and United States disciplinary barracks; also ranges, stoves, coffee roasters, and appliances for cooking and serving food at posts in the field and when traveling, and repair and maintenance of such heating and cooking appliances; and the necessary power for the operation of moving-picture machines; authorized issues of candles and matches; for furnishing heat and light for the authorized allowance of quarters for officers, including members of the Officers' Reserve Corps when ordered to active duty, and enlisted men, warrant officers, and field clerks, including enlisted men of the Enlisted Reserve Corps, and retired enlisted men when ordered to active duty; contract surgeons when stationed at and occupying public quarters at military posts; for officers of the National Guard attending service and garrison schools, and for recruits, guards, hospitals, storehouses, offices, the buildings erected at private cost, in the operation of the act approved May 31, 1902, and buildings for a similar purpose on military reservations authorized by War Department regulations; for sale to officers, and including also fuel and engine supplies required in the operation of modern batteries at established posts; for post bakeries, including bake ovens and apparatus pertaining thereto and the repair thereof; for ice machines and their maintenance where required for the health and comfort of the troops and for ice for issue to organizations of enlisted men and offices at such places as the Secretary of War may determine, and for preservation of stores; materials for cleaning and preserving ordnance and ordnance stores, except at establishments under the direct control of the Chief of Ordnance; for cold storage; for the construction and maintenance of laundries at military posts in the United States and its island possessions; authorized issues of soap, toilet paper, and towels; for the necessary furniture, textbooks, paper, and equipment for the post schools and libraries, and for schools for noncommissioned officers; for the purchase and issue of instruments, office furniture, stationery, and other authorized articles for the use of officers' schools at the several military posts; for purchase of relief maps for issue to organizations, commercial newspapers, market reports, etc.; for the tableware and mess furniture for kitchens and mess halls, each and all for the enlisted men, including recruits; for forage, salt, and vinegar for the horses, mules, oxen, and other draft and riding animals of the Quartermaster Corps at the several posts and stations and with the armies in the field, and for the horses of the several regiments of Cavalry and batteries of Artillery, and such companies of Infantry and Scouts as may be mounted; for remounts and for the authorized number of officers' horses, including bedding for the animals; for seeds and implements required for the raising of forage at remount depots and on military reservations in the Hawaiian and Philippine Islands, and for labor, and expenses incident thereto, including, when specifically authorized by the Secretary of War, the cost of irrigation; for straw for soldiers' bedding, stationery, typewriters and exchange of same, including blank books and blank forms for the Army, certificates for discharged soldiers, and for printing department orders and reports, $10,932,000.

The amendment was agreed to.

The next amendment was, on page 37, line 23, to increase the appropriation for regular supplies of the Quartermaster Corps from "$10,932,000" to "$12,000,000."

The amendment was agreed to.

The next amendment was, on page 38, line 9, before the words "for fuel," to strike out "$3,000,000" and insert "$3,500,000"; in the same line, after the word "exceed," to strike out "$4,000,000" and insert "$5,000,000"; and in line 12, after the word "exceed," to strike out "$175,000" and insert "$200,000," so as to make the proviso read:

Provided, That from this appropriation, not to exceed $850,000 shall be expended for the pay of civilian employees; not to exceed $1,250,000 shall be expended for power, heat, and electric current; not to exceed $57,000 shall be expended for maintenance and repair of buildings (including repair of machinery) for laundries; not to exceed $225,000 shall be expended for the maintenance and repair of heating apparatus (other than stoves); not to exceed $175,000 for maintenance and repair of electric wiring and fixtures; not to exceed $15,000 for the repair and exchange of typewriters; not to exceed $3,500,000 for fuel; not to exceed $5,000,000 for forage; including salt and vinegar and bedding for animals and straw for soldiers' bedding; not to exceed $200,000 for ice; and not to exceed $125,000 shall be expended for stationery.

The amendment was agreed to.

The next amendment was, on page 38, beginning in line 13, to strike out the following additional proviso:

Provided further, That the Secretary of War is authorized and directed to sell as soon as possible after the approval of this act, upon such terms and under such conditions as he may deem most advantageous to the best interests of the Government, such horses and mules now being held at remount stations and posts or with organizations of the National Guard or units of the Reserve Officers' Training Corps as are not in actual use.

The amendment was agreed to.

The next amendment was, on page 40, line 3, after the word "hereafter," to strike out "the issue and," and at the beginning of line 5 to strike out "including" and insert "plus," so as to read:

Clothing and equipage: For cloth, woolens, materials, and for the purchase and manufacture of clothing for the Army, including enlisted men of the Enlisted Reserve Corps and retired enlisted men when ordered to active duty, for issue and for sale; for payment of commutation of clothing due to warrant officers of the Mine Planter Service and to enlisted men; for altering and fitting clothing and washing and cleaning when necessary; for operation of laundries; for the authorized issues of laundry materials for use of general prisoners confined at military posts without pay or allowances, and for applicants for enlistment while held under observation; for equipment and repair of equipment of dry-cleaning plants, salvage and sorting storehouses, hat-repairing shops, shoe-repair shops, clothing-repair shops, and garbage-reduction works; for equipage, including authorized issues of toilet articles, barbers' and tailors' materials, for use of general prisoners confined at military posts without pay or allowances and applicants for enlistment while held under observation; issue of toilet kits to recruits upon their first enlistment, and issue of housewives to the Army; for expenses of packing and handling and similar necessaries; for a suit of citizen's outer clothing, to cost not exceeding $30, to be issued when necessary to each soldier discharged otherwise than honorably; to each enlisted man convicted by civil court for an offense resulting in confinement in a penitentiary or other civil prison; and to each enlisted man ordered interned by reason of the fact that he is an alien enemy, or, for the same reason, discharged without internment; for indemnity to officers and men of the Army for clothing and bedding, etc., destroyed since April 22, 1898, by order of medical officers of the Army for sanitary reasons, $5,000,000: *Provided*, That hereafter authorized sales of clothing and other quartermaster supplies shall be at the average current prices, plus all overhead costs, to be determined and fixed by the Secretary of War.

The amendment was agreed to.

The next amendment was, under the subhead "Transportation of the Army and its supplies," on page 42, line 2, after the word

"allowance," to insert "for payment of transportation costs for dependents of officers and enlisted men," so as to read:

For transportation of the Army and its supplies, including transportation of the troops when moving either by land or water, and of their baggage, including warrant officers, members of the Officers' Reserve Corps, enlisted men of the Enlisted Reserve Corps, and retired enlisted men when ordered to active duty, including the cost of packing and crating; for transportation of recruits and recruiting parties, of applicants for enlistment between recruiting stations and recruiting depots; for travel allowance to officers and enlisted men on discharge; for payment of travel allowance as provided in section 3 of the act approved February 28, 1919, to enlisted men of the National Guard on their discharge from the service of the United States, and to members of the National Guard who have been mustered into the service of the United States, and discharged on account of physical disability; for payment of travel pay to officers of the National Guard on their discharge from the service of the United States, as prescribed in the act approved March 2, 1901; for travel allowance to discharged prisoners and persons discharged from the Government Hospital for the Insane after transfer thereto from such barracks or place to their homes (or elsewhere, as they may elect), provided the cost in each case shall not be greater than to the place of last enlistment; of the necessary agents and other employees, including per diem allowances in lieu of subsistence not exceeding $4 for those authorized to receive the per diem allowance; for payment of transportation costs for dependents of officers and enlisted men; of clothing and equipage and other quartermaster stores from Army depots or places of purchase or delivery to the several posts and Army depots and from those depots to the troops in the field; of horse equipment; of ordnance and ordnance stores, and small arms from the foundries and armories to the arsenals, fortifications, frontier posts, and Army depots; for payment of wharfage, tolls, and ferriages; for transportation of funds of the Army; for the payment of Army transportation lawfully due such land-grant railroads as have not received aid in Government bonds (to be adjusted in accordance with the decisions of the Supreme Court in cases decided under such land-grant acts), but in no case shall more than 50 per cent of full amount of service be paid.

The amendment was agreed to.

The next amendment was, on page 44, at the end of line 12, to increase the appropriation for the transportation of the Army and its supplies from "$16,000,000" to "$18,000,000."

The amendment was agreed to.

The next amendment was, on page 45, line 14, to increase the appropriation for water and sewers at military posts from "$1,750,000" to "$2,000,000."

The amendment was agreed to.

The next amendment was, on page 45, line 15, after the word "exceed," to strike out "$10,000" and insert "$25,000," so as to make the proviso read:

Provided, That not to exceed $25,000 of this appropriation shall be expended for new construction work.

The amendment was agreed to.

The next amendment was, under the subhead "Military posts," on page 47, line 16, before the name "Benning," to strike out "Camp" and insert "Fort"; and, in line 19, after the word "at," to strike out "Camp Dix, Meade, and Lewis" and insert "Edgewood Arsenal and Camp Lewis," so as to make the paragraph read:

For the construction and enlargement at military posts of such buildings as in the judgment of the Secretary of War may be necessary, including all appurtenances thereto, $916,000, including $400,000 for continuing construction of post at Fort Benning, Ga.; $55,000 for construction of one hospital ward at Letterman General Hospital, San Francisco, Calif.; $262,000 for general construction at Edgewood Arsenal and Camp Lewis; and $198,000 for continuing construction and enlargement of barracks for guards at the United States Disciplinary Barracks, Fort Leavenworth, Kans.

The amendment was agreed to.

Mr. WADSWORTH. I am instructed by the Committee on Appropriations to propose an amendment, which is in the nature of legislation, at this point, and to ask unanimous consent for its consideration.

The VICE PRESIDENT. The Secretary will state the amendment.

The READING CLERK. On page 47, line 16, after the word "Georgia," insert the following proviso:

Provided, That apartment buildings may be constructed out of this appropriation at a cost not to exceed $150,000 each, and to provide for not less than 18 families each.

Mr. BORAH. Will the Senator explain what that is? I did not catch its full import.

Mr. WADSWORTH. The appropriation of $400,000 for continuing construction at Fort Benning, which comes from the House, impelled the committee to inquire of the officers of the War Department what sort of structures they were building at Fort Benning. We were informed that some of the buildings are to be used as quarters for officers and some for noncommissioned officers. Upon further inquiry we found that it is their plan to build apartment houses for some of the personnel, a plan with which we did not agree, but we ascertained that the apartment houses are going to cost at the rate of $10,000 per apartment. The committee thought that was a little expensive. The object of the amendment which I have offered is to limit that cost, in effect, to $8,000 per apartment. The committee thinks that is enough money to be expended for such a purpose.

The amendment was agreed to.

The next amendment was, under the subhead "Military posts, Hawaiian Islands," on page 48, after line 2, to insert:

For construction of six standard storehouses, including all appurtenances thereto, at not exceeding $9,000 each, $54,000.

The amendment was agreed to.

The next amendment was on page 49, line 17, after the name "United States," to strike out "$2,982,638" and to insert "$4,000,000"; so as to read:

For barracks, quarters, stables, storehouses, magazines, administration and office buildings, sheds, shops, and other buildings necessary for the shelter of troops, public animals, and stores, and for administration purposes, except those pertaining to the Coast Artillery; for construction of reclamations plants; for constructing and repairing public buildings at military posts; for hire of employees; for rental of the authorized allowance of quarters for offices, including members of the Officers' Reserve Corps when ordered to active duty, on duty with the troops at posts and stations where no public quarters are available; of barracks or authorized allowance of quarters for noncommissioned officers and enlisted men, men on duty, where public quarters are not available, including enlisted men of the Regular Army Reserve, retired enlisted men, and members of the enlisted Reserve Corps when ordered to active duty; for grounds for cantonments, camp sites, and other military purposes, and for buildings or portions of buildings for occupation by troops, for use as stables, storehouses, and offices, and for other military purposes; for the hire of recruiting stations and lodgings for recruits; for wall lockers in permanent barracks and refrigerators in barracks and quarters; for screen doors, window screens, storm doors and sash, and window shades for barracks and officers' quarters, and for flooring and framing for tents, and for the National Guard when called or drafted into the service of the United States, $4,000,000.

The amendment was agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

The message also announced that the House had passed a joint resolution (H. J. Res. 339) making available funds for repairing and restoring levees on the Mississippi River above Cairo, Ill., in which it requested the concurrence of the Senate.

ATTORNEY GENERAL DAUGHERTY—THE TARIFF.

Mr. HARRISON. Mr. President, the Public Ledger is one of the great independent Republican papers of the country. Mr. Edward G. Lowry is one of the most reputable newspaper correspondents in America. He wrote an article that appeared in yesterday morning's Public Ledger, and it is copyrighted by the Public Ledger Co. With one exception, the article has so much good advice and embodies so much wisdom that I desire to have it read.

The PRESIDING OFFICER (Mr. LENROOT in the chair). If there be no objection it will be read.

The Assistant Secretary read as follows:

MR. HARDING'S CHANCE—HE COULD PROFIT BY MR. TAFT'S EXPERIENCES THAT HURT HIM AND PARTY.

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President Harding could spend a useful and informative evening if he would invite Mr. Taft to come to the White House and tell him the real inside story of the Winona speech and the Ballinger-Pinchot case. The narrative, frankly and fully recounted, might save Mr. Harding and his party associates a hard fall. The President is facing almost the identical situation that confronted Mr. Taft. He has a Cabinet officer under fire in the person of Mr. Daugherty, and presently he will be asked to sign a tariff bill even more extortionate and oppressive in some of its rates than the short-lived Payne-Aldrich Act that proved so destructive to its makers and sponsors.

To this juncture the cases of Mr. Harding and Mr. Taft are strikingly parallel. It is for Mr. Harding to decide whether the analogy and similarity are to continue. Mr. Taft hadn't a political enemy in the world in his first year. All men spoke well of him. After the Winona speech no one spoke well. It was in that speech that he gave his blessing and praise to the Payne-Aldrich bill, which he had just signed. It did for him what "too proud to fight" did for Mr. Wilson. Mr. Taft never recovered his prestige or his popularity while he remained in the White House.

The cases of Ballinger and Daugherty as they first came up to the Executive for consideration and decision are strikingly alike, too. And they were presented to Presidents with many characteristics and qualities in common. Both Mr. Harding and Mr. Taft are essentially kindly men, with a strongly developed sense of personal loyalty to friends and associates. When the associate is also a personal friend the sense of loyalty tends to outweigh and overbalance the sense of public duty.

When the Ballinger case came up to Mr. Taft he waited too long before acting, as he, perhaps, would tell Mr. Harding if asked. Mr. Ballinger was allowed to ripen on the tree, and when he fell he spattered. Neither the public nor any party political interest was served by the delay in removing him. Out of his experience Mr. Taft could advise Mr. Harding that these things are best done quickly, and that the charges, questionings, and suspicions about Mr. Daugherty should

be promptly, thoroughly, and impartially investigated or the Attorney General permitted to "resume the practice of law," as they all say when they quit or are forced out.

The Daugherty matter can not be hushed up. It will go on day by day, assuming larger and larger proportions, if it is not taken firmly in hand now. So it was with Ballinger. When public accusation and public questioning has gone as far as it has in the present instance concerning Mr. Daugherty's fitness for office it becomes a matter for definite settlement. The public welfare is not served by inaction or by allowing the qualifications of a Cabinet member to become a "campaign issue." There are enough real problems and real issues to be settled in this country without bringing a controversy over personalities into the coming campaign.

Senator LENROOT was quite right when he said the other day while visiting Gifford Pinchot at Milford:

"There has been a feeling, whether justified or not, that the reactionaries of the party have felt that the overwhelming majority for the Republican Party made it entirely safe for them to insist upon the old methods of government."

By one of the curious recurrences in our politics the group that went out of power with Cannon in 1910 when the revolt within the Republican ranks began is now in power again. A great many shrewd persons at Washington agree with Mr. LENROOT that this "old crowd" interpreted the Harding victory as a charter to resume "the old methods of government"—the only methods they know.

Pinchot in Pennsylvania was one public denial and contradiction of this interpretation and Beveridge in Indiana was another. Will the response to inaction in the Daugherty case be a third?

The political men all agree that the country was never less radical than it is now, but that does not mean reactionary. The men who conduct and give the tone and color of policy to this Congress are reactionary, and it is known to even the dullest politician that the country does not hold the Federal Legislature in esteem. Mr. Harding does not share in this disesteem. People still speak well of him. Mr. Taft had his opportunity and did not take it. Mr. Harding can profit by his predecessor's experience if he will.

HOUSE JOINT RESOLUTION REFERRED.

The joint resolution (H. J. Res. 339) making available funds for repairing and restoring levees on the Mississippi River above Cairo, Ill., was read twice by its title and referred to the Committee on Appropriations.

WAR DEPARTMENT APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10871) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923, and for other purposes.

The next amendment of the Committee on Appropriations was, on page 49, after line 19, to insert:

All the money hereinbefore designated under the titles "Regular supplies of the Army," "Water and sewers at military posts," and "Barracks and quarters," shall be disbursed and accounted for as "General appropriations, Quartermaster Corps," and for that purpose shall constitute one fund.

Mr. ROBINSON. That appears to be a legislative provision, and I take it the committee found some urgent necessity for its adoption. I wish the Senator from New York would explain why the committee propose that amendment.

Mr. WADSWORTH. Prior to two years ago, all the appropriations under the head of Quartermaster Corps were considered as of one fund, and were handled in that way. Each appropriation bill carried a provision similar to this, but including all the items.

Two years ago that provision was dropped from the bill for the first time, and last year it was also dropped from the bill, thereby compelling the Quartermaster General to follow the appropriations actually made for the several items. The War Department has always begged us to reinsert a provision of this kind covering all the items, saying that it saved them a lot of bookkeeping and the keeping of extra accounts, but Congress thus far has failed to insert the general provision.

However, the Senate committee in considering the matter at this session made up its mind that it might be well to allow these three accounts, regular supplies, water and sewers at military posts, and barracks and quarters, to be lumped together as one fund, for this reason.

For example, it is necessary to repair a barracks. We find that the money with which the plumbing is to be repaired comes out of "waters and sewers at military posts." The money with which the painting in the bathroom where the plumbing needs repair must be taken out of "barracks and quarters" or from "regular supplies." To do an ordinary repair job at any Army barracks anywhere which would include painting and papering and mending of broken plumbing, the War Department would have to go to three separate accounts. The result is a vast amount of bookkeeping which means nothing to the taxpayer one way or the other. The committee thought these three accounts, which are so closely interwoven, might well be allowed to be lumped together.

Mr. ROBINSON. I suppose the purpose of Congress in insisting upon a separate accounting as to those three items was to maintain a closer supervision over the administration of the fund. I can readily see that the War Department would experience inconvenience under the system and that it would be much more convenient both in administering and in accounting to do so under the provision which the committee has reported. I shall make no objection to the item.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Barracks and quarters, Philippine Islands," on page 50, line 5, after the word "rents," to insert "and rentals for United States troops in China," so as to read:

Continuing the work of providing for the proper shelter and protection of officers and enlisted men of the Army of the United States lawfully on duty in the Philippine Islands, including repairs and payment of rents and rentals for United States troops in China, the acquisition of title to building sites, and such additions to existing military reservations as may be necessary, and including also shelter for the animals and supplies, and all other buildings necessary for post administration purposes, and for shelter and repair thereof, $200,000.

The amendment was agreed to.

Mr. POMERENE. Mr. President, before the next matter is taken up I desire to say that I am compelled to be out of the Chamber for a little while, and I want to ask the chairman of the committee a few questions with respect to the appropriations for the United States Military Academy. I shall preface the question which I am about to ask by making a very brief statement.

About a year ago some question came up here about the failure of certain midshipmen to pass the examinations at the Naval Academy, and after a good deal of discussion upon the floor an arrangement was made whereby nearly all those young men who had failed to pass their examinations were readmitted in the lower class. I am happy to say that my information is that most of those midshipmen stand high in their classes now and that they are going to prove a credit to the institution.

At that same time I had information, coming not only from instructors at the academy but from at least one of the Board of Visitors at the academy, which demonstrated conclusively to me that the methods of instruction in the Naval Academy are not up to date; that so far as the naval officers are concerned who were assigned to give instruction in the academy, they were not qualified to perform the duties as they should have been; and that the best qualified instructors—I am speaking generally—in the academy are civilian instructors.

Now there is a movement afoot to dispense with the services of civilian instructors and to place in the Naval Academy a lot of naval officers who have had little or no experience in teaching. As a result, I am satisfied that so far as some of the instructors at the academy are concerned the young men would do just as well and become just as proficient in their studies if they were at home "sitting under a sour-apple tree."

In discussing this subject with a major general in the Army, who is a man who keeps in touch with conditions at the Military Academy, I was told that the same condition prevails at the Military Academy, and that there has been no advance in teaching over methods that prevailed 50 years ago.

The question I want to ask is this: Is there a movement afoot in the Military Academy to do away with civilian instructors there?

Mr. WADSWORTH. I have heard of no such movement. This is the first time the question has ever been directed to me.

Mr. POMERENE. I am convinced that the condition is such at the Military Academy that the Board of Visitors ought to inquire into conditions there to the end that the methods of instruction in the two academies may be equal to those which prevail in the great universities of the country. Anything short of that character of instruction is a discredit to the Nation itself.

I notice there have been some changes made in the appropriations as they appear in the bill as it passed the House. I have not had an opportunity to study them, and I felt that it might not be inopportune to call attention to the situation. I have not any desire to stir up any undue controversy or anything of that kind, but I am intensely interested in the proper training of these young men.

Mr. WARREN. Mr. President, I will say to the Senator from Ohio that, as was stated by the chairman of the subcommittee in charge of the bill, we have heard of no disposition to make changes at West Point Academy along the line the Senator indicates. There happens to have been some presentations made before the subcommittee in charge of the naval appropriation bill as to Annapolis, but I do not understand that any actual movement has been made that would decide otherwise than as heretofore for civilian as well as naval instructors.

Mr. POMERENE. Does the Senator mean that to be true so far as the Naval Academy is concerned?

Mr. WARREN. So far as the Naval Academy is concerned, I happened to hear witnesses before the subcommittee discussing the subject and questions propounded by members of the subcommittee, but I have no information that there has been any decision yet to carry out the idea of substituting commissioned officers in the place of civilian instructors.

Mr. POMERENE. My information comes pretty direct that the admiral in charge of the academy has already made the recommendation that a large number of the civilian instructors at the Naval Academy be dismissed. I know that the matter has been called to the attention of the Secretary of the Navy. I do not know whether he has come to a final decision about it, but I suspect that one of the reasons is to furnish places for naval officers, and so forth, a large number of whom are not qualified to teach. They may be good men in command of a ship, but it does not necessarily follow that they understand the art of teaching.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 50, line 13, after the word "Army," to strike out "the total cost of which, including the heating and plumbing apparatus, wiring, and fixtures, shall exceed in the case of quarters of a general officer the sum of $8,000; of a colonel or officer above the rank of captain, $6,000; and of an officer of and below the rank of captain, $4,000," and to insert "except in case of emergency with the approval of the Secretary of War," so as to make the proviso read:

Provided, That no part of said sum shall be expended for the construction of quarters for officers of the Army, except in case of emergency with the approval of the Secretary of War.

The amendment was agreed to.

The next amendment was, under the subhead "Construction and repair of hospitals," on page 52, line 21, after the word "alteration," to insert "or enlargement," so as to read:

For construction and repair of hospitals at military posts already established and occupied, including all expenditures for construction and repairs required at the Army and Navy Hospital at Hot Springs, Ark., and for the construction and repair of general hospitals and expenses incident thereto, and for additions needed to meet the requirements of increased garrisons, and for temporary hospitals in standing camps and cantonments; for the alteration or enlargement of permanent buildings at posts for use as hospitals, construction and repair of temporary hospital buildings at permanent posts, construction and repair of temporary general hospitals, rental or purchase of grounds, and rental and alteration of buildings for use for hospital purposes in the District of Columbia and elsewhere, including necessary temporary quarters for hospital personnel, outbuildings, heating and laundry apparatus, plumbing, water and sewers, and electric work, cooking apparatus, and roads and walks for the same, $529,360: *Provided*, That no part of this appropriation shall be used for the construction of new hospitals.

The amendment was agreed to.

The next amendment was, on page 53, line 12, to increase the appropriation for maintenance and repair of quarters for hospital stewards at military posts already established and occupied from "$5,000" to "$10,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Quartermaster General," on page 54, line 2, before the word "messengers," to strike out "seven" and insert "five"; in line 3, before the words "assistant messengers," to strike out "fifteen" and insert "ten"; and at the end of line 4 to strike out "$563,060" and insert "$557,780," so as to make the paragraph read:

Salaries: Chief clerk, $2,750; principal clerks—2 at $2,400 each, 5 at $2,250 each, 4 at $2,000 each; clerks—22 of class 4, 30 of class 3, 68 of class 2, 203 of class 1, 22 at $1,000 each; draftsmen—1 $2,400, 1 $2,000, 1 $1,800, 4 at $1,600 each, 4 at $1,400 each; electrical engineer, $3,200; marine engineer, $3,500; executive assistant, $4,000; architect, $3,600; structural engineer, $3,600; mechanical engineer, $3,600; civil engineers—1 $3,600, 1 $3,000; traffic clerks—2 at $2,000 each; 1 $1,800; textile expert, $2,000; carpenter, $1,200; mimeograph operator, $1,200; 2 multigraph operators at $1,200 each; 4 photostat operators at $1,200 each; blue-print operator, $1,000; 4 blue printers at $900 each; 5 messengers at $840 each; 10 assistant messengers at $720 each; 4 laborers at $720 each; in all, $557,780.

The amendment was agreed to.

The next amendment was, on page 54, line 14, to strike out "$2,000" and insert "$3,000," so as to read:

The sum of $50,000 of the appropriation available for the fiscal year 1923 for the "Disposition of remains of officers, soldiers, and civilian employees," may be expended for personal services in the Cemeterial Division, office of the Quartermaster General, for compiling, recording, preparing, and transmitting data incident to bringing home and disposition of remains from abroad: *Provided*, That no person shall be employed under this allotment at a rate of compensation exceeding $1,800 per annum except one person at $3,000.

The amendment was agreed to.

The next amendment was, under the subhead "Signal Corps—Signal Service of the Army," on page 56, line 15, to increase the appropriation for telegraph and telephone systems from "$1,750,000" to "$1,900,000."

The amendment was agreed to.

The next amendment was, on page 56, line 18, after the word "exceed," to strike out "$375,000" and insert "$525,000," so as to make the proviso read:

Provided, That not to exceed $475,000 from this appropriation may be expended for salaries and wages of civilian employees; not to exceed $525,000 may be expended for commercial and existing Government-owned telephone and telegraph service; not to exceed $500,000 may be expended for signal equipment for organizations; not to exceed $5,000 may be expended for pigeon service; not to exceed $75,000 may be expended for photographic and cinematographic service; and not to exceed $75,000 may be expended for the operation and maintenance of Camp Alfred Vail.

The amendment was agreed to.

The next amendment was, on page 57, after line 13, to insert:

For replacing the worn-out portions of the Washington-Alaska submarine cable system, to remain available until expended, $1,500,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Chief Signal Officer," on page 58, line 4, before the word "messengers," to strike out "three" and insert "two," and at the end of line 5, to strike out "$41,900" and insert "$41,060," so as to read:

OFFICE OF THE CHIEF SIGNAL OFFICER.

Salaries: Chief clerk, $2,000; clerks—4 of class 4, 4 of class 3, 7 of class 2, 8 of class 1, 3 at $1,000 each; 2 messengers, at $840 each; 1 assistant messenger, $720; laborer, $660; in all $41,060.

The amendment was agreed to.

The next amendment was, on page 58, line 15, after the word "exceed," to strike out "$20,000" and insert "$40,000," so as to read:

The services of skilled draftsmen and such other services as the Secretary of War may deem necessary may be employed only in the Signal Office to carry into effect the various appropriations for fortifications and other works of defense, and for the Signal Service of the Army, to be paid from such appropriations, in addition to the foregoing employees appropriated for in the Signal Office: *Provided*, That the entire expenditures for this purpose for the fiscal year 1923 shall not exceed $40,000 and the Secretary of War shall each year in the annual estimates report to Congress the number of persons so employed, their duties, and the amount paid to each.

The amendment was agreed to.

The next amendment was, under the subhead "Air Service, Air Service, Army" on page 59, line 9, after the word "with," to insert "and the establishment of landing and take-off runways"; on page 60, line 10, after the word "therewith," to insert "for the marking of military airways where the purchase of land is not involved"; and on page 61, at the beginning of line 5, to strike out "$12,431,000" and to insert "$13,000,000," so as to read:

For creating, maintaining, and operating at established flying schools and balloon schools courses of instruction for officers, students, and enlisted men, including cost of equipment and supplies necessary for instruction, purchase of tools, equipment, materials, machines, textbooks, books of reference, scientific and professional papers, instruments, and materials for theoretical and practical instruction; for maintenance, repair, storage, and operation of airships, war balloons, and other aerial machines, including instruments, materials, gas plants, hangars, and repair shops, and appliances of every sort and description necessary for the operation, construction, or equipment of all types of aircraft, and all necessary spare parts and equipment connected therewith and the establishment of landing and take-off runways; for purchase of supplies for securing, developing, printing, and reproducing photographs in connection with aerial photography; improvement, equipment, maintenance, and operation of plants for testing and experimental work, and procuring and introducing water, electric light and power, gas and sewerage, including maintenance, operation, and repair of such utilities at such plants; for the acquisition of land or interest in land by purchase, lease, or condemnation where necessary to explore for, procure, or reserve helium gas, and also for the purchase, manufacture, construction, maintenance, and operation of plants for the production thereof and experimentation therewith; salaries and wages of civilian employees as may be necessary, and payment of their traveling and other necessary expenses as authorized by existing law; transportation of materials in connection with consolidation of Air Service activities; experimental investigation and purchase and development of new types of aircraft, accessories thereto, and aviation engines, including patents and other rights thereto, and plans, drawings, and specifications thereof; for the purchase, manufacture, and construction of airships, balloons, and other aerial machines, including instruments, gas plants, hangars, and repair shops, and appliances of every sort and description necessary for the operation, construction, or equipment of all types of aircraft, and all necessary spare parts and equipment connected therewith; for the marking of military airways where the purchase of land is not involved; for the purchase, manufacture, and issue of special clothing, wearing apparel, and similar equipment for aviation purposes; for all necessary expenses connected with the sale or disposal of surplus or obsolete aeronautical equipment, and the rental of buildings, and other facilities for the handling or storage of such equipment; for the services of such consulting engineers at experimental stations of the Air Service as the Secretary of War may deem necessary, including necessary traveling expenses; purchase of special apparatus and appliances, repairs, and replacements of same used in connection with special scientific medical research in the Air Service; for printing and binding, including supplies, equipment, and repairs for such Air Service printing plants outside of the District of Columbia as may be authorized in accordance with law; for

publications, station libraries, special furniture, supplies and equipment for offices, shops, and laboratories; for special services, including the salvaging of wrecked aircraft, $13,000,000:

The amendment was agreed to.

The next amendment was, on page 61, line 9, before the word "may," to strike out "$400,000" and insert "$300,000," so as to read:

Provided, That not to exceed $2,750,000 from this appropriation may be expended for pay and expenses of civilian employees other than those employed in experimental and research work; not exceeding $300,000 may be expended for experimentation, conservation, and production of helium.

Mr. SHEPPARD. May I ask the Senator to allow this amendment to go over for the present until I can look into it?

Mr. WADSWORTH. Very well; let the item be passed over.

Mr. SHEPPARD. I thank the Senator.

The VICE PRESIDENT. Without objection, the amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 61, in line 11, before the word "may," to strike out "$3,250,000" and insert "$3,750,000," so as to read:

not exceeding $3,750,000 may be expended for experimental and research work with airplanes or lighter-than-air craft and their equipment, including the pay of necessary civilian employees; not exceeding $450,000 may be expended for the production of lighter-than-air equipment; and not exceeding $324,000 may be expended for improvement of stations, hangars, and gas plants for the Regular Army.

The amendment was agreed to.

The next amendment was, on page 62, after line 8, to insert:

The sum of $48,500 of the appropriation for the Air Service for the fiscal year 1920 contained in the "act making appropriations for the support of the Army for the fiscal year ending June 30, 1920, and for other purposes," approved July 11, 1919, shall remain available until June 30, 1923, for the payment of obligations incurred under contracts executed prior to June 30, 1920.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Chief of Air Service," on page 62, line 21, after the words "at $840 each," to strike out "two at $720 each" and to insert "one at $720," and in line 23, after the words "in all," to strike out "$195,720" and insert "$195,000," so as to make the paragraph read:

Salaries: Chief clerk, $2,400; principal clerks—1 at $2,400, 2 at $2,250 each, 2 at $2,000 each; clerks—6 of class 4, 10 of class 3, 38 of class 2, 80 of class 1; addressograph operator, $900; messengers—2 at $840 each, 1 at $720; 2 messenger boys, at $480 each; 2 laborers, at $720 each; in all, $195,000.

The amendment was agreed to.

The next amendment was, on page 63, line 7, after the word "exceed," to strike out "$65,000," and to insert "$90,000," so as to read:

The services of aeronautical engineers, skilled draftsmen, and such other technical services as the Secretary of War may deem necessary may be employed only in the office of the Chief of Air Service to carry into effect the various appropriations for aeronautical purposes, to be paid from such appropriations, in addition to the foregoing employees appropriated for in the office of the Chief of Air Service: *Provided*, That the entire expenditure for this purpose for the fiscal year 1923 shall not exceed $90,000, and the Secretary of War shall each year in the annual estimates report to Congress the number of persons so employed, their duties, and the amount paid to each.

The amendment was agreed to.

The next amendment was, under the subhead "Medical Department," on page 65, line 6, to increase the appropriation for the medical and hospital department from "$1,000,000" to "$1,200,000."

The amendment was agreed to.

The next amendment was, on page 65, at the beginning of line 7, to strike out "no part" and to insert "not more than $16,600"; and in line 9, after the words "of the," where they occur the second time, to strike out "World War" and to insert "war with Germany," so as to make the proviso read:

Provided, That not more than $16,600 of this appropriation shall be used for payment of any expense connected with the publication of the Medical and Surgical History of the War with Germany.

The amendment was agreed to.

The next amendment was, under the subhead "Library, Surgeon General's office," on page 66, line 4, to increase the appropriation "for the library of the Surgeon General's office, including the purchase of the necessary books of reference and periodicals," from "$10,000" to "$12,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Surgeon General," on page 66, line 8, after the figures "$1,800," to strike out "assistant librarian, $1,800" and to insert "2 assistant librarians, at $1,800 each"; at the beginning of line 11, to strike out "15" and to insert "16"; at the end of the same line, to strike out "34" and insert "36"; in line 12, before the words "of class one," to strike out "55" and insert "59"; in line 15, before the words "assistant messengers," to strike out "8" and to insert "6"; and at the end of line 19, to strike out "$213,520" and to insert "$223,280," so as to make the paragraph read:

Salaries: Chief clerk, $2,250; principal assistant librarian, $2,250; principal clerk, $2,000; pathologist, $1,800; microscopist, $1,800; 2 assistant librarians, at $1,800 each, anatomist, $1,600; entomologist, $1,600; photographer, $1,500; translator, $1,800; clerks—16 of class 4, 14 of class 3, 36 of class 2, 59 of class 1, 9 at $1,000 each, 2 at $900 each; multigraph operator, $1,200; engineer, $1,400; skilled mechanic, $1,000; 2 messengers, at $840 each; 6 assistant messengers, at $720 each; chauffeur, $840; 3 firemen, at $720 each; 3 watchmen, at $720 each; superintendent of building (Army Medical Museum and Library), $200; 6 laborers, at $660 each; 4 charwomen, at $240 each; in all, $223,280.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Chief of Bureau of Insular Affairs," on page 67, line 10, before the word "of," to strike out "9" and to insert "10"; in line 11, before the word "of," where it occurs the third time, to strike out "14" and to insert "12"; and at the end of line 13, to strike out "$66,630" and insert "$66,030," so as to make the paragraph read:

Salaries: Chief clerk, $2,250; clerks—10 of class 4, 6 of class 3, 9 of class 2, 12 of class 1, 6 at $1,000 each; 3 messengers, at $840 each; laborer, $660; in all, $66,030.

The amendment was agreed to.

The next amendment was, under the subhead "Engineer operations in the field," on page 70, at the end of line 1, to strike out "$85,000" and to insert "$100,000," so as to read:

For expenses incident to military engineer operations in the field, including the purchase of material and a reserve of material for such operations, the rental of storehouses within and outside of the District of Columbia, the purchase, operation, maintenance, and repair of horse-drawn and motor-propelled passenger-carrying vehicles, and such expenses as are ordinarily provided for under appropriations for "Engineer depots," "Civilian assistants to engineer officers," and "Military surveys and maps," $100,000.

The amendment was agreed to.

The next amendment was, on page 71, line 25, after the word "defense," to strike out "at the following localities: Hawaiian Islands, $3,000; Philippine Islands, $3,000," and to insert "in the insular possessions, $6,000"; so as to read:

For preparation of plans for fortifications and other works of defense in the insular possessions, $6,000.

The amendment was agreed to.

Mr. BORAH. Mr. President, I ask the Senator from New York [Mr. WADSWORTH] in charge of the pending bill that when reached the amendment on page 83, line 4, under the head of "Chemical Warfare Service," proposing to strike out the appropriation of $500,000 and in lieu thereof to insert "$750,000," may be passed over.

Mr. WADSWORTH. Very well.

The reading of the bill was resumed.

The next amendment was, on page 72, line 14, after the word "wharves," to strike out the comma and the following: "at the following localities: Hawaiian Islands, $15,000; Philippine Islands, $50,000"; and in lieu thereof to insert "in the insular possessions, $55,000," so as to read:

For protection, preservation, and repair of fortifications, including structures for submarine mine defense, for which there may be no special appropriation available, and for maintaining channels for access to submarine mine wharves in the insular possessions, $55,000.

The amendment was agreed to.

The next amendment was, on page 72, line 22, after the word "operation," to strike out "at the following localities: Hawaiian Islands, $20,000; Philippine Islands, $40,000"; and in lieu thereof to insert "in the insular possessions, $60,000," so as to read:

For maintenance and repair of searchlights and electric light and power equipment for seacoast fortifications, and for tools, electrical and other supplies, and appliances to be used in their operation in the insular possessions, $60,000.

The amendment was agreed to.

The next amendment was, under the subhead "Seacoast defenses, Panama Canal," on page 73, line 16, to strike out "$30,000" and to insert "$40,000," so as to read:

For maintenance and repair of searchlights and electric light and power equipment for fortifications, and for tools, electrical and other supplies, and appliances to be used in their operation, $40,000.

The amendment was agreed to.

The next amendment was, on page 73, after line 16, to strike out:

For maintenance of clearings and trails, $20,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Chief of Engineers," on page 73, line 22, before the word "messengers," to strike out "four" and insert "three," and at the

end of line 24, to strike out "$109,010" and to insert "108,170," so as to make the paragraph read:

Salaries: Chief clerk, $2,250; 2 chiefs of divisions at $2,000 each; clerks—8 of class 4, 12 of class 3, 17 of class 2, 26 of class 1, 6 at $1,000 each, 3 at $900 each; 3 messengers, at $840 each; 2 assistant messengers, at $720 each; laborer, $660; in all, $108,170.

The amendment was agreed to.

The next amendment was, on page 74, line 10, after the word "exceed," to strike out "$125,000" and to insert "$150,000," so as to read:

The services of skilled draftsmen, civil engineers, and such other services as the Secretary of War may deem necessary, may be employed only in the office of the Chief of Engineers to carry into effect the various appropriations for rivers and harbors, surveys, preparation for and the consideration of river and harbor estimates and bills, fortifications, engineer equipment of troops, engineer operations in the field, and other military purposes, to be paid from such appropriations: *Provided*, That the expenditures on this account for the fiscal year 1923 shall not exceed $150,000; the Secretary of War shall each year, in the annual estimates, report to Congress the number of persons so employed, their duties, and the amount paid to each.

The amendment was agreed to.

The next amendment was, on page 75, line 6, to strike out "That no money appropriated herein shall be expended for maintenance, repair, or operation of any motor-propelled passenger-carrying vehicle employed wholly or in part for personal, social, or other similar use or for any use except for military and official business: *Provided further*,"

The amendment was agreed to.

The next amendment was, on page 76, line 3, after the word "homes," to insert a semicolon and the following: "For manufacture and purchase of ammunition, targets, and other accessories for small arms, hand and machine gun target practice and instruction; and ammunition, targets, target materials, and other accessories which may be issued for small-arms target practice and instruction at the educational institutions and State soldiers and sailors orphans' homes to which issues of small arms are lawfully made, under such regulations as the Secretary of War may prescribe"; and in line 11, to strike out "$508,500" and to insert "$650,000," so as to make the paragraph read:

ORDNANCE STORES, AMMUNITION.

For the development, manufacture, purchase, and maintenance of airplane bombs; of ammunition for small arms and for hand use for reserve supply; of ammunition for burials at the National Soldiers' Home in Washington, District of Columbia, and of ammunition for firing the morning and evening gun at military posts prescribed by General Orders, No. 70, Headquarters of the Army, dated July 23, 1867, and at National Home for Disabled Volunteer Soldiers and its several branches, including National Soldiers' Home at Washington, District of Columbia, and soldiers and sailors' State homes; for manufacture and purchase of ammunition, targets, and other accessories for small arms, hand and machine gun target practice and instruction; and ammunition, targets, target materials, and other accessories which may be issued for small-arms target practice and instruction at the educational institutions and State soldiers and sailors orphans' homes to which issues of small arms are lawfully made, under such regulations as the Secretary of War may prescribe, $650,000.

The amendment was agreed to.

The next amendment was, on page 76, after line 11, to strike out:

SMALL-ARMS TARGET PRACTICE.

For manufacture and purchase of ammunition, targets, and other accessories for small arms, hand and machine-gun target practice and instruction; and ammunition, targets, target materials, and other accessories which may be issued for small-arms target practice and instruction at the educational institutions and State soldiers and sailors orphans' homes to which issues of small arms are lawfully made, under such regulations as the Secretary of War may prescribe, $400,000.

The amendment was agreed to.

Mr. NORRIS. Mr. President, I should like to inquire of the Senator from New York whether there is any specific appropriation in this bill for the maintenance of an army in Europe?

Mr. WADSWORTH. No; there is not.

Mr. NORRIS. There is no reference made to it?

Mr. WADSWORTH. None at all.

Mr. NORRIS. I noticed in the public press some time ago that the President had decided to bring home all of the American soldiers in Europe. Recently I have seen that disputed. Can the Senator tell the Senate what the facts are in regard to that matter?

Mr. WADSWORTH. The committee was informed by the Secretary of War and General Pershing and General Harbord that the troops were ordered home and were coming home.

Mr. NORRIS. All of them?

Mr. WADSWORTH. All of them, with the possible exception of a little clean-up squad, consisting of a few men.

Mr. NORRIS. How soon will they all be back?

Mr. WADSWORTH. They are supposed to start by the 1st of July. They are coming on the regular trips of the transport. Instead of sending transports over on special trips to bring them back, it is more economical to have the transport returning on its regular trip to bring back such men as it can carry.

Mr. NORRIS. What arrangements, if any, have been made in regard to the payment of the troops over there from money paid by the German Government? There was some misunderstanding in regard to that, and our troops were not paid.

Mr. WADSWORTH. The committee did not inquire into that; that is a matter with which the State Department has to do. Of course, we understand that our claim against the German Government for the payment of our troops upon the Rhine is good and must be honored.

Mr. NORRIS. But the only difficulty is that Germany was not at the time the information was furnished me allowed to use any of her money for the purpose of paying our troops, because our recent allies would not permit it; they wanted all the money for themselves.

Mr. WADSWORTH. I think, as a result of a message sent by the administration, I believe through Secretary Hughes, the Governments represented on the Reparation Commission have acknowledged the rights of the United States to secure payment for its troops on the Rhine.

Mr. NORRIS. Would the Senator have any objection to an amendment to this bill to prohibit the use of any money appropriated by the bill for the purpose of maintaining an army in Europe?

Mr. WADSWORTH. Yes; Mr. President, on general principle I would. I do not think the Congress should exercise the functions of Commander in Chief of the Army of the United States.

Mr. NORRIS. In a general way, I fully agree with the Senator, and yet I think the Congress has a definite knowledge as to why the American troops were maintained over there, and a general knowledge which, I think, everybody possesses, that the use of keeping them there has long since passed. That is particularly true if our allies are not going to permit German funds to be used for the payment of our military expenses there.

Mr. WADSWORTH. The Senator is basing his suggestion upon two assumptions, neither of which, I think, is accurate: First, that we intend to keep them there. We do not intend to keep them there; they are ordered home. Second, that the Germans do not intend or will not be permitted to pay us. They will be permitted to pay us.

Mr. NORRIS. They have not been permitted up to the time of the last information received by me.

Mr. WADSWORTH. They have not paid the expenses of the armies of occupation of any government thus far.

Mr. NORRIS. I should be very glad, indeed, to know that we were getting our share of the money from Germany to pay the expenses of our troops on the Rhine; but, Mr. President, it has been a long time since there was any use for our troops there, and a considerable time since the announcement was made that our troops were all going to be brought home, but they have not all been brought back yet. If we are going to permit the Executive branch of the Government to decide to keep them there forever, there will certainly come a time eventually when Congress will wake up enough to decline to appropriate money to keep them there. If there is any reason why they should be kept or any obligation on the United States, I certainly would not want to prohibit the payment of money to keep them there; but I have never yet heard what to my mind was a sufficient reason or, for that matter, any reason, why we should maintain a single soldier in Europe.

Mr. HARRIS. Mr. President, I should like to state to the Senator from Nebraska that I understood the last of the troops in Germany were ordered home last month; but for some reason the order was rescinded and the time of the departure of some of the troops was delayed. I think, however, that they are to leave within the next few days.

Mr. NORRIS. All of them?

Mr. HARRIS. The last of the troops remaining there; that is my understanding.

Mr. WADSWORTH. All but a clean-up squad.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Manufacture of arms," on page 76, line 24, to reduce the appropriation for manufacturing, repairing, procuring, and issuing arms at the national armories, from "$400,000" to "$375,000."

Mr. HITCHCOCK. Mr. President, I should like to ask the chairman of the committee whether he prefers to have that amendment passed over or to consider an amendment to it at the present time.

Mr. WADSWORTH. I will suit the convenience, of course, of the Senator from Nebraska. I am perfectly willing to have it considered now.

Mr. HITCHCOCK. We have been pursuing the policy, I understand, of passing over amendments to which there is objection. I will say to the Senator that I either propose to strike out the whole paragraph or to reduce the appropriation to $75,000. The Senator will recall that the testimony before the committee indicated that 300 men are engaged in the manufacture of rifles, while we have on hand something like 2,800,000 rifles, and the Springfield armory is now in operation simply for the purpose of employing men, not because the Government needs the rifles.

Mr. WADSWORTH. The Senator from Nebraska can state that as his recollection, but the Senator from New York does not quite recall all of that.

Mr. HITCHCOCK. I think the testimony will so indicate.

Mr. WADSWORTH. Not quite.

Mr. HITCHCOCK. If the Senator from New York desires to refresh his memory of the testimony before the committee, I think it will bear out my statement.

Mr. WADSWORTH. I am perfectly willing that the amendment shall go over, if it will suit the Senator's convenience.

Mr. HITCHCOCK. Very well; let it go over with the others.

Mr. WADSWORTH. Very well.

The VICE PRESIDENT. The amendment will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Ordnance stores and supplies," on page 77, line 5, after the word "preserving," to insert "at places other than establishments under the direct control of the Chief of Ordnance," so as to make the paragraph read:

For overhauling, cleaning, repairing, and preserving ordnance and ordnance stores in the hands of troops and at the arsenals, posts, and depots, except material for cleaning and preserving at places other than establishments under the direct control of the Chief of Ordnance; for purchase and manufacture of ordnance stores to fill requisitions of troops, $150,000.

The amendment was agreed to.

The next amendment was, under the subhead "Tanks," on page 77, line 18, to reduce the appropriation for the purchase, manufacture, test, maintenance, and repair of tanks and other self-propelled armored vehicles, to remain available until June 30, 1924, from "$300,000" to "$200,000."

The amendment was agreed to.

The next amendment was, under the subhead "Field Artillery armament," on page 77, line 23, to reduce the appropriation for purchase, manufacture, and test of mountain, field, and siege cannon, including their carriages, sights, implements, equipments, and the machinery necessary for their manufacture, from "$750,000" to "$500,000."

The amendment was agreed to.

The next amendment was, on page 78, line 3, to reduce the appropriation for purchase, manufacture, maintenance, and test of ammunition for mountain, field, and siege cannon, including the necessary experiments in connection therewith, the machinery necessary for its manufacture, and the necessary storage facilities, from "$400,000" to "$300,000."

The amendment was agreed to.

The next amendment was, on page 78, line 7, to increase the appropriation for alteration and maintenance of the mobile artillery, including the purchase and manufacture of machinery, tools, and materials necessary for the work, and the expenses of the mechanics engaged thereon, from "$400,000" to "$500,000."

The amendment was agreed to.

The next amendment was, on page 78, line 11, to reduce the appropriation for purchase, manufacture, and test of ammunition, subcaliber guns, and other accessories for mountain, field, and siege artillery practice, including the machinery necessary for their manufacture, from "$75,000" to "$65,000."

The amendment was agreed to.

The next amendment was, under the subhead "Rock Island Bridge, Rock Island, Ill.," on page 78, after line 24, to insert:

For special repairs and strengthening of bridge, $141,000.

The amendment was agreed to.

The next amendment was, on page 79, line 14, to reduce the appropriation for repairs and improvement of arsenals and depots, etc., from "$805,000" to "$600,000."

The amendment was agreed to.

The next amendment was, on page 79, after line 14, to strike out the following subhead: "Civilian schools, ordnance reservations."

The amendment was agreed to.

The next amendment was, on page 79, after line 15, to strike out:

For the maintenance and operation of schools for children on ordnance reservations, $17,000.

The amendment was agreed to.

The next amendment was, under the subhead "Seacoast defenses, United States—armament of fortifications," on page 79, line 23, after the word "manufacture," to strike out "$450,000" and to insert "$400,000," so as to make the paragraph read:

For purchase, manufacture, and test of seacoast cannon for coast defense, including their carriages, sights, implements, equipments, and the machinery necessary for their manufacture, $400,000.

The amendment was agreed to.

The next amendment was, on page 80, line 2, after the word "manufacture," to strike out "$350,000" and to insert "$300,000," so as to make the paragraph read:

For purchase, manufacture, and test of ammunition for seacoast cannon, and for modernizing projectiles on hand, including the necessary experiments in connection therewith, and the machinery necessary for its manufacture, $300,000.

The amendment was agreed to.

The next amendment was, on page 80, at the end of line 7, to strike out "$60,000" and to insert "$50,000," so as to make the paragraph read:

For purchase, manufacture, and test of ammunition, subcaliber guns, and other accessories for seacoast artillery practice, including the machinery necessary for their manufacture, $50,000.

The amendment was agreed to.

The next amendment was, under the subhead "Seacoast defenses, insular possessions," on page 80, line 16, after the word "arsenals," to strike out "$150,000" and to insert "$125,000," so as to make the paragraph read:

For purchase, manufacture, and test of seacoast cannon for coast defenses, including their carriages, sights, implements, equipments, and the machinery necessary for their manufacture at the arsenals, $125,000.

The amendment was agreed to.

The next amendment was, on page 80, at the end of line 24, to strike out "$60,000" and to insert "$85,000," so as to make the paragraph read:

For alteration and maintenance of the seacoast artillery, including the purchase and manufacture of machinery, tools, and materials necessary for the work, and expenses of the civilian mechanics, $85,000.

The amendment was agreed to.

The next amendment was, under the subhead "Seacoast defenses, Panama Canal," on page 81, line 9, after the word "mechanics," to strike out "$55,000" and to insert "$60,000," so as to make the paragraph read:

For the alteration and maintenance and installation of the seacoast artillery, including the purchase and manufacture of machinery, tools, and materials necessary for the work, and expenses of civilian mechanics, $60,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Chief of Ordnance," on page 81, at the end of line 14, to strike out "messengers—2 at $840 each, 2 at $780 each, 2 at $720 each," and to insert "2 messengers, at $840 each; 2 assistant messengers, at $720 each," and in line 17, after the words "in all," to strike out "$150,640" and to insert "$149,080," so as to make the paragraph read:

Salaries: Chief clerk, $2,500; chief of division, $2,000; principal clerk, $2,000; clerks—9 of class 4, 12 of class 3, 25 of class 2, 44 of class 1, 12 at $1,000 each, 4 at $900 each; 2 messengers, at $840 each; 2 assistant messengers, at $720 each; laborer, $660; in all, $149,080.

The amendment was agreed to.

The next amendment was, on page 83, line 4, to increase the appropriation for the Chemical Warfare Service from "$500,000" to "$750,000."

Mr. WADSWORTH. At the request of the Senator from Idaho [Mr. BORAH] I ask that the amendment on page 83, line 4, be passed over.

The VICE PRESIDENT. It will be passed over.

Mr. WADSWORTH. Mr. President, I am directed by the Committee on Appropriations to ask unanimous consent for the consideration of an amendment which will become a part of the paragraph headed "Office of the Chief of Chemical Warfare Service." I send the amendment to the desk.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 83, after line 8, it is proposed to insert the following as a separate paragraph:

The services of skilled draftsmen, chemical engineers, chemists, and such other services as the Secretary of War may deem necessary, may be employed in the office of the chief, Chemical Warfare Service, to carry into effect the appropriations for that service, to be paid from such appropriations.

Provided, That the entire expenditure for this purpose for the fiscal year 1923 shall not exceed $21,600, and the Secretary of War shall each year in the annual estimates report to Congress the number of persons so employed, their duties, and the amount paid to each.

The VICE PRESIDENT. Is there objection to the immediate consideration of the amendment? The Chair hears none. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was under the subhead "National board for promotion of rifle practice. Quartermaster supplies and services for rifle ranges for civilian instruction," on page 83, line 19, after the word "insignia," to strike out the semicolon and the following: "For the transportation of employees, instructors, and civilians to engage in practice; for the purchase of materials, supplies, and services, and for expenses incidental to instruction of citizens of the United States in marksmanship, and their participation in national and international matches, to be expended under the direction of the Secretary of War, and to remain available until expended, $89,900: *Provided*, That out of this appropriation there may be expended for the payment of transportation, and for supplying meals, or furnishing commutation of subsistence of civilian rifle teams authorized by the Secretary of War to participate in the national matches, not to exceed $80,000," and to insert "$10,000"; so as to make the paragraph read:

To establish and maintain indoor and outdoor rifle ranges for the use of all able-bodied males capable of bearing arms, under reasonable regulations to be prescribed by the National Board for the Promotion of Rifle Practice and approved by the Secretary of War; for the employment of labor in connection with the establishment of outdoor and indoor rifle ranges, including labor in operating targets; for the employment of instructors; for clerical services; for badges and other insignia, $10,000.

The amendment was agreed to.

The next amendment was, on page 84, at the end of line 20, to reduce the appropriation for national trophy and medals for rifle contests from "$10,000" to "$7,500."

The amendment was agreed to.

The next amendment was, on page 85, line 6, before the word "Benning," to strike out "Camp" and to insert "Fort," so as to make the subhead read: "Infantry School, Fort Benning, Ga."

The amendment was agreed to.

The next amendment was, on page 85, line 12, before the name "Benning," to strike out "Camp" and to insert "Fort," so as to make the paragraph read:

For the purchase of textbooks, books of reference, scientific and professional papers; instruments and material for instruction, employment of technical and special services, including the services of one translator at the rate of $150 per month, and for the necessary expenses of instruction at the Infantry School, Fort Benning, Ga., $35,000.

The amendment was agreed to.

The next amendment was, on page 89, after line 18, to strike out "In the Philippine Islands, $12,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of Chief of Coast Artillery," on page 90, line 4, after "each," to strike out "two messengers, at $720 each," and to insert "messenger, $720"; and in line 5, after the words "in all," to strike out "$19,440" and to insert "$18,720," so as to make the paragraph read:

Salaries: Chief clerk, $2,000; clerks—one of class 4, two of class 3, three of class 2, four of class 1, two at $1,000 each; messenger, $720; in all, $18,720.

The amendment was agreed to.

The next amendment was, under the subhead "Militia Bureau: Arming, equipping, and training the National Guard," on page 90, line 9, to reduce the appropriation for procurement of forage, bedding, etc., for animals, from "$1,002,800" to "$1,928,000."

The amendment was agreed to.

The next amendment was, on page 90, line 11, to increase the appropriation for compensation of help for care of matériel, animals, and equipment, from "$750,00" to "$1,910,500."

The amendment was agreed to.

The next amendment was, on page 90, line 12, to increase the appropriation for expenses, camps of instruction, from "$6,500,000" to "$9,500,000."

The amendment was agreed to.

The next amendment was, on page 90, line 17, to increase the appropriation for pay of property and disbursing officers for the United States from "$55,000" to "$60,000."

The amendment was agreed to.

The next amendment was, on page 90, line 22, to increase the appropriation for travel of officers and noncommissioned officers of the Regular Army in connection with the National Guard from "$200,000" to "$300,000."

Mr. WATSON of Georgia. Mr. President, I notice that in every one of these items there is an increase, and a very large increase. Should not the Senate have some explanation of the necessity for these very heavy increases?

Mr. WADSWORTH. Mr. President, the appropriations, as passed by the House of Representatives, with the exception of one item—the item known as "Pay of National Guard (armory drills)," which will be found on page 91, line 4—are inadequate for the support of the guard as now constituted, officers and men. There are 150,000 officers and men in the National Guard to-day, as contrasted with something like 100,000 a year ago. The guard has been growing steadily and healthily under the provisions of law. The States have joined in helping the guard very loyally and cheerfully. Several of them have built armories to house the units, have provided places where the Federal property may be taken care of, and in every way have shown a quality of teamwork with the Federal Government which is most encouraging.

The appropriations suggested by the Senate committee are just sufficient to meet the obligations imposed upon the Federal Government under the law in proportion to the present strength and prospective strength during the next fiscal year of the National Guard.

For example, it is estimated that there will be 160,000 men in the National Guard by July 1. A few new units will be admitted, federalized, and units already existing are being recruited to greater strength within the peace limitation. Those men are all entitled to go, and should go under the statute, to a summer training camp for 15 days. The House appropriation for the summer training camps would only be sufficient to send about 105,000 or 110,000 men. It would leave behind—uncared for, unrecognized, unencouraged, and contrary to the spirit of the law itself—something like 40,000 or 45,000 National Guard men. The summer training camp, of course, is the most valuable training that the guard receives in its entire year of training and instruction; so the Senate committee believed that the appropriation for the expenses of camps of instruction found on line 12 of page 90 should be increased to the amount which is actually necessary to carry out the statute and meet the spirit of the guard and the spirit of the States which have helped form the guard.

To fail to do so is merely to neglect and ignore the statute which the Congress itself passed in 1920, and, worse than that, to neglect and ignore these citizen soldiers who have enlisted in the citizen component of the Army of the United States, who want to go to the camps, who are entitled to go under the statute, and, even worse than that, it is to ignore the States themselves, who through their governors and adjutants general have joined in this work so cheerfully and loyally.

Let me say to the Senator from Georgia that every one of these increases is suggested by the committee simply and solely for the purpose of taking care of the guard as it will stand during the next fiscal year. The sum total of them is actually below the estimates made by the Budget Director, but is sufficient, in the view of the committee, to take care of the guard for the next fiscal year. The guard, it is expected, will start the fiscal year with 160,000 men. It probably will average throughout the next fiscal year in the neighborhood of 180,000 to 190,000.

This bill will permit 160,000 to go to camp this coming summer. The training camp season starts about the 1st of July. This bill will also enable the guard to keep the horses which the Federal Government has supplied to it. The Senator from Georgia will probably recollect that under the statute each troop of cavalry of the guard and each battery of field artillery is furnished with 30 horses by the Federal Government. Of course, the men in those units secure additional horses in nearly every case. The Government merely supplies the nucleus of the horses for these mounted units, and under the statute the Government is to supply the hay and grain for those horses. There are 8,000 of those Government horses in the possession of the guard to-day. The House appropriation for forage is sufficient to supply hay and grain for only 4,000 horses, so that over 4,000 Government horses will starve, or must be taken away from the guard and sent back to Federal remount stations, thereby dismounting troops of cavalry and batteries of field artillery of the National Guard, and in effect destroying the efficiency, the morale, and the enthusiasm of the fine young men who have enlisted in the mounted branches of the National Guard. That, in brief, is the feeling of the committee concerning this amendment.

Mr. BORAH. Mr. President, what is the size of the National Guard at the present time; about 175,000?

Mr. WADSWORTH. No; at present it is about 150,000, but with the units which are to be admitted and federalized in the next month, and taking into consideration also the increase in

the size of the units now recognized by ordinary recruiting, it is expected that by July 1 it will be 160,000. These appropriations will take care of that number in the camps.

Mr. BORAH. I read in the hearings that it would be increased within a certain time, I believe it was after this fiscal year, to 190,000.

Mr. WADSWORTH. It is expected that it will reach that number some time late in the fiscal year, but that number can not be reached until some time after the expiration of the training-camp period, which, of course, is in the summer.

Mr. WATSON of Georgia. Mr. President, I am entirely friendly to the organization known as the National Guard, though I very much regretted the revolution in the system that took away from State governors their discretion as to whether they would respond to the call of the President. When that proposition was offered in the House 30 years ago by General Cutting, of California, I was able to attract the attention of the chairman of the Special Judiciary Committee, Col. William C. Oates, of Alabama, and with his assistance we defeated the measure and left the law as to the State militia as it was. Some years afterwards Congress passed the Dick bill, which entirely changed the system.

The Senator from New York will doubtless recall that at the time of the whisky rebellion in Pennsylvania President Washington and Alexander Hamilton called up Governor Mifflin, of Pennsylvania, Governor Lee, of Virginia, and the Governor of Maryland, whose name at this moment I do not recall, and the Governors of Virginia and Pennsylvania led their State contingents into the field to the point of rendezvous. The Governor of Maryland, as I remember, was sick and could not go, but he sent his representative, who led the Maryland contingent. It was not until those State troops came into the field that the Federal officers took charge of them.

It has always seemed to me a very dangerous proposition for the initiative on the part of the State and the discretion on the part of the governor to be taken away and the power given to the President to arbitrarily send troops of New England into the South, or vice versa, from the South into New England; troops of the South into the West or troops of the West into the North, without any discretion on the part of the governor at all as to whether he would assign State troops to that duty. But, as we now have this system, the explanation of the Senator from New York is entirely satisfactory.

The amendment was agreed to.

The next amendment was, on page 91, at the end of line 4, to insert a colon and the following proviso:

Provided, That 25 per cent of the foregoing amounts for arming, equipping, and training the National Guard shall be available interchangeably for expenditure for the purposes named; but not more than 25 per cent shall be added to the amount appropriated for any one of such purposes.

The amendment was agreed to.

The next amendment was, on page 92, line 19, after the word "Artillery," to strike out the comma after the words "Engineer or Signal," and insert "or Engineer," so as to make the additional proviso read:

Provided further, That the Secretary of War is hereby directed to issue from surplus or reserve stores and matériel now on hand and purchased for the United States Army such articles of clothing and equipment and Field Artillery, Engineer, and Signal matériel and ammunition as may be needed by the National Guard organized under the provisions of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act approved June 4, 1920. This issue shall be made without charge against militia appropriations. None of the funds appropriated in this paragraph shall be used for purchase of arms, Field Artillery or Engineer matériel, public animals, or chevrons.

The amendment was agreed to.

The next amendment was, on page 92, after line 21, to strike out:

The mounted, motorized, and tank units of the National Guard shall be so reduced that the appropriations made in this act shall cover the entire cost of maintenance of such units for the National Guard during the fiscal year 1923.

The amendment was agreed to.

The next amendment was at the top of page 93, to insert:

None of the funds appropriated in this act shall be available for the organization or equipment or field training of new Cavalry, motorized, tank, or air units of the National Guard presented for Federal recognition after the passage of this act.

The amendment was agreed to.

The next amendment was, under the subhead "United States Military Academy. Pay of Military Academy," on page 93, after line 13, to strike out:

Permanent establishment: For pay of seven professors, $26,500; one chaplain, $2,400; master of the sword, $3,500.
For pay of cadets, 1,300 at $780 each, $1,014,000.
The pay of cadets for the fiscal year ending June 30, 1923, shall be fixed at $780 per annum and one ration per day or commutation thereof at the rate of $0.75 per ration, to be paid from the appropriation for the subsistence of the Army.
For pay of one constructing quartermaster, in addition to his regular pay, $1,000.
For additional pay of professors and officers for length of service, $8,000.
Military Academy band: For pay of Military Academy band: One master sergeant, at $74 per month, $888.
Fifteen staff sergeants, at $45 each per month, $8,100.
Fifteen privates, first class, at $35 each per month, $6,300.
Twenty privates, at $30 each per month, $7,200.
Fifteen specialists, second class, at $20 each per month, $3,600.
Twenty specialists, third class, at $15 each per month, $3,600.
Additional pay for length of service, $4,500.
In all, Military Academy band, $34,188.
Field musicians: For pay of field musicians: One staff sergeant, at $45 per month, $540.
Two corporals, at $37 each per month, $888.
Seven privates, first class, at $35 each per month, $2,940.
Twenty-one privates, at $30 each per month, $7,560.
Twenty-eight specialists, sixth class, at $3 each per month, $1,008.
Additional pay for length of service, $990.
In all, field musicians, $13,926.
Service detachment: For pay of service detachment:
One first sergeant, at $53 per month, $636.
Forty-seven sergeants, at $45 each per month, $25,380.
Twenty corporals, at $37 each per month, $8,880.
Fifty-five privates, first class, at $35 each per month, $23,100.
One hundred and fifty-three privates, at $30 each per month, $55,080.
Forty specialists, third class, at $15 each per month, $7,200.
Fifty specialists, fourth class, at $12 each per month, $7,200.
Eighty specialists, fifth class, at $8 each per month, $7,680.
Additional pay for length of service, $23,360.
In all, service detachment, $158,516.
Cavalry detachment: For pay of Cavalry detachment:
One first sergeant, at $53 per month, $636.
Fourteen sergeants, at $45 each per month, $7,560.
Sixteen corporals, at $37 each per month, $7,104.
Sixty-five privates, first class, at $35 each per month, $27,300.
One hundred and twenty-four privates, at $30 each per month, $44,640.
Ten specialists, fourth class, at $12 each per month, $1,440.
Thirteen specialists, fifth class, at $8 each per month, $1,248.
Two specialists, sixth class, at $3 each per month, $72.
For additional pay for length of service, $14,000.
In all, Cavalry detachment, $104,000.
Artillery detachment: For pay of Artillery detachment:
One first sergeant, at $53 per month, $636.
Twenty-three sergeants, at $45 each per month, $12,420.
Twenty-one corporals, at $37 each per month, $9,324.
Seventy-five privates, first class, at $35 each per month, $31,500.
One hundred and eighteen privates, at $30 each per month, $42,480.
Eight specialists, fourth class, at $12 each per month, $1,152.
Fifteen specialists, fifth class, at $8 each per month, $1,440.
Three specialists, sixth class, at $3 each per month, $108.
For additional pay for expert first-class gunners at $5 each per month, first-class gunners at $3 each per month, and second-class gunners at $2 each per month, $6,000.
Additional pay for length of service, $9,000.
In all, Artillery detachment, $114,060.
Engineer detachment: For pay of Engineer detachment: One first sergeant, at $53 per month, $636.
Three staff sergeants, at $45 each per month, $1,620.
Nine sergeants, at $45 each per month, $4,860.
Twelve corporals, at $37 each per month, $5,328.
Thirty-nine privates, first class, at $35 each per month, $16,380.
Fifty-two privates, at $30 each per month, $18,720.
Additional pay for length of service, $5,000.
Additional pay for marksmen, sharpshooters, and expert riflemen, $2,400.
Two specialists, third class, at $15 each per month, $360.
Three specialists, fourth class, at $12 each per month, $432.
Two specialists, sixth class, at $3 each per month, $72.
In all, Engineer detachment, $55,808.
Signal Corps detachment: For pay of Signal Corps detachment: One master sergeant, at $74 per month, $888.
One technical sergeant, at $53 per month, $636.
One staff sergeant, at $45 per month, $540.
Two sergeants, at $45 each per month, $1,080.
Two corporals, at $37 each per month, $888.
Three privates, first class, at $35 each per month, $1,260.
Two privates, at $30 each per month, $720.
One specialist, fifth class (chauffeur), at $8 per month, $96.
Additional pay for length of service, $648.40.
Additional pay for expert military telegrapher, first-class military telegrapher, and military telegrapher, $324.
In all, Signal Corps detachment, $7,080.40.
Coast Artillery detachment: For pay of Coast Artillery detachment:
One first sergeant, at $53 per month, $636.
One master sergeant, at $74 per month, $888.
One technical sergeant, at $53 per month, $636.
One staff sergeant, at $45 per month, $540.
Five sergeants, at $45 each per month, $2,700.
Twenty-one privates, first class, at $35 each per month, $8,820.
Nine specialists, fifth class, at $8 each per month, $864.
For additional pay for first-class gunners, at $3 each per month, and second-class gunners, at $2 each per month, $1,080.
Additional pay for length of service, $2,000.
For additional pay of rated men (2 plotters, 1 observer, first class, 1 observer, second class, and 4 gun commanders), $744.
In all, Coast Artillery detachment, $18,908.
Miscellaneous: Travel allowance due enlisted men on discharge, $5,000.
Interest on deposits due enlisted men, $2,000.
Additional pay of enlisted men under the last proviso of section 4b of the Army reorganization act of June 4, 1920, $5,000.
For pay of one warrant officer, to be on duty in the headquarters, United States Corps of Cadets, $1,320.
For pay of two staff sergeants, to be on duty in the headquarters, United States Corps of Cadets, at $45 each per month, and additional pay for length of service, $1,296.
For pay of one master sergeant, $1,243.20.

For pay of one master sergeant, $1,154.40.
For pay of one staff sergeant, $648.
For pay of civilians:
One teacher of music, $2,000.
For pay of nine clerks in the office of the quartermaster, as follows:
One chief clerk, $1,800.
One clerk, $1,500.
Two clerks, at $1,400 each, $2,800.
Two clerks, at $1,200 each, $2,400.
Three clerks and stenographers, at $1,200 each, $3,600.
For pay of one expert architectural draftsman in office of constructing quartermaster, $2,500.
For pay of 12 clerks and stenographers employed at headquarters, United States Military Academy, in the offices of the superintendent and adjutant, as follows:
One chief clerk, $1,800.
One clerk and stenographer to superintendent, $1,500.
Three clerks, at $1,400 each, $4,200.
One clerk, $1,400.
Six clerks, at $1,000 each, $6,000.
For pay of one clerk to the treasurer, $1,800.
For pay of one clerk and stenographer in the office of the commandant of cadets, $1,200.
For pay of two civilian instructors of French, to be employed under the rules prescribed by the Secretary of War, at $2,000 each, $4,000.
For pay of two civilian instructors of Spanish, to be employed under the rules prescribed by the Secretary of War, at $2,000 each, $4,000.
For pay of two expert civilian instructors in fencing, broadsword exercises, and other military gymnastics as may be required to perfect this part of the training of cadets, at $1,500 each, $3,000.
For pay of one professional civilian instructor in military gymnastics, fencing, boxing, wrestling, and swimming, $1,500.
For pay of two expert assistant civilian instructors in military gymnastics, fencing, boxing, wrestling, and swimming, at $2,000 each, $4,000: *Provided*, That these civilian instructors employed in the department of modern languages and the department of tactics shall be entitled to public quarters and fuel and light.
For pay of one librarian, $3,000.
For pay of one assistant librarian, $1,500.
For pay of one custodian of gymnasium, $1,200.
For pay of one superintendent of gas works, $1,500.
For pay of one chief engineer of power plant, whose duties will include those of engineer of heating and ventilating apparatus, $2,700.
For pay of one assistant chief engineer of same, $1,100.
For pay of three assistant engineers of same, at $1,200 each, $3,600.
For pay of eight firemen, at $780 each, $6,240.
For pay of two oilers for power plant, at $720 each, $1,440.
For pay of one draftsman in the department of civil and military engineering, $1,200.
For pay of one mechanic and attendant skilled in the technical preparation necessary to chemical and electrical lectures and to the instruction in mineralogy and geology, $1,200.
For pay of one mechanic assistant in department of natural and experimental philosophy, $840.
For pay of one custodian of academy buildings, $1,000.
For pay of one electrician, $1,600.
For pay of one chief plumber, $1,600.
For pay of one assistant plumber, $900.
For pay of one plumber's helper, $600.
For pay of one scavenger, at $60 a month, $720.
For pay of one chapel organist and choirmaster, $1,500.
For pay of one superintendent of post cemetery, $1,200.
For pay of one engineer and janitor of Memorial Hall, $900.
For pay of one printer at headquarters, United States Military Academy, $1,600.
For pay of one assistant printer at headquarters, United States Military Academy, $1,100.
For pay of one janitress, Memorial Hall, $600.
For pay of one master mechanic, $1,800.
For pay of one clerk and photographer in the department of drawing, $1,300.
For pay of one stenographer, typewriter, and attendant in charge of the library in the department of law, $900.
For pay of one overseer of the waterworks, $720.
For pay of one engineer of steam, electric, and refrigerating apparatus for the cadets' mess, $1,200.
For pay of one copyist, stenographer, clerk, librarian, typewriter, and attendant in the department of modern languages, $1,040.
For pay of one mechanic and attendant skilled in the operation necessary for the preparation of lectures and of material in the department of drawing, $720.
For pay of one janitor for bachelor officers' quarters, $600.
For pay of one stenographer, typewriter, and attendant in the department of English and history, $840.
For pay of one bookbinder at headquarters, United States Military Academy, $1,200.
For pay of two book sewers in bindery, at $540 each, $1,080.
For pay of one skilled pressman in the printing office, headquarters, United States Military Academy, $1,100.
For pay of one charwoman, headquarters, United States Military Academy, $480.
For pay of one messenger for the Superintendent of the United States Military Academy, $720.
For pay of one skilled copyist, confidential stenographer, librarian, typewriter, and attendant in the department of mathematics, $1,000.
For pay of one stenographer, typewriter, and clerk in the medical department and department of military hygiene, $840.
For pay of one confidential stenographer, copyist, librarian, typewriter, and multigraph operator in the department of natural and experimental philosophy, $1,000.
In all, pay of civilians, $106,380.

And in lieu thereof to insert:

Permanent Establishment: For seven professors, $27,000; chaplain, $2,400; master of the sword, $3,500; constructing quartermaster, in addition to his regular pay, $1,000; additional pay of professors and officers for length of service, $11,345; subsistence allowance of professors and officers, $4,599; in all, $49,844.
For 1,300 cadets, $1,014,000.
Military Academy Band: Master sergeant; 15 staff sergeants; 15 privates, first class; 20 privates; specialists—15, second class, 20, third class; additional pay for length of service; in all, $39,882.
Field musicians: Staff sergeant; 2 corporals; 7 privates, first class; 21 privates; 28 specialists, sixth class; additional pay for length of service; in all, $13,450.
Service Detachment: First sergeant; 47 sergeants; 20 corporals; 55 privates, first class; 153 privates; specialists—40, third class, 50, fourth class, 80, fifth class; additional pay for length of service; in all, $156,648.
Cavalry detachment: First sergeant; 14 sergeants; 16 corporals; 65 privates, first class; 124 privates; specialists—10 fourth class, 13 fifth class, 2 sixth class; additional pay for length of service; in all, $99,039.
Artillery detachment: First sergeant; 23 sergeants; 21 corporals; 75 privates, first class; 118 privates; specialists—8 fourth class, 15 fifth class, 3 sixth class; additional pay for qualification in gunnery; additional pay for length of service; in all, $105,543.
Engineer detachment: First sergeant; 3 staff sergeants; 9 sergeants; 12 corporals; 39 privates, first class; 52 privates; specialists—2 third class, 3 fourth class, 2 sixth class; additional pay for length of service; additional pay for qualification in marksmanship; in all, $53,433.
Signal Corps detachment: Master sergeant; technical sergeant; staff sergeant; 2 sergeants; 2 corporals; 3 privates, first class; 2 privates; specialist, fifth class (chauffeur); additional pay for length of service; in all, $8,127.
Coast Artillery detachment: First sergeant; master sergeant; technical sergeant; staff sergeant; 5 sergeants; 21 privates, first class; 9 specialists, fifth class; additional pay for qualification in gunnery; additional pay for length of service; in all, $18,285.
Miscellaneous: Travel allowance due enlisted men on discharge; interest on deposits due enlisted men; warrant officer and 2 staff sergeants for duty in the Cadet Corps headquarters; 2 master sergeants; staff sergeant; additional pay for length of service; in all, $15,418.
Civilians: Teacher of music, $2,000; two chief clerks at $1,800 each; clerks—1 $1,500, 6 at $1,400 each, 2 at $1,200 each, 6 at $1,000 each; 4 clerks and stenographers at $1,200 each; clerk and stenographer to superintendent, $1,500; clerk to the treasurer, $1,800; expert architectural draftsman, $2,500; 2 civilian instructors of French and 2 civilian instructors of Spanish, to be employed under rules prescribed by the Secretary of War, at $2,000 each; 2 expert civilian instructors in fencing, broad-sword exercises, and other military gymnastics, at $1,500 each; professional and expert assistant civilian instructors in military gymnastics, fencing, boxing, wrestling, and swimming—2 at $2,000 each, 1 $1,500; librarian, $3,000; assistant librarian, $1,500; custodian of gymnasium, $1,200; superintendent of gas works, $1,500; chief engineer of power plant, $2,700; assistant chief engineer of power plant $1,100; 3 assistant engineers of power plant at $1,200 each; 8 firemen at $780 each; 2 oilers at $720 each; draftsman, $1,200; mechanic and attendant, $1,200; mechanic assistant, $840; custodian of academy buildings, $1,000; electrician, $1,600; chief plumber, $1,600; assistant plumber, $900; plumber's helper, $600; scavenger, $720; chapel organist and choirmaster, $2,500; superintendent of post cemetery, $1,200; engineer and janitor of Memorial Hall, $900; printer, $1,600; assistant printer, $1,100; janitress, Memorial Hall, $600; master mechanic, $1,800; clerk and photographer, $1,300; stenographers, typewriters, attendants, copyists, clerks, librarians, or multigraph operators—1 $1,040, 2 at $1,000 each, 1 $900, 2 at $840 each; overseer of waterworks, $720; engineer of steam, electric, and refrigerating apparatus, $1,200; mechanic and attendant, $720; janitor, $600; bookbinder, $1,200; 2 book sewers at $540 each; skilled pressman, $1,100; charwoman, $480; messenger, $720; in all, $107,380: *Provided*, That the civilian instructors employed in the departments of modern languages and tactics shall be entitled to public quarters, fuel, and light.

Mr. WADSWORTH. Mr. President, I think just a word of explanation of this amendment would be serviceable to Senators who have not served on the Appropriations Committee working on the bill. The amendment, while it appears to be very extensive in the number of pages it covers, makes but one or two actual changes in the Military Academy appropriations.

The purpose of the committee was to conserve space in printing. It will be noted that the bill as it reached the Senate from the House was printed in such fashion as to take up many pages of print. It is itemized, and the items are strung along in such a way as to cover something like 15 pages. Several members of the committee have discussed this in years gone by, and upon encountering it in this bill, the committee made up its mind that it would present this portion of the bill to the Congress in compact form, covering exactly the same items, but printed in such a way that, instead of using up 15 to 19 pages, it can be contracted into 4 or 5 pages. That is the object of striking out page after page of the House text, and substituting the committee amendment.

I merely want to call attention to the changes which are made in the first amendment. The pay of seven professors of the Military Academy is raised from $26,500 to $27,000, that being due to the new pay bill.

There are other changes in the total of pay of the different military detachments stationed at the academy, and those changes in the aggregate form a reduction as compared with the House text, and each of them is due to the change in the pay schedules in accordance with the new pay bill.

One salary is raised, that of a civilian—I refer to the organist and choirmaster at West Point. It is proposed that his salary should be raised from $1,500 to $2,500, for reasons which the committee believe were exceedingly good. In fact, the committee was unanimous in its belief that this man, who has made an extraordinary success at West Point, shall receive for his services at least $2,500.

So far as the paragraph "Pay, Military Academy," is concerned, I think I have pointed out the changes made by the

Senate. They result in an actual decrease of about $5,800 in the total of pay for the Military Academy.

So I ask that the amendment, commencing on line 14, page 93, striking out all of the bill down to line 4, page 104, and substituting the matter in italics commencing on line 5, page 104, and extending to line 19, page 107, be considered as one amendment, striking out and substituting practically the same text.

The amendment was agreed to.

The next amendment was, on page 107, line 20, to reduce the total appropriation for pay, Military Academy, from "$1,685,928" to "$1,681,049."

The amendment was agreed to.

The next amendment was, on page 107, after line 21, to insert:

All the moneys hereinbefore appropriated for pay of the Military Academy shall be disbursed and accounted for as pay of the Military Academy, and for that purpose shall constitute one fund.

The amendment was agreed to.

Mr. BORAH. There is a provision in the law passed at the last session of Congress with reference to inhibiting deficits. Is that in this bill?

Mr. WADSWORTH. It is in the same place in this bill. As I recollect, the Senator from Idaho was the author of it.

Mr. BORAH. It is kept in this bill?

Mr. WADSWORTH. It is kept here. I am quite sure I know what the Senator refers to, the so-called Borah amendment, which is kept in this bill.

The next amendment was, under the subhead "Maintenance, United States Military Academy," on page 108, after line 1, to strike out:

Current and ordinary expenses: For the expenses of the members of the Board of Visitors, or so much thereof as may be necessary, $750.
Contingencies for superintendent of the academy, $3,000.
Repairs and improvements, namely: Timber, plank, boards, joists, wall strips, laths, shingles, slate, tin, sheet lead, zinc, screws, nails, locks, hinges, glass, paints, turpentine, oils, labor, etc., $55,000.
For fuel and apparatus, namely: Coal, wood, etc., including labor, $60,000.
For gas pipes, gas and electric fixtures, etc., $10,000.
For fuel for cadets' mess hall, shops, and laundry, $15,000.
For postage and telegrams, $1,200.
For stationery, namely: Blank books, paper, etc., $3,500.
For transportation of materials, cadets, discharged cadets, etc., $15,000.
Printing and binding, etc., $3,000.
For department of Cavalry, Artillery, and Infantry tactics: Tan bark or other proper covering for riding hall, to be purchased in open market upon written order of the superintendent, $1,500.
For camp stools, office furniture, etc., $4,000.
For gymnasium and athletic supplies, etc., $7,500.
For the maintenance of one automobile, $300.
For repairs to saddles, bridles, etc., $500.
For the purchase of carbons and for repairs and maintenance of searchlights, etc., $250.
For the purchase of stationery and office supplies for the office of senior instructor of Coast Artillery tactics, $75.
For the purchase of machines, tools, textbooks, and material for the practical instruction of cadets in the maintenance, repair, and operation of all classes of motor transportation and automobile or internal combustion engines, $1,000.
For repair of mattresses, machines, etc., in gymnasium of Cavalry barracks, $100.
For material for hurdles, etc., riding hall, $600.
For general maintenance and repairs to the site of the cadet camp, $10,000.
For repair of obstacles on mounted drill ground, and for constructing other obstacles, etc., $100.
For the purchase of thread, wax, needles, etc., in the Cavalry stables, $200.
For the purchase of thread, wax, needles, etc., in the Artillery stables, $200
For material for preserving floors, etc., Artillery barracks and stables, $150.
For the purchase of tools, machines, etc., Artillery gun shed, $500.
For repair to mattresses, machines, etc., in drill hall and gymnasium of Artillery barracks, $100.
For the purchase of new and upkeep of worn-out rubber matting in squad rooms of Artillery barracks, $150.
For purchase of stationery and office furniture in office of senior assistant instructor of Field Artillery tactics, $100.
For material for preserving floors, etc., Cavalry barracks and stables, $100.
For repair of mattresses, machines, etc., in drill hall and gymnasium of Engineer barracks, $100.
For department of civil and military engineering: Textbooks, stationery, etc., $1,200.
For department of natural and experimental philosophy: Textbooks, apparatus, etc., $3,500.
For department of instruction in mathematics: Textbooks, stationery, etc., $1,250.
For department of chemistry, mineralogy, and geology, $2,500.
For department of drawing: Drawing materials, etc., $2,000.
For department of modern languages: Stationery, etc., $1,900.
For department of law: Books, stationery, etc., $2,000.
For department of practical military engineering: Models, books, stationery, etc., $4,500.
For department of ordnance and gunnery: Models, instruments, books, etc., $2,150.
For the purchase of machines, tools, etc., for practical instruction of cadets in wood and metal working, $500.
For department of military hygiene, $500.
For department of English and history: For purchase of stationery, books, etc., $1,000.
For department of economics and government and political history: Purchase of textbooks, stationery, etc., $1,000.
For a course of lectures for the more complete instruction of cadets, $1,200.
For the maintenance of one automobile truck, $300.
In all, current and ordinary expenses, $219,475.
Miscellaneous items and incidental expenses: For commercial periodicals, stationery, etc., for the office of the treasurer United States Military Academy, $300.
For gas coal, oil, candles, etc., for operating the gas plant, $18,000.
For water pipe, plumbing, and repairs, $8,000.
For material and labor for cleaning and policing public buildings, $6,620.
For supplies for recitation rooms not otherwise provided for and for renewing and repairing furniture in same, $1,000.
Increase and expense of library, $7,200.
For contingent funds, to be expended under the direction of the academic board: For instruments, books, repairs to apparatus, and other incidental expenses not otherwise provided for, $500: *Provided*, That all technical and scientific supplies for the departments of instruction of the Military Academy shall be purchased by contract or otherwise, as the Secretary of War may deem best.
For the purchase and repair of instruments and maintenance of the band, $1,500.
For the repair and purchase of cooking utensils, chairs, etc., cadet mess, which may be expended without advertising, to be immediately available, $3,000.
For the policing of barracks and bathhouses, $25,000.
For supplying light and plain furniture to cadets' barracks, $10,000.
For the purchase and repair of cocoa matting for the aisleways in the stables of the riding hall, $300.
For maintaining the children's school, etc., $6,500.
For purchase and repair of fire-extinguishing apparatus, $1,000.
In all, miscellaneous items and incidental expenses, $88,920.
Buildings and grounds: For cases, materials, etc., ordnance museum in headquarters building, $1,500.
For repairs to ordnance laboratory and other buildings pertaining to department of ordnance and gunnery, $150.
For general repairs to cadet laundry building, etc., to be expended without advertising, $400.
For general incidental repairs and improvements to the cadet store building, including storerooms, office, tailor shops, and shoe-repairing shops, $1,000.
For materials and labor for repairs, etc., soldiers' hospital, $165.
For repair and upkeep of quarters of the staff sergeant, Medical Department, at soldiers' hospital, $50.
For waterworks, $3,000.
For the repair and restoration of retaining walls along the line of the Poplopen pipe line, $3,000.
For carrying on the development of the general plan for improvements to roads and grounds, $3,000.
For repairs and necessary alterations and additions to the cadet hospital, as follows: For materials for radiators, piping, furniture, etc., $120.
For purchase of flowers and shrubs for hospital grounds, $100.
For repairing the cadet exchange, $1,000.
For necessary repairs and replacements in steam heating system and line in cadet mess, which may be expended without advertising, $1,000.
For repairs to the cadet mess building, which may be expended without advertising and to be immediately available, $1,000.
For repairs and improvements to the West Point Army mess building, including supplying and renewing furniture and fittings, $2,500.
Altering coal bunkers in power plant, $10,000.
For repair and maintenance of the cadet boathouse and the purchase and maintenance of boats and canoes for the instruction of cadets in rowing, $750.
For the repair and upkeep of quarters of the master sergeant, Medical Department, at the cadet hospital, $50.
For repairs to the cadet barracks, to be immediately available, $15,000.
For maintaining and improving grounds of post cemetery, $2,000.
For continuing the construction of breast-high wall in dangerous places, $1,000.
For broken stone and gravel for roads, $10,000.
For repairs of boilers, engines, dynamos, motors, etc., cadet mess, which may be expended without advertising, to be immediately available, $3,350.
For the repair and improvement of cadet polo field, $600.
For waterproofing the post headquarters, bachelor, gymnasium, and other large buildings, $2,000.
For care and maintenance of organ in cadet chapel, $250.
For general repairs to the buildings of the Coast Artillery fire-control system, $100.
For material and labor for repair of Field Artillery target range, $500.
For repair and upkeep of stable No. 4 and corral, for purchase of paint, nails, etc., $300.
For erection of steel hangar now on hand, $1,500.

And to insert in lieu thereof:

For text and reference books for instruction; increase and expense of library; office equipment and supplies; stationery, blank books, forms, printing and binding, periodicals; expenses of lectures (not to exceed $1,200); equipment, supplies, and materials for purposes of instruction and athletics and maintenance and repair thereof; musical instruments and maintenance of band; equipment for cadet mess; postage, telephones and telegrams; freight and expressage; transportation of cadets and discharged cadets; maintenance of children's school; contingencies for Superintendent of the Academy (not to exceed $3,000); expenses of the members of the Board of Visitors; contingent fund, to be expended under the direction of the academic board, for instruments, books, repairs to apparatus, and other incidental expenses not otherwise provided for (not to exceed $500); improvement, repair, and maintenance of buildings and grounds (including roads, walls, and fences), and labor, material, and equipment incident thereto; water and sewers; maintenance and repairs to cadet camp site; fire extinguishing apparatus; machinery and tools and repair of same; maintenance, repair, and operation of an automobile and one motor truck; policing buildings and grounds; furniture for official purposes at the Academy; fuel for heat, light, and power; and other necessary incidental expenses in the discretion of the superintendent; in all, $357,580, of which $7,350 shall be immediately available.
For altering coal bunkers in power plant, $10,000.
For repairs to the cadet barracks, to be immediately available, $15,000.
For erection of steel hangar now on hand, $1,500.

Mr. WADSWORTH. This is the same sort of an amendment as the one I described a few moments ago. It is to consolidate the printing of the bill, to shorten it, and thereby to save really thousands and thousands of dollars in printing bills for the Government. But I desire to perfect the committee amendment.

On page 116, line 14, after the word "power" at the end of the line and before the semicolon, I move to insert in parentheses the words "not exceeding $65,000."

The amendment to the amendment was agreed to.

Mr. WADSWORTH. I desire to offer one more perfecting amendment, to conform to the amendment which has just been adopted. On line 16, page 116, the figures "$350,580" should be stricken out, and there should be substituted the figures "$352,580."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The amendment was agreed to.

The next amendment was, on page 117, after line 12, to strike out:

In all, buildings and grounds, $65,685.

The amendment was agreed to.

The next amendment was on page 117, in line 15, to strike out "$304,080" and insert in lieu thereof "$384,080."

Mr. WADSWORTH. The amendment should be changed to read "$379,080."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the committee was, in line 16, to strike out "$2,060,008" and insert in lieu thereof "$2,065,129," so as to read:

In all, Military Academy, $2,065,129.

Mr. WADSWORTH. That should be corrected also as a total. It should read $2,060,129.

The PRESIDING OFFICER. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 117, after line 16, to strike out:

No part of the moneys appropriated in this act shall be used for paying to any civilian employee of the United States Government an hourly wage or salary larger than that customarily paid by private individuals for corresponding work in the same locality.

The amendment was agreed to.

The next amendment was, on page 118, after line 2, to strike out:

Except as expressly otherwise authorized herein, no part of the sums appropriated by this act for military purposes shall be expended in the purchase from private manufacturers of any material at a price in excess of 25 per cent more than the cost of manufacturing such material by the Government, or, where such material is not or has not been manufactured by the Government, at a price in excess of 25 per cent more than the estimated cost of manufacture by the Government.

The amendment was agreed to.

The next amendment was, on page 118, after line 11, to strike out:

Expenditures for carrying out the provisions of this act shall not be made in such manner as to prevent the operation of the Government arsenals at their most economical rate of production, except when a special exigency requires the operation of a portion of an arsenal's equipment at a different rate.

The amendment was agreed to.

The next amendment was, on page 120, line 15, after the name "New Jersey," to strike out "$93,538.69" and to insert "$92,449.23"; at the end of line 21 to strike out "radio dynamic torpedoes, $720,000"; and on page 121, at the end of line 4, to strike out "$3,694,944.95" and to insert "$2,973,855.49," so as to read:

The following unexpended balances or portions of unexpended balances or combined unexpended balances or combined portions of unexpended balances of appropriations for the support of the Military Establishment and for other purposes shall be carried to the surplus fund and be covered into the Treasury immediately upon the approval of this act: Arming and equipping the militia, $178,120.96; field artillery for Organized Militia, $549.84; temporary office building, War Department, $4,907.10; military posts, Schofield Barracks, Hawaii, $856.60; transportation for refugee American citizens from Mexico, $50,846.69; transportation to China of Chinese refugees, $31,165; memorial archway at Vicksburg, Miss., $500; National Memorial Celebration and Peace Jubilee, Vicksburg, Miss., $23,229.63; medals for officers, men, etc., of National Guard, War with Spain, and Mexican border service, $207.87; equipping Army transports with lifeboats and rafts, $2,218.08; exchange of Army cold-storage plant, Chicago, Ill., $500; supply depot, Fort Sam Houston, Tex., $1,017.49; Army supply depot, Fort Mason, Calif., $2.64; road to national cemetery, Salisbury, N. C., $235.09; Signal Service of the Army, $407.10; repair and restoration of defenses of Galveston, Tex., $1,797.81; sea walls and embankments, Panama Canal, $3,270.99; land defenses, Panama Canal, $1,165.30; terminal storage and shipping buildings, $21,440.43; armament of fortifications, act of February 28, 1920, $2,619; proving ground, Sandy Hook, N. J., $92,449.23; ordnance depot, Panama Canal, $35,980.22; storage facilities at armories and arsenals, $1.45; automatic rifles, $2,439.20; ordnance depot, Honolulu, Hawaii, $42.68; Army powder factory, $2.40; international rifle competition, Camp Perry, Ohio, $2,202.38; inland and port storage and shipping facilities, $2,000,000; Frankford Arsenal, Philadelphia, Pa., $165,777.64; Picatinny Arsenal, Dover, N. J., $92,824.11; Rock Island Arsenal, Rock Island, Ill., $243,384.04; San Antonio Arsenal, San Antonio, Tex., $3,723.31; Springfield Arsenal, Springfield, Mass., $1,945.01; Watervliet Arsenal, West Troy, N. Y., $2,237.62; Watertown Arsenal, Watertown, Mass., $5,788.58; total appropriations recovered, $2,973,855.49.

The amendment was agreed to.

The next amendment was, under Title II—Nonmilitary activities of the War Department, subhead "Quartermaster Corps—National cemeteries," on page 121, line 20, after the word "Chapel," to insert a comma and the words "and an additional sum of $15,000 for said repairs is hereby appropriated," so as to make the paragraph read:

The unobligated balance of $5,000 of the appropriation for construction of the Arlington Memorial Amphitheater and Chapel is hereby made available for expenditure under the direction of the Quartermaster General, United States Army, for repairs to the Arlington Memorial Amphitheater and Chapel, and an additional sum of $15,000 for said repairs is hereby appropriated.

The amendment was agreed to.

The next amendment was, at the top of page 122, to strike out:

For reconditioning the road from Fort Gibson, Okla., to the Fort Gibson National Cemetery, Okla., $20,000.

The amendment was agreed to.

The next amendment was, on page 123, line 5, after the figures "$70,000," to strike out the colon and the following proviso:

Provided, That no part of this appropriation shall be used for the purchase of headstones of a design different from that heretofore furnished for the graves of Union and Confederate soldiers.

The amendment was agreed to.

The next amendment was, on page 124, line 1, after the word "Academy," to strike out "acting assistant" and to insert "contract"; at the beginning of line 2 to insert "members of the Army Nurse Corps"; in line 19, after the word "list," to insert "including civilian employees of the Army in the employ of the War Department who die abroad, in Alaska, in the Canal Zone, or on Army transports, or who die while on duty in the field"; and on page 125, line 4, after the word "France," to strike out "the sum of $400,000 is hereby made available during the fiscal year 1923 from the unobligated balance of the amounts available for this purpose for the fiscal year 1922" and to insert "for the care and maintenance of graves of officers, soldiers, and civilian employees of the Army abroad, including the erection of necessary buildings and improvements at permanent American cemeteries and care and maintenance thereof; the sum of $1,143,720 of the unobligated balances of the appropriations for 'Disposition of remains of officers, soldiers, and civilian employees,' for the fiscal years 1920, 1921, and 1922 is hereby made available for the fiscal year 1923 for the purposes set forth in this paragraph," so as to make the paragraph read:

Disposition of remains of officers, soldiers, and civilian employees: For interment, cremation (only upon request from relatives of the deceased), or of preparation and transportation to their homes or to such national cemeteries as may be designated by proper authority, in the discretion of the Secretary of War, of the remains of officers, cadets, United States Military Academy, contract surgeons, members of the Army Nurse Corps, and enlisted men in active service, and accepted applicants for enlistment; for interment or preparation and transportation to their homes of the remains of civilian employees of the Army in the employ of the War Department who die abroad, in Alaska, in the Canal Zone, or on Army transports, or who die while on duty in the field; interment of military prisoners who die at military posts; for the interment and shipment to their homes of remains of enlisted men who are discharged in hospitals in the United States and continue as inmates of said hospitals to the date of their death; for interment of prisoners of war and interned alien enemies who die at prison camps in the United States; for removal of remains from abandoned posts to permanent military posts or national cemeteries, including the remains of Federal soldiers, sailors, or marines interred in fields or abandoned private and city cemeteries; and in any case where the expenses of burial or shipment of the remains of officers or enlisted men of the Army who die on the active list, including civilian employees of the Army in the employ of the War Department who die abroad, in Alaska, in the Canal Zone, or on Army transports, or who die while on duty in the field, are borne by individuals, where such expenses would have been lawful claims against the Government, reimbursement to such individuals may be made of the amount allowed by the Government for such services out of this sum, but no reimbursement shall be made of such expenses incurred prior to July 1, 1910; expenses of the segregation of bodies in permanent American cemeteries in Great Britain and France; for the care and maintenance of graves of officers, soldiers, and civilian employees of the Army abroad, including the erection of necessary buildings and improvements at permanent American cemeteries and care and maintenance thereof; the sum of $1,143,720 of the unobligated balances of the appropriations for "Disposition of remains of officers, soldiers, and civilian employees," for the fiscal years 1920, 1921, and 1922 is hereby made available for the fiscal year 1923 for the purposes set forth in this paragraph.

The amendment was agreed to.

Mr. KING. Mr. President, may I inquire of the Senator whether, if the provision for the size of the Army should be changed and it should be reduced to the limit fixed by the House or any intermediate number, the items that are being considered now would have to be reverted to and changed in any way?

Mr. WADSWORTH. No; unfortunately this item can never be changed; it affects the dead in France.

Mr. KING. I refer to the various items just passed. I am not speaking of any particular one.

Mr. WADSWORTH. We are now on the nonmilitary activities of the War Department, none of which have anything to do with the size of the Army.

Mr. KING. Have all the items been passed over which would be required to be changed if the personnel provision were changed?

Mr. WADSWORTH. There are about three of them under the general group of items of pay of the Army—subsistence, transportation, and regular supplies.

Mr. KING. The question of military posts and forts is what I had in mind. Would not the number of those which are retained be materially modified if the number of the personnel of the Army was reduced to 100,000 or 107,000?

Mr. WADSWORTH. The truth of the matter is that the permanent posts in the United States are not now sufficient to hold the Army. Some of the Army is still in temporary cantonments and they are being given up anyway. We can not reduce the number of permanent posts. This bill, in effect, provides only for the care of permanent posts, as the temporary ones are being given up, and even then the posts will be crowded.

Mr. KING. I think the Senator was of the opinion, according to my recollection, that many of the large military posts, forts, and so forth, that we had for years, should be abandoned.

Mr. WADSWORTH. I think they should be.

Mr. KING. I agree with the Senator.

Mr. WADSWORTH. But we can not abandon them until we concentrate the housing facilities into a smaller number of posts and to do that means appropriations for the building of barracks.

Mr. KING. Are not provisions contained in the bill or in some other legislation for the abandonment of many of those posts which are unnecessary?

Mr. WADSWORTH. There are provisions contained in other legislation for the abandonment of certain installations. I do not think that there are any mandatory provisions of legislation concerning Army posts, but there are for depots, docks, wharves, munitions factories, and seaboard bases, and installation of that kind, at which Army personnel and civilian employees under the War Department are now stationed, and they, I should hope, would soon be withdrawn.

Mr. KING. The Senator knows far better than I that there are a good many posts in the interior of the United States, at various parts of the United States, which were deemed to be wholly unnecessary even if we had a large Army, much larger than that fixed in the bill. I was wondering if any provisions had been made in this legislation or in any other legislation for the permanent abandonment or disposition of some of those useless and unnecessary posts.

Mr. WADSWORTH. There has not.

Mr. KING. Does the committee intend to make any recommendation concerning that matter?

Mr. WADSWORTH. We understand that the House Committee on Military Affairs are giving a great deal of study to to the whole question of War Department real estate. I have no doubt they will determine the disposition of some of the old permanent posts as well as some of the real estate and buildings which were acquired during the war. But let me remind the Senator that the permanent posts, the old-time permanent posts which we had prior to our entrance into the war against Germany, in continental United States, will only house 72,000 men.

Mr. KING. Of course, many of those, as the Senator knows, no matter whether we had a large or small Army, would never be used again.

Mr. WADSWORTH. Nearly all of them are used, but I think it is uneconomical to use as many, scattered as they are. However, the Secretary of War has been powerless. He has no right to sell or get rid of any of the posts. He can close them, or rather move the troops away, but he has to leave a caretaking detachment there. So there is hardly any economy in moving the troops away from such posts, because they still have to be taken care of.

Mr. KING. That is what I had in mind, and I was about to call the attention of the Senator to the fact that a great deal of cost is incurred in the upkeep of those posts which are unnecessary. It occurred to me that we ought to make some disposition of them. I called the Senator's attention to the matter during the consideration of the last Army appropriation bill.

Mr. WADSWORTH. If the Army is ever permitted by the Congress to reach a point where it is stable in numbers and in distribution, then the War Department and the Congress can tell what posts should be abandoned and what posts should not. But ever since April 6, 1917, the Army has been in a state of flux, and is to-day. There is not an officer in the Army from the Secretary of War down who knows how big the Army is going to be or how long it is going to stay at any particular size. I wish Congress would finally make up its mind whether or not it wants an army; and if so, how large. When we make up our minds to that then we can tell how we shall house that army.

Mr. KING. I do not think the Senator can proceed upon the theory that there will be fixed for a definite period the number of officers and personnel of the Army.

Mr. WADSWORTH. That is not the theory upon which the posts are held.

Mr. KING. I understand that.

Mr. WADSWORTH. They can not be sold.

Mr. KING. Then why should we not report some legislation authorizing the disposition of those forts and posts?

Mr. WADSWORTH. I think it would be proper, but I must again point out to the Senator that it is almost impossible for any committee of Congress to lay down a general housing plan until the general military plan is laid down first.

Mr. KING. I agree with the Senator in that, but I have talked with some members of the staff as well as others, and I think it is the consensus of opinion of the Army officers that there are a good many posts in the United States that never will be utilized, no matter how large an Army we have. It does seem to me that as to those there should be some legislation providing for their disposition. Of course, I am not a member of the committee, and I can not force the committee to make any recommendation, but it does seem to me it ought to take that matter into account and make some recommendation.

Mr. HARRIS. Mr. President——

Mr. KING. I yield to the Senator from Georgia.

Mr. HARRIS. I think the Senator from Utah is exactly right about these posts. I hope the Senator will offer an amendment to the bill giving the Secretary of War power to dispose of the old posts that are not being used. They are an expense to the Government. I think, perhaps, the committee would agree to such an amendment. The Secretary of War ought to have that power, and as long as Congress does not give it to him he is powerless to do anything to save expense. We could use the money obtained from the sale of those posts in the enlargement of other posts where the Army would be stationed and thus save a good deal of money for the Government.

Mr. WADSWORTH. Let me say that I wish Congress would do something like that, but I have not the slightest hope that Congress will do any such thing. I do not believe Congress is going to authorize the Secretary of War to sell the Army posts in his discretion, for nearly every Member of Congress who has an Army post in his State would not want the Secretary of War to sell that post and hence would not vote to give the Secretary of War power to do it. I would vote to give the Secretary of War that power to-day.

Mr. KING. So would I.

Mr. WADSWORTH. But we will find terrific opposition to any such proposition.

Mr. KING. The Senator from Georgia expressed the wish that I would offer such an amendment. I dislike to do that. I have such confidence in the chairman of the Committee on Military Affairs, and I know he has labored so industriously and faithfully to prepare a good bill, that I would dislike to do that. I had hoped that the committee itself would see the wisdom and propriety of offering in the bill a provision of that character.

Mr. WADSWORTH. Of course, it would be legislation on an appropriation bill, and the committee had made up its mind that it must not attempt legislation on this bill which would arouse contenton, and, of course, result in a point of order. Such a point of order would cause the whole bill to go back to the committee. There were three little amendments which I have offered, which the committee has picked out as three legislative suggestions to which no one could ever object, and we decided to offer them on the floor after asking unanimous consent. However, the committee discussed this matter in connection with several other matters, and made up its mind that it would not offer as a part of the bill legislative amendments

which certainly would give rise to objection, and hence to a point of order, and hence to a recommittal of the bill.

Mr. KING. Much as I would like to see that legislation, I feel that I ought not to resist the attitude of the committee, but I do regret that the committee has not reported a bill of that character. I hope it will do so at an early date, because I think it is very unfortunate that we have to maintain such a large number of posts, at considerable expense, when it is apparent they never will be used. I think the committee ought to report a bill authorizing the Secretary of War, and, of course, he would consult the Chief of Staff and military officials, to make such investigation as he may deem necessary, and then to dispose of all military land and forts and posts that are regarded as unnecessary for the future needs of the Army.

Mr. WADSWORTH. Then we can not fix the housing for any definite period.

Mr. KING. That may be true, and yet we might determine whether certain forts and posts, whether there is a big or little Army shall be retained, because it is manifest there are a great many posts which, even though we had an Army of 500,000 men, would not be utilized. It seems to me the height of folly to keep these posts upon the theory that we have yet to determine how big the Army is going to be, and therefore we must hold on to them.

If the Senator from New York would report such a bill, I am sure he would find in this Chamber almost unanimous support for it.

Mr. WALSH of Montana. Mr. President, the anticipations of the Senator from New York [Mr. WADSWORTH] are perfectly well founded. He may expect opposition to any movement of that character. In my judgment, legislation of that kind would be exceedingly unwise. I think such posts as may have no military value ought to be disposed of individually. Take the post at my home town, Fort William Henry Harrison. The original site consisted of a thousand acres of land adjacent to the city and was acquired by popular subscription by the citizens of the community and presented to the Government as a site for that post. Additional lands have since been acquired by the Government. Upon what basis of justice is the Government now going to take that property and sell it to the highest bidder for private uses?

Take Fort Assinniboine, in the northern part of my State. That is an old post which was established during the time of the Indian troubles. It was a very famous headquarters for military operations. General Miles made his headquarters there for many years. Buildings were constructed there at very great cost to the Government of the United States. Congress eventually, after the post was abandoned, deemed it wise to present the buildings, with a portion of the grounds, to the State of Montana for the purpose of an agricultural experiment station. I think it would be a most unfortunate thing if that property had been put up for sale and sold to anybody who might be willing to take the buildings for their wreckage value, whatever that might be.

I think these posts ought to be disposed of in some way or other, but there are so many peculiar conditions surrounding the various posts that I think it would be exceedingly unwise to authorize the Secretary of War to dispose of them at public auction.

Mr. KING. I suggest to the Senator from Montana that it seems to me a general bill could be so framed as that the particular cases to which he has called attention and others might be guarded and provided for. For instance, there would be no impropriety, indeed, it would be quite proper, to provide in such a bill that where, as in the case first mentioned by the Senator from Montana, the citizens had purchased the property and had given it to the Government, the Secretary of War would have authority in a case of that kind out of the proceeds derived from the sale to refund to the State or to the people the amount which they had contributed.

Mr. WALSH of Montana. Let me instance Fort Assinniboine, which comprised at one time a great reservation of some 40,000 acres. The buildings, my recollection is, with 1,000 acres were donated to the State for educational purposes. The remainder of the 40,000 acres was open to settlement under conditions stipulated in the act. I think it would be an unfortunate thing to authorize the Secretary of War to sell off the 40,000-acre reservation to somebody who would use it for a cattle preserve. So I submit that it will be found exceedingly difficult to frame, as I think, a statute generally applicable to abandoned military reservations.

Mr. KING. I concede from the statement of the Senator from Montana that there would be some very serious difficulties in providing general legislation on the subject; but that only illustrates the proposition, that if we should attempt to enact general legislation, perhaps, there ought to be a supervisory board and a good deal of latitude provided. At any rate, if a general bill is not introduced, it would seem that a committee or the Secretary of War should be authorized to make a survey and report to Congress what military posts are unnecessary, with such recommendations as they feel it proper should be made. Then, Congress, acting upon that report, should take such steps in accordance therewith as it might deem necessary.

Mr. WALSH of Montana. That would seem to be quite wise, and some definite action ought to be taken with respect to that matter. A great deal of embarrassment has ensued by reason of the fact that it is impossible to get from the War Department a declaration of its purposes with reference to many posts that are not now occupied. If I remember aright, we sought to secure the use of quite a number of them for hospitalization of ex-service men who were suffering and in need of care. We asked that they be turned over to the Public Health Service. They had not been occupied for years for military purposes, yet the War Department apparently is unwilling either to occupy them or to let them go. Perhaps Congress should bear a share of the blame for not adopting a definite policy, as indicated by the Senator from New York, concerning the size of the Army, for, perhaps, it is impossible for the War Department to tell just how many ought to be preserved until they know exactly what the size of the Army is to be.

Mr. WATSON of Georgia. Mr. President, I recognize the force of what has been said by the Senator from Montana, but it seems to me that Congress might relinquish the Government's claim to these lands, allow the Senate to take title, and then let the States in their wisdom make some disposition of them. Perhaps each abandoned post would stand on a different footing. In my State there are some useless forts which are maintained at the expense of the Government, and I know that the State would like to have them and would make wise use of them; and no doubt the same thing would be done in Montana and in various other States. If the proposition were put up to Congress that each State should make its own disposition of these useless forts and relieve the Federal Government of the expense of their maintenance, it might meet the approval of both Houses.

Mr. BORAH. Mr. President, I want to ask the Senator in charge of the bill how many Army posts there are now?

Mr. WADSWORTH. In continental United States there are 240.

Mr. BORAH. I have been absent for a few moments and do not know what the discussion has been. Has there been any concerted or systematic action on the part of the department toward reducing the number of posts and getting rid of some of them?

Mr. WADSWORTH. There has been no concerted carefully planned out action, for the simple reason that the War Department has never been able to tell during the last two or three years how much of an Army we were going to have; but it is perfectly plain that, if the Army should once reach a figure of stability, the War Department would be able to recommend the abandonment of certain posts.

Mr. BORAH. I do not suppose that we will ever have anything like a recognized and established standard as to the size of the Army.

Mr. WADSWORTH. If it would not fluctuate so violently the department would be in a better position. Last year, it will be recalled, we discharged in three months 80,000 men, which was a very violent fluctuation, and this year it is proposed by a bill introduced in the Senate to discharge 75,000 more. Of course, the War Department can not tell where it stands with legislation of that kind pending all the time.

Mr. BORAH. I do not know who introduced that bill.

Mr. WADSWORTH. The Senator from Utah [Mr. KING].

Mr. BORAH. I thought the Senator from New York was referring to me.

Mr. WADSWORTH. No; the Senator from Utah "saw it first."

Mr. BORAH. What I was going to say was that we will scarcely have an Army at any time, unless there is actual war, to require the number of posts in the United States indicated by the Senator from New York. Many of these posts would not be used under any ordinary corcumstances for any sized Army within three hundred or four hundred thousand men.

Mr. WADSWORTH. The barracks at the posts to-day will not house 100,000 men.

Mr. BORAH. I know of a number of posts so situated geographically that they can not be utilized.

Mr. WADSWORTH. That is true of some, but not of others. For example, the posts which I have named, there are 75 Coast

Artillery posts and fortifications. Only 25 of them to-day are manned, but they are all armed with guns. We would have to retain them.

Mr. BORAH. That may be true with reference to those posts; but a number of posts were established during the days of Indian warfare which are still being maintained.

Mr. WADSWORTH. Yes; and in a stand-by condition, and they ought to be given up.

Mr. BORAH. I know of several myself.

Mr. WADSWORTH. The Senator will be surprised how hard it is to give them up if the question is put to the Congress.

Mr. BORAH. I was approaching that subject. If the Army post and navy yard questions were eliminated from the Army and Navy appropriation bills, respectively, we would have vastly more desirable bills.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was, on page 125, line 22, after the word "forces," to insert the following additional proviso:

Provided further, That the funds made available by Public Resolution No. 44, Sixty-seventh Congress, for the purchase of real estate and improvement of cemeteries in Europe for American military dead shall remain available for the purposes specified in that resolution until June 30, 1923.

The amendment was agreed to.

The next amendment was, on page 126, at the beginning of line 3, to strike out "$5,600,000" and to insert "$3,000,000," so as to make the proviso read:

Provided further, That the sum of $3,000,000 of the unobligated balance of the appropriation "Disposition or remains of officers, soldiers, and civil employees," for the fiscal years 1920, 1921, and 1922, shall be carried to the surplus fund and be covered into the Treasury upon the approval of this act.

The amendment was agreed to.

The next amendment was, on page 127, line 10, to increase the appropriation for repairs and preservation of monuments, tablets, roads, fences, etc., made and constructed by the United States in Cuba and China to mark the places where American soldiers fell, from "$100" to "$1,000."

The amendment was agreed to.

The next amendment was, under the subhead "Medical and Surgical History of the World War," on page 128, line 6, after the word "illustrations," to strike out "$4,800" and to insert "$100," so as to make the paragraph read:

Toward the preparation for publication under the direction of the Secretary of War of a medical and surgical history of the war with Germany, including services of an editor, and printing and binding at the Government Printing Office and the necessary engravings and illustrations, $100: *Provided*, That the total cost of such history shall not exceed $150,000.

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, I am going to take the liberty, on behalf of the committee, and I do it in the hearing of the present occupant of the chair (Mr. LENROOT in the chair), to move to strike out, in line 4, on page 128, the words "including services of an editor, and." If those words are included in the text of the paragraph and the appropriation is left at $100, it will be impossible to pay the editor at all. If the words are stricken out, the editor of this medical history will be paid under the $16,600 appropriation which is provided earlier in the bill for this purpose. I move, therefore, that the words "including services of an editor, and" be stricken from the bill. It will then read:

Toward the preparation * * * of a medical and surgical history of the war with Germany, printing and binding at the Government Printing Office, and necessary engravings—

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from New York.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 130, line 2, after the word "Park," to strike out "$50,000" and to insert "to be immediately available, $100,000," so as to make the paragraph read:

For completing the construction of a reflecting pool in west Potomac Park, to be immediately available, $100,000.

The amendment was agreed to.

Mr. KING. Mr. President, I should like to inquire of the Senator in charge of the bill why some of these parks and the reflecting pool in Potomac Park should be charged directly upon the Government of the United States? Why should not a part of those costs be paid by the District? They are in the District and are for the benefit of the residents of the District, as much so as any of the parks in the District; and it occurs to me that it would be wise to transfer to the District the charge of these parks and playgrounds and pools, and so forth, many of which are provided for in this bill. I will ask the Senator whether that subject has received the attention of the committee? The Senator knows that if they were transferred to the District, then 40 per cent or 50 per cent or 60 per cent of the cost, depending upon the ratio of appropriation fixed as between the Government and the District, will be paid by the District.

Mr. WADSWORTH. The maintenance of all the parks in the District of Columbia is shared between the Federal Government and the District.

There are two national monuments here—the Washington Monument and the Lincoln Memorial—which are purely national in character. Although I have never before heard the suggestion the Senator from Utah has just made, for one I think it would be exceedingly unfair to ask that half of the maintenance of the Washington Monument be assessed against the taxpayers of the District of Columbia.

Mr. KING. I did not refer to the Washington Monument.

Mr. WADSWORTH. Or the Lincoln Memorial. The reflecting pool to which the Senator refers is in a sense, and a very true sense, a portion of the Lincoln Memorial. It is part of the work that is done in connection with the erection and completion of the Lincoln Memorial. This is only for construction. I think the citizens of this District should not be called upon to pay for the reflecting pool, which never would have been built except as an adjunct of the Lincoln Memorial. Indeed, it is a part of the Lincoln Memorial.

Mr. KING. I agree with the Senator there. If this is a part of the Lincoln Memorial, then I share the views of the Senator; but I was speaking generally, and not with reference to this item alone.

Mr. WADSWORTH. The Senator will notice that there are no parks at all in this appropriation. They are found in the District bill.

Mr. KING. My understanding was that many of these parks were charged to the Government exclusively. If I am in error, then much of my criticism is inapplicable.

Mr. WADSWORTH. I think the Senator is—just those two things, the maintenance of the Washington Monument and the roads and walks immediately around it, and the maintenance of the Lincoln Memorial and the roads and walks immediately around that.

Mr. KING. Then I have no objection to that.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 130, at the end of line 12, to reduce the appropriation for survey of northern and northwestern lakes, etc., from "$107,000" to "$75,000."

The amendment was agreed to.

The next amendment was, on page 131, line 17, to increase the appropriation for the construction, repair, and maintenance of military and post roads, tramways, ferries, bridges, and trails, Territory of Alaska, from "$425,000" to "$500,000."

The amendment was agreed to.

The next amendment was, under the subhead "Transportation facilities, inland and coastwise waterways," on page 132, line 21, after the figures "1920," to strike out "$30,000" and to insert "$330,000," so as to read:

For additional expense incurred in the operation of boats, barges, tugs, and other transportation facilities on the inland, canal, and coastwise waterways acquired by the United States in pursuance of the fourth paragraph of section 6 of the Federal control act of March 21, 1918, and operated in pursuance of section 201 of the transportation act approved February 28, 1920, $330,000.

The amendment was agreed to.

The next amendment was, on page 132, line 21, after the word "That," to insert "not to exceed $30,000 of"; and on page 133, line 3, to strike out "$4,500" and to insert "$4,000," so as to make the proviso read:

Provided, That not to exceed $30,000 of this appropriation may be used for the payment of experts, clerks, and other employees in the War Department in accordance with the provisions of section 201 (e) of the transportation act, 1920, approved February 28, 1920, but no person shall be employed hereunder at a rate of compensation in excess of $3,000 per annum except 1 at $4,000.

The amendment was agreed to.

Mr. KING. Mr. President, I ask for my own information, not by way of criticism, the reason for including in the military bill some items which would seem to belong to the river and harbor bill—for instance, the flood control.

Mr. WADSWORTH. The river and harbor bill is in here, too.

Mr. KING. In this bill?

Mr. WADSWORTH. Yes.

Mr. KING. I was not advised of that fact.

Mr. WADSWORTH. It would be much easier and quicker to say what is not in this bill than to recite what is in it.

Mr. KING. Then this is a military bill and a river and harbor bill?

Mr. WADSWORTH. It is. It also includes the soldiers' homes, the Panama Canal Zone, parks and cemeteries, Alaska roads, cables to Alaska, and—but, as I said, it would take too long to recite what is in it.

Mr. WARREN. Mr. President, I will say to the Senator from Utah that I presume the reason why all of these things are assembled in this bill is because the work on rivers and harbors is done under the direction of the engineers who are connected with the Army, and therefore that work is here, with all the others.

Mr. BORAH. Mr. President, I suggest to the Senator from Utah that those of us out in the West who are interested in the reclamation of arid lands had better make a move to put them under the Army engineers if we are going to get any money for the purpose.

Mr. KING. It seems to me that this is going to be an omnium gatherum bill; we had better put appropriations in it with respect to other matters of which the Government takes cognizance. I supposed this was a military appropriation bill.

Mr. WADSWORTH. It is the War Department appropriation bill. Anything that the War Department has anything to do with is covered in this bill.

Mr. ROBINSON. Mr. President, the jurisdiction of the various committees, and particularly of the Appropriations Committee, was recently revised, as the Senator from Utah will recall; and it was under that revision that all of the activities of the War Department are assembled under one bill, known as the military appropriations bill, which goes now to the Appropriations Committee instead of to the Military Affairs Committee; but three members of the Military Affairs Committee sit in conjunction with the Appropriations Committee while this particular bill is under consideration. This is a part of the result of the reorganization of the committees in both Houses of Congress intended to give effect to the Budget system.

Mr. KING. May I inquire of the Senator from Arkansas if he knows how much of an appropriation this bill carries for items which under former practice would be included in the river and harbor bill?

Mr. ROBINSON. The item carried in this bill is $42,500,000.

Mr. KING. For rivers and harbors?

Mr. ROBINSON. Yes.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "National Home for Disabled Volunteer Soldiers," on page 138, after line 9, to strike out:

Northwestern Branch, Milwaukee, Wis.: Current expenses, including the same objects specified under this head for the Central Branch, $38,000;
Subsistence, including the same objects specified under this head for the Central Branch, $140,000;
Household, including the same objects specified under this head for the Central Branch, $70,000;
Hospital, including the same objects specified under this head for the Central Branch, $70,000;
For transportation of members of the home, $500;
Repairs, including the same objects specified under this head for the Central Branch, $30,000;
Farm, including the same objects specified under this head for the Central Branch, $8,000;
In all, Northwestern Branch, $356,500.
Eastern Branch, Togus, Me.: Current expenses, including the same objects specified under this head for the Central Branch, $38,000;
Subsistence, including the same objects specified under this head for the Central Branch, $95,000;
Household, including the same objects specified under this head for the Central Branch, $90,000;
Hospital, including the same objects specified under this head for the Central Branch, $48,000;
Transportation of members of the home, $500;
Repairs, including the same objects specified under this head for the Central Branch, $28,000;
Farm, including the same objects specified under this head for the Central Branch, $18,000;
In all, Eastern Branch, $317,500.
Southern Branch, Hampton, Va.: Current expenses, including the same objects specified under this head for the Central Branch, and including the maintenance, repair, and operation of motor-propelled passenger vehicles, $54,000.
Subsistence, including the same objects specified under this head for the Central Branch, $195,000;
Household, including the same objects specified under this head for the Central Branch, $90,000;
Hospital, including the same objects specified under this head for the Central Branch, $80,000;
For transportation of members of the home, $1,000;
Repairs, including the same objects specified under this head for the Central Branch, $44,000;
Farm, including the same objects specified under this head for the Central Branch, $12,000;
In all, Southern Branch, $476,000.
Western Branch, Leavenworth, Kans.: Current expenses, including the same objects specified under this head for the Central Branch, $44,000;
Subsistence, including the same objects specified under this head for the Central Branch, $185,000;
Household, including the same objects specified under this head for the Central Branch, $100,000;
Hospital, including the same objects specified under this head for the Central Branch, $80,000;
For transportation of members of the home, $500;
Repairs, including the same objects specified under this head for the Central Branch, $35,000;
Farm, including the same objects specified under this head for the Central Branch, $18,000;
In all, Western Branch, $462,500.
Pacific Branch, Santa Monica, Calif.: Current expenses, including the same objects specified under this head for the Central Branch, $48,000;
Subsistence, including the same objects specified under this head for the Central Branch, $250,000;
Household, including the same objects specified under this head for the Central Branch, $100,000;
Hospital, including the same objects specified under this head for the Central Branch, $100,000;
For transportation of members of the home, $2,500;
Repairs, including the same objects specified under this head for the Central Branch, $45,000;
Farm, including the same objects specified under this head for the Central Branch, $14,000;
In all, Pacific Branch, $559,500.
Marion Branch, Marion, Ind.: Current expenses including the same objects specified under this head for the Central Branch, $25,000;
Subsistence, including the same objects specified under this head for the Central Branch, $120,000;
Household, including the same objects specified under this head for the Central Branch, $50,000;
Hospital, including the same objects specified under this head for the Central Branch, $90,000;
For transportation of members of the home, $300;
Repairs, including the same objects specified under this head for the Central Branch, $25,000;
Farm, including the same objects specified under this head for the Central Branch, $9,000;
In all, Marion Branch, $319,300.
Danville Branch, Danville, Ill.: Current expenses, including the same objects specified under this head for the Central Branch, $54,000;
Subsistence, including the same objects specified under this head for the Central Branch, $220,000;
Household, including the same objects specified under this head for the Central Branch, $100,000;
Hospital, including the same objects specified under this head for the Central Branch, $80,000;
For transportation of members of the home, $500;
Repairs, including the same objects specified under this head for the Central Branch, $30,000;
Farm, including the same objects specified under this head for the Central Branch, $11,000;
In all, Danville Branch, $495,500.
Mountain Branch, Johnson City, Tenn.: Current expenses, including the same objects specified under this head for the Central Branch, $25,000;
Subsistence, including the same objects specified under this head for the Central Branch, $120,000;
Household, including the same objects specified under this head for the Central Branch, $60,000;
Hospital, including the same objects specified under this head for the Central Branch, $80,000;
For transportation of members of the home, $1,500;
Repairs, including the same objects specified under this head for the Central Branch, $20,000;
Farm, including the same objects specified under this head for the Central Branch, $16,000;
In all, Mountain Branch, $322,500.
Battle Mountain Sanitarium, Hot Sprinks, S. Dak.: Current expenses, including the same objects specified under this head for the Central Branch, $27,000;
Subsistence, including the same objects specified under this head for the Central Branch, $70,000;
Household, including the same objects specified under this head for the Central Branch, $60,000;
Hospital, including the same objects specified under this head for the Central Branch, $40,000;
For transportation of members of the home, $2,000;
Repairs, including the same objects specified under this head for the Central Branch, $18,000;
Farm, including the same objects specified under this head for the Central Branch, $6,000;
In all, Battle Mountain Sanitarium, $223,000.

And in lieu thereof to insert:

For "Current expenses," "Subsistence," "Household," "Hospital," "Transportation," "Repairs," and "Farm," at the following branches, including the same objects respectively specified herein under each of such heads for the Central Branch, namely:

Northwestern Branch, Milwaukee, Wis.: Current expenses, $38,000; subsistence, $140,000; household, $70,000; hospital, $70,000; transportation, $500; repairs, $30,000; farm, $8,000; in all, $356,500.

Eastern Branch, Togus, Me.: Current expenses, $47,000; subsistence, $105,000; household, $90,000; hospital, $48,000; transportation, $500; repairs, $28,000; farm, $18,000; in all, $336,500.

Southern Branch, Hampton, Va.: Current expenses, including the maintenance, repair, and operation of motor-propelled passenger vehicles, $54,000; subsistence, $195,000; household, $90,000; hospital, $80,000; transportation, $1,000; repairs, $44,000; farm, $12,000; in all, $476,000.

Western Branch, Leavenworth, Kans.: Current expenses, $44,000; subsistence, $185,000; household, $100,000; hospital, $80,000; transportation, $500; repairs, $35,000; farm, $18,000; in all, $462,500.

Pacific Branch, Santa Monica, Calif.: Current expenses, $48,000; subsistence, $250,000; household, $100,000; hospital, $100,000; transportation, $2,500; repairs, $45,000; farm, $14,000; in all, $559,500.

Marion Branch, Marion, Ind.: Current expenses, $25,000; subsistence, $120,000; household, $50,000; hospital, $90,000; transportation, $300; repairs, $25,000; farm, $9,000; in all, $319,300.

Danville Branch, Danville, Ill.: Current expenses, $54,000; subsistence, $220,000; household, $110,000; hospital, $90,000; transportation, $500; repairs, $40,000; farm, $11,000; in all, $525,500.

Mountain Branch, Johnson City, Tenn.: Current expenses, $25,000; subsistence, $120,000; household, $60,000; hospital, $80,000; transportation, $1,500; repairs, $20,000; farm, $16,000; in all, $322,500.

Battle Mountain Sanitarium, Hot Springs, S. Dak.: Current expenses, $27,000; subsistence, $70,000; household, $60,000; hospital, $40,000; transportation, $2,000; repairs, $18,000; farm, $6,000; in all, $223,000.

The amendment was agreed to.

The next amendment was, on page 145, after line 16, to strike out:

Provided, That moneys allotted to the Board of Managers of the National Home for Disabled Volunteer Soldiers by the Veterans' Bureau for support, maintenance, and care of World War veterans shall not be used to augment the appropriations made herein under the heads of "Current expenses," "Repairs," and "Farm."

The amendment was agreed to.

The next amendment was, on page 146, line 18, to increase the total appropriation for National Home for Disabled Volunteer Soldiers from "$4,483,800" to "$4,532,800."

The amendment was agreed to.

The next amendment was, under the head "The Panama Canal," on page 147, after line 6, to insert:

The limitations on the expenditure of appropriations hereinbefore made in this act shall not apply to the appropriations for the Panama Canal.

The amendment was agreed to.

The next amendment was, on page 148, line 25, after the figures "$10,000." to insert a colon and the following proviso:

Provided, That not to exceed $4,000 additional may be allowed the governor for expenses for entertainment, payable from the funds of the Panama Railroad Co.

The amendment was agreed to.

The next amendment was, on page 149, line 20, after the word "officer," to strike out "$500,000" and to insert "$550,000," so as to make the paragraph read:

For sanitation, quarantine, hospitals, and medical aid and support of the insane and of lepers, and aid and support of indigent persons legally within the Canal Zone, including expenses of their deportation when practicable, and including additional compensation to any officer of the United States Public Health Service detailed with the Panama Canal as chief quarantine officer, $550,000.

The amendment was agreed to.

The next amendment was, on page 149, line 24, to increase the appropriation for civil government of the Panama Canal and Canal Zone from "$915,000" to "$950,000."

The amendment was agreed to.

The next amendment was, on page 150, line 1, to increase the total appropriation for the Panama Canal from "$4,074,434" to "$4,159,434."

The amendment was agreed to.

The next amendment was, on page 150, line 7, after the word "surplus," to strike out "or reserve stocks" and to insert "stock," so as to make the paragraph read:

The Governor of the Panama Canal, so far as the expenditure of appropriations contained in this act may be under his direction, shall, when it is more economical, purchase needed materials, supplies, and equipment from available surplus stock of the War Department.

The amendment was agreed to.

The next amendment was, on page 150, after line 7, to strike out:

No part of the foregoing appropriations for the Panama Canal shall be used to pay the salary for any position at a rate in excess of the rate in effect for such position on June 30, 1921.

The amendment was agreed to.

The next amendment was, on page 150, line 20, after the word "supplies," in line 19, to insert "and except for the permanent operating organization under which the compensation of the various positions is limited by section 4 of the Panama Canal act," so as to make the paragraph read:

Except in cases of emergency or conditions arising subsequent to and unforeseen at the time of submitting the annual estimates to Congress, and except for those employed in connection with the construction of permanent quarters, offices and other necessary buildings, dry docks, repair shops, yards, docks, wharves, warehouses, storehouses, and other necessary facilities and appurtenances for the purpose of providing coal and other materials, labor, repairs, and supplies, and except for the permanent operating organization under which the compensation of the various positions is limited by section 4 of the Panama Canal act, there shall not be employed at any time during the fiscal year 1923, under any of the foregoing appropriations for the Panama Canal, any greater number of persons than are specified in the notes submitted, respectively, in connection with the estimates for each of said appropriations in the Budget for said year, nor shall there be paid to any such person during that fiscal year any greater rate of compensation than was authorized to be paid to persons occupying the same or like positions on July 1, 1921; and all employments made or compensation increased because of emergencies or conditions so arising shall be specifically set forth, with the reasons therefor, by the governor in his report for the fiscal year 1923.

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, I think that finishes the reading of the bill for amendment, except for the amendments that have been passed over.

The PRESIDING OFFICER. The Secretary will state the first amendment passed over.

Mr. WADSWORTH. The Senator from Nebraska [Mr. NORRIS] and the Senator from Idaho [Mr. BORAH] probably desire to give consideration to the first amendment that was passed over, which commences on page 15, and as that is the amendment which governs the size of the Regular Army, and perhaps will be considered of most importance by a good many Senators, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Gerry	McCumber	Robinson
Borah	Glass	McKinley	Sheppard
Brandegee	Gooding	McNary	Shortridge
Broussard	Hale	Myers	Simmons
Bursum	Harreld	Nelson	Smith
Calder	Harris	New	Smoot
Cameron	Heflin	Newberry	Spencer
Capper	Hitchcock	Nicholson	Sterling
Caraway	Johnson	Norris	Sutherland
Culberson	Jones, N. Mex.	Oddie	Swanson
Cummins	Jones, Wash.	Page	Townsend
Curtis	Kendrick	Pepper	Wadsworth
Dial	King	Phipps	Walsh, Mass.
Edge	Ladd	Poindexter	Warren
Ernst	La Follette	Pomerene	Watson, Ga.
France	Lenroot	Ransdell	Williams
Frelinghuysen	Lodge	Rawson	Willis

The PRESIDING OFFICER (Mr. WILLIS in the chair). Sixty-eight Senators having answered to their names, a quorum is present. The Secretary will state the first amendment passed over.

The READING CLERK. The first amendment passed over was, on page 15, after line 7, in the item "Finance Department, pay, etc., of the Army," to strike out and insert.

Mr. BORAH. Mr. President, I want to make some observations which relate more particularly to the item on page 83, under Chemical Warfare Service.

Mr. WADSWORTH. May we go to that item, then, Mr. President, and consider it?

Mr. BORAH. Very well.

The PRESIDING OFFICER. The Secretary will state the amendment on page 83.

The READING CLERK. On page 83, line 4, Chemical Warfare Service, the committee proposes to strike out "$500,000" and to insert in lieu thereof "$750,000."

Mr. BORAH. Mr. President, what is known in history now as the disarmament conference adjourned in Washington in the fore part of February. The object of that conference was not only to actually reduce armaments and to take some steps toward peace, but supposedly also to create an atmosphere of peace, to break the war spirit, and to give encouragement to and make progress in the direction of world peace.

The most humane and, if it could have been carried out, the most important treaty, which the conference put out, was the treaty between the powers in relation to the use of submarines and noxious gases in warfare. While there were other treaties, particularly the one dealing with the naval ratio, which received much more attention and perhaps impressed more the public mind, yet that treaty disposed largely of what, in my judgment, would have soon become obsolete instruments of naval warfare. In all probability time and economic conditions, as well as the science of naval warfare, would have accomplished what this treaty with reference to the naval ratio accomplished—that is, the reduction of the number of battleships. In my opinion they were becoming obsolete, so far as modern naval warfare is concerned. But the treaty relating to the use of submarines and the noxious gases dealt with those instruments of modern warfare which are now being perfected and developed so as to become in all probability the dominating instruments in case a war should be visited upon us again.

The conference was unable to effectuate a real control of submarines or a definite control of noxious gases. For reasons which are now well understood by everyone, upon the objections of certain powers, it seemed impossible for the conference to limit the building of submarines or to circumscribe the jurisdiction of the different powers with reference to these instruments. But they did negotiate a treaty which, if there had been good faith behind it, might have been as desirable and have brought about equally as good results, as a definite obligation, to limit building. That treaty provides, among other things:

A merchant vessel must be ordered to submit to visit and search to determine its character before it can be seized.

A merchant vessel must not be attacked unless it refuse to submit to visit and search after warning, or to proceed as directed after seizure.

A merchant vessel must not be destroyed unless the crew and passengers have been first placed in safety.

Belligerent submarines are not under any circumstances exempt from the universal rules above stated, and if a submarine can not capture a

merchant vessel in conformity with these rules the existing law of nations requires it to desist from attack and from seizure and to permit the merchant vessel to proceed unmolested.

When that treaty was put out there were some people, including myself, who had doubt as to the good faith which was behind it, a doubt which one does not like to entertain but which one is compelled to entertain by reason of the glaring facts which stare you in the face.

These powers, in other words, unwilling to limit the use of submarines undertook to prescribe and proscribe the manner in which they should be used, which if carried out in good faith would have been as effective as prohibiting the use of them, because if submarines must be used as provided in this treaty, they have been rendered largely ineffective in modern sea warfare. The very object of a submarine is and it does its best service in doing the things contrary to the rules provided for in this treaty.

So when we looked upon the situation and observed that the nations refused to go direct to the subject and deal with it directly and limit the building of the submarines, but were willing to put in a provision limiting the use of them, practically destroying them, it occurred to some of us that they never intended to carry out that treaty.

This treaty has not been ratified except by the Senate of the United States. We ratified it in great haste, because we were told that the whole world was impatiently waiting for the United States to take the first step toward world peace and that as soon as we should act the other nations of the world would be glad to follow. After we ratified the treaties they passed into the pigeonholes of the foreign nations and have never been heard from since. Neither France, Great Britain, nor Japan has seen fit to take up these treaties even for consideration.

This particular clause which I have just read has nothing to do with anything contained in this bill, of course, but there is a clause in this treaty which seems to me relevant for discussion, and that is article 5 of the same treaty:

The use in war of asphyxiating, poisonous, or other gases, and all analogous liquids, materials, or devices having been justly condemned by the general opinion of the civilized world and the prohibition of such use having been declared in treaties to which a majority of the civilized powers are parties. The signatory powers, to the end that this prohibition shall be universally accepted as a part of international law binding alike the conscience and practice of nations, declare their assent to such prohibition, agree to be bound thereby as between themselves and to invite all other civilized nations to adhere thereto.

If this meant anything at all it meant that the signatories to this treaty were determined to take the first step toward the limiting of the use of noxious gases in warfare.

Since the adjournment of the disarmament conference the movement, not only in this country but in Japan, Great Britain, and France, has been such as to practically destroy the beneficial results of the disarmament conference. I entertained no doubt at the time that some movement would be made in that direction, but I had no idea that they would move so rapidly as they have in the last few months. If you will survey the budgets of the other powers with reference to these particular instruments of warfare, you will find that they are not only in some instances violating what in my judgment is the letter but they are in a multitude of instances violating the spirit of these treaties. It is true that they have not ratified them, and I would judge from the manner in which they are dealing in their budgets with the subjects covered by the treaties that they do not propose to ratify them.

I observed in the news items some 10 days since this statement:

Nations of the world, no less than seven of them, have sought information from the United States on the manufacture of poison gas since the armament conference here drafted a treaty to outlaw chemical warfare. Information to this effect was verified yesterday at the War Department.

Five nations meet in Washington in February and solemnly sign a treaty in which they put the ban of condemnation upon the use of this instrument, poison gas, and then, within six months, seven nations meet in the same capital for the purpose of exchanging views as to how they can most expedite the perfecting of the use of this instrument of modern warfare. In other words, the city of Washington becomes the distributing bureau or the distributing depot of the best information, which information is only desirable upon the theory that this treaty is to be disregarded.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wisconsin?

Mr. BORAH. I yield.

Mr. LENROOT. There are many nations which were not parties to this treaty, and if those nations continue the use of poison gas, and there is no prohibition against their doing so, does the Senator think that any nation can afford not to have the latest information possible concerning it for its own safety?

Mr. BORAH. Mr. President, that shows how utterly and absolutely useless is the treaty which we have ratified. If the United States, one of the signers of the treaty, is to become the central distributing bureau or depot for the information which was condemned by the treaty, we are not only waiting for the other nations to initiate a violation, but we are conniving at it ourselves and encouraging it. Why should we have an international conference on poison gas and thereby encourage and stimulate other peoples to devote their money and their genius to perfecting this hellish means of death? In my opinion we are acting in flagrant violation of the spirit of the treaty and the whole disarmament conference.

Mr. LENROOT. On the contrary, we are waiting until the other nations adhere, until all the nations of the world adhere.

Mr. BORAH. I beg the Senator's pardon.

Mr. WADSWORTH. Does the Senator say the United States Government is the central distributing point of information on chemical-warfare gases?

Mr. BORAH. That is my understanding.

Mr. WADSWORTH. Who represented the Government and with what authority did he so represent the Government and upon what occasion?

Mr. BORAH. I will read this article again.

Mr. WADSWORTH. I would like very much to hear it.

Mr. BORAH. It reads as follows:

Nations of the world, no less than seven of them, have sought information from the United States on the manufacture of poison gas since the armament conference here drafted a treaty to outlaw chemical warfare. Information to this effect was verified yesterday at the War Department.

Mr. WADSWORTH. Is that all?

Mr. BORAH. No; that is not all, but that is subject to my comment.

Mr. WADSWORTH. Did they get the information?

Mr. BORAH. I understand so.

Mr. WADSWORTH. How does the Senator understand so?

Mr. BORAH. I understand it from the newspapers. I have much more here.

Mr. WADSWORTH. That is not entirely reliable.

Mr. BORAH. Not entirely reliable? I venture to say that they did get the information. I venture to say that if the Senator will call up the Secretary of War he will find that they did get it. It was published in the newspapers, as stated, upon the approval by the War Department, that they had no information to conceal from the representatives of the English Government upon this subject. It came as a quotation and statement from the War Department. They were assembled here for that purpose; met with representatives of the War Department, as the paper said, and I assume that is correct. It was a most important news item. It was published throughout the country. The statement as published stated specifically that its verity was confirmed by the War Department. No reputable paper would say that it was confirmed by the War Department unless it had been confirmed. I believe the report to be true.

Mr. WADSWORTH. The assumption of the Senator goes to very great length. He would apparently include the formulæ for any gas if made under the auspices of the United States Government, and I doubt very much—in fact, I do not believe—that these formulæ were given away.

Mr. BORAH. The Senator from New York does not believe it, but the Senator from Idaho does believe it. I may be mistaken.

Mr. WADSWORTH. I am certain the Senator is mistaken. Before assertions of this sort are made—this is a serious matter——

Mr. BORAH. I think it is a very serious matter.

Mr. WADSWORTH. It seems to me some inquiry might be made of the War Department before an assertion of that sort is made public, for the Senator recollects perfectly well that there was at least one chemical-warfare gas developed during the latter period of the war by American chemists under auspices of the United States Government the formula for which was secret. Not a nation on earth knew what it was, nor any American citizen knew what it was, except within a very restricted number. The assertion of the Senator from Idaho is that this formula has been given away.

Mr. BORAH. No; I do not say they gave all the information away. I do not know anything about it.

Mr. WADSWORTH. I asked the Senator what information was given away and when and by whom. The Senator said these foreigners came here from seven nations and got the information, and that it was given to them by the War Department.

Mr. BORAH. I stated it upon the publication which is found in a daily paper published here in the city and which no one representing the Government has seen fit to deny. It was not only published under the eye of the department but it has been published all over the country and editorial comment made at great length. I supposed, in view of the fact that the publication stated the news item had been confirmed at the War Department, that it was true, otherwise there would have been a denial.

Mr. WADSWORTH. If we denied all things that appear in the daily papers, we would not be doing anything else but denying.

Mr. BORAH. Whom does the Senator mean when he says "we"?

Mr. WADSWORTH. Anybody, the Senator or myself or the War Department.

Mr. BORAH. Here is a matter which the Senator well says is a very serious matter.

Mr. WADSWORTH. It is.

Mr. BORAH. It has been published, and apparently published upon the statement of the War Department. If it was a serious matter and false, it was the duty of the War Department to brand it as false. It was no ordinary statement. In fact the circumstances are quite conclusive that it is true. It is in harmony with many other things calculated, if not designed, to destroy the good results of the disarmament conference.

Mr. WADSWORTH. My criticism, if I may call it such, is that the Senator's assumption goes much further than it should go based upon the announcement of the War Department. The Senator stated earlier in his remarks that the United States Government has become the central distributing agency of the knowledge and use of chemical warfare gases. That includes everything the United States Government knows.

Mr. BORAH. I have these circumstances about which there is no doubt, that the representatives of seven nations came here. It is not to be presumed that they came without the knowledge of the War Department that they were coming. They met with the War Department. It is not to be presumed that the War Department permitted them to come to practice a fraud upon them, and yet concealed from them the purpose of their coming, to wit, to interchange views with reference to the use of poisonous gases. They were here from a distance, upon a serious errand, at expense to their Governments, representing their Governments, and meeting with our Government representatives. I assume they dealt with one another in sincerity when they met together.

Mr. WADSWORTH. I assume that, too; but that would not imply that everything they knew was told.

Mr. BORAH. If it comes down to the proposition of the War Department concealing something from them, that is a different proposition. They might have had some secrets which they did not let them have. There is no such indication here, however.

I will read a little further:

Chemical-warfare experts of the British Army, who have recently concluded a course of study at the American Army chemical-warfare headquarters at Edgewood Arsenal, Md., it is learned, make no secret of the fact that the British Government intends to continue full speed ahead its research work in connection with the use of gas in warfare, notwithstanding the treaty which already has been ratified by the United States Senate.

In view of the treaty, and if the spirit of the treaty is to be regarded, why should the experts of these nations either be invited or permitted to come here and pass within the jurisdiction of our Government works for the purpose of obtaining information? Why should we take an active part in spreading information as to how we can most brutally and effectively kill our fellow men?

France, experts here declare, is pursuing her experiments with gas and is especially developing the technique of the use of gas in connection with airplanes in anticipation of attack from Germany.

The latest development which causes surprise here is the marked tendency on the part of smaller nations of Europe to interest themselves in chemical fumes. Friends of chemical warfare assert that all such shells should be barred if the new explosive is to be prohibited.

INTERPRETATION OF TREATY.

Consideration of this problem has brought attention to the fact that since the treaty prohibits the use of all gases in warfare the employment of such harmless vapors as hydrogen and helium in balloons and dirigibles also come under the ban if the treaty were strictly interpreted.

Mr. WADSWORTH. The Senator will recollect that I called attention to that in a speech before the Senate.

Mr. BORAH. That I remember. I also called attention to the fact that I did not believe they would ever carry out the treaty.

Mr. WADSWORTH. Perhaps we can exchange recollections in the matter.

Mr. BORAH. Now, I will read further. This is from the New York Times of May 25:

Although a treaty was signed at the Washington Conference on Limitation of Armament by which the United States, Great Britain, France, Italy, and Japan bound themselves to adhere to agreements for the prohibition of the use of noxious gases in warfare, it is apparent from information received at the War Department that several Governments are continuing experiments in the preparation of poisonous chemicals for war purposes.

Brig. Gen. Amos O. Fries, Chief of the Gas Service of the Army, said to-day:

"All our information indicates that other nations are working feverishly to make the most of chemical warfare."

Interpretation of the poison-gas treaty negotiated in Washington has been brought to the front by the completion of experiments here on a new high-explosive shell. Experts say that the new explosive, with all the strength of T. N. T., generates 40 per cent of phosgene gas, a deadly chemical developed during the World War. The Washington treaty does not prohibit the use of high-explosive shells but the question has arisen as to whether the new explosive should be barred from use in warfare because it generated a considerable amount of poison gas.

It is contended by some that as all high-explosive shells generate a certain amount of deadly gases, all such shells should be barred if there is to be a prohibition placed on the use of the new explosive. It is maintained also that as the treaty covers all gases in warfare in a prohibitive way the use of harmless vapors like hydrogen and helium in aircraft would come under the ban if the treaty is to be strictly interpreted.

The United States is the only Government signatory to the poison-gas treaty which has ratified it. At the War Department to-day it was said that seven nations had sought information from this Government concerning the manufacture of poison gases since the Conference on Limitation of Armament. One of these is Great Britain. All the others are Governments not parties to the gas treaty. Chemical experts of the British Army have recently completed a course of study at the United States Army gas center at Edgewood Arsenal, Md. They are credited with having made no secret of the intention of the British Government to continue its research work in the use of gas in warfare.

I take it from the reading of these articles that at least these facts will not in all probability be successfully disputed: First, that we signed the treaty and we have ratified it. Secondly, that since the signing of the treaty two of the powers—Great Britain and the United States—have met here and have been conversing and exchanging views with reference to perfecting the use of these noxious gases. Thirdly, that, as stated at the time by an officer of the Army or representative of the War Department, no information which the United States has would be retained or concealed or kept back from the British Government. In other words, while calling upon the world in the treaty to stop the use of poison gas, we set about to perfect it, to make it more cruel and destructive, and then invite in the representatives of other nations to confer and give them the benefit of our work. It is all in violation of the spirit if not the letter of the treaty. It makes a mockery of the disarmament conference.

I am not now accentuating the proposition as to whether the United States gave up all its information. That is not my object in discussing the matter. What I say is that the United States, by permitting this conference here, encourages what must inevitably result in the complete breakdown of the gas treaty. I go further and say that the very fact that seven nations come here, confer together, interchange views—whether candidly and fully or not is another question—in reference to the use of those gases, the perfecting of them, and so forth, is in violation of the spirit of the treaty. It might be justified under the treaty, or notwithstanding the treaty, for the United States to pursue its own individual studies and individual consideration of the matter—that is a matter about which we might differ—but I look with disfavor upon the proposition that they should come here and in a conference deal with the subject which the treaty was supposed to prohibit. This whole disarmament conference and all the treaties are the sheerest hypocrisy unless the work of that conference is to be carried out in good faith. It is not treaties which count, it is the honor and the good faith of the nations. And I denounce as a betrayal of the whole fight for disarmament this encouragement of the things which are in contravention to its whole spirit and purpose.

The PRESIDING OFFICER. The question is upon agreeing to the committee amendment.

Mr. BORAH. Upon that I ask for the yeas and nays.

Mr. ASHURST. Let the amendment be stated.

The READING CLERK. On page 83, Chemical Warfare Service, strike out "$500,000" and insert in lieu thereof "$750,000."

Mr. WADSWORTH. May I simply state that the amount is merely for research work and will not permit the Chemical Warfare Service to manufacture anything in quantity? Most of its research, in fact, practically all of it, will be on the defensive side.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). Transferring my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER], I vote "yea."

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Oregon [Mr. STANFIELD], and vote "yea."

Mr. SIMMONS (when Mr. OVERMAN'S name was called). I wish to announce for the day the unavoidable absence of my colleague [Mr. OVERMAN].

Mr. WARREN (when his name was called). I transfer my standing pair with the Senator from North Carolina [Mr. OVERMAN] to the Senator from Pennsylvania [Mr. CROW], and vote "yea."

Mr. WATSON of Indiana (when his name was called). Transferring my pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from South Dakota [Mr. NORBECK], I vote "yea."

The roll call was concluded.

Mr. BALL. I have a general pair with the senior Senator from Florida [Mr. FLETCHER]. I understand that Senator has not voted.

The PRESIDING OFFICER (Mr. SPENCER in the chair). The senior Senator from Florida has not voted.

Mr. BALL. I transfer my pair with the Senator from Florida to the Senator from New Hampshire [Mr. KEYES], and vote "yea."

Mr. FRELINGHUYSEN. Transferring my general pair with the Senator from Montana [Mr. WALSH] to the junior Senator from Delaware [Mr. DU PONT], I vote "yea."

Mr. BROUSSARD. I have a general pair with the Senator from New Hampshire [Mr. MOSES]. Not knowing how he would vote on this question if present, I withhold my vote.

Mr. HARRISON. I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the junior Senator from Rhode Island [Mr. GERRY], and vote "nay."

Mr. KENDRICK. Transferring my general pair with the Senator from Illinois [Mr. MCCORMICK] to the Senator from Nevada [Mr. PITTMAN], I vote "nay."

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED], and vote "nay." I ask that this announcement of the transfer of my pair may stand for the day.

Mr. JONES of Washington (after having voted in the affirmative). Has the junior Senator from Virginia [Mr. SWANSON] voted?

The PRESIDING OFFICER. He has not.

Mr. JONES of Washington. The Senator from Virginia is necessarily absent. I promised a pair with him during the day. Not being able to secure a transfer of my pair I withdraw my vote.

Mr. CURTIS. I am requested to announce that the Senator from Rhode Island [Mr. COLT] is paired with the junior Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 46, nays 22, as follows:

YEAS—46.

Ashurst	Gooding	Myers	Sheppard
Ball	Hale	Nelson	Shortridge
Brandegee	Harreld	New	Smoot
Bursum	Harris	Newberry	Spencer
Calder	Kellogg	Nicholson	Sterling
Cameron	Ladd	Oddie	Sutherland
Culberson	Lenroot	Page	Townsend
Curtis	Lodge	Pepper	Wadsworth
Dillingham	McCumber	Phipps	Warren
Ernst	McKinley	Poindexter	Watson, Ind.
France	McLean	Ransdell	
Frelinghuysen	McNary	Rawson	

NAYS—22.

Borah	Harrison	La Follette	Underwood
Capper	Heflin	Norris	Walsh, Mass.
Caraway	Hitchcock	Pomerene	Watson, Ga.
Cummins	Jones, N. Mex.	Robinson	Willis
Dial	Kendrick	Simmons	
Glass	King	Smith	

NOT VOTING—28.

Broussard	Fletcher	Moses	Stanfield
Colt	Gerry	Norbeck	Stanley
Crow	Johnson	Overman	Swanson
du Pont	Jones, Wash.	Owen	Trammell
Edge	Keyes	Pittman	Walsh, Mont.
Elkins	McCormick	Reed	Weller
Fernald	McKellar	Shields	Williams

So the committee amendment was agreed to.

Mr. WADSWORTH. Mr. President, I now suggest, if the Senator from Nebraska [Mr. HITCHCOCK] is willing that we should do so, that we return to the amendment on the bottom of page 76 of the bill, where the committee propose to strike out "$400,000" and to insert "$375,000."

I may say for the information of the Senate that this item is applicable alone to the Springfield Arsenal.

The PRESIDING OFFICER. The amendment of the committee referred to by the Senator from New York will be stated.

The READING CLERK. On page 76, under the subhead "Manufacture of arms," in line 24, after the word "armories," the Committee on Appropriations propose to strike out "$400,000" and to insert "$375,000," so as to make the clause read:

For manufacturing, repairing, procuring, and issuing arms at the national armories, $375,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. HITCHCOCK. Mr. President, I should like to inquire whether it would be competent for me to move as a substitute for the committee amendment to strike out the entire paragraph?

Mr. WADSWORTH. May I ask the Senator, first, if he will be good enough to tell me if his purpose is to wipe the Springfield Arsenal off the Government books?

Mr. HITCHCOCK. What I really purpose is simply to put a stop to the manufacture of rifles. I understand, however, that there is some other work there.

Mr. WADSWORTH. If the entire paragraph should be stricken out, of course, there would be no work; and, so far as the Government's accounts would be concerned, there would be no Springfield Arsenal.

Mr. HITCHCOCK. I had some doubt about it. I have been looking at the testimony, and I am inclined to think that there probably should remain an appropriation of $75,000.

Mr. WADSWORTH. It is not necessary to strike out the entire paragraph to attain the Senator's object.

Mr. HITCHCOCK. Then I move to substitute $75,000 for the committee amendment proposing to insert $375,000.

The PRESIDING OFFICER. The amendment proposed by the Senator from Nebraska to the committee amendment will be stated.

The READING CLERK. In lieu of $375,000, the amount proposed to be inserted by the committee, on page 76, line 24, it is proposed to insert $75,000.

Mr. HITCHCOCK. Mr. President, this proposed legislation involves a really important principle. The testimony of General Peirce before the committee showed conclusively that at the Springfield Arsenal we are manufacturing, at an expense of $900 a day, rifles for which we have no use. The testimony of General Peirce further showed that we have on hand at the present time 2,800,000 rifles and that we are manufacturing 30 rifles a day at that institution at an expense of $900. When asked why we were manufacturing these rifles, the general said it was done simply to keep the working force together, so as to have skilled men in that line. As I have stated, this matter now involves a question of high principle: Shall the money of the people be expended in an Army appropriation bill for supplies that are not needed in a military sense to keep a few skilled men employed, on the theory that they might some time be needed?

I do not think there can be any dispute as to the facts. I can take the time to read the testimony of General Peirce; but his testimony was, in effect, that it was necessary to have this appropriation in order to keep those men employed. The supply of 2,800,000 rifles which we now have on hand and stored, except for the few that are in the hands of the soldiers, is certainly large enough in any possible contingency that can be conceived of. We did not have use for as many rifles as that during the war, when we had 4,000,000 men under arms, and it is not conceivable that we will ever have use in our day for the number of rifles that we now have on hand; and it is for the Congress to decide whether we are going to spend $900 a day of the people's money simply for the purpose of keeping a few hundred men employed in manufacturing something that is not needed.

I therefore move to reduce the appropriation to $75,000, which will cover all of the necessary expenditures to keep the armory for storage purposes and for certain small manufacture that seems to be required there; and on that I should like to have the yeas and nays.

Mr. WADSWORTH. Mr. President——

The PRESIDING OFFICER. The Senator from New York.

Mr. WADSWORTH. I have no objection to the yeas and nays being ordered, as long as I may have an opportunity to state the position of the committee.

The PRESIDING OFFICER. The request is made for a yea-and-nay vote.

The yeas and nays were ordered.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. NORRIS. I did not want to interrupt. I thought we were going to have a vote, and I wanted to ask the Senator from New York to give his version of this matter.

Mr. WADSWORTH. That is what I was about to do.

Mr. President, as the Senator from Nebraska states, this matter is one which might perhaps be called one of policy. The Springfield Arsenal is the only arsenal which the Government owns. It has been the home of rifle making for generations. It is the only place in the entire United States where the art of making a military rifle is being preserved. At no other point in this country is a military rifle made.

It is perfectly true that we have 2,800,000 serviceable rifles in the hands of troops or in storage in the United States to-day. It is perfectly true that from the immediate military standpoint, or from the standpoint of the immediate future, we do not need any additional rifles. The question is, Do we need to preserve the art of making a rifle in this country? That is all that there is before the Senate.

Prior to the war the Springfield Arsenal was running at very low capacity. When we went into the war we were astounded to find out that the Springfield Arsenal had been turning out only 75 rifles a day for a year or two or three years before we went to war with Germany. We paid the penalty for that folly by having to go to private manufacturers and accept a British-designed rifle, readjust it to American ammunition, and spend millions and millions and millions before we could get rifles for our soldiers. The Springfield Arsenal had been neglected. With war staring us in the face for two years at least we dawdled along at 75 rifles per day, just a little group of men under the employ of the United States Government who knew something about making a rifle with which our men could defend themselves and their country.

The Senate committee proposes that $375,000 be appropriated to keep this arsenal going. It will permit the arsenal to manufacture 30 rifles per day; that is all. The men employed upon those rifles will be the only men in the United States preserving the art of rifle making. I think I am accurate in saying that those men are the descendants of rifle makers; that they and their families have lived in and about Springfield for generations. They are a little group of skilled artisans that can not be duplicated anywhere in this country. It is proposed under this appropriation to employ approximately 300 men in this great arsenal that employed thousands upon thousands when we had to have rifles immediately. A portion of the 300 will be used in making 30 rifles per day. The rest will be used in carrying on certain experimental construction in connection with semiautomatic rifles—an undertaking quite different from that of the manufacture of the Springfield service rifle.

The rifles are going to cost us $300,000, less than one-tenth of 1 per cent of the money carried in this bill. For one-tenth of 1 per cent of all the appropriations that it is suggested shall be made for the War Department in its military and nonmilitary activities and all the related activities, for that tiny percentage we hope to keep alive in this country and keep gathered together at one spot, at least, in this country the knowledge of how to make a military rifle.

The testimony before the committee was to the effect that a production of less than 30 rifles per day would be so grossly uneconomical as practically to forbid its being attempted. If the amendment of the Senator from Nebraska is adopted, we close practically the entire plant. The $75,000 will be largely eaten up by administrative expenses, the salaries of watchmen, and the cost of heating, lighting, and guarding the property; and we might just as well mark this great, old, historic armory off the books of the Government and abandon any attempt to maintain the art of rifle making in this country.

Mr. HITCHCOCK. Mr. President, I have not any objection to closing the Springfield Armory. I doubt whether it is a sufficiently valuable purpose, but it was at the suggestion of the Senator from New York that I merely moved to reduce the proposed appropriation $300,000, so as to leave the arsenal in operation for the minor purposes stated by General Peirce in his testimony.

If we are to continue the manufacture of rifles for the purpose of educating men in the manufacture of rifles, I do not see any reason why we should not continue the manufacture of heavy artillery, or why we should not continue the manufacture even of chemicals for chemical warfare, although we are trying to agree with the nations not to use it, or why we should not go on with the building of battleships just simply for the purpose of keeping men employed in building battleships and training them in the work. There is no more real reason why artisans should be kept manufacturing rifles that are not used and can not be used within our day than there is for keeping men employed in manufacturing armor that we do not intend to use, for the ostensible reason of keeping people educated in that art.

The United States is not the only place where rifles are manufactured. They are manufactured in all of the great nations of Europe; and these men are not the only men in the world who know anything about manufacturing rifles. It will not become a lost art simply because we stop the manufacture of the rifles. It is true that these men have been devoting themselves to that particular thing, and it is true that they are high-priced men and receive very large pay; but it is a policy that is involved. Are we justified, in an appropriation bill to supply the Army of the United States, in bringing in here and there large expenditures, amounting in this case to nearly a thousand dollars a day, year in and year out, simply for the purpose of keeping people educated in the art of warfare?

I do not care to enter upon a further discussion, but I ask to have inserted in my remarks the testimony of General Peirce on this subject before the Senate Military Affairs Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

MANUFACTURE OF SMALL ARMS AND SMALL-ARMS AMMUNITION AT FRANKFORD AND SPRINGFIELD.

General PEIRCE. There is one other consideration that I wished to explain that has entered into some of these estimates, and that is the desire to keep at the arsenals a skeleton force to preserve the art of manufacture. In those cases where this development program did not of itself afford the necessary work, and there are two instances of that: One is at Frankford Arsenal, where the small-arms ammunition is made; and the other is at the Springfield Armory, where the small arms are made.

Now, of the standard caliber .30 ammunition used in the standard service rifle, we have enough on hand for our reserve purposes and for our actual needs for the coming year; but unless we have some money to manufacture some small-arms ammunition at Frankford and some rifles at Springfield it will be necessary to close those departments down entirely and lose all the men that have any knowledge of that sort of work; so that part of this estimate is to provide a little work at those two places. The estimates provide for a little work at these places in order to keep a very small number of men there.

Senator HARRIS. You say "a little work." How does that compare with the amount before the war or last year? I remember, in the discussion before, that as a matter of fact, we simply made the appropriation for the arsenal in Pennsylvania for Senator Knox after his speech. You remember that. The showing made was that we had all the ammunition necessary. I am in sympathy with what you are trying to do now, to keep a skeleton organization, but to manufacture more ammunition when there is a large quantity on hand would not seem to me just and wise. If I am in error about that, I would like to hear you.

General PEIRCE. We have not sufficient ammunition on hand of all the different kinds of small-arms ammunition. We have enough of the ball ammunition, but there are various kinds of armor-piercing ammunition for use against tanks, and incendiary ammunition for use in the Air Service; and above all, this caliber .50 ammunition that is used in the new caliber .50 machine guns. In those cases we have not any satisfactory quantity on hand. So that we are really accomplishing two purposes with this money; we are keeping a certain small number of men employed and keeping alive a force, and at the same time we are getting ammunition that is needed.

Senator HITCHCOCK. How many men are employed?

General PEIRCE. About 700 at Frankford now. There will be less than 500 after the 1st of July on this estimate.

Senator WADSWORTH. I wanted to ask you to set me straight, at least, and perhaps it will help the other members of the committee also about these different items. Take the bill there, please. Under ordnance stores, ammunition, there is $508,500 appropriated.

General PEIRCE. Yes.

Senator WADSWORTH. That item begins on line 21, page 65, "For the development, manufacture, purchase, and maintenance of airplane bombs, of ammunition for small arms, and for hand use for reserve supply." How is that work distinguished from that under the next item, which is "For manufacture and purchase of ammunition, targets, and other accessories for small arms, hand and machine gun target practice and instruction; and ammunition, targets, target materials, and other accessories which may be issued for small-arms target practice," etc.? That also says for manufacture and purchase of ammunition.

General PEIRCE. The items under the latter appropriation are all for specific purposes of target practice, and the ammunition used in the national matches is special ammunition that is different from the service ammunition.

Senator WADSWORTH. Then you want $100,000 for target-practice ammunition?

General PEIRCE. And for everything else. I have the details here.

Senator WADSWORTH. Then the ammunition made under ordnance stores is made at Frankford?

General PEIRCE. Yes.

Senator WADSWORTH. Except, perhaps, the bombs?

General PEIRCE. The bombs, of course, are some of them made at Frankford and some at Rock Island.

Senator WADSWORTH. Then that appropriation can be said generally to be for the support of the Frankford Arsenal; or is some of it for Rock Island?

General PEIRCE. Yes.

Senator WADSWORTH. And the next one; where is that mostly spent?

General PEIRCE. The target material is either manufactured or procured by Rock Island. The ammunition that is purchased, of course, comes from private manufacturers. If manufactured, it would be at the Frankford Arsenal.

Senator WADSWORTH. Is there no service ammunition manufactured under the second item?

General PEIRCE. Under the small-arms target practice?

Senator WADSWORTH. Yes.

General PEIRCE. There is a .30-caliber gallery-practice ammunition for training of the Army and there is manufacture of .30-caliber gallery-practice ammunition for civilian training camps, and there is manufacture of special ammunition for the national matches.

Senator WADSWORTH. Special types of small-arms ammunition. It is not ordinary service type ammunition?

General PEIRCE. No, sir; there is some blank .45-caliber pistol ammunition for training purposes.

Senator WADSWORTH. Blank ammunition?

General PEIRCE. Yes.

Senator WADSWORTH. In the "manufacture of arms," the next item, that is at Springfield Arsenal, is it?

General PEIRCE. That is at Springfield; yes, sir.

Senator JONES of Washington. Generally, as to this preceding item, if we should not increase the amount of the House you would then do, then, of course, those things that you considered the most important?

General PEIRCE. Yes.

Senator JONES of Washington. Do you think that the Army would suffer any real serious injury by losing that $400,000?

General PEIRCE. I did not get those figures, Senator.

Senator JONES of Washington. There is $400,000 here for small-arms target practice. If we should leave that $400,000 out, do you think there would be any serious results?

General PEIRCE. I feel that at least $400,000 will be necessary under this item.

Senator WADSWORTH. I asked you a while ago how it was that this year's appropriation was $250,000 and next year's $400,000—why the increase? It seems that there was an unexpended balance from 1921 and available for 1922, and therefore the additional appropriation for 1922; was not that it? Have you used up that unexpended balance? I think in the House committee it was stated that there was about $35,000 carried over.

General PEIRCE. $35,000 carried over.

Senator WADSWORTH. Then there is a possible $435,000 available?

General PEIRCE. Yes.

MANUFACTURE OF ARMS.

Senator WADSWORTH. Now, what is the next item?

General PEIRCE. The next item is "Manufacture of arms."

Senator WADSWORTH. Yes; that is at the Springfield Armory. The estimate was $453,000. What had you expected to do with that?

General PEIRCE. There are a number of small items for continuation of development work in connection with the semiautomatic rifle, in connection with the receiver sight of the caliber .30 shoulder rifle, and a number of other items, one of them $4,000, and another $2,000, another $6,000, and so on; but the main item is for the manufacture of United States service rifles, $300,000. That is sufficient, it is estimated, to produce about 30 rifles a day, which is a very much smaller number than has ever been produced at Springfield, and the minimum that we figure we can operate the plant for and keep the smallest force there that has been maintained at Springfield within my recollection.

Senator SPENCER. That is, to produce 30 rifles a day you would need $450,000?

General PEIRCE. No, sir; $300,000.

Senator SPENCER. Which, with the other items, would make $450,000?

General PEIRCE. Yes, sir.

Senator HARRIS. The rifles manufactured are different from the ones used during the war?

General PEIRCE. No, sir; we used two rifles during the war, one the Springfield rifle of the model of 1903 and the other the model of 1917.

Senator HARRIS. I am referring to the Springfield now.

General PEIRCE. That is this one.

Senator HARRIS. Do you need those rifles? Have you not enough left over from the war to last?

General PEIRCE. Yes; we have a very large stock. This is simply asked for for the purpose of a continuation of the operation of the Springfield Armory; otherwise we will have to close it down.

Senator HARRIS. How many men are employed there now?

General PEIRCE. Less than 400, and it probably will go down to 300 or under.

Senator HARRIS. If we reduce that to $150,000 now, could you not hold a skeleton organization that you could build up in case of necessity?

General PEIRCE. Not all of the employees there, of course, would be engaged in the manufacture of the rifles. The armory has one other function, an issuing function, as well as a manufacturing function. But we do not figure that we could operate the manufacturing plant at a less rate than 30 rifles a day without going to a prohibitive cost; as it is, the manufacture has been concentrated in a few buildings, and a considerable part of the plant would be absolutely closed up anyway.

Senator WADSWORTH. You have a small rifle manufactory at Rock Island?

General PEIRCE. Yes.

Senator WADSWORTH. That is closed down now?

General PEIRCE. Absolutely closed down, except that they are at present doing a little repairing there. But there is no manufacturing going on.

NUMBER OF RIFLES ON HAND.

Senator HITCHCOCK. How many rifles have we on hand?

General PEIRCE. About 2,000,000 of the model of 1917 rifle, which was the modified Enfield rifle we procured during this war, and about 800,000, I should say, of the Springfield rifle.

Senator HITCHCOCK. Did you develop any difference between them as to efficiency?

Senator WADSWORTH. The Springfield rifle was always regarded as being a little better. We could not make that rifle fast enough.

General PEIRCE. There were three large factories equipped to produce the Enfield, and only Springfield and Rock Island equipped to produce the Springfield model of 1903.

Senator SPENCER. Is the ammunition interchangeable?

General PEIRCE. Yes, sir.

Senator WADSWORTH. This all comes down to the matter of policy. Of course, we do not need the 30 rifles a day that you would make?

General PEIRCE. No.

Senator WADSWORTH. It is only keeping a little organization going so that it will not perish.

Senator HARRIS. That is what I was trying to develop, Mr. Chairman. It seems to me that 150 men would be a pretty good organization. They ought to be able to build up from that. You use how many now?

General PEIRCE. There are about 400 there now.

Senator HITCHCOCK. How many of those are really manufacturing rifles?

General PEIRCE. I should say that probably 100 of those employees are engaged in other—nonmanufacturing—work.

Senator WADSWORTH. You expect to run about 200 men in the actual production?

General PEIRCE. Yes.

Senator WADSWORTH. That includes the semiautomatic rifle work?

General PEIRCE. Yes; everything in the manufacturing way.

Senator WADSWORTH. That is experimental work?

General PEIRCE. Yes. It is tool-room work, pure and simple. They are making models.

Senator WADSWORTH. Of course, that is important, that experimenting in plans?

General PEIRCE. Yes. I was at Springfield just before the war when it was at the lowest point that it had ever been, and we were turning out then 75 rifles a day. We found it difficult to see how we could go to a less number and still run the plant without the cost being prohibitive. We are figuring it down now by concentrating the machines and machine tools, and closing down a large part of the plant, thereby shutting off the heat and power and light so that we can get down to 30 a day, and still operate.

Senator HITCHCOCK. That makes a pretty expensive rifle.

General PEIRCE. Yes; it makes the rifle cost about $30.

Senator HITCHCOCK. What are other countries doing in the manufacture of rifles—Great Britain, France, and Italy?

General PEIRCE. That I have not any definite information on.

Senator HITCHCOCK. Have they not quit?

General PEIRCE. I do not think they have, sir; not any more than we have. I think they are down to as small a basis as they can run on.

Senator HITCHCOCK. Is there anything about the manufacture of this rifle that is such a specialty that men, expert machinists, could not take it up?

General PEIRCE. Yes; there is. There are things about an instrument of that sort that is almost impossible to put on paper, that the workman learns, and really carries under his hat, and we find that wherever a plant of that kind has been closed and the force has been entirely dissipated, it takes a surprisingly long time to collect a new force and get it into satisfactory production.

Senator HITCHCOCK. During the war we did succeed in making several million rifles on rather short notice, did we not?

General PEIRCE. We did, sir; but the only reason they were able to do that was that they had three very large factories, of great capacity and employing many thousands of men, who had been producing this Enfield rifle for more than a year prior to our entrance into the war. Those three factories could be thrown at once onto the production of the modified Enfield, and the modifications were so slight in character that they did not affect the production materially.

Senator HITCHCOCK. Suppose we should actually become engaged in war during the next 10 years, some time; we would have something to start with, something like 3,000,000 rifles. Would we not be able, with that great number to start with, to organize and start in the manufacture, even if we dropped it now, with ordinary good mechanics and experts, in a short time?

General PEIRCE. Of course, to begin with, we would not have the 3,000,000 rifles by that time. There is a certain wastage every year of the stock on hand. I can say that it took a year and a half—about a year and a half—for those factories that I spoke of to get really into production after they started, with all the pressure that there was upon them in the war, before we got into it. It also took us, at Springfield, almost a year to get into full production there, with the war pressure on us. So that these things are not easy. You can not make as much haste as it would seem possible to make. In those times everything makes for delay and nothing makes for acceleration.

Senator HITCHCOCK. You estimate you will make 30 rifles a day there at a cost of $30 apiece?

General PEIRCE. $30.

Senator HITCHCOCK. Is that correct?

General PEIRCE. That is 10,000 rifles.

Senator HITCHCOCK. So that it takes $900 a day really to manufacture rifles that you do not need, virtually for the purpose of keeping men trained for the purpose of manufacture?

General PEIRCE. Keeping the plant alive; yes, sir.

Senator HARRIS. Could you not arrange to have those men manufacture something else and hold your organization together, and let them be at work on something we need instead of on something we do not need? Is there not anything else that you could manufacture?

General PEIRCE. There is nothing else in the ordnance line that that plant would be equipped for making for which we have any more money, at least, than we have for rifles. That is a plant that is specially designed, laid out, and equipped for the manufacture of rifles. Not only the type of machines but the number required for the different operations are all calculated, and the location and sequence of the machines as placed is determined on that basis, so that it does not lend itself to other purposes.

Senator HITCHCOCK. Are you operating more than one plant?

General PEIRCE. No, sir.

Senator HITCHCOCK. Just that at Springfield?

General PEIRCE. Just at Springfield. The Rock Island plant is closed down.

Senator HITCHCOCK. What was the pre-war manufacture at Springfield?

General PEIRCE. As I said, the lowest that they had ever gotten, to my knowledge, was 75 rifles a day. That was just before the war.

Senator HITCHCOCK. At what cost was that?

General PEIRCE. That was around $17, Senator, at that time.

Senator WADSWORTH. Wages have gone up in the meantime. Wages have practically doubled?

Senator HITCHCOCK. You said there were 700 men manufacturing ammunition. Does that mean all kinds of ammunition for all purposes?

General PEIRCE. That was the entire activity at Frankford. For instance, there are various kinds of small-arms ammunition, and there are also made there optical instruments and fuses for field artillery. That number was the entire number.

Senator HITCHCOCK. That is, those 700 men were not working on ammunition entirely?

General PEIRCE. No, sir.
Senator HITCHCOCK. What number were working on ammunition?
General PEIRCE. I have not an estimate of that. Major Harris says there were about 300.
Senator HITCHCOCK. Does that mean—have we any other men employed in the manufacture of ammunition than the 300?
Major HARRIS. No, sir; Frankford is the only place we make the small-arms ammunition.
Senator HITCHCOCK. Then, what you had there were employed on ammunition for artillery and other purposes?
General PEIRCE. The only thing done in that line is the manufacture of some fuses, which is at Frankford, and some development work at Picatinny Arsenal in the manufacture of experimental shells and fuses. There is no artillery ammunition and there is no artillery shell being made for service.

Mr. WALSH of Montana. Mr. President, before the Senate votes upon this matter, I should like to make an inquiry for information. I had an idea that the private manufacturers of rifles in the United States—Colt, Remington, Savage, and so forth—had brought the art to a very high state of perfection. Is there so very much difference between the manufacture of an Army rifle—I mean, as a matter of the art—and the manufacture of rifles for hunting purposes, in which, perhaps, we may not lead the world, but we are certainly in the front rank of manufacturing arms of that character?

Mr. WADSWORTH. Is the question directed to me?

Mr. WALSH of Montana. I shall be very glad to have the information from any source. I had an idea that in case of necessity we might be able to get skilled labor from those who have been employed in manufacturing arms in private establishments.

Mr. HITCHCOCK. That is my judgment, Mr. President. I do not think it will take many months to take any skilled artisan engaged in rifle manufacture or arms manufacture in any private establishment and drill him into this manufacture. In fact, we did that very thing during the war.

Mr. WADSWORTH. No; Mr. President; we did not do that very thing during the war. We did almost the opposite. We found that we could not make in the United States military rifles of our own pattern, and what we had to resort to was this: We found that two companies in the United States, prior to our entrance into the war, had after two years of struggle in their shops, learned how to make the British military rifle, and we had to adopt that. We could not make our own rifle, after we went into the war, outside of the Springfield armory. There must be some difference between the manufacture of a military rifle and that of a sporting rifle, because none of the plants that make the sporting rifle could be converted into the making of the military rifle. In fact, we went to the other extreme, and asked the plants that were making a military rifle for Great Britain to stop making them for Great Britain here in the United States and make them for us. They had taken two years to build up their organizations fit to make a military rifle. We seized their organizations, as it were, and made them turn out rifles for us.

That accounts for 2,000,000 of the 2,800,000 rifles we now have on hand. Two millions of the rifles to which the Senator from Nebraska refers are British-model rifles, not Springfield rifles. They have been rechambered and recalibered to fit our ammunition, but they are a British model. They can not be made again in this country, and they can not be made anywhere else, because there is not a factory in the world that is now tooled to make those rifles. Of course, they are going to last us a long time; there is no doubt about that; but when the time comes when we shall need rifles, somewhere, some day—and I fear we shall, somewhere, some day—I hope that we shall have at least a little nucleus of men that know how to make the Springfield rifle, the best rifle in the world.

Mr. HITCHCOCK. Mr. President, it is true that of these 2,800,000 rifles we have on hand, 2,000,000 are the adapted Enfield rifle. They shoot the same ammunition, and they have the same results the old Springfield had. There are the lovers of the Springfield rifle, and the advocates of it, who think it is a little better, but the two rifles have substantially the same range, as was demonstrated during the war. They have a little better range, as I recall, than the German Army rifle. We have on hand 2,800,000 interchangeable rifles, shooting the same ammunition, whether they are called Springfields or Enfields. The testimony before the committee showed that at the time we went into the war there were three factories in the United States making this Enfield rifle. They had been making the Enfield rifle for the use of the British, but shortly after we went into the war they began manufacturing the Enfield rifle for us, using the same sized ammunition we were using in our Springfield rifle. Our soldiers used those rifles effectively, their range was found good, their accuracy was beyond any criticism, and we have them now. To say that the manufacture of Springfield rifles is likely to become a lost art, and that we could not take it up if many years from now we were involved in a war, and the present supply of rifles should fail, is to my mind unreasonable. Certainly, for the outbreak of any war we have more rifles on hand than we have of any other supply, and it is not conceivable that at the outbreak of a war we would need over the 2,800,000 we now have on hand. They might become obsolete; there may be a better rifle at that time, but those rifles are as good as now exist in the world, and that supply certainly is an ample provision for any possible war. I think, taking into account the fact that we are trying to do away with war, it probably is very excessive.

I read a few lines of the testimony before the committee:

Senator HITCHCOCK. Are you operating more than one plant?
General PEIRCE. No, sir.
Senator HITCHCOCK. Just that at Springfield?
General PEIRCE. Just at Springfield. The Rock Island plant is closed down.
Senator HITCHCOCK. What was the pre-war manufacture at Springfield?
General PEIRCE. As I said, the lowest that they had ever gotten, to my knowledge, was 75 rifles a day. That was just before the war.
Senator HITCHCOCK. At what cost was that?
General PEIRCE. That was around $17, Senator, at that time.

I call attention to the fact that they are being manufactured now at a cost of $30. Prior to that this tesimony was given:

Senator HITCHCOCK. How many rifles have we on hand?
General PEIRCE. About 2,000,000 of the model of 1917 rifle, which was the modified Enfield rifle we procured during this war, and about 800,000, I should say, of the Springfield rifle.
Senator HITCHCOCK. Did you develop any difference between them as to efficiency?
Senator WADSWORTH. The Springfield rifle was always regarded as being a little better. We could not make that rifle fast enough.
General PEIRCE. There were three large factories equipped to produce the Enfield, and only Springfield and Rock Island equipped to produce the Springfield model of 1903.
Senator SPENCER. Is the ammunition interchangeable?
General PEIRCE. Yes, sir.
Senator WADSWORTH. This all comes down to the matter of policy. Of course, we do not need the 30 rifles a day that you would make?
General PEIRCE. No.
Senator WADSWORTH. It is only keeping a little organization going so that it will not perish.

That is the issue. If the Congress feels justified, in an appropriation bill, as a matter of policy, keeping the organization of men manufacturing rifles that are not needed, those in favor of that item will support this provision.

Mr. BORAH. How many men are employed there, and in possession of this art of making rifles, how many experts?

Mr. HITCHCOCK. My recollection is that there are 300, but I am not entirely sure of that.

Mr. LODGE. I think that is correct.

Mr. BORAH. Suppose a war should come, and we should need that rifle; we would have only 300 men in the United States who knew how to make it?

Mr. HITCHCOCK. That would be the conclusion.

Mr. BORAH. That would not do us any good.

Mr. HITCHCOCK. I can not see that this is anything more than employing men to manufacture something which, after it is manufactured, might as well be thrown into the ocean.

Mr. LODGE. Mr. President, the arsenal under consideration happens to be in the State which my colleague and I represent. As the Senator from New York [Mr. WADSWORTH] has said, it is one of the oldest, perhaps the oldest arsenal in the United States, I think certainly the oldest establishment for the manufacture of fine military rifles.

I do not sympathize with the doctrine of disarmament by example, disarming the United States alone, when no other country is disarming. Nor am I in sympathy with the idea, which is, no doubt, founded in fact to a certain extent, that if we close this arsenal down and should need rifles, we could probably buy them from some other country. I think it is better to have them made here; that it is very important that we should maintain that industry in making those military rifles, which are made nowhere else in the United States. I believe it is generally regarded that the Springfield new model is the best rifle there is, and I think it very important that this industry should not be extinguished.

As the Senator from New York has pointed out, it took two years to get some of the factories which made sporting rifles into condition to make military rifles, and although 300 men may be a small number, you have there the expert knowledge which makes it possible to expand it very rapidly if you need expansion.

I think it is somewhat like saying, "We are not at war; we are not likely to be at war, and as it costs a good deal of money to fire the guns on board ship, why do it?" If anything should go wrong, it is very desirable to have some men in the United States who are not foreigners who do know how to fire the big guns on board ship.

The economy which would destroy this industry is the kind of economy from which this country has suffered frightfully

every time it has had a war. It means the abolishing of all preparation, and we know how frightfully that has cost us every time we have been unfortunately obliged to go to war. I believe it would be a great economic mistake, and no advantage to the cause of peace to break up that group of expert workingmen, just as I think it would be an intolerable mistake to break up our Army or our Marine Corps.

I hope for that reason that this arsenal, which has always done such good work, which has these trained men, will, on a very small scale, be maintained.

Mr. WALSH of Massachusetts. Mr. President, I want to ask the Senator from New York if any of the large nations of the world have abandoned the business of manufacturing military arms.

Mr. WADSWORTH. I have no information on that score; I do not know.

Mr. WALSH of Massachusetts. If we adopt this amendment, does it mean that the United States would go out of the business of manufacturing arms?

Mr. WADSWORTH. Yes; military rifles. We would make no more.

ATTORNEY GENERAL DAUGHERTY—THE MORSE CASE.

Mr. WATSON of Georgia. Mr. President, I ask unanimous consent that three editorials which I shall read may be published in the RECORD in 8-point type as a part of my remarks.

The first is from the New York World of to-day, the first column on the editorial page, under the headline, "Sharing the blame." It reads:

SHARING THE BLAME.

"Glutted with normalcy, the esteemed Tribune hysterically implores Congress to adjourn at once in order to save the November elections and protect the administration's prestige. It regards the situation as so serious that it appeals to the President to intervene long enough to get the Senators and Representatives out of Washington.

"If that were done, if the tariff and the bonus were put aside, the Tribune thinks that Republican control of the next Congress would be made secure, and the administration would be able to carry out its "future program," whatever that may be.

"But to what good? If the Republicans carry Congress in the fall the Sixty-eighth Congress will have the same leaders as the Sixty-seventh Congress, unless Republican luck should bring about the defeat of the Lodges, the McCumbers, the Fordneys, and the Mondells. Even in that event their successors would be equally dull-minded reactionaries who had achieved leadership through seniority, and the legislative branch of the Government would be in the same mess that it is now.

"Bad as Congress is, its adjournment would not transform Mr. Harding into a leader. Neither would it vindicate Attorney General Daugherty or establish public confidence in Secretary Fall or reduce taxation or whitewash NEWBERRY or change by so much as a comma the record on which the Republicans must make their appeal to the country in November.

"It is easy to abuse Congress, but Congresses differ from one another less than most people think. The average of intelligence does not change much, however majorities change. The difference between a competent Congress and an incompetent Congress is mainly a matter of leadership, and the American party system has vested the leadership in the President.

"Given a Congress of his own party, a President who knows what he wants done can usually manage to get it done. The country may not be satisfied with the achievement, but it will know what it is voting about when it goes to the polls, and the party in power will have something on which it can ask for a vote of confidence.

"The failure of the Sixty-seventh Congress has been almost wholly a failure in leadership, and the full responsibility goes further back than Mr. Harding's nomination. In order to manufacture a fictitious issue against Mr. Wilson the Senators who controlled the Republican National Convention in 1920 set up the fiction that Mr. Wilson was a tyrant and a despot who had tried to overthrow the legislative branch of the Government. In order to carry out this myth Mr. Harding abdicated all claim to leadership long in advance of his election. The President was to go his way and Congress was to go its way, but the communion of the 'best minds' would make it certain that both would be going in the same direction at the same time.

"The usurpation argument against Mr. Wilson was thoroughly dishonest, but the Republican Senators maintained it so vigorously that Mr. Harding has never dared to assert himself as leader of the party, and as a result Congress is in the worst muddle that the country has seen for a generation. The muddle will continue until Mr. Harding becomes the leader of his party in fact as well as name or there is a new administration.

"A Congress that is left to drift is bound to drift. There have been times when the leadership within Congress was strong enough to hold it to a consistent program even when the Executive was weak, but there has been no instance in which Congress was able to function with any degree of intelligence when both the Executive and congressional leadership was flabby.

"Governor Miller, of New York, has made a convincing demonstration of the capacity of a strong, capable leader to obtain extraordinary results from a mediocre legislature. If Mr. Harding had been a Nathan L. Miller the record of the Sixty-seventh Congress would have been radically different. That is the whole story, and Mr. Harding can not get rid of his own responsibilities merely by getting rid of Congress. Whatever blame there is for the record, he must share it."

From the independent Philadelphia Record editorial page of to-day I read an editorial, in the second column, appearing under the headline—

BALLINGER AND DAUGHERTY.

"When the New York World says that 'the Attorney General has already become the Ballinger of the Harding administration,' it seems to us to be doing rather an injustice to the gentleman who was President Taft's first Secretary of the Interior. Ballinger was never a person of much importance or influence, and previous to his appointment to the Cabinet was no better known to the American public than he has been since he dropped into oblivion. He was not a politician of commanding authority, and hailed from one of the smallest States of the Union—Washington—so far as prestige is concerned.

"The charge against Ballinger, and the one which drove him from office, was that he unduly favored large interests which desired to exploit the natural resources of Alaska. If there were any partisan complications in the case they have been forgotten.

"Harry M. Daugherty is a much more formidable figure in every way. He has been a leading politician of Ohio for many years, and it was through his backing that Warren G. Harding was brought out as a presidential candidate, though having little strength either in his own State or in the country at large."

Mr. STANLEY. Mr. President——

Mr. WATSON of Georgia. I yield to the Senator from Kentucky.

Mr. STANLEY. Mr. President, I dislike to interrupt the Senator, but I wish to call his attention to the rapt attention he is receiving from the other side of the Chamber at this time. The Senator from Wisconsin [Mr. LA FOLLETTE] is one who can afford to hear it without a cringe and without a blush, and for that reason he is here. But the others have gone.

There is an animal called the ostrich, who sometimes puts his head in the sand and fancies he is not seen, although in that way he makes other portions of his anatomy only the more prominent. There are those who put their fingers in their ears and fancy they have silenced the accusing voice, because having made themselves dumb they no longer hear it. Gentlemen may hide their heads in the sand and put their fingers in their ears, but along about November in thunder tones they will hear, "Daugherty!" "Daugherty!" "Daugherty!"

Mr. WATSON of Georgia. Continuing the editorial which was so pleasantly and pertinently interrupted by my brilliant friend from Kentucky, I read:

"He"—

That is, Daugherty—

"had an active part in nominating Mr. Harding at Chicago and in managing his campaign. It was in gratitude for these services and because of their long personal friendship that the President selected him for the Cabinet, despite the vigorous opposition to his choice.

"Daugherty differs from Ballinger largely in his much greater powers for mischief. With his low standards of public morality and his belief in the efficacy of practical politics he is accused of turning the Department of Justice into a political machine. If he has failed to prosecute war grafters the suspicion is that these grafters have some pull, either as prominent Republicans or in some other way, and that he is protecting them. His connection with the Morse case is unsavory because of the trickery used in persuading President Taft to pardon that notorious person. In his year and a quarter in the Department of Justice he has not a single notable achievement to his credit so far as the public is aware. This record is in striking contrast with that of his predecessors.

"Ballinger was a weakling in comparison with the sinister figure of the Attorney General, the practical political manager,

corporation agent, and wirepuller. If Mr. Harding is wise he will give heed to public sentiment on this subject. To imitate General Grant's example and stand by friends, whether good or bad, will be suicidal. Harry M. Daugherty is capable of bringing much greater discredit upon his administration than Ballinger ever did upon President Taft."

From the Baltimore Sun of to-day I read from the editorial page, as follows:

THE WHITEWASH OF SILENCE.

"To whitewash a fence in springtime is an excellent idea. It makes it look better, and if it is a bit rotten it conceals the evidence of decay. To whitewash a public official at any time of the year is a foolish thing, and it is especially foolish when an election is coming on.

"The Republican majority in the House of Representatives is making this mistake with regard to Attorney General Daugherty. The two Republicans who have been demanding an investigation of the causes of the Attorney General's delay in prosecuting war frauds and war grafters are suppressed in the interest of party repute, and the whitewash brush and the whitewash pail of discreet silence are employed to give a wholesome and attractive aspect to the Attorney General's domains.

"There may be nothing to hide, but the political friends of Mr. Daugherty are doing their best to create the impression that there is something back of the charges that will not bear investigation. One of the names that will be heard most frequently from every stump in the congressional campaign will be that of Mr. Harding's reputed mentor and close friend, Mr. Daugherty, of Ohio."

Another of these great daily papers says that among the 40 rooms which Daugherty has rented for his prosecuting staff, one ought to be devoted to himself, in order that he may be investigated as to the trickery and fraud and the perjury committed in the case of the notorious criminal, Charles W. Morse.

Mr. President, the office of Attorney General is one of the highest in importance. It ought to be filled by a lawyer who is capable and who is honest. It ought to be filled by a man who is worthy to wear the shoes of Edmund Randolph, of William Wirt, of Hugh Legare, of Reverdy Johnson, of Jeremiah Black, and many brilliant and able lawyers who have filled that office so worthily. It ought to be filled by a man who is proud of the profession that gave to the world such glorious lawyers as Ulpian and Tully, whose names come ringing down the corridor of time; such men as Sir Samuel Romilly and Thomas Erskine; such men as Daniel Webster and Henry Clay. The office ought to be filled by a man whose conception of his profession is that it is one of the noblest that ever a man embraced, giving him splendid opportunities to protect the widow in her rights and the persecuted man in his liberties.

I have heard in my life many a sweet word, but outside of my own domestic circle I have never heard sweeter words than the verdict of a jury, which gave me the right to put back into the hands of a mother the child which she was about to lose, or back in the arms of his wife the man who was being tried for a capital offense. "We, the jury, find the defendant not guilty," are words which every lawyer loves to hear, when he feels that he has been pleading the cause of the innocent.

Mr. President, this Attorney General thinks that he can draw around himself the cloak of mystery and maintain unbroken silence when almost every newspaper in the land is clamoring for him to speak, and when the voters already are on their way to the polls to pronounce their verdict.

Mr. President, the newspapers inform us that the noble efforts of Republican Congressmen JOHNSON and WOODRUFF to get an investigation of the Department of Justice have been choked down in the other House. That is another of the blunders Mr. Daugherty is making. The American people admire a man who will face his enemies and who, if he has to go down, will go down fighting, like the sailor on the battleship and the soldier on the battle line. They do not love a man who skulks, who slinks away, who will not face his enemies, who will not answer material charges when made by persons responsible, as they have been made here on the floor of the Senate by representatives of great sovereign States.

Mr. Daugherty has been charged again and again with having falsified as to the Morse case and his connection with it, and he does not answer because he can not. He has been charged with having ordered the release of the British ship *J. M. Young*, which had come into New York Harbor with a cargo of liquor, in violation of the Federal statutes. It has been charged that T. B. Felder, the unspeakably corrupt crook, came here to Washington City and prevailed upon the Attorney General to telegraph to New York to have the proceedings dismissed and the liquor restored to those who had it in charge. He has been specifically charged with having ordered the release of $200,000 worth of wine seized in up-State New York. The wine was released, although those who had it were violating the law of the land. He has been charged with having stopped the proceedings against four or five dry agents who had proven recreant to their trust, and had illegally released 2,000,000 gallons of whisky in New York.

Mr. STANLEY. Mr. President——

Mr. WATSON of Georgia. I yield to the Senator from Kentucky.

Mr. STANLEY. Has the Senator read the great and highly unctuous address of the Attorney General to the Bar Association of America at Cincinnati?

Mr. WATSON of Georgia. If the Senator from Kentucky is alluding to the most recent one, I have not read it.

Mr. STANLEY. It is a most devout address. I understand that he submitted it to the head of a great propaganda in favor of more drastic sumptuary legislation for his approval before it was given to the Associated Press. Now, in all fairness, does the Senator from Georgia believe that a multitude of dry words ought to excuse a few wet acts?

Mr. WATSON of Georgia. We are told in Holy Writ that even the devil may quote Scripture, and if he can do that, he may also preach sermons.

Mr. President, another one of these definite charges hurled at the Attorney General from this floor, whose records he says he does not read, and with whose daily paper he had better become more familiar, perhaps, is that he caused the pardon of an Ohio millionaire who had violated the Federal law known as the Mann Act, the victim being a little 15-year-old girl. What reason could any honorable lawyer give for recommending a pardon in such a case? A crime like that proceeds from deliberation, premeditation, full consciousness of guilt, full consciousness of the penalty about to be risked; and when that penalty falls upon him, as the law requires, it is the Attorney General, acting officially, who has the President pardon him. My God! what kind of reason did the Attorney General give the President of the United States for clemency in a case like that?

Mr. President, the young man who gave to me the information for which, as Senators will remember, I did not vouch when I stated it here on the floor of the Senate, but which I merely called to the attention of the Attorney General, and which he has not noticed, was so imprudent as to go to my office without looking around to see whether or not he was being shadowed.

The Senator from Arkansas [Mr. CARAWAY] says that the Attorney General has had a negro shadowing him. I do not know and I do not care whether there is anybody shadowing me. I have no secrets to hide, even if Mr. Daugherty has. I have nothing to conceal from the agents of W. J. Burns, the great detective, who left Georgia in a hurry after his nefarious conduct in the Leo Frank case. He just did get away in time.

As I was saying, Mr. President, this young man was so indiscreet as to visit my office without noticing whether or not he was being followed, but in 15 minutes after he left my office he had been nabbed by one of the Burns men and put in jail. For what? For having passed, as they allege, a bad check for $30 a year and a half ago. The sleeping dog suddenly woke up when the young man visited my office. The old case was suddenly revived, the resurrection and the life came into it. In 15 minutes after he left my office, and he is now in jail. This morning he was carried before Judge McCoy, of the District of Columbia Supreme Court. They were trying to railroad him back to Ohio, the State where the hotel is located on which he imposed, as alleged, with a $30 check a year and a half ago.

Mr. KING. Will the Senator from Georgia yield to me?

Mr. WATSON of Georgia. I yield.

Mr. KING. I should judge from what the Senator stated in his last sentence that if an offense had been committed it was against the laws of the State. If that be true, what jurisdiction did Mr. Burns or the Federal officials have over this young man?

Mr. WATSON of Georgia. None whatever, Mr. President, as I understand the law. It is merely a "strong-arm method."

Well, this young man was taken before Justice McCoy, of the District of Columbia Supreme Court. He asked the judge for a continuation of his hearing on the extradition proceedings until this morning. He believed that he was being "framed up," and most Senators will so believe. The country at large will ask why this sudden action on the old case, a year and a half old, about a little $30 check? Why the arrest of this man so soon after he had been to a Senator's office? I did not give his name away, but they must have run him down. The detectives, when they saw him go to my office, believed that he was the man who gave me the information.

He sent a request through one of the members of the press gallery urging me to come to see him this afternoon before the prison closed at 5 o'clock. I promised to go, and made ready

to go; but my latest information is that the Cleveland police authorities have decided to drop their charges against him. I am told that the Cleveland detectives returned this afternoon without him. The lawyer of the young man says that this conduct substantiates the young man's charge that he is being "framed up" to keep him from telling me and other Senators all that he knows about Felder and Daugherty.

Mr. President, can this Attorney General remain silent after an accusation like this? Do they think the country has no sense of honor? Do they think public indignation has lost the power to lash public men with its scorpion whip? Do they think that public sentiment can be defied? Are people always going to be patient when rich men who debauch little children of 15 years old are turned out and poor men are kept in jail for having said a few words which did no harm? Let them not think it. The country is aroused, and the country will be heard from in the election.

WAR DEPARTMENT APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10871) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. HITCHCOCK] to the amendment reported by the committee, on which the yeas and nays have been ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. KENDRICK (when his name was called). Making the same announcement as heretofore as to the transfer of my pair, I vote "yea."

Mr. NEW (when his name was called). Making the same announcement as to the transfer of my pair which I made on the previous vote, I vote "nay."

Mr. WARREN (when his name was called). Making the same announcement as to my pair and its transfer as on the last vote, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the last vote with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. EDGE. I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Delaware [Mr. DU PONT] and vote "nay."

Mr. JONES of Washington (after having voted in the negative). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent, and I am paired with him for the day. I find I can transfer that pair to the junior Senator from New Hampshire [Mr. KEYES]. I do so, and allow my vote to stand.

Mr. BROUSSARD. I have a pair with the senior Senator from New Hampshire [Mr. MOSES]. Not being able to secure a transfer, I withhold my vote.

Mr. HALE. Making the same announcement as heretofore with regard to my pair and its transfer, I vote "nay."

Mr. HARRISON. I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WALSH of Montana (after having voted in the affirmative). I inquire if the senior Senator from New Jersey [Mr. FRELINGHUYSEN] has voted?

The PRESIDING OFFICER. The senior Senator from New Jersey has not voted.

Mr. WALSH of Montana. I have a general pair with that Senator, and in his absence, being unable to secure a transfer of the pair, I withdraw my vote.

Mr. STERLING (after having voted in the negative). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Oklahoma [Mr. HARRELD], and allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER]; and

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 18, nays 47, as follows:

YEAS—18.

Borah	Harrison	King	Stanley
Caraway	Heflin	La Follette	Underwood
Dial	Hitchcock	Ransdell	Watson, Ga.
Gerry	Jones, N. Mex.	Robinson	
Harris	Kendrick	Simmons	

NAYS—47.

Ashurst	Calder	Cummins	Edge
Brandegee	Cameron	Curtis	Ernst
Bursum	Capper	Dillingham	France
Hale	McLean	Pepper	Sterling
Johnson	McNary	Phipps	Sutherland
Jones, Wash.	Myers	Poindexter	Townsend
Kellogg	Nelson	Pomerene	Wadsworth
Ladd	New	Rawson	Walsh, Mass.
Lenroot	Newberry	Sheppard	Warren
Lodge	Norris	Shortridge	Watson, Ind.
McCumber	Oddie	Smoot	Willis
McKinley	Page	Spencer	

NOT VOTING—31.

Ball	Fletcher	Moses	Smith
Broussard	Frelinghuysen	Nicholson	Stanfield
Colt	Glass	Norbeck	Swanson
Crow	Gooding	Overman	Trammell
Culberson	Harreld	Owen	Walsh, Mont.
du Pont	Keyes	Pittman	Weller
Elkins	McCormick	Reed	Williams
Fernald	McKellar	Shields	

So Mr. HITCHCOCK's amendment to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, may we now go back to the first amendment which was passed over, commencing on page 15? It has to do with the commissioned and enlisted personnel of the Regular Army.

Mr. BORAH. Mr. President, if we can have a test vote upon the amendment on page 24, so far as I am individually concerned I shall not desire to delay the matter further. I do not know whether any other Senator desires to discuss this question or not, but the circumstances are such that I shall not undertake to discuss it this afternoon. If I can have a yea-and-nay vote upon that amendment, I shall be content to let the matter go. That will test the question of the size of the Army.

Mr. WADSWORTH. It will.

Mr. KING. Mr. President, does the Senator now refer to the item commencing on line 15?

Mr. BORAH. Line 15, page 24.

Mr. KING. May I inquire of the Senator if that amendment is rejected whether that would automatically reduce the Army to the number provided in the House bill?

Mr. BORAH. Yes; 115,000. Upon that, Mr. President, if the Senator in charge of the bill is willing that we shall have a vote at this time, I ask for the yeas and nays.

Mr. WADSWORTH. Mr. President, I have no objection, of course, to the yeas and nays. I think for the purpose of the RECORD, at least, and possibly for the information of Senators, I should make a statement concerning the enlisted strength of the Army.

The PRESIDING OFFICER. As the Chair understands, the yea-and-nay vote is desired upon the amendment on lines 15 to 21 on page 24.

Mr. WADSWORTH. The amendment is to strike out and substitute. The amendment really extends from line 5 to line 21, inclusive.

Mr. President, the House provides specifically for a Regular Army of 115,000 men. When I use the term "Regular Army" and discuss these figures, I exclude the Philippine Scouts, as they are not included in this appropriation, "Pay of enlisted men." In passing, I may say that the strength of the Philippine Scouts is 6,991 men. Let us call it 7,000 for easy figuring.

The House, as I said, provides for a strength of 115,000 American Regulars. The present authorized strength, in accordance with the terms of the Army appropriation bill passed nearly a year ago, is 150,000 American Regulars. The present actual strength of the Regulars is 134,000 men, 16,000 below the authorized strength of 150,000.

The reason for the Army having fallen so far below the strength authorized by the Congress for the fiscal year 1922, and appropriated for by the Congress for the fiscal year 1922, is that the appropriation for transportation of the Army for this fiscal year, 1922, was so drastically cut that the Army recruiting service has had to confine its efforts for the last six months or so to recruiting only in the immediate vicinity of Army posts, where the recruits, as they were picked up by the recruiting parties, could be sent on their own feet or in an Army automobile to the Army post. For several months past there has been no fund available for the transportation of recruits from the centers of population to the recruiting depots, the transportation item having been exhausted. That accounts for the decrease of the Army by 16,000 men below the authorized and appropriated for strength. This bill proposes that the average strength of the Regular Army, exclusive of the Philippine Scouts, shall be for the next fiscal year, 1923, the total of 133,000 men, 1,000 less than we actually have to-day, and 17,000 less than the Congress authorized as of to-day.

Their distribution, roughly speaking, would be somewhat as follows: Overseas, exclusive of troops on the Rhine, there would be, in round figures, 30,000 men. That includes the Porto Rico Regiment of Infantry, which is a part of the Regular Army, and, roughly, there are 1,400 men on the island of Porto Rico. It includes the garrison at Panama, which is to be fixed at 10,000 men. It includes the garrison at Hawaii, which should be 15,000 men. It includes in the Philippine Islands approximately 3,000 white Regular Americans. There are to-day in the Philippine Islands, let me say, a little over 6,500 white troops. It is the purpose of the department to bring back about half of them to continental United States, or else to Hawaii, and to reduce the Philippine white garrison to a trifle over 3,000.

There would be 570 men in China, stationed at Tientsin, guarding the railway communication between Tientsin and Peking, in accordance with an arrangement made following the Boxer troubles in 1902.

There would be 558 men as the entire garrison of Alaska. These total in the neighborhood of 30,000 men overseas, outside of the continental limits of the United States, leaving for the United States approximately 103,000 men of all arms and branches, overhead, noncombatant, nonmobile, and mobile troops of every kind and description.

Of the 102,000 or 103,000 men to be stationed in and over the United States approximately 25,000, or one-fourth of them, are stationed along or near the Mexican border, in the States of Texas, New Mexico, Arizona, and California.

Excluding the border contingents, which can not be reduced when one considers that they cover a frontier of 1,900 miles, we will have then in the United States for general purposes, to meet any kind of an emergency which may arise, and for which Federal troops may be used, about 77,000 men, including all overhead. Now I want to tell the Senate about the overhead and about the noncombatant troops, whose numbers must be deducted from this total number of available troops.

The use of chemical warfare has been denied by treaty. So the chemical-warfare contingent, numbering 403 men, not a very impressive contingent, may I say to the Senator from Idaho, must be subtracted.

The Coast Artillery Corps mans the seacoast fortifications, and can not be sent away. There are 9,088 of them in the United States.

There are 5,754 enlisted men in the Army detached from organized units and attached to the units of the National Guard, or Organized Reserves, the Reserve Officers' Training Corps in the several schools, colleges, and universities, and at the service schools, engaged directly or indirectly in these services in assisting in the teaching of citizen soldiers.

In the Finance Department, a noncombatant branch, there are 426 men.

Mr. KING. Mr. President, are the men in the item last mentioned but one, 5,754 men, enlisted men or enlisted men and officers?

Mr. WADSWORTH. They are all enlisted men. I am speaking of nothing but enlisted men.

Mr. KING. Are there not a great many officers employed in teaching in the various colleges?

Mr. WADSWORTH. There are, but not as many officers as men.

Mr. KING. Are they embraced within the 5,000?

Mr. WADSWORTH. No; I am speaking only of enlisted men. There are 5,754 enlisted men engaged upon a character of work which is of exceeding value, and which is tremendously appreciated by the citizen components of the Army of the United States, the Organized Reserves, the Reserve Officers' Training Corps, and the National Guard.

The medical department numbers 6,649 enlisted men. The Ordnance Department, a noncombatant branch, numbers 3,343 enlisted men. The Quartermaster Corps, which, generally speaking, is known as a noncombatant branch, but a portion of which, of course, accompanies combat troops into the field for purposes of supply, numbers 9,814.

The figures I am giving are the numbers in the noncombatant or nonmobile or overhead detachments or branches in the United States, and the sum total of them must be subtracted from the 77,000 men who are available all over the United States for any kind of emergency after the further deduction of 25,000 men along the border, and adding up these overhead, nonmobile, and noncombatant troops, we find that they foot up to 35,477.

Subtracting them from approximately 77,000 men, you find that you have not quite 40,000 men in the United States who can be used as a striking force outside of and in addition to the 25,000 men along the border.

Counting the men along the border, 25,000, and the other mobile, combatant, striking troops, scattered all over this great continent, under the terms of the Senate committee bill you will have only 65,000 men.

Some people say that we should disarm still further than that. I can not see it. I think we have reached rock-bottom. I would not advocate for one moment reducing the overseas garrisons below 30,000 men. The men who I have estimated will be available for use in the United States include the men now in Germany, brought back here; they include 3,500 men now in the Philippines to be brought back here. Everything is included. All subtractions are made. The last estimate is laid before you. I submit, Senators, that America should not decrease her forces any lower than they are decreased. In my judgment it would be folly to do so. Already the Regular Army finds it almost impossible to carry on the missions and functions imposed upon it by the national defense act passed by Congress itself.

Reduce it any further and it will be absolutely necessary for the War Department and the Army to come to Congress and ask the Congress to restate its mission; ask the Congress, "Do you want us to maintain the overseas garrisons at proper strength? Do you want us to detach officers and men to help the guard and the Organized Reserves? Do you want us to man the few fortifications along the seacoast that we are now manning?" We are manning to-day only 25 out of 75 in continental United States. Fifty seacoast fortifications are to-day in the hands of caretakers with the guns not manned and no drill or training taking place in connection with them.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Utah?

Mr. WADSWORTH. I yield.

Mr. KING. The statement was made during the discussion over a year or two years ago by one of the distinguished members of the Appropriations Committee, who reported the so-called fortifications bill, as I recall it, that much of the money which had been appropriated for fortifications was unnecessarily appropriated, and that a different plan ought to be adopted with respect to the fortifications. The idea which was conveyed, as I interpreted his remark, was that a different method of fortification was required, and that in view of the long-range guns, and in view of the submarines and aircraft, the present policy of maintaining the coast fortifications was somewhat impolitic and archaic. For my own information, I would like to inquire whether there has been any modification of those plans, or whether the Senator accedes to the accuracy of that view?

Mr. WADSWORTH. Mr. President, it would take a military expert, a man of long experience and most ripe judgment, to comment intelligently on the question of the Senator from Utah. I am not competent to do it. I can say, however, for the Senator's information, that we are building no fortifications now, with the exception of three. We are building a very important fortification at Rockaway Beach to protect the city of New York, and we are mounting there a very small number of 16-inch rifles, which are about completed. They will be completed this summer, mounts and all.

At the mouth of the Chesapeake Bay, at Fort Story, it is proposed to mount a couple of 16-inch rifles, and it is proposed also at Panama to strengthen the fortifications at the entrance of the canal with 16-inch rifles, it now being conceded that the rifles at present at Panama are outranged by the rifles which the treaty on the limitation of naval armament permits foreign naval vessels to carry. Aside from those, no fortifications are being built. In order to show the Senate that certainly the committee can not be charged with extravagance, I am going to dissect portions of this bill for just a moment.

The bill now contains the old Army appropriation bill, the old West Point appropriation bill, and the old fortifications bill. Those bills provided for the military activities of the War Department. If you segregate from the pending bill those items which belong to last year's Army appropriation bill, including the appropriation for West Point, for last year West Point was put in the Army appropriation bill, you will find that this bill carries a total appropriation for those purposes of $261,972,000.

Last year's appropriation for the very same and identical purpose amounted to $327,688,000. In other words, for the military activities, the support of the Regular Army, all its fortifications, supplies, transportation, subsistence, and everything, including West Point and every conceivable military operation, the bill carries $65,700,000 less than last year's bill, a direct saving in what might be termed armament or preparation for war—$65,700,000.

Mr. KING. If the Senator will permit me, during the past year it has been presumed that there has been some of the liquidation process going on, and with the return to normalcy, to use President Harding's expression, there would be a material reduction in the expenses paid for the Army and for the Navy.

Mr. WADSWORTH. Of course, the Senator can ascribe it to anything he wants to. I am stating facts. The pending bill carries $65,700,000 below last year's bill, and is that far below last year's appropriations because the committee, in the first place, has agreed to a reduction of the Army from 150,000 to 133,000, and, in the second place, the pay schedules of the Army have been revised at a substantial saving. These are the two big reasons. The other things to which the Senator refers do not amount to a snap of the finger in saving in these matters.

Mr. UNDERWOOD. Mr. President, will the Senator permit me to ask him a question?

Mr. WADSWORTH. Certainly.

Mr. UNDERWOOD. I followed the Senator's very clear statement as to the condition in the Army, but I am not sure that I got it into my head thoroughly. After eliminating staff corps—I mean those corps that can not be used for defensive or guard purposes—and eliminating the number of men in the foreign service—and I agree thoroughly with the Senator in that I do not think that force can be reduced at this time—he stated that it left us 65,000 men.

Mr. WADSWORTH. At the maximum; and may I say that that is based upon a theory that not one of them is sick at any time.

Mr. UNDERWOOD. That includes the men on the border?

Mr. WADSWORTH. It does.

Mr. UNDERWOOD. Eliminating the 25,000 men on the border from the 65,000 leaves 40,000 available men for police service in the States.

Mr. WADSWORTH. Approximately.

Mr. UNDERWOOD. That is, under the terms of the pending bill.

Mr. WADSWORTH. Yes.

Mr. UNDERWOOD. If we reduce it to the number of men provided for by the House and assume that we have the same number in the border service, how many would it leave for police service in the country?

Mr. WADSWORTH. If we take the House figures?

Mr. UNDERWOOD. Yes.

Mr. WADSWORTH. Twenty-two thousand men would be left.

Mr. UNDERWOOD. For service throughout the States?

Mr. WADSWORTH. For the entire United States outside of the border.

Mr. BORAH. What is the size of the National Guard to-day?

Mr. WADSWORTH. One hundred and fifty thousand.

Mr. BORAH. It will be increased to 190,000?

Mr. WADSWORTH. Over a course of months. As the National Guard increases the Regular Army has been decreasing, but the proportion of decrease in the Regular Army is more gradual according to these figures than the increase in the National Guard. We have reduced the Regular Army from an authorized strength of 280,000 down to 133,000, as proposed in the bill.

Last year at this time when we were talking about the size of the Army and the bill was before the Senate, the Regular Army consisted of approximately 220,000 men. We reduced it by act of Congress in the appropriation bill to 150,000. We discharged 70,000 men in four months. It was a stupid thing to do, because it cost us more money than to have let them go out naturally. We had to pay six or seven million dollars in transportation for those men to get home, at an average of $55 per man, but it had to be done for effect. So 70,000 men were thrown out and instantly the department started to recruit again. The Senate committee does not believe that is good business. We know it does not save a cent. The figures we adopt are the present approximate strength of the Army.

Mr. BORAH. It has resulted in reducing the Army to 133,000 men.

Mr. WADSWORTH. Certainly; it would have been reduced if we had stopped recruiting.

Mr. BORAH. It would not have been reduced as promptly, however.

Mr. WADSWORTH. The method, however, was not a good one.

Mr. BORAH. It had the effect, however.

Mr. WADSWORTH. From a dollar and cents standpoint it was not a good method.

Mr. KING. Mr. President, will the Senator permit an inquiry?

Mr. WADSWORTH. Certainly.

Mr. KING. I am interested in the number of troops which will be available for striking purposes, as I understood the Senator's expression.

Mr. WADSWORTH. The mobile force.

Mr. KING. The actual troops. It seems from the Senator's figures that it needs one man extra for every soldier put in the field.

Mr. WADSWORTH. Not at all.

Mr. KING. Practically that.

Mr. WADSWORTH. Oh, no.

Mr. KING. I think so.

Mr. WADSWORTH. The Senator forgets the figures.

Mr. KING. Oh, no; I do not forget the figures.

Mr. WADSWORTH. The Senator must have forgotten them.

Mr. KING. Very well, then, the Senator must have forgotten them.

Mr. WADSWORTH. I will read them again. The Senator from Utah has stated that it would require one overhead and supply man and noncombatant for each soldier.

Mr. KING. Substantially.

Mr. WADSWORTH. Now, let us see. I stated that there are 35,000 men in the overhead, noncombatant, and nonmobile troops. There are 65,000, including the men on the border, for combatant purposes and mobile purposes.

Mr. KING. How many combatant troops will there be out of the 150,000, or whatever number is provided for in the bill?

Mr. WADSWORTH. One hundred and thirty-three thousand is the average strength provided in the bill.

Mr. KING. Of course, that does not include officers?

Mr. WADSWORTH. No.

Mr. KING. What proportion of those will be available for strictly military purposes? And when I say strictly military purposes I do not include the commissary department, the medical department, and so on.

Mr. WADSWORTH. About 65,000 men.

Mr. KING. Then we would get about one-half of the number for strictly military purposes?

Mr. WADSWORTH. In the United States, and there are 30,000 overseas.

Mr. KING. We have how many in the United States in the Medical Corps?

Mr. WADSWORTH. In the Medical Corps?

Mr. KING. Yes. My recollection is that there are 6,000 privates in the Medical Corps. That does not take into account the officers.

Mr. WADSWORTH. In the Medical Corps there are 6,649.

Mr. KING. In continental America?

Mr. WADSWORTH. Of course some medical troops, some commissary troops, and so forth, go with the mobile troops in the field, but the great bulk are on the line of communication, to use a military term, and are not a part of the combat or striking forces.

Mr. KING. Does the Senator know how many civilians are employed in the War Department?

Mr. WADSWORTH. Yes.

Mr. KING. In all branches of the military service, to be available for utilization in the military strength provided in the bill?

Mr. WADSWORTH. I can give the exact number of people of civilian status under the War Department in and out of Washington compared with the number before the war and at the high peak.

Mr. KING. I am asking for the present number under the pending bill.

Mr. WADSWORTH. It will be somewhat less than the figures which I presented to the Senate. As I said, the committee has reduced the net number of civilian employees. The Senator from Missouri [Mr. SPENCER] can probably give some information about the reduction in the number of men.

Civilian employees in Washington at the time of the armistice were 37,406, and over the entire country, including Washington, there were 251,634. To-day there are in Washington, instead of 37,406, only 5,648.

Mr. KING. At the time of the armistice there were 4,000,000 men in the service.

Mr. WADSWORTH. The Senator need not interrupt me. I understand that perfectly well.

Mr. KING. The Senator is furnishing information which I did not ask for and with which I am perfectly familiar. I am asking for the number of civilian employees.

Mr. WADSWORTH. I understand that I have the floor, and I am endeavoring to furnish information which might be of interest perhaps to others than the Senator from Utah.

Mr. KING. If the Senator desires to give information to others, I have no objection.

Mr. WADSWORTH. That is what I am trying to do.

Mr. KING. I shall be glad if the Senator will give the information I asked for.

Mr. WADSWORTH. I think if the Senator will be patient he will get it.

Mr. KING. I shall wait with supreme patience for the learned Senator to furnish the information I asked for.

Mr. WADSWORTH. I was stating the number of civilian employees of the War Department. I thought it might be of interest to show how that number has been reduced. At present in the city of Washington there are 5,648 civilian employees, and over the entire country, including Washington, there are 48,691. Before we entered the war in 1916 there were all over the country, including Washington, 45,911. In other words, we are down now in the matter of civilian employees to within less than 3,000 of the number we had in 1916 in spite of the fact that since 1916 two branches have been added to the Army, each necessitating a number of civilian employees or clerks, namely, the Chemical Warfare Service and the Air Service. Those two services taken together account for 5,340 civilian employees in the War Department to-day. If they are subtracted and the calculation made upon the basis of the Army as it existed as to branches and tactical organization in 1916, we find that Secretary of War Weeks and the War Department are actually employing fewer clerks than were employed in 1916.

I think myself it is a most astonishing achievement, considering that much of the aftermath of the war itself is still on the hands of the War Department. We have still immense installations which have not been sold or realized on, which require watchmen to guard and clerks to take care of in the matter of accounts and fiscal operations. The bill will reduce the number still further, and I verily believe when the bill passes, if it should pass in the form even as proposed by the Senate committee, we shall have fewer civilian employees in the War Department than we had in 1916, and yet our Army will be 25,000 or 30,000 larger than in 1916, and twice as good an Army.

Mr. WARREN. It should be remembered, in making the reduction from last year's Army strength, that all the civilian employees were carried in other appropriation bills than the Army appropriation bill, so that the figures given awhile ago by the Senator from New York hardly do justice to the real shrinkage in the cost of the Army as stated.

Mr. WADSWORTH. That is very true.

Mr. KENDRICK. Mr. President——

Mr. WADSWORTH. I yield to the Senator from Wyoming.

Mr. KENDRICK. I have listened very carefully to the very clear and comprehensive statement made by the Senator from New York, but on one point I am not quite certain that I understood him fully. The Senator stated, as I understood him, that the authorized Army strength at present is 150,000 men?

Mr. WADSWORTH. Yes; that is the authorized strength.

Mr. KENDRICK. But owing to a lack of appropriation or other causes, it is short of that number in the present quota by 16,000?

Mr. WADSWORTH. It is.

Mr. KENDRICK. Did I correctly understand the Senator to say that by some provision in the pending bill or other authorized provision the Army will be arbitrarily fixed at 133,000 after the passage of this bill?

Mr. WADSWORTH. Not fixed at that number, but the appropriation for pay of enlisted men, which is stated in the face of the bill itself, shall be used and shall be sufficient for paying an Army averaging in strength throughout the year 133,000. The authorized maximum strength would be 140,000. That provision is put in to give some leeway to the recruiting service, but throughout the entire year the average strength must not be over 133,000. If it goes up to 140,000 at one time during the year, it must go an equal distance below 133,000 for an equal portion of the year.

Mr. KENDRICK. Which has the same effect as fixing it arbitrarily at 133,000?

Mr. WADSWORTH. Yes; it has that effect.

Mr. KING. Mr. President, I should like to ask the Senator from New York a question. If I understood him correctly, the number of civilian employees under this bill will be approximately 54,000 in the United States and elsewhere?

Mr. WADSWORTH. Oh, no. The present number is 48,691. That includes all the civilian employees of the department wherever stationed—overseas, in continental United States, Germany, anywhere.

Mr. KING. What will be the number of civilian employees under this bill?

Mr. WADSWORTH. I can not give the Senator an exact estimate as to that. It certainly will be less, because certain restrictions are in the bill which are applicable to the employment of civilian employees in certain branches.

Mr. KING. Does the Senator think that the number will be reduced to 40,000?

Mr. WADSWORTH. I could not say.

Mr. KING. Well, assuming that the number is reduced to 40,000—and the Senator from Nebraska [Mr. HITCHCOCK] sotto voce says he does not think it will be reduced so low as that, if I understand him correctly—does not the Senator from New York think that it is a rather large number of civilian employees for the Army which is provided for in this bill?

Mr. WADSWORTH. Mr. President, if the number were merely for the Army alone, I would say yes, but unfortunately the War Department is saddled with many activities which have nothing to do with the Army. It has to take care of the national cemeteries; it has to run a cable to Alaska and to man it; it has to build roads and trails in Alaska; and it is necessary to have a clerical force to keep track of the accounts. It carries on river and harbor works, and, of course, it requires a clerical staff in the office of the Chief of Engineers and a clerical staff in the field with the Army officers who are supervising the work. The War Department conducts other similar activities that have nothing to do with the Army.

Mr. KING. Then this number would include the clerical civilian force for all those activities to which the Senator from New York has just referred?

Mr. WADSWORTH. It includes everybody who is employed by the War Department.

Mr. KING. May I suggest to the Senator, with a view of obtaining information, that some criticisms have been made in my hearing and to me by persons who are somewhat acquainted with the Army, to the effect that civilian employees are pressed into service to do work which, perhaps, the officers or soldiers might perform. Does the Senator from New York know to what extent that criticism is warranted?

Mr. WADSWORTH. No; I do not. It has not reached my ears. Of course, however, if we go on reducing the civilian employees and go on reducing the number of soldiers, both at the same time, the criticism could not stand; and that is what we have been doing.

Mr. NORRIS. I wish to ask the Senator from New York two questions. How much larger is the Army as provided for in the Senate committee amendment than the Army was in 1916?

Mr. WADSWORTH. My recollection is that in 1916 the Army numbered in the neighborhood of 102,000 men. At that time, however, we had no Air Service and we had no Motor Transport Corps, both of which, of course, are absolutely essential. It may be of interest to note also that at that time we had no machine-gun battalions whatsoever in the Army of the United States. Those agencies, which are positively essential, have been added since that time by statute and by regulation, in order to meet the requirements of an army which is expected to be able to take the field, and they more than account for the difference in size between about 102,000 and 133,000 men.

Mr. NORRIS. That is the question I was leading up to. Taking the enlisted men of the Regular Army under the Senate committee amendment, will there be more or less than we had of enlisted men in 1916?

Mr. WADSWORTH. There will be more.

Mr. NORRIS. How many more?

Mr. WADSWORTH. Approximately the difference between 102,000 and 133,000.

Mr. NORRIS. How did the size of the Army in 1916 compare, for instance, with the size of the Army in 1914? Was not the Army in 1916 increased considerably in size over the Army which existed before the breaking out of the war in Europe?

Mr. WADSWORTH. No. The first increase which occurred in the Army occurred as the result of the act of June 3, 1916, which was known as the national defense act. That act, as I recollect, found the Army numbering about 102,000 men. The act provided that for five years thereafter, to wit, from June 3, 1916, there should be annual increments to the Regular Army until its strength at the end of the five years—which would have been in 1921—would have been in the neighborhood of 225,000 men. That was the military policy which was laid down in 1916, a year before we went into the war; but that policy has been abandoned. We have now gone back and have suggested an Army of 133,000 enlisted men.

Mr. NORRIS. That does not quite answer my question.

Mr. WADSWORTH. That was the first increment.

Mr. NORRIS. How large was the Army just before that increase?

Mr. WADSWORTH. The Army numbered 102,000 men.

Mr. NORRIS. Before 1916?

Mr. WADSWORTH. I have not the figures before me, but my recollection is that the Army had varied between 88,000 and 102,000 for several years, but the old method of computation upon which 88,000 was based did not include the Medical or Quartermaster Corps; they were not counted as troops.

Mr. NORRIS. What conditions, in the Senator's judgment, exist now that did not exist before the war which require more troops in the Regular Army? Does the Senator think there were not enough in the Army at that time?

Mr. WADSWORTH. There certainly were not, according to my judgment.

Mr. NORRIS. It is not the Senator's idea, then, so far as the Army is concerned, to ever get it back to its pre-war size?

Mr. WADSWORTH. I should hope it would not be allowed to go that low. I do not think it should; I do not think it would be safe.

Mr. NORRIS. The House bill reduced the enlisted strength of the Army to 115,000 men. That number is still about 13,000 more than were in the Army before the war, is it not?

Mr. WADSWORTH. Yes. If the Army is to be reduced to that level, we might as well be perfectly frank about it. In that event we shall be compelled to withdraw from the National Guard and the Reserve Officers' Training Corps in the colleges those splendid sergeants and corporals and some privates, first class, who have been assisting in training those boys and who have been exceedingly successful in their work. If we continue to reduce we have got to withdraw officers and men, wherever the reduction takes place, from these educational activities upon which the whole military policy of this country is founded. If in time of peace we are not to train citizens so that they shall have a decent chance for themselves and for the country in time of war, if war shall overtake us, then we have no military policy at all and no defense, because the Regular Army can never be a large army.

Mr. NORRIS. I should like to inquire upon what the Senator bases his assertion that we should have to withdraw those instructors. As I understand his statement, outside of those acting as instructors and the men on the border and men overseas, we still have stationed at different places throughout the continental United States an Army much larger than the Army we had before the war, and an Army which has not any particular duty to perform except as emergency may arise here and there over the country, when it may be found necessary to send a few Regular troops into various communities.

Mr. WADSWORTH. It depends, of course, upon what the Senator means by "duty to perform." I consider that the Regular Army has a duty to perform.

Mr. NORRIS. We would still have left somewhere in the neighborhood of 40,000 men.

Mr. WADSWORTH. Yes; 40,000 men. Of course it may be said that we will get along all right with 40,000 men as long as there is no trouble.

Mr. NORRIS. We did get along——

Mr. WADSWORTH. Yes; until the war came.

Mr. NORRIS. We got along with much less than the number proposed, and of course if war came 40,000 would not be a drop in the bucket, so far as that is concerned.

Mr. WADSWORTH. They are merely a nucleus.

Mr. NORRIS. Yes.

Mr. WADSWORTH. But if you keep on reducing the nucleus there will be practically nothing left.

Mr. NORRIS. But for instruction of the National Guard, and so forth, it seems to me that there was no necessity before the war, and I do not understand why there should be now the necessity of using such a large Army. I never remember a time in the days before the war when we were short of the United States troops to quell any disturbance that might arise or that there was any complaint that there was a shortage of troops. Now, we are practically doubling the Army.

Mr. WADSWORTH. Oh, no; we are not anywhere near doubling it. We had 102,000 before the war, and the committee suggests an Army of 133,000.

Mr. NORRIS. When I say doubling I am referring to the portion of the Army that is still left after making allowance for all the officers and men on special duty.

Mr. WADSWORTH. Of course, in 1916 there was no provision of law for training the Reserve Officers' Training Corps and no provisions of law for the Organized Reserves, involving the detail of officers and men from the Regular Army as instructors. We had no special-service schools at all; but we learned a lesson from the war, and I hope it will never be necessary again for American officers and soldiers to have to go to French schools and British schools to learn the tactics of their respective branches. We have now established tactical schools—schools of a very special character, such as Camps Benning, Riley, Knox, Bragg, and Eustis, all part of the system of instruction—to which National Guard officers and National Guard enlisted men go on their own volition to take the various courses, and where they are taught by officers and enlisted men of the Regular Army. All of that, of course, takes personnel.

Mr. NORRIS. We had none of that prior to the war?

Mr. WADSWORTH. We had none of that prior to the war. At that time a National Guard man was not allowed to go to a Regular Army school.

Mr. NORRIS. Mr. President, the training of the National Guard and of civilians constitutes one reason, it seems to me, why we do not need such a large standing Army. We have developed all those activities which we did not have before the war, when we had a much less number of soldiers in the Regular Army than we have now.

Mr. WADSWORTH. But those activities have to be carried on by soldiers of the Regular Army.

Mr. NORRIS. Oh, yes; I understand that.

Mr. WADSWORTH. That is one reason for a part of the increase.

Mr. NORRIS. The Senator has taken all those out, and I have excluded them from my calculations. It seems to me that with the number of officers and men that have been detailed, amounting to several thousand—the Senator gave the figures a short while ago—for educational and instruction purposes in schools and for training National Guard officers, and all that, instead of demanding an increase in the standing army it ought to bring about a decrease, because that means that we will not be under the necessity, as the Senator said we previously were, of sending our officers and men to foreign schools, although, so far as that is concerned, foreign governments send their men to our schools. We have soldiers here from practically all the nations in the world studying in various localities in the United States, and I suppose we send our men to other countries. We are giving military instruction to civilians, and we have developed the National Guard until its present organization far surpasses its organization before the war, so that the old National Guard can not be compared in its ability to perform military duty on short notice with the National Guard as at present organized. If that means anything, if it has any value whatever, it seems to me that the value is that it will be unnecessary to maintain so large a standing army, because we have military information and training given to the ordinary citizen and provided in the various schools and in the National Guard. Such activities are used as a reason why we should have a larger Army; the fact that they were not carried on prior to the war and that we got into trouble is used as an argument by the Senator from New York why our Army should be increased now. As a matter of fact, it is an argument for a smaller standing army, because, in case of difficulty, we would be able to rely upon the instruction, upon the information, and upon the training that has been given to the National Guard and to civilians through these very activities. Hence if the training amounts to anything—and I think it does—it would mean that we could equip an army of trained soldiers a great deal quicker than we ever did before; and, so far as time is concerned, we did it very quickly during the recent war.

There can be no argument made for a large standing army because we need a large standing army to do the fighting in case of war. If that were so, then we must maintain a million men. It is not intended to have a standing army that will be equipped as fighting men during time of peace, but only a nucleus. Now it is proposed to increase the number of enlisted men provided by the House bill by 22,000 men.

Mr. WADSWORTH. By 18,000.

Mr. NORRIS. By 18,000; I stand corrected. It is proposed to increase it by 18,000, when as a matter of fact the House bill itself provides an increase of 13,000 over the number of men in the Regular Army before the war. Then, in addition to that, we now have the National Guard in a condition that the Senator himself says is far superior to anything that ever existed before the war, so that the reason for a larger standing army falls.

I should like to call upon any Senator here to point to the occasion or the time before the great World War when we were ever handicapped by not having a standing army that was large enough to meet every contingency and every emer-

gency that ever arose in time of peace. Have we any reason to believe now that it will be different, especially when we take into consideration the fact that we have a National Guard and a citizen soldiery equipped with military knowledge such as we never had before, such as we never had even an indication of, away beyond anything that ever existed? And now, on top of all that, it is said that we must increase the standing army!

It seems to me that not a single argument has been produced to show that the standing army should be greater than before the war. In fact, the argument is that it should be, and could be without any risk whatever, less, because of these other activities that the Senator from New York has so well mentioned and described.

Mr. President, it was said when the last Army bill was here, and shown conclusively, that practically the only place where we could get any material reduction in the way of taxation was through reducing the Army and the Navy appropriation bills. Now, at a time when no argument is shown for an increase of the standing army, but the argument is the other way, coupled with the fact that the American people are bowed down to the earth with the burdens of taxation, and here is a place where we can cut it off by the millions without any injury or risk, it seems to me that we shall fall far short of performing our duty if we do not apply the pruning knife.

Mr. MYERS. Mr. President, after cessation of the hostilities of the World War, and while he was still President, Woodrow Wilson urged that the United States maintain a standing army of 300,000 men. At the same time Newton D. Baker, then Secretary of War, urged that the United States maintain a standing army of 300,000 men; and as a parting admonition, before those eminent officials retired from public office, they urged very strongly that Congress should not, under any circumstances, reduce the strength of the standing army below 200,000 men.

I do not believe that anybody could properly accuse either one of those worthy gentlemen of being a militarist. I do not think there is anything in the record or career of Woodrow Wilson to show that he is or ever was a militarist. He is, I think, admittedly one of the most world-renowned and eminent advocates of world peace, one of the most ardent and passionate devotees of peace that the world has ever known. With him, love and advocacy of peace are a passion. He devoted some of the best and most precious years of his life to a supreme effort to establish permanent world-wide peace. He sacrificed his health and almost sacrificed his life in an effort to establish world peace, and I know that nobody can justly accuse him of wanting to see the world an armed military camp.

All of his ideas and ideals are those of a man of peace. A just, world-wide peace has been the ambition of his life. Hon. Newton D. Baker is cast very much in the same mold, and yet they both insisted after the end of the World War that the needs of this country required a standing army of 300,000 men. I think their first figures, looking back at them now, may have been rather liberal; they may not have been entirely justified; but when they said that the country should always have a standing army of at least 200,000 men I think they were well within the bounds of reason.

General Pershing has always argued that this country, under the reorganized scheme of maintaining an Army which Congress has enacted and provided for, required a standing army of at least 200,000 men and has pleaded very strongly that it should not be reduced below that number; and yet the tendency of the times has been, undoubtedly owing to the great expense of the World War and the enormous burden of taxation under which the people of this country are staggering, to reduce the size of the Army below what many thought it should be maintained at when the World War closed. There may be some semblance of reason in favor of that contention, but I think we should be very careful not to go too far in that direction. In spite of the pleadings of President Wilson and Secretary of War Baker and General Pershing before the close of the last preceding administration, Congress reduced the size of the Army to 150,000 men. I thought then and I think now that that was and is the very lowest figure consistent with safety and prudence under the scheme of reorganization which Congress has enacted and provided for keeping up a standing army in this country; and yet we are now confronted with the proposition which comes from the House, as set forth in this bill, of reducing it to 115,000 men.

I think that is going entirely too far and wholly beyond the bounds of reason, in the direction of economy, if economy be the ground. We need to economize in this country, undoubtedly, but we should economize with prudence and in accordance with reason. I do not think we should destroy or cripple an essential branch of the Government merely for purposes of economy. That would not be wise economy.

If this great country, the greatest in the world, which possesses a larger area of the earth's surface than any other country in the world, excepting Great Britain and Russia; a country with 11,000 miles of seacoast, 10,000 cities and towns, and 1,900 miles of Mexican border; with its great rivers and numerous harbors; with great industrial centers and a vast system of railroads; with its 48 States, to which it is pledged to guarantee and maintain a republican form of government, and to each of which it owes the bounden duty to enforce and maintain within its borders law and order, if the State authorities are unable to do so; with the Philippines, Hawaii, Alaska, Porto Rico, Guam, the Panama Canal strip, and the Virgin Islands as outlying territorial possessions, where it must maintain order; I repeat, if such a country does not need a standing army of 134,000 men, then I must confess that in my opinion it does not need any at all. If 134,000 men are not reasonably necessary, then 34 men would be sufficient, or none at all. If we are going to maintain an army at all, on the plan of a reorganized and reconstructed system, the framework of which was carefully worked out by Congress and provided as a permanent basis for maintaining a standing army equal to our needs, then I think 134,000 men the least number that should be considered. If, under that plan, we are not going to maintain an army of 134,000 men, I do not think we need to undertake to maintain any at all. The truth is, in this great country of vast territory, vaster responsibilities, great stretch of seacoast, complicated industrial life; a country of more than 110,000,000 population, which is rapidly growing; in this great country, I say, the truth is a standing army of 134,000 men is a mere pittance, a trifle, only a handful of soldiery. It is insignificant. It amounts to little more than a good police force. Of course, some people are opposed to any army at all. Some people want no army. There are elements of our population that oppose having any army at all; even oppose a State militia; but in every civilized country of the world there is need for some army, and it always will be so until the coming of the millennium; and a self-governing country of law and order should have a decently adequate army. It is an essential part of governmental housekeeping.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

Mr. MYERS. I yield to the Senator from Arkansas, with pleasure.

Mr. CARAWAY. How does the Senator arrive at 134,000 as being the proper number? Why does he think that that is safe, and below that is dangerous, and above that is too many?

Mr. MYERS. The Senator is entirely mistaken. I have not said that nor anything like it. I do not think above that number is too many. I think we might well and should maintain an army of 150,000 men, as Congress provided for a year ago, and I have said so.

Mr. CARAWAY. I thought the Senator said that 134,000 was safe, but that he would not go above or below that number.

Mr. MYERS. No. I said that if we were not going to maintain an army of 134,000 I did not see any use of maintaining any at all, but that I felt that that number was the least number we should consider under our present plan of army reorganization. A year ago Congress and its committees carefully worked out the idea that 150,000 men was the least number of men that we could have to maintain even a skeleton organization of an army, in all of its essential parts, according to the plan that had been devised by Congress, and I think Congress was right when it did so, and so declared. Here, however, is a proposition to reduce the number 16,000 below that figure, and another proposition comes from the House to reduce it by 35,000. I think 150,000 needed, but as between the two propositions before us, I prefer the plan proposed by the Senate committee, the one which proposes the larger number—the one more nearly approaching our needs. I think the House proposition absurd.

The Senate proposition comes nearer to what was deliberately agreed upon by both branches of Congress a year ago as being essential for keeping up a skeleton of our reorganized Army under the plan that Congress had deliberately devised and the Executive had approved. We came to that conclusion a year ago, and I can see no reason for abandoning it if we are going to keep up an Army at all on that plan. If we are not going to keep up an Army on that plan, then I think we should devise some other plan that would call for a lesser number of troops; but as long as we adhere to that plan I think we ought to have an Army of 150,000 men or as near to it as we can get.

I realize that there are few ways in which a Member of Congress may appeal more strongly to popular favor than by "jumping on" the Army, as you might say, decrying the Army, and wanting continually to reduce it. I know that it meets with much popular favor; there is always a hue and cry against any

standing Army; but, at the same time, the Army is an essential branch of our Government. It is liable at any time to be just as essential as the lawmaking branch of the Government. Congress and the Executive make the laws of the country. The Executive must enforce them. In enforcing the laws the executive branch must rely upon the administrative officials of the Government to enforce the law. If they fail, or prove insufficient, he must call upon the posse comitatus, and if that fails him or proves insufficient he must fall back in the last resort upon the Army. Then, if the Army proves insufficient, the Government must fall. Unless we are going to have a decent-sized Army, well organized and equipped, ready to meet any emergency from without or within, I do not see any reason for undertaking to have any at all.

I am in sympathy with the figures set forth in the amendment that is recommended by the Senate Committee on Military Affairs. I think the figures are entirely within the bounds of reason, and think they come the nearest to what our military officials say we ought to have. My only objection to them is that they are too low, but they appear to be the best there is any chance of getting, and I favor the Senate committee amendment.

Mr. HITCHCOCK. Mr. President, the chairman of the Committee on Military Affairs said some time ago that we have at the present time an Army twice as good as it formerly was. I presume he referred to pre-war days. I agree with him. It is not possible to sit upon the Committee on Military Affairs and listen to the testimony of officers of the department who come before the committee without being impressed by the spirit, the discipline, and the high order of intelligence of the organization, and I unite with the Senator in paying a meed of praise to the Army of the United States. I think it has come out of the war enormously improved, and what is true of the Army is to a considerable extent true of the organization of the War Department.

I agree also that it is a matter of some difficulty for a civilian to listen to those officers pleading for military perfection in an organization and not yield to their recommendations for maintaining a large organization, and probably it is true that if we reduce the size of the Army below what it is now, there may be some deterioration as measured by perfection.

But, Mr. President, this is a matter in which the people of the United States have a right to make a decision. It is hardly within the probabilities that the American people want a perfect military machine. What they want is an adequate military machine, for protection, to preserve the science of warfare, to maintain trained officers, to teach the civilian population enough about military affairs, so that in the possible, though remote, chance of war, we would be able to go into the war with credit and with safety.

The fact is that this bill comes to us from the House of Representatives providing for a total appropriation of $287,897,000. My judgment is that that appropriation was fixed, and the limitation was made, in response to a widespread demand among the American people for a reduction of military expenditures. It is not simply because the American people are overburdened with taxes; it is because they are against excessive expenditures for military purposes. As I have said, they want adequate military protection, but they do not demand military perfection.

This bill emerges from the Senate committee with a total appropriation of $333,882,851, which is an addition of practically $46,000,000. A part of that increase in the appropriation is necessary. It is necessary, because the House in considering the bill used the rate of pay of 1908, and the Congress has already passed an act raising the pay, although leaving it below the pay of the officers and men during the war. So a part of that addition of $46,000,000 is necessary.

Another part, I believe, is justified by the action of the Senate in increasing the number of officers above what the House had provided. I believe in that increase, not because I believe in a larger Military Establishment, but because I believe in providing officers for the teaching of civilians who are unorganized, or those civilians who are organized in the National Guard. I believe in providing as many officers in our schools and our colleges as are needed. I believe in providing officers in our civilian camps, where training takes place during the summer. In other words, I believe that the increase in the number of officers is justified because of the opportunity it gives to train a limited number of the civilian population. So some increase, in my opinion, is justified by that.

However, when we come to the increase in the number of enlisted men from 115,000, as provided in the House, to 140,000, as provided in the Senate committee bill, I am disposed not to go with the committee. I know the chairman of the committee says that is a maximum; but so is 150,000 a maximum.

Mr. WADSWORTH. We actually appropriated for 150,000 for this year.

Mr. HITCHCOCK. I am coming to that now. As a matter of fact, a year ago, when the Congress insisted on reducing the limit of the Army to 150,000 men, we were met by the Secretary of War and the military officers of the War Department with a storm of protest. They said then the same thing they say now, that it would demoralize our Military Establishment; that it would make it impossible to perform the duties which Congress required of our Military Establishment, and, as I recall it, they were fully as emphatic then in opposing a limit of 150,000 as they are now determined to have 150,000.

Mr. CARAWAY. Mr. President, does the Senator remember that that amendment was condemned by the President when he signed the bill?

Mr. HITCHCOCK. I do not remember his words.

Mr. CARAWAY. In effect, was it not condemned?

Mr. HITCHCOCK. I think it was condemned by the President, and that he said he would not ask his Secretary to enforce it.

Mr. LENROOT. Mr. President, I would like to know if President Wilson did not make a like condemnation when we limited it to 175,000.

Mr. HITCHCOCK. It is quite likely.

Mr. WADSWORTH. He vetoed the bill.

Mr. HITCHCOCK. I am not criticizing President Harding for what he said. If I should hold the office of Secretary of War, as Mr. Weeks now holds it, and if I were surrounded by those military officers, who should come to me one after another and insist that any diminution of their particular departments would send the country to the bow wows, I suppose I would be influenced by them. Any civilian is influenced by them, and as a member of the Committee on Military Affairs, and as a member of the subcommittee, I confess that at times I was influenced by the positive statements of those officers, many of them young, keen, bright, alert, highly trained, and highly educated. I was influenced by what they said. I am not a radical by any means, for that reason. I can hardly be regarded as a radical.

But I say that the reduction of the Army to 150,000 men carries out the will of the people; that the will of Congress as expressed a year ago has proven a success, and that at the present time we have not 150,000 men.

We have only about 141,000 men actually enlisted, and things seem to be getting on very well. The ruin has not come; war has not been provoked, the Military Establishment has not been disjointed, and I am morally certain in my own mind that if we make a still further reduction we shall find at the end of the year that the Military Establishment will still be here. There might not be quite the military perfection in all departments which theoretically the officers think there would be if we maintained a larger number, but I believe the country will find by experience, after another reduction, that the Nation still lives, and that no material damage has been done.

I think it is of importance that Congress should respond to the demand of the American people for relief from taxation. I would not like to be forced to choose between the House limit and the limit provided by the committee of the Senate, although if I am, I believe I shall vote for the House limit. I believe that there should be a mid-position taken. I believe we should make another reduction this year, in the hope that we can make still another one next year.

I realize in saying that that men who are in close contact with military officers are, perhaps, in a better position to judge than I am, but Congress is between the demand of the people for a reduction and the financial need for a reduction and the demand of these officers for what I might call a theoretically perfect Military Establishment.

I believe that if we err at all we should err in the direction of economy. If we should find that we made a mistake, it would be very easy to retrace. So, if I am forced to choose, I shall vote for the House limitation of 115,000 men.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 24, inserting the item "Pay of enlisted men." The yeas and nays have been ordered, and the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM]. In his absence, I withhold my vote.

Mr. KENDRICK (when his name was called). Making the same announcement as before as to the transfer of my pair, I vote "yea."

Mr. NEW (when his name was called). Making the same announcement as to the transfer of my pair as on the previous vote, I vote "yea."

Mr. WALSH of Montana (when his name was called). In the absence of the Senator from New Jersey [Mr. FRELINGHUYSEN], with whom I am paired, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. WARREN (when his name was called). Again announcing the transfer of my pair, I vote "yea."

The roll call was concluded.

Mr. BALL. I transfer my pair with the Senator from Florida [Mr. FLETCHER] to the junior Senator from New Hampshire [Mr. KEYES] and vote "yea."

Mr. SMITH. Has the Senator from South Dakota [Mr. STERLING] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. SMITH. I have a general pair with that Senator. In his absence, I am compelled to withhold my vote.

Mr. HALE. Making the same announcement as before, I vote "yea."

Mr. COLT. I transfer my pair with the junior Senator from Florida [Mr. TRAMMELL] to the junior Senator from South Dakota [Mr. NORBECK] and vote "yea."

Mr. SMITH. I have just been informed that my pair [Mr. STERLING], if present, would vote as I am going to vote, and therefore I take the liberty of voting. I vote "yea."

Mr. BROUSSARD. I transfer my pair with the senior Senator from New Hampshire [Mr. MOSES] to my colleague [Mr. RANSDELL] and vote "nay."

Mr. WALSH of Montana. I transfer my pair with the senior Senator from New Jersey [Mr. FRELINGHUYSEN] to the senior Senator from Ohio [Mr. POMERENE] and vote "nay."

Mr. HARRISON. I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. EDGE (after having voted in the affirmative). I transfer my pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Oklahoma [Mr. HARRELD] and allow my vote to stand.

The result was announced—yeas 49, nays 21, as follows:

YEAS—49.

Ashurst	Gerry	McNary	Smith
Ball	Gooding	Myers	Smoot
Brandegee	Hale	Nelson	Spencer
Bursum	Heflin	New	Sutherland
Calder	Johnson	Newberry	Townsend
Cameron	Jones, Wash.	Oddie	Underwood
Colt	Kellogg	Page	Wadsworth
Cummins	Kendrick	Pepper	Warren
Curtis	Lenroot	Phipps	Watson, Ind.
du Pont	Lodge	Poindexter	Williams
Edge	McCumber	Rawson	
Ernst	McKinley	Sheppard	
France	McLean	Shortridge	

NAYS—21.

Borah	Harrison	Norris	Walsh, Mont.
Broussard	Hitchcock	Robinson	Watson, Ga.
Capper	Jones, N. Mex.	Simmons	Willis
Caraway	King	Stanley	
Dial	Ladd	Swanson	
Harris	La Follette	Walsh, Mass.	

NOT VOTING—26.

Crow	Glass	Norbeck	Shields
Culberson	Harreld	Overman	Stanfield
Dillingham	Keyes	Owen	Sterling
Elkins	McCormick	Pittman	Trammell
Fernald	McKellar	Pomerene	Weller
Fletcher	Moses	Ransdell	
Frelinghuysen	Nicholson	Reed	

So the amendment of the committee was agreed to.

Mr. WADSWORTH. I ask that we now return to the committee amendment which commences on page 15, "Pay of officers," and which was passed over.

The ASSISTANT SECRETARY. The committee report, on page 15, after line 9, to strike out:

Pay of officers: For pay of officers of the line and staff, $26,896,200: *Provided*, That the sum herein appropriated for the pay of officers shall not be used for the pay of more than 11,000 commissioned officers on the active list, of which number there shall be not to exceed 1 general, 21 major generals, and 46 brigadier generals of the line; the general officers authorized by law for chiefs and assistant chiefs of branches; the number of officers of the Medical Corps now authorized by law of six and one-half for every thousand enlisted men, the number of officers of the Medical Administrative Corps now authorized by law of 1 for every 2,000 enlisted men, the number of officers of the Dental Corps now authorized by law of one for every thousand officers and enlisted men of the Regular Army; not to exceed 109 commissioned officers of the Veterinary Corps; 1 chaplain as now authorized by law for every 1,200 officers and enlisted men of the Regular Army, exclusive of the Philippine Scouts; professors at the United States Military Academy; the military storekeeper; and those belonging to branches whose names are carried on the promotion list to be distributed in grades as follows: Not to exceed 4 per cent in the grade of colonel, or 389; not to exceed 4.5 per cent in the grade of lieutenant colonel, or 437; not to exceed 15 per cent in the grade of major, or 1,458; not to exceed 30 per cent in the grade of captain, or 2,915; not to exceed 28.5 per cent in the grade of first lieutenant, or 2,769; and the remainder in the grade of second lieutenant: *Provided further*, That officers found surplus may be recommissioned in the next lower grade in accordance with their standing on the promotion list, or on the relative list if their names are not on the promotion list, or those of less than 10 years' commissioned service in the Regular Army may be discharged with one year's pay, or those of more than 10 years' commissioned service and less than 20 years' service may be placed on the unlimited retired list with pay at the rate of 2½ per cent of their active pay multiplied by the number of complete years of such commissioned service, or those of more than 20 years' commissioned service in the Regular Army may be placed upon the unlimited retired list with pay at the rate of 3 per cent of their active pay multiplied by the number of complete years of such commissioned service, not exceeding 75 per cent; all under such regulations as the President may prescribe.

And in lieu thereof to insert:

Pay of officers: For pay of officers of the line and staff, $35,390,438: *Provided*, That after five months from the date of approval of this act no part of the sum herein appropriated for pay of officers shall be used for the pay of more than 13,000 commissioned officers of the active list of the Regular Army: *Provided further*, That hereafter there shall be officers as now authorized by law except that there shall be 494 colonels, 555 lieutenant colonels, 1,850 majors, 3,700 captains, 5,735 lieutenants, including first and second lieutenants of whom not to exceed 3,515 may be first lieutenants and of whom no officer shall be promoted to the grade of first lieutenant until he shall have served at least three years in the grade of second lieutenant, 1,053 officers of the Medical Corps, 177 officers of the Dental Corps, 144 officers of the Veterinary Corps, 81 officers of the Medical Administrative Corps, 136 chaplains, and the number of officers of the Medical Department and chaplains shall be as prescribed herein notwithstanding changes that may occur in the authorized enlisted or commissioned strength of the Army: *Provided further*, That for five months after the date of approval of this act there shall be no promotions to grades below brigadier general of officers of the Regular Army except of officers of the Medical Department and chaplains and thereafter there shall be no promotions to any grade that would cause the numbers hereinbefore authorized for each grade to be exceeded, and vacancies now existing in any grade below brigadier general not actually filled by the acceptance of an appointment tendered prior to the date of approval of this act shall not be filled and there shall be no appointments of officers of the Medical Department that will cause the total number thereof to exceed 1,455: *Provided further*, That within five months of the date of approval of this act the number of officers shall be reduced to such number in each grade and in the branches of the Medical Department and chaplains as the President may direct, not exceeding the numbers hereinbefore authorized except that there may be retained until absorbed not to exceed 194 additional majors, 395 additional captains, 32 additional officers of the Dental Corps, 40 additional officers of the Medical Administrative Corps, and 22 additional chaplains: *Provided further*, That the Secretary of War shall convene a board of five general officers who, under regulations prescribed by him, shall recommend to the President such officers for retirement or discharge as may be necessary, in addition to the reduction in numbers accomplished by other means, to complete the reduction to be made within five months of the date of approval of this act: *Provided further*, That hereafter the President may, in his discretion, place upon the retired list any officer who, under existing law, may be retired on his own application, and within five months of the date of approval of this act the President may, in his discretion, place upon the retired list or discharge the officers recommended to him by the board of general officers under the preceding proviso and such other officers as may apply for retirement or discharge, the total in any grade or branch so retired or discharged not exceeding in number the reduction to be made within five months, the retirements and discharges herein authorized within five months to be under the following conditions: Officers of more than 10 years' service may be placed upon the unlimited retired list with retired pay at the rate of 3 per cent of their active pay multiplied by the number of complete years of their service, not exceeding in any case 75 per cent; officers of not more than 10 years' service may be honorably discharged with one year's pay unless they shall have had more than seven and one-half years' service, in which case they shall be discharged with two years' pay: *Provided further*, That the term "service" as used in the preceding proviso shall include all service credited to commissioned officers for retirement or for increased pay for length of service; and any officer whose name is carried on the promotion list and who was originally appointed in a grade above second lieutenant shall be credited with a length of service that shall be the same as the commissioned service in the Regular Army of the officer next above him on the promotion list who was originally appointed in the grade of second lieutenant; and any officer of the Medical Corps, Dental Corps, Veterinary Corps, or any chaplain, originally appointed in a grade above the lowest authorized grade of the branch in which commissioned, shall be credited with a length of service that shall be the same as the commissioned service in the Regular Army of the officer of the same branch next senior in rank who was originally appointed in such authorized lowest grade; and any colonel, except of the Medical Department, whose name is not borne on the promotion list, and who was originally appointed in a grade above second lieutenant, shall be credited with a length of service that shall be the same as the commissioned service in the Regular Army of the colonel, exclusive of colonels of the Medical Department, next senior in rank who was originally appointed in the grade of second lieutenant: *Provided further*, That any officer whose actual length of service as hereinbefore defined is greater than the service with which he would be credited under the foregoing proviso shall be credited with his actual length of service: *Provided further*, That so much of section 24 of the act approved June 4, 1920, as provides that any person originally appointed under the provisions of said act at an age greater than 45 years shall, when retired, receive retired pay at the rate of 4 per cent of active pay for each year of commissioned service shall not be construed as applicable to said officers when retired under the provisions of this act or when retired for physical disability incident to the service: *Provided further*, That officers shall be assigned to the several branches of the Army so that the number assigned to any branch, except of the Medical Department and chaplains, shall be 82⅛ per cent of the number prescribed for such branch by the act of June 4, 1920, but the President may increase or diminish the number of officers assigned to any branch by not more than a total of 30 per cent.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, I shall have to ask the Senate to reconsider the vote by which the amendment just

agreed to was adopted, as I want to offer two perfecting amendments to it, which, however, make no real difference in the meaning of the amendment.

The VICE PRESIDENT. Without objection the vote whereby the amendment was agreed to will be reconsidered.

Mr. WADSWORTH. On page 17, line 10, after the words "commissioned officers" I move to insert the words "plus emergency officers in hospitals undergoing physical reconstruction." That amendment is for the purpose of making it perfectly certain that 40 or 50 unfortunate emergency officers who are still in hospitals, who are crippled from wounds in the World War, shall continue to be paid.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New York to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. WADSWORTH. On page 18, line 16, after the word "Medical," I move to strike out the word "Department" and to insert the word "Corps"; so that it will read:

There shall be no appointments of officers of the Medical Corps that will cause the total number thereof to exceed—

And so forth.

Then, in line 17, I move to strike out the words "four hundred and fifty-five" and to insert the words "and fifty-three"; so as to read "that will cause the total number thereof to exceed 1,053"; and then insert the words "of the Dental Corps 177, of the Veterinary Corps 144, or of the Medical Administrative Corps 81." The sum total of those is 1,453.

That completes the statement of the amendment which I propose to the committee amendment.

The VICE PRESIDENT. The amendment proposed by the Senator from New York [Mr. WADSWORTH] to the committee amendment will be stated.

The ASSISTANT SECRETARY. On page 18, line 16, after the words "Medical," it is proposed to strike out the word "Department" and to insert the word "Corps"; and in lines 17 and 18, to strike out the words "four hundred and fifty-five" and to insert the words "and fifty-three, of the Dental Corps, one hundred and seventy-seven, of the Veterinary Corps, one hundred and forty-four, or of the Medical Administrative Corps, eighty-one."

The VICE PRESIDENT. Without objection, the amendment to the amendment is agreed to.

The committee amendment as amended was agreed to.

The next amendment passed over was, on page 21, line 24, after the word "pay," to insert "and allowances," and in line 25, after the word "Corps," to strike out "$250,000" and to insert "$2,000,000," so as to read:

For pay and allowances of the officers of the Officers' Reserve Corps, $2,000,000.

The amendment was agreed to.

The next amendment passed over was, on page 22, after line 21, to strike out "For pay of warrant officers, $1,534,336: *Provided*, That the sum herein appropriated for pay of warrant officer shall not be used for the pay of more than 40 warrant officers of the Mine Planter Service: *Provided further*, That no vacancies in the grade of warrant officer shall be filled until the number in such grade is reduced to 600, and thereafter the number shall not be increased above 600," and in lieu thereof to insert:

For pay of warrant officers, $1,951,632: *Provided*, That no vacancies in the grade of warrant officer, exclusive of warrant officers in the Mine Planter Service, shall be filled until the number in such grade is reduced to 600, and thereafter the number shall not be increased above 600, and to effect such reduction warrant officers, upon their own application, may be placed on the unlimited retired list after 30 years' service and may compute for retirement such double time as they may have earned while serving as enlisted men: *Provided further*, That nothing contained herein shall prevent the appointment of qualified band leaders for authorized bands: *Provided further*, That no vacancies in the grade of warrant officer of the Army Mine Planter Service shall be filled until the number in such grade is reduced to 40, and thereafter the number shall not be increased above 40.

The amendment was agreed to.

The next amendment passed over was, on page 23, line 21, to increase the appropriation for aviation increase to officers of the Army from "$846,000" to "$1,021,840."

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, I may say that the amendments following from this point are all in accordance with the new pay bill, and also in accordance with the number of officers and the number of enlisted men as just determined by the Senate. It is entirely a mathematical proposition governed by statute.

The next amendment passed over was, on page 24, line 4, to increase the appropriation for additional pay to officers for length of service from "$4,000,000" to "$5,440,317."

The amendment was agreed to.

The next amendment passed over was, on page 24, after line 4, to strike out:

Pay of enlisted men: For pay of enlisted men of the line and staff, $48,863,088. The Secretary of War is directed under such reasonable regulations as he may prescribe to grant applications for discharge of enlisted men serving in the continental United States without regard to the provisions of existing law respecting discharges until the number in the Army has been reduced to 115,000 enlisted men, not including the Philippine Scouts. The provisions of this paragraph shall take effect immediately upon the approval of this act.

And in lieu thereof to insert:

Pay of enlisted men: For pay of an average number of 133,000 enlisted men of the line and staff, not including the Philippine Scouts, $60,981,795: *Provided*, That the total authorized number of enlisted men, not including the Philippine Scouts, shall be 140,000, and this number shall not be exceeded unless in emergency.

The amendment was agreed to.

The next amendment passed over was, on page 24, line 24, to increase the appropriation for pay of enlisted men of the Enlisted Reserve Corps from "$100" to "$7,500."

The amendment was agreed to.

The next amendment passed over was, on page 25, line 2, to increase the appropriation for aviation increase to enlisted men of the Army from "$150,000" to "$216,000."

The amendment was agreed to.

The next amendment passed over was, on page 25, line 2, to strike out the following proviso:

Provided, That this appropriation shall not be available for increased pay on flying status to more than 500 enlisted men.

The amendment was agreed to.

The next amendment passed over was, on page 25, line 11, to reduce the appropriation for additional pay for length of service to enlisted men from "$4,500,000" to "$2,235,043."

The amendment was agreed to.

The next amendment passed over was, on page 25, line 13, to increase the appropriation for pay of officers on the retired list from "$5,000,000" to "$6,000,000."

The amendment was agreed to.

The next amendment passed over was, on page 25, line 15, to reduce the appropriation for increased pay to retired officers on active duty from "$207,560" to "$44,533."

The amendment was agreed to.

The next amendment passed over was, on page 25, line 16, to increase the appropriation for pay of retired enlisted men from "$4,500,000" to "$6,000,000."

The amendment was agreed to.

The next amendment passed over was, on page 25, line 18, to increase the appropriation for pay and allowances of retired enlisted men on active duty from "$2,904" to "$13,600."

The amendment was agreed to.

The next amendment passed over was, on page 26, line 3, before the words "at $2,000 each," to strike out "5" and to insert "9"; in the same line, before the words "at $1,800 each," to strike out "25" and to insert "40"; in line 4, before the words "at $1,600 each," to strike out "44" and to insert "60"; in the same line, before the words "at $1,400 each," to strike out "61" and to insert "80"; in line 5, before the words "at $1,200 each," to strike out "95" and to insert "130"; in line 6, before the word "messengers," to strike out "80" and to insert "65"; and at the end of line 6 to strike out "$382,400" and to insert "$500,800"; so as to make the paragraph read:

Pay of Army field clerks and civil service messengers at headquarters of the several territorial departments, corps areas, Army and corps headquarters, territorial districts, tactical divisions and brigades, service schools, camps and ports of embarkation and debarkation: Army field clerks—9 at $2,000 each, 40 at $1,800 each, 60 at $1,600 each, 80 at $1,400 each, 130 at $1,200 each; 65 messengers at $720 each; in all, $500,800.

The amendment was agreed to.

The next amendment passed over was, on page 26, after line 7, to strike out:

For additional pay while on foreign service, $3,000.

The amendment was agreed to.

The next amendment passed over was, on page 26, after line 8, to strike out:

For commutation of quarters and of heat and light, $97,000.

The amendment was agreed to.

The next amendment passed over was, on page 26, after line 10, to strike out:

For commutation of quarters and of heat and light for field clerks, Quartermaster Corps, $75,021: *Provided*, That said clerks, messengers, and laborers shall be employed and assigned by the Secretary of War to the offices and positions in which they are to serve: *Provided further*, That no clerk, messenger, or laborer at headquarters of tactical divisions, military departments, brigades, service schools, and office of the Chief of Staff shall be assigned to duty in any bureau of the War Department.

The amendment was agreed to.

The next amendment passed over was, on page 26, after line 19, to insert:

No clerk, messenger, or laborer at headquarters of tactical divisions, military departments, brigades, service schools, and office of the Chief of Staff shall be assigned to duty in any bureau of the War Department.

The amendment was agreed to.

The next amendment passed over was, on page 26, line 24, after the word "pay," to insert "and allowances," so as to read:

Miscellaneous: For pay and allowances of contract surgeons, $41,100.

The amendment was agreed to.

The next amendment passed over was, on page 27, line 1, to increase the appropriation for pay of nurses from "$509,280" to "$799,000."

The amendment was agreed to.

The next amendment passed over was, on page 27, line 2, to reduce the appropriation for pay of hospital matrons from "$3,000" to "$1,000."

The amendment was agreed to.

The next amendment passed over was, on page 27, after line 7, to strike out:

For commutation of quarters and heat and light to commissioned officers, warrant officers, members of the Nurse Corps, and enlisted men on duty at places where no public quarters are available, including enlisted men of the Enlisted Reserve Corps and retired enlisted men when ordered to active duty, $4,250,000.

The amendment was agreed to.

The next amendment passed over was, on page 27, after line 13, to insert:

For rental allowances, $6,097,644.

The amendment was agreed to.

The next amendment passed over was, on page 27, after line 14, to insert:

For subsistence allowances, $5,551,978.

The amendment was agreed to.

The next amendment passed over was, on page 27, after line 18, to strike out:

For additional 10 per cent increase of pay of officers on foreign service, $200,000.

The amendment was agreed to.

The next amendment passed over was, on page 27, after line 20, to strike out:

For additional 20 per cent increase of pay of enlisted men on foreign service, $700,000.

The amendment was agreed to.

The next amendment passed over was, on page 28, line 1, after the name "Alaska," to insert "or remote posts in the United States"; so as to make the paragraph read:

For payment of exchange by officers serving in foreign countries and when specially authorized by the Secretary of War, by officers disbursing funds pertaining to the War Department when serving in Alaska or remote posts in the United States, and all foreign money received shall be charged to and paid out by disbursing officers of the Army at the legal valuation fixed by the Secretary of the Treasury, $5,000.

The amendment was agreed to.

The next amendment was, on page 28, after line 8, to insert:

All the money hereinbefore appropriated for pay of the Army and miscellaneous shall be disbursed and accounted for as pay of the Army, and for that purpose shall constitute one fund.

The amendment was agreed to.

Mr. WADSWORTH. There is one very small amendment of a corrective character at the bottom of page 62.

The VICE PRESIDENT. There is an amendment on the page preceding which has been passed over.

Mr. WADSWORTH. The Senator from Texas [Mr. SHEPPARD] is interested in that amendment; it relates to the experimentations in connection with helium gas.

The VICE PRESIDENT. The amendment will be stated.

The READING CLERK. On page 61, at the beginning of line 9, it is proposed to strike out "$400,000" and to insert "$300,000," so as to read

not exceeding $300,000 may be expended for experimentation, conservation, and production of helium.

Mr. SHEPPARD. Mr. President, if I understand the situation correctly, the committee has recommended that the amount appropriated by the House, to-wit, $400,000, be reduced to $300,000.

Mr. WADSWORTH. For experimentations in connection with helium gas; yes.

Mr. SHEPPARD. Mr. President, I wish to submit to the Senate and to the Senator from New York that this is a case where it would be in the interest of economy to retain the amount appropriated by the House. The Army and the Navy share equally the expense involved in the production of helium gas. After looking into the matter thoroughly the Military Affairs Committee of the House agreed to recommend an appropriation of $400,000 and the Naval Affairs Committee of the House agreed to recommend an appropriation of a like amount, making $800,000 in all for the next fiscal year.

I wish to say that helium is a noninflammable gas, and that we have a monopoly of that kind of gas in the United States. If the *Roma*, for instance, had been so constructed that it could have been inflated with helium gas instead of the ordinary gas, it would not have been consumed by fire. It was the destruction of the *Roma* that led the House committee to increase the appropriation for helium gas in order that we might secure as great an amount as possible. This led them to favor a larger amount than that originally estimated for.

The Government has expended to date about $8,000,000 in an effort to manufacture helium gas. The principal plant for making this gas is located at Fort Worth, Tex. The source of helium is a helium-bearing gas, produced from wells at Petrolia, Tex., about 100 miles north of Fort Worth. To-day we have in storage about 2,400,000,000 feet of helium gas. This is the net result of $8,000,000 expended for plants and experimentation. It is stored in metallic cylinders and will last for 20 or 30 years.

The helium content of the gas is extracted by a certain process which was discovered two or three years ago. The ordinary gas, which contains helium, is being transported by pipe line from the wells at Petrolia to Fort Worth, Tex., and other cities for commercial uses, and every day on which the helium is not extracted from this commercial gas means its permanent loss to that extent.

To-day the Fort Worth plant, representing an investment of millions, is idle. The amount of the gas from which helium can be obtained is limited. Therefore we are constantly losing quantities of this one item of national defense, of which the United States has a monopoly, by not making proper provision for the extraction of the helium element from the commercial gas as it passes by the plant at Fort Worth.

We expended $500,000 last year in operating the plant at Fort Worth and produced about 2,000,000,000 feet of the helium gas. The representatives of the Bureau of Mines say that, with an appropriation of $800,000, which will keep the plant continuously in operation for almost a year, we can produce 10,000,000,000 feet of the helium gas. Manifestly, Mr. President, it is in the interest of economy to follow the action of the House Naval Affairs Committee and the House Military Affairs Committee in appropriating $400,000 each for the operation of this plant, and thus to produce 10,000,000,000 cubic feet of helium gas during the year to come instead of appropriating $600,000 or $700,000 and producing a far smaller amount. With $500,000 we produced a bare 2,000,000,000 feet at Fort Worth last year.

We possess a monopoly of helium, and it ought not to be allowed to go to waste. The naval appropriation bill, as it comes from the House, carries an appropriation of $400,000, the amount which is to be appropriated for the Navy's share of this noninflammable gas. The $400,000 appropriated by the House on the recommendation of the Military Affairs Committee of the House is the Army's share, and I suggest to the Senator from New York [Mr. WADSWORTH] that this arrangement ought to be carried out. I ask him if he will not agree to the restoration of the original amount.

Mr. WADSWORTH. Mr. President, I will say to the Senator from Texas that I have no authority to abandon the amendment on the part of the committee.

Mr. SHEPPARD. Then I ask for a vote, Mr. President. I believe it is in the interest of economy to restore the amount agreed to by the House Military Affairs Committee and the House itself.

Mr. LENROOT. Mr. President, is not the Senator mistaken in saying that the House Military Affairs Committee agreed to that? Was not that amount raised upon the floor of the House?

Mr. SHEPPARD. No; the House committee reported it in the House bill.

Mr. WADSWORTH. I think it was raised on the floor of the House.

Mr. LENROOT. My recollection is that it was raised upon the floor of the House, and I think the Senator will find that that is true.

Mr. SHEPPARD. If that be true, I will say to the Senator from Wisconsin it was agreed to by the House committee. The House committee did not resist it. It was after the *Roma* disaster that the House committee came to the conclusion—and the House, too, for that matter—that we ought to make every effort to conserve as much of this helium gas as possible.

Mr. LENROOT. This helium gas is not destroyed. It accumulates. It is not lost.

Mr. SHEPPARD. But it is being wasted every day that we do not extract it from the commercial gas.

Mr. LENROOT. That is true.

Mr. SHEPPARD. And there is only a limited amount of helium-bearing gas in existence.

Mr. LENROOT. Mr. President, I hope the amendment of the committee will prevail, reducing this amount $100,000. Senators realize that even with the committee amendment we are proposing to spend next year $600,000 for helium gas. It is a very serious question whether we will have use in the future for the gas that $600,000 will product in addition to what we already have. The use of these very large Zeppelins is very questionable.

Mr. SHEPPARD. Does the Senator know how much we have now?

Mr. LENROOT. About 2,000,000 feet, as I recollect.

Mr. SHEPPARD. Two million four hundred thousand feet, and that is only enough to fill a ship like the *Roma* twice.

Mr. LENROOT. Yes; and we do not know yet whether we want any ships or not. It is all an experiment thus far.

Mr. SHEPPARD. We are building one at present, and we are to get one from Germany.

Mr. LENROOT. Yes; and if we have the same experience with those that we have had with the two already purchased by the United States we will never build another.

Mr. SHEPPARD. That is the point exactly. Those were destroyed because they did not have the noninflammable gas, or at least one of them was so destroyed.

Mr. LENROOT. Oh, no; the Senator is mistaken about that. They were not destroyed because of any such reason. One was destroyed because of defective construction. The other was not destroyed because of lack of helium gas.

Mr. SHEPPARD. The disaster to the *Roma* was due, as I understand, to the ignition of the gas.

Mr. LENROOT. Oh, it burned up after it was wrecked; yes.

Mr. SHEPPARD. No; my understanding was that it was due to the fact that it was filled with inflammable gas; but the point is, if we are going to continue to operate the plant, whether it is not economy to appropriate $800,000, which will keep the plant going continuously for 10 months and produce 10,000,000 cubic feet of this gas, thereby preventing a continuous waste through failure to extract it from the commercial gas, or whether we should appropriate a smaller amount and produce a much smaller amount of gas.

Mr. LENROOT. Why does the Senator say that with $600,000 we can produce only 2,000,000 feet, while with $800,000 we can produce 10,000,000 feet?

Mr. SHEPPARD. Because that is what the testimony here shows; that with $500,000 we produced but 2,000,000 feet approximately last year.

Mr. LENROOT. What can that possibly be based upon?

Mr. SHEPPARD. It is based upon the fact that when you once get the plant going and your personnel assembled, the longer you can operate it the greater will become the production.

Mr. LENROOT. I am satisfied that there can not be any such difference. The plant is in a going condition to-day, and all that it requires is the getting together of the personnel and the operating. I think $600,000 is plenty to appropriate in a single year for helium gas, the use of which, except for balloons, is still questionable.

Mr. SHEPPARD. With an appropriation of $500,000 we only produced 2,000,000 cubic feet last year. I was basing my calculation on that fact. I believe it would be in the interest of economy to keep in the military and naval appropriation bills the amounts which were put in them by the House. The Naval Affairs Committee has recommended $400,000 for the Navy's share, and the House has put in the Army bill $400,000 for the Army's share.

I ask for a vote upon the amendment.

The PRESIDING OFFICER (Mr. BRANDEGEE in the chair). The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

Mr. SHEPPARD. Mr. President, I want to say to the Senator from New York that I shall endeavor to place facts before him which I believe will convince him that the $400,000 should be retained in conference.

Mr. WADSWORTH. Very well.

Mr. President, on the bottom of page 62, on line 25, I ask that the word "other" be struck out after the word "such."

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 62, line 25, after the word "such," it is proposed to strike out the word "other," so that it will read:

And such technical services as the Secretary of War—

And so forth.

The amendment was agreed to.

Mr. WADSWORTH. On the same line, after the word "technical," I ask that the words "and other" be inserted, so that it will read "and such technical and other services."

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 62, line 25, after the word "technical," it is proposed to insert "and other."

The amendment was agreed to.

Mr. WADSWORTH. Mr. President, that finishes the committee amendments to the bill.

Mr. NORRIS. Mr. President, by direction of the Committee on Agriculture and Forestry, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 132, after line 5, it is proposed to insert the following:

MUSCLE SHOALS.

For the continuation of the work on Dam No. 2 on the Tennessee River at Muscle Shoals, Ala., to be immediately available, $7,500,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

Mr. LODGE. Mr. President, I have not considered in any way the merits of the amendment, but I should like to ask whether that is in order under the rule about amendments offered by another committee—I do not know the facts—whether or not it has been referred to the Committee on Appropriations one day before, as the rules, I think, require.

The PRESIDING OFFICER. The Chair has no information about it.

Mr. NORRIS. Mr. President, I was unable to hear the Senator from Massachusetts.

Mr. LODGE. I asked whether the amendment had been referred to the Committee on Appropriations one day before, as required by the rule.

Mr. NORRIS. Whether this amendment was so referred?

Mr. LODGE. Yes.

Mr. NORRIS. It was not.

Mr. LODGE. Section 2 of Rule XVI provides:

All amendments to general appropriation bills moved by direction of a standing or select committee of the Senate, proposing to increase an appropriation already contained in the bill, or to add new items of appropriation, shall, at least one day before they are considered, be referred to the Committee on Appropriations, and when actually proposed to the bill no amendment proposing to increase the amount stated in such amendment shall be received—

And so forth.

Mr. NORRIS. Mr. President, I think the amendment is in order by virtue of the new rule——

Mr. UNDERWOOD. Mr. President, will the Senator allow me to ask a question? Do I understand that there is a point of order pending?

Mr. NORRIS. I did not understand that the Senator from Massachusetts made a point of order.

Mr. LODGE. I made an inquiry of the Chair. I did it because I did not know the facts.

The PRESIDING OFFICER. The Senator from Massachusetts propounded a parliamentary inquiry.

Mr. UNDERWOOD. I understand, but I wanted to know if there was a point of order pending. If no point of order is made, of course——

Mr. LODGE. I will make the point of order under the rule, because I think it ought to be settled. This amendment has not complied with the rule as I read it.

Mr. UNDERWOOD. I just wanted to know whether or not there was a point of order before we started to discuss it.

The PRESIDING OFFICER. There had not been, but there now is, as the Chair understands.

Mr. NORRIS. Mr. President, on the point of order, I think this amendment is in order under the new rule adopted by the Senate. As I understand, it is not in the manual yet. I am reading from the resolution as it was agreed to by the Senate:

Resolved, That clause 1 of Rule XVI of the standing rules of the Senate be amended so as to read as follows, to wit:

1. All general appropriation bills shall be referred to the Committee on Appropriations, and no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law—

This is in order under that provision, as a matter of fact.

Or treaty stipulation, or act, or resolution previously passed by the Senate during that session; or unless the same be moved by direction of a standing or select committee of the Senate or proposed in pursuance of an estimate submitted in accordance with law.

This amendment is in order under two different clauses that I have read.

The PRESIDING OFFICER. Will the Senator permit the Chair to call his attention to the fact that what he has read is the new rule to be substituted for the first clause of Rule XVI?

Mr. NORRIS. Yes.

The PRESIDING OFFICER. But the point of order made by the Senator from Massachusetts, as the Chair understands, is made under the second clause of Rule XVI.

Mr. NORRIS. If the second clause of Rule XVI conflicts with the new rule, of course the new rule will take precedence.

The PRESIDING OFFICER. But the new rule amends only the first clause.

Mr. NORRIS. I understand that; but if the first clause then conflicts with the second clause, the first clause, being the last enactment, of course prevails.

I want to say to the Chair that this amendment is in order, as I have said, under two provisions: First, the rule says that no new amendment shall be offered unless—now, what are the exceptions? One of them is unless it be made to carry out the provisions of some existing law. That is true of this amendment. Under the national defense act provision was made for the development of the necessary power to make explosives in time of war and fertilizers in time of peace.

The President, under the act, was authorized to locate the place or places in the United States where that law should be carried out. In accordance with that act, the President, by official communication, selected Muscle Shoals as one of the places. This amendment is to carry out the provisions of that law. Under that law the particular dam to which this amendment applies was partially constructed. Under the law and under the designation of the President the dam known as No. 2, to which this amendment applies, was begun. Work was carried on, and $17,000,000 were expended in carrying it on, and it is in that condition to-day, partially constructed.

It will take three years to develop it. It will take three times the amount of money that is provided by this particular amendment, if this applies to only one year. So under that provision the amendment I have offered is in order, even if it were not offered under the direction of a standing committee.

I think this rule is complete in itself, a new rule adopted after the other one was in force, and that the amendment was in order under the other provision as being moved by direction of a standing committee. The Committee on Agriculture and Forestry, which has had this matter under consideration for a great many weeks, have had very extended hearings on it and most of the committee made a personal inspection of the work itself, and after all of that consideration and deliberation unanimously directed the chairman of the committee to offer the amendment I have proposed.

It seems perfectly clear to me, therefore, that under either one of these provisions the amendment is in order. It is true I have not read the law to the Chair, but no one denies that that is the law. I had no idea that a point of order would be made against the amendment. In my office I have a copy of the official letter of President Wilson designating Muscle Shoals under the provisions of the national defense act. There can be no question about it, and therefore, Mr. President, no one will question but that the work there in contemplation, partially finished, is carrying out a provision of law directing the President of the United States to make this particular improvement.

Mr. LENROOT. Mr. President, I would like to call the Senator's attention to the language of what he says is the new rule. The part he read is merely a repetition of the old rule and does not change it in any particular.

Mr. NORRIS. Is the part I have read the same as the old rule?

Mr. LENROOT. It is a part of the old rule.

Mr. ROBINSON. I suggest to the Senator from Nebraska that while the point of order seems to be justified, it can easily be obviated if the Senate desires to do so, and I apprehend if the Senate is unwilling to do that it would not adopt the amendment upon a direct vote on it.

The provision of the rule which is invoked as rendering the amendment obnoxious at this time is as follows:

> All amendments to general appropriation bills moved by direction of a standing or select committee of the Senate, proposing to increase an appropriation already contained in the bill, or to add new items of appropriation, shall, at least one day before they are considered, be referred to the Committee on Appropriations.

If the point of order be sustained, the Senator can ask that his amendment be referred to the Committee on Appropriations, and then postpone final action upon the bill until another day, when consideration of the amendment will be in order.

Mr. NORRIS. Mr. President, I want to inquire of the Senator from Arkansas why this amendment is not in order under that provision of the rule providing that an amendment is in order if it is proposed for the purpose of carrying out something authorized by law?

Mr. ROBINSON. I do not wish to put myself in the attitude of arguing against the position taken by the Senator from Nebraska, although in frankness I have stated that I am inclined to the opinion that the amendment at this time is obnoxious to the rule; but I will answer the Senator's question.

The same language is employed in the old rule as is used under this new rule, and paragraph 2 of the old rule, as I construe it in connection with paragraph 1, provided that even in case an amendment is proposed which is intended to carry out existing law, if it is moved by direction of a standing committee of the Senate, it must be proposed one day before it is considered. The object of the rule is manifest; to give the Appropriations Committee an opportunity of considering it, and of giving the Senate an opportunity also of becoming familiar with it.

The new rule does not change that in any particular, and clause 2, in my judgment, has the same force under the new rule that it had under the old rule. But, as I have already suggested, if the Senator decides to do so—and I am in sympathy with his purpose—he can accomplish his end by having the amendment referred to the Committee on Appropriations, and then by postponing further consideration of this bill until to-morrow, when the amendment may be considered.

Mr. NORRIS. If the Chair sustains the point of order I think I shall then offer the amendment as an individual. Paragraph 2 does not apply to an amendment offered by an individual Senator, even if the Senator's argument is correct, and it would be in order under that provision of the rule which makes it in order to offer an amendment to carry out a provision of law.

Mr. ROBINSON. I think the Senator could do that.

He can offer the amendment again in his own right, but it might be again held subject to a point of order.

Mr. LODGE. It is perfectly obvious that the course which the Senator from Arkansas has suggested can be pursued. Therefore, pressing this point of order would have no effect, except to delay, and I have no desire to delay the bill—far from it—and, as far as I am concerned, I withdraw the point of order.

Mr. ROBINSON. I made the suggestion because I thought that would be the result. I thought the Senator from Massachusetts would take that view of it when that situation was presented and withdraw his suggestion, and I thank him for doing it.

Mr. NORRIS. Mr. President, I do not care to take up the time of the Senate in debate on this amendment unless it becomes necessary. As far as I know, every Senator who has investigated this question is satisfied that this amendment ought to be adopted, and that this work ought to proceed. If there are any Senators who do not agree to that or think that some further explanation ought to be made, I am prepared to go on and give in detail a statement of the conditions down there.

Mr. LENROOT. Mr. President, I have to leave the Chamber in a moment, and I would like to make a short statement.

Mr. NORRIS. I yield the floor.

Mr. LENROOT. No. The Senator need not yield the floor, as I shall take just a moment. Heretofore I have opposed this appropriation, as the Senate well knows, and I based my opposition wholly upon the ground that as the situation then existed I was satisfied the Alabama Power Co. would be the only customer for this power. I am satisfied that the situation has now changed, and if this dam is completed there will be no difficulty in securing a fair price for the power, because there will be a sufficient demand for it. I shall therefore favor the appropriation.

Mr. NORRIS. I thank the Senator. I do not care to take up the time unless some one wants to ask me a question.

Mr. JONES of Washington. Mr. President, I would like to ask the Senator a question. I have not had an opportunity to look into the proposals which have been made to Congress by Mr. Ford and others. I do not know whether Mr. Ford's proposal should be accepted or not, but I wonder what effect the adoption of this amendment, if it shall become a part of the law, would have with reference to that proposition.

Mr. NORRIS. The question asked by the Senator from Washington is a very natural one. It is one which might occur to any Senator. Permit me to say, in answer to it, that there were quite a number of propositions made. Mr. Ford has made one, the Alabama Power Co. has made one, Mr. Engstrom has made one, and there are two or three others who have submitted offers. The committee has given a great deal of consideration to them. There will be a marked difference of opinion in the committee, to some extent, as to which of the propositions should be accepted, if any. There will very likely be a lengthy

discussion by Members of the Senate as to what our permanent policy there should be. There is plenty of opportunity for disagreement. That, however, is not involved now, and the committee are unanimous in this action, even though they disagree, as I think they will, as to these proposals. This will not interfere with anybody's proposition. It will not interfere with any bid that has been made. The only difference will be that, whatever bid is accepted, there will be a slight modification because of the additional money the Government of the United States puts into it, and in connection with all the bids, practically, but one, the Government would have to do all the building, anyway.

So those who are for one proposition or those who are for another; those who think the Alabama Power Co. ought to have it or somebody else ought to have it; those who think the Government ought to retain it, can all rest at ease in the knowledge that those questions will not be determined or jeopardized by this action. The matter will still be open and the committee figures that that question being such an important one, and the tariff bill being before the Senate and likely to take up most of the time, it would probably be a physical impossibility for the Congress to determine what the permanent policy should be, or whose offer, if anyone's, should be accepted.

As I said, the Government has spent $17,000,000 there; they have a railroad clear across the river. They have all kinds of machinery there, mixing machinery, and all the necessary paraphernalia to go ahead with the work. All they need is the money to do it, and there is likely to be, and will be sooner or later, if we delay long enough, a loss of $2,000,000 or $3,000,000. The improvements there are not intended to be permanent. For instance, at one end of the dam there are 13 acres of the river bed surrounded by cofferdams. There are other places where temporary structures of that kind are made, other cofferdams, for the purpose of doing the work. If they should go out, or if the bridge on which the railroad crosses the river, only a temporary structure, of course, not intended to be permanent, should go out, a damage of perhaps $2,000,000 or $2,500,000 might occur at any time, and sooner or later will occur, because it is only temporary, and can not last very many years. It is not built to last.

So this particular appropriation, to permit the Government to go ahead, was agreed to unanimously. The officers of the Government who will have charge of the work are there now. The machinery is all there, the cars are there, the engines are there, the mixers are there, the machinery to put in the wheels and everything is stored there in sheds. It is all there, and it is really an economic crime to delay a moment in going ahead.

Mr. JONES of Washington. I understand the theory and the opinion of the Senator, and I suppose of the committee, is that this work will be done?

Mr. NORRIS. Yes.

Mr. JONES of Washington. Either by the Government, or by private parties under an arrangement with the Government, or in some other way, but that the great work there will be done and carried to completion, and that it is more economical, and in the interest of getting it done quickly, to make this appropriation and have the work go on now.

Mr. UNDERWOOD. Mr. President, I am not going to detain the Senate at this late hour. I think the situation with reference to Muscle Shoals and the testimony which has come before Congress has clearly demonstrated the fact that there is only one economical way to handle the question of that dam, and that is to finish it at the earliest possible moment. I say, without fear of contradiction, now that the testimony has been brought before the two Houses of Congress on the proposals which have been made to the Secretary of War, when we complete this dam it will be an asset in the hands of the Government worth every dollar expended, and if it is not completed there is $17,000,000 lost in the river.

This does not settle the question as to how the Muscle Shoals Dam and project shall be disposed of. As to the dam itself there is a variance of views. If Mr. Ford's proposition comes before the Senate, I shall vote for it, but that question is not involved here now. I think it would be a waste of money and a waste of time for the Government to wait until we determine what we are going to do with the dam before we finish it. I think it will be a much better asset to dispose of if we proceed to finish it at once. Therefore I hope that the amendment of the Senator from Nebraska will be agreed to.

Mr. WILLIAMS. Mr. President, I was "just thinking," as the New England home comedy says, in my irresponsible sort of way, what would have become of the Henry Ford proposition for the Government of the United States to turn over the Muscle Shoals proposition at the high price set, if Henry Ford had been a standpat Republican instead of being what he is. I am sorry that I can not even tell the Senate what he is. Sometimes I think that he is a Democrat, sometimes I think that he is a shade of Bolshevist, and sometimes I think that he does not himself know just what school of politics he belongs to. All the same, outside of his hatred of Jews, which is totally unjustified, he has been a remarkable man in his chosen occupation. No man has ever shown the genius for making money out of power and out of locomotives of one sort or another that Henry Ford has shown.

Unfortunately for him as a business proposition he happened to run against a very distinguished standpat Republican and happened to be apparently defeated by him, and there happened to be a trial in the Senate later on. The consequence was that the word passed around—I think more or less privately, somewhat spiritualistically—that whatever else happened, Henry Ford must not be allowed to make any money out of the United States Government. After that word passed around, the next argument or word from the standpatters was that Henry Ford was offering to take over an impossible proposition that would bankrupt him.

Of course, I know that the average standpatter did not have away back in the back of his head even that reason as the only reason, because I know that if he wanted to do anything in God's world it was to bankrupt Henry Ford. So all the arguments that have been made to the effect that Henry Ford could not carry out his contract and might be bankrupted are pure camouflage, not even of the scientific and coloristic variety that during the war zigzagged, but of the original variety of woodpecker that tried to hide its red head behind a green bower.

Now, Mr. President, seriously speaking, I think it is about time we quit this foolishness. Here is a proposition that the United States Government absolutely wanted to throw into the junk pile. There was expert advice to them that there was no money in it, and that the Government had better sever itself from it and divorce itself from it just as soon as possible. "No money in it, no possible money in it," no anything in it. It looked as if for a little while that the plant would be sold, like one of the transport ships built during the war, for about one-tenth the price that it cost. Then out comes a man, an excoriated man in certain circles, a man who succeeded in gaining the admiration of some men of tolerably good sense—he succeeded in gaining mine—who offers to take over the whole thing at a very high price, a price so high that part of the men who were fighting him say that it will bankrupt him and he can not make it pay. Then these two things come together and the consequence is that Henry Ford's Muscle Shoals proposition has been hanging fire for I do not know how many months—I think about 12 or 14, but I do not remember. The consequence of all that is that even a point of order was made a few moments ago.

There is something peculiar about a point of order. Nobody is sworn to observe the parliamentary law of any legislative body. A point of order in its making is within one's discretion. I have never known a point of order to be made by any body, except one fool in the House about 21 years ago who thought he was a parliamentary sharp and made a point of order in order to prove that he knew, unless the mover of it wanted to defeat the main proposition. I have never known it to be made but once by a man who did not want to defeat the main proposition.

So we stand with the point of order made by the Republican floor leader and with the arguments that have been made in the press, without much argument in the Senate of one description or another. Of course, the object of a point of order was to keep from having a trial by the jury, and then when the point of order is withdrawn it merely means that the man who by analogy put a "demurrer" in the court has thought that he discovered that the court might decide against him, and therefore he had better withdraw it and go on the issue to the jury. This explains his withdrawal of it. Now, we have the issue before the jury on the first plea of the case, not the last one. I am sorry it is not the last one.

If there ever was, this is a case where a Government had on its hands a white elephant that was worthless, as its experts told it. Experts! Of all the contemptible words in the English language the word "expert" is the most contemptible. The experts said that it was a white elephant, and that it could neither work nor sell, and its political advisers told the Government not to regard Ford's proposition because "there was politics in the proposition."

This man undertakes to take over this plant and to work it out, and to give to the Government a certain amount of money at the risk of bankrupting himself—the experts say with a certainty of bankrupting himself, some of the standpat politicians say with a certainty of bankrupting himself, and some others say with a certainty of "profiteering" to an immense

amount at the expense of the United States Government. We can leave the profiteer pleader and the bankruptcy pleader discussing the matter with each other.

Here this man makes his offer. It has been hanging here, with expense accumulating, overhead and otherwise, while the Government has been losing money, some 14 months or more just simply because that man happened to have run upon a Democratic ticket in the State of Michigan for the Senate of the United States.

That is all. If you think you can fool the country about it you are vastly mistaken. There are fools in this country, and every now and then in a general election a majority of fools temporarily. You can fool a majority of them some of the time, but you can not fool a majority of them all the time, and as a rule you can not fool them over about three or four months after they have been fooled once, whether it was at a general election or otherwise.

I remember the great French author's work "J'accuse." I am not putting myself in his place, but I "charge" that the only reason in the world why the Ford proposition has not been accepted by both Houses of Congress in its former form, or in its present form, which is still more favorable to the Government, is because a majority of this body and a majority of the other body are Republicans and Ford is not. Now, mark you, I do not even say he is a Democrat, because according to my idea of democracy, according to my school of thought, he is not quite a Democrat. But he was at least a candidate against a standpat Republican of the old style in one State of this Union. After that he still further cultivated the standpat hatred by carrying on a contest in this body, a contest in the issue of which he had nothing to hope for, only that in his opinion the man who was not entitled to the seat should not be seated. That was all.

Oh, that there could be an appeal to the conscience of the standpat Republican Party. Of course, I realize that there can not be, but if there could be, I would appeal to it to-day to do something which would bring money into the Treasury at no expense to the Government, at a time when the Treasury is not working equal to the disbursements that go out of it day by day, threatened through bonus bills and other things with irretrievable bankruptcy—and here is a proposition to put money into the Treasury and help the Government and hurt nobody except, perhaps, Henry Ford, who may go bankrupt.

Let the proposition go through. All of you remember as well as I do the time when you considered Muscle Shoals as being on the junk pile, and that we might just as well pay somebody to take it over, and the Republican official reports show that that was the condition, and that was the congressional opinion. Then comes up a wild ass in the desert, Bolshevist, in the opinion of some of you, wild ass in the opinion of others of you, intermeddler and disturber of the peace of the Senate in the opinion of others of you, and says, "I will pay you a very large sum of money for that plant"; more money than the average man in a lifetime of 70 years of hard industry could earn to save his life; earned by a man with a peculiar genius for developing the use of motive power.

He is met by all sorts of obstruction in committee of the House of Representatives, and in the Senate itself, in committee here and in the House, and by points of order here and there. He is met by a little Democratic opposition, too, now and then. Somebody avers that his son was not loyal during the war. However, if the fellow is a wild ass of the desert, if he does not know what he is doing, and if he is a bad scamp of every description, then let him have the contract and pay the money into the Treasury and bankrupt himself, and let him go at that.

Are you not capable of that amount of magnanimity, at any rate, notwithstanding the fact that he was the author, that he was the gatherer together, call it, of evidence in a lately contested and very celebrated election case?

Mr. President, of course I am not appealing to the "standpat" conscience; no man of real knowledge ever appeals to a thing that is nonexistent, but I am appealing to the memory of the time when there was a "standpat" conscience, and I am also appealing to the common sense and political wisdom of the present standpatters, who, each and all, in view of the recent primaries in Indiana and Pennsylvania, are now rushing to deny that they are or ever were standpatters.

I tell you it would be better political wisdom for you to make the most that can be made out of this situation for the Government in a businesslike way, and to surrender your hatred of Henry Ford.

Mr. HARRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Georgia?

Mr. WILLIAMS. I yield.

Mr. HARRIS. I do not think the Senator from Mississippi understands that this is merely an appropriation for the dam; that it has nothing whatever to do with the other features of the proposition, and will not interfere with any of the offers to lease the property. I feel sure that the Senate will vote for this appropriation and make the necessary beginning of this work.

Mr. WILLIAMS. I understand that thoroughly. The Senator is often mistaken when he undertakes to give the Senator from Mississippi a bit of information about what is going on. It is a question of the completion of the dam, but, if it is defeated, it affects the entire proposition. The Senator from Georgia knows that as well as I. This is the skirmish before the battle upon the question of Ford's undertaking the Muscle Shoals development project. Is not that true?

Oh, well, if the Senator from Georgia does not think so, I know that this is the opening skirmish; this is the firing on the picket line in connection with the larger proposition of allowing Henry Ford to develop the Muscle Shoals project. I know that as well as I know any situation, and he, with average intelligence, ought to know it.

SEVERAL SENATORS. Let us vote.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Nebraska [Mr. NORRIS].

The amendment was agreed to.

Mr. CUMMINS. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Iowa will be stated.

The READING CLERK. On page 14 it is proposed to strike out lines 14 to 21, inclusive, and to insert the following:

For the preparation, for historical purposes, of the following documents and information concerning officers and soldiers from the several States and the District of Columbia who were in the military service of the United States during the World War; and which The Adjutant General of the Army is hereby directed to furnish to the adjutant generals of the several States and the District of Columbia, $250,000, to be immediately available.

(1) As to individuals—

(a) True and correct copies of the individual record cards of all officers and all enlisted or selected men, excepting such as have heretofore been so furnished; and

(b) A statement as to each officer or enlisted or selected man who died in the service, showing the place and date of death of such officer or man and the cause of death, whether by wounds, accident, or disease; and such statement shall be furnished in each case, irrespective of whether the individual record card of such officer or man has heretofore or is to be hereafter furnished: *Provided*, That in all such cases, if death occurred in a hospital, the name or number and location of such hospital shall appear; and if the death occurred in action or in the field, the official designation of such action, if any, together with the local designation of the place where the same occurred, shall appear.

(2) As to units—

(a) A tabulated statement showing the title of the organization; the race of the unit, white or Negro; the date it was authorized; its maximum strength; where and when mobilized or organized, and when it left the United States, if at all, for service overseas; its stations, assignments, and service, both in the United States and overseas, with the dates thereof, and appropriate remark as to combat or other service of importance; when returned to the United States; when and where demobilized, transferred, or otherwise discontinued as a distinct organization; and

(b) A tabulated statement showing the designation of each noncombat unit which formed a part of or was attached to any division or other tactical unit during the World War, and the dates of joining or relief therefrom, in such form as may be used as an addition to the histories of divisions and other tactical units heretofore furnished to the adjutant generals of the several States and the District of Columbia; *Provided*, That, for the purposes of this and the preceding paragraph, the term "overseas service" shall mean any service outside or beyond the continental limits of the United States, but in case the unit did not serve overseas its stations in the United States shall be given.

Mr. WADSWORTH. Mr. President, I am fairly familiar with the text of the amendment proposed by the Senator from Iowa, and other members of the committee have also had a view of it. If the other members of the committee do not object to the amendment, for one I am willing to accept it and see if we can thrash the matter out in conference.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Iowa.

The amendment was agreed to.

Mr. WADSWORTH. I desire to offer one more amendment, and this will be my last proposal, Mr. President. I ask unanimous consent to insert on page 62, after line 15, the amendment which I send to the desk. Its effect will be to place the Aviation Service upon the same status as the other supply corps in the matter of making contracts for current needs.

The VICE PRESIDENT. The amendment proposed by the Senator from New York will be stated.

The READING CLERK. On page 62, after line 15, it is proposed to insert:

Hereafter whenever contracts which are not to be performed within six months are made on behalf of the Government by the Chief of Air Service or by officers of the Air Service authorized to make them, and are in excess of $500 in amount, such contracts shall be reduced

to writing and signed by the contracting parties. In all other cases contracts shall be entered into under such regulations as may be prescribed by the Chief of Air Service.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from New York.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ORDER FOR RECESS.

Mr. LODGE. I ask unanimous consent that when the Senate concludes its session to-day it shall take a recess until 11 o'clock to-morrow morning.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

RECLAMATION DEVELOPMENT WORK.

Mr. ASHURST. Mr. President, I have received a telegram, which I ask may be read. It relates to a pending bill.

The VICE PRESIDENT. Without objection, the Secretary will read the telegram.

The reading clerk read as follows:

ONTARIO, OREG., *June 1, 1922.*

Senator ASHURST,
Senate Building, Washington, D. C.:

The Ontario (Oreg.) Chamber of Commerce sends you a vote of thanks for your stand in demanding that the Smith-McNary bill be passed at this session. We hope you will not let them adjourn until they do so. The following is a copy of the telegram we are sending to-day to President Harding:

"Hon. WARREN G. HARDING,
"White House, Washington, D. C.:

"The hopes of the West are centered upon the passage of the Smith-McNary bill which has been held up by Congress. May we not ask you to exert your influence with Congress to help in the passage of this bill at this session. Ten million people in the West are requesting this to be done as part of the Republican platform. The passage of this measure will mean 1,000,000 new homes in the West on lands and in towns, will stimulate business all over the United States, and give employment to thousands of men. We ask your help in getting action at this session."

ONTARIO COMMERCIAL CLUB.

Mr. ASHURST. Mr. President, in connection with the telegram I wish to say that the McNary-Smith irrigation bill has been reported favorably from the Committee on Irrigation and Reclamation. I spoke a few words upon it some days ago, but I ought to say, in view of the telegram which has just been read, that the chairman of the committee, the senior Senator from Oregon [Mr. MCNARY], has done everything within human power to advance the bill. I am sure that no one could have done more. I wish again to express the hope that the gavel will not be allowed to fall in either House, bringing about final adjournment of the present session of Congress, until that bill shall have been passed.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened; and (at 6 o'clock and 25 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Saturday, June 3, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 2 (legislative day of April 20), 1922.

UNITED STATES ATTORNEY.

Lewis P. Summers, of Virginia, to be United States attorney, western district of Virginia, vice Thomas J. Muncey, deceased.

UNITED STATES MARSHAL.

Frank T. Newton, of Michigan, to be United States marshal, eastern district of Michigan, vice Henry Behrendt, term expired.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY.

ADJUTANT GENERAL'S DEPARTMENT.

Col. Joseph Wheeler, jr., Coast Artillery Corps, with rank from June 22, 1920.

Col. Charles Higbee Bridges, Infantry, with rank from July 1, 1920.

Col. Ralph Brewster Parrott, Infantry, with rank from December 23, 1920.

Lieut. Col. George Luther Hicks, Coast Artillery Corps, with rank from July 1, 1920.

Lieut. Col. David Yulee Beckham, Coast Artillery Corps, with rank from July 1, 1920.

Lieut. Col. John Fleming Clapham, Infantry, with rank from November 26, 1921.

Maj. Stuart Ainslee Howard, Infantry, with rank from July 1, 1920.

Maj. Hugh Lawson Walthall, Infantry, with rank from July 1, 1920.

Maj. John Buchanan Richardson, Infantry, with rank from July 1, 1920.

Maj. Clarence Andrew Mitchell, Coast Artillery Corps, with rank from July 1, 1920.

Maj. William Torbert MacMillan, Infantry, with rank from July 1, 1920.

Maj. Henry Newbold Sumner, Coast Artillery Corps, with rank from July 1, 1920.

Maj. James Sylvester Mooney, Cavalry, with rank from July 1, 1920.

Maj. Walter Cyrus Gullion, Infantry, with rank from July 1, 1920.

Maj. Frank Cornelius Reilly, Infantry, with rank from July 1, 1920.

Capt. Charles Clement Quigley, Infantry, with rank from July 1, 1920.

POSTMASTERS.

ARKANSAS.

Nan E. De Yampert to be postmaster at Wilmot, Ark., in place of B. H. Harper, not commissioned.

CALIFORNIA.

Earl C. McWayne to be postmaster at Firebaugh, Calif. Office became presidential April 1, 1922.

COLORADO.

Thomas E. Downey to be postmaster at Ordway, Colo., in place of S. P. Ilgenfritz. Incumbent's commission expired January 17, 1920.

CONNECTICUT.

Francis W. Chaffee, jr., to be postmaster at Eagleville, Conn., in place of J. W. Green, resigned.

Walfred C. Carlson to be postmaster at Washington Depot, Conn., in place of W. C. Carlson. Incumbent's commission expired April 30, 1922.

GEORGIA.

William M. Redman to be postmaster at Jackson, Ga., in place of Bessie Waldrop. Incumbent's commission expired April 8, 1922.

ILLINOIS.

Daisy F. Lynk to be postmaster at Mokena, Ill. Office became presidential July 1, 1921.

Luella H. McCoid to be postmaster at Venice, Ill. Office became presidential July 1, 1920.

William A. Kelley to be postmaster at Jonesboro, Ill., in place of J. C. Crawford. Incumbent's commission expired August 7, 1921.

Nelson H. Webster to be postmaster at Naperville, Ill., in place of E. M. Dieter, resigned.

INDIANA.

Hugh A. Fenters to be postmaster at Macy, Ind. Office became presidential January 1, 1921.

Clarence E. Sparling to be postmaster at Osgood, Ind., in place of O. R. Jenkins, resigned.

IOWA.

Henry L. Shaffer to be postmaster at Crawfordsville, Iowa. Office became presidential January 1, 1921.

John Geiger to be postmaster at Minden, Iowa. Office became presidential January 1, 1921.

Gust A. Hall to be postmaster at Colo, Iowa, in place of W. F. Bales. Incumbent's commission expired March 16, 1921.

KENTUCKY.

Ward H. Metcalfe to be postmaster at Brooksville, Ky., in place of H. H. Poage. Incumbent's commission expired February 4, 1922.

Carl H. Boone to be postmaster at Leitchfield, Ky., in place of E. W. McClure, resigned.

Tom H. Brown to be postmaster at Millersburg, Ky., in place of J. B. Cray. Incumbent's commission expired February 14, 1922.

LOUISIANA.

John F. Basty to be postmaster at Destrehan, La. Office became presidential January 1, 1922.

David S. Leach to be postmaster at Florien, La. Office became presidential January 1, 1921.

Louis P. Bourgeois to be postmaster at Gramercy, La. Office became presidential April 1, 1921.

Claud Jones to be postmaster at Longleaf, La. Office became presidential January 1, 1921.

Weston W. Muse to be postmaster at Lottie, La. Office became presidential January 1, 1921.

Nelle Masten to be postmaster at Woodworth, La. Office became presidential January 1, 1921.

Marion H. Page to be postmaster at Fullerton, La., in place of M. H. Page, resigned.

Otis Waguespack to be postmaster at St. Patricks, La., in place of F. J. Bourgeois. Incumbent's commission expired January 31, 1922.

MINNESOTA.

Marie D. Anderson to be postmaster at Carlos, Minn. Office became presidential April 1, 1922.

MONTANA.

Rudolph P. Petersen to be postmaster at Rudyard, Mont., in place of R. P. Petersen. Incumbent's commission expired May 20, 1922.

NEW YORK.

Albert C. Stanton to be postmaster at Atlanta, N. Y. Office became presidential October 1, 1920.

NORTH CAROLINA.

Chester C. Lord to be postmaster at Montreat, N. C., in place of A. R. Bauman. Incumbent's commission expired March 16, 1921.

NORTH DAKOTA.

Jacob Omdahl to be postmaster at Galesburg, N. Dak. Office became presidential April 1, 1922.

OHIO.

Ferne V. Boone to be postmaster at Sterling, Ohio. Office became presidential October 1, 1921.

James M. Light to be postmaster at Greenville, Ohio, in place of A. H. Meeker, deceased.

OKLAHOMA.

Elmer E. Heady to be postmaster at Gate, Okla. Office became presidential January 1, 1921.

Louia M. Amick to be postmaster at Jefferson, Okla. Office became presidential July 1, 1920.

Cora E. Morris to be postmaster at Manchester, Okla. Office became presidential January 1, 1920.

PENNSYLVANIA.

Reuben J. Knox to be postmaster at Rutledge, Pa. Office became presidential July 1, 1921.

Daniel Jones to be postmaster at Coaldale, Pa., in place of Edward Cavanaugh. Incumbent's commission expired July 25, 1920.

George E. Baldwin to be postmaster at Hastings, Pa., in place of P. V. Abel, resigned.

Andrew L. Coffman to be postmaster at Phoenixville, Pa., in place of J. A. Hartman, removed.

Florence H. Gray to be postmaster at Rosemont, Pa., in place of J. C. McDowell, deceased.

James A. Woodard to be postmaster at Shinglehouse, Pa., in place of F. H. Failing, resigned.

SOUTH CAROLINA.

Andrew L. Dickson to be postmaster at Calhoun Falls, S. C. Office became presidential July 1, 1920.

Samuel W. Parks to be postmaster at Fort Mill, S. C., in place of B. H. Massey, resigned.

TENNESSEE.

Frank J. Nunn to be postmaster at Brownsville, Tenn., in place of William Thomas. Incumbent's commission expired February 4, 1922.

TEXAS.

Claud C. Morris to be postmaster at Rosebud, Tex., in place of H. C. Connally, resigned.

Clinton J. Farrell to be postmaster at Vernon, Tex., in place of J. V. Townsend, resigned.

VIRGINIA.

Charles L. Horne to be postmaster at Glade Spring, Va., in place of A. T. Hull, resigned.

William J. Crockett to be postmaster at Graham, Va., in place of W. C. Greever, resigned.

WASHINGTON.

Lillian M. Tyler to be postmaster at Brewster, Wash., in place of L. A. Dale, resigned.

Matthew E. Morgan to be postmaster at Lind, Wash., in place of M. C. Hayden. Incumbent's commission expired April 16, 1922.

WEST VIRGINIA.

Harvey A. Henderson to be postmaster at Minden, W. Va. Office became presidential October 1, 1920.

Edward E. Reyburn to be postmaster at Vivian, W. Va., in place of E. E. Reyburn. Incumbent's commission expired April 30, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 2 (legislative day of April 20, 1922).

UNITED STATES MARSHAL.

Albert W. Harvey to be United States marshal, district of Vermont.

PROMOTIONS IN THE NAVY.

To be ensigns.

Harold L. Fudge.
William H. Egan, jr.
Carl R. Brown.
Beverly M. Coleman.

POSTMASTERS.

CONNECTICUT.

Henry F. Hanmer, Wethersfield.

GEORGIA.

William D. Lynn, Collins.
Jett M. Potts, West Point.

NEW JERSEY.

Matilda M. Hodapp, Spotswood.

NEW YORK.

Frederick Theall, Hartsdale.
Clarence M. Herrington, Johnsonville.
Fannie E. Rooney, Schroon Lake.

NORTH CAROLINA.

Orin R. York, High Point.

PENNSYLVANIA.

Otto W. Petry, Elk Lick.

SOUTH CAROLINA.

George F. Wilson, Darlington.

TEXAS.

Charley R. Jamison, Boyd.
Bert J. McDowell, Del Rio.
Fred C. Davis, Harrisburg.
Daisy M. Singleton, Marble Falls
Henry E. Cannon, Shelbyville.
Ada A. Ladner, Yorktown.

VERMONT.

Marion C. White, Cavendish.

WITHDRAWALS.

Executive nominations withdrawn from the Senate June 2 (legislative day of April 20), 1922.

PROMOTIONS IN THE ARMY.

To be captains.

First Lieut. Edwin Philip Hart, Coast Artillery Corps, from November 27, 1921.

First Lieut. Leonard Louis Davis, Coast Artillery Corps, from November 27, 1921.

First Lieut. Harold Leo Stiebel, Coast Artillery Corps, from November 29, 1921.

First Lieut. Webster Fletcher Putnam, jr., Coast Artillery Corps, from December 1, 1921.

First Lieut. Merle Halsey Davis, Ordnance Department, from December 4, 1921.

First Lieut. George Berry Dobyns, Coast Artillery Corps, from December 4, 1921.

First Lieut. Henry Devries Cassard, Coast Artillery Corps, from December 9, 1921.

First Lieut. Edward Hanson Connor, jr., Infantry, from December 10, 1921.

First Lieut. Neal Creighton, Air Service, from December 11, 1921.

First Lieut. George Peter Toft, Quartermaster Corps, from December 15, 1921.

First Lieut. Alonzo Maning Drake, Air Service, from December 16, 1921.

First Lieut. Charles Raymond Melin, Air Service, from December 16, 1921.

First Lieut. Victor Herbert Strahm, Air Service, from December 16, 1921.

First Lieut. Robert Jesse Whatley, Infantry, from December 18, 1921.
First Lieut. Waldo Sebastian Ickes, Finance Department, from December 18, 1921.
First Lieut. Ira Robert Koenig, Air Service, from December 19, 1921.
First Lieut. Harry Allen Sanford, Philippine Scouts, from December 22, 1921.
First Lieut. Earl Wells, Philippine Scouts, from December 22, 1921.
First Lieut. Raynor Garey, Field Artillery, from December 22, 1921.
First Lieut. Philip Schneeberger, Air Service, from December 23, 1921.
First Lieut. Gouverneur Hoes, Infantry, from December 24, 1921.
First Lieut. Victor Schmidt, Coast Artillery Corps, from December 24, 1921.
First Lieut. George Franklin Parris, Air Service, from December 24, 1921.
First Lieut. Fred Bidwell Lyle, Field Artillery, from December 25, 1921.
First Lieut. Karl Shaffner Axtater, Air Service, from December 26, 1921.
First Lieut. Clinton Bowen Fisk Brill, Quartermaster Corps, from December 28, 1921.
First Lieut. William Joseph Flood, Air Service, from December 28, 1921.
First Lieut. Francis Dundas Ross, jr., Infantry, from December 30, 1921.
First Lieut. Frank Edward Monville, Quartermaster Corps, from January 1, 1922.
First Lieut. George Merrill Palmer, Air Service, from January 1, 1922.
First Lieut. Charles Rawlings Chase, Cavalry, from January 2, 1922.
First Lieut. Loren Francis Parmley, Cavalry, from January 4, 1922.
First Lieut. Erle Fletcher Cress, Cavalry, from January 4, 1922.
First Lieut. Lynn Packard Vane, Coast Artillery Corps, from January 6, 1922.
First Lieut. John Austin Pixley, Coast Artillery Corps, from January 7, 1922.
First Lieut. Otta Marshall, Coast Artillery Corps, from January 8, 1922.
First Lieut. Edwin Cleveland Callicutt, Coast Artillery Corps, from January 9, 1922.
First Lieut. Ray Harrison Green, Quartermaster Corps, from January 11, 1922.
First Lieut. Hugh Williamson Rowan, Chemical Warfare Service, from January 12, 1922.
First Lieut. Russell William Goodyear, Quartermaster Corps, from January 12, 1922.
First Lieut. Lewis Rinehart Pfoutz Reese, Air Service, from January 15, 1922.
First Lieut. Byron Turner Burt, jr., Air Service, from January 21, 1922.
First Lieut. Earle Gene Harper, Air Service, from January 28, 1922.
First Lieut. Philip Gilstrap Bruton, Corps of Engineers, from January 29, 1922.
First Lieut. Eugene Joseph Minarelli FitzGerald, Infantry, from January 31, 1922.
First Lieut. Charles Earl Whitney, Ordnance Department, from February 5, 1922.
First Lieut. Lotha August Smith, Air Service, from February 5, 1922.
First Lieut. Edward Higley Guilford, Air Service, from February 11, 1922.
First Lieut. Junius Augustus Smith, Air Service, from February 22, 1922.
First Lieut. William Henry Carthy, Air Service, from February 22, 1922.
First Lieut. Horace Leland Porter, Corps of Engineers, from February 22, 1922.
First Lieut. Arthur Leo Lavery, Coast Artillery Corps, from February 22, 1922.
(The resignation of First Lieut. Edwin Philip Hart, Coast Artillery Corps, May 25, 1922, necessitates the removal of his name from the nomination list and causes a change in the vacancies for all first lieutenants junior to him who have been nominated for promotion.)
First Lieut. Ernest Andrew Thompson, Signal Corps, from February 22, 1922.
First Lieut. William Andrew Gray, Air Service, from February 22, 1922.
First Lieut. Franz Joseph Jonitz, Quartermaster Corps, from February 24, 1922.
First Lieut. William Valery Andrews, Air Service, from February 24, 1922.
First Lieut. George Stetekluh, Quartermaster Corps, from February 25, 1922.
First Lieut. Frank Marion Barrell, Quartermaster Corps, from February 28, 1922.
First Lieut. Stanton Higgins, Cavalry, from February 28, 1922.
First Lieut. Holden Spear, Quartermaster Corps, from February 28, 1922.
First Lieut. Frank Merrill Bartlett, Air Service, from March 2, 1922.
First Lieut. Benson Glenwood Scott, Field Artillery, from March 2, 1922.
First Lieut. Redding Francis Perry, Cavalry, from March 2, 1922.
First Lieut. Walter Arthur Metts, jr., Field Artillery, from March 5, 1922.
First Lieut. Frank Camm, Field Artillery, from March 6, 1922.
First Lieut. Robert Morgan Burrowes, Infantry, from March 7, 1922.
First Lieut. Richard Oscar Bassett, jr., Infantry, from March 9, 1922, subject to examination required by law.
First Lieut. Percy Stuart Lowe, Coast Artillery Corps, from March 12, 1922.
First Lieut. Lewis Alonzo Murray, Corps of Engineers, from March 14, 1922.
First Lieut. Rene Edward de Russy, Coast Artillery Corps, from March 23, 1922.
First Lieut. Marion Gardner Putnam, Air Service, from March 27, 1922.
First Lieut. Clyde Grady, Infantry, from March 29, 1922.
First Lieut. Walter Drake Williams, Air Service, from March 29, 1922.
First Lieut. William Henry Payne, Quartermaster Corps, from April 1, 1922.
First Lieut. Thomas Tilson Conway, Infantry, from April 2, 1922.
First Lieut. Edgar Ambrose Jarman, Infantry, from April 4, 1922.
First Lieut. Regeon Victor Love, Coast Artillery Corps, from April 5, 1922.
First Lieut. Svening Johannes Bang, Cavalry, from April 6, 1922.
First Lieut. Allan Sheldon Willis, Infantry, from April 6, 1922.

HOUSE OF REPRESENTATIVES.

FRIDAY, *June 2, 1922.*

The House met at 12 o'clock noon.
The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, for all encouragements that make us more hopeful, we bless Thee; for all loving messages and glad surprises, we thank Thee; for sincere friendships that mean trust and confidence, we praise Thee, and for all the little joys and sweet blessings that come to us through the hours of each day we are grateful to Thee. Strengthen us by daily communications of truth and wisdom and always may our fidelity to duty be without hesitation. Subdue and restrain all evil passions. May there be the enjoyment of fellowship and the exercise of high and just desire among our fellow citizens, and may hate be a bitterness unknown. O make the whole earth glad with a new song, young with a new spring, and alive with a new hope. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS.

Mr. APPLEBY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on H. J. Res. 337, with respect to the port of New York.
The SPEAKER. Is there objection?
There was no objection.
The extension of remarks referred to are here printed in full as follows:
Mr. APPLEBY. Mr. Speaker and colleagues, I appreciate your courtesy in permitting me to extend my remarks in the

CONGRESSIONAL RECORD on the important resolution known as House Joint Resolution No. 337, for the development and administration of the port of New York. The first resolution introduced on this subject—House Joint Resolution No. 172—was passed by the House and the Senate, and signed by President Harding last August. At that time I had the pleasure of speaking in favor of the resolution. Since the passage of that resolution both the State of New York and the State of New Jersey have adopted a comprehensive plan for the development of the port of New York. I quote from the report on the resolution as follows:

Historically, geographically, and commercially, New York and the industrial districts in the northern part of New Jersey constitute a single unit, a great metropolitan district of 8,000,000 people. The port of New York, with its three entrances, 800 miles of water front, 12 railroads (exclusive of local transit lines) entering the port, a terminus for nearly all of the more important trans-Atlantic lines, not only concerns the people of the two States but constitutes an asset of the entire Nation. The necessity of creating the port district and authorizing the creation of the port authority is manifest from the fact that over 40 municipalities are involved, some of them controlled by men of divergent views and many of them working at cross-purposes and in the dark. The port of New York is one of the main arteries and principal gateways between the United States and the markets of the world, and any improvement to the port of New York will work a benefit to the entire Nation. Concededly, the terminal facilities at the port are grossly inadequate, mainly due to the lack of cooperation between the two States of New York and New Jersey. It is submitted that a unified authority and control will bring order out of chaos and afford a blessing not only to the contiguous municipalities but also to the country at large.

In a letter addressed to the chairman of the Judiciary Committee under date of June 30, 1921, in regard to the resolution, Hon. John W. Weeks, Secretary of War, says:

The adequate improvement and development of port facilities at New York is a deserving enterprise, and if the work is accomplished on the comprehensive plan of cooperation contemplated by the two States it will doubtless result in benefit to the transportation interests of the entire Nation. I recommend, therefore, that Congress give its consent to the agreement.

Since House Joint Resolution No. 172 was passed legislation for the improvement of New York Harbor and its adjacent waters has been enacted by this body, namely, the authorization of a 30-foot channel extending from Sandy Hook through Raritan Bay to Perth Amboy, then through Arthur Kill and Kill Van Kull to upper New York Bay. In addition to this an appropriation was approved by both the House and the Senate for additional aids to navigation in Raritan Bay and by lighting these waters at night, giving traffic over them a full 24-hour service. The War Department is now making inquiries as to the advisability of recommending to Congress the adoption of a project for deepening the channel of the Raritan River, that adequate water transportation facilities may be afforded the industrial establishments lining its banks.

The discussion in regard to these projects has brought to the attention of the public as never before the tremendous possibilities of the port of New York. The State of New Jersey, by its natural advantages, will be the outlet for the many railroads now having terminal stations there, and the development of the same is fully comprehended in the plan of the Port of New York Authority. Public interest has been aroused in this great project and many municipalities have held meetings to indorse the movement. The magnitude of the project is appealing to the enterprising citizens of the State, and they are giving practically their unanimous indorsement to this great waterways and transportation undertaking.

I feel sure, fellow Members, you have made no mistake in voting for this joint resolution.

MESSAGE FROM THE SENATE.

A message from the Senate by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment the following House Concurrent Resolution No. 47:

Resolved by the House of Representatives (the Senate concurring), That 100,000 copies of the report of the special mission on investigation to the Philippine Islands to the Secretary of War, without the map but with the data on the Philippines proceeding and accompanying such report, be, and the same is hereby, ordered printed as a public document, to be distributed as follows: Sixty-five thousand through the document room of the House, 25,000 through the document room of the Senate, 5,000 through the Committee on Insular Affairs of the House, and 5,000 through the Committee on Territories and Insular Possessions of the Senate.

The message also announced that the Senate had passed with amendments the bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations so as to provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations; in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed bill and joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 3416. An act to permit the city of Fort Smith, Sebastian County, Arg., to erect or cause to be erected a dam across the Poteau River.

S. J. Res. 171. Joint resolution granting consent of Congress and authority to the Port of New York Authority to execute the comprehensive plan approved by the States of New York and New Jersey by chapter 43, Laws of New York, 1922, and chapter 9, Laws of New Jersey, 1922.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 11408. An act granting the consent of Congress to the county of Winnebago and the town of Rockton, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River, in said town of Rockton; and

H. R. 11409. An act granting the consent of Congress to the city of Ottawa and the county of La Salle, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Fox River.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 3416. An act to permit the city of Fort Smith, Sebastian County, Ark., to erect or cause to be erected a dam across the Poteau River; to the Committee on Interstate and Foreign Commerce.

REPAIR OF LEVEES ON MISSISSIPPI RIVER ABOVE CAIRO, ILL.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent for the present consideration of H. J. Res. 339, making available funds for repairing and restoring levees on the Mississippi River above Cairo, Ill., which I send to the desk and ask to have read.

The Clerk read the resolution, as follows:

Resolved, etc., That an amount, not exceeding $100,000, of the funds authorized to be expended by Public Res. No. 54, approved May 2, 1922, is hereby made available as an emergency fund to be expended by the Mississippi River Commission, under the direction of the Secretary of War, for repairing and restoring any levees on the Mississippi River above Cairo, Ill., which have been destroyed or seriously injured by the recent floods of the Mississippi River, and which are not now within, but may, before June 15, 1922, be brought within, the provisions of the Act entitled "An act to provide for the control of floods of the Mississippi River and of the Sacramento River, and for other purposes," approved March 1, 1917: *Provided*, That if the Mississippi River Commission finds that the levee or drainage district in which the broken levee is situated can not legally, by or before June 15, 1922, comply with section (b) of such act of March 1, 1917, the commission may accept, in this emergency, bonds of standing approved by it in amount sufficient to cover not less than one-third of the cost involved: *Provided further*, That nothing in this resolution shall be construed as authorizing a departure from the established practice of the commission except so far as may be necessary to permit the restoration of broken levees in districts which are willing but can not legally comply with said method of procedure in time to avoid another threatened overflow this year.

The SPEAKER. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, I wish the gentleman would make a statement and answer one or two questions which I would like to ask in respect to the necessity for the resolution.

Mr. MADDEN. Mr. Speaker, the necessity for action in this matter was presented to the committee by reference to it of House Joint Resolution 326, introduced by Representative DENISON, of Illinois, calling for an appropriation of $1,000,000. Two relief measures have been approved for levee protection and repair work in connection with the recent unusual and disastrous floods on the Mississippi River and its tributaries. Public Resolution No. 50, approved April 21, 1922, appropriated $1,000,000 to be expended by the Mississippi River Commission on levees under its jurisdiction and falling within the scope of the flood control act of March 1, 1917; this amount to be deducted from the regular appropriation for that purpose in the pending War Department appropriation bill, and in practical effect amounted only to an advance of $1,000,000 of next year's money for Mississippi River flood control. Public Resolution No. 54, approved May 2, 1922, made not to exceed $200,000 of funds heretofore appropriated for river and harbor work, and unexpended because the projects have been completed or abandoned, available for protecting life and property by preserving and maintaining during the present flood emergency levees not under Government control on the Mississippi River, its tributaries and outlets.

The allotments made by the Chief of Engineers from the $200,000 fund aggregate approximately $70,000, leaving an unallotted balance of $130,000. The accompanying joint resolu-

tion makes not to exceed $100,000 of the foregoing sum of $200,000 available for repairing and restoring levees on the Mississippi River above Cairo, Ill. The levees which the resolution provides for fall within the scope of the flood control act of March 1, 1917, but the levee districts in which they are located have not heretofore elected to take advantage of the provisions of the act, but they are going to now.

Mr. WALSH. I have read the substance of that in the report, and it is a very concise statement of the situation, but I want to know what there is about Public Resolution 54 which makes necessary this legislation. That made available $200,000 from the funds heretofore appropriated for rivers and harbors, which were unexpended because the project had been abandoned and not completed. That was available for expenditure by and under the direction of the Secretary of War and the supervision of the Chief of Engineers, for the purpose of protecting life and property by preserving and maintaining during the "present flood emergency," the levees not under Government control on the Mississippi River, its tributaries and outlets. These levees come under that classification.

Mr. MADDEN. The levees proposed to be provided for in the resolution here are to come under the jurisdiction of the Flood Control Commission, and instead of appropriating money with which to meet the emergency under the act, we are diverting $100,000 of the $200,000 already made available, which is not to be used for other purposes, in order that this very necessary and urgent work may proceed.

Mr. WALSH. I know, but why do they not go ahead and proceed with the matter? They have authority under existing law.

Mr. HUMPHREYS. Oh, no; because the flood emergency has passed. They were authorized under that Resolution 54 to expend it during "the present flood emergency." And that has passed and did pass before they ever expended a single dollar of it.

Mr. MADDEN. The June floods are likely to be coming down in the territory embraced within the provisions of this resolution at any time, and if this resolution is not made effective so that they may be able to take advantage of the situation before the 15th of June, we are liable to have a very great emergency that may call for a large sum of money. This is to be expended only on the condition that those levees affected or the districts affected will come within the provisions of the flood-control act.

Mr. WALSH. Do I understand from the gentleman from Illinois that there was no flood emergency at the time his colleague introduced the resolution calling for an appropriation of $1,000,000?

Mr. MADDEN. There was; but in order to take advantage of the situation that always comes in June, when the second flood never fails to arrive, it was proposed to meet that situation by an appropriation of this nature, pending in the resolution.

Mr. WALSH. Then, the present flood emergency is continuing?

Mr. MADDEN. No; the flood emergency which was provided for in the former resolution was on the lower stretch of the river and has passed, and has been provided for, but the upper stretch of the river is the place where the June floods always come, and I may say in this connection that they were affected also by the floods that have occurred.

Mr. WALSH. How many more of these resolutions and how many more of these floods and high waters are we going to have which must be taken care of?

Mr. MADDEN. I very much hope we will not have any more resolutions, and I sincerely trust the Lord will prevent us having any more floods, but unfortunately we can not control that situation as much as we would like to do it.

Mr. CHALMERS. Will the gentleman yield?

Mr. MADDEN. The gentleman from Massachusetts has the floor.

Mr. WALSH. I will yield to the gentleman.

Mr. CHALMERS. I would like to ask the chairman of the committee, under authority of this resolution, if the $70,000 already expended——

Mr. MADDEN. Allotted.

Mr. CHALMERS. Well, expended?

Mr. MADDEN. It has not all been expended, but it has met the situation and is meeting the situation.

Mr. CHALMERS. That is, the flood-control crisis?

Mr. MADDEN. Yes; but not in this particular locality.

Mr. CHALMERS. I would like to ask another question. I would like to ask the gentleman why he did not appropriate in his bill the balance of the $130,000 for this purpose?

Mr. MADDEN. The reason why we did not do it is this: In the first place, out of the $200,000 already appropriated there has only been allotted $70,000. While the resolution on which we acted called for a million dollars, the evidence disclosed the fact that only $52,000 would be needed to meet the situation; but lest there might be an emergency we could not foresee and nobody could realize, we made available by this resolution $100,000 to do what the Chief of Engineers said would cost $52,000. If they do not need as much as $100,000, they will not expend it.

Mr. TOWNER. Will the gentleman yield?

Mr. WALSH. I will yield.

Mr. TOWNER. I desire to call the attention of the gentleman from Illinois to the provisions of the joint resolution, which says that this emergency fund to be expended on the Mississippi River under the direction of the Secretary of War is now being used for repairing and restoring any levees on the Mississippi River above Cairo, Ill., which have been destroyed or seriously injured by the recent floods of the Mississippi River, so of course this money could not have been used until after it occurred.

Mr. MADDEN. No; the repair work could not have been done until now.

Mr. TOWNER. And it is because of the fact these levees have been repaired since the other emergency came, and anticipating the June flood, that you desired to use this fund for the purpose of repairing them?

Mr. MADDEN. And put these levee districts under the control of the Mississippi River Commission.

Mr. TOWNER. That is my understanding.

Mr. WALSH. Mr. Speaker, I withdraw the reservation of objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The question is on agreeing to the joint resolution.

Mr. MADDEN. I yield the gentleman from Illinois [Mr. DENISON] five minutes.

Mr. DENISON. Mr. Speaker, I want to make just a brief statement which I think possibly will clear up the confusion in the mind of my friend from Massachusetts. The first million dollars which was appropriated by the resolution of April 21 contained this language:

> For the purpose of preserving, protecting, and repairing the levees under its jurisdiction.

Now, the Mississippi River Commission who had charge of the expenditure of this money interpreted it so that it could not be applied to rebuilding the levees that were washed out north of Cairo. The resolution which was afterwards passed and to which the gentleman from Massachusetts referred, by which were made available $200,000, namely the resolution of May 2, contains this language:

> It is hereby made available for expenditure by and under the direction of the Secretary of War and the supervision of the Chief of Engineers for the purpose of protecting life and property by preserving and maintaining during the present flood emergency the levees not under Government control on the Mississippi River, its tributaries and outlets.

Now, that says for preservation and maintaining, and the Mississippi River Commission interpreted it as being available only for preservation and maintaining during the flood period, and they could not use it to repair a levee that had been washed out after the flood had gone down; and it so happens that neither one of these appropriations under these two resolutions could be used by the commission for the very important purpose of repairing breaks in the levee after the water had gone down.

Mr. WALSH. Will the gentleman yield?

Mr. DENISON. Yes.

Mr. WALSH. When this $200,000 item was under discussion here in the House there was a telegram read from somebody on the spot in which it was stated it would be necessary to repair and restore the levees that had been washed away, and that was stated to be one of the purposes of the resolution and that the language drafted covered such intention.

Mr. DENISON. I agree with the gentleman that a great many of us thought that fund could be used for that purpose, but, after all, the Mississippi River Commission has the last say as to where and how the money shall be expended, and so it becomes necessary to pass this additional resolution.

Mr. WALSH. This covers the situation?

Mr. DENISON. By this resolution the levees north of Cairo can be repaired immediately.

Mr. WALSH. The gentleman prefers a million instead of the $100,000?

Mr. DENISON. It has been submitted to the Chief of Engineers, and he thinks this will meet the situation, I will say to my friend.

Mr. LAZARO. You stated that $1,000,000 was to be spent by the Mississippi River Commission upon waterways under their jurisdiction?

Mr. DENISON. Yes.

Mr. LAZARO. And that the $200,000 was to be spent by the Department of War on waterways under its jurisdiction on the Mississipi River. You also state that the interpretation is that they can not use any of this money for the purpose of repairing levees?

Mr. DENISON. Yes.

Mr. LAZARO. Why is it that in this resolution this broadening of the language applies to only waterways above Cairo? Why not below?

Mr. MADDEN. Because provision has already been made in the other resolution for that, and money is available for the part below Cairo.

Mr. DENISON. We have just had the highest flood in the history of the Mississippi River. In various places our present levees proved wholly inadequate to take care of the unprecedented amount of water that came down upon us. The result was that levees north of Cairo which were thought to be sufficient gave way, and in my own district between two and three hundred thousand acres of the best farm land in Illinois have been overflowed. Stock has been drowned, homes have been washed away, and all growing crops have been ruined. It is a serious emergency, and if the farmers in the overflowed districts put in any crop at all for the coming year the breaks in the levees must be repaired immediately so as to stop the June and July floods. The purpose of the resolution which I introduced and for which this has been substituted by the Appropriations Committee is to authorize the Mississippi River Commission to at once repair the breaks so as to allow farmers to reseed their land and raise a crop for the coming year. Serious breaks in the levees in Missouri opposite southern Illinois, as well as some of the levees on the Iowa side in the district of Mr. KOPP, have broken. The Chief of Engineers has estimated that the amount made available by this resolution will be sufficient to repair these breaks. I hope the resolution may pass without any opposition.

The SPEAKER. The question is on the engrossment and third reading of the resolution.

The resolution was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. MADDEN, a motion to reconsider the vote by which the resolution was passed was laid on the table.

BRIDGE ACROSS ALLEGHENY RIVER AT FREEPORT, PA.

Mr. STRONG of Pennsylvania. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 11345) to authorize the building of a bridge across the Allegheny River at Freeport, Pa. This is for the rebuilding of a bridge recently destroyed or seriously damaged when the ice went out. The contract has been awarded. The contractor is on the ground. Work had actually been begun when it was discovered that there never had been congressional action authorizing the building of the bridge, in the first instance, and the Chief of Engineers asked that this bill become law in order that he might approve the plans.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent for the consideration of a bill, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 11345) authorizing the construction of a bridge across the Allegheny River at or near Freeport, Pa.

Be it enacted, etc., That the State of Pennsylvania be, and it is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Allegheny River at a point suitable to the interests of navigation at or near Freeport, in the State of Pennsylvania, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. STRONG of Pennsylvania, a motion to reconsider the vote by which the bill was passed was laid on the table.

CORPORATE POWERS OF ASSOCIATIONS.

Mr. MCFADDEN. Mr. Speaker, I ask to take from the Speaker's table the bill H. R. 9527, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Pennsylvania calls from the Speaker's table, moves to disagree to the Senate amendments, and asks for a conference, a bill which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof until dissolved, and to apply such section as so amended to all national banking associations.

The Senate amendments were read.

The SPEAKER. Is there objection to disagreeing to the Senate amendments and asking for a conference?

There was no objection, and the Speaker appointed as conferees Mr. MCFADDEN, Mr. DALE, and Mr. WINGO.

READJUSTMENT OF PAY AND ALLOWANCES OF ARMY, NAVY, ETC.—CONFERENCE REPORT.

Mr. MCKENZIE. Mr. Speaker, I call up the conference report on the bill H. R. 10972, an act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

The SPEAKER. The gentleman from Illinois calls up a conference report on the bill H. R. 10972, which the Clerk will report.

The conference report and statement were read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the language inserted by the Senate, insert the following: "except those whose promotion is limited by law to this grade and who are not entitled under existing law to the pay and allowances of a higher grade"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the language stricken out by the Senate, insert the following: "Nothing contained in the first sentence of section 17 or in any other section of this act shall authorize an increase in the pay of officers or warrant officers on the retired list on June 30, 1922"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the language inserted by the Senate insert the following: "on June 30, 1922, there shall be included in the computation"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the language inserted by the Senate insert the following: "and service as a contract surgeon serving full time; and also 75 per cent of all other periods of time during which they have held commissions as officers of the Organized Militia between January 21, 1903, and July 1, 1916, or of the National Guard, the Naval Militia, or the National Naval Volunteers since June 3, 1916"; and the Senate agree to the same.

JOHN C. MCKENZIE,
JAMES F. BYRNES,
Managers on the part of the House.

J. W. WADSWORTH, Jr.,
TRUMAN H. NEWBERRY,
DUNCAN U. FLETCHER,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service submit the following statement in explanation of the effect of the action agreed upon by

the conference committee and submitted in the accompanying conference report:

1. This amendment as modified in the conference prevents officers whose promotion in grade is limited by law to the grade of captain or corresponding grade in other services from receiving a promotion in pay except in those cases where existing law specifically authorizes a higher rate of pay than that of the grade. In general this affects only the medical administrative corps of the Army, the officers of which are limited by law to the maximum grade of captain, and one officer of the Coast Guard, whose promotion is limited by law to the grade of lieutenant but who is under existing law entitled to the pay of lieutenant commander.

2. The House amendment provides in effect to change the percentage of retired pay for certain grades and leave the percentages untouched for other grades. The general rule governing the pay of retired officers is that they shall receive 75 per cent of the active pay. The House amendment would change this rule so that while all first and second lieutenants and all brigadier generals and major generals and practically all captains would continue to receive when retired 75 per cent of their active pay, most majors and all lieutenant colonels and colonels would receive a less percentage than 75 per cent. The Senate amendment provides that all officers, including those now on the retired list, should have their retired pay based on the schedule provided in this bill for the active list after July 1, 1922. The amendment as agreed to in conference provides that officers now on the retired list shall continue to draw the same retired pay which they are now receiving—in other words, the pay of officers now on the retired list is in no way affected by the provisions of this bill—while the retired pay of officers who retire after July 1, 1922, shall be 75 per cent of the active pay which they will be drawing at the time of their retirement, regardless of whether it will be more or less than the retired pay they would receive under the existing laws.

3, 4, 5, 19, 20, 23, 29, 33, 36, 38, 42. These amendments were inserted by the Senate and agreed to in conference so as to provide that all those parts of the bill which would have become effective on the date of the approval of the act shall become effective with all other parts of the bill on July 1, 1922.

11, 12, 13, 14, 15, 16, 17, 21, 22, 24, 27, 28, 30, 31, 35, 37, 39, 40. These amendments, inserted by the Senate and agreed to in conference, provide simply for the correct numbering of the sections of the bill.

6, 7, 10. As the bill passed the House it provided that Regular Army officers who had prior commissioned service in the Organized Militia and in the National Guard should receive credit for 50 per cent of all such service for pay purposes. As the bill passed the Senate this provision was modified so as to provide that such officers should count 50 per cent of only that service in the Organized Militia or the National Guard which has been rendered since the passage of the so-called Dick bill in 1903, which carried the first provisions for Federal supervision of the Organized Militia. As modified and agreed to in conference, the amendment now authorizes credit for 75 per cent of the commissioned service rendered since January 21, 1903, and also 75 per cent of commissioned service rendered in the Naval Militia or the National Naval Volunteers since June 3, 1916.

8, 9. These amendments, inserted by the Senate and agreed to in conference, provide simply for a transposition in words for the sake of clarity.

18. This amendment, inserted by the Senate and agreed to in conference, simply gives to the Secretary of the Navy and the Secretary of the Treasury the necessary administrative authority to put into operation the provisions of this bill which provide for the pay-grade classification of enlisted men of the Navy and Coast Guard.

25, 26. These amendments, inserted by the Senate and agreed to in conference, restore the provisions of the bill regarding nurses to the form in which they were worked out and agreed to by the joint committee which framed the bill. The nurse provisions of the bill were agreed upon by the joint committee after a very careful investigation of nursing conditions in civil life and in the Public Health Service. These provisions, as now agreed to, place the Army and Navy Nurse Corps on an equitable basis with respect to other nurses and give to these nurses an increase which amounts to something more than $1,000,000 more than they are now receiving.

32. This amendment, inserted by the Senate and agreed to in conference, provides that the old Philippine Scout officers who were retired prior to June 4, 1920, the date of the passage of the Army reorganization act, shall be placed in the same identical status as other retired officers, including the Philippine Scout officers who have retired since that date. This is believed to be an act of justice on the part of the Government to these officers who have rendered most meritorious service to the Government and who have been for many years badly neglected.

34. This amendment, inserted by the Senate and agreed to in conference, simply completed the title of the Coast and Geodetic Survey which was inadvertently left incomplete in the House bill.

41. This amendment, inserted by the Senate and agreed to in conference, simply makes clear the meaning of the section and in no wise changes the intent or purpose of the bill.

JOHN C. MCKENZIE,
JAMES F. BYRNES,
Managers on the part of the House.

Mr. McKENZIE. Mr. Speaker, I yield 10 minutes to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER. Mr. Speaker, the retirement pay of officers presents the only real difference between the House and Senate on the pending pay bill. The compromise reported by the conferees should not, in my opinion, be approved by the House. When the pay bill was considered the House adopted an amendment limiting the retirement pay of colonels, lieutenant colonels, majors, and officers below the grade of major, and of corresponding grades in the other services, to $3,750 for colonels, $3,375 for lieutenant colonels, and $3,000 for majors and officers below the grade of major. In other words, the House fixed the maximum retirement pay of officers in the above grades at the same amounts as are now allowed under existing law.

Under the bill as reported by the conferees the maximum retired pay after July 1, 1922, of a colonel will be $4,500; of a lieutenant colonel, $4,312.50; of a major, $3,975; and of a captain, $3,375. It will thus be seen that the conference report provides an increase in the maximum retired pay of a colonel of $750; of a lieutenant colonel, $937.50; of a major, $937.50; and of a captain, $675. I submit that no sound reason has been or can be advanced for increasing the retirement pay of officers in these grades so that hereafter a colonel with 30 years' service will draw $4,500 retired pay; a lieutenant colonel with like service, $4,312.50; a major with like service, $3,975; and a captain with like service, $3,375.

The report of the conferees denies this increase of retirement pay to officers now on the retired list, or who may be retired between now and July 1, 1922, but grants it to all officers retired after July 1, 1922. Now, while I do not favor increasing the retirement pay of officers in the grades mentioned, yet I confess that I am unable to understand why, if an increase is granted, it should not apply to officers now on the retired list or who may be retired between now and July 1, 1922. It is not fair to fix an arbitrary date line which will determine hereafter a wide difference in the retirement pay of officers of the same grade and with like service.

What good reason can be assigned why a colonel retired on June 30, 1922, should receive only $3,750, whereas a colonel retired on July 1, 1922, should receive $4,500—why a lieutenant colonel and major, with 30 years' service, retired during the month of June, 1922, should receive $937.50 less than a major with like service retired on or after July 1, 1922. The very fact that the conferees have denied an increase in retirement pay to officers now on the retired list, or who may be retired between now and July 1, 1922, is to my mind an unanswerable reason why no increase should be provided in the retirement pay of officers in the grades referred to.

There are more than 450 officers now in grades corresponding to that of colonel who, if retired after July 1, 1922, will receive the maximum retired pay of $4,500 provided for in the conferees' report; likewise, there are lieutenant colonels and majors and officers of corresponding grades who will be entitled to the maximum retired pay provided for in the conferees' report.

An examination of Table 1, attached to the minority report, will show that many additional colonels, lieutenant colonels, and majors will have sufficient service in the next few years to be also retired at the maximum pay.

When it is recalled that the maximum retired pay of Government civilian employees is $720, to which the employees must, out of their pay, have contributed, I submit that it would be unfair, unjust, and unwise to fix the maximum retired pay of a colonel at $4,500, of a lieutenant colonel at $4,312.50, of a major at $3,975, of a captain at $3,375.

The present retired pay of these officers is more than the yearly salaries paid many high State officials, including many judges of important state courts.

I recognize that there are limitations on the acceptance of employment by retired officers, and this may be suggested as a reason by some of the conferees for recommending an increase in their retired pay. It must be remembered, however, that the

same limitation as to employment applies to the officer now on the retired list, and if there be no good reason for increasing the retirement pay of this last class of officers, surely none can be assigned for increasing the retirement pay of officers retiring after July 1, 1922, since all retired officers suffer the same business handicaps imposed by existing limitations. It so happens that bills are now pending before committees of the House to repeal or modify the limitations referred to, and I understand that the House Committee on Naval Affairs has favorably reported a bill on this subject. The House may later modify existing limitations and vest the Secretary of the Navy and the Secretary of War, with some discretion in reference to civilian employment for retired officers.

In connection with the proposed increase in the retirement pay of officers it is well to recall that the House recently went on record as favoring a reduction of 2,000 in the officer personnel of the Army, and the House Naval Affairs Committee has reported a bill looking to the retirement of a limited number of naval officers. There is also pending in the Senate a bill, known as the Pershing bill, which seeks further authority to retire officers now in the service.

It is safe to predict, then, that this Congress will pass some bill looking to the separation of many present officers from the service. Any reductions in the commissioned personnel which this Congress may require or authorize can not be made effective until after July 1 next. Then, why should Congress increase the retirement pay of colonels, after July 1, from $3,750 to $4,500; of lieutenant colonels, from $3,375 to $4,312.50; of majors, from $3,000 to $3,937.50?

These grades are now top-heavy, and there are many officers, holding commissions in the grades of colonel, lieutenant colonel, major, and captain, who will be retired from active service within the next year. Many of these have sufficient service to entitle them to the maximum retirement pay, and it will prove very expensive to the Federal Treasury to grant the retirement increases, recommended for these grades by the report of the conferees.

In this connection I repeat that if this large increase is granted to officers retired after July 1, 1922, then Congress will be urged at a subsequent session to grant like increases to those now on the retired list and those who may be retired between now and July 1, 1922. The only argument that can be made against granting such increases will be that the amount now received is sufficient, and the same argument, I submit, applies with like force to officers retiring after July 1, 1922.

I do not favor increasing the retirement pay of officers now on the retired list or who may be retired between now and July 1, 1922, in the grades of colonel, lieutenant colonel, major, captain, and of corresponding grades in the other services; but if this Congress grants an increase of retirement pay to officers in these grades, retired after July 1, 1922, then I am at a loss to understand what good reason can be given by those voting for such increase for denying the same to officers now on the retired list.

Many on the retired list have had the same service that those retired after July 1 will have had. They have served in the same grades, and some bear wounds received on the field of battle, yet all increase to them is denied, and you arbitrarily fix a date to wit, July 1, 1922, when retirement pay will be increased.

Mr. WARD of North Carolina. What was the reason for that?

Mr. OLIVER. I am unable to state. I don't think the conferees can offer any satisfactory reason therefor. The pending pay bill is generous to colonels, lieutenant colonels, majors, and captains with more than 20 years' service to their credit, and they are permitted to count, for the purpose of advancement to a pay period higher than that corresponding to the grade in which they hold commissions, all service which now counts for longevity; but the officer commissioned after July 1 is denied the right to count any service, except effective commission service, for advancement, although advancement to a pay period higher than that in which the officer holds a commission involves an automatic increase of $500 in the base pay of the officer.

The pending bill also removes the $1,000 limitation as to the longevity pay of colonels, lieutenant colonels, and majors, and of corresponding grades, and these it will be remembered are the only grades in which any longevity limitation is fixed. It was this fact that led the House to adopt the amendment limiting the retired pay of such officers. The longevity percentage has also been increased by the pending bill from 40 to 50 per cent, so that after July 1, 1922, the maximum pay of a colonel will be $6,000, instead of $5,000; that of a lieutenant colonel, $5,750 instead of $4,500; that of a major, $5,250 instead of $4,000; that of a captain, $4,500 instead of $3,000.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. McKENZIE. Mr. Speaker, would the gentleman like some more time?

Mr. OLIVER. I would like to have one minute more.

Mr. McKENZIE. I yield to the gentleman one minute more.

The SPEAKER. The gentleman from Alabama is recognized for one minute more.

Mr. OLIVER. The pending bill, in addition to an increase in pay, as I have just pointed out, grants also a ration and allowance increase to these same officers, as follows:

To colonels, with dependents, a maximum increase from $1,325.35 to $1,878.

To lieutenant colonels, with dependents, a maximum increase from $1,151.70 to $2,097.

To majors, with dependents, a maximum increase from $975.65 to $2,097.

There is a limitation of $7,200, however, in the pending bill, on the total compensation, including pay and allowances, which any officer below the grade of brigadier general may receive, not including extra pay for aviation.

I have mentioned these matters only to emphasize that a generous pay has been provided for officers in the grades of colonel, lieutenant colonel, and major by the pending bill, and that for this reason no increase should be granted in their present retirement pay. The officers now on the retired list have never received the increased pay and allowances that those now in the service will receive in future, and to my mind this strongly argues that no difference should be hereafter made in the retirement pay of officers placed on the retired list before and after July 1, 1922.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. McKENZIE. Mr. Speaker, I yield five minutes to the gentleman from South Carolina [Mr. BYRNES].

The SPEAKER. The gentleman from South Carolina is recognized for five minutes.

Mr. BYRNES of South Carolina. Mr. Speaker and gentlemen of the House, the retirement statute to-day provides that the officer who is retired shall receive three-fourths of the pay he is receiving at the time he was retired. This bill as now presented to you does not disturb that provision of law in any way except to provide that no man now on the retired list shall suffer any decrease in pay by reason of the operation of this bill. In other words, it leaves the men on the retired list just where this bill found them, receiving three-fourths of the pay they were receiving at the time they were retired. As to the men to be retired in the future, the existing statute will apply, and it provides that when retired they shall receive three-fourths of the pay they are receiving at the time they retire.

Now, the gentleman who has preceded me has talked to you always of the officers with maximum service, as if every man retired was going to receive the maximum pay. The fact is that in the Army to-day there are only 37 officers awaiting retirement and only 137 who during the next four months will retire. Of this number there are only 10 colonels who will receive the maximum of $750 more than they would receive under the law of 1908.

No lieutenant colonel and no major will receive the maximum retirement pay provided by this bill. The 26 lieutenant colonels to retire will receive an increase ranging from $165 to $430 a year. Fourteen of the 39 majors will receive an increase of from $37 to about $800 a year. All others will receive the same retired pay as under the law of 1908. My friend [Mr. OLIVER] has held up to you only the maximum, omitting to state that practically all officers retired with 15 years' service or less will suffer a decrease in retired pay as compared with the law of 1908. His complaint is not that we refuse to give an increase to the men now on the retired list. He says that is all right. But he thinks his amendment should have been retained as he offered it. But look at what his amendment did. Look at what your managers had to support in conference. By the terms of his amendment he changed the retirement law only as to three grades of officers, colonels, lieutenant colonels, and majors; but the general who retires would still receive three-fourths of his pay under his amendment adopted by the House. The captain who was retired would receive three-fourths of his pay. The first lieutenant and the second lieutenant would receive three-fourths of their pay. But when you get to the colonel, lieutenant colonel, and major of 30 years' service the retirement percentage would be changed from 75 per cent to 62 per cent. He says no discrimination should be made against men now on the retired list in favor of men retired in the future.

He would make a discrimination against some men now on the retired list in favor of other men who are now on the retired list. A captain of 24 years or less would get three-fourths of his retirement pay, a first lieutenant would get the same, a second lieutenant would get the same, and so would a general, whereas a colonel, a lieutenant colonel, or a major would receive only 62 per cent of their retirement pay. Suppose you had done that. Would you not have had just cause of complaint from the retired officer who would say, "Tell me why you give to one officer on the retired list three-fourths of his pay and give to me only 62 per cent?" Manifestly it was unfair and impracticable. The Senate, on the other hand, wanted the retirement schedules as provided for in this bill to apply to every man now on the retired list, where it would result in an increase of pay but not where it would result in a decrease of pay. Your conferees compromised by providing in this conference report that we should leave the men now on the retired list where we found them.

In 1920, when the cost of living was high, when people had lots of money to pay taxes and were not complaining, this House raised the pay of the personnel of the military services and yet did not disturb the status of the men on the retired list. They left them right where they found them. Now, should the Congress to-day be more liberal in granting money to men on the retired list than the Congress was in 1920?

And then there is an additional reason. The pay of the future is established by this bill for the purpose of keeping men in the service. That was the reason why in 1920 you adopted the new pay schedule—the so-called bonus bill—in order to keep good men in the service and attract men to the service. It was not for the purpose of increasing the pay of retired officers. And the readjustment authorized by the same bill was not for the purpose of increasing retired pay. Now, gentlemen on the retired list who have got an increase do not want this new bill to apply where it means a decrease in pay. I will tell you, though the gentleman from Alabama [Mr. OLIVER] failed to state it, that as to every man whose service is under 15 years who is now in the service, if he is retired now he will receive less pay than under the law of 1908. This maximum amount he mentions only refers to officers with the maximum service of 30 years. Out of 1,247 men on the retired list in the Navy, 800 men were retired because of physical disability. It follows that most of these men would not receive the maximum amount, and it is an indication of what would occur in the future. The compromise adopted by the conferees is the logical thing to do; it makes no change in the retirement statute, allowing it to apply to retirements in the future, just as it has to retirements in the past, regardless of whether it means more or less retired pay to an officer.

From my investigation I believe that the whole subject of retirement ought to be investigated, that we ought to determine whether we will continue the provisions prohibiting the employment of a retired officer by any concern doing business with the Government, or whether there should be some modification of these provisions; and if this is done, then reduce the retired pay or provide for a reduction where a man has other sources of income. But certainly you can not ask your conferees to agree to hang out and kill this bill by insisting upon a proposition that would give to three grades of officers 62 per cent and give to every other officer 75 per cent of his active pay as retired pay.

Under the Oliver amendment, adopted in the House, a captain now on the retired list, with 24 years' service, would receive $3,000 retired pay, as against the $2,520 he is to-day receiving, an increase of $480; while the major, lieutenant colonel, and colonel with 30 years would receive no increase. This would be true of the other junior officers, because his limitation would let the three-fourths pay apply to generals and junior officers. This report will not increase any officer on the retired list one dollar and lets the existing statute govern in the future, whether it means an increase or decrease.

If the House thinks the retirement law should be changed, let it be done in a proper manner, changing the percentage of retired pay as to all grades, not three.

Mr. LINTHICUM. Will the gentleman yield for a question?

Mr. BYRNES of South Carolina. Yes.

Mr. LINTHICUM. I do not understand why the man on the retired list who has performed the same length of service should not receive the same retired pay that an officer now in the service would receive when retired.

Mr. BYRNES of South Carolina. They do not want that; they only want the same pay when the same pay is greater than what they now receive. Under this bill the retired pay of many officers will be less. But we specifically provide that no man on the retired list shall suffer a reduction. Is there any reason why a colonel should receive 62 per cent and a first lieutenant and a general should receive 75 per cent?

Mr. LINTHICUM. I am not arguing in favor of what the gentleman from Alabama says.

Mr. BYRNES of South Carolina. That was the House proposition from which the conferees receded in order to accept this compromise.

Mr. LINTHICUM. I do not understand why a man who has given the same length of service in the past should not receive the same pay as an officer retired in the future.

Mr. BYRNES of South Carolina. In many cases it would be less, and my friend would not want that. Whenever a man was retired in the past he received what the law provided he should receive, three-fourths of his base pay and longevity pay. Of course, the allowances never figure in it. He had a right to expect that. He got it. Now the question is raised here as to whether this bill should apply where by its provisions there is an increase. If it should apply to him where there is an increase, why should it not apply where there is a decrease? If you should have the House bill apply, and change the retirement statute in a haphazard manner as to only three grades, it would cause just as much complaint. We contend that, so far as the Government is concerned, it has kept its contract with the officers on the retired list. When he retired the law provided that he should receive the three-quarters pay, and he is receiving it. If hereafter an officer who retires with 10 years' service receives less pay, they have no complaint, but if an officer with 30 years' service happens to receive more, then it is said that he ought not to have it.

Mr. LINTHICUM. What I had in mind was that you increased the pay because of the increased cost of living, and that affects the man on the retired list just as much as a man on the active list.

Mr. BYRNES of South Carolina. When the cost of living was much higher and they were in better position to advocate an increase as an immediate necessity, Congress, in 1920, refused to grant it and should not now be more liberal simply because we are readjusting the pay of the officers in the active service.

The SPEAKER. The time of the gentleman from South Carolina has expired.

Mr. McKENZIE. I will yield to the gentleman two minutes more.

Mr. BYRNES of South Carolina. I believe this is a good bill. It will cost approximately $14,000,000 less than the amount appropriated for this year and $14,000,000 less than the estimate for the personnel for next year. The reduced amount that is authorized by the bill is so distributed that it receives the approval of every one of the services; it receives the approval of 8 of the 10 men who constituted the joint committee and who studied the question for months; it receives the approval of 3 out of 5 of the special committee; it receives the approval of nearly every man on the Military Committee of the House. The gentleman from Kansas [Mr. ANTHONY] is in favor of it. It is approved by the gentleman from Michigan [Mr. KELLEY]. It receives the approval of the gentleman from Tennessee [Mr. PADGETT], of the Committee on Naval Affairs. It of course receives the approval of the gentleman from Illinois [Mr. McKENZIE], its author, who possesses an intimate knowledge of military affairs. Now, when it comes to the consideration of so complex a bill, Members who have not time to investigate it will, I know, have confidence in the judgment of these gentlemen who heretofore have won and justified the confidence of the House in naval and military matters. [Applause.]

Mr. McKENZIE. Mr. Speaker, I yield seven minutes to the gentleman from Ohio [Mr. BEGG].

Mr. BEGG. Mr. Speaker and gentlemen of the House, it is not my purpose to criticize nor commend particularly the bill. The gentleman from South Carolina [Mr. BYRNES] said that we ought to have confidence in the men who have studied the subject and accept their word for it. I have all the confidence in the world in the gentlemen who are responsible for this bill, their honor, their integrity, and their ability. However, that does not preclude me from taking a pencil and doing a little calculation on the result of their efforts. The whole proposition that I want to discuss for a minute or two is that I do not believe there is any warrant or any necessity or any reason why we should retire the military officers in our National Establishment at the end of 30 years' service, provided they are in good physical condition, and retire them at any such figure as we are proposing to do in this bill.

Mr. TILLMAN. Will the gentleman yield?

Mr. BEGG. I would rather not just at this time. I want to give the House these figures, and I believe if you check them up you will find that they are accurate. There are 435 colonels

now in the Army with over 30 years of service; 244 colonels with a service between 28 and 30 years. There are 138 colonels with a service of over 26 years, and the colonel's pay, according to this bill, the retirement pay, will range from $3,750 to $4,500.

In arriving at my figures I have taken the average between $3,750 and $4,500. There is no way that you can find out the total number of colonels that will be retired within the next four years. But, taking the average between $3,750 and $4,500, the cost of retiring that many men is $3,418,800 yearly assessed against the people of the United States for dead weight on the military service.

Now, of lieutenant colonels there are 32 with a service of over 30 years; 126 with a service between 28 and 30 years; 372 with a service between 25 and 27 years; 456 with a service between 22 and 24 years. Their retired pay ranges from $3,375 to $4,312. I again take the average between the two extremes for my basis of figuring the cost annually of retiring the lieutenant colonels in the period of six years from date. That makes $3,746,800.

Now, let us take the majors. You have 11 with a service of over 30 years; 23 with a service between 28 and 30 years; 89 with a service between 26 and 27 years; 140 with a service over 23 and under 25. Their pay ranges from $3,000 to $3,975. It will cost to retire the majors in the Army $920,500.

Now, take the captains. There are 139 captains with a service of over 30 years; 87 captains with a service between 28 and 30 years; 107 captains with a service between 25 and 27 years; 138 captains with a service between 22 and 24 years. Their pay ranges from $2,700 to $3,375. It will cost to retire the captains $1,413,000.

Now, within a period of six years, adding the total retired pay of these eligible to be retired within the next six years in the Military Establishment of the Government, you have $9,499,100 which must be raised from taxation to carry the dead weight on the military service.

Do you gentlemen realize that $9,499,000 lacks only a very few dollars of being one one-hundredth as much as the total cost of operating the Government in 1915–16? Yet here we are paying one one-hundredth as much as the total cost of operating the Government for carrying the dead weight in the Army and the Navy in the military branch.

Every other branch of the Government service is compelled to contribute to the support of the fund out of which they draw their retirement. Every old-age pension scheme that I know anything about is founded upon the principle that while one is able to earn he must contribute to his old-age support.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. McKENZIE. Mr. Speaker, I yield three minutes to the gentleman from Indiana [Mr. BLAND].

Mr. BLAND of Indiana. Mr. Speaker, I can not support by my vote any measure that gives a retired Army officer at the age of 46, $4,500 per year. I am reluctant to take this position, because I think this bill, with possibly this exception, is a good bill. I believe in the doctrine of length of service being calculated in the pay of an Army officer, and I think the committee has worked hard and faithfully on this proposition, but I do not believe the Oliver amendment should have been stricken out by the Senate. I think it has put upon the Congress the responsibility of voting a burden of taxation for retired Army officers which the people will resent, and I can not give the measure my support. I realize that we would be in quite a predicament if a pay bill were not passed. I realize that this pay bill is an improvement over the present condition so far as Army officers' pay is concerned. I realize that it will not do to go back to the old 1908 law, and there are several features of the bill that I approve heartily, but I can not permit the other body of this Congress and a conference committee to cram down my throat a provision that I have said I never would vote for; and I never will vote for a provision that retires Army officers at the age of 46 at a salary of $4,500 per year, to be paid by the people of this country. [Applause.]

Mr. McKENZIE. Mr. Speaker, I yield two minutes to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER. Mr. Speaker, I simply wish to make a statement in answer to some of the matters referred to by the gentleman from South Carolina [Mr. BYRNES]. He complains that under the amendment, adopted by the House, a difference was made between the percentage retirement pay of colonels, lieutenant colonels, majors, captains, and of officers below the grade of captain. It must be remembered in this connection that there is a limitation under existing law only on the longevity pay of colonels, lieutenant colonels, and majors and those of corresponding grades in the other services, to wit, $1,000. This limitation does not apply to any other grade. In the absence of such limitation, the pay proper of a colonel, lieutenant colonel, and major would be largely increased.

Now, the House in limiting the retirement pay simply gave consideration to this limitation of existing law on the longevity pay of this class of officers. While removing the limitation as to the pay of the grades when on active service, yet it fixed retirement pay on the limitations of existing law.

Allusion is also made to the fact that retired officers were granted no increased pay by the May 12, 1920, bill, known as the bonus bill. In this connection it must be remembered that no increased retirement pay was provided for any officer under the May 12, 1920, bill, and that this bill sought only to provide a temporary increase in the pay of officers while on active service.

If you adopt the conference report, the maximum retired pay of a colonel will hereafter be the same as the maximum retired pay of a brigadier general, to wit, $4,500, and the maximum retired pay of a captain in the Navy will be the same as the maximum retired pay of an admiral—of the lower half—to wit, $4,500.

The gentleman from Ohio [Mr. BEGG] has well pointed out that there are now more than 450 colonels and officers holding corresponding grades in the other services, who will be eligible for retirement at the maximum retired pay, if the conference report is adopted. He has also given interesting data relative to the number of lieutenant colonels and majors, who now and hereafter will be entitled to the maximum retirement pay fixed by the Senate amendment, and which the House conferees have yielded to.

In conclusion, permit me to say that I do not think any sound reason has been offered for increasing the retired pay of colonels, lieutenant colonels, majors, and captains.

The refusal of the conferees to allow increased retirement pay to officers now on the retired list, or who may be placed on the retired list prior to July 1, 1922, completely answers why an increase should not be granted to officers retired after July 1, 1922.

In the pending pay bill many concessions are made to the officers now in the service which are denied to officers who will be commissioned after July 1, 1922, and I submit we should not add a further discrimination in favor of the officers now in the service as to the matter of retired pay.

You can not make gifts and concessions to officers now on active service and deny the same either to officers hereafter commissioned or to officers who may be retired before July 1, 1922. Such concessions and discriminations will unquestionably rise to confront this and subsequent Congresses, and must be dealt with on a basis fair and equitable to all officers, whether now retired or commissioned after July 1, 1922.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. McKENZIE. Mr. Speaker, I yield two minutes to the gentleman from Massachusetts [Mr. WALSH].

Mr. WALSH. Mr. Speaker, I direct the attention of the gentleman from Illinois [Mr. McKENZIE] to the fact that the action of the conferees in substituting new language for that of Senate amendments numbered 6 and 7, in my judgment, throws the paragraph in which those amendments are included entirely out of gear. I take it it does not mean anything as I read it. The paragraph as finally agreed to by the conferees reads as follows:

> For officers now in the service all service on June 30, 1922, there shall be included in the computation which is now counted in computing longevity pay, and service as a contract surgeon serving full time; and also 75 per cent of all other periods of time during which they have held commissions as officers of the Organized Militia between January 21, 1903, and July 1, 1916, or of the National Guard, the Naval Militia, or the National Naval Volunteers since June 3, 1916, and service as a contract surgeon serving full time shall be included in the computation.

It would seem to me that the conferees in eliminating the amendments of the Senate and substituting new language have omitted to include certain words which give force to this paragraph as finally amended. Does the gentleman from Illinois think that this now means anything at all?

Mr. McKENZIE. That matter was very carefully gone over by the people who are vitally interested in it. It was gone over repeatedly and checked up. If there is an error in it, it can not be helped at this time, in my judgment. The way the language is written I take it it carried out the wishes of the conferees.

Mr. WALSH. What were the wishes of the conferees?

Mr. McKENZIE. The wishes of the conferees were that the officers who had service in the National Guard should have counted 75 per cent of the time served as officers in the Organized Militia from 1903 and in the National Guard from 1916 on.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. McKENZIE. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. CONNALLY].

Mr. CONNALLY of Texas. Mr. Speaker and gentlemen of the House, I am opposed to the adoption of this conference report for the particular reason that it contains the amendment of the Senate which removes that provision of the House bill which placed a limitation upon the retired pay of officers. There is no other branch of the Government in which there is anything comparable to the provision which we make for the retirement pay of Army officers, naval officers, and officers of the Coast Guard, and the other services provided for in this bill. I do not challenge the justice of a retirement system, but this House is going to great lengths when it makes it possible for 400 colonels in the Army, many of whom are yet capable of rendering the Government service, to be retired at a compensation of $4,500 per year.

What will they do in return for that compensation? Will they render the Government any service? They will go on the retired list, most of them, the very day they are eligible for retirement. Talk to Army officers and get their viewpoint and you will not talk to them very long until it will creep out from somewhere in their conversation that they will be eligible for retirement on such and such a day. They look forward to it anxiously. They look forward to it as a period of ease, a period in which they may pursue other callings and engage in other lines of activity. Many retired Army officers pursue other vocations, and yet draw compensation from the Government as their retired pay. In this city now there are officers who are engaged in business retired from the Army on three-fourths of their pay. This bill as it passed the House contained a provision limiting the retirement pay of colonels to $3,750, and I believe for a lieutenant colonel to $3,200.

Mr. OLIVER. From $3,375 to $4,312.50.

Mr. CONNALLY of Texas. That was a limiting provision and ought to have been retained in this bill. Under this bill, as I understand it, it is possible for colonels to be retired and receive the same retired pay as that a brigadier general receives and render to the Government absolutely no service whatever. Now, gentlemen, talk about economy. I have been hearing people talk about economy ever since I have been in this House. If you call out gentlemen on the majority side and call out gentlemen on the minority side they will tell you, and they will tell their constituents, they are for economy, but it is economy for to-morrow, it is economy for next month, it is economy when the other party comes into power. But it is not economy now. I want to say to the Republican side of the House and I want to say to the Democratic side of the House that if you really believe in economy now is the time to show your colors. If you really believe in economizing in the matter of salaries—you told the country you did not believe in increasing them; you told the voters of the country if they would put you in power you would sit on the lid and keep it from blowing off.

The Democrats said to the people that if they would put us in power we would hold salaries of Government employees down and not increase them. The Republicans went before the country and told the people that if they would put them in power they would stand at the doors of the Treasury with flaming swords; that they would cut out all increase of pay and compensation. So when the bill comes before the House increasing pay of Army officers, they say, "Oh, I believe in economy, I am for economy, but the committee has labored very diligently. This is a good bill; I think it is going to save money." We are told that it will save $14,000,000. It is not true. It will not save a cent, because the temporary bonus law, on the 1st of July, expires, and instead of saving money this bill will not only extend it over to the next fiscal year but over every year that shall follow. I am telling you now, gentlemen, if you believe in economy you had better wake up and practice some and stop increasing salaries that will be given to retired officers, retired on account of length of service and not on disability until the end of creation, and who, the most of them, will retire at the earliest possible moment.

The SPEAKER. The time of the gentleman has expired.

Mr. McKENZIE. Mr. Speaker, I ask to be notified when I have used 15 minutes. Mr. Speaker and gentlemen of the House, I am somewhat at a loss to know just what to say to you. I have listened this morning to the oft-repeated criticism of a few gentlemen who have opposed this bill from its incipiency, and finally the gentleman from Texas [Mr. CONNALLY] winds up his impassioned speech by saying if you favor economy vote against the conference report. I said when I opened the discussion on this bill that I love a good fair fight. I like to meet men who fight in the open and decline and disdain to strike below the belt, but I want to say to you gentlemen very frankly here this morning that every one of these speeches which have been made to you this morning are unfair to the members of the committee.

They pointed out to you that perhaps some of these 400 colonels—who won the Spanish-American War for us; every one of them with the exception perhaps of two dozen are men who served in that war and in the Philippine insurrection—will draw the maximum retired pay. They complain that under this bill that perhaps they will get a little increase in pay when they go out of the active service of the Army. Now, they forget that these men have rendered more service to our country than perhaps any 400 colonels who will be in the service of our Government for many, many years to come. They will tell you about these cases where a colonel who has given 30 years of commissioned service to his country may get a little increase in retired pay. They do not tell you that all down the list that the men who have had short services when they go on the retired list will not go on the retired list on account of a certain kind of badge they have on their shoulder, but that they will be retired according to their length of service, and I challenge the gentleman from Alabama and the gentleman from Texas, or any other man, to show wherein this will not be a saving to this country, because there are infinitely more officers who go on the retired list with a short length of service than those who go on the retired list with long length of service. They talk about longevity pay, and the gentleman from Alabama brought up the old limitation of $1,000 on longevity pay.

Gentlemen, under this law that we have struggled six months to enact we provide for longevity pay that reaches out 30 years over a man's service, and when it is all done he will not receive any more longevity pay than under the existing law. We are criticized for some of these things over which we have no control. And I want to say to you frankly, and I say it in this House to-day, that a joint committee ought to be organized at once for the purpose of revising and readjusting the laws on retirement in this country of ours. If I had my way about it, no man would go on the retired list of his own volition. He would go on the retired list for physical disability alone. [Applause.] But it is a matter over which we have no jurisdiction. We were confined to pay of men on the active list.

Mr. BLAND of Indiana. Will the gentleman yield?

Mr. McKENZIE. Certainly.

Mr. BLAND of Indiana. If the gentleman feels that retirement ought to be made on account of physical disability, why did he as a conferee agree to bring in a provision that increases the retired pay of an officer without any disability whatever?

Mr. McKENZIE. The fact is, we had no power to change the law of retirement. We could not do that. But we did one thing—we said that hereafter men going on the retired list shall be retired on the basis of length of service.

Mr. BLAND of Indiana. Will the gentleman yield a minute?

Mr. CONNALLY of Texas. The gentleman says they have no power to do that. Now, he put a provision in this bill providing the increases at least should not go except to those already retired.

Mr. McKENZIE. I want to say to the gentleman from Texas that it always pays for an individual to be fair. It pays the Government to be fair. And when we provided that men who were to be retired for a short length of service, based on the length of service, it is fair to say that men who had long service have retired pay for that service, not simply on grade.

Mr. BLAND of Indiana. By the action of this House we limited it to $3,750. If you could not agree to it, you could have limited the pay to men who were going out without disability.

Mr. McKENZIE. I stated at the time that I was against that amendment. It discriminated against men in the service in the higher grades and did not touch the men down the line. In conclusion, the opposition steer away from the good things in this bill. They steer away from the humanity in it. They get away from what we have done for the National Guard. They do not tell you that we have done justice to the old Philippine Scouts that have been knocking at the doors of Congress for years for the fair treatment that we have given to the other officers of the Army. They do not tell you about those things, but they ask you to vote against a proposition which I say on my honor as a man will not only be economical, in my judgment, for the Government but one which this Congress will feel proud of in the years to come.

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. OLIVER. Mr. Speaker, I make the point of no quorum.

The SPEAKER. It is evident that there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and those in favor of agreeing to the conference report will, as their names are called, answer "yea," those opposed will answer "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 202, nays 50, answered "present" 1, not voting 178, as follows:

YEAS—202.

Ackerman	French	Lehlbach	Roach
Anderson	Frothingham	Lineberger	Robertson
Anthony	Funk	Linthicum	Rodenberg
Appleby	Garrett, Tenn.	Little	Rucker
Barbour	Gensman	Logan	Scott, Tenn.
Barkley	Gernerd	Luce	Shaw
Bird	Goodykoontz	Luhring	Shelton
Blakeney	Gorman	McDuffie	Sinclair
Bland, Va.	Green, Iowa	McFadden	Sinnott
Briggs	Greene, Mass.	McKenzie	Slemp
Brooks, Ill.	Greene, Vt.	Magee	Smith, Idaho
Brown, Tenn.	Griest	Mapes	Snyder
Browne, Wis.	Hadley	Martin	Sproul
Bulwinkle	Hardy, Colo.	Merritt	Stedman
Burke	Hardy, Tex.	Michener	Steenerson
Burroughs	Harrison	Miller	Stephens
Burton	Haugen	Mills	Strong, Kans.
Butler	Hawes	Millspaugh	Strong, Pa.
Byrnes, S. C.	Hawley	Montague	Summers, Wash.
Campbell, Kans.	Hayden	Montoya	Swing
Campbell, Pa.	Hays	Moore, Va.	Taylor, N. J.
Cannon	Herrick	Moores, Ind.	Taylor, Tenn.
Chandler, N. Y.	Hersey	Morgan	Ten Eyck
Chandler, Okla.	Hickey	Morin	Tincher
Chindblom	Hill	Mott	Tinkham
Christopherson	Hock	Mudd	Towner
Clague	Hooker	Newton, Minn.	Underhill
Clarke, N. Y.	Hukriede	Newton, Mo.	Upshaw
Clouse	Hull	Norton	Valle
Crago	Humphreys	O'Connor	Vinson
Crowther	Jacoway	Ogden	Voigt
Curry	James	Oldfield	Volstead
Dale	Jeffers, Ala.	Osborne	Walsh
Dallinger	Johnson, Ky.	Overstreet	Walters
Darrow	Johnson, S. Dak.	Parker, N. J.	Ward, N. C.
Denison	Keller	Parker, N. Y.	Watson
Dominick	Kelly, Pa.	Patterson, Mo.	Webster
Doughton	Kendall	Patterson, N. J.	Wheeler
Drewry	Kincheloe	Pou	White, Kans.
Dunbar	King	Pringey	White, Me.
Dyer	Kirkpatrick	Purnell	Williams, Ill.
Edmonds	Kissel	Radcliffe	Williamson
Elliott	Kline, N. Y.	Rainey, Ill.	Woodruff
Ellis	Knutson	Raker	Woodyard
Fairfield	Kopp	Ramseyer	Wright
Fess	Kreider	Reavis	Wurzbach
Fish	Langley	Reece	Wyant
Fisher	Lawrence	Reed, W. Va.	Young
Foster	Lazaro	Rhodes	Zihlman
Free	Lea, Calif.	Riddick	
Freeman	Leatherwood	Riordan	

NAYS—50.

Andrews, Nebr.	Davis, Tenn.	Kraus	Sandlin
Beedy	Deal	Lanham	Steagall
Begg	Fulmer	Lankford	Stevenson
Bland, Ind.	Gahn	Layton	Sumners, Tex.
Bowling	Garner	Lowrey	Thomas
Box	Garrett, Tex.	Lyon	Thompson
Brand	Gilbert	McClintic	Tillman
Buchanan	Graham, Ill.	McSwain	Williams, Tex.
Byrns, Tenn.	Huddleston	Madden	Wilson
Chalmers	Johnson, Miss.	Oliver	Wingo
Collier	Jones, Tex.	Quin	Wise
Colton	Kinkaid	Rankin	
Connally, Tex.	Kline, Pa.	Ricketts	

ANSWERED "PRESENT"—1.

McLaughlin, Mich.

NOT VOTING—178.

Almon	Carter	Echols	Hutchinson
Andrew, Mass.	Clark, Fla.	Evans	Ireland
Ansorge	Classon	Fairchild	Jefferis, Nebr.
Arentz	Cockran	Faust	Johnson, Wash.
Aswell	Codd	Favrot	Jones, Pa.
Atkeson	Cole, Iowa	Fenn	Kahn
Bacharach	Cole, Ohio	Fields	Kearns
Bankhead	Collins	Fitzgerald	Kelley, Mich.
Beck	Connell	Focht	Kennedy
Bell	Connolly, Pa.	Fordney	Ketcham
Benham	Cooper, Ohio	Frear	Kiess
Bixler	Cooper, Wis.	Fuller	Kindred
Black	Copley	Gallivan	Kitchin
Blanton	Coughlin	Glynn	Kleczka
Boles	Cramton	Goldsborough	Knight
Bond	Crisp	Gould	Kunz
Bowers	Cullen	Graham, Pa.	Lampert
Brennan	Davis, Minn.	Griffin	Larsen, Ga.
Britten	Dempsey	Hammer	Larson, Minn.
Brooks, Pa.	Dickinson	Henry	Lee, Ga.
Burdick	Dowell	Hicks	Lee, N. Y.
Burtness	Drane	Himes	London
Cable	Driver	Hogan	Longworth
Cantrill	Dunn	Hudspeth	McArthur
Carew	Dupré	Husted	McCormick
McLaughlin, Nebr.	Paige	Sanders, Ind.	Taylor, Ark.
McLaughlin, Pa.	Park, Ga.	Sanders, N. Y.	Taylor, Colo.
McPherson	Parks, Ark.	Sanders, Tex.	Temple
MacGregor	Perkins	Schall	Tilson
Maloney	Perlman	Scott, Mich.	Timberlake
Mann	Petersen	Sears	Treadway
Mansfield	Porter	Shreve	Tucker
Mead	Rainey, Ala.	Siegel	Tyson
Michaelson	Ransley	Sisson	Vare
Mondell	Rayburn	Smith, Mich.	Vestal
Moore, Ill.	Reber	Smithwick	Volk
Moore, Ohio	Reed, N. Y.	Snell	Ward, N. Y.
Murphy	Robsion	Speaks	Wason
Nelson, A. P.	Rogers	Stafford	Weaver
Nelson, J. M.	Rose	Stiness	Winslow
Nelson, Me.	Rosenbloom	Stoll	Wood, Ind.
Nolan	Rossdale	Sullivan	Woods, Va.
O'Brien	Rouse	Swank	Yates
Olpp	Ryan	Sweet	
Padgett	Sabath	Tague	

So the conference report was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Treadway with Mr. Cockran.

Mr. Paige with Mr. Sullivan.

Mr. Atkeson with Mr. Padgett.

Mr. Kahn with Mr. Favrot.

Mr. A. P. Nelson with Mr. Swank.

Mr. Sanders of Indiana with Mr. Gallivan.

Mr. Winslow with Mr. Almon.

Mr. Evans with Mr. Crisp.

Mr. Burdick with Mr. Stoll.

Mr. Snell with Mr. Aswell.

Mr. Fitzgerald with Mr. Carew.

Mr. Arentz with Mr. Rayburn.

Mr. Cole of Ohio with Mr. Sears.

Mr. Kiess with Mr. Parks of Arkansas.

Mr. Frear with Mr. O'Brien.

Mr. McPherson with Mr. Woods of Virginia.

Mr. Murphy with Mr. Sabath.

Mr. Codd with Mr. Tyson.

Mr. Bowers with Mr. Carter.

Mr. Maloney with Mr. Tague.

Mr. Wason with Mr. Kitchin.

Mr. Dowell with Mr. Tucker.

Mr. Rose with Mr. Sisson.

Mr. Kennedy with Mr. Fields.

Mr. Dickinson with Mr. Weaver.

Mr. Larson of Minnesota with Mr. Larsen of Georgia.

Mr. Beck with Mr. Rainey of Alabama.

Mr. Davis of Minnesota with Mr. Bell.

Mr. Bacharach with Mr. Mead.

Mr. Rogers with Mr. Driver.

Mr. Perlman with Mr. London.

Mr. Fenn with Mr. Lee of Georgia.

Mr. Knight with Mr. Bankhead.

Mr. McArthur with Mr. Smithwick.

Mr. Reed of New York with Mr. Griffin.

Mr. Ransley with Mr. Hudspeth.

Mr. Henry with Mr. Taylor of Colorado.

Mr. Robsion with Mr. Dupré.

Mr. Michaelson with Mr. Sanders of Texas.

Mr. Cooper of Ohio with Mr. Hammer.

Mr. Coughlin with Mr. Collins.

Mr. Vestal with Mr. Taylor of Arkansas.

Mr. Stiness with Mr. Kunz.

Mr. Cramton with Mr. Goldsborough.

Mr. Vare with Mr. Cullen.

Mr. Burtness with Mr. Black.

Mr. Olpp with Mr. Mansfield.

Mr. Nolan with Mr. Clark of Florida.

Mr. Fuller with Mr. Drane.

Mr. Moore of Ohio with Mr. Kindred.

Mr. Hutchinson with Mr. Cantrill.

Mr. Glynn with Mr. Blanton.

Mr. Johnson of Washington with Mr. Park of Georgia.

Mr. Graham of Pennsylvania with Mr. Blanton.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors.

On motion of Mr. McKENZIE, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

LEAVE OF ABSENCE.

Mr. McCLINTIC. Mr. Speaker, I ask unanimous consent that my colleague, Mr. CARTER, be excused for one day on account of sickness.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

VALUATION OF RAILROADS.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from Kansas submits a privileged report from the Committee on Rules, which the Clerk will report.

The Clerk read as follows:

House Resolution 340.

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of H. R. 6043, a bill to amend paragraphs enfitled "First" and "Second" of section 19a of the Interstate Commerce act, as amended; that in consideration of said bill it shall be in order to move to substitute Senate bill 539 for the House bill, and that the House bill lie upon the table; that there shall be not to exceed three hours of debate upon said bill; that at the conclusion of the general debate the bill shall be read for amendment, whereupon the bill with the amendments, if any, shall be reported back to the House; the previous question shall be considered as ordered on the bill and on all amendments thereto to final passage, without intervening motion except one motion to recommit.

Mr. CAMPBELL of Kansas. Mr. Speaker, the resolution makes in order the consideration of what is known as the railroad valuation bill. That bill provides in substance that in the revaluation of the railways the value of the real estate used by the roads for depot and other purposes may not be taken into consideration.

Mr. WINGO. Mr. Speaker, will the gentleman yield for a question?

Mr. CAMPBELL of Kansas. I yield for a question.

Mr. WINGO. The rule provides for three hours' debate?

Mr. CAMPBELL of Kansas. I was just going to move or ask unanimous consent to change the time provided for general debate in the rule as reported from three hours to one hour and a half, to be divided as provided in the rule.

The SPEAKER. The gentleman from Kansas asks unanimous consent to amend the rule changing the time of general debate from three hours to one hour and a half. Is there objection?

Mr. BARKLEY. Reserving the right to object, Mr. Speaker, I did not understand how the time was to be divided.

Mr. CAMPBELL of Kansas. To be divided equally between those favoring and those opposing the resolution; 45 minutes to a side, if this agreement is acceded to.

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. GARNER. Has this a unanimous report from the Committee on Rules?

Mr. CAMPBELL of Kansas. It has.

The SPEAKER. Is there objection?

There was no objection.

Mr. NEWTON of Minnesota. It has a unanimous report from the Committee on Rules?

Mr. CAMPBELL of Kansas. It has a unanimous report from the Committee on Rules. I understand that the bill made in order does not have a unanimous report from the Committee on Interstate and Foreign Commerce.

I want to take a brief moment here to make a pertinent comment, as I think, on a comment made yesterday upon the Committee on Rules by the gentleman from Virginia [Mr. MOORE] during his discussion.

Mr. MOORE of Virginia. May I interrupt the gentleman?

Mr. CAMPBELL of Kansas. Yes.

Mr. MOORE of Virginia. Will an opportunity be given to reply?

Mr. CAMPBELL of Kansas. The gentleman from Virginia will have no objection to what I have to say. I am not about to comment on Joseph's coat or the journey to Damascus. The gentleman from Virginia referred to the fact that he had in mind amending the rules of the House so as to require the Committee on Rules to report expeditiously on matters reported out by that committee. I wish the gentleman from Virginia could do that. I wish the House could do that. The business now coming to the Committee on Rules practically covers the business of the House. Even the Committee on Ways and Means, the Committee on Appropriations, committees that report privileged business, now come to the Committee on Rules for rules governing the consideration of matters that they have reported out. Practically every resolution, every bill from every committee of the House, is referred to the Committee on Rules and a special rule asked for its consideration.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. In just a moment. Facetious comment has frequently been made about what the chairman of the Committee on Rules carries in his hip pocket or his coat pocket. [Applause.] If the work of the Committee on Rules continues to grow as it has been growing in the past seven or eight years, there will have to be a calendar for the Committee on Rules instead of a place in the pockets of the chairman for the rules that are reported.

The Committee on Rules does not seek business. Other committees of the House seek the Committee on Rules as soon as they get favorable reports on their bills from the other committees of the House. It has been impossible for the Committee on Rules to secure immediate action on resolutions that have been favorably reported by that committee. The resolution that I have just sent to the Clerk's desk was reported out of the Committee on Rules on the third day of May. I have in my pocket other resolutions reported by that committee on that same day, which I have been unable to present to the House.

Mr. MOORE of Virginia. Will my friend allow me to interrupt him for a minute?

Mr. CAMPBELL of Kansas. Gladly.

Mr. MOORE of Virginia. The resolution which I offered yesterday proposes only two things. I recognize, of course, the great importance of the Committee on Rules, and the way in which it deals with a very large proportion of the business of the House, which is of major interest. These are the two things: First, that when the Committee on Rules adopts a resolution and directs it to be reported, it shall be reported to the House at once for printing, so that the House may know what resolutions have been adopted by the Committee on Rules; second, that the question shall be considered of allowing the House, after the expiration of a definite prescribed period, to determine as a question of privilege whether or not a given resolution shall be considered.

Mr. WALSH. Will the gentleman yield?

Mr. CAMPBELL of Kansas. In just a moment. The suggestions made in the resolution offered by the gentleman from Virginia [Mr. MOORE] are very interesting; but, in the first place, the rules would lose their privileged character immediately upon their being put into the basket and placed on the calendar.

Mr. MOORE of Virginia. I do not contemplate that. The resolution does not provide that.

Mr. CAMPBELL of Kansas. But that act would carry with it the loss of the privileged character of the rule.

Mr. MOORE of Virginia. I think my friend misunderstands the proposition which I have offered. The purpose is not to take away the privileged character of the rules. It is to give information to the House. For instance, the Committee on Rules meets this morning, we will say, and adopts half a dozen resolutions. My thought is that the action of the committee ought to be reported to the House at once and the resolutions printed, and then that the resolutions shall be subject to be called up thereafter by the committee as a matter of privilege, subject to the right of the House, after a reasonable time, to require consideration.

Mr. CAMPBELL of Kansas. A number of years ago there was an attempt to cover the second proposition made by the gentleman from Virginia [Mr. MOORE] by having what was known as the Calendar for the Discharge of Committees, which was on all fours with the proposition contained in the resolution offered by the gentleman from Virginia. There have been, I think, just two bills considered in the last 12 years under a motion to discharge a committee from that calendar. It is a proposition that is wholly impracticable and impossible of application.

Mr. RUCKER. That rule was not intended to expedite business.

Mr. CAMPBELL of Kansas. It could not, as a matter of fact.

Mr. RUCKER. The very language of it made it impossible. That rule was a fraud.

Mr. CAMPBELL of Kansas. A rule could not be made so as to make it possible of practicable application.

Mr. RUCKER. Oh, yes; it could.

Mr. WALSH. Will the gentleman yield?

Mr. CAMPBELL of Kansas. I yield for a question.

Mr. WALSH. Does the gentleman mean to say that the Committee on Appropriations and the Committee on Ways and Means were asking for rules for the consideration of privileged matters?

Mr. CAMPBELL of Kansas. The Ways and Means Committee have brought in at least three major bills in this session of Congress and each of them has been considered in the House under a special rule.

Mr. WALSH. Were they privileged bills?

Mr. CAMPBELL of Kansas. They were privileged bills.

Mr. WALSH. After all, what the Committee on Rules really needs is a larger wastebasket, is it not?

Mr. CAMPBELL of Kansas. Then the criticism that would go up against the Committee on Rules would be like a thunder storm in comparison to a whisper if the wastebasket were resorted to more than it is now.

Mr. WALSH. The gentleman is not afraid of thunder or lightning?

Mr. CAMPBELL of Kansas. No.

Mr. WALSH. If he were afraid he ought not to be chairman of that committee.

Mr. GARNER. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. GARNER. The gentleman spoke about special rules for the Ways and Means Committee. If he had put those rules in the wastebasket the House would have had a better opportunity to consider the bills reported from the Committee on Ways and Means. It was not necessary to have special rules in order to get those major measures before the House. The purpose of those rules was to restrict the House in the consideration of those major measures.

Mr. CAMPBELL of Kansas. But notwithstanding that, the Committee on Rules was asked for a special rule, and the Committee on Rules is created in order to aid the House in doing what the House wants to do.

Mr. GARNER. Will the gentleman yield for another question?

Mr. CAMPBELL of Kansas. Yes.

Mr. GARNER. What percentage of the special rules reported by the Committee on Rules are governed by the wishes of the steering committee?

Mr. CAMPBELL of Kansas. The Committee on Rules takes into account the bills that the steering committee has shifted into a place for privileged consideration. Then the Committee on Rules provides the machinery whereby the bill may be considered.

Mr. GARNER. I did not know but what the gentleman might have avoided some of the thunder and lightning referred to by the gentleman from Massachusetts by shielding behind the steering committee.

Mr. CAMPBELL of Kansas. No; the Committee on Rules does not need any shield.

Mr. MOORE of Virginia. I am not going to engage in any contest between the gentleman from Massachusetts [Mr. WALSH], who favors the wastebasket, and the gentleman from Kansas [Mr. CAMPBELL], who favors the hip pocket. [Laughter.] What I wish to say is that for the life of me, notwithstanding all that my friend has said, I can not understand why the House should not be advised and given very timely information of the action of the Committee on Rules without interfering at all with the future privileges of the committee.

Mr. CAMPBELL of Kansas. That might well be done, but the second proposition would be wholly impracticable.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. CAMPBELL of Kansas. I yield to the gentleman from Iowa.

Mr. GREEN of Iowa. I did not entirely understand the gentleman's statement. I was away for a short time, but I did not know that the Ways and Means Committee had presented any matter to the Rules Committee which the Speaker was ready to hold privileged.

Mr. CAMPBELL of Kansas. It was not a question whether the Speaker would hold it privileged or not. The Ways and Means Committee reported the tariff bill, which was entirely privileged.

Mr. KINCHELOE. And the bonus bill.

Mr. CAMPBELL of Kansas. The bonus bill and two tariff bills and all were considered under special rules.

Mr. GARNER. And the internal revenue bill.

Mr. CAMPBELL of Kansas. And the internal revenue bill.

Mr. GARNER. To which all amendments were cut off at the suggestion of the gentleman from Iowa [Mr. GREEN]. [Laughter.]

Mr. CAMPBELL of Kansas. Never mind about that.

SEVERAL MEMBERS. Vote! Vote!

Mr. CAMPBELL of Kansas. I do not care to take any more of the time of the House. I have stated some of the conditions with which the Committee on Rules is confronted that apparently have not been appreciated by the membership of the House generally. Did the gentleman from Arkansas rise to ask me a question?

Mr. WINGO. I did want to ask the gentleman a question, but a gentleman on the other side who constantly uses time was yelling "Vote" so loudly that he absolutely jarred the question out of my head, and I do not know what it is. [Laughter.]

Mr. CAMPBELL of Kansas. Then I move the previous question on the resolution.

The SPEAKER. The gentleman moves the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. NEWTON of Minnesota. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 539, to further amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

Mr. BARKLEY. Pending that I should like to make an inquiry about the control of the time. I understand the rule says it shall be equally divided between those for and against the bill, but it does not provide who shall control the time.

Mr. CAMPBELL of Kansas. I suggest that the time be controlled one half by the gentleman from Minnesota and the other half by the gentleman from Kentucky.

Mr. MERRITT. Mr. Speaker, I put in a minority report and I think I ought to control one-half of the time. I am the only member of the committee opposed to the bill.

The SPEAKER. The rule does not provide who shall control the time.

Mr. NEWTON of Minnesota. Mr. Speaker, I ask unanimous consent that the time be equally divided between those in favor of the bill and those opposed.

Mr. BARKLEY. The rule provides for that, that the time shall be divided between those in favor and those opposed to the bill.

The SPEAKER. The rule does not provide for the division of time; it says that there shall not be exceeding one and a half hours' debate. That is all it says. The gentleman from Minnesota asks unanimous consent that the hour and a half shall be divided equally between those who favor the bill and those who oppose the bill.

Mr. BARKLEY. That does not settle the question that I asked to have settled as to who is to control the time.

Mr. MONDELL. Would it not be well to have the time controlled one half by the gentleman from Minnesota and one half by the gentleman from Kentucky?

Mr. MERRITT. But the gentleman from Kentucky is in favor of the bill.

Mr. BARKLEY. I am willing to make any kind of an agreement that will give the gentleman from Connecticut all the time he wants. I would like to have the opportunity to yield some time.

Mr. MERRITT. If the gentleman from Connecticut is put in control of one-half of the time, he will be liberal in yielding time to the gentleman from Kentucky.

Mr. BARKLEY. I do not think the tail ought to wag the dog. Why can not we divide the time into three parts, give the gentleman from Connecticut 30 minutes, the gentleman from Minnesota 30 minutes, and I control 30 minutes?

Mr. WALSH. That is giving 60 minutes to those who favor the bill and 30 minutes to those who oppose.

Mr. BARKLEY. Mr. Speaker, I will ask unanimous consent that the time be divided into three parts, 30 minutes to be controlled by the gentleman from Connecticut, 30 minutes by the gentleman from Minnesota, and 30 minutes by myself.

Mr. WALSH. I will object to that, Mr. Speaker, before the request is put. The gentleman from Connecticut is a member of the committee and opposed to the bill, and he ought to have control of the time in opposition to the bill. If there are no others opposed to it he can yield to some one in favor of the bill, but we ought not to depart from the practice that a member of the committee opposing the bill shall control the time.

Mr. BARKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut may control 45 minutes, the gentleman from Minnesota [Mr. NEWTON] 25 minutes, and I control 20 minutes.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that the gentleman from Connecticut may control 45 minutes, the gentleman from Minnesota 25 minutes, and the gentleman from Kentucky 20 minutes. Is there objection?

Mr. HUDDLESTON. I object.

Mr. WINGO. Mr. Speaker, I call for the regular order.

The SPEAKER. The question is on the motion of the gentleman from Minnesota that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6043.

Mr. NEWTON of Minnesota. Mr. Speaker, I submitted a unanimous-consent request.

The SPEAKER. That was objected to; the regular order was demanded.

The motion of Mr. NEWTON of Minnesota to go into Committee of the Whole House on the state of the Union was agreed to; accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 6043) to amend paragraphs entitled "first" and "second" of section 19a of the interstate commerce act, as amended.

Mr. NEWTON of Minnesota. Mr. Chairman, I move that the bill S. 539 be substituted for H. R. 6043, and that it be considered as provided under the rule.

Mr. WINGO. Mr. Chairman, does the rule provide for that peculiar motion?

The CHAIRMAN. The rule provides that the Senate bill may be offered in lieu of the House bill and that the House bill lie on the table.

Mr. WINGO. That it be offered as an amendment or in lieu?

The CHAIRMAN. In lieu.

Mr. WINGO. Here is what I am trying to get at. The gentleman makes the motion before we begin general debate.

The CHAIRMAN. Before general debate begins, so that general debate will be on the Senate bill.

Mr. WINGO. Will the Senate bill be considered as one amendment?

The CHAIRMAN. No; the Senate bill will be considered as a separate bill.

Mr. WINGO. Then the effect of this motion the Chair will hold is that we consider the Senate bill in lieu of the House bill?

The CHAIRMAN. That is the manner in which it will be considered. The question is on agreeing to the motion of the gentleman from Minnesota.

The motion was agreed to.

The CHAIRMAN. The Clerk will read the Senate bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the paragraph entitled "First" of section 19a of the interstate commerce act, as amended, is amended by inserting after the words "In such investigation said commission shall ascertain and report in detail as to each piece of property" the words and commas following: ", other than land,"; so that said paragraph as amended shall read as follows:

"First. In such investigation said commission shall ascertain and report in detail as to each piece of property, other than land, owned or used by said common carrier for its purposes as a common carrier, the original cost to date, the cost of reproduction new, the cost of reproduction less depreciation, and an analysis of the methods by which these several costs are obtained, and the reason for their differences, if any. The commission shall in like manner ascertain and report separately other values, and elements of value, if any, of the property of such common carrier, and an analysis of the methods of valuation employed, and of the reasons for any differences between any such value and each of the foregoing cost values."

SEC. 2. That the paragraph entitled "Second" of said section 19a is amended by striking out the comma after the words "and the present value of the same," and inserting a period in place thereof, and by striking out the words "and separately the original and present cost of condemnation and damages or of purchase in excess of such original cost or present value" at the end of said paragraph, so that said paragraph as amended shall read as follows:

"Second. Such investigation and report shall state in detail and separately from improvements the original cost of all lands, rights of way, and terminals owned or used for the purpose of a common carrier, and ascertained as of the time of dedication to public use, and the present value of the same."

Mr. MAPES. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MAPES. Under the rule, who is to control the time in the one hour and a half of general debate?

The CHAIRMAN. The Chair will probably have to make recognition under the general rules of the House.

Mr. MAPES. And it will be distributed as the Chair sees fit?

The CHAIRMAN. There was a unanimous-consent agreement, as the Chair recalls, submitted by the chairman of the Committee on Rules when introducing the resolution, asking that the time be equally divided between those favoring and those opposing the bill, and that request was put when the time was reduced from three hours to one hour and a half. That unanimous-consent agreement was agreed to. The chairman of the Committee on Rules had overlooked the fact that the rule did not itself divide the time between those favoring and those opposing the bill.

Mr. MAPES. The gentleman from Minnesota [Mr. NEWTON] submitted a unanimous-consent request such as the chairman has stated to the Speaker pending his motion to go into the Committee of the Whole, but that was not agreed to.

The CHAIRMAN. The Chair recalls that the chairman of the Committee on Rules submitted a request that the time be reduced from three hours to one hour and a half, to be equally divided between those favoring and those opposing the bill, and that unanimous-consent agreement was agreed to. That would enable the Chairman to recognize the gentleman from Minnesota or any other gentleman favoring the bill, and any gentleman opposing the bill, under the agreement.

Mr. MAPES. As I understand it, the Chair fixes the time that he will allow any one Member to speak?

The CHAIRMAN. Within that time; and the Chair will endeavor to divide the time so that those opposing may have half the time and those favoring may have half the time.

Mr. WALSH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WALSH. If a member of the committee is opposed to the bill, is he entitled to priority of recognition?

The CHAIRMAN. Certainly. Recognition will be made under the general rules of the House.

Mr. BARKLEY. Mr. Chairman, would any gentleman who is recognized be recognized for 5 minutes or for 45 minutes? For instance, the gentleman from Connecticut is opposed to the bill. If he is recognized will he be recognized for the full 45 minutes or for 5 minutes?

The CHAIRMAN. That would be determined largely by the gentleman from Connecticut. He would have control of the 45 minutes if he saw fit to take them.

Mr. MONDELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONDELL. Under the rules of the House a gentleman who is recognized is entitled to an hour.

The CHAIRMAN. No; the time has been divided between those favoring and those opposed to the bill.

Mr. MONDELL. The time has been divided, but the division of the time does not affect the general rule that the gentleman who is recognized is entitled to an hour.

The CHAIRMAN. The Chair holds otherwise under the rule under which the bill is now being considered. A gentleman would not be entitled to over 45 minutes, if he was favoring or opposing the bill.

Mr. MONDELL. But before the Chair decides that I think the matter should be carefully considered. This is a rather important decision. The rule entitling a gentleman to an hour is an old and long-established rule of this House. I am sure the chairman does not want to overturn that without due consideration. I think, under the agreement entered into, that the gentleman first recognized would not be authorized to use more than half of the entire time favorable to the bill, but I question whether the arrangement with regard to the division of time takes the control of the hour from the gentleman who was recognized.

The CHAIRMAN. Let the Chair ask the gentleman from Wyoming a question. There was a unanimous-consent agreement that the time be equally divided between those favoring and those opposing the bill. The time was limited to one hour and a half for general debate. Under those circumstances could any gentleman secure the floor for one hour?

Mr. MONDELL. I think so.

The CHAIRMAN. The Chair disagrees with the gentleman from Wyoming, under the unanimous-consent agreement entered into.

Mr. MONDELL. May I make this suggestion? I have been here some time, and I think this is the first time that any occupant of the chair has held that without some definite, specific provision to the contrary, which this division of time is not, in my opinion, the gentleman first recognized in general debate is not entitled to one hour.

Mr. WALSH. Mr. Chairman, will the gentleman yield to a question?

Mr. MONDELL. Certainly.

Mr. WALSH. Does the gentleman have in mind the fact that when the rule was amended and the time reduced from three hours to an hour and a half it was accompanied by a provision that the time should be equally divided between those in favor and those against?

Mr. MONDELL. I do, and I think that the gentleman first recognized is bound by that agreement, but I do not think that deprives him of the control of his hour.

Mr. WALSH. How can the previous agreement of the House, entered into by unanimous consent, be carried out in committee?

Mr. MONDELL. By the gentleman who has the hour yielding a portion of his time. I do not think you can set aside the old rule of one hour in this way. This is a rather important question. I certainly want a proper division of time here, and I am sure everyone does, but I do not believe that a standing, long-established, well-understood rule of the House can be set aside by a mere unanimous-consent agreement with regard to the division of time as between those for and against a proposition.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. GRAHAM of Illinois. Suppose the gentleman from Minnesota [Mr. NEWTON] is recognized by the Chair for an hour. He is for the bill. Suppose he decides to take the whole hour himself, discussing the bill; must he stop when he gets through his 45 minutes?

Mr. MONDELL. That is for him to determine.

Mr. GRAHAM of Illinois. Oh, no; it would be for the House to determine.

Mr. MONDELL. Under the rule, as to how he shall yield and when is for him to determine. He might use five minutes.

Mr. LAYTON. Then, what is the virtue of a unanimous-consent agreement on the part of the House?

Mr. MONDELL. The unanimous-consent agreement should be carried out, will be carried out; I have no manner of doubt about that.

But I do not think that sets aside the rule of the House relative to the control of time.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. CHINDBLOM. Mr. Speaker, my recollection is that when the chairman of the Committee on Rules presented the rule he asked unanimous consent to amend the rule providing that there should be debate of one and a half hours to be divided equally between those for and those against the legislation. The result of that is that this last agreement is not a unanimous-consent agreement in the ordinary sense. It is under the special rule adopted by the House which contravenes all rules of the House, does it not?

Mr. MONDELL. My understanding is that that was a unanimous-consent agreement.

Mr. CHINDBLOM. No; he asked unanimous consent to make it part of the resolution coming from the Committee on Rules.

Mr. MONDELL. Well, I did not understand that, and I am not sure that that changes the situation any. I do not quite understand that in view of the fact that the gentleman from Minnesota submitted a request for a division of time, because the gentleman from Minnesota was here and must have heard all the discussion.

Mr. CHINDBLOM. I will say I distinctly heard the request of the chairman of the Committee on Rules.

Mr. WINGO. If the gentleman will yield, does not the gentleman overlook the fact that the object of the rule itself is to change the general rules of the House for the purpose of considering this particular bill?

The CHAIRMAN. The Chair wants to make it clear that there is nothing unusual in the ruling heretofore made. If the time in the rule had been five hours instead of an hour and a half to be equally divided and controlled by the two gentlemen, the Chair would have recognized the gentleman from Minnesota for two and a half hours in favor of the bill and some other gentleman for two and a half hours in opposition; but the agreement being for 45 minutes on a side the Chair will recognize, there being no division of time, those who rise in favor of the proposition and those who rise in opposition to it, and——

Mr. MONDELL. If the Chair will permit, I think the Chair did not intend to convey the impression that his words did. If the rule had provided for five hours of debate and had made no provision for the control of time the Chair could not have recognized some gentleman for two and a half hours and another gentleman for two and a half hours. The Chair would have recognized some gentleman for an hour.

The CHAIRMAN. We have been operating under rules which divided the time between gentlemen favoring and those opposed to a measure. Whether it was an hour and a half on a side, or two hours, gentlemen in favor of the bill have been recognized to control the time in favor, and gentlemen opposed to the bill have been recognized in opposition to the bill. In this case there is no agreement as to the persons who shall control the time, and, therefore, the Chair will have to control the time when gentlemen rise, whether they are favoring or opposing the bill. The gentleman from Minnesota.

Mr. NEWTON of Minnesota. Mr. Chairman, will I be recognized for 45 minutes, with the right to reserve and yield?

The CHAIRMAN. The Chair will recognize the gentleman with the right to yield. The Chair will recognize the gentleman for 45 minutes, and at the conclusion of that time a gentleman opposed to the bill would be recognized for the remainder of the time.

Mr. MAPES. Mr. Chairman, a point of order.

The CHAIRMAN. If the gentleman from Minnesota should desire to use the entire 45 minutes, it is up to him.

Mr. JOHNSON of Mississippi. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. If the gentleman desires to control the time he may use the time or yield it.

Mr. JOHNSON of Mississippi. That is the parliamentary inquiry I proposed to propound.

Mr. NEWTON of Minnesota. Mr. Chairman, I hope this is not taken out of my time.

Mr. WALSH. It is.

Mr. NEWTON of Minnesota. Then I can not yield.

Mr. JOHNSON of Mississippi. I am not asking the gentleman, but I want to know of the Chairman if Mr. NEWTON can yield to his colleagues on the committee if he so desires.

The CHAIRMAN. The Chair did not understand the parliamentary inquiry.

Mr. JOHNSON of Mississippi. The Chair has ruled two or three times on the question and I do not understand it, and I want to know if Mr. NEWTON can yield to any of his colleagues if he so desires.

The CHAIRMAN. If he takes 45 minutes he can use it or yield it.

Mr. MAPES. Mr. Chairman, I make a point of order.

Mr. NEWTON of Minnesota. Mr. Chairman, I ask to be notified at the end of 10 minutes.

The CHAIRMAN. The gentleman from Michigan will state his point of order.

Mr. MAPES. I want to ask if I understood that the chairman of the committee under the ruling has control of the time and it is his duty to control it as he sees fit? I have no objection if he wants to give time to the gentleman from Minnesota, but under the ruling I think it is plain that it is the duty of the chairman of the committee to control the time, dividing it equally between those in favor of the bill and those opposed to it.

Mr. JOHNSON of Mississippi. I understand the gentleman is not going to take all the 45 minutes.

Mr. NEWTON of Minnesota. No.

Mr. WALSH. Does the gentleman contend that the chairman of the committee can permit the gentleman from Minnesota——

Mr. WINGO. I make the point of order that the Chair has already ruled on this.

Mr. WALSH. To speak for 45 minutes.

Mr. MAPES. The only limitation on the chairman of the committee in distributing time is that he shall allow it to those in favor of the bill and to those against it. It is his duty first to recognize members of the committee within that limitation, and it is his duty to control the time within that limitation.

The CHAIRMAN. This is the rule under which the debate is to be conducted. The chairman of the Committee on Rules made this request, speaking of the time:

> To be divided equally between those favoring and those opposing the resolution, 45 minutes to a side, if this agreement is acceded to.
>
> The SPEAKER. The gentleman from Kansas asks unanimous consent to amend the rule, changing the time of general debate from three hours to one hour and a half. Is there objection?

Mr. MAPES. Mr. Chairman, I would like to follow what I said by this:

The ruling of the Chairman, as I understand it, would be overriding the attempted action of the House of Representatives when the gentleman from Minnesota submitted the unanimous-consent request that he control one half of the time and the gentleman from Connecticut [Mr. MERRITT] the other half. Now, that was objected to. So we passed back into the committee with the chairman of the committee controlling the time, simply limited by the provision that he shall allow one half of it to those who favor and one half to those who oppose the bill.

The CHAIRMAN. The situation is this: We fall back upon the general rules of the House. The gentleman from Minnesota [Mr. NEWTON] is seeking recognition first. If the time were one hour, he would have it. He has only 45 minutes on his side of the question, and if he can not enter into an agreement with his colleagues on the committee the Chair, of course, has no discretion as to when to call the gentleman from Minnesota down until the expiration of the 45 minutes. It is up to the gentleman from Minnesota. The gentleman is recognized.

Mr. NEWTON of Minnesota. Mr. Chairman and gentlemen, the bill before us seeks to amend in two vital particulars the valuation act, passed by Congress in 1913. There is no more opportune time for considering such legislation than the present. Everyone is complaining of the present high freight rates and their detrimental effect upon business and industry.

In approaching this question of rates it must be remembered that the courts have held from time immemorial that rates must be just and reasonable to both the carrier and shipper.

In an endeavor to arrive at what is a just and reasonable rate and what will bring a fair return the question of the value of the property used for carrier purposes is most important. In Smythe *v.* Ames (169 U. S. 546), the Supreme Court of the United States said the following:

> We hold, however, that the basis of all calculations as to the reasonableness of rates to be charged by a corporation maintaining a highway under legislative sanction must be the fair value of the property being used by it for the convenience of the public.

The valuation of the property used for transportation purposes is, therefore, of fundamental importance. Later on, in the same case, the court said:

> And in order to ascertain that value the original cost of construction, the amount expended in permanent improvements, the amount and market value of its bonds and stock, the present as compared with the original cost of construction, the probable earning capacity of the property under particular rates prescribed by statute, and the sum required to meet operating expenses are all matters for consideration and are to be given such weight as may be just and right in each case.

The general rule as to valuation as laid down by the courts is the cost of reproduction, less such depreciation as may have been caused by using the property for transportation purposes.

In an endeavor to obtain trustworthy information as to the physical valuation of the property used by the railroads of the country for carrier purposes, Congress in 1913 passed the valuation act. I quote from the first and second paragraphs thereof:

> First. In such investigation said commission shall ascertain and report in detail as to each piece of property owned and used by said common carrier for its purposes as a common carrier, the original cost to date, the cost of reproduction new, the cost of reproduction less depreciation, and an analysis of the methods by which these several costs are obtained, and the reason for their differences, if any. The commission shall in like manner ascertain and report separately other values and elements of value, if any, of the property of such common carrier, and an analysis of the methods of valuation employed, and of the reasons for any differences between any such value, and each of the foregoing cost values.
>
> Second. Such investigation and report shall state in detail and separately from improvements the original cost of all lands, rights of way, and terminals owned or used for the purposes of a common carrier, and ascertained as of the time of dedication to public use, and the present value of the same, and separately the original and present cost of condemnation and damages or of purchase in excess of such original cost or present value.

Mr. RAKER. Will the gentleman yield?

Mr. NEWTON of Minnesota. I prefer not to yield until I get through with my statement.

Provision is therefore made for the ascertaining and determining of the evidentiary facts from which the real worth and value of the property of the carrier can be determined. To this end provision is made for a tentative valuation and service of the same upon the carrier, with the right of a judicial review if the carrier is not satisfied with the tentative valuation served. Since the passage of the act the Interstate Commerce Commission has been engaged in this work, and several millions of dollars have been appropriated and expended for that purpose.

In 1920 Congress passed the transportation act, conferring upon the Interstate Commerce Commission the duty of establishing such rates that the carriers in a certain rate group would, under efficient management, and so forth, "earn an aggregate annual net railway operating income, equaling as nearly as may be to a fair return upon the aggregate value of the railway property of such carriers held for and used in the service of transportation." The enactment of this legislation furnishes an added reason for obtaining the true worth and value of railroad property.

The first section of the valuation act requires the commission to define in detail as to the property used for carrier purposes the following:

> A. Original cost.
> B. Cost of reproduction new.
> C. Cost of reproduction less depreciation.

The present bill seeks to so word this paragraph as to make it not to apply to land. This is done by inserting after the word "property" the words "other than land."

The second paragraph requires the commission in its report to state in detail and separately from improvements the following:

> A. Original cost of all land, etc., used for carrier purposes as of time of dedication to public use.
> B. Present value thereof.
> C. Separately, original and present cost of condemnation and damages or purchase in excess of such original cost or present value.

This bill seeks to amend this paragraph by doing away with the necessity of ascertaining anything but the original cost and present value of the land. This is done by inserting a period after "present value of the same" and striking out the remainder of the paragraph and its reference to "excess of cost of acquisition."

The passage of the valuation act was followed by the decision of the Supreme Court in the Minnesota Rate case, which will be found in Two hundred and thirtieth United States, page 352. In this opinion the court condemned this principle of the excess of the cost of acquisition of real property as a basis of value for rate-making purposes. I quote from the decision of the court herewith:

> The company would certainly have no ground for complaint if it were allowed a value for these lands equal to the fair average market value of similar land in the vicinity, without addition by the use of multipliers or otherwise, to cover hypothetical outlays. The allowances made below for a conjectural cost of acquisition and consequential damages must be disapproved.

As a result of this decision the Interstate Commerce Commission never ascertained this excess cost of the acquisition of new land. The commission proceeded to ascertain the value of the various railroad lands without regard to this provision. They so valued the Kansas City Southern Railway system and served a tentative valuation without these figures upon that road. The railroad company brought mandamus proceedings against the commission to compel the commission to find and report this excess cost of acquiring land. The case finally reached the Supreme Court. It will be found in Two hundred and fifty-second United States, page 178. In this case the court in nowise qualified its opinion in the Minnesota Rate case as to the unreliability and lack of worth of such information for rate purposes. But the court said that "Congress undisputably had the authority to impose upon the commission the duty in question"; and that the commission was not at liberty to disobey the express mandate of Congress, even if in its judgment the information was valueless or deficient or impossible to acquire.

The commission has been asking Congress to change the law ever since that time. The question before this House is whether we feel that this excess of cost over original cost of acquiring real property is a proper element upon which to find value for rate making or other purposes. It must be remembered that this amendment applies only to land valuation. There is no attempt to amend the law as to personal property or as to improvements upon the land. The cost of reproduction theory should not apply to land. You can not reproduce land; neither does land depreciate with use.

The courts have held that without regard to the original cost the carrier is entitled to have the present value of his property considered. Again I quote from the Minnesota Rate cases (p. 454):

> It is clear that in ascertaining the present value we are not limited to the consideration of the amount of the actual investment. If that has been reckless or improvident, losses may be sustained which the community does not underwrite. As the company may not be protected in its actual investment, in the value of its property being plainly less, so the making of a just return for the use of the property involves the recognition of its fair value if it be more than its cost. Properties held in private ownership, and it is that property, not the original cost of it, of which the owner may not be deprived without due process of law.

This gives the railroad company, therefore, the benefit of what is known as the unearned increment, which, added to the original cost of the property, equals the present value thereof.

This is the way the commission arrives at the present value of railroad land. I quote from their decision in the Texas Midland case:

> The present value is arrived at by ascertaining the number of acres of land owned or used by the carrier for its purposes as a common carrier, and multiplying this acreage by market value determined from the present market value of similar adjacent and adjoining land. Due allowance is made for any particular value which may attach by reason of peculiar adaptability of the land to railroad use. Nothing is included for the expense of acquisition, nor for severance damages, nor for interest during construction.

The railroads, however, are not content with present value as a rate basis. They want the commission to take into consideration a certain fictitious value which is in excess of the present value. Let me illustrate. Here is a railroad right of way of 100 acres. The original cost of acquisition was $10 per acre, or $1,000 for the tract. The original cost, therefore, would be $1,000. To-day the market value of adjoining farm land is $20 per acre. If there are 100 acres in the right of way, the present market value of the right of way is $2,000. This is the method of valuation that the Supreme Court approved in the Minnesota Rate case. This is the valuation method that the commission used until the decision in the Kansas City Southern case. The railroad, however, is not content with this method of valuation. It wants to add to this what it would cost now to condemn 100 acres from this farming country, now worth

double its original value. This present value would not be there if there had not been a railroad. There could not have been a railroad without the railroads originally acquiring the land upon which the road was built, and the cost of acquisition of this land, of course, is already figured in the value not only as to the original cost but in the present value, for the present value is made up in part by the original cost of acquisition. Of course, there is no question but what to-day if the railroad wanted an additional acre it might possibly cost much more than $20 per acre to acquire this particular tract. This would depend altogether upon the circumstances. There is no way of telling who would sell fairly or unfairly. One man might force the railroad to the expense of condemnation proceedings and another might not. It is all speculative and mere guesswork. To arrive at it you must assume that where there is a railroad there is none. One thing is certain: The present value of farm land is, in part, due to the railroad, which originally acquired its land from the adjoining farm land. If there were no farms, there would be no railroads. One is dependent upon the other. The cost of acquisition, as I have said, is already figured in in arriving at the present value of the land. It helps make up that value. If that is the case, why, then, again figure this cost of acquisition? I again quote from the opinion of Mr. Justice Hughes in the Minnesota Rate case:

It is contended that the valuation was made upon a wrong theory; that it is a speculative estimate of cost of reproduction; it is largely in excess of the market value of adjacent or similarly situated property; that it does not represent the present value in any true sense, but constitutes a conjecture as to the amount which the railway company would have to pay to acquire its right of way in yards, in terminals, or an assumption inadmissible, that while the railroad did not exist, all other conditions, with respect to the agricultural and industrial development of the State and the location, population, and activities of towns, villages, and cities were as they now are.

Mr. Justice Hughes then proceeds to condemn the cost of reproduction method in valuing land for rate-making purposes, and in so expressing his disapproval uses the following language:

It is manifest that an attempt to estimate what would be the actual cost of acquiring the right of way if the railroads were not there is to indulge in mere speculation. The railroad has long been established. To it have been linked the activities of agriculture, industry, and trade. Communities have long been dependent upon its service, and their growth and development have been conditioned upon the facilities it has provided. The uses of property in the communities which it serves are to a large degree determined by it. The values of property along its line largely depend upon its existence. It is an integral part of the communal life. The assumption of its nonexistence and at the same time that the values that rest upon it remain unchanged is impossible and can not be entertained. The conditions of ownership of the property and the amounts which would have to be paid in acquiring the right of way, supposing the railroad had to be removed, are wholly beyond reach of any process of rational determination. The cost of reproduction method is of service in ascertaining the present value of the plant when it is reasonably applied and when the cost of reproducing the property may be ascertained with the proper degree of certainty. But it does not justify the acceptance of results which depend upon mere conjecture.

This is what the Supreme Court of the United States thinks of the method of valuation set forth in existing law. But they hold that Congress has in plain words ordered that method of valuation and that the Interstate Commerce Commission must carry that order until it is changed. It is the law until we change it.

This condemned method of valuation the Interstate Commerce Commission has been following since the decision of the Supreme Court in the Kansas City Southern case. Let me illustrate just how it works out.

The commission, under the terms of the transportation act and in the proceedings known as Ex parte 74, for rate purposes made a tentative valuation of $18,900,000,000 as the aggregate value of the railroads of the country. More than 12½ per cent of this valuation is in lands only, as distinguished from lands with improvements figured in. In other words, the real estate alone, without improvements, figure up 12½ per cent of the total valuation of the railroads' property. Twelve and one-half per cent of this amount equals a sum approximating $2,000,000,000. It must be borne in mind that this tentative valuation of $18,900,000,000 was arrived at by ascertaining the present value without any additions for the excess cost of acquisition new of land over and above the original cost. So that the lands at the present fair market value are worth $2,000,000,000. If the commission, in figuring this valuation, followed the valuation act as to excess cost, as that act has been interpreted by the Kansas City Southern case, the valuation would have been much higher, and this would have meant higher freight and passenger rates. Let me illustrate the differences in the valuation as between the original cost, present value, and present value plus excess cost, in reference to but one railroad property, the Kansas City Southern system.

	Original cost.	Present value.	Excess above present value.	Present value plus excess.
Kansas City Southern Ry	$2,232,549	$2,609,155	$2,735,490	$5,344,645
Texarkana & Fort Smith (Arkansas and Texas)	121,828			
Texarkana & Fort Smith (Arkansas)		117,961	161,017	278,978
Texarkana & Fort Smith (Texas)		645,980	579,315	1,225,295
Kansas City, Shreveport & Gulf	241,203	522,746	539,933	1,062,679
Kansas City, Shreveport & Gulf Terminal	16,795	34,851	26,266	61,117
Maywood & Sugar Creek	6,550	8,729	9,768	18,497
Fort Smith & Van Buren	25,388	7,870	11,570	19,440
Poteau Valley	983	828	1,686	2,514
Arkansas Western	3,573	10,720	17,360	28,080
Port Arthur Canal & Dock Co	52,842	278,695	271,989	550,684
Port Arthur Canal & Dock Co. (leased)				
	2,701,711	4,495,283	4,362,566	8,858,851

The first column contains the figures for the original cost; the next column contains the present value at market prices. The third column is the excess of cost over and above the present market value. The last column is the present market value plus this excess of cost, including cost of condemnation, damages, and so forth. This is for lands which originally cost the railroad $2,700,000 and which the commission appraised at a fair market value of $4,500,000. If the law is not changed, the railroad will be able to have considered a valuation of at least $8,858,000.

However, the Kansas City Southern was not even satisfied with this apparently excessive figure. They filed a protest against the latter figure. I quote from their protest, as follows:

The commission's estimate of the cost of acquisition is inadequate and insufficient. The cost of acquisition of the carrier's land, exclusive of interest, taxes, and incidental cost of acquisition, is not less than double the so-called present value of said lands as determined by the commission.

The present value as found by the commission was four and one-half million dollars. The carrier wants the excess above the present value figured at $9,000,000, which would make a total for present value, plus excess, of $13,500,000 for valuation purposes, as against an original cost of $2,700,000. This would be using, therefore, for valuation purposes a multiple of three. The railroad companies therefore are not content with a profit upon the actual investment—the original cost—or upon the present value with its unearned increment, but they insist upon a fictitious value which is greater by far than the present value. They do this in spite of the fact that the reproduction-new theory as to land as applied to land has met with the expressed disapproval of the Supreme Court.

The multiplier used by the Interstate Commerce Commission I shall ask leave to have inserted as an appendix to my remarks. This excess of cost runs from 55 per cent over and above the present value to 200 per cent. This is figured from 55 per cent to 100 per cent as to city property and up to 200 per cent as to suburban and farm property. To the land where adjoining the right of way is city property the commission must add at least 55 per cent to the present fair market value. If the land adjoining the right of way is in the country the commission, following this multiple plan, may add up to 200 per cent.

Let me apply this to the present railroad rate situation. The present value of all railroad land, not including improvements, is $2,000,000,000. Present rates are based upon this valuation. If a multiplier of 2 is used the value of these lands would be $4,000,000,000. If a multiple of 3 is used—this is the multiple contended for by the railroads in the Minnesota rate case and the Kansas City Southern case—the value of the land alone would be increased to $6,000,000,000. The Interstate Commerce Commission have just held that a fair return under the provisions of the transportation act is 5½ per cent on the aggregate value of the railroad property devoted to transportation purposes. Five and three-fourths per cent on $2,000,000,000 is $115,000,000. If the multiple of 2 is used and the value is increased $2,000,000,000 an additional revenue would be required of $115,000,000. If a multiple of 3 is used additional revenue would be required of $230,000,000. This increased revenue could only be obtained through a material increase in both freight and passenger rates. To advocate this at a time when the whole country is feeling the effects of the present high rates seems absurd.

This would bring other absurd results. For example, the Texas Midland Railroad on valuation date of June 30, 1914, was capitalized for $2,622,000, made up of bonds to the extent

of $2,000,000, outstanding stock $122,000, and $500,000 due the Texas Midland Construction Co. which had never been capitalized by the actual issuance of stock. The cost of reproduction new, less depreciation of the Texas Midland, other than land, as shown by the commission's valuation report, is $2,597,000, or without depreciation, $3,461,000. If this road should be valued upon the basis of the multiple requested by the Kansas City Southern road the value would be $3,384,000 or $4,248,000, as deduction is or is not made for depreciation. Deduct the bonds at par from the value found, and the stock equity in the property will be $1,384,000 if depreciation is deducted, or $2,248,000 without such deduction, making in each case, respectively, for stock, $209, or $367 per share of $100. The evidence submitted to the committee at the hearings was to the effect that this stock had never yet paid a dividend. It has no market value, so far as could be ascertained. Surely such a method of valuation should not be countenanced by this Congress.

Mr. WINGO. Will the gentleman yield there?

Mr. NEWTON of Minnesota. I will.

Mr. WINGO. If you amend the law, as proposed by this bill, then thereafter in fixing the value of any railroad you will take the replacement value determined by the acreage value of the surrounding farms instead of taking the replacement value of condemnation proceedings? Is that the idea?

Mr. NEWTON of Minnesota. Exactly.

Mr. WINGO. In other words, you propose to go back to the rule that was contrary to the one that was contended for by the railroads prior to the Kansas City Southern decision?

Mr. NEWTON of Minnesota. We propose to place this law squarely with the ruling of the Supreme Court in the Minnesota Rate case, where the railroads made the same contention.

Mr. WINGO. This bill is contrary to the Kansas City Southern rule?

Mr. NEWTON of Minnesota. Yes; this bill is contrary to the rule which the Supreme Court in the Kansas City Southern case said Congress had prescribed, but it is in accord with the principle or rule in the Minnesota Rate case.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield there?

Mr. NEWTON of Minnesota. Yes.

Mr. BARKLEY. This bill relieves the commission from doing what the decision in the Kansas City Southern case said they had to do, which, after they had done it, was of no value to them in complying with the Minnesota Rate case?

Mr. NEWTON of Minnesota. The gentleman is correct.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield there?

Mr. NEWTON of Minnesota. Yes.

Mr. MOORE of Virginia. As I look at it now, I am for the bill. As I understand the present law, the commission is required to ascertain the value of the land at the time it was dedicated to the use of the public and was acquired by the railroad?

Mr. NEWTON of Minnesota. That is correct.

Mr. MOORE of Virginia. And the present value of the land?

Mr. NEWTON of Minnesota. Yes.

Mr. MOORE of Virginia. You propose to stop at that?

Mr. NEWTON of Minnesota. Yes.

Mr. MOORE of Virginia. The present law also requires two things additional; that is, it requires the commission to ascertain the condemnation value of the land at the time it was acquired by the railroad company and the present condemnation value of the land. Those two things you strike out, because they contemplate what is useless or, at least, impracticable.

Mr. NEWTON of Minnesota. The condemnation value at the time of acquiring the right of way.

Mr. MOORE of Virginia. You retain the following language:

> Such investigation and report shall state in detail and separately from improvements the original cost of all lands, rights of way, and terminals owned or used for the purposes of a common carrier, and ascertained as of the time of dedication to public use and the present value of the same.

Your bill stops there. The existing law goes on further, and you strike out the following portion of the existing law:

> And separately the original and present cost of condemnation and damages or of purchase in excess of such original cost or present value—

Your contention is that for the commission—and the commission has said so itself, and the court has said so—your contention is that for the commission to try to ascertain the condemnation values as of the past and of the present is an unprofitable and vain thing, and does not assist in getting at the real value?

Mr. NEWTON of Minnesota. The gentleman is correct.

Mr. HOCH. Mr. Chairman, will the gentleman yield there?

Mr. MOORE of Virginia. Yes.

Mr. HOCH. Where there was an original condemnation cost, that is included in the cost?

Mr. MOORE of Virginia. Yes; the original cost.

Mr. HOCH. So that there is no disposition to take out the condemnation costs where there was an original cost?

Mr. MOORE of Virginia. No. You would leave the commission to ascertain the original value—or, rather, cost—and the present value of the land.

Mr. HOCH. Yes; but not the excess of present condemnation.

Mr. PARKER of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. PARKER of New Jersey. The gentleman has not discussed what would be done when, instead of running through farm lands, the railroads should run through a city, from block to block. Then you would assess the improvements?

Mr. NEWTON of Minnesota. Those improvements were caused by the railroad going through there and the people having the patronage of the railroads. The present value is represented in the market value of the property.

Mr. PARKER of New Jersey. Is that followed the same as if it were land occupied by a house next door?

Mr. NEWTON of Minnesota. The land as distinguished from improvements on the land is so followed, and that is what the Supreme Court upheld in the Minnesota Rate cases. That is the method of valuation. This bill only applies to land as such and not to structural improvements.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. DOWELL. I understand that in this bill you eliminate entirely the present condemnation value of the land?

Mr. NEWTON of Minnesota. The gentleman has stated it correctly.

Mr. DOWELL. You leave the original condemnation cost only where that represented the only measure of the cost?

Mr. NEWTON of Minnesota. As the gentleman from Kansas stated it, the commission must ascertain the original cost. That may mean condemnation cost or purchase cost. That is not included.

Mr. FROTHINGHAM. Value or cost?

Mr. NEWTON of Minnesota. Yes.

Mr. CHINDBLOM. Where it was the condemnation cost the commission may still take that figure?

Mr. NEWTON of Minnesota. Yes.

To sum up: Congress has heretofore passed a law—the valuation act—which requires the commission to ascertain and report incompetent and irrelevant evidence as to the value of railroad land. This bill says that such evidence need not be further gathered and what has been gathered need not be considered by the commission or be presented in court by the commission in any valuation proceedings. Of course, if the carriers themselves desire to present such evidence in a court proceeding, and the court should desire to consider it, this bill would in nowise prevent it. The whole question is whether we are to aid the railroads of the country in compelling the Interstate Commerce Commission to allow this multiplied land value in the work that they are doing in valuing the railroads of the country. There should be but one answer. This Congress should not countenance in any way the gathering and consideration of this guesswork information under a doctrine which is unsound in every way and which if applied will mean multiplied and unjustifiable burdens upon our people. [Applause.]

Mr. Chairman, under leave granted to extend, I insert a table from the Bureau of Valuation of the Interstate Commerce Commission, showing the multiples used in arriving at this excess of cost of acquisition view of real property, which table has been in use since the decision in the Kansas City Southern case. I also insert another table from the commission, showing comparison between present value and excess of cost of acquisition as to 100 carriers.

Mr. Chairman, I reserve the balance of my time.

APPENDIX I.

COST OF ACQUISITION.

FINAL TYPES.

I. HIGHLY DEVELOPED LOT PROPERTY.
- (a) Commercial:
  1. Whole lots taken, $0.60.
  2. Part only of lots taken, $0.75.
- (b) Residential:
  1. Whole lots taken, $0.55.
  2. Part only of lots taken, $0.70.
- (c) Industrial:
  1. Whole lots taken, $0.65.
  2. Part only of lots taken, $0.70.
- (d) Mixed utility when not included in the above subdivision:
  1. Whole lots taken, $0.55.
  2. Part only of lots taken, $0.65.

II. PLATTED PROPERTY IN TOWNS OR OUTLYING PORTIONS OF LARGE CITIES.
1. Whole lots taken, $0.60.
2. Part only of lots taken, $1.

III. IRREGULAR TRACTS—SUBURBAN.
(a) Residential:
1. Whole tracts taken, $0.70.
2. Part only of tracts taken, $1.
(b) Industrial:
1. Whole tracts taken, $0.65.
2. Part only of tracts taken, $0.70.
(c) Truck gardens, undeveloped or property not falling in either residential or industrial:
1 Whole tracts taken, $0.80.
2. Part only of tracts taken, $1.

IV. RURAL.
A. Right of way strip only taken:
(a) High-grade land—
1. Adjoining land held in large tracts (if irrigated, indicate by symbol "i"), $1.60.
2. Adjoining land held in small tracts (if irrigated, indicate by symbol "i"), $1.70.
(b) Medium-grade land—
1. Adjoining land held in large tracts, $1.60.
2. Adjoining land held in small tracts, $1.70.
(c) Low-grade land—swamp, rocky, desert, and grazing—
1. Adjoining land held in large tracts, $1.90.
2. Adjoining land held in small tracts, $2.

Value of orchards, minerals, and timber deducted and land then valued.

(d) Orchard lands—
1. Adjoining land held in large tracts.
2. Adjoining land held in small tracts.
(e) Mineral lands—
1. Fissure veins or pockets.
2. Sedimentary beds.
(f) Timberlands—
1. Adjoining land held in large tracts.
2. Adjoining land held in small tracts.

B. Large areas taken by carrier:
(a) High-grade land—
1. Adjoining land held in large tracts (if irrigated, indicate by symbol "i"), $0.60.
2. Adjoining land held in small tracts (if irrigated, indicate by symbol "i"), $0.70.
(b) Medium-grade land—
1. Adjoining land held in large tracts, $0.70.
2. Adjoining land held in small tracts, $0.80.
(c) Low-grade land—swamp, rocky, desert, and grazing—
1. Adjoining land held in large tracts, $0.80.
2. Adjoining land held in small tracts, $1.

V. WATER-FRONT LANDS.
1. Right of way, $1.
2. Docks and wharves, $0.40.

VI.

A. Owned right of way for industrial track, where the adjoining land is owned by the industry served.

B. Where the right of way is through large tracts of noncarrier land, owned by the carrier.

APPENDIX II.

INTERSTATE COMMERCE COMMISSION.

BUREAU OF VALUATION.

Statement showing comparison between the present value, as of date of valuation, and the excess cost of acquisition of carrier lands owned by the following carriers.

	Present value.	Excess cost of acquisition.
Atlanta, Birmingham & Atlantic R. R. Co.	$1,426,938	$1,188,329
Georgia Terminal Co.	1,029,019	257,255
Alabama Terminal R. R. Co.	857,955	386,080
Texas Midland R. R.	254,490	268,734
New Orelans, Texas & Mexico Ry. Co.	141,686	149,148
Kansas City Southern Ry. Co.	2,604,693	2,758,590
Texarkana & Fort Smith Ry. Co.	759,181	740,210
Kansas City, Shreveport & Gulf Ry. Co.	522,746	539,847
Maywood & Sugar Creek Ry. Co.	8,729	9,767
Fort Smith & Van Buren Ry. Co.	7,870	11,569
Poteau Valley R. R. Co.	828	1,686
Arkansas Western Ry. Co.	10,720	17,355
Kansas City, Shreveport & Gulf Terminal Co.	34,851	26,261
Port Arthur Canal & Dock Co.	537,445	280,096
Winston-Salem Southbound Ry. Co.	510,655	468,022
Elgin, Joliet & Eastern Ry. Co.	1,965,335	1,667,307
Chicago, Lake Shore & Eastern Ry. Co.	1,421,560	1,170,525
Joliet & Blue Island Ry. Co.	.....	.....
Wrightsville & Tennille R. R. Co.	243,333	240,918
Toole Valley Ry. Co.	8,976	8,410
Alabama Central Ry.	1,099	1,924
St. John & Ophir R. R. Co.	664	80
Missouri Southern R. R. Co.	25,169	25,461
Ray & Gila Valley R. R. Co.	160	191
Quincy Western Ry. Co.	1,758	2,511
Tonopah & Tidewater R. R. Co.	6,889	1,278
Bowdon Ry. Co.	9,603	12,820
Georgia Southern & Florida Ry. Co.	1,231,456	889,747
Georgia Northern Ry. Co.	155,031	168,857
Death Valley R. R. Co.	527	.....
Dover & South Bound R. R.	4,400	6,631
Carolina R. R. Co.	4,697	7,002
Hampton & Branchville Railroad & Lumber Co.	11,853	15,079
Arizona Southern R. R. Co.	1,716	2,890
New Mexico Midland Ry. Co.	363	156
Sylvania Central Ry. Co.	34,286	40,360
San Pedro, Los Angeles & Salt Lake R. R. Co.	4,043,749	2,813,354
Louisville & Wadley R. R. Co.	10,462	12,538
Albany Passenger Terminal Co.	50,397	33,275
Macon & Birmingham Ry. Co.	121,934	145,006
Mississippi Eastern Ry. Co.	50,027	65,146

Statement showing comparison between the present value, etc.—Contd.

	Present value.	Excess cost of acquisition.
Norfolk Southern R. R.	$2,418,698	$1,842,540
Atlanta & North Carolina R. R. Co.	583,272	384,884
Carthage & Pinehurst R. R. Co.	8,918	9,557
Tampa & Jacksonville Ry. Co.	32,730	33,178
Greene County R. R. Co.	24,484	23,334
Rome & Northern R. R. Co.	9,292	12,555
Carolina & Yadkin River Ry. Co.	113,796	133,455
Flint River & Northeastern R. R. Co.	37,443	32,708
Kinston Carolina R. R. & Lumber Co.	2,215	3,530
Central Ry. Co. of Arkansas	1,967	3,172
Alabama Northern Ry. Co.	8,891	10,295
Wadley Southern Ry. Co.	66,082	82,899
Chicago, Terre Haute & Southeastern Ry. Co.	1,017,315	1,053,558
Hawkinsville & Florida Southern Ry. Co.	148,028	166,187
Mississippi River & Bonne Terre Ry.	76,277	89,329
St. Francois County R. R. Co.	5,978	6,392
Cimarron & Northwestern Ry. Co.	403	761
Joplin Union Depot Co.	120,749	94,682
Talbotton R. R. Co.	4,052	5,316
Northern Dakota Ry. Co.	9,514	13,900
Savannah & Northwestern Ry.	189,106	155,430
Santa Fe, Raton & Eastern R. R. Co.	432	695
Evansville & Indianapolis R. R. Co.	179,402	198,174
Farmers Grain & Shipping Co.	35,239	41,975
Brandon, Devils Lake & Southern Ry. Co.	8,833	12,108
Fernwood & Gulf R. R. Co.	18,150	23,367
Cape Girardeau Northern Ry. Co.	103,281	121,377
Potomac, Fredricksburg & Piedmont R. R. Co.	24,547	32,020
Bristol R. R. Co.	3,318	3,063
Bullfrog Goldfield R. R. Co.	2,965	.....
Central of Georgia Ry. Co.	11,512,916	8,801,023
Southwestern R. R. Co.	1,769,732	1,600,746
Augusta & Savannah R. R.	139,775	168,240
The Chattahoochee & Gulf R. R. Co.	336,429	324,709
Chesapeake Beach Ry. Co.	30,475	33,895
Fellsmere R. R.	14,703	.....
Gainesville Midland Ry.	240,564	260,934
Goldsboro Union Station Co.	56,404	36,956
Great Southern R. R. Co.	16,010	19,863
Hardwick & Woodbury R. R. Co.	643	1,086
Kennebec Central R. R. Co.	3,797	3,992
Monson R. R. Co.	998	1,496
Norfolk Terminal Ry. Co.	155,819	77,772
Smoky Mountain Ry. Co.	1,859	2,606
St. Johns River Terminal Co.	1,358,924	839,549
Spokane & British Columbia Ry. Co.	11,907	19,403
Spokane International Ry. Co.	412,710	317,476
Coeur d'Alene & Pend d'Oreille Ry. Co.	12,300	19,138
Tonopah & Goldfield R. R. Co.	7,863	4,871
Washington, Potomac & Chesapeake Ry. Co.	24,364	28,411
Wiscasset, Waterville & Farmington Ry. Co.	5,639	7,444
Wood River Branch R. R. Co.	4,494	5,708
Woodstock Ry. Co.	11,263	13,642
Delaware & Northern R. R. Co.	15,226	20,086
Caddo & Choctaw R. R. Co.	662	.....
The Colorado-Kansas Ry. Co.	7,103	8,276
Montana Western Ry. Co.	11,534	17,399
Toledo, St. Louis & Western R. R. Co.	1,685,508	1,580,724
Peoria Ry. Terminal Co.	94,078	102,480
Mount Hood R. R. Co.	10,442	13,396
The Trinity & Brazos Valley Ry. Co.	499,623	521,753
Bridgton & Saco River R. R. Co.	7,319	8,351
Gulf, Texas & Western Ry. Co.	99,461	114,186
Fourche River Valley & Indian Territory Ry. Co.	2,278	4,074
Deering Southwestern Ry.	25,766	32,822
Gideon & North Island R. R. Co.	5,500	7,692
Gulf Terminal Co.	56,496	29,621
Hoosac Tunnel & Wilmington R. R. Co.	8,731	11,703
Intermountain Ry. Co.	8,010	6,949
Kentwood, Greensburg & Southwestern R. R. Co.	1,102	1,861
Lufkin, Hemphill & Gulf Ry. Co.	1,216	.....
Milstead R. R. Co.	581	771
Muncie Belt Ry. Co.	4,914	5,253
Pacific & Idaho Northern Ry.	125,717	145,290
Delta Southern Ry.	81,254	83,612
Total	42,250,816	34,330,114

The CHAIRMAN. The gentleman from Minnesota has used 17 minutes. The Chair recognizes the gentleman from Connecticut [Mr. MERRITT] for 45 minutes.

Mr. MERRITT. Mr. Chairman, this bill is an attempt to settle a judicial question by legislation. To accomplish this it is proposed to strike out from the valuation act of March 1, 1913, an element of value in the property of common carriers dedicated to public use, which was specially provided for in paragraph 2 of the valuation act, which element always has been and still is embodied in our common law as an element to be considered in property valuation.

This paragraph is as follows. This is the present law:

Second. Such investigation and report shall state in detail, and separately from improvements, the original cost of all lands, rights of way, and terminals owned or used for the purposes of a common carrier, and ascertained as of the time of dedication to public use, and the present value of the same—

Now comes the part which it is proposed to strike out—

and separately the original and present cost of condemnation and damages or of purchase in excess of such original cost or present value.

Now that this element of value as embodied in the common law may be shown by reference to the case of Smythe *v.* Ames (169 U. S. 466), decided in 1898, where the court says:

We hold, however, that the basis of all calculations as to the reasonableness of rates to be charged by a corporation maintaining a highway under legislative sanctions must be the fair value of the property being used by it for the convenience of the public.

And, in order to ascertain the value, the original cost of construction, the amount expended in permanent improvements, the amount and market value of its bonds and stock, the present as compared with the original cost of construction, the probable earning capacity of the property under particular rates prescribed by statute, and the sum required to meet operating expenses, are all matters for consideration, and are to be given such weight as may be just and right in each case. We do not say that there may not be other matters to be regarded in estimating the value of the property.

This decision of Smythe against Ames has been approved in many subsequent cases, notably in the Kansas City Southern case, to which reference will be made later.

I hope that the House will not fail to note that in the decision of the court, and in the valuation act itself, the language which it is proposed to strike out does not provide that the commission shall find the present cost of condemnation and damages as the value of the property. That is an erroneous impression which I think is quite common. It is merely that they shall find the present cost of condemnation and damages and state it separately, and give it such consideration in the final estimate as it is entitled to.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. MERRITT. I yield to the gentleman from Illinois.

Mr. CHINDBLOM. If it does not represent the present value, what consideration should be given to it?

Mr. MERRITT. For instance, take a case with which I am familiar, and which is probably typical of situations in other cities. That is the case of the great New York Central terminal in New York City. Under the rule which is now followed by the commission they would find out the acreage value or the lot value of the surrounding land and say that the value of the terminal is its acreage based on surrounding value; but we all know that the railroad could not possibly acquire its terminal acreage for anything like that money, and it appears to me just that the railroad, which would be put to so much extra expense, should have a higher rate of valuation on which it should be allowed to earn a return.

Mr. DOWELL. Will the gentleman yield?

Mr. MERRITT. Yes.

Mr. DOWELL. But that is the rate which is fixed upon land that is already owned by the railroad company.

Mr. MERRITT. Yes.

Mr. DOWELL. Therefore because the railroad company owns the land, that does not make it more valuable than the land adjoining. So will the gentleman explain why the valuation should be higher than that of the surrounding property because the railroad company has possession of it now?

Mr. MERRITT. I say as I said a minute ago, not that that fact in itself would be controlling. I only say that it is an evidential fact, and the commission might take that into consideration in determining the fair value.

Mr. DOWELL. But the gentleman is assuming now that if the railroad company attempted to purchase the land the condemnation valuation would be higher than its actual value; but if the gentleman will take the question as it now stands, this is real estate that is actually owned by the railroad company.

Mr. MERRITT. I understand that.

Mr. DOWELL. And not land which they may in future desire to condemn or purchase.

Mr. MERRITT. I can not yield further. After the well-known Minnesota Rate case the valuation committee of the Interstate Commerce Commission so interpreted the decision as to make it unnecessary for them to obey the last clause in paragraph 2 of the valuation act, and they went ahead and made a number of tentative valuations without reporting separately, as required by the act, the original and present cost of condemnation and damages or purchase in excess of original cost or present value.

The Minnesota Rate case was decided in June, 1913. In March, 1920, the Kansas City Southern case was decided by the Supreme Court, and that decision set forth clearly that the interpretation of the Interstate Commerce Commission of the decision of the court in the Minnesota Rate case was erroneous. In the Kansas City Southern case the Supreme Court quotes the reasoning which led the commission to disregard the last part of section 2, which is as follows. The commission says:

We are unable to distinguish between what is suggested by the carrier in this record and nominally required by the act and what was condemned by the court (in the Minnesota Rate cases) as beyond the possibility of rational determination; nor is there any essential difference in the actual methods there employed and those now urged upon us. Before we can report figures as ascertained, we must have a reasonable foundation for our estimate, and when, as here, if the estimate can be made only upon inadmissible assumptions, and upon impossible hypotheses, such as those pointed out by the Supreme Court in the opinion quoted, our duty to abstain from reporting as an ascertained fact that which is incapable of rational ascertainment is clear.

Mr. HOCH. Will the gentleman yield?

Mr. MERRITT. I will.

Mr. HOCH. The gentleman does not contend, does he, that in the Kansas City Southern case the Supreme Court passed upon the justice or the wisdom of this valuation act? The Kansas City Southern case was a mandamus action to compel the Interstate Commerce Commission to do what the statute required them to do. It did not involve at all the question of policy, as I understand it. It was simply the question whether the statute required them to do that thing, and whether therefore they should proceed to do it; so that regardless of the Kansas City Southern case the question of policy is still before the Congress, is it not?

Mr. MERRITT. It is.

Mr. HOCH. The Kansas City Southern case did not touch the question of policy at all.

Mr. MERRITT. I do not agree about the case not touching the question. I think the case was decided on the statute, but it does show that this question is an open one. The case did not decide the question the other way, certainly.

Mr. WINGO. Will the gentleman yield?

Mr. MERRITT. I yield to the gentleman from Arkansas.

Mr. WINGO. Do I understand that in the gentleman's opinion this bill if passed would revert the rule back to the old rule of valuation as covered in the Minnesota case, and completely overturn the rule as approved in the Kansas City Southern case?

Mr. MERRITT. I do not think so.

Mr. WINGO. Would it establish any new rule?

Mr. MERRITT. If the gentleman will follow me, I think he will see what I think it will do. Then I will be glad to answer any further questions that may be asked.

On this position of the Interstate Commerce Commission the Supreme Court comments, in the Kansas City Southern case, as follows:

It is true that the commission held that its nonaction was caused by the fact that the command of the statute involved a consideration by it of matters beyond the possibility of "rational determination," and called for "inadmissible assumptions" and the indulging in "impossible hypotheses" as to subjects "incapable of rational ascertainment," and that such conclusions were the necessary consequences of the Minnesota Rate cases.

We are of the opinion, however, that, considering the face of the statute and the reasoning of the commission, it results that the conclusion of the commission was erroneous, etc.

After the decision of the Supreme Court in the Kansas City Southern case the valuation commission proceeded to do what it had previously said it could not do, and found the original and present cost of condemnation and damages or of purchase in excess of original cost or present value, and Judge Prouty, director of valuations, in a hearing before the commission March 24 to 28, 1917, on pages 230 and 231 of the record, states that the cost of acquisition of railway lands can be ascertained without difficulty and with reasonable accuracy. Judge Prouty testified as follows:

Director PROUTY. I understand, Mr. Chairman, that Mr. Butler is trying to prove that, knowing the acreage value of the lands taken by a railroad company, it is possible to apply a percentage to that acreage value which will reasonably express the costs of acquiring that land by the railroad company.

I understand that is his proposition.

Now, if the commission please, I concede that. I concede that it is possible, from the experience of carriers in the past, to determine, not accurately but within certain limits, a multiple or percentage, or whatever you may call it, which you can apply to the base value of these lands in ascertaining the cost of those lands to the railroad company, and we do not need to introduce any more testimony to prove that. I have never denied it.

The above shows that Director Prouty believes that the present cost of condemnation and damages or of purchase in excess of such original cost or present value can be obtained, and in fact such values have been obtained in connection with approximately 200 railways.

It is somewhat surprising to find, on page 5 of the majority report on this bill, a table showing percentages of increment and original cost as shown by the commission, and a percentage of hypothetical increment obtained by applying a multiple of 3.1. The unfairness of this method of showing percentages by selected individual cases was clearly pointed out in the testimony before this committee on the hearings on a similar bill (H. R. 13997) in the Sixty-sixth Congress, held during January and February, 1921. The method of arriving at these percentages is evident, namely, taking the first case cited, the Texas Midland Railway, the original cost, as stated in the table, is deducted from the present value, as there stated, and the remainder is divided by the original cost and produces the per-

centage of 279, as shown. It is clear that by taking isolated cases, which may give high percentages, an entirely misleading impression is produced. Before we give any weight to such figures, a number of them must be collected in order to give anything like an average result. There are very few railways in this table, but by adding the original costs, as stated, together and the present value of lands found by the Interstate Commerce Commission together and treating them in precisely the same manner in which the figures of the Texas Midland were treated, as above, we get in round figures $25,000,000 for the original cost column and $64,000,000 for the present value column, and deducting the cost from the present value and dividing the remainder by the original cost the result shows a small fraction over 150 per cent, which is not so alarming as the percentages set forth in individual instances. It was shown also in the testimony that the figures stated for these 16 roads involved a total of over 45,000 parcels of land, of which over 9,000 were reported as apparent aids, gifts, or grants. The memorandum, therefore, institutes an impossible comparison between the original cost of over 36,000 parcels of land, with an acreage of 109,000, and the present value of 45,000 parcels of land, with a total acreage of 159,000.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. MERRITT. I will.

Mr. NEWTON of Minnesota. Is it not true that in the Kansas City case where there was a multiple of 2 established, the railroads were not satisfied with that multiple, and contended for 3.1 multiple, and protested?

Mr. MERRITT. That may be; I am showing that the multiple used by the commission, which it is presumed would have weight with the court, is less than 3.1.

Mr. NEWTON of Minnesota. It runs all the way from 55 to 200 per cent.

Mr. MERRITT. Yes. I will not take the time to read all the figures, but I will say that whereas Mr. Benton in his testimony claimed that the excess cost of acquisition would be one hundred and forty-eight million, in the identical cases fixed by him, the amount fixed by the Interstate Commerce Commission was $100,000,000 less.

I read somewhere the other day in the paper that the author of this bill, Judge SWEET, stated in his campaign literature that the effect of the bill would be to reduce the railway valuation $3,000,000,000.

Mr. BARKLEY. The gentleman does not contend that everybody is responsible for all that he says in a campaign.

Mr. MERRITT. I hope not.

And finally, on this point, since the tabulation quoted by the majority from Mr. Benton's testimony was made, the commission has reported tentative valuations for all the railroads mentioned in the table except the Boston & Maine, and instead of $148,000,000 of excess valuation in Mr. Benton's table, the amount fixed by the Interstate Commerce Commission is only slightly over $44,000,000. For convenience of examination the figures are appended.

Comparison of figures of cost of acquisition of carrier lands in excess of acreage value shown in the tabulation of Mr. John E. Benton, inserted in and made a part of the above report, and the actual figures of cost of acquisition in excess of acreage value found by the commission in tentative valuations. No tentative valuation of the Boston & Maine has been served.

	Present value.	Excess cost of acquisition.	
		Benton.	Amount fixed by Interstate Commerce Commission.
Texas Midland R. R	$254,480	$787,000	$268,734
Texarkana & Fort Worth Ry	763,851	2,368,000	740,332
Kansas City, Shreveport & Gulf Ry. Co.	522,746	1,621,000	539,933
Port Arthur C. & D. Co	278,695	865,000	271,981
Winston-Salem Southbound Ry. Co	510,655	1,584,000	468,022
Wrightsville & Tennille R. R	245,638	753,000	243,443
Tonopah & Tidewater R. R	7,019	22,000	1,481
Georgia Southern & Florida Ry. Co	1,239,362	3,816,000	894,281
San Pedro, Los Angeles & Salt Lake R.R.	4,136,858	12,536,000	2,504,529
Macon & Birmingham Ry	121,821	378,000	144,805
Norfolk Southern R. R. Co., including Carthage & Pinehurst R. R. Co	3,011,353	7,526,000	2,236,991
Wadley Southern Ry	65,948	204,000	82,755
Hawkinsville & Florida Southern Ry	148,000	459,000	166,187
Chicago, Rock Island & Pacific R. R. Co.	44,330,507	115,584,000	35,732,867
	55,636,933	148,503,000	44,296,341

The excess of cost of acquisition in these cases averages 79.6 per cent of the "present value," and is one hundred million less than Mr. Benton's estimated result.

In a total of 198 tentative valuations reported by the commission the following is shown:

Total "present value" of lands, $156,345,283.

Total excess cost of acquisition, $121,167,073.

"Excess cost," 77½ per cent of "present value."

I have called the attention of the House to these figures to show that the agitation for striking out the portion indicated for section 2 of the valuation act is not only based upon an erroneous conception of the law but upon an entire misconception of the results if carried out. In short, the present cost of condemnation and damages can be found; it has, in fact, been found in about 200 different cases; and, when found, the excess cost of acquisition is neither startling nor unfair.

It is shown beyond question in the evidence that the result of the passage of this bill will be to cause the valuation of railway lands to be made strictly on an acreage basis, based upon the valuation of contiguous lands.

This is the rule which the commission has followed rigidly in its valuations. An extreme case appears in the lands of the Kansas City Terminal Railway Co., located in Kansas City, Mo., and Kansas City, Kans., where its lands were acquired both by purchase and condemnation during the reconstruction period, so that their actual cost and their present cost of acquisition would be substantially the same. In 1910 the land was condemned at a cost of about $2,400,000, but the land appraiser of the commission determined the present value of those lands as about $1,400,000. There is no uncertainty about these figures, as one is a court record and the other is the commission's record.

That such a result as this is unfair seems to be conceded by the lawyers who represented, in the hearings, both the Interstate Commerce Commission and the Association of State Utilities Commissions. In the hearings on H. R. 13997, in the Sixty-sixth Congress, on this same bill, Mr. Farrell, the counsel for the Interstate Commerce Commission, said (p. 32):

The probabilities—of course, I can not speak authoritatively for the Interstate Commerce Commission, but I have never known of any attempt made by the commission to compel a carrier to accept as the value of its common carrier lands less than it in fact paid for them.

And in the same hearings, on page 38, Mr. Benton, the counsel for the State commissions, stated:

And the carriers know that they are not in danger of losing what they have actually paid, because, in substance, they have been told so from the bench of the Interstate Commerce Commission during these valuation proceedings.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. MERRITT. Yes.

Mr. NEWTON of Minnesota. The bill as amended would still require the commission to ascertain the original cost as well as the present value. They still have both elements—the original cost and the present value.

Mr. MERRITT. Yes; and why should they not have further the condemnation cost?

Mr. NEWTON of Minnesota. Because that is too speculative.

Mr. MERRITT. Judge Prouty says himself that he can give it fairly accurately.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. MERRITT. I will.

Mr. GRAHAM of Illinois. The gentleman does not contend that the million and a half, or whatever the less value is, would be the rate-making value, does he?

Mr. MERRITT. I think it is doubtful what it would be. I expect to refer to that later. It depends altogether on the legislation.

Mr. GRAHAM of Illinois. The commission would take a valuation that was fair.

Mr. MERRITT. They should also take the condemnation valuation.

Mr. DOWELL. Will the gentleman yield?

Mr. MERRITT. Yes.

Mr. DOWELL. Is it not true that they must take into consideration the present condemnation value, which is a fictitious value and not an actual value?

Mr. MERRITT. They must take it under consideration, but they need not rely on it.

Mr. DOWELL. The gentleman will concede that all they are entitled to is the actual value.

Mr. ANDREWS of Nebraska. Will the gentleman yield?

Mr. MERRITT. Certainly.

Mr. ANDREWS of Nebraska. The gentleman contends that the condemnation value should be taken into account in connection with lands now owned by the railroad.

Mr. MERRITT. Yes.

Mr. ANDREWS of Nebraska. Why so?

Mr. MERRITT. I have tried to show that.

Mr. BARKLEY. It might give additional value to land that would have to be condemned in order to get possession of it.

Mr. MERRITT. That is true.

Mr. BARKLEY. Although this land might be obtained by purchase.

Mr. MERRITT. That same thing would be true of actual value. If the land were given you would under the gentleman's suggestion get no return on it at all.

Mr. BARKLEY. Actual value of land is not speculative value. Not only is the cost of condemnation speculative but it is speculative as to whether it would be condemnation or not.

Mr. MERRITT. I do not agree with the gentleman.

This testimony shows that the present value in this case should be stated as the actual cost value, because the lands had been actually acquired at that cost, and it seemed a shocking injustice that where a carrier had in good faith expended two and a half million dollars it should only be allowed a return on one and a half million dollars. But the Kansas City Southern owns another belt line in exactly the same territory, being in many places adjacent and parallel; the right-of-way lands are of equal value, and the so-called present value would be substantially the same. Under the rule stated by the lawyers for the commission the terminal company land should be valued at its actual cost, which would be about two and a half millions, because it had been recently purchased, but the value of the Kansas City Southern Co.'s right of way, which had been purchased some years before, and the present value of which was unquestionably the same, should only be valued at a million and a half; that is, on precisely the same property, one company should be permitted to earn 6 per cent on two and a half millions, while the other could only earn 6 per cent on a million and a half.

This and other injustices arising out of the law as it is proposed to be amended by this bill show that the rigid practice of the commission in valuing a railway right of way on an acreage value is absolutely inequitable and unjust. And that it is absolutely illegal is shown by the decision of the court in the Monongahela case (148 U. S. 312). There an act of Congress provided for the condemnation of certain property of the navigation company, consisting of a lock and dam, and directed that its franchise to collect tolls should not be considered in estimating the value of the property; that is, the amount to be paid as compensation under the fifth amendment.

The lower court followed the statute and excluded the value of the franchise, but this was reversed by the Supreme Court, which held that the determination of the value of the property was a judicial question and not a legislative one, and hence that it was beyond the power of Congress to say that the value of the franchise should not be included. The court said:

> By this legislation Congress seems to have assumed the right to determine what shall be the measure of compensation. But this is a judicial and not a legislative question. The legislature may determine what private property is needed for public purposes—that is a question of political and legislative character—but when the taking has been ordered, then the question of compensation is judicial. It does not rest with the public taking the property, through Congress or the legislature, its representative, to say what compensation shall be paid, or even what shall be the rule of compensation. The Constitution has declared that just compensation shall be paid, and the ascertainment of that is a judicial inquiry.

It is argued by the proponents of this bill, and accepted in the majority report, that the bill will simplify and hasten the final report of the commission on the valuation of the railways.

Mr. WYANT. Mr. Chairman, will the gentleman yield?

Mr. MERRITT. Yes.

Mr. WYANT. Looking at this from a practical standpoint, to what extent has this work progressed? The commission was established some time subsequent to 1913.

Mr. MERRITT. All of the field work has been done, and substantially all of the expense has been incurred. The work has been done under this clause that it is now proposed to have stricken out.

Mr. WYANT. There would be but little additional cost in considering this element to which the gentleman refers?

Mr. MERRITT. It would be inconsiderable.

Mr. WYANT. Does not the gentleman believe it wise to complete this, so that finally if it should be considered an element of valuation the court would have it before it?

Mr. MERRITT. I do.

Mr. GENSMAN. Mr. Chairman, will the gentleman yield?

Mr. MERRITT. Yes.

Mr. GENSMAN. Speaking of the injustice that may have been done to the Kansas City Southern, has the gentleman any figures or does he know how much of the right of way was purchased by public subscription, such as was done on other lines in Oklahoma and Kansas?

Mr. MERRITT. I have not any such figures.

Mr. GENSMAN. Then, as a matter of fact, if a town through which the road ran presented the right of way to the railroad company, no great injustice has been done to them if as a matter of fact it did not cost them anything.

Mr. MERRITT. That is hard to distinguish. I submit that if the gentleman's constituents should present him with a corner lot and a house he would have just as much right to collect the rent upon that as if he had bought it.

Mr. GENSMAN. That is correct; but I am talking about the injustice of the matter which the gentleman from Connecticut says has been done to the railroad companies by undervaluing their property.

Mr. MERRITT. What I say is that with identical rights of way of identical value, from a business point of view, it is an injustice that one should be allowed to get a return on two and one-half million dollars and the other on the return of one and one-half million dollars.

Mr. GENSMAN. If one of the rights of way be given to the railroad company, if it did not cost the railroad anything, does the gentleman think as a matter of fact that the railroad would be getting very much the worst of it?

Mr. MERRITT. That is a matter of opinion.

Mr. NORTON. As a matter of fact, if there had been stock issued upon that and that stock got into the hands of bona fide holders, it would not make any difference how much it cost originally.

Mr. MERRITT. We believe, on the contrary, that it will not hasten the final report of the commission, and certainly will not hasten the final determination by the courts of the railway valuation, because it is almost certain that this final decision will have to be made by the courts owing to difference of view between different parties interested. It must be borne in mind that in view of existing law these railway valuations are of very great importance in many directions. They are to be used as a basis for rates at the present time and also as a basis for possible future consolidations or combinations. It is of great moment, therefore, that they be settled not only as promptly as possible but accurately. The Interstate Commerce Commission and the State commissions contend that under the Minnesota rate cases the court has decided—and that this decision has not been reversed by the Kansas City Southern case—that it is not proper to add the costs of acquisition to the present value of the lands, ascertained by the present cost of lands in the vicinity of the right of way. Accordingly, although the commission has found this cost, and in a manner which Director Prouty says is reasonably accurate, it has not in fact allowed this element of value to enter into its final valuations as reported.

If this bill becomes a law, apparently the first result will be that the Interstate Commerce Commission must recall their tentative valuations and eliminate therefrom the information which they have now obtained to carry out section 2 under the instruction of the court.

Mr. WHITE of Maine. That is the tentative valuation in the case of some 200 railroads.

Mr. MERRITT. Yes. But suppose that the contention of the railways turns out to be correct and that a proper interpretation of the Minnesota rate cases and the Kansas City Southern rate case is that the information called for by section 2 is a proper element to be considered in fixing a final value. Then we shall be in the position indicated in the Monongahela case—that we have tried by legislation to settle a judicial question, and then the Interstate Commerce Commission will have to do its work over again. Stated in a practical manner, the information which the commission has already obtained in accordance with section 2 can do no harm. Whatever expense is involved has already been incurred and the information has been obtained. The valuations have not as yet been affected, according to the testimony of the commission, but the information is there so that the court can pass on it. If the information is removed by this legislation, and the court does not have it for its information, then it is quite possible that the whole matter may be set back and this necessary valuation be delayed for an unknown period.

It appears, therefore, that both on account of justice and for practical results this bill is unwise and should not be passed. [Applause.]

Mr. NEWTON of Minnesota. Mr. Chairman, I yield six minutes to the gentleman from Michigan [Mr. MAPES].

Mr. DENISON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MAPES. I understood the chairman to rule awhile ago that after the gentleman from Minnesota had yielded the floor he could not parcel out the remaining time. Has the Chair changed his position?

The CHAIRMAN. The Chair has recognized the gentleman from Minnesota for the whole time. The gentleman from Michigan is recognized for six minutes.

Mr. MAPES. Mr. Chairman, the railroad valuation act requires the Interstate Commerce Commission in making and reporting the valuation of the railroads to state, among other things, "in detail and separately from improvements the

original cost" and the "present value" "of all lands, rights of way, and terminals owned or used for the purposes of a common carrier," "and separately the original and present cost of condemnation and damages or of purchase in excess of such original cost or present value." This bill proposes to strike out the language "and separately the original and present cost of condemnation and damages or of purchase in excess of such original cost or present value." If the bill becomes a law the Interstate Commerce Commission will still be required to find both the original cost and the present value "of all lands, rights of way, and terminals" used for railroad purposes.

What does the language which the bill proposes to strike out mean? After giving some study and consideration to the subject I am willing for my part to subscribe to the statement of the chief counsel of the Interstate Commerce Commission in the hearings on a similar bill in the last Congress, "that nobody can tell." He says further "that it is absolutely impossible to construe" the language "so that you can do anything more than guess at the probable meaning that Congress intended to convey when it used those words," and that as a "practical matter" no man can do anything "except to guess" when he undertakes to comply with that provision of the statute.

The chief counsel of the Interstate Commerce Commission is Mr. P. J. Farrell. He was for four years the Solicitor of the Bureau of Valuation before he became chief counsel of the commission. He has occupied this latter position about four years. During these eight years it has been his business to study the valuation act and to tell the Bureau of Valuation and the commission what it means. In order that you may get some notion of this provision, I want to quote further from his statement to the committee during the hearings on a similar bill in the last Congress. He said:

Is the commission to undertake to estimate what it would cost the railroads to acquire each piece of land used for common-carrier purposes in the United States through court proceedings, condemnation proceedings, or, if not, is it to assume that every piece of land that is now used for common-carrier purposes would have to be purchased, if it became necessary to reproduce the railroads, and in doing so acquire the land necessary for that purpose? Or is the commission to try to find out how much of this land was originally donated to the carriers; how much of it was given to them by the State legislatures and by the Congress of the United States, etc.? * * * But the carriers insist that in attempting to get these excess costs or estimate them the commission must assume that there would not be any land given to them if it became necessary to reproduce these railroads; that they would have to purchase all of it and that they would have to condemn some of it. Now, it is true that there were a few condemnation proceedings when the roads were originally constructed, but we can not find out how many, and we are absolutely at sea, and there is not a word in that last clause of paragraph entitled "Second" about donations. It simply asks the commission to estimate how much the railroads would have to pay in excess of the value—present value—if the lands were to be reacquired for railroad purposes. But it says "present cost of condemnation and damages or of purchase." Those words are all put right in together without any punctuation even. What does it mean? We do not know.

From the date of the passage of the act in 1913 up to the time of the decision of the Supreme Court of the United States in March, 1920, in what is known as the Kansas City Southern Railway case (252 U. S. 178), the Interstate Commerce Commission, acting in harmony with what it conceived to be the opinion of the Supreme Court in the Minnesota Rate cases (230 U. S. 352), took the position that—

it was impossible to ascertain or report as a separate item what it would cost the railroad company to acquire by condemnation or purchase its existing right of way and lands used for carrier purposes, and therefore that it could not comply with the command of the statute directing it to report excess of cost over present value.

The Supreme Court in the Kansas City Southern Railway case said that the Interstate Commerce Commission had misinterpreted the opinion of the court in the Minnesota Rate cases, and held that Congress in passing the valuation act and putting in this provision was acting within its constitutional power, and that it was the duty of the Interstate Commerce Commission to carry out the commands of Congress, although it did not tell the commission how it could comply with that particular provision of the statute.

The report of the Senate Committee on Interstate Commerce on this bill states that—

it is the opinion of the committee that it is not only an indefensible expenditure of public money to do the work required of the commission by that part of the statute which the bill seeks to eliminate but the result of the work when done will be valueless and mischievous.

That report further states that—

to ascertain what it would cost any given railroad company to acquire its present right of way or lands at the present time—

Is—

absolutely impossible.

And again:

No matter what path may be pursued in the effort to comply with the part of the statute sought to be eliminated, it leads into the field of pure conjecture.

In view of all this uncertainty as to the meaning of this language, how does the Interstate Commerce Commission proceed in actual practice in its endeavor to carry out this mandate of Congress, as the Supreme Court says it must do? This is what the commission itself says it does:

In meeting the requirements of paragraph "second" of section 19 (a) of the interstate commerce act to report the present cost of condemnation and of damages or of purchase in excess of present value, we attempt to show what the expense to a carrier will be of acquiring its common-carrier lands upon the date of valuation on the assumption that it did not possess those lands, but was obliged to obtain them through purchase or condemnation at the value of similar lands in the vicinity on that date.

Mr. Farrell, the chief counsel, states the procedure in this way:

Our people go on and zone the land as they call it. They will take along a railroad right of way considerable land where the adjoining and adjacent land is all similar in character, and they will place a value practically upon all the land in that stretch of right of way, which is measured by the value of that adjoining land of a similar character.

Now, if the adjoining land changes from good meadow land, we will say, or cultivatable field, to somewhat swampy land, they have to make another zone, and the effort is to include in zones only such portions of the railroad as are bounded by land of a similar character.

What use is made of these findings of the excess cost after they have been found? The Bureau of Valuation and the Interstate Commerce Commission take the position that the excess-cost element is not a proper element to be considered in arriving at the present or real value of the railroad property, and they have not considered it in fixing the tentative values so far. They find the excess cost because they are required to do so by the statute as interpreted by the Supreme Court, but make no practical use of it. It is not considered by the commission as an element which should be included in arriving at the present value.

In view of this position of the commission it seems to be an idle procedure and an unnecessary expenditure of time and money to require it to find something which after it is found is put to no practical use.

If Congress could be assured that the courts would sustain the Interstate Commerce Commission in the position which it has taken in regard to the matter perhaps no harm could come from the present law further than the additional expense incurred and the time consumed in finding this excess cost. The danger, however, is that the courts will require the commission, in fixing the final valuations of the railroads, to take this excess cost into consideration unless this bill passes and this language is stricken out. The railroad representatives frankly say that they expect to test the matter in the courts and to ask the courts to compel the commission to include or consider the excess cost item as an element in the final valuation of the railroads.

If this is done, the importance of the matter is at once apparent. Nobody knows just how much it would mean, and the estimates vary widely. I have been told that the valuation of the lands, rights of way, and terminals of the railroads used for carrier purposes on the excess-cost basis would be nearly double the present value of the same. I have also been told that the present value of the same—that is, the present value of the lands, rights of way, and terminals of the carriers used for carrier purposes—is about 25 per cent of the total valuation of the railroad property. The estimated total valuation of the property of the railroads now is $18,990,000,000. Twenty-five per cent of that is over four and one-half billion dollars. If these figures are anywhere near accurate, it can readily be seen what it might mean to have this amount or any part of it added to the present tentative valuation of the railroad property for rate making and other purposes.

The gentleman from Connecticut [Mr. MERRITT] says that by passing this bill we usurp the function of the court in that we attempt to tell the court what shall be considered in fixing the value. It seems to me that we usurp the function of the court more if we leave this provision of the law in the valuation act, because by so doing I am afraid that we say to the court in effect that it is our legislative judgment that this excess-cost feature should be considered as an element in fixing the value of the railroad property. It seems to me that we usurp the functions of the court if we leave it in, but if we take it out, then the court is at liberty to pass on what are proper elements to be considered without any congressional expression on that subject.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAPES. I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. NEWTON of Minnesota. Mr. Speaker, I yield 20 minutes to the gentleman from Illinois [Mr. GRAHAM].

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen, this bill is quite simple. The law contains this provision:

Second. Such investigation and report shall state in detail and separately from improvements the original cost of all lands, rights of way, and terminals owned or used for the purposes of a common carrier, and ascertained as of the time of dedication to public use, and the present value of the same, and separately the original and present cost of condemnation and damages or of purchase in excess of such original cost or present value.

In the Minnesota Rate cases (230 U. S., 352) the court very distinctly held that you could not do what the statute said ought to be done. I quote a part of the opinion of Justice Hughes in that case:

It is contended that the valuation was made upon a wrong theory; that it is a speculative estimate of cost of reproduction; that it is largely in excess of the market value of adjacent or similarly situated property; that it does not represent the present value in any true sense, but constitutes a conjecture as to the amount which the railway company would have to pay to acquire its right of way, yards, and terminals, or an assumption, itself inadmissible, that, while the railroad did not exist, all other conditions, with respect to the agricultural and industrial development of the State, and the location, population, and activities of towns, villages, and cities were as they now are.

* * * * * * *

It is manifest that an attempt to estimate what would be the actual cost of acquiring the right of way if the railroad were not there is to indulge in mere speculation. The railroad has long been established. To it have been linked the activities of agriculture, industry, and trade. Communities have long been dependent upon its service, and their growth and development have been conditioned upon the facilities it has provided. The uses of property in the communities which it serves are to a large degree determined by it. The values of property along its line largely depend upon its existence. It is an integral part of the communal life. The assumption of its nonexistence and at the same time that the values that rest upon it remain unchanged is impossible and can not be entertained. The conditions of ownership of the property and the amounts which would have to be paid in acquiring the right of way, supposing the railroad had to be removed, are wholly beyond reach of any process of rational determination. The cost of reproduction method is of service in ascertaining the present value of the plant when it is reasonably applied and when the cost of reproducing the property may be ascertained with a proper degree of certainty. But it does not jusify the acceptance of results which depend upon mere conjecture.

Does anybody in this House—any lawyer—know how to go about to prove what the present condemnation or cost value of a railroad right of way would be through a country? Imagine, if you can, gentlemen, what the condition would be if the road was not there, and then try to figure what it would cost to-day to put a railroad there. How are you going to find it out? You have to guess at it.

Mr. HOCH. Will the gentleman yield?

Mr. GRAHAM of Illinois. I will.

Mr. HOCH. Is it not true in following that line they imagine a railroad nonexistent and leave the other values just as they are?

Mr. GRAHAM of Illinois. Yes. Just take for example the country between here and Philadelphia or between here and New York and imagine there is no railroad there: Can you or anybody else make an estimate of what it would cost to put one through now? How can any lawyer or court establish any measure of damages by which that can be proven?

Mr. DENISON. It is being done very frequently and—if the gentleman will permit——

Mr. GRAHAM of Illinois. I do not care to yield to the gentleman at this time. I understand he is going to have considerable time later, in which he can make such comments as he desires. But it is not done; it can not be done. There is no way by which a man can contrive any rules of evidence by which you can do so.

Mr. CHINDBLOM. Is there any matter of large expense or a saving of a large expense?

Mr. GRAHAM of Illinois. This valuation is fixed by this last clause—

and separately the original and present cost of condemnation and damages or of purchase in excess of such original cost or present value.

This gives the condemnation or present cost of acquisition, and in practice it almost doubles the value of the railroad real property over the country. It increases it by about 100 per cent. I have several railroads in my mind in my State where the value was practically doubled by this method of arriving at what the cost to-day would be. Let me quote the figures of present values and values under this so-called present condemnation cost, as fixed by the Interstate Commerce Commission:

	Present value.	Excess cost of acquisition.
Elgin, Joliet & Eastern Ry. Co.	$1,965,335	$1,667,307
Chicago, Lake Shore & Eastern	1,421,560	1,170,525
Peoria Ry. Terminal Co.	94,078	102,480

And so, very properly, Justice Hughes has said, in the Minnesota Rate cases, that it is all conjecture and all guess, and such a value is not ascertainable in any court by any fixed rules the court knows anything about.

Mr. CHINDBLOM. My question went to the cost of ascertaining these items by the Interstate Commerce Commission.

Mr. GRAHAM of Illinois. It costs a great deal. It takes a lot of time to do so. The Interstate Commerce Commission has never been able to do it except in this way: They have tried to imagine a case, and then by imagining what it would cost in that particular case they make what they call a multiple. Then in all cases where these values are involved they use that multiple instead of trying to ascertain it exactly. Of course, the multiple is an arbitrary figure which they take from the one suppositious case they have in mind.

Mr. CHINDBLOM. What items of value are in the condemnation costs that are not in the atcual cost?

Mr. GRAHAM of Illinois. Many elements—possible court costs, attorney fees, and consequential damages. The value ascertained may be the fair value or it may be an exaggerated value. Any man who has tried condemnation cases knows that ordinarily the land costs much more than you can buy it for on the open market. And so you can not tell. Now, following that, the Interstate Commerce Commission concluded that, inasmuch as the court in the Minnesota Rate cases had stated such values could not be fixed with any degree of certainty, they did not need to follow the exact letter of the law, and they did not follow it until in the Kansas City Southern case the court held that they must follow the mandate of the statute in this respect.

While the court had said in the Minnesota Rate cases it could not be done, now the court decided that because the statute said it must be done that therefore the commission must try to do it.

Mr. BURROUGHS. And so the net result of it now is that after all of these decisions the commission is doing a perfectly vain and idle thing?

Mr. GRAHAM of Illinois. Yes; an absolutely useless thing.

My time is almost ended, and I must, therefore, conclude my remarks. However, let me call your attention to the fact that with the last clause stricken from this second section of the law the law will still require a statement and report of "the present value of the same," referring to real estate. If it is claimed that by omitting this language in question, directing an ascertainment of the present condemnation cost, we are taking from the law an element of value which the railroads are entitled to and which they can establish in court. Permit me to suggest that the remaining language of the act gives them the right to the present value of their property, and this will be fixed by the rules of law and will include every possible element of value.

Recent experience has proved the lack of wisdom of writing into railroad legislation some particular provision or direction or indication of congressional opinion for the guidance of the Interstate Commerce Commission. I need only refer to the very unwise provision in the present transportation act, fixing an arbitrary standard of earnings at 5½ or 6 per cent, a provision which has been slavishly followed by the Interstate Commerce Commission, which contends this is a mandate of Congress. Let us in the future avoid such mandates so far as possible, if we do not want them followed by the Interstate Commerce Commission and railroads.

This law will take from the railroad valuations a very considerable sum to which, in my judgment, the railroads are not entitled, and which will have a tendency to reduce the valuation upon which freight and passenger rates are figured, and therefore ought to have a tendency to help reduce such rates and fares. This is something greatly required.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GRAHAM of Illinois. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. JOHNSON of Mississippi. Mr. Chairman, no more important question has been presented to the House since this Congress convened than is involved in this bill. The bill provides that the Interstate Commerce Commission shall ascer-

tain the original costs of all lands, rights of way, and terminals owned or used for purposes of common carriers, and the present value of same.

The railroad companies are asking that in valuing the railroads' lands they shall not only be given credit for the original costs of lands and the present value of the lands and adjacent similar lands but they are asking that the commission add to that a speculative additional sum of what it might cost the railroads to acquire the same lands at this time by condemnation proceedings or otherwise.

Under the transportation act the Interstate Commerce Commission was required to establish such freight and passenger rates as would bring the carriers 6 per cent on their investment. In undertaking to carry out the provisions of the transportation act the Interstate Commerce Commission guessed at the value of the railroads and fixed the sum at $18,900,000,000. It is admitted that there was no evidence to justify the conclusion that the railroads were worth $18,900,000,000. No one who is fair will controvert the proposition that the railroad companies are entitled to earn a fair return on their unearned increment, the same as the holders of any other real estate, but certainly the railroad companies are not entitled to earn anything on what it would probably cost to acquire these lands to-day by condemnation or other proceedings. To even consider valuing the railroad lands and terminals at what it might cost through condemnation or other proceedings to acquire same land and terminals to-day would be preposterous.

Judge Prouty, for whom we all have a high regard, in his statement in discussing the value of the railroads, stated that the Interstate Commerce Commission, in fixing the valuation of the railroads, indulged in speculation; that there was no conclusive evidence before them on which to base the valuation of $18,900,000,000.

Mr. ANDREWS of Nebraska. Will the gentleman yield for a question?

Mr. JOHNSON of Mississippi. I will.

Mr. ANDREWS of Nebraska. What would be the total approximate valuation of the railroads by the adoption of this bill? You quoted the total valuation as $18,900,000,000.

Mr. JOHNSON of Mississippi. There is no way of telling exactly at this time. It will be for the Interstate Commerce Commission to work out. The valuation fixed by them, as I said before, is guesswork.

Since the commission placed the valuation of $18,900,000,000 on the railroads, its engineers have learned the cost of this property on the basis of war-time valuation. The work of valuation on 71 first-class roads has been completed. These roads have a book value of $1,520,000,000, but the commission's engineers report they could be rebuilt and equipped new for $877,000,000, or just a little more than one-half the amount the railroads claim to be the value. Estimating that the other roads have watered their stock in proportion to the 71 first-class roads just mentioned, then the total valuation of the railroads of the United States does not exceed $11,000,000,000. It will show $7,900,000,000 watered stock in the railroads, upon which the Government was paying, up to March 1 last, to the railroad companies 6 per cent dividend; and since March 1 last, complying with the provisions of section 15-A of the transportation act, the Government has fixed the "fair return" at 5¾ per cent on the valuation of the railroads.

It has been clearly demonstrated from evidence gathered from the stock market in Wall Street that every share of stock and every bond issued by every railroad in the United States could have been purchased at prices quoted on the New York Stock Exchange last January for $10,640,000,000; yet the people of the United States are taxed to pay to these railroads, according to these figures, 5¾ per cent on $8,260,000,000 of watered stock.

The transportation act requires that the railroad companies shall economically operate the railroads, yet it is officially shown that several of the big railroad companies have let their piecework and repair work to the Baldwin Locomotive Works and other large repair shops, for which they have paid to these companies in a number of cases four times the price, and in some cases six times the amount it would take to have repaired them in the shops of the railroad companies. The repair shops, as has been shown, are owned principally by the same people who own the stocks and bonds of the railroad companies. For instance, on the Boston & Albany the company which repaired a boiler charged for and collected for removing and applying 900 flues in a boiler which contained only 202 flues. All these charges were made and charged against the Government of the United States under the transportation act, which guaranteed to the railroad companies 6 per cent on their investment.

All this waste, extravagance, graft, and stealage was charged up to the Government as a legitimate expense on which the Government allowed the railroad companies 6 per cent.

On the Pennsylvania Railroad it was found that the officials voluntarily overpaid pieceworkers to the extent of $2,500,000. The piecework was done in shops owned principally by the same people who control the railroads. The Philadelphia & Reading Railroad overpaid for two weeks for their piecework $50,000. The Baltimore & Ohio Railroad has overpaid for its piecework. It is shown that the Pennsylvania Railroad Co. padded its pay roll in order to show increased cost of operation.

During one publicity campaign, in order to create a sentiment—at the expense of the taxpayer—in favor of the railroads, $8,000,000 was spent by the railroads for publicity and charged to operating expenses.

Last year, after the railroad companies had been charged with grafting, the Interstate Commerce Commission called upon the railroad companies for information covering car and locomotive contracts. The railroads admitted that a number of railroads had made extravagant contracts with private concerns for repairing locomotives and cars.

The average cost of making class 5 repairs at the Baldwin Locomotive Works was $15,079.95 per locomotive, while the average cost for the same class of repair work at the railroad shop was $3,668.43. The average cost of class 3 repair work at the Baldwin Locomotive Works was $19,272.60 per locomotive, while the average cost in the railroad companies' own shops was $4,009.13. The cost of class 4 repair work at the Baldwin Locomotive Works was $20,781.52 for each locomotive, while the cost at the railroad companies' own shops was $4,200.08. For class H-9 locomotives at Baldwin Works, the cost for repair was $24,620.93, while the cost in the railroad companies' shops was $5,250.21.

For repairing 200 locomotives the Pennsylvania Railroad Co. paid the Baldwin Locomotive Works $3,173,900. Of this sum, $2,500,000 was graft, according to Mr. M. C. List, special examiner of the Interstate Commerce Commission, who conducted the investigation into these raids upon the Treasury.

Now, the law required the railroad companies, in order to obtain the 6 per cent guaranty on their investment, to economically operate the railroads, yet, intending to cheat and defraud the Government of the United States, the railroads entered into a conspiracy with the Baldwin Locomotive Works and other repair shops to pay them four or five times the value of the work.

There are 263,707 miles of railroads in the United States. Ninety-two per cent of the mileage is in the class 1 railroads. Ninety-eight per cent of the capital invested in railroads is invested in the class 1 roads. All of this waste, fraud, and extravagance practiced on the taxpayers of the country by the railroad companies show the necessity not only for the passage of this bill we are now considering but it is convincing of the necessity for the repeal of section 15-A of the transportation act.

It must be remembered that during Federal control of the railroads the rates were increased so much that the people throughout the country complained grievously, but on account of it being war time they felt they should forbear to criticize the Government for the raise in rates; but when the railroads were returned to private ownership March 1, 1920, under the Cummins-Esch bill, commonly known as the transportation act, the railroad rates were raised 35 per cent throughout the United States, and in many places more than 40 per cent, in addition to the increase of rates during the war. This was done because under section 15-A of the transportation act the Interstate Commerce Commission was required to fix the rates at such a sum as would bring to the owners of the railroads a 6 per cent dividend on their investment. Passenger rates were raised 20 per cent, and on Pullman tickets a 50 per cent surcharge was made for the benefit of the railroad companies. To what other industry or business does the Government of the United States guarantee a dividend?

At the very time when railroad rates were raised throughout the country agricultural products depreciated in value as much as 75 and 80 per cent. It was admitted by Governor Allen, of Kansas, who testified before our committee—Interstate and Foreign Commerce—that if four carloads of cattle were shipped to market from his State, it took one carload to pay transportation charges. Witnesses from Oklahoma, Nebraska, South Dakota, and many other States testified that corn and hay and other agricultural products were rotting in the fields because transportation charges were so high it would not justify them shipping. Other witnesses testified to burning corn for fuel on account of the railroad rates being so high it was cheaper to

burn corn than to ship it to the market and then pay freight charges on coal. Witnesses from the State of Illinois testified to the disastrous effect high freight rates was having on the economic conditions throughout that State; and practically every other State in the Union showed the depressing effect it was having on business in the country. At that time a policy of deflation was inaugurated by the present administration as to everything else except railroads. A policy of inflation was adopted as to railroads.

There is no business in the United States that will pay so well at this time under the present transportation act as the railroad business. The Government of the United States is lending its strong arm to the railroads of the country to systematically rob the people.

The Republicans abused the last administration shamefully for what they charged was waste and extravagance, but it must be remembered that at the time the Democrats were in control of the railroads this country was engaged in the greatest war the world had ever seen, and there was neither time nor opportunity for preventing the graft and extravagance by the railroad owners like there is to-day.

March 4, 1919, the Republican Party had full control of the House and the Senate. That Congress passed the transportation act, and you Republicans have been in control of Congress ever since. With all the waste and extravagance, graft and stealing, fraud and rascality practiced by the railroads, and special privilege generally, no voice has been raised to any effect by you.

I have protested, as other Democrats have, against the Cummins-Esch bill for two years. I have urged the reduction of freight rates so that business in the country could return to a normal condition. Our committee has been holding hearings since February 23 of this year considering a bill for the repeal of section 15–A, the guaranty section of the transportation act. We have heard many witnesses who advocate the repeal of that law. We are still holding hearings and will continue to hold hearings until the Congress adjourns. While I would be happy to have an opportunity to vote for a repeal of section 15–A of the act, I know it will not be repealed, because the President of the United States has already stated that he did not want the transportation act amended during this Congress. All these hearings will amount to nothing more than to deceive the people, who are hoping and praying that this iniquitous law will be repealed, but it will not be repealed under Republican rule, because special privilege is entrenched as it never was before in the history of the country, and the people of the country have to bear the burden.

The railroads constitute one of the great arteries through which flow the lifeblood of our economic life. No intelligent man would wish to hamper the railroads so that they could not earn a fair return on their investment; but it is an outrage for the great body of people of the country to be ground down beneath the burden of taxation in order that a few purse-proud, bloated bondholders may continue to swell their exchequer.

In my State the farmers are beginning to diversify, and this year they have made large vegetable crops, for which they have had a very good market; but on account of the freight rates the farmers have been unable to obtain scarcely enough from their crop to pay the expense of production. A few days ago I read in my home paper, the Hattiesburg American, a dispatch from Jackson, Miss., that a carload of vegetables had been shipped to an eastern market, for which the shipper received $675, of which $495 was paid for freight, leaving the grower only $180, or 45 cents a hamper for the produce less than the cost of growing. It is a sample of the oppression that is being practiced by the railroads of the country at the expense of those who feed and clothe the world—the farmers.

The small reduction of 10 per cent ordered by the Interstate Commerce Commission will not satisfy the public. The Interstate Commerce Commission did not intend a few weeks ago to make any reduction, but the protests of the people were so great that something had to be done in order that the public condemnation of the Interstate Commerce Commission and the railroad companies would subside; but the people are not going to continue to stand this oppression. It must be changed; and unless you Republicans, who have 304 Members in the House of Representatives to the Democrats' 130, and who have control of the United States Senate and the Presidency, make a change in this transportation law the people of the country will make a change in the Congress and in the Presidency.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. NEWTON of Minnesota. I yield to the gentleman one minute more. The gentleman, I think, seems to be under the impression that the valuation of $18,900,000,000 is based upon the use of this multiple and a fictitious value. Now, it is my understanding that in ascertaining the value of $18,900,000,000 the commission did not use the multiple or fictitious value, and if the commission should be called upon in a final proceeding to use the multiple that we would be paying rates upon a value far in excess of the $18,900,000,000.

Mr. JOHNSON of Mississippi. The gentleman and I agree as to that.

Mr. MAPES. Will the gentleman from Minnesota yield to me one minute, so that I may answer the question of the gentleman from Nebraska [Mr. ANDREWS]?

Mr. NEWTON of Minnesota. I yield one minute to the gentleman.

Mr. MAPES. Mr. Chairman, I would like to answer the question of the gentleman from Nebraska. I have been told by a member of the Bureau of Valuation that the present value of the land, rights of way, and terminals of the railroads, as tentatively fixed by the Interstate Commerce Commission, represents about 25 per cent of the value of the total property of the railroads, and if this so-called excess cost is included it will increase that to about 50 per cent. Twenty-five per cent of $18,900,000,000 is over $4,500,000,000. If that amount is added to the present tentative value of the railroads for rate-making purposes and other purposes, anyone can figure out what it means.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DENISON. Mr. Chairman, I will use my time.

The CHAIRMAN. The gentleman from Illinois is recognized for 16 minutes.

Mr. DENISON. Mr. Chairman, I am not particularly interested in this bill one way or another. I do not think it will make very much difference, so far as results are concerned, whether it passes or whether it does not. I am opposed to it, not because of any effect it will have on the final valuation of the railroads, as I do not think it will have very much effect on that. The purpose of those who are urging this legislation is evidently based upon their belief that consideration by the commission of evidence touching the so-called present condemnation value of the railroads will have a tendency to enhance or increase their final conclusions as to the value of the railroads. And, naturally, it is thought to be popular to propose or favor legislation that might depreciate the final valuation fixed for the railroads of the country.

I do not think that it will have that effect. If it would have that effect, and if I thought the courts would finally hold that it ought properly to have that effect, I would be in favor of it, because, of course, I think the railroads ought to be allowed every element of value to which they are justly entitled under our existing law, and nothing more.

Mr. ELLIS. Mr. Chairman, will the gentleman yield?

Mr. DENISON. I will yield to the gentleman briefly.

Mr. ELLIS. The suggestion was made here by the gentleman from Iowa [Mr. SWEET], of the Committee on Interstate and Foreign Commerce, that if this bill passed it would reduce the valuation something like $3,000,000,000. I want to ask the gentleman if that reflects the sentiment of the gentleman's committee?

Mr. DENISON. It does not reflect my sentiments or any sentiment that I have heard expressed in the committee.

Mr. ELLIS. Has the committee devised any other means to take off another billion?

Mr. DENISON. Not that I know of. Of course, I do not care what political advantage anyone may get from the passage of this bill. If they can get any political capital out of it I am entirely willing. I am looking at the matter from the standpoint of a country lawyer, and I am opposed to the bill, because, in the first place, I think it is a futile thing, and in the next place I think it is a wholly useless thing for Congress now to attempt to limit by legislation the evidentiary facts that the commission may consider in reaching their conclusions as to the valuation of the railroads.

Let me make our position clear, if I can. In considering whether you shall pass this bill or not you are acting in the capacity of a court when it sits in the trial of a condemnation case, in which a railroad or other public-service corporation, for instance, would seek to condemn property; the Interstate Commerce Commission is the jury charged with the duty of determining the value of the property to be taken.

The court decides what evidence is admissible, what can be considered by the jury, what evidence or facts can be admitted in the consideration of the case. The court can not properly undertake to say what weight should be given to the evidence. By passing this law we are saying whether or not the com-

mission in ascertaining the value of railroads shall take into consideration certain evidentiary facts. And what are they? The principal evidentiary fact sought to be excluded from consideration is the present cost of reconstructing the railroads. The original valuation act, passed in March, 1913, provided among other things that the commission should ascertain and report in reaching its conclusions as to the value of railroad property, that it should ascertain what was the present, as compared with the original, cost of construction. Now, it is plain as day to me that if we pass this bill we are to that extent usurping the functions of the courts.

Mr. MAPES. Mr. Chairman, will the gentleman yield for a question?

Mr. DENISON. If my friend will make it very brief I will yield.

Mr. MAPES. If the courts are going to say that certain elements are to be taken into consideration in making up the value of the railroad property, what is the harm in eliminating this provision and giving the courts the privilege of doing that without considering what the congressional idea is?

Mr. DENISON. I will answer the question because it is a question that arose a moment ago. The harm is this: When the commission assembles the evidence on which it bases its final conclusions as to the value of the railroad's property it is far better that it should assemble too much evidence than that it should assemble not enough. It is better that it should have some facts that it does not necessarily need or consider than that it should lack some facts that it ought properly to have. If certain facts are proper for consideration in fixing the value of the railroad property under existing law, Congress can not constitutionally take such facts from the consideration of the commission.

Mr. MAPES. In view of the decision in the Kansas City case, when the court said the commission must follow the mandate of Congress, does not the gentleman think that the courts will be influenced somewhat by the fact that Congress leaves this provision in the law, and therefore it would be considered the opinion of Congress that it is a proper element in making up the value?

Mr. DENISON. No. I think the question of what evidence is admissible, what evidence is relevant or proper, and what evidence is necessary in determining the value of the property taken for public use, or in fixing the value of the property of the railroad for the various purposes named in the interstate commerce act, is a judicial question, and Congress can not enlarge it or limit it. Those are all questions for the courts and not for Congress.

Mr. BURROUGHS. Mr. Chairman, will the gentleman yield for a short question?

Mr. DENISON. Yes.

Mr. BURROUGHS. Right on that point, does not the gentleman understand that the Supreme Court of the United States has already held in the Minnesota Rate case that this particular piece of evidence is not worth anything?

Mr. DENISON. Not at all. The gentleman from New Hampshire wholly misunderstands the Minnesota Rate cases. The Interstate Commerce Commission also misunderstood the Minnesota Rate cases, and the United States Supreme Court in the Kansas City Southern case said that the commission had misconstrued the Minnesota Rate case. In the Minnesota Rate case the court was considering and commenting on a particular schedule of property values that was then before it, and was not discussing general principles, as I understand it.

Mr. BURROUGHS. Was not the Kansas City Southern case a mandamus case, and was not the whole question there that the commission should carry out the mandate of the statute?

Mr. DENISON. That is, of course, true. But the gentleman should understand that no court ever by mandamus compels anybody to do a futile or a useless or an impossible thing. If the Supreme Court had recognized the decision in the Minnesota Rate case as a conclusive and correct statement of the law, they would not have granted the mandamus in the Kansas City Southern case.

Mr. JOHNSON of Mississippi. They did not pass upon the reasonableness or unreasonableness of the case at all.

Mr. DENISON. Now, in the case of Smythe against Ames, One hundred and sixty-ninth United States Reports, the Supreme Court, through Mr. Justice Harlan, speaking for the court, considered what were the elements to be considered in determining the value of railroad property. I think Judge Harlan's views are worthy of consideration by the Congress. He was one of our greatest constitutional lawyers and judges. He had all these questions before him, and he laid down the rule and defined the evidentiary facts which should be taken into consideration in determining the value of railroad property. Now, let me tell you briefly what he said. I quote:

> We hold, however, that the basis of all calculations as to the reasonableness of rates to be charged by a corporation maintaining a highway under legislative sanction must be the fair value of the property being used by it for the conveyance of the public. And in order to ascertain that value, the original cost of construction, the amount expended in permanent improvements, the amount and market value of its bonds and stock, the present as compared with the original cost of construction, the probable earning capacity of the property under particular rates prescribed by statute, and the sum required to meet operating expenses, are all matters for consideration, and are to be given such weight as may be just and right in each case. We do not say that there may not be other matters to be regarded in estimating the value of the property. What the company is entitled to ask is a fair return upon the value of that which it employs for the public convenience. On the other hand, what the public is entitled to demand is that no more be exacted from it for the use of a public highway than the services rendered by it are reasonably worth.

Here is the important part:

> The present as compared with the original cost of construction.

Mr. Justice Harlan was there laying down the general rule as to evidentiary facts merely; namely, that the court or the commission, as the case may be, in fixing the value of railroad property for rate-making purposes, or for other purposes, under the interstate commerce act, must have before it, not as a conclusive fact, but as an evidentiary fact, the present as compared with the original cost of construction. Now, what is the present cost of construction? Clearly that means what it would cost at the present time to reproduce the railroad where it is in its present condition. That would necessarily include a determination of what it would cost at the present time to secure the right of way by purchase or by condemnation. It may be difficult to secure such evidence. It would necessarily be but an estimate in any event. But it is proper and necessary evidence, unless the decision in Smythe against Ames does not correctly state the law. And the fact that such evidence may be difficult to obtain does not make it improper or unnecessary. As I have said, if such evidence is improper or impossible to obtain, or unnecessary for consideration in the fixing of the value of railroad property, I do not think the Supreme Court would by mandamus compel the Interstate Commerce Commission to proceed with the assembling of such evidence as has been done in the Kansas City Southern case.

The original valuation act was passed in March, 1913. It just happened that it included all the necessary evidentiary facts in the legislative enactment and required the Interstate Commerce Commission, in proceeding to value the property of the railroads, to take into consideration the very things which the Supreme Court in Smythe against Ames said must be taken into consideration. I have no doubt the Supreme Court decision in that case was used in drafting the valuation act.

My friend the gentleman from Illinois [Mr. GRAHAM] said a thing which could not be done, that it was too speculative. I want to read to you what Judge Prouty had to say about that. He is the man who has charge of doing the work of the commission. I said a moment ago that I was opposed to this bill because I think it is a futile thing. As a matter of fact, the work has been practically completed and we are now passing a law to stop the Interstate Commerce Commission from doing a thing which it has already done. As I said, this legislation may be of some political benefit to somebody, but I am now talking about the real value of the legislation. Here is what Judge Prouty said last year after the decision in the Kansas City Southern case. Here is a man who knew more about this subject than any other man in the country, because he had charge of the work of valuation from the beginning of it in 1913. Here is what he said:

> At the same time, while I believe that the bill ought to pass, I should perhaps add that we are proceeding in a satisfactory way with this work, and that the result when completed, within the limitations proposed, will be accurate.

My friend, the gentleman from Illinois [Mr. GRAHAM], said that you can not do this at all; that you can not reach any definite or accurate conclusions. Mr. Prouty says that the results will be accurate. He further said:

> Immediately after the decision of the Supreme Court in the Kansas City Southern case I organized a force for the development of the facts required, and the work has been proceeding under the immediate direction of our supervisor of land appraisements. I have given special attention to it myself. In my estimate the work is about one-half done.

This statement was made on February 7, 1921, considerably over a year ago:

> We should complete it along with our other land work in from a year to a year and a half from the present time.

That is, a year or a year and a half from the 1st of February, 1921, Mr. Prouty said this work would be completed in accordance with the present law. The year and a half has

nearly gone, and yet gentlemen have stood here to-day and said that we ought to pass this law; that it is necessary because the work of valuation can not be completed unless we do pass it. Mr. Prouty further said:

I estimate that this work from now on will cost approximately $300,000. The doing of this work will not interfere with or delay the balance of our valuation work. The result, in the very nature of things, is an average estimate, but within the limitations fixed by those terms it will be accurate.

Now, how can anyone stand here and in order to help get this bill through say that the work can not be done, when the man charged with doing it says it is being done, and being done accurately?

As a matter of fact the expense involved in assembling the evidence and estimating the present cost of reconstructing the railroads has already practically all been incurred. I understand the field work is already completed. The result of this legislation will be that the Interstate Commerce Commission will not consider the evidence as to the present cost of reconstruction which it has already obtained, and it will expunge from the facts which it finds and reports all estimates as to the present cost of reconstruction or reobtaining the rights of way of the different railroads by condemnation or purchase. Of course, if such evidence is not necessary or proper evidence to be considered in fixing the value of the railroads' property, then no harm will be done. But if such evidence is proper or necessary, as the Supreme Court said in Smythe against Ames, then this legislation will result in almost interminable litigation and delays in the final determination of the value of the railroads' properties.

The relevancy of evidence as to the present cost of reconstruction results from this: When private property is condemned for railroad purposes the railroad has to pay two kinds of damages. First, the fair market value of the land actually taken. Second, such damages as the taking may cause to the land not taken. This latter damage is usually referred to as consequential damage. Very often it amounts to far more than the value of the land actually taken. The original cost of a railroad can not be properly determined without including the consequential damages to the property not taken which the railroad had to pay in order to obtain its right of way. If it is proper or necessary to consider at all the present cost of reconstructing a railroad company's property in fixing its value for rate making or other purposes, it would seem to me to be equally proper and necessary to consider the cost, both direct and consequential, which would be incurred in reconstructing or reobtaining such right of way.

Mr. MAPES. Will the gentleman yield?

Mr. DENISON. Yes; I will yield to my friend from Michigan.

Mr. MAPES. Does the gentleman know of any present member of the Bureau of Valuation who is not in favor of the passage of this bill, and who does not say that it is practically impossible to arrive at any proper scheme of valuation without it?

Mr. DENISON. I do not know whether any of the present members of the Valuation Bureau are in favor of it or against it. I have not talked with any of them. I do not know what any of them say about it, but I am giving you what Mr. Prouty, the chairman of the bureau, said nearly a year and a half ago.

Now, this is the reason why I do not think we ought to pass this bill. By passing this bill we are directing the Interstate Commerce Commission to disregard the present cost of construction so far as land is concerned. Suppose we do that and the commission follows the mandate of Congress and disregards the present cost of construction, so far as land is concerned, and makes its valuation of the property of the railroads, and the railroads object to the valuation because the commission has not taken into consideration an element which the Supreme Court of the United States through Mr. Justice Harlan said in Smythe against Ames is a proper or necessary element in ascertaining the value of the property. The result will be that the valuations will be set aside, just as verdicts in condemnation cases are set aside when the jury have not been allowed to take into consideration elements of value that are proper to be taken into consideration. Congress can not say what evidence shall or shall not be taken into consideration by a jury in a condemnation proceeding. That is a question of law for the courts. We may pass laws limiting the evidence which may be considered, but such laws will not amount to anything. The Supreme Court will set them aside as invalid if we do not include all the elements that are necessary or proper to be considered in a condemnation proceeding in order that the constitutional requirement that private property may not be taken without just compensation may be satisfied.

Mr. ANDREWS of Nebraska. Will the gentleman yield?

Mr. DENISON. I yield to the gentleman from Nebraska.

Mr. ANDREWS of Nebraska. If the law should say that a certain thing should be included and that a certain other thing should not be included, could the court disregard either of them?

Mr. DENISON. What law is the gentleman talking about?

Mr. ANDREWS of Nebraska. If the statute should say that a certain thing should be included and that certain items should be reckoned, as was said in the Kansas City case, could the court disregard them?

Mr. DENISON. I will try to explain my view upon that question. The Constitution says that no one shall be deprived of his property without due process of law, and that private property shall not be taken for public use without just compensation. In order to determine the just compensation you have to determine the value of the property taken. The question of the evidence that shall be considered in determining the value of the property taken is a judicial question. It is not a legislative question. I am sure my friend from Nebraska recognizes that to be the case. Congress could not pass any law that would deprive any railroad or anyone else of any proper evidence to be considered in fixing the value of his property. To do so would be tantamount to depriving him of his property without due process of law or without just compensation.

It seems to me that the Supreme Court in the Kansas City-Southern case (252 U. S. 178) conclusively settled the question involved in this proposed legislation, and that in view of that decision this bill ought not to be passed. The Interstate Commerce Commission accepted literally the views of the court as expressed in the Minnesota rate case and governed their action in accordance with the language of the court in that case. The commission in presenting its argument to the court in the Kansas City-Southern case took exactly the position that is being taken to-day by those who are advocating this legislation. In presenting their argument to the court in the Kansas City-Southern case, the Interstate Commerce Commission used this language:

We are unable to distinguish between what is suggested by the carrier in this record and nominally required by the act and what was condemned by the court (in the Minnesota rate case) as beyond the possibility of rational determination; nor is there any essential difference in the actual methods there employed and those now urged upon us. Before we can report figures as ascertained, we must have a reasonable foundation for our estimate, and when, as here, if the estimate can be made only upon inadmissible assumptions and upon impossible hypotheses, such as those pointed out by the Supreme Court in the opinion quoted, our duty to abstain from reporting as an ascertained fact that which is incapable of rational ascertainment is clear.

Because of the impossibility of making the self-contradictory assumption which the theory requires when applied to the carrier's lands, we are unable to report the reproduction cost of such lands or its equivalent, the present cost of acquisition and damages, or of purchase in excess of present value.

The Supreme Court took due notice of its former decision in the Minnesota Rate case as thus stated by the Interstate Commerce Commission, and after quoting from that statement of the commission the court said:

It is true that the commission held that its nonaction was caused by the fact that the command of the statute involved a consideration by it of matters "beyond the possibility of rational determination" and called for "inadmissible assumptions" and the indulging in "impossible hypotheses" as to subjects "incapable of rational ascertainment" and that such conclusions were the necessary consequence of the Minnesota Rate cases.

We are of the opinion, however, that, considering the face of the statute and the reasoning of the commission, it results that the conclusion of the commission was erroneous.

I can not believe that the court would by mandamus have compelled the Interstate Commerce Commission to proceed as required by the valuation act, to ascertain and report the present cost of constructing the railroads by condemnation or purchase, if it had recognized its own decision in the Minnesota Rate case as holding that such a task was beyond the possibility of rational determination or that it amounted to indulging in impossible hypothesis or that it was impossible of reasonably accurate ascertainment. Surely the court would not have compelled the commission to do a thing if, as is claimed, the same court had held that the thing could not be done.

Mr. NEWTON of Minnesota. Mr. Chairman, how much time remains?

The CHAIRMAN. The gentleman has nine minutes.

Mr. NEWTON of Minnesota. Mr. Chairman, I yield the remainder of my time to the gentleman from Kansas [Mr. HOCH].

Mr. HOCH. Mr. Chairman and gentlemen of the committee, in a matter which is so technical as this is it is impossible to do much in nine minutes. What is it the railroads are asking in opposing this bill? They are asking that in valuing the railroads' land they shall not only be given credit for the original

cost of the land and for the present value of the land as compared with the adjacent and similar land, but they are also asking that the commission shall add a speculative additional item of what it would probably cost the railroads to acquire these lands to-day by condemnation proceedings or otherwise. I can not believe that the gentleman from Illinois has read the Minnesota case carefully, for he seems to have failed to catch the way Justice Hughes characterized that proposition. The gentleman from Illinois said that this statute was not involved in the Minnesota Rate case. That is true. The Minnesota case was handed down soon after the valuation act was passed, but identically the same question of policy came up from Minnesota involving State regulations and was involved in the case. Here is what Judge Hughes said in that case:

The railroad has long been established; to it have been linked the activities of agriculture, industry, and trade. Communities have long been dependent upon its service, and their growth and development have been conditioned upon the facilities it has provided. The uses of property in the communities which it served are to a large degree determined by it. The values of property along its line largely depend upon its existence. It is an integral part of the communal life. The assumption of its nonexistence and at the same time that the values that rest upon it remain unchanged is impossible and can not be entertained.

Now, that is exactly what the railroads are asking. They are asking us to assume the railroad wiped out, and to leave all adjacent values just as they are, and then estimate what it would cost the railroads to buy into this high state of development to secure a right of way and to secure yards and terminals.

Mr. ANDREWS of Nebraska. Will the gentleman yield?

Mr. HOCH. I will.

Mr. ANDREWS of Nebraska. Why should there be any credit given to the road for the acquisition of property it already owns?

Mr. HOCH. I think there should not be, and that is all that this bill proposes to take out of the law. I can not agree with the gentleman from Illinois; I think it pernicious for it to remain in the law for it amounts to a declaration of legislative intent that the hypothetical cost of present reacquisition should be taken into consideration in fixing the value of railroad land. Let me give you an illustration in the minute or two I have remaining showing what this means in the figures. The gentleman from Oklahoma asked a moment ago with reference to the value of railroad land in Oklahoma. I happen to have the tentative value fixed by the Interstate Commerce Commission on the land of the Rock Island, Choctaw & Gulf Railroad in Oklahoma. The original cost of the land of that railroad in Oklahoma, according to the figures of the railroad itself, was $760,163. That is what the land cost them to acquire. The Interstate Commerce Commission gives them a present value upon the same land of $3,226,259—four times its original cost. Not content with the valuation of four times its original cost the railroad asks under the present valuation act to have the speculative cost of present acquisition figured. What does the Interstate Commerce Commission figure as to that? It figures that the cost of acquisition to-day, under the present high state of development, leaving all other values as they are, would be $6,130,261. That is what the railroads ask. They are asking you to put a value on the railroad land in Oklahoma of approximately eight times the original cost of those lands.

Mr. MERRITT. Will the gentleman yield?

Mr. HOCH. Yes.

Mr. MERRITT. The gentleman does not contend that even if the valuation committee gave the extra amount that the commission would find that as the value?

Mr. HOCH. I do not know what they would find as the final value, but I say it is mischievous to have Congress say that that is an element of value. That is what it amounts to, and it seems to me an unconscionable claim on the part of the railroads.

I have here a list of the first 100 railroads upon which tentative final values have been fixed by the Interstate Commerce Commission. It so happens that practically all of them are small railroads, with a total mileage of only about 10,000 miles out of 245,000 miles upon which final values are ultimately to be fixed. Upon those first 100 railroads the commission finds that the present value of the railroad lands is $42,240,816. We do not have all of the figures, but it is probable that the original cost of those lands was not over $15,000,000. In other words, the present value is found, giving them a value of approximately three times what they originally cost. But that is not all they are asking. They are asking for this speculative reacquisition cost. The commission estimates it would cost, in addition to the present value, $34,330,214. In other words, they figure that while the present value of the lands of those 100 railroads is $42,240,816—and that gives them the benefit of what other land has had in normal increase in value—the hypothetical cost of acquisition now, with other land values high as they are, would be $76,580,930. And that is the value that the railroads are asking to have put upon their land.

As another specific illustration, take the case of the valuation put upon the land of the Rock Island Railroad in my own State of Kansas. The Interstate Commerce Commission recently issued its tentative final values upon the Rock Island. It fixes the present value of the Rock Island lands in Kansas at $3,063,345. That figure gives to the Rock Island the benefit of the normal unearned increment—the increment enjoyed by other lands. But, following out the direction contained in the provision of the valuation act which we are here seeking to strike out, it figures the present cost of acquisition of the same lands at $6,071,257. Now, since the Rock Island has those lands, and does not have to acquire them under the present state of development of the country, what reason or fairness is there in giving consideration to a speculation as to what it might cost the Rock Island to acquire them to-day? Is not an allowance of the present value all, in any view of the matter, that they are entitled to?

Another thing which should not be overlooked is that while in this business of speculating as to the cost of present acquisition they do not speculate as to what proportion of the lands might be donated to the railroads. Indeed, I have it from the Interstate Commerce Commission that, following a ruling of former Director Prouty, they do not assume that any lands would be donated.

As to the final totals that might be added to railroad land values, if the contention of the railroads were agreed to in this matter of reacquisition cost, it is impossible now to estimate closely. But the figures to date indicate that it would probably be double the figures on present value. It would mean certainly an additional $1,000,000,000 to railroad land values, and some estimate it as high as four or five billions. Taking two billions as an estimate, that means that in order to earn a return upon that additional amount there would be added over $100,000,000 a year to the transportation costs, the freight and passenger burden of the country.

The CHAIRMAN. The time of the gentleman from Kansas has expired. The Clerk will read the Senate bill for amendment.

The Clerk again reported the Senate bill.

Mr. NEWTON of Minnesota. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose, and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 539, to further amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended, under a special rule authorizing its consideration, and had instructed him to report the same back to the House without amendment, with the recommendation that the bill do pass and that the bill H. R. 6043 do lie upon the table.

The SPEAKER. The rule under which the bill has been considered provides that the previous question shall be considered as ordered. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. MERRITT) there were—ayes 49, noes 18.

So the bill was passed.

On motion of Mr. NEWTON of Minnesota, a motion to reconsider the vote by which the bill was passed was laid on the table.

The SPEAKER. Without objection, House bill 6043 will lie upon the table.

There was no objection.

LEAVES OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. FUNK, until June 10, 1922, on account of important business.

To Mr. BLANTON, indefinitely.

To Mr. PARKS of Arkansas, at the request of Mr. WINGO, indefinitely, on account of important public business.

RECOMMITTING CERTAIN BILLS TO COMMITTEE ON CLAIMS.

Mr. EDMONDS. Mr. Speaker, I ask unanimous consent that the bills H. R. 8186, 9941, 9942, and 9432, which have been reported by the Committee on Claims and are now on the Calendar, be recommitted to the committee.

The SPEAKER. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, nobody knows anything about what these bills are.

Mr. EDMONDS. Mr. Speaker, the Treasury Department wishes to reconstruct these bills in another form. They are bills for the reimbursement of lost securities. In addition to that, we have some new testimony in regard to them which I would like very much to examine.

Mr. WINGO. Mr. Speaker, what is the nature of the bill?

Mr. EDMONDS. These are four bills for lost securities.

Mr. WINGO. And the Treasury Department has requested the gentleman to withdraw them and have them reconstructed?

Mr. EDMONDS. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS.

Mr. NEWTON of Minnesota. Mr. Speaker, I ask unanimous consent that Members who spoke upon the bill (S. 539) amending the act to regulate commerce have the privilege of revising and extending their remarks in the RECORD.

The SPEAKER. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, will the gentleman make that some definite time?

Mr. NEWTON of Minnesota. Yes; within five days.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that Members who spoke upon the bill amending the act to regulate commerce have five legislative days within which to extend and revise their remarks in the RECORD. Is there objection?

There was no objection.

Mr. BOX. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD upon immigration legislation during the Sixty-sixth and the Sixty-seventh Congresses.

The SPEAKER. Is there objection?

There was no objection.

The extension of remarks referred to are here printed in full as follows:

Mr. BOX. Mr. Speaker, the first efforts to control immigration were made by the States, but the laws passed by them were ineffective and were finally declared void, because Congress alone had power to legislate adequately on the subject. An almost fatal delay in meeting the perils of the immigration situation has already occurred.

The act of 1917, which, because of the force of public sentiment behind it and because of the overwhelming demand in Congress for restriction, was passed over the President's veto. It has been estimated that that act would keep out about one-fourth of those who were coming during the preceding years, but the flood was rising so high that the three-fourths who would continue to come would probably tax the carrying capacity of passenger shipping, and thus pour upon us a number as great as the ships could bring, notwithstanding the restrictions of the literacy test, the enactment of which was certainly a step in the right direction.

Immediately after the close of the war, while that act was in force, the tide began to rise higher and higher, and threatened to pass all former flood stages, but it was still difficult to enact an adequate law.

Finally the House organiaztion was forced, by public senti-ment, to respond to the continuous, insistent demand of those Members of Congress who saw and pointed out the peril to which our people were exposed by an overflow of vast alien populations upon us. An act was passed during the last days of the Sixty-sixth Congress, the first of which I was a Member, which would have kept out four-fifths of those who would have come. That act died for lack of the President's approval. Another was passed by the House early in 1921.

While that act was not what it should have been it was the best that could be obtained. I said of it on the floor of the House, at the time, that it was too weak. But many groups and special interests banded together under camouflaged names, such as "The Interracial Council," under other names, and no known name, to oppose that bill in the Senate after it had passed the House.

As one of the members of the House committee I had made the fight in the committee and in the House itself for its passage.

When the legislation was being delayed and opposed in the Senate I went before the Senate Committee on Immigration in favor of its passage and in opposition to its being weakened or broken down by exceptions which would flood the country with Mexican peons and other pauper laborers. A veteran newspaper correspondent, who saw the fight I was making before the Senate committee and the powers of the opposition, said that it was a fight for the welfare of the people as against special interests. The following are his words used at the time:

To a large degree the hearings were a case of the general interest versus special interests. For example, a Texas Congressman, JOHN C. BOX, stated that the masses of his constituents do not want Mexican peon labor to come in, and placed his objection on the same fundamental social grounds that constituted the objection to bringing in slaves before the Civil War.

Immediately after Congressman BOX's testimony the committee was inundated by telegrams and personal representations from the great Western Sugar Co., the Utah-Idaho Sugar Co., the Texas Land Owners' Association, and similar organizations. Against the compactness and alert energy of these special interests the lone and unorganized advocates of restriction had an air of futility. (Mark Sullivan, in New York Evening Post.)

The special interests, representing alien groups and greedy financial interests, made a clamor which the unthinking might have regarded as an expression of public opinion, but those of us who were in the thick of the fight knew that the present and future welfare of the country was at stake, and believed that the will of the people would effectually assert itself in support of our contention. The sequel showed that the fight was not futile.

While the bill was hanging in the Senate I again took up the question on the floor of the House for the purpose of exposing the unwholesome and sinister influences opposing the bill in the Senate, and among other things said in the House on Saturday, January 8, 1921, that the influences of the foreign-born and their kinspeople and the power of individual and corporate greed were opposing with ominous results the efforts of the people to protect themselves and their country against the peril of a threatened overflow of millions of aliens, such as have destroyed many nations throughout the history of mankind.

Finally, the fight being made and public sentiment for restriction prevailed, and the Senate passed the measure with some good amendments, proposed by men like Senator HARRISON, of Mississippi, and supported by Senators CULBERSON and SHEPPARD.

As stated, we had been getting from 750,000 to practically 1,300,000 immigrants from the Old World every year, many of whom were of the most degraded and wretched type.

During the last 10 years immediately preceding the World War 10,121,859 aliens came in as regular immigrants. In addition to these, great numbers came as nonimmigrants, as deserting foreign seamen, and by many other irregular methods, including vast numbers illegally smuggled in. The war had temporarily stopped them, but in 1919, the next year after the World War closed, the flood began to pour in again. About 400,000 came in the year ending with June, 1920, which increased to about 800,000 for the year ending with June, 1921.

It was known by all who were informed on the subject that 1,200,000 to 1,500,000 of these unhappy creatures would come during the next year, ending with June, 1922. But in May, 1921, I had the very great privilege of helping to write and fight through to passage the act which reduced the number coming during that year to but slightly more than one-fourth of what had come the preceding year and to less than one-fifth of what would have come that year but for that act. So that instead of having 1,200,000 to 1,500,000 unhappy and dangerous people poured from the Old World into America in that year, when there was much unemployment, much restlessness, and much genuine distress among our own people, the number was reduced to but slightly above 200,000, or less than one-fifth of those who would have come had the new law not stopped them.

But that act was to expire with June, 1922, when a new, big rush would start. Unless a better law could be enacted it must be amended and extended as long as possible. The fight was renewed and carried on persistently until an act was passed amending and extending it for two years more. That law will expire again during the life of the Congress to be elected this year. I urged upon the committee that a more logical and permanent law should have been written; but this was the best that could be obtained in the face of the complicated situation and the powerful and sinister opposition to the legislation. It must be still further amended and continued. The fight will be a long, hard one; in fact, this contest will go on as long as the overcrowded world wants to overflow on us. No one can foresee the result with certainty; but every fighting American who wants this country saved for ourselves and our children must be determined that this fight shall be won. A few more decades of pouring Asia, Europe, and Africa into the United States at the rate of 1,200,000 to 1,500,000 per year and our America will have ceased to exist. Indeed, there will be hundreds of motley, mongrel, anarchistic, jabbering millions here; but with such a people in the ascendency, the country will have ceased to be our America.

Just now there is a hidden, sinister plan to "dig under." It is hoped, by a system of mining and sapping, to divert the control of this important question, this question of life and death, from the Halls of the Congress elected by the people, and place it in the secret chambers of the treaty-making power, over which the will of the people has much less direct and effective control, and with the Shipping Board and steamship companies, whose only interest is to make money by bringing millions from the Old World to America.

It has been my privilege to point out the danger of this in a recent speech made by me in the House, which will be found in the CONGRESSIONAL RECORD of May 5, 1922, to which I refer.

If anyone wishes to know how deep is the alarm of the American people of America on account of this vast overflow of alien peoples on us, he should see the great number of letters written by Americans from every part of the country to members of the House Committee on Immigration and Naturalization. I use the phrase "American people of America" deliberately, because there are now many millions in America who are not American in name, or language, or character, or desire, or true allegiance. These include many of alien races naturalized or born here whose hearts, like the hearts of their fathers, still give paramount homage to the old countries and clans from which they sprang. If tempted to it, under circumstances permitting it, they would side with alien races and foreign lands. Of course, all such oppose the efforts of America to protect herself against the un-American, often anti-American, invading hordes which such aliens love better than they love America. These and greedy financial interests, with whom the dollar is above country and God, by scheming, propaganda, falsehood, and corruption, strive to prevent the enactment of laws or to break them down after they are enacted. But Americans see the peril and want the country protected.

To quote any considerable percentage of these letters, of which I have great numbers, would unduly burden the RECORD, but I insert below a few typical ones, including none of the many coming from my own district and State and only the slightest fraction of those coming from elsewhere:

ST. LOUIS, MO.

Congressman BOX,
State of Texas, Washington, D. C.

MY DEAR CONGRESSMAN: I had the great privilege of reading your speech in the House recently, published in the CONGRESSIONAL RECORD. I refer to your address on immigration. I have been studying this situation and condemning it for several years, and I want to extend to you my heartfelt appreciation of your viewpoint and sentiment with regard to this all-important subject. * * *

A. O. PIER.

—

POTTSVILLE, PA.

Congressman J. C. BOX: I congratulate Texas and the whole Nation on having such a splendid Congressman as they have in you. I refer to your recent immigration speech in the House.

A. D. BOYER.

—

WASHINGTON, PA.

Congressman BOX: Your recent speech on immigration, like all your other speeches, was capital. You're a real statesman and genuine American. * * *

J. W. WASSON.

—

HARVARD UNIVERSITY,
Cambridge, Mass., May 8, 1922.

DEAR JUDGE BOX: I have just read with the greatest satisfaction your admirable speech of May 5 with reference to the provisions of the marine subsidy bill, with reference to foreign inspection of aliens. * * * It is more satisfaction to me than you can realize to feel that you are so constantly on the alert watching for every opportunity to urge the need of restriction (of immigration). * * * I only wish there were more men in Congress like you.

ROBERT C. DE WARD.

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the Cape Cod Canal bill.

The SPEAKER. Is there objection?

There was no objection.

The extension of remarks referred to are here printed in full as follows:

Mr. HUDDLESTON—

"Unload it on Uncle Sam."

The Committee on Interstate and Foreign Commerce has favorably reported the bill H. R. 11674, which provides for the purchase by the United States of the Cape Cod Canal at a price of $11,500,000, with the view to its operation by the Government as a tolls-free canal. As a member of the committee it was my purpose to submit an adverse minority report. However, due to delay in printing the committee hearings, same did not become available in time for me to file the minority report along with the majority report. Hence I extend my remarks in the RECORD for the purpose of expressing my views upon said measure.

Some 20 years ago August Belmont and his associate financiers conceived the plan of constructing a canal across Cape Cod so as to connect Buzzards Bay with Cape Cod Bay, and thereby shorten the water route from New York to Boston some 65 miles and avoid the dangers of passage around the cape. The canal was opened for traffic in 1914.

The venture was a purely commercial one entered into for purposes of profits. However, the hopes of its promoters were not borne out. The canal was not a financial success. By 1917 it had become certain that the canal could never earn interest on the investment. To quote the statement of Hon. Newton D. Baker, made before the Committee on Interstate and Foreign Commerce in 1920, while he was Secretary of War:

> These gentlemen built this canal; they thought it was going to be a great commercial success; they found it was more expensive to build than they had anticipated. They found very great difficulty in tempting people to use it. * * * And so they came to the conclusion that there was not enough liveliness to their hope of large commercial success to justify their continuing to carry the burden, and so they came to Congress. * * * They have been seeking to get the Government to take this burden off their shoulders, and they have said, "We were patriotic in doing this; we were trying to build a great highway for the commerce of the Nation, and we find that the burden is so great that private enterprise ought not to be asked to sustain the losses that are involved in carrying it to a profitable status." And therefore they said, "Being a public work, Congress ought to take this off our shoulders."

THE FIRST STEP TOWARD UNLOADING.

Of course, the first step toward unloading the canal on the Government was for its owners to appeal to the commercial instincts of Boston and other New England interests. "If the Government acquires the canal, tolls will not be charged; this means a saving of 10 cents per ton on coal, and more upon other traffic—you will have water competition with the railroads." These were the arguments. Civic bodies were influenced to take action. Hired solicitors circulated petitions which the public were asked to sign. Even the help of labor bodies was invoked.

Hon. John W. Weeks, then a Senator from Massachusetts, introduced a bill—the opening wedge. He succeeded in getting the Senate to accept the substance of his bill as a rider upon the river and harbor appropriations act approved August 8, 1917. The House had never considered the matter. Its committee had not heard of it. However, the conferees agreed, with a slight amendment.

The rider was ingeniously worded. It authorized the Secretary of War, "subject to future ratification" by Congress, to make a contract for the purchase of the canal, or, if unable to agree upon the price, to conduct condemnation proceedings, "the acceptance of the award in said proceedings to be subject to future ratification and appropriation by Congress." The sum of $5,000 was appropriated to cover all expenses.

The war was on. There was a submarine scare. The Railroad Administration took over the canal under the Federal control act. Its use was greatly increased by governmental pressure. These circumstances aided the powerful interests pressing upon Secretary of War Baker. He was induced to offer $8,200,000 for the canal and subsequently to start condemnation proceedings. An award was made in the lower court, which was reversed on appeal, so that such proceedings remain in their initial status.

Then there came a change in administrations. Mr. Baker, who had refused to pay more than $8,200,000, went out and Mr. Weeks came in. As a Senator he had driven the opening wedge to unload the canal on the Government. He lost no time in agreeing with the canal owners to pay them $11,500,000 for the canal..

WEEKS HAD NO AUTHORITY.

Under the terms of the act of 1917 the authority of the Secretary of War spent itself when, being unable to agree with the canal owners, the matter was referred to the Attorney General for the institution of condemnation proceedings. The ball was then passed to the Attorney General; it yet remains in his hands.

Secretary of War Weeks in making his agreement with the canal company was in the legal sense an interloper and a volunteer—he had no official authority. But technicalities of this kind did not trouble him. Promptly he agreed to buy the canal.

A bill to confirm Secretary Weeks's contract was introduced by Mr. WINSLOW, also of Massachusetts. The rider which had constituted the entering wedge was upon a river and harbor appropriation bill. The subject was one which the Rivers and Harbors Committee might well have considered. However, the Speaker, also of Massachusetts, promptly referred this bill to the Committee on Interstate and Foreign Commerce, of which Mr. WINSLOW was chairman, a committee having among

its members a number of influential and respected Representatives also from New England.

Promptly again the committee laid aside its grave and important public business to consider the canal purchase which Mr. Weeks had agreed to. The Sweet and Hoch bills to amend the transportation act of 1920, the Newton coal bill, soldier relief measures, in fact, dozens of other matters of pressing public moment were laid aside—the Cape Cod Canal took the right of way.

Behold, first to press his measure upon the committee was Secretary of War Weeks. He even argued that our Government was honor bound to buy the canal; that equity and good conscience required that Congress should approve his action. On July 26, 1917—page 5498 of RECORD—Mr. Weeks had said in the Senate:

I wish frankly to say at this time that with the information that Congress has, if the appropriation had been required for the purchase of the canal without additional information I should not have pressed it, but the monetary importance in this matter is of so slight importance that it did not seem to me there was any objection on that score.

On the strength of that statement the Senate adopted his rider. Now he says that Congress is honor bound, that we are morally bound. Yet his original measure had carried the provision that all actions taken under it should be subject to the approval of Congress.

A "NEW PROJECT"—NO PRESSING NEED.

The purchase of Cape Cod Canal has the same status for congressional action as would have a measure for the construction of the canal at the beginning. Its status is the same for our practices as though a proposal for the construction of the canal was now being brought forward for the first time. In this sense it is a "new project."

On the other hand there is no emergency. Indeed, there is no necessity for early action. The canal is now in operation. To the extent of its capacity it may be used as fully as though it was Government owned. The only difference is that now in private ownership tolls must be paid. If the Government buys the canal it will, of course, be toll free. The item of tolls is all that any interest can at present find upon which to base any pressure for purchase by the Government. In so far as there is any pressure for the passage of this bill not created in the interest of the canal owners, it is based upon the desire of certain users of the canal to be relieved of paying tolls for such use.

Upon what theory it may be urged that the Government owes the duty to the citizen to furnish him at public expense a free artificial waterway for his convenience, I confess that I am unable to see.

LARGE FUTURE EXPENDITURES.

But while the canal is already constructed and under operation it is certain that once the commercial and shipping interests succeeded in getting the Government to buy the canal they will begin to press for its enlargement. Indeed, already a principal reason given why the Government should buy the canal is that it should be enlarged to a 35-foot depth by 200 feet width and that such enlargement will not be done by private enterprise and, indeed, will not be profitable from a commercial standpoint.

Let not Congress assume that by passing this bill its advocates will be satisfied. They will use that success mainly as a basis for pressure that further construction work at a cost of many millions of dollars shall be entered upon. It is difficult to fix the mark to which expenditures will go if we buy the canal. On this point I do not believe that I can do better than to quote what the able and respected Representative, Hon. JOSEPH WALSH, also from Massachusetts, said in the House while the subject was under discussion on August 3, 1917. Referring to the Cape Cod rider, Mr. WALSH, in whose congressional district the Cape Cod Canal lies, said—page 5731 of RECORD:

Mr. WALSH. I have voted against the bill and expect to vote to recommit it, and also expect to vote against the conference report.

Mr. SMALL. And this particular item?

Mr. WALSH. And am opposed to this item because it will involve an expenditure of over $50,000,000 before this Government gets any benefit from it.

And mark you how the applause of the House followed upon that frank statement.

AGREED PRICE TOO HIGH.

It is not my desire to discuss at length the price Mr. Weeks proposes to pay for the canal. Mr. Baker, after careful investigation, refused to offer more than $8,200,000 for it. He had gone into the matter exhaustively. See his report to Congress, page 213 of hearings; also see report of General Black, page 214 of hearings.

The Government had employed a firm of accountants, Price, Waterhouse & Co., who examined the canal company's books and accounts exhaustively. The direct cost of actual construction of the canal was found to be $6,243,171.01; interest and taxes during construction, $748,112.40; total, $8,265,743.04, substantially the same as the amount which Mr. Baker had offered to pay. The canal company claimed that in addition to above items of direct cost they had expended $4,787,410.67 in capital stock for rights, franchises, and services of promoters, and so forth, making a total alleged cost of $13,053,153.71, counting the stock and bonds at par.

Mr. Baker's offer of $8,200,000 for the canal was based upon the Report of the Board of Engineers for Rivers and Harbors. See page 218 of hearings. I quote from section 16 of said report, as found on page 221 of hearings:

While the board has concluded that $10,000,000 would be a fair price for the canal, based upon the reported expenditures, it is not convinced that an investment of this amount is justified on the part of the United States in order to make this a free waterway. The information submitted indicates that the claimed advantages of this route over the outside one around Cape Cod have diverted from the latter only about one-fifth of its tonnage. * * * At 4 per cent, the interest on $10,000,000 would amount to $400,000 a year, and, allowing $200,000 a year for the cost of maintenance and operation, the total annual charges on this basis would amount to $600,000.

The saving to be effected by the canal is estimated by various parties interested at from 5 to 10 cents a ton. Assuming a saving of 8 cents a ton, a commerce of 7,500,000 tons a year would be required in order to make a saving equal to this estimated annual cost to the public of acquiring and operating the present canal without enlargement or further protection. This is more than one-half the total annual cargo movement between New England and points south, as estimated by Colonel Shunk in paragraph 4 of his report on May 13, 1918. (See p. 77.) Assuming that the saving should be at least double the cost to the public in order to warrant the charge upon public funds, the admissible public charge for this tonnage, which is far in excess of the traffic to be expected in the near future, should not exceed $300,000. Subtracting $200,000 for annual cost of maintenance leaves $100,000 for interest charges, which at 4 per cent corresponds to a capital investment of $2,500,000. This amount, therefore, is apparently an upper limit of any justifiable expenditure by the United States to acquire public ownership for commercial purposes.

I ask close study of the report of the Board of Engineers for Rivers and Harbors from which I have quoted this extract. It shows why the owners of the canal want to sell. It shows that the canal can never be a success as a commercial proposition. It shows that no private interest can afford to own the canal.

Now, manifestly, if the canal is worth only $2,500,000 to a private interest, it is worth no more to the Government. It can not possibly be worth more to the Government than the benefit which the general public—users of the canal—can derive from its toll-free operation. The fact that the Government is to bear the cost of owning and operating the canal is unimportant. The Government can not afford to own and operate unless its citizens—the public—derive a benefit equal to its cost of owning and operating. Such benefit, of course, may not be wholly reflected in terms of tolls-earning capacity. Subject to this thought, it is clear that any price which the Government may pay for the canal above what it could be made to earn interest upon if privately operated is excessive.

CANAL HAS SMALL VALUE FOR NATIONAL DEFENSE.

These people who are trying to sell the canal to the Government lay stress upon its value for purposes in connection with military and naval strategy. On this point I quote from letter from the General Board of the Navy dated August 19, 1916, found in section 17 of the report of Board of Engineers for Rivers and Harbors, page 222 of hearings:

The expense of rendering the Cape Cod Canal available to all types of naval vessels not only requires a considerable expenditure for enlarging it but also additional continuing expense for the maintenance of such increased size, and an even greater expenditure for the defenses that should be given an important military waterway at a salient of our coast. Such large additional expenditures are not warranted by the apparent increased military advantages of having the canal available for the passage of ships requiring a depth of over 25 feet at mean low water.

The board has no doubt of the advantages of a sufficient depth and width to permit the passage of battleships. It adheres, however, to its previous expressions to the effect that military necessity is not sufficiently great to warrant the department in urging the expenditure of public funds to that end.

The Board of Engineers for Rivers and Harbors upon this point report as follows, page 222 of hearings:

The Board of Engineers for Rivers and Harbors has no data upon which it can assign a definite value to the canal for these naval uses. As the canal is a going concern and now available for military and naval uses upon payment of reasonable tolls, there is no urgency for acquisition of the canal for these purposes, unless it is deemed essential to enlarge it to accommodate capital ships of the Navy, which is apparently not the case. The value of public ownership for any uses that can be made of the present canal would obviously be due to the saving of tolls on Government vessels.

Bear in mind that the reports from which I have quoted were made during the war period, at a time when almost anything was being done which it was claimed would promote the national defense.

AN ADMINISTRATION MEASURE.

This is an administration measure. Mr. Secretary Weeks has seen to that. As Secretary of War he pressed it upon the committee. He brought with him, for their influence, Secretary Hoover and Secretary Denby. They want his contract ratified by Congress.

The present administration came in upon the slogan, "Get the Government out of business," and, safe in, is giving the people a startling interpretation of its meaning. Get the Government out of business when it is profitable—get the Government into the business of lending money to railroads and subsidizing shipowners when it is unprofitable. Get the Government out of business where in competition with profiteers and dollar grabbers—get the Government into business when no profit is probable. Get the Government out of the railroad business which would furnish transportation at a reasonable cost—get it into the business of furnishing a toll-free canal.

The gentlemen advocating this bill have a spasm whenever Government ownership of railroads is mentioned, yet they want a Government owned and free canal. It makes all the difference in the world to their principles whether the vehicle of commerce moves on rails as a freight car or upon water as a barge. They would have the Government provide a free canal, "but none but a Bolshevist would think of the Government owning a railroad," even though a charge was made for its use. So long as there are profits to be made these gentlemen are for unrestrained individualism; they view all Government ownership with abhorrence. But when the enterprise promises no reward, like the Cape Cod Canal, then it is "Unload it on Uncle Sam."

Mr. FESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon Federal legislation in respect to education.

The SPEAKER. Is there objection?

There was no objection.

Mr. FESS. Mr. Speaker, at the close of the World War I addressed the House on "A Crisis in American Education." I had made a survey of the situation by addressing governors of States and State superintendents of public instruction and others on the loss to the schools of efficient teachers.

The replies were discouraging on the existent situation for the most part and not reassuring to any degree for the immediate future.

The low range of salary as compared with salaries in other fields was the cause given for the loss to the school service of much of its best talent. This feature discounted school work as a profession to the young man or woman. Patronage of training schools fell off at an alarming rate, while in professional schools it was quite to the contrary. The standard of teaching was inevitably lowered when, from every standpoint, it should have been elevated to meet the increased complications of the future.

This feature of education demanded attention by both State and Nation. It was the basis for the demand for Federal aid. The draft records, when the Army was built, disclosed some of the most astounding facts in our educational situation. They revealed an amazing adult illiteracy in which a large per cent of our young men of draft age, capable otherwise for service, were so illiterate they could not read the orders. This was especially true in specific sections of the country. They either had to be rejected or at once placed in squads for elementary training in the merest rudiments.

This led to a demand for Federal aid to remove adult illiteracy for a defensive, if no other reason. It has been the policy of the country that it could not afford to allow its citizens to grow up in ignorance, hence the existence of compulsory education in most of the States in the Union.

The draft records disclosed another most startling fact, viz, 35 per cent of those examined were found physically defective for military service, and medical authority stated to a committee of Congress that 80 per cent of these physically incapacitated could have been relieved of the defect if taken in charge at school age for treatment.

This led to a demand for better physical education in the public schools. This demand took on a national interest and Federal aid was sought to help care for the problem. The war also brought out and emphasized the problem of Americanization of the foreigner.

There was discovered a very respectable number of foreign people who had come to take advantage of the benefits of our country. Many had become naturalized citizens, others had taken out their first papers but had not completed their naturalization, while a vast number had taken no steps to become a part of the Nation but were here simply to profit from the country's advantages.

It was noted that some naturalized were unwilling to serve the Nation at war. Many who had not completed their steps for citizenship pleaded that fact as a defense from conscription. Many aliens did not only refuse to serve the Nation but were violent to the point where the Government had to take steps to deport them. While it was estimated that 60,000 such were apprehended, only about 500 were actually deported.

The alien can be handled by legislation, through deportation, if he refuses to abide by the laws of the country. Those who so act can be Americanized through our school facilities. But there are in our midst many, not foreigners or aliens, but Americans, who must be dealt with not so much by law as by education. The Americanization of the un-American American is our most difficult problem. The remedy here is education, and while it is conceded that education in the main is a State matter, this feature of Americanization is certainly a Federal function. This phase of the subject is the basis of the demand for Federal aid in the work of Americanization.

In the United States, unlike other countries, we have no national system of education. Popular education is now and has always been primarily a State matter. So we have State systems, as many as we have States, but no national system.

But with the growth of the Government and new emphasis constantly placed on intelligence as the basis of popular government, there has been a gradual recognition of education as a Federal as well as a State function. This principle was recognized when the land-grant college was established, and in the several amendments enlarging the range of the law. It was again recognized in the agricultural extension act, known as the Lever Act. It was again recognized by the wide extension of the Agricultural Department in Washington, which in its research work is largely educational. It was again recognized in the Smith-Hughes vocational educational legislation in 1917. It was again recognized by the soldier rehabilitation act, and again by the industrial cripple act.

There is no question about the constitutionality of the legislation for Federal aid, nor whether we have adopted it as a policy. These are established by what has already been done. Federal activity in education has been growing steadily in spite of the limitation of the Federal Bureau of Education. This has reached a point where a demand is justified for a better rank of Federal education. That demand has taken the shape of a Department of Education with Cabinet rank.

In the light of the needs as disclosed by the war, bills were introduced covering all the items of (1) Department of Education, (2) Americanization, (3) physical education, (4) removal of adult illiteracy, (5) training of teachers, and (6) increased salaries for teachers. While most of these subjects are covered by separate bills now pending in Congress, one bill, embracing all of the items, is also before Congress—the Sterling-Towner bill, formerly the Smith-Towner bill.

The Education Committee of the House in the Sixty-sixth Congress conducted hearings on the Smith-Towner bill and also on the separate bills. The committee considered and reported favorably the Smith-Towner measure, but it failed to reach consideration of the House before adjournment.

In the present Congress, all these measures were again introduced. Also another bill was introduced providing the establishment of a public welfare department, recommended by the President. At the beginning of the extra session of the present Congress a reorganization committee was authorized to report a plan for a complete reorganization of all the executive departments.

Since there were two proposals for the creation of additional executive departments before the Committee on Education, one department of education and the other department of public welfare, it was thought best not to consider further either until a report of the Reorganization Committee, which had the entire field to cover, was made.

This reorganization plan is now before the President and has been the subject of some Cabinet meetings. It is expected to be laid before Congress in the near future, either as a complete or partial report.

The friends of education are to be congratulated upon that portion of the report relating to education. It recommends a new department of education and public welfare. This is the original suggestion I made to the President after failing to secure his indorsement of the department of education. He had committed himself to a new department of public welfare, to which he was devoted in the fulfillment of a pledge he had made during the preelection campaign. I introduced the bill in the House, and Senator Kenyon in the Senate. Hearings were conducted, but consideration was deferred awaiting the report of the Reorganization Committee. For the same reason consideration of the Sterling-Towner bill was deferred.

The prospects for legislation for a department giving education its proper place are very good.

When this stage is reached and passed, then the way opens for advanced legislation on the various subjects of physical education, Americanization, adult illiteracy, and home economics. These proposed measures, although existing as separate bills, were also included in the department bill. No one of them would be taken up before the larger bill, and it could not be taken up awaiting the reorganization plan. While I have hoped that the reorganization plan will in due time be before Congress and will meet the approval of the best judgment of the teachers, in case it is not forthcoming within a reasonable time I shall feel obligated, as chairman of the Committee on Education, to take up for consideration the measures now before the committee, including the Sterling-Towner bill.

The committee, having favorably reported this measure in the last Congress, will doubtless give it favorable consideration now. I am hopeful that the reorganization plan will be ready for consideration soon. It will give us a plan upon which we can unite the two pledges to the public and serve best the Nation's highest interests.

Notwithstanding the delay in legislation granting Federal aid to education, there has been a very marked improvement in the educational situation since the war. Boards of education have as a general principle met the fatal error of lack of compensation. This has been done by State authority, which has been the most important item in the State's increased taxation. In some States, such as Ohio and Pennsylvania, this item has been pronounced. School facilities as a rule are readily supplied to meet the rapid growth of school interests.

Recently a school authority published figures upon the growth of school attendance since 1870. They were given in percentage of enrollment to age population. It increased in sixth grade from 69 per cent in 1870 to 92 per cent in 1918; in the seventh grade from 60 per cent in 1870 to 78 per cent in 1918; and in the eighth grade from 44.5 per cent in 1870 to 72 per cent in 1918.

The growth of attendance in high school first year showed an increase from 5 per cent in 1870 to 35 per cent in 1918; in the second year, from 3 per cent to 24 per cent; third year, from 8 per cent to 17 per cent; last year, from 1 per cent to 13.7 per cent. This ratio will show increase since that year. It shows very well when compared with foreign countries, as the highest rate of attendance in Europe, according to this same authority, is in Scotland, which was 8.1 per cent for the period of our high school, which here in 1914 was 16.2 per cent.

The most encouraging feature of the entire educational situation is the substantial recognition of education as a profession. The immediate prospects are much better and are now promising to hold out to the able young men and women a better field for their talents, in which reasonable remuneration as well as proper recognition are to be assured. This is a good omen for America.

There is another educational interest which has greatly appealed to me for years, viz, the establishment here in Washington of a great research institution, a national university. There is no place where can be found such an abundance of research material in the way of library and laboratory facilities as in the Capital. If an organization for the utilization of these materials by specially adapted and qualified research investigators were effected, in time this Capital would become the greatest center for research training, as it is already the greatest center of scholarship in the country, if not in the world. This city of Washington would soon become the Mecca of all the world for special students striving to add to the sum of knowledge. There is no limit to be placed on the possibilities of discovery and invention of a proper use of these facilities by the brightest minds of the country. I hope Congress will in time embrace the opportunities lying before the Nation along this line of achievement.

WAR FINANCE CORPORATION ACT.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from Kansas submits a privileged report which the Clerk will report.

The Clerk read as follows:

House Resolution 353, Report 1062.

Resolved, That upon the adoption of this resolution it shall be in order to consider the bill S. 2775, being an act to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921.

Mr. CAMPBELL of Kansas. Mr. Speaker, the rule states the title of the bill, which is to extend the activities of the War Finance Corporation for another year. Does the gentleman from Tennessee desire some time?

Mr. GARRETT of Tennessee. Is it a Union Calendar bill?

Mr. CAMPBELL of Kansas. It is a Union Calendar bill. If the gentleman from Tennessee desires no time, I ask for a vote on the resolution.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken and the resolution was agreed to.

Mr. McFADDEN. Mr. Speaker——

Mr. WALSH. Mr. Speaker, I make the point of order that there is no quorum present. If we are not going to do anything under this rule which has been adopted——

Mr. MONDELL. I wish the gentleman would withhold that. I think we ought to begin the consideration of the bill.

Mr. WALSH. If that is the intention, I withdraw the point.

Mr. McFADDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2775) and, Mr. Speaker, pending that, I ask if we can not come to some arrangement as to time for general debate?

Mr. WINGO. What time does the gentleman suggest?

Mr. McFADDEN. I will say that I have calls for quite considerable time. I realize the importance of early and favorable action on this bill, and I suggest an hour on a side. Can the gentleman get along with that?

Mr. WINGO. Does the gentleman figure on sitting here and concluding to-night or putting it over?

Mr. McFADDEN. I think we can get started to-night, as I understand the House will be in session to-morrow, and we can finish it to-morrow morning.

Mr. WINGO. What is the gentleman's request?

Mr. McFADDEN. The request is that the debate be limited to two hours.

Mr. WINGO. How controlled?

Mr. McFADDEN. One-half to be controlled by the gentleman on this side and one-half on that side.

Mr. WINGO. One hour is to be controlled by the gentleman from Pennsylvania and one hour by myself.

Mr. McFADDEN. Yes.

Mr. WINGO. That is satisfactory.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that the time for general debate be limited to two hours, one hour to be controlled by himself and one hour by the gentleman from Arkansas [Mr. WINGO]. Is there objection?

Mr. WALSH. Mr. Speaker, I object.

The SPEAKER. The question is on the motion to go into the Committee of the Whole House on the state of the Union.

The question was taken and the motion was agreed to; accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2275), with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2275), which the Clerk will report.

The Clerk read as follows:

An act (S. 2775) to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921.

Be it enacted, etc., That the first sentence of section 23 of the War Finance Corporation act, approved April 5, 1918, as amended, is amended to read as follows:

"SEC. 23. That notwithstanding the limitation of section 1, the advances provided for by section 21 and section 22 of this act may be made until July 1, 1923."

SEC. 2. That the last sentence of section 24 of such act as amended, is amended to read as follows:

"Advances or purchases may be made under this section at any time prior to July 1, 1923."

The committee amendment was read as follows:

Strike out all after the enacting clause and insert: "That the time during which the War Finance Corporation may make advances and purchase notes, drafts, bills of exchange, or other securities under the terms of sections 21, 22, 23, and 24 of the War Finance Corporation act, as amended, is hereby extended up to and including May 31, 1923: *Provided*, That if any application for an advance or for the purchase by the War Finance Corporation of notes, drafts, bills of exchange, or other securities is received at the office of the corporation in the District of Columbia on or before May 31, 1923, such application may be acted upon and approved, and the advance may be made or the notes, drafts, bills of exchange, or other securities purchased at any time prior to June 30, 1923.

SEC. 2. That the second paragraph of section 12 of title 1 of the War Finance Corporation act, as amended, be further amended to read as follows:

"The power of the corporation to issue notes or bonds may be exercised at any time prior to January 31, 1926, but no such notes or bonds shall mature later than June 30, 1926."

SEC. 3. That paragraph 3 of section 15 of title 1 of the War Finance Corporation act, as amended, be amended by striking out at the beginning of said paragraph the words "beginning July 1, 1922," and inserting in lieu thereof the words "beginning July 1, 1923."

That paragrapn 4 of said section 15 be amended by striking out at the beginning of said paragraph the words "After July 1, 1922," and inserting in lieu thereof the words "After July 1, 1923."

Mr. McFADDEN. Mr. Chairman, the committee gave very careful consideration to the proposition of continuing the operations of the War Finance Corporation. We heard the Secretary of the Treasury, the managing director of the War Finance Corporation, and held quite extensive hearings, and the committee by practically a unanimous vote agreed to extend the operations of the War Finance Corporation for another year. In doing so we realized the important part which the operations of this institution have played in the rehabilitation of values of the South and in the West. The operations of the system show that total loans have been made since January 4, 1921, up to and including May 27, 1922, of a total sum of $354,718,000; $50,355,000 of this were loaned direct to aid in the financing of corporations under sections 21, 22, and 24 of the act approved on January 4, 1921; $304,000,000 were loaned direct to financial institutions to aid in these same operations; $59,392,000 were loaned to cooperative associations, largely the cooperative-marketing associations, so that the operations of this system as it stands today means that additional help is being extended to the great agricultural areas of the country which are engaged in production, and it has been shown to the committee that it is necessary to continue these operations for the period of another year. We were assured by the managing director of the War Finance Corporation that only in the greatest need, and in emergency cases, would advances be made in the future; that he proposed to extract from the would-be borrower the fact that they were unable through the regular banking and financial channels to procure the necessary assistance. Now, Mr. Chairman, I do not care to consume very much more time.

Mr. WALSH. Will the gentleman yield for a question?

Mr. McFADDEN. I will yield.

Mr. WALSH. Is it the opinion of the Banking and Currency Committee that as conditions improve in various lines of agriculture that the time will be extended for giving aid?

Mr. McFADDEN. No; the committee has been assured quite the contrary; but that the extensive operations of this corporation are such that demands are still from certain sections, which seems to make it necessary to continue its operations over a period of a year to come.

Mr. WALSH. And how has the gentleman reached the date of exactly 365 days when there will be no more need for Government participation in farm operations?

Mr. McFADDEN. I will say to the gentleman that the first proposition before the committee was for the extension of six months. The managing director felt that that was too short a time and that it should be extended a year. He gave us assurances that within the year he felt that the financial situation would have so improved in those sections of the country that are receiving aid that it will not be necessary to continue the operation over another period. I will say to the gentleman, in addition to that, that it is the report to the committee of the managing director that great relief could be occasioned if a proper plan was promulgated, and such a plan is pending before the committee now, to finance what is called short-time cattle paper loans.

Mr. LINEBERGER. Will the gentleman yield for a question there?

Mr. McFADDEN. I will.

Mr. LINEBERGER. What is the term for which interest has to be paid on the cattle paper—six months or a year?

Mr. McFADDEN. That was not determined. I do not think there is any time specifically fixed, but there is need for the financing of cattle paper from six months to three years. I think a general plan of not to exceed one year would take care of the situation.

Mr. LINEBERGER. I meant the interest payment. I know the cattlemen in my section of the country have had great difficulty because they have exacted the interest payments each six months.

Mr. McFADDEN. I will say to the gentleman the committee has not given consideration to that bill as yet, and I am not very familiar with all the details, especially the rate of interest and the payment of interest.

Mr. WALSH. Will the gentleman state that these men are being required to pay interest on these loans—these cattlemen?

Mr. McFADDEN. Why, certainly, the cattlemen will pay interest on the loans the same as any other borrowers.

Mr. GARNER. It is not as if you sent it to Massachusetts, where you get it free of charge. The western and southern fellows pay interest.

Mr. WALSH. That is a good claim for the gentleman from Texas to make. I hope the chairman of the Committee on Banking and Currency can produce records to substantiate the claim. Has the gentleman any information which leads him to believe that this will be the only extension asked for by these agriculturists, who have had such hard sledding, as the result of this deflation, which never should have occurred, according to some of them, that this will be the only extension they will need, or has the gentleman any information which leads him to think that this is going to be a permanent institution?

Mr. McFADDEN. I have no information to indicate that it is going to be a permanent institution. On the contrary, I have heard the statement made before the committee, by the managing director of the War Finance Corporation, Mr. Eugene Meyer, that this would be the last extension that would be necessary. The Secretary of the Treasury thought six months would do. Now, on the question of the interest payment on these loans, I would refer the gentleman to the law that provides a definite and fixed rate of interest on the loans made by the corporation.

Mr. WALSH. We provided when we made advances for the purchase of seed grains that it should be repaid, but you look at the records of that transaction and you will find that a very small proportion of it has ever been repaid, and they came in and got a further advance—these same people who are asking the War Finance Corporation to be continued for their benefit.

Mr. McFADDEN. I will say to the gentleman in answer to the question that he has raised that the War Finance Corporation are collecting more than they are loaning daily now, and they do collect a stipulated rate of interest on every one of these loans, in accordance with the law. The total amount of loans outstanding as of June 1, 1922, is $247,851,998.17.

Mr. TOWNER. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. TOWNER. For the benefit of the gentleman from Massachusetts, I wanted to call attention to the last statement which the gentleman from Pennsylvania made. Now, these loans are being liquidated. Every week and every month they are collecting more than they pay out, and it is expected that the entire necessity, perhaps, for these loans will have expired at the expiration of the year. I am frank to say that if it does not I think they will be so reduced that even the gentleman from Massachusetts will not complain about the situation at the end of the year.

Mr. WALSH. This is, I suppose, if the gentleman from Pennsylvania [Mr. McFADDEN] will permit, another cog in the program of taking the Government out of business?

Mr. TOWNER. Let me answer the gentleman from Massachusetts, if the gentleman will permit. We have not been trying to take the Government out of business.

Mr. WALSH. You have not been trying to do it, but only promised to do it.

Mr. TOWNER. Do not interrupt, please. We have been trying to put the farmer of the United States into business, and that has been for your benefit as much as for theirs.

Mr. WALSH. Oh, yes——

Mr. GARNER. I want to ask the gentleman a question. The gentleman from Massachusetts speaks about the interest rate and whether or not it is to be extended. If the gentleman from Massachusetts and his party has the statesmanship which they boast of, and which I think they have if they have the courage, they will pass a substantive law extending the loaning of credit to the farmers and stock raisers of this country, that ought to be passed and put on the statute books and ought to have been done when the Federal reserve system was created. The farmers and stock raisers of this country must have at least nine months more if they are going to properly market their products. Under that system at this time they have a limit of six months. Some system ought to be devised by the gentleman from Pennsylvania, or suggested by the gentleman from Pennsylvania, whereby the raisers of stock will be able to get credit that will enable them to market their products.

Mr. WALSH. When this new member of the Federal Reserve Board gets the dirt off his hands he will arrange a system for them.

That was the claim of the old Populist Party after the Civil War days, and it is being made here now on the floor, not only by the gentleman from Texas [Mr. GARNER], who represents one of the parties in the House, but by others who represent other parties in the House.

Mr. GARNER. The trouble with the gentleman from Massachusetts is that when this new member of the Federal Reserve Board gets the dirt washed off his hands he will not pay any attention to these recommendations unless they come from the gentleman from Massachusetts.

Mr. WALSH. Well, the gentleman from Texas may have recommendations to make for his constituents in the fall when they begin picking cranberries.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. I am trying to get through and give time to gentlemen to whom I have promised time.

Mr. KINCHELOE. Will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. KINCHELOE. The gentleman from Pennsylvania a moment ago seemed to refer to a statement there, showing by items where this money had been loaned, and to whom. Has the gentleman information as to how much was advanced to the Burley tobacco growers of Kentucky?

Mr. McFADDEN. I will state to the gentleman that the report I have here shows that in financing exports under that section there was financed for the tobacco interests $3,937,000, and in addition there were loans made through financial institutions for the financing of tobacco to the extent of $10,000,000 and there were other loans made through financial institutions of the different States, which I presume went indirectly in some part to financing tobacco.

Mr. KINCHELOE. I did not know the amount, but whatever the amount was that was loaned was paid back to the Government long before it became due.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes; I yield.

Mr. MONDELL. Following the line of inquiry and suggestion made by the gentleman from Texas [Mr. GARNER] it is a fact, as I understand it, that the Committee on Banking and Currency now has before it a number of suggestions of legislation purposed to give us a permanent system of stock and farm loans which will afford a longer period of credits than ordinary banking institutions furnish?

Mr. McFADDEN. The gentleman is correct. The Committee on Banking and Currency has before it and is considering now in hearings the so-called Anderson bill, which is the result of a report of the Joint Commission on the Agricultural Inquiry. It also has before it the bill of Representative STRONG of Kansas proposing to amend the Federal reserve act by providing long-term credits for farmers. The committee also has before it the bill I have introduced at the instance of the War Finance Corporation, or that of Mr. Meyer, the managing director, proposing a method whereby longer-time cattle paper can be financed. I will say to the gentleman that the committee is very carefully and seriously considering the very proposal that the gentleman from Texas [Mr. GARNER] suggests—that is, proper relief and better relief for the farmers on longer-term credits.

Mr. GARNER. What are the prospects of getting legislation of that character?

Mr. McFADDEN. I think they are very good, sir. There are other bills which I do not recall to mind now in connection with this same subject, and the committee is giving very careful attention to all of them. It is the intention of the committee at an early date to report out some very definite conclusions along this line for the benefit of the farmers of the country.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. KNUTSON. The legislation that the gentleman mentions as being before the committee at the present time does not limit the loans to be made to cattle raisers, does it?

Mr. McFADDEN. One of the propositions does, but the Anderson bill provides for short-time credit for all agricultural production in general and marketing as well.

Mr. KNUTSON. When can we look for this bill to be reported out?

Mr. McFADDEN. I can not give the gentleman a definite date, but the committee is giving very careful consideration to these measures, and daily new suggestions are being made in the light of present-day events, which are very helpful.

Mr. MONDELL. Will the gentleman yield for a question?

Mr. McFADDEN. I will.

Mr. MONDELL. The extension of the War Finance Corporation is for the purpose of giving the country the very great benefit of the activities of that organization until such time as we may hope for permanent legislation covering the same class of credits and possibly a broader class of credits?

Mr. McFADDEN. That is the idea exactly. The committee are of the opinion that there should be relief to the agricultural interests, more relief than they are getting through the farm loan system and through the Federal reserve system, and they are imbued with the idea also that the continuance of the operations of the War Finance Corporation, which I said the other day "is the back door to the Treasury," should be discontinued, and that proper legislation should be enacted to give relief to the demands for short-time credit which lie in between the relief afforded by the Federal reserve system and the farm loan system, and permit the closing down of the operations of the War Finance Corporation in an orderly manner.

Mr. WALSH. Will the gentleman yield for a question?

Mr. McFADDEN. I will.

Mr. WALSH. If that is the case, why does not the gentleman report out those bills and not extend the life of the War Finance Corporation for another year?

Mr. McFADDEN. The gentleman is familiar with the parliamentary situation in another body, and knows how impossible it would be to get legislation of that kind through within six months.

Mr. WALSH. I do not know of the impossibility of putting through any legislation affecting agricultural interests. They are in control, and anything beneficial to them will receive consideration and go through. Now, if you are going to do that, why not do it instead of continuing the War Finance Corporation another year?

Mr. McFADDEN. I have said already that the committee have been assured that the operations of the War Finance Corporation will be tapered down and that as fast as the new facilities are available they will carry the load. Besides that the committee must have time to consider properly important legislation of this kind.

Mr. FESS. Will the gentleman yield for a question?

Mr. McFADDEN. I will.

Mr. FESS. When the matter was up for revival before I could not give my assent to it because I thought at the time that when it expired we would be asked to revive it again, and I have felt that it would likely become a permanent agency of the Government. I should like to know whether the judgment of the chairman of the committee is that it will not become a permanent agency of the Government?

Mr. McFADDEN. The gentleman has my opinion to that effect. I do not believe it will become a permanent agency of the Government. I think its operations should be discontinued at the end of this extension.

Mr. YOUNG. The gentleman means that the War Finance Corporation will not be lending the money of the Government, but that they will mobilize the credit of the farmers through the sale of bonds, and so forth, in such a way that there will not be any burden to speak of on the Treasury of the United States.

Mr. McFADDEN. The gentleman's statement is substantially correct.

Mr. WALSH. The gentleman means that the operations of the War Finance Corporation will not be permanent, but perpetual.

Mr. McFADDEN. That the War Finance Corporation will be the means of giving the farmer credit which he has not at the present time; and I am opposed to the perpetual continuance of this corporation and am assured that it will begin to wind up its affairs at the end of this extension.

Mr. TINCHER. Has the War Finance Corporation been any burden on the Treasury?

Mr. McFADDEN. It has to this extent, that the $500,000,000 capital which was the original capital of the institution has come from the Public Treasury.

Mr. TINCHER. That $500,000,000 capital was not for the farmer, not for agriculture. That was for business; but just as quick as we had an amendment to the law giving a little advantage to the men engaged in actual production, then it became a serious question whether its operations should be continued.

Mr. McFADDEN. Only about $60,000,000 was loaned to business under the original War Finance Corporation act. Since amended, it has been a great relief to the agricultural interests of the country.

Mr. TINCHER. That was only by an amendment put on last summer.

Mr. McFADDEN. A little over a year ago.

Mr. TINCHER. Now, I want to know if the country can not feel reasonably sure that this Congress will maintain in action the War Finance Corporation until such time as we can enact constructive legislation giving the men engaged in production something like equal treatment to what other business has from the banking institutions of this country?

Mr. McFADDEN. I believe the Banking and Currency Committee are impressed with the necessity of enacting proper legislation, as I have previously stated, to take care of the short-term credit needs of the country.

Mr. TINCHER. If it is for one year, it is all right, and if it is for 10 years it is all right; but the people engaged in production are entitled to the same banking facilities and advantages as those enjoyed by any other class of people.

Mr. WALSH. And they will never be put into bankruptcy either.

Mr. McFADDEN. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania has used 21 minutes.

Mr. WINGO was recognized.

Mr. WALSH rose.

The CHAIRMAN. For what purpose does the gentleman from Massachusetts rise?

Mr. WALSH. I was wondering how anybody opposed to the measure would go about it to get recognition.

The CHAIRMAN. By rising in his place, addressing the Chair, and saying that he is opposed to the bill.

Mr. WALSH. Mr. Chairman, I am opposed to the bill.

The CHAIRMAN. The gentleman from Arkansas [Mr. WINGO] has been recognized.

Mr. KNUTSON. Mr. Chairman, I would like to ask the gentleman from Arkansas if he is against the bill.

Mr. WINGO. Oh, the gentleman is not serious in asking that question. He has been here long enough to know that if there is anything for the benefit of the farmer in Minnesota or Arkansas, I am for it. [Applause.] Now, Mr. Chairman, I wish to use a few minutes and then yield to the gentleman from Mississippi [Mr. LOWREY], who wishes to discuss a nonpartisan subject. The situation presented by this bill is practical, and I hope you business men will not get the impression that the bill is not for American business as much as it is for agriculture. Every business man recognizes that the interests of American business is interwoven with the prosperity and interest of American agriculture. What does the bill propose to do? It proposes to continue the operation of the War Finance Corporation for an additional year. I hope the gentleman from Massachusetts and other gentlemen will give me their attention. Gentlemen will remember that when this bill was up before I made the statement then that the American farmers were not going to get as much direct benefit from it as some people would try to lead them to believe. I made the statement then, and I think it has been borne out by the subsequent action, that the greatest benefit would come to the banks in agricultural territory. In my candid judgment the operation of the War Finance Corporation has kept at least 300 or 400 country banks from failing.

Here is the practical side, in which you business men of New England are as much interested as the people of the agricultural States. Agriculture in the West and South suffered certain losses. The farmers owed their merchants or their local banks money, which represented the losses of these farmers during the last two years. Now, there is just one alternative that confronts you. If the banks or the merchants call these loans of the farmers and wipe them out, you will put these farmers into bankruptcy, and they would not realize enough to save the merchants from bankruptcy or to save the large number of small country banks from bankruptcy. So here is the practical business proposition—to permit the War Finance Corporation to continue operations for 12 months more, because by that time there will be enough losses absorbed so that the necessity for continued operation of the War Finance Corporation will cease to exist.

Now, every man who has studied the question, and I have talked with the business men, and business men have testified before our committee that you have got to take from three to five years to enable these people in the wheat and cotton belts to absorb the losses of the last two years. Are you going to carry them until they can work out the future earnings, so that in from three to five years they will absorb those losses? Some will absorb their losses in one year, but it will take in some cases three and in some five years. That is the cold-blooded business proposition. We have by the establishment of the Federal reserve system a magnificent system for short-time commercial credit. The gentleman from Massachusetts talks about populism. There is not a single bill pending before our committee, being seriously considered, in the way of short-time agricultural credit that contains any more populism than is in the present existing commercial credit law. It says that you business men through your bankers can take up short-time liquid commercial paper, and by rediscounting get gold demand obligations on the United States Treasury. If that is good business for the American business man, why is it populism when you propose to establish a more conservative system for American agriculture?

Why does the statesman from Cape Cod regard the established governmental paper money issuing system maintained for commercial needs as safe, sound, and statesmanlike and yet denounce as populism a proposal to establish a separate system to meet the credit needs of agriculture? Does the Government owe a special duty to commerce and industry, or does not the public welfare demand credit agencies of equal facilities for commerce, industry, and agriculture?

In the very nature of things a commercial demand deposit banking system can not take care of all the credits essential to the agriculturist and the cattle grower. The gentleman from Texas said it takes nine months at least. Every man who has studied the question knows that agriculture in America can not thrive unless it is given a stable, safe, sound credit agency that will take care of credits from 12 months to 3 years. The cattle growers out yonder in the West must have three years' credit in order to have the cattle business thrive and have it stabilized and make it profitable, in order that the American food supply may be built up instead of frozen out and destroyed. We have all got an interest in that.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Just let me finish this thought. You have an interest in that. We have provided credit agencies for short-term commercial credits. We owe the same duty to long-term personal agricultural credits, not simply to a class. We did not do that for the commercial business of the country because we wanted to help that class.

We did it because it was our duty to furnish from a public standpoint proper credit machinery in this country. We have furnished that to the commercial business of the country. It is in the interest of public welfare, the welfare of American business as well as American agriculture, to establish a safe, sane agency that will take care of the long-term personal credits of American agriculture, extending from one year to three years. There have been more banks in this country that have failed because the good-hearted banker violated the philosophy of demand-deposit banking and put out his deposits on long-term loans, so that he did not have funds to meet the demand obligation of the depositors, than for any other cause. That has caused the wreck of more commercial banks than anything else. If you establish that kind of system it will be as much for the benefit of the commercial banking system in this country as anything else, because it will leave that system free of long-term credits, and will stabilize both and add to the strength and prosperity of them. I now yield to the gentleman from New York.

Mr. SNYDER. The gentleman realizes, of course, when he speaks of short-term paper that is rediscounted, that one of the reasons for that short-term period is that it gives the banker the right to examine the credit occasionally. I agree with this extension and shall vote for it. I think the farmers should have the things that the gentleman speaks about, but too long credit in one transaction is not going to be beneficial to the farmer or anybody else.

Mr. WINGO. Oh, I must decline to yield further. If the gentleman knows anything about agriculture he knows that it can not thrive on any three months or six months paper.

Mr. SNYDER. I do know this: That it is much better for the bank and the Federal reserve system to have paper run for six months and nine months and then have it renewed than to have it run for two or three years.

Mr. WINGO. You are talking about one thing, I about another. We had to choose between two things. Will you permit the Federal reserve system to be continually loaded down with what they contend are frozen credits, or will you relieve that load and prevent the threatened bankruptcy of a lot of commercial banks? Not having established a short-term credit system for agriculture, personal credits, what did we do? We said that, as a matter of precaution, as a precaution to the commercial credit system of the country, we would establish this separate organization, the War Finance Corporation, that will ease off during this period and take care of that long-credit need until a complete agricultural system is established. It has been successful. The gentleman from Pennsylvania [Mr. McFADDEN] spoke truly when he said they are now refunding and liquidating rapidly. The cotton loans of Texas and Oklahoma have every one been liquidated, but there are other territories that are not so prosperous. Some farmers will take five years to absorb the loss. Some will absorb the loss this year and others will take two years, but in any event it is thought by those who are familiar with the operations of this corporation that if we give it another year that will relieve to some extent the load and give the greatest amount of relief. Most of the

relief has gone to the banks in agricultural States, and by loosening up and taking care of that class of paper it has enabled those commercial banks to take care of a greater amount of short-term paper.

As you know, I have continually urged the establishment of a separate system to meet the personal-credit needs of the farmers, and if you had done so there would have been no necessity for this legislation. But you simply have commissions and hearings and refuse to do what you should do and what I have insisted should be done; that is, establish a separate adequate system of personal farm credits. Failing in that, we Democrats unanimously support this legislation which Republican leaders have opposed.

I reserve the remainder of my time.

Mr. KNUTSON. Mr. Chairman, I ask unanimous consent to extend and revise my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WALSH. Mr. Chairman, I am not favorably disposed toward this measure. I opposed it at the time it was originally passed. We are hearing a rehearsal and a rehash of many of the arguments advanced at that time as to why this should be revised. Now, it seems to me that with all of the facilities that have been created and set up in order to help the downtrodden farmer finance his operaions that they might well go along without carrying this instrumentality of the Government over for another year. Why, the other day we passed a bill which is going to make it very easy for anybody with high boots and overalls to arrange for loans through banks in the Federal reserve system. We provided that that board should have upon it a representative of the agricultural industry. We have also farm loan banks—joint-stock loan banks which are operating primarily for the benefit of the agriculturists. The gentleman from Arkansas [Mr. WINGO] would prefer rather than have loans made on short-term paper that the loans be extended over three years, during which period the credit of the farmer would gradually decrease, and at the end of that period Uncle Sam would be left standing at the gate holding the bag and whistling for the money. I have read the very eloquent and expressive speech of the gentleman from North Dakota [Mr. YOUNG], in which I find that the War Finance Corporation has loaned something like $341,000,000, of which some $21,000,000, or nearly 6 per cent, was loaned in the State of North Dakota, and that $15,000,000 of that was the first loan which was authorized to be made to the Equity Cooperative Exchange, the greatest cooperative organization in the United States, with over 23,000 farmer stockholders; and yet we have been told from time to time that there is no cooperation among the farmers, and, of course, I suppose that is true, except when it comes down to getting money loaned through Federal aid.

I have read with a thrill of pleasure and emotion I can not describe some of the commendations of various organizations out in the great agricultural reaches of the country upon the noble work accomplished by the distinguished gentleman from North Dakota, all of which I heartily indorse and trust that notwithstanding the character of the affiliations of some of the gentlemen who have burst into print in his behalf that he may, overcoming all obstacles, be permitted to retain his seat here in the House and continue his good work for these poor producers, who are practically the only people in the country to-day whose business is going along and increasing in the amount of production and also in other respects. I find that the Washington headquarters of the Farmers' National Council, which includes in its list of members the vice president of the National Non-Partisan League, has written a letter saying they are very prone to forget and ignore the work that is being done by Members of Congress for the farmers. How remarkable, Mr. Chairman, that these beneficiaries out there in his section of the country should forget that practically every day that the sun rises and sets a part of the money which they use in their work comes through Federal activities, and they remember the source of the money but forget the work of the gentlemen who have made it possible for them to secure this great aid. In some of these recommendations we find that the gentleman from South Dakota is a member of the farmers' bloc. Of course, the rules of the House will not permit me to refer to Members of the other branch. The Member of the other branch is referred to in this document as the head of the bloc. [Laughter.]

GEORGE M. YOUNG should be reelected to Congress because he is an important member of the farm bloc. We, of the great wheat State, agree with the Senator. And we believe YOUNG will be reelected by a greatly increased majority.

[Applause.]

Now, I assume the farmers of North Dakota will welcome the cooperation of a representative of the agricultural interests of Cape Cod and will not resent a few casual observations of that representative as to the activities of the gentleman from North Dakota along agricultural lines here upon this floor.

The main part of the speech is devoted to an explanation of this War Finance Corporation. The evident expectation of the gentleman from North Dakota is that even though this should be extended for another year it would not adequately meet the situation. He seems to bemoan the fact that if the War Finance Corporation were to cease operations at this time the large cash capital which it now has will be transferred into the general fund of the Treasury. What a misfortune that would be to the country at large that any amount of large cash capital now outstanding in the hands of any Government agency should be transferred to the Treasury. And later there would be increased difficulties in having such funds made the basis of a permanent farm credit system.

Evidently we are to hear later in the hearings before the Banking and Currency Committee of some plan whereby these three to six year credits can be extended, and Mr. Eugene Meyer can switch the funds now in possession of the War Finance Corporation into some other agency whereby they, together with other millions, can be available for long-time credits for the purpose of financing the sheep and cattle grower of the South and West.

The present law is temporary. While it has been criticized, there has also been quite general recognition of the fact that it has done much good, and all agree that there has been disappointment. If there has been disappointment, it has not been because of any lack of effort or lack of ability or lack of enthusiasm upon the part of the administrative board.

Mr. HERRICK. Will the gentleman yield?

Mr. WALSH. I trust the gentleman will not destroy the flow of my remarks.

Mr. HERRICK. I would like to ask the gentleman a short question.

Mr. WALSH. If the gentleman will permit me just a few moments more, I will let him insert his peroration in my remarks. He certainly ought to be satisfied with that. [Laughter.]

Mr. HERRICK. Just one short question.

Mr. WALSH. I will answer it a little later.

Mr. HERRICK. I would rather ask it now.

Mr. WALSH. I may not be able to answer it now.

Mr. HERRICK. I only wanted to ask this: The distinguished gentleman from Massachusetts seems to be terribly worried that a little assistance to those farmers out in the West and South is awfully populistic and paternalistic, and getting the Government in business, and so forth. I would like to ask the gentleman if, after due consideration, he can see anything more paternalistic or more populistic in this species of aid than he can in the proposition to extend Government aid in the form of a ship subsidy to his citizens back in New England and his constituents in particular back in Massachusetts? You ought to understand that we are hearing an awful lot about ship subsidy. Of course, these shipowners will be quite appreciative of the gentleman from Massachusetts for a ship subsidy. [Applause.]

Mr. WALSH. Well, I would like to say to the distinguished agriculturist and breeder of Hereford shorthorns and white-faced prize winners, that I believe that the aid rendered to shipping through subsidy is paternalistic and is keeping the Government in business; that we have been in business for a number of years through shipping and have squandered a good many millions of dollars.

Mr. HERRICK. I am extremely glad to hear the gentleman make that statement. I am hoping that when the ship subsidy bill is up he will be against it.

Mr. WALSH. We can all tell that the gentleman is glad. One glance at his radiant countenance can but tell how glad he is at the response of the "gentleman from Massachusetts."

Mr. Chairman, I doubt whether lending this form of assistance to the farmer is going to be for their best interests. If we get the agricultural sections of this country into the frame of mind that whenever misfortune threatens or whenever hard times approach, all they need to do is to make a demand and the Government will come to their aid, you will find that you will not have very many self-reliant and, in a few years, very many self-respecting farmers throughout the land. Why, the old pioneers that went forth and conquered the wilderness and built up the agricultural sections of this country were never given the benefit of the assistance which is proposed nowadays. They went out and conquered in spite of all obstacles. And I

believe the sooner we cease holding out to these people the idea that we will aid them because they are farmers and can call upon the Federal Congress for assistance, the better in the end it is going to be for them. That is the result of the formation of these class blocs, so to speak, in the Federal Congress, men who will vote for and who devote most of their energies to measures, many of which have not been properly considered, simply upon the ground that they will aid agriculture and increase production.

Now, I believe, particularly in view of the program which the gentleman from Pennsylvania, the chairman of the Committee on Banking and Currency, has outlined, as brought out by the question of the gentleman from Wyoming [Mr. MONDELL], the distinguished majority leader, which question was prompted by the suggestion of the gentleman from Texas [Mr. GARNER]—he who has in days gone by raised his voice to the high heavens in behalf of the Angora goat—I believe in view of that program, it were better if we went ahead with the proposition to provide long-time credits for the stock raisers and to permit longer credits to be established for the agricultural interests, and say to them that as long as that is allowed we proposed to enact it; and if it does not come until after the expiration of the War Finance Corporation, which expiration will probably come during the immediate summer, when the need for it will not be so great, it will be better for the farming interests, rather than to continue this for another year, because we all know that the oftener we extend the life of Federal boards and commissions, whether it be for a short time or for a long time, the more nearly we make those organizations and Federal activities permanent; and I believe that it is expected by some, particularly the beneficiaries in certain sections of the country, that this War Finance Corporation is going to become a permanent institution. I do not believe it ought to. I believe we should endeavor to withhold many of these activities which have been operating now and see if we can not let the farmer, as well as the other business of the country, go along relying upon his own resources. By doing that, with a little self-reliance, he will come out at the head of the procession in the end. For that reason I am opposed to continuing this War Finance Corporation another year. [Applause.]

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Massachusetts reserves the balance of his time.

Mr. McFADDEN. Mr. Chairman, I yield to the gentleman from North Dakota [Mr. YOUNG] such time as he desires.

The CHAIRMAN. The gentleman from North Dakota is recognized.

Mr. YOUNG. Mr. Chairman, it is true, as stated by the gentleman from Massachusetts [Mr. WALSH], that the War Finance Corporation loaned a large amount of money in North Dakota. The corporation undertook under the law to loan money where it was needed. We needed large sums of money, and I think, to the credit of the War Finance Corporation, we got them. But I will say this: Not a single dollar was loaned there without excellent security. The Government will take no losses on its North Dakota loans.

Now, as to the farm bloc, it is true we have a pretty well-defined group interested in seeing that justice is done to the great farm industry. And some of us think that that industry has been getting better and more fair attention. And if the proposals made by our farm group were not fair and just the Members of this House would not have adopted them.

Mr. Chairman, I am glad that this bill extending the life of the War Finance Corporation is to be passed this afternoon. As explained to the House when I spoke on this question before, perhaps the most important reason for extending the period within which the corporation may make loans is to keep intact its cash balances, so that whatever system of personal farm credits is hereafter adopted there will be sufficient money which can be diverted from the War Finance Corporation to start the new system fully equipped to take care of farm credits adequately.

If I were to criticize the bill introduced by Mr. ANDERSON it would be to suggest that the amount of cash capital proposed by him—$1,000,000 for each bank—is entirely too small to take care of the business which will doubtless be offered. In the plan proposed by Mr. ANDERSON, and in any plan yet suggested, and under the plan now being worked out by a committee of the farm bloc it is proposed that there shall be created a division or department of each Federal land bank to handle personal farm credits for the purpose of financing farm business where production requires from six months to three years, and to do this money is to be raised by the issuance of bonds secured by such farm paper.

Anyone who has given careful thought to this subject will agree that it will not be possible to handle such business to advantage and sell the bonds unless they are offered in comparatively large amounts, and the bonds can not be sold with security deposited for their payment until after the loans have been made and the money advanced. To do this each bank should have $7,500,000 capital to finance commodity farm production.

The United States Grain Corporation made profits amounting to $48,000,000. These profits were made entirely out of handling grain produced by farmers, and in all fairness belongs to them. Large profits have been and are now being made by the War Finance Corporation. I venture to say that the profits made by the United States Grain Corporation plus the profits made by the War Finance Corporation will be sufficient to adequately capitalize the proposed personal farm-credit division of each of the Federal land banks, and the entire original fund supplied by the Government to the War Finance Corporation can be returned to the general fund of the Treasury.

Mr. Chairman, I ask permission to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. WINGO. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. LOWREY].

The CHAIRMAN. The gentleman from Mississippi is recognized for 10 minutes.

Mr. LOWREY. Mr. Chairman, I have not risen to discuss any measure now before this Congress. For more than a year now, since I have been privileged to take part in the deliberations of the House, we have heard in practically every utterance before us one constant monotone of "Trade."

There has been the constant jingle in our ears of dollars and cents. And I make no objection that such has been true. It has been necessary, for the people whom we represent have been laboring under terrible material need. Their loads have been heavy with tax, and have been heavier with more or less artificial conditions, which in many instances have taken from the money value of their raw products and have added to the cost of their bare necessities. It is not for me in the present instance to discuss whether or not our efforts here have availed anything, or why or how they have failed. Those things we have all discussed, and will discuss again. But certain it is that we could in no wise have discharged the duties pertinent to the office which we hold had we not for these months addressed ourselves very largely to matters of revenue and public expenditure, of debt and credit, and rate and trade.

But as I say, with your indulgence, Mr. Chairman, and with the indulgence of my fellow Members, I want to turn aside for these few minutes. I shall discuss, I believe, a matter of public policy no less pertinent to our office and, I venture, no less vital to our national welfare. Christ said to us that man should not live by bread alone. Nor shall a nation. Coequal with our national material consciousness we must have a national moral consciousness. We must have, and do have, a national character. That character, in the nation as well as in the individual, grows out of the past. "We are a part of all that we have met." In the nation, as in the individual, it is fatal to turn toward the past and to take our being in it. But it is equally fatal to face the future without a consciousness of the past. The man of character does not talk largely to the people he meets of the fires which have molded his character, but as he faces a new testing he has within himself faith and courage born out of the past. So the nation which parades over much its "glorious past" argues its own youthfulness. Nevertheless it does become us to speak on occasions of our national past and reverently to take counsel of it.

We have again reached Decoration Day. My mother bore me, Mr. Speaker, almost within earshot of the guns at Shiloh and Corinth. The first time I ever lay in my father's arms I lay against the Confederate gray. Until recent years Decoration Day meant little to me. My people, when they thought of it at all, thought of it as a day peculiarly given over to sectionalism. When they read addresses made in the National Capitol on that day they occasionally found, I am afraid, things which offended and wounded. When they read articles which came to them in national publications they sometimes put down their papers wondering whether there had been reunion or conquest. Needless to say, gentlemen, this feeling of separateness on our part, or on the part of any group of American citizens, constitutes a menace to the well-being of the Nation. It is a matter of urgent public policy to go about healing such a breach. And we, all of us, feel, I am sure, devoutly thankful that so great progress has been made.

A year ago—on the 5th of June—I had the honor to address the Confederate veterans of Washington on their memorial day at Arlington. By generous request of the gentleman from Tennessee [Mr. GARRETT] my address was published in the RECORD. With a definite purpose, I quote a few passages:

We are met—

I said—

in historic Arlington, made sacred by its consecration to be the resting place of thousands who have dedicated their lives to their country's cause.

Far be it from me on such an occasion to utter words that would stir sectional strife or arouse animosity of any kind. Yet to us of the South, Arlington is a place of peculiar consecration and peculiar sorrow. Linked with it indelibly in our minds and hearts is the name and silent glory of Robert E. Lee, who has been called "the most stainless of earthly commanders and, save in fortune, the greatest." A man who, in the words of Ben Hill, of Georgia, was—

"Cæsar without his ambition, Frederick without his tyranny, Napoleon without his selfishness, and Washington without his reward."

This immediate spot whereon we meet is made to us the holy of holies by the graves of hundreds of heroes of the "lost cause," mistakenly so called, and by the living benediction of this remnant of that army which, considering all its disadvantages and handicaps, fought a fight that will be the wonder and admiration of historians for all ages. The army of which a Union soldier who had followed Sherman against Joseph E. Johnson said:

"When you hear a northern man speak disparagingly of the southern soldiers you may know that he never came up against them. We who had to face that thin line of rebel gray knew that we were disputing with just about the best valor the world ever saw."

No, gentlemen of the old Confederacy, no man ever faced you and called you coward. They may through misunderstanding have thought your ideals perverted; they may through misinformation have believed your aims sordid; they may through inexperience have imagined you barbarians; but I find that they all, speaking as with authority, render you the homage of Rudyard Kipling, in paraphrase:

"He's a daisy, he's a ducky, he's a lamb,
He's a injia-rubber idiot on a spree.
He's the only thing that doesn't care a damn
For a regiment of Yankee Infantry.
So here's to you, rebel soldier, in your home in Dixie lan',
You're a poor benighted heathen, but a first-class fightin' man."

You were not rebels, you were not traitors; you were patriots, and American patriots. You fought for rights guaranteed to your fathers under an American compact. When that guaranty was erased by the sword and a "higher law," as they said, was written in its place, as Americans you accepted the decision.

You have been called upon to pay tribute to the valor of the North, and gladly you have paid it. As worthy foemen you have honored them; as honest foemen you have respected them; as reunited brethren you have worked with them; as comrades in arms your sons have shed a common blood under a common flag with theirs through two wars in common cause. For more than half a century your money has been added to theirs to pension the veterans of the Grand Army, against which you fought; to buy, beautify, and maintain Federal cemeteries from Gettysburg to Vicksburg; to erect monuments to their leaders.

Here in Arlington you are permitted to bury your dead; you have been permitted to raise your monuments. Yet you look here on the home of Robert E. Lee, kept not as the home of Lee but as a house of business and convenience, stripped of every vestige of its former glory.

Within the week the President of our Nation has declared of the North and South:

"There is no longer any sign of conflict. We are united in the sweetest concord that ever united men."

The Secretary of the Navy has said publicly in a southern city:

"I am a northerner, but first I am an American. You can not take from me my pride in Lee and Jackson and Pickett and your immortal Forrest."

This is nobly spoken. And if its leaders can speak thus, can not the Nation? Then let the names of Lee, of Jackson, of Stuart, of Forrest, of Semmes, and of Davis take their rightful places by the names of Grant, Thomas, Sheridan, Sherman, Farragut, and Lincoln. Is it reasonable to deny this simply because they lived south of the Mason-Dixon line; simply because they fought against the Government that kept its seat in Washington? Are there no precedents? Have you forgotten that the body of Cromwell was hanged at Tyburn, and that to-day the Island Kingdom is filled with statues to him, erected by a Government bearing the same name as that which he destroyed? Is there not echoing in your ears even now the voice of a Briton declaring the rebel Washington to be the "greatest Englishman"?

Let us teach the children of the Nation that American valor is American valor, wherever found. Let the home of Lee, as the home of Washington, be held sacred in the hearts of the people. Let it be kept in its original form and beauty, the peculiar care and treasure of the Daughters of the Confederacy, as Mount Vernon is kept by a band of noble women.

Then, indeed, will "we dwell together in the sweetest concord that ever united men." Then, indeed, will we be not northerners and southerners, but Americans. Then, indeed, will the blood of your young men at San Juan Hill, at Beleau Woods, and at the Argonne, shed under a common flag and in a common cause, have sealed our hearts with a bond eternal.

When this speech went out I received kind letters from friends North and South. One of the kindest was from the gentleman from California [Mr. OSBORNE], who has the distinction of being the one old Union soldier in this House. I take the liberty to quote a part of that letter.

The more inseparably we are cemented—

He said—

the greater will be our country. Nothing to that end should go undone. Much already has been done; perhaps all can not be done whilst we both live. But we may believe and fervently hope that some day it will be.

Not many days ago we heard a southern Democrat on this floor speak of General Grant, "Who was as generous as he was brave"; and we have witnessed under the very shadow of the Capitol the unveiling of the Grant Memorial, where the most striking tribute paid to the Union commander came from the present commander of the United Confederate Veterans.

Why should it not be so? Men who are gallant enough to fight as these men fought are usually generous enough to do each other justice when the fight is over. It is typical of the spirit of the Nation. The great objective to which we all are now striving is permanent world peace; and the eyes of the world are turned to America for leadership. If we are to lead the world to peace we must be at peace among ourselves.

Twenty-five years ago I came to Washington, as people do occasionally, with a party of sightseers—about 100 persons, all of them southerners. Most of them were on their first visit to Washington. I noted with grief, and yet with approval, their expressions of disappointment that in and around the splendid residence of Robert E. Lee there was not one thing to remind us by atmosphere that this was once his home. There mingled into our party a stalwart New Englander who had come to visit the grave of his father. As he heard these expressions from my southern friends he quietly remarked, "I don't blame them. I should feel that way myself."

From that day to this I have had a growing conviction that this thing ought to be changed, and that one day it would be changed. There is reason enough in the man, Lee, himself for the change. "His enemies themselves being judges," he stands as one of the purest and gentlest and at the same time one of the most brilliant and heroic men in American history.

I need not argue other reasons. They are obvious. The loyalty of the South is established—sealed with the blood of her sons. Before the secession she had given largely to the building of the Nation. Since the reunion she has given just as generously. I would not say that she has come back to the Nation conquered, because in her attitude toward the Government she has exhibited none of the animus of the defeated and none of the sniveling of the cowed. I do not know another case in history where a people have mastered themselves with the strength and poise of their own character as hers have. In Europe—and I mean no reflection—such a situation as existed at the close of the Civil War in this country would have been the breeding for a score of wars and provincial hatreds to a dozen generations. The South has come back with head erect and eyes unafraid, having fought to her last energy for a principle which she considered vital, but accepting the verdict of battle with good grace and honest courage.

As my good friend, Mr. OSBORNE, agreed in the letter to which I have referred, we each fought as Americans for what we believed to be American rights, and the valor of both sides is a heritage to all Americans.

If this brotherhood does exist in our hearts it is certainly reasonable to expect that it be given material expression and that we make haste to remove such material conditions as exist in contradiction to it.

May I make this suggestion? What would have been the reaction in the minds and hearts of most of the gentlemen here had the South opposed the erection of the Grant or the Lincoln Memorial? And who did not feel a thrill of gratitude and joy when the South so wholeheartedly entered into the dedication of those memorials? We do not offer the erection of a memorial. We simply offer the proper preservation of one. Is it fitting that any should oppose? There has "come to the kingdom for such a time as this" an advocate of the Lee memorial who is greater than I, one who is peculiarly fitted for the work and who is in position to promote it more effectively and more gracefully, I am sure, than any of us here. She is a woman, a Virginian by birth and a New Englander by parentage, a woman of broad culture and large ability, a writer of distinction, the wife of a New England Senator. By birth and lineage and by ability and social position she is equipped to influence the people North and South. I refer to Mrs. Frances Parkinson Keyes.

At Richmond, Va., and elsewhere she has eloquently advocated the proper maintenance of the Arlington Mansion through the agency of the United Daughters of the Confederacy. Through her charming "Letters from a Senator's wife," published in Good Housekeeping, she has aroused the interest of people over the entire country, and by her personal efforts here in Washington she has gained assurance of support. In due time, when preliminaries have been properly arranged, we hope to see proceedings instituted which will give the United Daughters of the Confederacy proper authority for restoring the home of Lee and for saving it to his memory as Mount Vernon has

been restored and maintained to the memory of Washington. To that end I bespeak the cooperation and support of Members of this House and of Americans everywhere. [Applause.]

Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WALSH. Mr. Chairman, I desire to yield the balance of my time to my colleague, Mr. LUCE. I think I have 42 minutes.

The CHAIRMAN. The gentleman from Massachusetts yields 42 minutes to his colleage [Mr. LUCE].

Mr. McFADDEN. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman from Pennsylvania has 37 minutes remaining.

Mr. McFADDEN. I ask unanimous consent, Mr. Chairman, to revise and extend my remarks.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. McFADDEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (S. 2775) to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921, had come to no resolution thereon.

LEAVE OF ABSENCE.

Mr. WALSH, by unanimous consent, was granted leave of absence, for one day, on account of business.

ADJOURNMENT.

Mr. McFADDEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 22 minutes p. m.) the House adjourned until to-morrow, Saturday, June 3, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

621. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting copy of a cablegram received from Hon. C. M. Cotterman, president of the American Chamber of Commerce of the Philippine Islands, was taken from the Speaker's table and referred to the Committee on Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BARKLEY: Committee on Interstate and Foreign Commerce. H. R. 11477. A bill granting the consent of Congress to the Freeburn Toll Bridge Co. to construct a bridge across the Tug Fork of the Big Sandy River, in Pike County, Ky.; without amendment (Rept. No. 1056). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. VINSON: Committee on Naval Affairs. H. R. 10555. A bill for the relief of Russell Wilmer Johnson; with an amendment (Rept. No. 1057). Referred to the Committee of the Whole House.

Mr. KRAUS: Committee on Naval Affairs. H. R. 968. A bill to change the retired status of Chief Pay Clerk R. E. Ames, United States Navy, retired; with an amendment (Rept. No. 1058). Referred to the Committee of the Whole House.

Mr. STEPHENS: Committee on Naval Affairs. H. R. 9081. A bill to reimburse certain persons for loss of private funds while they were patients at the United States Naval Hospital, Naval Operating Base, Hampton Roads, Va.; without amendment (Rept. No. 1059). Referred to the Committee of the Whole House.

Mr. PATTERSON of New Jersey: Committee on Naval Affairs. H. R. 8683. A bill for the relief of John F. O'Neil; without amendment (Rept. No. 1060). Referred to the Committee of the Whole House.

Mr. McCORMICK: Committee on the Public Lands. S. 2004. An act for the relief of the First International Bank of Sweetgrass, Mont.; without amendment (Rept. No. 1061). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Interstate and Foreign Commerce was discharged from the consideration of the bill (H. R. 11740) providing for a preliminary examination of the Brazos River, Tex., with a view to the control of its floods, and the same was referred to the Committee on Flood Control.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SNYDER: A bill (H. R. 11869) to authorize the sale of lands and plants not longer needed for Indian administrative or allotment purposes; to the Committee on Indian Affairs.

Also, a bill (H. R. 11870) to define the availability of a deficiency appropriation for support of Indian schools; to the Committee on Appropriations.

By Mr. TAYLOR of Colorado: A bill (H. R. 11871) for the further protection of homestead and desert-land entrymen of public lands where, subsequent to entry, the mineral deposits are embraced in permits or leases, or are otherwise disposed of; to the Committee on the Public Lands.

By Mr. DENISON: A bill (H. R. 11872) to amend sections 7, 8, and 9 of the Panama Canal act; to amend sections 288, 289, 342, 343, 368, and 461 of the Penal Code of the Canal Zone; and section 2 of the Executive order of July 9, 1914, establishing rules and regulations for the opening and navigation of the Panama Canal and approaches thereto, including all water under its jurisdiction; to amend section 6 of an act entitled "An act extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting health, sanitation, quarantine, taxation, public roads, self-propelled vehicles, and police powers on the Canal Zone, and for other purposes, including provision as to certain fees, money orders, and interest deposits," approved August 21, 1916; and to regulate divorces in the Canal Zone, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FISH: Resolution (H. Res. 360) for the immediate consideration of House Joint Resolution 322; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOWLING: A bill (H. R. 11873) authorizing the Secretary of the Interior to sell and patent to George M. Bailey certain lands; to the Committee on the Public Lands.

By Mr. BRENNAN: A bill (H. R. 11874) for the relief of Kathleen Blackwell; to the Committee on Claims.

By Mr. BURTON: A bill (H. R. 11875) granting a pension to Alice L. Byers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11876) for the relief of Margaret Moser; to the Committee on Claims.

By Mr. EDMONDS (by request): A bill (H. R. 11877) for the relief of the International Manufacturers' Sales Co. of America (Inc.); to the Committee on Claims.

By Mr. LANGLEY: A bill (H. R. 11878) granting an increase of pension to William T. Litteral; to the Committee on Invalid Pensions.

By Mr. RIDDICK: A bill (H. R. 11879) for the relief of Elizabeth McKeller; to the Committee on Claims.

By Mr. TAYLOR of New Jersey: A bill (H. R. 11880) granting a pension to Frances B. Eaton; to the Committee on Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11881) granting a pension to Grant Brown; to the Committee on Pensions.

Also, a bill (H. R. 11882) granting a pension to Sarah Harris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11883) granting a pension to Nancy D. Kitts; to the Committee on Pensions.

Also, a bill (H. R. 11884) granting a pension to Bennie Nelson; to the Committee on Pensions.

By Mr. WEBSTER: A bill (H. R. 11885) authorizing the issuance of patent to the Pioneer Educational Society and its successors for certain lands in the diminished Colville Indian Reservation, State of Washington; to the Committee on Indian Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5868. By the SPEAKER (by request): Resolution adopted by the Cleveland Grays, urging the passage of House bill 11066, for the establishment, maintenance, and organization of a naval reserve; to the Committee on Naval Affairs.

5869. By Mr. DOWELL: Resolution adopted by the Presbytery of Indianola, Iowa, indorsing House Joint Resolution 131; to the Committee on the Judiciary.

5870. Also, resolution adopted by the Presbytery of Indianola, Iowa, indorsing Senate Joint Resolution 31; to the Committee on the Judiciary.

5871. Also, resolution adopted by the Presbytery of Indianola, Iowa, indorsing House bill 9753; to the Committee on the District of Columbia.

5872. By Mr. FROTHINGHAM: Resolution from the Sole Fasteners' Local, No. 111, Boot and Shoe Workers' Union, Brockton, Mass., asking that the Government of the United States recognize the present government of Russia, and establish trade relations therewith; to the Committee on Foreign Affairs.

5873. By Mr. GALLIVAN: Resolution adopted by the Boston Central Labor Union, Boston, Mass., urging an amendment to the Constitution of the United States granting to Congress the power to enact legislation to make uniform in the United States a child-labor law; to the Committee on the Judiciary.

5874. By Mr. GREENE of Vermont: Petition of Vermont State Baptist Convention indorsing House bill 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5875. Also petition of Vermont State Baptist Convention, indorsing Senate Joint Resolution 31, proposing a constitutional amendment authorizing Congress to enact uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

5876. Also, petition of Vermont State Baptist Convention, indorsing House Joint Resolution 131, proposing a constitutional amendment prohibiting polygamy and polygamous cohabitation in the United States; to the Committee on the Judiciary.

5877. By Mr. KISSEL: Petition of National Committee on American Japanese Relations, New York City, N. Y., as affected by the Washington conference; to the Committee on Foreign Affairs.

5878. Also, petition of the American Cotton Oil Co., New York City, N. Y., relative to the proposed duty on oriental vegetable oils; to the Committee on Ways and Means.

5879. By Mr. RAKER: Petition of Commercial Standards Council of New York, N. Y., indorsing and urging the passage of House bill 10159, to prohibit bribery and other corrupt trade practices; to the Committee on the Judiciary.

5880. Also, petition of the Pennzoil Co., of Los Angeles, Calif., protesting against any changes in the transportation act of 1920, as proposed by Senate bill 1150 and House bill 6861; to the Committee on Interstate and Foreign Commerce.

SENATE.

SATURDAY, *June 3, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT. What is the pleasure of the Senate?

Mr. UNDERWOOD. I presume the Senator from North Dakota [Mr. MCCUMBER] desires to take up the tariff bill, and after it is laid before the Senate I shall suggest that we have a quorum.

Mr. SMOOT. The pending question is on the brick paragraph.

Mr. UNDERWOOD. But the bill was laid aside——

Mr. MCCUMBER. Temporarily.

Mr. UNDERWOOD. Yes; and it has to be laid before the Senate.

Mr. MCCUMBER. I ask that the bill be laid before the Senate.

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The READING CLERK. The bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. UNDERWOOD. Mr. President, I think we had better let the absent Senators know that the tariff bill is before the Senate again. So I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Gooding	McNary	Sheppard
Borah	Hale	Moses	Simmons
Brandegee	Harris	Myers	Smith
Bursum	Harrison	Nelson	Smoot
Calder	Heflin	New	Spencer
Cameron	Johnson	Newberry	Stanley
Capper	Jones, Wash.	Nicholson	Sterling
Colt	Kellogg	Oddie	Townsend
Culberson	Ladd	Page	Underwood
Curtis	La Follette	Pepper	Wadsworth
Dial	Lenroot	Phipps	Walsh, Mont.
Dillingham	Lodge	Poindexter	Watson, Ga.
Ernst	McCumber	Pomerene	Watson, Ind.
France	McKinley	Rawson	Williams
Gerry	McLean	Robinson	Willis

Mr. UNDERWOOD. I was requested by the senior Senator from Florida [Mr. FLETCHER] to announce that he is unavoidably absent to-day on account of illness. I desire to have the announcement stand for the day.

Mr. MCKINLEY. I was requested to announce that the Senator from Nebraska [Mr. NORRIS], the Senator from New Hampshire [Mr. KEYES], and the Senator from Wyoming [Mr. KENDRICK] are absent at a meeting of the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Sixty Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS.

Mr. CALDER. Mr. President, I am in receipt of certain resolutions adopted by the Central Republican Club, of New York City, calling the attention of the Senate to the failure of the Senate to enact the Dyer antilynching bill. The resolutions are signed by President Arthur B. Murtha and by Executive Member David B. Costuma. I move that the resolutions be referred to the Committee on the Judiciary.

The motion was agreed to.

Mr. CAPPER presented a resolution adopted by the Grade Teachers' Club, of Kansas City, Kans., favoring the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. RANSDELL. I present a resolution adopted by the Grand Chapter, Order Eastern Star, of Louisiana, dated May 11, of this year, memorializing Congress to pass promptly the Towner-Sterling educational bill. The resolution is very brief, and I ask unanimous consent that it may be printed in the RECORD and referred to the Committee on Education and Labor.

There being no objection, the resolution was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

ORDER OF THE EASTERN STAR, GRAND CHAPTER OF LOUISIANA,
New Orleans, La.

Resolutions adopted by Grand Chapter, Order of the Eastern Star, of Louisiana, May 11, 1922.

Whereas the safety of our country depends upon an intelligent electorate; and

Whereas our public schools are the foundation stone of our educational system; and

Whereas there is pending before the Congress of the United States what is called the Towner-Sterling bill in the interest of the public-school system of the country; and

Whereas the passage of the Towner-Sterling bill would be to the best interests of our beloved land: Therefore be it

Resolved, That the Grand Chapter of the Order of the Eastern Star of Louisiana, in annual convention assembled, do hereby strongly indorse the Towner-Sterling bill and urge that the Senators and Congressmen of Louisiana exert every effort for its passage at an early date; be it further

Resolved, That a copy of this resolution be forwarded to each United States Senator and Congressman from Louisiana, chairman of the Committee on Education of the House of Representatives and Senate at Washington, and to Congressman TOWNER and Senator STERLING.

Mr. BROUSSARD presented the following letter with an accompanying resolution, which were referred to the Committee on Education and Labor and ordered to be printed in the RECORD:

ORDER OF THE EASTERN STAR, GRAND CHAPTER OF LOUISIANA,
New Orleans, La., May 28, 1922.

Senator EDWIN S. BROUSSARD,
United States Senate, Washington.

MY DEAR SENATOR BROUSSARD: In keeping with instructions, I am inclosing herewith copy of resolution adopted at our recent meeting of the Grand Chapter, Order of the Eastern Star, at Lake Charles, with request that you introduce same in the CONGRESSIONAL RECORD.

Assuring you of our appreciation of any consideration you may give this matter, I am,

Yours very truly,

F. B. NELKEN, *Grand Secretary.*

ORDER OF THE EASTERN STAR, GRAND CHAPTER OF LOUISIANA,
New Orleans, La.

Resolutions adopted by Grand Chapter, Order of the Eastern Star, of Louisiana.

Whereas the safety of our country depends upon an intelligent electorate; and

Whereas our public schools are the foundation stone of our educational system; and

Whereas there is pending before the Congress of the United States what is called the Towner-Sterling bill in the interest of the public-school system of the country; and

Whereas the passage of the Towner-Sterling bill would be to the best interests of our beloved land: Therefore be it

Resolved, That the Grand Chapter of the Order of the Eastern Star of Louisiana in annual convention assembled do hereby strongly indorse the Towner-Sterling bill and urge that the Senators and Congressmen of Louisiana exert every effort for its passage at an early date; and be it further

Resolved, That copy of this resolution be forwarded to each United States Senator and Congressman from Louisiana, chairman of the Committee on Education of the House of Representatives and Senate at Washington, and to Congressman TOWNER and Senator STERLING.

REPORTS OF COMMITTEES.

Mr. SPENCER, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 463) for the relief of Charles Hurst (Rept. No. 740); and

A bill (S. 3118) for the relief of Herbert E. Meilstrup (Rept. No. 741).

Mr. SPENCER, from the Committee on Claims, to which was referred the bill (H. R. 5918) for the relief of the Michigan Boulevard Building Co., reported it with an amendment and submitted a report (No. 742) thereon.

He also, from the same committee, to which was referred the bill (H. R. 5349) to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collisions with naval vessels, reported it with amendments and submitted a report (No. 743) thereon.

Mr. SPENCER. In behalf of the Senator from Oklahoma [Mr. HARRELD] and in his name, I report back favorably without amendment from the Committee on Claims the bill (S. 3413) for the relief of the city of New York, and I submit a report (No. 744) thereon.

Mr. ROBINSON, from the Committee on Claims, to which was referred the bill (S. 2294) to confer jurisdiction upon the Court of Claims to ascertain the cost to the Alaska Commercial Co., a corporation, and the amount expended by it from November 5, 1920, to April 18, 1921, in repairing and rebuilding the wharf belonging to said company at Dutch Harbor, Alaska, which wharf was damaged and partially destroyed on or about November 5, 1920, through collision therewith of the United States steamship *Saturn*, United States Navy, and to render judgment therefor, reported it with amendments and submitted a report (No. 745) thereon.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 3630) to amend an act entitled "An act to amend an act entitled 'An act for making further and more effectual provision for the national defense, and for other purposes,' approved June 3, 1916, and to establish military justice," approved June 4, 1920, reported it without amendment and submitted a report (No. 746) thereon.

Mr. CALDER, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which were referred the following resolutions, reported them each without amendment:

A resolution (S. Res. 294) amending Senate Resolution 282, directing the Secretary of the Interior to send to the Senate certain detailed information as to oil leases made by the department within naval oil reserves Nos. 1 and 2 in California and No. 3 in Wyoming, agreed to April 29, 1922; and

A resolution (S. Res. 295) amending Senate Resolution 292, directing the Committee on Manufactures to investigate and report to the Senate the conditions of the crude-oil and gasoline markets during the years 1920, 1921, and to date in 1922, agreed to April 20 (calendar day, May 13), 1922.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 3674) authorizing the use of special canceling stamp in the post office at Cuero, Tex.; to the Committee on Post Offices and Post Roads.

By Mr. SPENCER:

A bill (S. 3675) granting the consent of Congress to the county courts of Howard and Saline Counties, in the State of Missouri, to construct a bridge across the Missouri River; to the Committee on Commerce.

ADDITIONAL SENATE EMPLOYEES.

Mr. FRANCE submitted the following resolution (S. Res. 299), which was read:

Resolved, That the Sergeant at Arms be, and he is hereby, authorized to employ such additional pages, doorkeepers, and attendants as he may deem necessary to relieve the present employees from excessive duties because of long hours due to night sessions and that the said additional employees be paid out of the contingent fund of the Senate.

Mr. FRANCE. If there is no objection, I should like to ask for the immediate consideration of the resolution.

Mr. JONES of Washington. I think it has to go to the Committee to Audit and Control the Contingent Expenses of the Senate. It proposes to make a payment out of the contingent fund.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed the bill (S. 539) to further amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

The message also announced that the House had passed a bill (H. R. 11345) authorizing the construction of a bridge across the Allegheny River at or near Freeport, Pa., in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED.

The bill (H. R. 11345) authorizing the construction of a bridge across the Allegheny River at or near Freeport, Pa., was read twice by its title and referred to the Committee on Commerce.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. If the Senator from Kentucky [Mr. STANLEY] is ready, I would like to return to paragraph 201, fire brick.

The VICE PRESIDENT. The pending amendment in that paragraph will be stated.

The READING CLERK. The pending amendment is the amendment offered by the senior Senator from Arkansas [Mr. ROBINSON] to the amendment of the senior Senator from North Dakota [Mr. McCUMBER].

The senior Senator from North Dakota has moved to strike out paragraph 201 and to insert a new paragraph 201 as follows:

PAR. 201. Bath brick, chrome brick, and fire brick, not specially provided for, 25 per cent ad valorem; magnesite brick, three-fourths of 1 cent per pound and 10 per cent ad valorem.

The senior Senator from Arkansas moves to strike out "25" before "per cent" and to insert "10."

Mr. STANLEY. Mr. President, the principle involved is much more vital than the duty imposed by the proposed Smoot amendment upon fire brick. We can not judge of the importance of this particular item by the duty imposed. It is highly illustrative, however, of the character of the bill. It furnishes a striking illustration of the fact that this proposed tariff measure is not founded upon any principle, either of free trade or of protection.

In a recent address on behalf of the fire-brick producers of the country the Senator from Idaho [Mr. GOODING] made an especial plea for the imposition of a duty upon brick produced in his State. In the course of that address he read a letter from J. B. Watson, of Troy, Idaho, the manager of the Idaho Fire Brick Co., in which that gentleman states his reason for seeking a duty upon fire brick. I ask unanimous consent to insert in the RECORD at this point that portion of the letter of Mr. Watson which was quoted by the Senator from Idaho.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

TROY, IDAHO, *April 3, 1922.*

Hon. F. R. GOODING,
United States Senate, Washington, D. C.

DEAR SENATOR: We believe the new tariff bill has passed the House of Congress and is now up for discussion in the House of Senators. We do not know whether the import tariff on imported fire brick has been increased from 10 per cent, as it was, or not. We earnestly ask yourself to use your best efforts to have this tariff increased from 10 per cent to 25 per cent.

We are selling very few brick in Everett, Seattle, Tacoma, or Portland. Any business we are getting is from inland points.

FACTS TO BE REMEMBERED.

Ocean freight rate from the Clyde River in Scotland and the Tyne River in England to Seattle and other Pacific coast ports is only a few cents more per ton than the railroad freights are from Troy, Idaho, or Spokane, Wash., to Seattle and other Pacific ports. Then, in Scotland a very great deal of the labor necessary in manufacturing the fire brick is done by females.

As to fire brick imported from Clayburn, British Columbia: The railroad freight, Clayburn to Seattle, is 17 cents and to Tacoma is 18 cents per hundredweight. Our rate to Seattle and Tacoma is 21½ cents per hundredweight, a difference of $3.15 to Seattle and $2.45 to Tacoma per 1,000 brick in favor of Clayburn, British Columbia. Besides this, this Clayburn company use cheap Hindu labor at their plant, and, further, on account of Hindu and Chinese labor in the coal mines, their coal is much cheaper in price than our coal is.

Again, the Canadian import tariff on fire brick, United States manufacture, is 22 per cent, with 2 per cent sales tax; total, 24½ per cent. * * *

Mr. STANLEY. After reading that letter the Senator from Idaho said:

So that is the condition the brickmakers in my State have to meet. The manufacturers in Canada employ Hindu labor not only in the brickyards but in the coal mines. Women laborers are employed in Scotland, and that is what the brick plants of the West must meet. The freight rate the foreigners have to pay is about the same or a little more than we have to pay in Idaho. That is the condition which confronts the two little manufacturing plants we have in our State, and that is the real issue before Congress and before the Senate to-day, whether we will fix a rate which will equalize the difference which exists in the costs of production of any product, whether it is brick or anything else, and give us a chance to work our factories. The other side is not even willing to give our citizens the same protection that Canada gives theirs as against the United States. It is a simple, plain story, but it presents the whole tariff question as to protection, and it will be found to apply to every industry and every case, if Senators on the other side will just take the time to make an honest investigation, instead of casting insults across the aisle to this side, talking about the bill having been framed behind closed doors in the interest of predatory wealth, in all of which they know there is no truth at all.

I gave up a great deal of time while this bill was being framed and saw a great deal of the efforts of the committee. No men ever worked harder than they did, and this is the best tariff bill that has ever been presented to Congress protecting the interests of this whole country.

After that address, and after the statement of the Senator from Idaho that we were not willing to give our own citizens the same protection that was given to citizens of Canada—and it is a fact that there is a 25 per cent ad valorem duty, including a sales tax, on brick imported into Canada, while there is none upon such exports—this schedule, as I understand, was reviewed by the official reviewers on the other side of the aisle and mutilated accordingly. They returned an amendment providing for free brick, with the exception of fire brick, magnesite brick, and two or three other peculiar kinds of brick, but embodying a modest and simple proviso that in the event any other country imposed a duty on brick we were to impose a like duty, a retaliatory duty, or, as the Senator from North Dakota [Mr. McCUMBER] calls it, a "countervailing" duty.

Mr. President, it is a fact that the only brick of any importance that is imported into this country comes from Canada, and, therefore, the proposed countervailing duty is nothing more nor less than a retaliatory duty upon such Canadian exports. The protection afforded is identically the same as if the committee had honestly and candidly imposed a 25 per cent duty on ordinary brick and the same duty upon fire brick.

Upon a superficial view, with no other item before us, it might be plausibly contended that if a 25 per cent duty is imposed on brick coming into Canada we should impose a 25 per cent duty upon brick which Canada exports to this country; but, Mr. President, this continual nagging at Canadian exports; this attempt to build a tariff wall along the Canadian border is the most indefensible, the most unwise, and the smallest piece of politics that was ever played by intelligent legislators. The future political economist or the future historian in reviewing the industrial progress of this country will pause either in pity or amazement at this effort to prevent reciprocal trade relations between Canada and the United States.

The same physical conditions exist in both countries. The Great Plains and the valley of the Mississippi extend across the Canadian border; the same mountain ranges run from Canada through the United States and that part of Canada which is industrially developed happens to be a narrow strip 400 miles wide and 4,000 miles long, producing, in the main, raw materials. This attempt of the United States to keep Douglas fir and pine and wool and metal, the raw materials of Canada, from the smelters and the mills and the factories of the United States has compelled the producers of raw materials in Canada to build a per capita mileage of railroads 300 per cent greater than in the United States, and has resulted in the development of mills in the eastern portion of Canada, in many instances, 3,000 miles from the seat of the production of the raw materials.

For the year ending June 30, 1920, we received from Canada in copper, precious metals, nickel, asbestos, lumber and timber, furs and fur skins, and pulp wood to a value of $253,089,155.

Mr. President, Senators on the other side may talk about a little countervailing duty against Canada, but by this bill it is proposed to impose a duty upon salt coming from Canada, whereas salt may be imported into Canada free. We are exporting annually to Canada from ten to fourteen million dollars' worth of corn, with no Canadian tariff on the commodity, whereas on the Canadian corn a duty is imposed. Potatoes and flour may be exported by us to Canada free upon condition that we grant a like privilege. Canada is to-day receiving free into her ports $23,921,938 worth of our tropical and semi-tropical fruits; she receives without any import duty nearly $27,000,000 worth of our cotton. Of corn, manufactured tobacco, electrical and gas apparatus, the latter of which enter Canada practically free, we shipped into Canada in 1920 nearly $40,000,000 worth. In addition to that, Canada takes our gasoline, peanut oil, soya beans, such brick as is not manufactured in Canada, iron ore, brass and copper scrap, nickel, wool, native hides, furs and skins, and they all enter Canada free, whereas we impose enormous duties against Canada. In spite and in face of the liberal policy pursued by Canada, it is proposed that we shall slap her in the face with a petty countervailing duty on a few wheelbarrow loads of bricks. It would have been infinitely better to have left your bill as it was than for the purposes of small politics to have taken this gratuitous slap at the Canadian Government.

Mr. President, let us look at this brick schedule a minute and see what is the necessity for this tax on brick. If a duty upon fire brick were of any material benefit, I should be, from personal or selfish reasons, the last to appear against it.

The fire-brick kilns of my own State in any one day in the year produce more fire brick than is produced in the State of Idaho in a year. The production of fire brick, upon which you place this heavy duty, is an important industry. It is a scientific industry. It is essential to the smelting of metals. It is an essential item in every home. The fire brick makes the backs of your stoves. It goes into your fireplaces, and the seconds and the less fine brick are peculiarly fitted, on account of their hardness, to the building of roads and the erection of public and private buildings of all kinds. As I stated once before upon the floor of the Senate, in the little town of New Cumberland, W. Va.—a town of three or four thousand inhabitants—where they have vast veins of fire clay, the streets are paved with fire brick, the houses are builded with it, and the tonnage from the little village of New Cumberland, where they have these vast brick industries, exceeds in weight the entire freight from the imperial city of Memphis.

These brick must be made scientifically. It is not a simple matter to make fire brick. It is not a question of a few ignorant laborers. These brick are made to stand three or four thousand degrees of heat. They are the component parts of one of the most wonderful and scientific of mechanisms. With the exception of the steam engine and various electrical devices, I know of nothing that has done more to make the United States the industrial master of the world than the perfection of the open-hearth furnace. Until this furnace was perfected all our steel had to be made in a Bessemer converter holding a few tons, operated at great cost, and using no other material than the Bessemer ore of the Mesabi Range, for the reason that all of the basic ores all over the United States were too high in phosphorus to make steel; they were used only for castings. With Schwab's perfection of the open-hearth furnace we produced a finer quality of basic steel than by the use of the Bessemer ore, and it made every single pound of ore in the United States immediately available for the highest purposes of fabricated steel, and every one of these open-hearth furnaces is made of fire brick. These fire brick stand only a few heats and then they must be torn down and builded over again.

Our exports of fire brick in the year 1920 amounted to $82,570,000 and our imports amounted to $4,200,225—twenty times as many fire brick exported as imported. In addition to that, we have put heavy duties upon the various widely scattered chemicals that go into these brick. It must be remembered that an ordinary rock, like serpentine, will fuse at 700 degrees. Limestone is put in the furnace because it melts more quickly than the ore; and yet by the careful and scientific selection of clays and chemicals ground up and mixed together a brick is produced which will withstand a heat of over 3,000 degrees and hold 5 or 6 tons of molten metal boiling like a caldron. The cheapness with which that furnace can be constructed is an essential element in the production of steel, and in the facility and cheapness with which we can make steel lies our hope of the future mastery of the iron markets of the world; and we first deliberately increase the cost of the production of steel by putting a duty upon fire brick, notwithstanding the fact that

we are exporting twenty times as many brick as we are importing, and why? Because a Senator of the United States must be placated.

Do Senators know that only $3,000 worth of brick is made in Idaho in a year? The total fire-brick production in Idaho, according to the census of 1920, was 100,165 brick, valued at $3,000; and in order to protect a shirt-tail full of fire brick in Idaho you place this incubus upon one of the key industries of the world! It is the first time that sane, sober, thoughtful legislators ever met and kept their faces straight while they attempted by legislative processes to construct a barrel around a bung hole.

There are a little over 100 people employed in making fire brick in Idaho, and in the United States as a whole there are thousands employed. My own State is fourth in the production of fire brick. We produce annually in Kentucky not 100,000 fire brick but 100,000,000 fire brick—110,259,000 fire brick, valued at $3,841,458. If fire brick needed this duty, do you suppose I would be up here making war upon fire brick? I do protest against increasing the cost of production of fire brick. I do protest against increasing the cost of every furnace in the United States and increasing the price of steel. I hold no brief for the Steel Trust, but I will be just, even to it. "For justice all places are a temple, and all seasons summer," and we can never take the duty off of fabricated steel while by unwise, half-baked legislation we increase the cost of its production.

Many political economists believe that but for the sharp competition for the control of the iron business of the world we would have had no World War, and but for our own incomprehensible stupidity in hampering, in weighting, and in manacling this giant of iron we could to-morrow rid this great industry of all the red tape and legislative shackles that impede its progress, we could to-morrow take the iron industry of the world, because none could approach us in production of fire brick as well as everything else entering into the production of iron and steel.

Oh, but says the Senator from Idaho, it costs more to make fire brick in this country. Hindus work in the coal mines in Scotland; and, of course, that would not amount to a row of pins if they did not make cheaper coal than we do here. What does it matter who works in coal mines in Scotland or at what they work if the coal in Scotland costs more than the coal in the United States? But they work Hindus in the coal mines in Scotland and they dig coal for less than our miners, and labor is an item in the cost of producing coal, and the cost of coal is an item in the production of fire brick in Scotland, and that is the house that Jack built.

Why, let us see the real cost of fire brick, if it ever is or ever was imported from Scotland. Now, remember, they state that they can make fire brick for $30 a ton in Idaho, and it is quoted at much less than that.

Mr. KING. Mr. President, before the Senator leaves the question of the production of coal, will he permit an interruption?

Mr. STANLEY. Certainly.

Mr. KING. I think the evidence conclusively shows that prior to the war we produced coal in the United States perhaps cheaper than it was produced at any other place in the world. The cost of a ton of coal at the tipple was approximately 97 cents to $1 a ton—cheaper than in Canada, cheaper than in New Brunswick, cheaper than in any of the British possessions to the north, and, as I recall, cheaper than in Scotland or in England, either.

Mr. STANLEY. Why, Mr. President, it is amusing to hear Senators talk about high-priced coal. I am amazed that any informed statesman should do it. Here is the trouble: Some fellow imagines that somebody is getting into his market, and he writes a letter, and he is my constituent, and I believe him. I honestly do believe that if some constituents would write and tell Members of Congress that they needed protection on the American Santa Claus they would demand a duty for the adequate protection of an "American Santa Claus."

Mr. President, as everybody knows, the only country in the world that exports coal to any degree and can produce coal cheaply enough to export it is Great Britain. The coal that is most available, that is high enough in carbon and low enough in ash, that has the quality of a steam coal, is found in Wales.

Just recently the English Government conducted an investigation of the cost of producing coal in Cardiff. They pay their miners, I will say to the genial Senator from Idaho, about half the wages we pay, and, therefore, of course, our coal industry is prostrate. In Scotland they pay still less, and Scotland would no more send coals to Newcastle now than it did a hundred years ago, when poets laughed about such a performance; and yet I read you from the testimony of Mr. William Alexander Lee, taken before the British Coal Commission. The British Government was investigating the lower cost of American coal in the markets of the world.

Question 1126. Mr. Evan Williams, a member of Parliament, to the witness:

You arrive at a c. i. f. price for South Wales coal in the Argentine of what?—A. Of about 91s. a ton.

Q. What is the American price f. o. b. and what is the freight?—A. The American price f. o. b. is 21s. and the freight, I understand, now stands 60s.

So that we can put a ton of coal to-day in Buenos Aires at 31s. a ton, 33⅓ per cent less than they can put it there from Wales and much less than what they can put it there from Scotland. Why is that? I read further:

1128. Q. Still at 60s.?—A. Yes. I have not heard of any reduction below 60s. That would make it 81s.

1131. Q. Mr. Evan Williams: Given an adequate supply of tonnage from the States, they can take from us in normal times, or at the present time, even with a considerable reduction in our price f. o. b., the whole of our South American trade?—A. Yes. It is purely a question of what rates the Americans can run their ships. The difference between the South Wales ports and South American ports is roughly the same as that between the American ports and the South American ports, and the Americans will have whatever margin there is between the cost of British coal and American coal f. o. b.

1161. Q. It was just a little in favor of England over the United States?—A. There was about 2s. 6d. in favor of England in freight, but the Americans had it in price.

1337. Q. Supposing pre-war prices, would there be the fear of American competition?—A. On pre-war prices there is a probability of severe American competition in both South America and in the Mediterranean.

To-day, give us the same cost per ton and we can take from the British miner, at from $1 to $1.50 less per ton, every market for coal in the western world, from the North Pole to Cape Horn, and we can take every port upon the Mediterranean. Nobody denies that except the Senator from Idaho, and he would not deny it if he had not read a fool letter from a fellow who was making $3,000 worth of brick out of a production of $53,000,000.

Let us follow to Boise, Idaho, this apocryphal ton of brick, made out of cheap Scotland coal which never existed. It could reach Idaho by several different ways. The average price of all fire brick in Idaho is $23 per 1,000. Suppose we start from Scotland. The ocean rate from Glasgow to New York is 25 shillings a ton, and reckoned at the $4.44 rate, it would be $5.50 a thousand, or $19.42 a ton laid down in New York. The rate from New York to Boise is $25.44 a thousand (3½ long tons), so that it would cost the Glasgow manufacturer $79.32 to ship a thousand of $23 brick to Idaho, if he went by that route.

Suppose he wanted to go by way of New Orleans. These figures I am about to read are official. It would cost him $73.92. Or he might get into Idaho by the Pacific Ocean, which seems to be lined with Chinese and cheap labor, and all sorts of horrible things. It would cost him, by way of Portland, only $102.63 to get a thousand of brick into Idaho—worth when it landed just $23—and if he came from Canada, it would cost him, shipped from Montreal, $74.59. More than that, you employed a tariff commission once. Why on earth you ever established a tariff commission I do not know. The worst enemy to such schedules as this is a tariff commission, or any other commission which can read and write. We did not need a tariff commission to tell us that you could not ship a thousand brick, weighing three or four tons and worth $23 when you started with it, any great distance without having the freight eat up the value of the brick.

In addition to that, fire clay almost invariably underlies coal, if the Senator from Idaho only knew it. Wherever you have a coal mine with fire clay under it, you can make the kind of brick you manufacture in Idaho. They use the great cutting machines to undercut the fire clay and throw it away in order to get the coal. So you can generally make fire brick wherever you have a coal mine. But you can not ship it over a hundred miles or two hundred miles, if it is ordinary fire brick, because the rate on the brick is more than the price of the brick, and some other fellow will set up a kiln at a coal mine and make fire brick more cheaply than you can ship it.

Mr. SIMMONS. Mr. President, it is suggested that a few thousand brick a year come in as ballast, and therefore we ought to put this duty on for the purpose of protecting against those few thousand ballast brick.

Mr. STANLEY. The committee has reported on that question. In this very same speech the Senator from Idaho states that ships loaded with fire brick come into Seattle and San Francisco after our grain. That would have been all very well if it had not been for the fact that in discussing the matter they accidentally put in some figures.

They say the wharves in Seattle are stacked with fire brick. Suppose they were. Suppose you had brick piled a mile high in

Seattle and San Francisco, you could hardly ship it across the street. You could not send it 50 miles. You could not break bulk and ship a thousand fire brick 100 miles from Seattle, 100 miles from San Francisco, 100 miles from Portland, Oreg., without paying more than $23, because it weighs several tons. Yet, as I will show further on in a few minutes, you are going to throw the cloak of protectionism about the most gigantic and soulless combination of convicted criminals who ever made a world houseless and homeless, in order that $3,000 worth of brick in Idaho may be protected from the cheap coal and the pauper labor of Scotland.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from Kentucky yield to the Senator from Idaho?

Mr. STANLEY. Certainly.

Mr. GOODING. Did the Senator say there were 200 men employed in Idaho manufacturing fire brick?

Mr. STANLEY. About that.

Mr. GOODING. And they produce $3,000 worth of fire brick in a year?

Mr. STANLEY. Those are the figures.

Mr. GOODING. In a year?

Mr. STANLEY. Yes, sir. I will read the Senator what he himself said about it.

Mr. GOODING. I did not say anything about it.

Mr. STANLEY. Well, what your man said. Let us get the story of this diminutive and suffering industry. Talk about infant industries. This one has hardly learned to suck yet; it has not been worked. It is just born, but it is not dry. If it is, it is kiln dried. Let me see if I can find that speech in the mass of data I have here.

In this address they say it is a little bit of a suffering industry. I have the figures on it and will put them in the RECORD. It says there are less than 200 people employed in that concern.

Mr. POMERENE. Mr. President, the Senator means to limit that statement about the 200 people being employed in the industry to Idaho?

Mr. STANLEY. Yes; in these two little factories. They have but two brick kilns in Idaho, making $3,000 worth of bricks. We make $3,000 worth of bricks in one day in Kentucky. If this is going to hurt anybody, I am ruined.

Mr. POMERENE. If the Senator will permit me, I happen to come from the very center of the brick industry. There are brick companies galore in and about Canton and Cleveland and down along the Ohio River. I never heard of anybody suggesting a tariff on brick. The thing they have been complaining about is railroad rates, which cut them out of a large part of new markets. If there is one thing in the world that we can make in this country it is brick, and because of the freight rates nobody can compete with the brickmakers of Ohio. This must be one of the gold bricks that is being handed to the farmers.

Mr. STANLEY. Mr. President, there is but one bigger fool thing than a tariff on brick, and that would be a tariff on atmosphere—on hot air. In this letter to the Senator from Idaho, the writer says:

> There are two small plants producing fire brick located in my home county in Idaho, and these plants are competing with fire brick produced in Scotland, England, and elsewhere, where the wage conditions are not at all adequate for American labor.

Mr. President, I had to hunt for this fire brick in Idaho like hunting for a needle in a haystack. I sent down to the department and asked them to tell me about fire brick, and in the tabulated statement they sent me I could not find Idaho. I went back and said, "Is anyone producing fire brick in Idaho?" The man scratched his head and said, "Fire brick in Idaho?" I said, "Yes." He said, "We can't find it. It is not mentioned. It is negligible." I said, "Go back with your microscope and see if you can find it."

They came back and said, "It is discovered. It has never been brought to the attention of the experts before, but they do make $3,000 worth in a year." These are official figures from the department, which I will put into the RECORD.

Mr. President, what is the purpose of this duty on brick? The Senator from Arkansas read before this body a most remarkable statement from the Lockwood Committee. If the Senator from Idaho were given the New York market and ran his little kilns full tilt for a hundred years, he could hardly supply the demand of New York for brick for a week.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Idaho?

Mr. STANLEY. Certainly.

Mr. GOODING. The Senator from Kentucky states very clearly the facts in connection with fire brick or any other brick. You can not ship them more than 200 miles over a railroad in this country and pay the freight rate, he said. I will say that usually the common brick, at least, can not be shipped over a hundred miles, though fire brick may be shipped farther, but not more than three or four or five hundred miles, and pay the freight rates on American railroads. I quite agree with the Senator in that. But I do not agree with him that a duty on fire brick, or on common brick, as far as that is concerned, will increase the price of brick to any man in the United States. The Senator had better be a little consistent in his argument.

Mr. STANLEY. I am more than consistent. I am candid. I am severely truthful. Of course, it does not increase the price to the consumer. Oh, Mr. President, we had a typical instance of that the other day when a little 10 per cent duty on cyanide was imposed. It just happens that cyanide is made by one corporation and used by another. A big trust makes cyanide and the great gold mines of the world consume it. So we had a fight between the great producers of gold and the great producers of cyanide, and from the other side of the Chamber we heard the helpless wails that this was a tax that could not be passed on. Why did you not tell the gold miner that the consumer did not pay the tax; that the importer paid the tax on cyanide? Why did you not tell him competition would settle it; that it did not matter if you put it on? But Senator after Senator rose and said as a matter of course this is a tax; said the Senator from South Dakota [Mr. STERLING] this is a tax, said the Senator from Nevada [Mr. ODDIE], the consumer must pay—and the Senator from South Dakota honors me by his attention—the consumer must pay it because you can not pass it on, the price of gold being fixed. If you admit the corporation must pay the tax, why does not the individual have to pay it, too? The minute you found that you had one tax that you could not pass on to the naked, helpless, silent, and undefended consumer, you turned about face and in the twinkling of an eye you took the thing off.

That is a poor argument. If the consumer does not pay it, and the importer pays it, it will come in anyway and the tax will not do you any good. If the importer does not pay it and the consumer pays it, there is every reason for my argument.

It is proposed to put a duty of 25 per cent on brick. There are $53,000,000 worth of fire brick produced in the United States. There are $82,000,000 worth of common brick produced. In the city of New York alone there are $488,000,000 worth of brick consumed in a year. Suppose you gave the Senator from Idaho the market, how long would it take him to supply it? The Senator from New York [Mr. CALDER] has introduced a memorial stating, among other things, that—

> There is a present shortage of housing accommodations of the cheaper class for about 400,000 people among the masses of the workers, all of which is set forth in detail in the accompanying report.
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> * * * * * * *
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> The committee now finds that there is a famine in the basic materials required in building construction, such as bricks, sand, lime, cement, etc. The supply of these materials has been restricted in many cases through the operation of these unlawful combinations and in other instances by reason of the phenomenal demand due to the increase of building activity that is essential to meet the emergency.
>
> The exactions of manufacturers and dealers in building materials due to this scarcity of supply have resulted in abnormal price increases, and in some instances in the inability to meet the demand on any terms. Manufacturers and dealers are either unable or unwilling to satisfy these demands upon a basis of reasonable prices over and above the actual cost. This situation prevails not only in the city of New York but in many of the cities throughout the country, and for the same reason. Unless corrected it threatens to paralyze the efforts to correct the present crisis.
>
> As illustrative of the extent to which oppression has been practiced by these combinations above referred to, it appears from the evidence that at a time when the price of building sand was abnormally high, largely as the result of a monopoly in the transportation facilities, a trans-Atlantic steamer of the Munson Line brought as ballast into the port of New York a cargo of high-class sand, which it endeavored to market. Because of the then existing combinations on the building-materials market, no dealer or builder dared buy the sand, although it was of high quality, was greatly needed, and could have been had for less than one-quarter of the price that was then being charged for a similar product. The steamship company was finally compelled, at considerable expense, to take the sand out to sea and there to dump it, because of the grip of this monopoly.
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> * * * * * * *
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> Unless this situation is corrected the continuance of these arrangements will materially interfere with the importation into this country of building materials, unless Congress will, in fixing the tariffs, make such reductions as will take into account the added cost of transportation, due to the fact that our Government is a party to combinations against which its antitrust laws are directed.
>
> The only immediate remedy in sight is to permit the prompt importation into this country of building materials of the classes that are now excluded through prohibitive tariffs, under cover of which the present

profiteering demands are being exacted. The added cost of freight upon such importations due to combinations between the steamship companies increases the burdens to that extent.

Think of this: These makers of brick, these producers of cement——

Mr. GOODING. Mr. President——

Mr. STANLEY. I yield to the Senator from Idaho.

Mr. GOODING. I hope the Senator will not confuse my statement on the small quantity of brick made in Idaho with the brick used in New York or any part of the country. It is a question of the territory we have been covering for a number of years, and we have lost a great deal of that market because of the shipment of brick there from Scotland and England and Canada, where they have cheaper freight rates than we have in Idaho, and are thus enabled to ship fire brick into our markets at Seattle and Tacoma.

The Senator is quite right when he says it could not affect prices more than 200 miles distant. I am sure he does not want to waste time by trying to make me out as saying we have had a chance to ship fire brick to New York and need a duty of 25 per cent. I do not think we can find any new market now with the duty, so far as that is concerned, but we want to hold our own market, and it will not affect the price of brick anywhere in the United States unless to the people of Seattle. It will give us our market, and we are entitled to it.

Mr. STANLEY. If they can ship brick from Scotland to Idaho, I do not see why they should not ship brick from Idaho to New York. But, be that as it may, of course I know they can not ship brick from Idaho to New York, but here is the vice of this "you tickle me and I tickle you" proposition. The Senator from Idaho must have protection on brick. You can not protect the brick of Idaho without protecting the brick of New York. The prices of brick in New York have gone up from $17 to $50 a thousand. When the price of brick in twenty-odd cities of the United States, from Boston to Los Angeles, ranged from $15 to $20 a thousand, a merciless gang of highbinders took by the throat the great city of New York, with 400,000 homeless people, an empire in itself, and are demanding 150 per cent profit on brick. Not only that, they are in close combination with the makers of cement and the producers of sand, and for these crimes they have been tried and convicted in the courts.

The price of brick in New York was raised to such an exorbitant price by this criminal conspiracy that it has overcome the hitherto impenetrable barrier of freight rates upon such a heavy commodity, and brick were about to be imported from Canada into New York. The people of New York, the houseless ones, with the sworn officers of the law, come here and out of the mouth of a Republican, not a Democratic, Congressman, and in the name of common justice and common decency they pray and plead with you and memorialize you not to put a duty of 25 per cent upon an essential commodity so necessary to the industrial life of the greatest metropolis in the world.

Your answer is, "We would like to do it, but the Senator from Idaho has $3,000 worth of fire brick and we must take care of a fellow Senator if New York goes to the ding-bowwows or industrially to the devil."

That is the absurdity, that is the wickedness, that is the assininity of imposing duties of this kind. I have taken the time of the Senate upon this schedule not on account of the size of the industry—considerable as it is—but because it is a startling instance not of protectionism gone mad but of protectionism gone demented. Senile and shameless, reduced to a point where it no longer realizes that the people of the United States, the intelligent electorate of America, if they do not condemn it for its crime, will spew it out of their mouths for its stupidity and its folly.

Mr. GOODING addressed the Senate. After having spoken for some time,

Mr. McNARY. Mr. President——

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from Idaho yield to the Senator from Oregon?

Mr. GOODING. I yield.

Mr. McNARY. The Senator from Idaho is making a most valuable contribution to this discussion. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Cameron	Curtis	Hale
Ball	Capper	Dillingham	Harris
Borah	Caraway	du Pont	Harrison
Brandegee	Colt	Ernst	Heflin
Bursum	Culberson	Gerry	Johnson
Calder	Cummins	Gooding	Jones, Wash.
Kellogg	McNary	Poindexter	Stanley
Kendrick	Moses	Pomerene	Sterling
Keyes	Nelson	Ransdell	Swanson
King	New	Rawson	Townsend
Ladd	Newberry	Robinson	Underwood
La Follette	Nicholson	Sheppard	Wadsworth
Lenroot	Norris	Shortridge	Walsh, Mont.
Lodge	Oddie	Simmons	Warren
McCumber	Page	Smith	Watson, Ga.
McKinley	Pepper	Smoot	Willis
McLean	Phipps	Spencer	

The PRESIDING OFFICER. Sixty-seven Senators having answered to their names, there is a quorum present.

EXTENSION OF NATIONAL BANK CHARTERS.

Mr. KING. Mr. President, will the Senator from Idaho yield to me?

Mr. GOODING. Yes; I yield.

Mr. KING. During my absence a day or two ago House bill 9527 extending the charters of national banks was called up and passed. I was opposed to that bill. I do not believe that it is wise or prudent to grant charters for 99 years. Of course, the bill as passed by the Senate was an improvement over the bill as passed by the House. I was entirely willing to support a measure granting charters to national banks for a period of 50 years. The distinguished Senator from Virginia [Mr. GLASS] and others who I thought shared the views which I entertained, I am now advised, had acceded to the Senate bill, and so far as I know now there are perhaps only two or three of us who are opposed to the bill. I do not feel like carrying the fight further, in view of that fact.

Mr. WATSON of Georgia. Mr. President——

Mr. KING. I yield.

Mr. WATSON of Georgia. I think I am right in saying that heretofore national banks have never asked for charters for longer than 20 years at a time. I think they have been renewed at 20-year periods heretofore.

Mr. KING. That is my recollection.

Mr. WATSON of Georgia. Then, why this perpetual charter, which is against the spirit of democratic institutions?

Mr. CALDER. Mr. President, if the Senator will permit me, the national banks of the country, through their organizations, have asked for perpetual charters, pointing out the fact that under our Federal reserve act they were given certain fiduciary powers; and also, in view of the fact that the State banks can come in under the Federal reserve act and have every right and privilege that a national bank has under the Federal reserve system, the national banks felt that they ought to have all the privileges accorded the State banks, and they think that they can not get the trust business that the State banks get unless they have perpetual charters.

As the Senator knows, the Committee on Banking and Currency examined every phase of that question; and in view of the opposition, particularly on the other side, they determined not to press the matter of perpetual charters, and therefor brought in an amendment to the House bill providing for 99-year charters. The bill has passed the House, the House has disagreed to our amendments, and the bill is back here from the House with a request for a conference.

Mr. WATSON or Georgia. But, Mr. President, there is no similarity between State banks and national banks. The State banks have no authority to issue notes to circulate as money. The national banks have; and the Democratic Party, if it has any record at all, is on record as eternally hostile to the issue of money by private institutions. That was the creed of Jefferson. That was the great fight that Jackson made. That subject takes up some of the most thrilling chapters in the autobiography of Martin Van Buren. I am amazed, Mr. President, that on the Democratic side no opposition is made to the renewal of these charters for any length of time, and certainly I am astonished that anybody should agree to renew the charters for so long a time as 50 years, when heretofore the banks themselves have only asked for 20.

Mr. KELLOGG. Mr. President, will the Senator yield?

Mr. GOODING. Mr. President——

Mr. KING. If the Senator from Idaho will indulge us for a few moments more, I shall be much obliged.

Mr. GOODING. I shall be very glad to yield, if it is only for a reasonable time.

Mr. KELLOGG. Of course, the issuing of circulating notes has nothing to do with the charters of banks. Congress has absolute control of that privilege, and can take it away at any time it sees fit. Congress can take away the charter of any national bank. Even if it is made a perpetual charter there is a reservation, and not only can Congress take it away but it can be revoked for a violation of any of the terms of the charter.

Mr. WATSON of Georgia. That has always been the case, Mr. President.

Mr. KELLOGG. That has always been the case. The question of whether a national bank should or should not issue notes to circulate as money, of course, is entirely in the hands of Congress, as is the question whether a charter shall be continuous or not. There is one object in not requiring the renewal of these charters every 20 years. It is a very expensive proceeding, while Congress has the absolute power at any time to take away the charters, to repeal the charters, or to amend the charters.

Mr. WATSON of Georgia. The Senator knows the strength of the plea that is made in favor of vested rights.

Mr. KELLOGG. I understand that, but the Senator will understand that there are 18 States already which grant perpetual charters.

Mr. CALDER. There are 21.

Mr. KELLOGG. And the number is increasing constantly. I submit there can be no particular object in requiring a bank to go to the expense of reorganizing and liquidating every 20 years.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Georgia?

Mr. GOODING. I do not think I shall yield any longer, unless the Senator from New York is compelled to go away.

Mr. CALDER. I am going to leave the Chamber in a few moments. The bill has passed. It is simply a question whether the Senator from Utah is disposed to withdraw his motion to reconsider the vote. The bill must become a law within a few weeks, or a great many banks will be compelled to liquidate.

Mr. WATSON of Georgia. If the Senator will examine the Statistical Abstract as to the profits paid by these banks, which are stupendous, I am sure he will agree that the expense of reorganization once in 20 years is a mere drop in the bucket.

Mr. KING. Mr. President, I share the views which have been expressed by the Senator from Georgia. This legislation is very obnoxious to me, and I am opposed to it. If I could defeat it I certainly should. However, with the limited opposition which I perceive exists—the Senator from Georgia and myself are, as far as I know, the only two opposed to it—I do not feel like pressing the fight, and therefore I was disposed to withdraw my motion to reconsider; but if the Senator from Georgia desires to discuss the matter further——

Mr. GOODING. I shall object to any further discussion of this matter.

Mr. WATSON of Georgia. I will not take any more time of the Senate.

Mr. KING. I shall not withdraw my motion to reconsider.

Mr. WATSON of Georgia. I hope the Senator will not withdraw his motion.

Mr. KING. I shall not withdraw it at this time.

Mr. CALDER. If the Senator from Idaho will yield further, and it is in order, I would like to make a point of order against the motion of the Senator from Utah. The Senator made his motion after the House had taken action on the bill. The bill had passed the Senate, gone to the other House, they had disagreed with the Senate amendments, and had asked for a conference. I submit that that action having been taken, the motion is not in order.

Mr. WATSON of Georgia. But the Senator from Idaho has the floor.

The PRESIDING OFFICER. The Senator from Idaho has the floor, and he has yielded to the Senator from New York.

Mr. WATSON of Georgia. Does that not take unanimous consent?

The PRESIDING OFFICER. Not for the Senator from Idaho to yield to the Senator from New York.

Mr. WATSON of Georgia. The question is not here now in regular order. Can the Senator bring it up without unanimous consent, or even with unanimous consent now?

Mr. KING. Mr. President, I suggest to the Senator from New York to let the matter go over until Monday.

Mr. CALDER. I submit that if the Senator proposes to insist upon his motion, and my point of order is not well taken, the papers must be returned to the other Chamber, their action in appointing conferees rescinded, and the bill returned to the Senate. We have only a week or two to dispose of this whole matter, and it is a subject of great inconvenience to the business interests of the country.

Mr. KING. I do not desire to hold this matter up, or to occasion any confusion or trouble to the banks, and that is why I suggested that if the Senator would let it go over until Monday we will join in requesting the chairman of the Committee on Finance to give us a little while on Monday morning to consider this.

Mr. KELLOGG. I suppose the Senator knows there is no general law for the extension of bank charters.

Mr. KING. I am familiar with that.

Mr. KELLOGG. And that they go out of business when their charters expire.

Mr. KING. I understand that.

The PRESIDING OFFICER. The Senator from Idaho [Mr. GOODING] is entitled to the floor.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. GOODING resumed and concluded his speech, which is entire as follows:

Mr. President, again let me say, I have not any quarrel with Senators on the other side of the aisle who believe that protection is unconstitutional and morally wrong. That is the issue before this body in this protective tariff measure to-day, whether we shall have on the one hand protection or on the other hand free trade. I think we have spent something like two days discussing the brick schedule and yet in their own argument they admit that it can not affect the price of brick more than 200 miles from the Canadian border, and I agree with them thoroughly so far as common brick are concerned. Yet they would have the American people believe that a 25 per cent ad valorem duty on brick would raise the price of brick to every man who is building a home in America.

That is what they are trying to do, to impress upon the American people that protection to an American industry and to American labor is robbery and an outrage. Believing as they do that it is unconstitutional they have the right to say that protection is a robbery. In this case where Canada gives a 25 per cent ad valorem duty and our brickmakers are denied that protection, they would continue the denial of that rate to American brickmakers. I say it is unfair, it is unjust, and it is un-American for any man to take an attitude that would destroy an industry in this country, I do not care how small it is, if it only employs 200 men a year. That principle is un-American, and I do not care from what party it comes.

It is true that British Columbia can manufacture brick and can put it into Tacoma and Seattle at a less freight rate than can be done from my State, and that they are monopolizing and taking that market. It is true that they are bringing brick as ballast from Scotland and selling it there and that brick are piled up on the wharves of Seattle at the present time. But it is a question of whether you are going to be as fair to your people as Canada is to her own people, and give them protection.

Of course, everybody knows, so far as a tariff on brick is concerned, or whether it is on the free list, that the price can not be affected in New York if there is a brickkiln within 100 miles of that city. They can not ship from Canada very far into the United States, nor can we ship into Canada very far. There may be exchanges of brick in different cities along the border, but that is about all there is of it. That is all it amounts to. But in order to destroy a great principle of government, you have fought this little brick protection for two long days with the hope that it will go out to the American people that this is an iniquitous measure, an infamous measure, conceived in corruption and behind closed doors, all of which you know is not true. That is your game. You are fighting your campaign right now, and unless somebody answers in behalf of the great principle of protection on this side, you will do very well when election time comes. There is no question about that. Unless somebody on this side of the aisle tells the truth to the American people and meets the accusations and false statements made on the other side, of course you will be ready to let the bill pass when you have sold it to the American people as a gold brick and a bunch of bunk—there is no question about that—and not until then. The Senator from Alabama [Mr. UNDERWOOD] has been more than fair in making his statement that when they tell the American people about this bill—and that means from the viewpoint of the free trader and the man who believes it is unconstitutional and morally wrong to have protection—then you are going to let it pass, and not until then. It is just as plain as if it were written on the walls what you intend to do.

In the great international bankers of this country who are internationalized to-day, who have lost their touch with the American people, who have been for more than a year accentuating the importance of foreign trade, you have a political ally of great power. All through the papers for more than a year they have been talking about our foreign trade. They have been doing more than that. They have had public speak-

ers all over America accentuating the importance of our foreign trade. I will agree that it is important, but we need not destroy our own industries, which I am going to show, too, before I get through, in order to have foreign trade.

Then, again, you have the importers, many of them great owners of department stores in this country, the Shylocks of America—do not forget that, and I will prove it before the bill is passed—the great Shylocks of America.

A thousand per cent is a common thing with them on goods produced by the pauper labor of Europe, which they bring in here and sell to the American people. They are supported by the great daily newspapers, of which the department stores are the best customers. Of course the Senator from Kentucky and his Democratic colleagues have a right to be encouraged, with all these great daily papers advocating their cause. In Detroit one department store paid to three Detroit newspapers last year $600,000 for advertising. The sum of $700,000,000 is paid yearly to the newspapers by the retail stores of this country, no small amount of it coming from the department houses, if you please. It is not strange that they say it is no time to pass a protective tariff measure. It never will be, so far as they are concerned.

Of course the Senator from Kentucky is not willing that we shall do for our brick manufacturers what Canada is doing for her brick manufacturers. It does not make any difference, as the Senator from Arkansas said the other evening, what Canada does. If the Democratic Party live up to their principles and follow the faith of their fathers, they have got to put bricks on the free list or impose a duty upon them that is not protective. That is the issue between us, and there is not any retreating from it, so far as I am concerned. That is the line I am going to follow in the discussion of the pending bill before the Senate.

I shall now undertake to conclude the remarks begun by me some days ago. I shall resume my discussion of tariffs in foreign countries. First let me refer to the tariff in Belgium. I find that on cocoa Belgium levies a tax of $7.80 per 100 pounds, and cocoa is a breakfast food. On coffee there is levied a tax of $2.60 per 100 pounds; on vegetables, tinned or bottled, $3.90 per 100 pounds; on cheese, $2.08 per 100 pounds; on apples, $8.63 per 100 pounds; on grapes, $7.77 per 100 pounds; on coconuts, 69 cents per 100 pounds; on prunes, $5.17 per 100 pounds; on dates, $2.76 per 100 pounds; on raisins, $1.73 per 100 pounds; on oats, 26 cents a bushel; on oat flour, 69 cents per 100 pounds; on vermicelli and macaroni, 69 cents per 100 pounds; on honey, $3.10 per 100 pounds; on soap, from $7.03 per 100 pounds to $15.53 per 100 pounds; on sugar, $1.52 per 100 pounds; on tobacco, from $5.17 to $10.40 per 100 pounds; on tobacco manufactured, $21.57 per 100 pounds; on dressed poultry, $10.34 per 100 pounds.

So we find that Belgium taxes the breakfast table. The United States levies the lightest tax on the breakfast table of any country in the world, and its tariff duties are the lowest of any country in the world, with the exception of China, and she has no right to fix her own duties and afford protection to her industries.

Of agricultural products and provisions the amount imported under the Payne-Aldrich law in 1912 was $34,146,822. At that time our population was 95,097,289, and they paid a per capita tax of 36 cents on agricultural products and provisions, with the exception of sugar. We collected a duty of $50,951,199 on sugar, a per capita tax of 53 cents. For the year 1912, under the Payne-Aldrich law, the total per capita tax collected on all agricultural products and provisions was 89 cents. The total customs receipts for that year were $311,321,672. So during that year the American people paid a per capita tax on everything they ate and everything they wore, including luxuries and everything else, amounting to the insignificant sum of $3.20 per capita. That was under that "robber" tariff bill—that "outrageous robbery" that was forced upon the American people by the Republican Party.

In 1914, on agricultural products and provisions imported into this country, we received a revenue amounting to $24,817,322. Our population at that time was estimated as being 97,297,515. Under the Underwood law the people paid a per capita tax on agricultural products, not including sugar, of 25 cents. During that year the revenue collected from sugar was $61,870,547; so that under the Underwood-Simmons law the per capita tax on sugar was 63 cents. The total revenue collected on all agricultural products for the year 1914 was $86,678,779, representing a tax of 88 cents per capita. The total customs receipts for that year were $283,718,081, representing a per capita tax in 1914, under the Underwood-Simmons law, of $2.85.

For the year 1920 we collected revenue on agricultural products and provisions, with the exception of sugar, of $24,521,305; and on sugar we collected revenues of $79,556,137. It appears, therefore, that the per capita tax on the American people on sugar for the year 1920 was 75 cents, and the American people paid a total per capita tax of 98 cents on all agricultural products and provisions, including sugar. The total customs receipts for that year were $325,645,565, representing a per capita tax under the Underwood-Simmons law of $3.01.

Under the emergency tariff bill it is estimated that in 1922, on agricultural products and provisions, not including sugar, there will be collected a revenue of $45,881,959, representing a per capita tax for agricultural products and provisions of 43 cents. On sugar it is estimated that we will collect a revenue of $103,979,805, or a per capita tax of 98 cents on sugar alone. For that year under the emergency tariff law the total amount of revenue from agricultural products of all kinds is estimated at $149,879,764, or a per capita tax of $1.41.

Mr. STANLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. GOODING. I yield.

Mr. STANLEY. The Senator has questioned the authority for the statement made by me that there are about 200 wage earners making fire brick in Idaho. I am in receipt of a letter from the chief statistician for the Bureau of Manufactures of the Department of Commerce, dated May 19, 1922, in which he says, among other things—and I will incorporate the letter in the RECORD in the remarks which I have already made—

> These concerns manufacturing fire brick in Idaho employed an average number of 109 wage earners. I regret that it is impossible to separate the statistics for fire brick from those of other brick.

I placed the number too high. It is 109, instead of 200.

Mr. GOODING. Do the figures refer to those employed in making fire brick?

Mr. STANLEY. Yes; those employed in making fire brick.

Mr. GOODING. And the total value of their labor for a year was $3,000, according to the Senator's statement. Let that go in the RECORD with the Senator's statement, and let it stand. I am satisfied with it.

Mr. STANLEY. The statement as to $3,000 was from the census.

Mr. GOODING. Very well, let it go in the RECORD as the Senator's statement.

Mr. STANLEY. The census for manufactures for 1920 gives the value of $231,457 for every kind of brick in Idaho produced in Idaho.

Mr. GOODING. Mr. President, to resume my discussion where I was interrupted, under the Fordney-McCumber bill the revenue collected will be, it is estimated, $350,000,000. The American people will be asked to pay $1.45 per capita on agricultural products and provisions, including sugar; and they will be asked to pay on all commodities under a measure that gives protection to every American industry the stupendous sum of $3.29 per capita.

The United Kingdom in 1922 collected from her people, through her customhouses, $632,052,720, or nearly twice what will be collected from the American people under a protective tariff measure. With a population of 42,767,530, England collected a per capita tax, through her customhouses, of $14.78, as against $3.29 in America under the rates of the pending bill.

Why, we are nearer a free-trade country than any other country on earth. There is no question about it. Canada in 1922 collected a revenue of $104,420,451 from a population of 8,769,489, a per capita tax of $11.90. They are a protected country as compared to ours, and yet you would not give the American brickmakers where they are exposed to competition the same duty that Canada is willing to give to her citizens. You can not help it; you have to vote for free trade, and be against all protection; and I have no feeling about it as far as I am concerned.

France in 1921 collected a revenue through her customhouses of $360,880,770, with a population of 41,500,000, a per capita tax of $8.69.

Germany in 1922 collected through her customhouses $1,047,200,000, with a population of 62,000,000, a per capita tax of $16.89.

Argentina collected through her customhouses in 1920 a revenue of $70,526,398, with a population of 9,000,000, a per capita tax of $7.83 down in Argentina.

Mr. President, before this bill is passed our friends on the other side of the Chamber will be shedding tears for the laboring men of America, and I am sure they are going to be genuine tears, from the heart; but if they will take the time to ascer-

tain how light the burdens are here in America on the laboring man, who pays a smaller tax than any other laboring man in all the world, they can save their tears and shed them for other people in foreign countries. We will hear a good deal about the breakfast table, of course, when we come to farm products, which are necessities of life. Of course, the clothes you wear, everything you have in your home which is taxed under the Underwood law, are not necessities!

I have taken the four great articles of breakfast food used to determine the difference in taxes paid on tea, cocoa, coffee, and sugar in the different countries of the world as compared with America.

England places a duty of 24 cents a pound on tea and collects a revenue of $86,150,710, or $2 per capita, on tea alone. She places a rate of 10 cents a pound on cocoa, collects a revenue of $9,845,320, or 23 cents per capita, on cocoa, another breakfast table necessity in England and all over the world. England places a duty of 12 cents a pound on coffee and collects a revenue of $3,118,857, or a per capita tax of 7 cents. She places a duty of 6 cents a pound on sugar. She collects a revenue of $204,338,700, a per capita tax on sugar alone in England of $4.48 every year, at least that is what it was in 1921. These figures are for 1921.

The average daily wage for carpenters, bricklayers, machinists, plasterers, painters, and shoemakers in the United Kingdom at present is $3.08. The average for these trades in the United States is $7.17 a day in 45 of our great cities. If the American laborer were taxed in proportion to the earnings of the laborer of the United Kingdom he would be forced to pay a tax on foreign imports of $34.80 a year, while the per capita tax collected in England from her customhouses on foreign imports is $14.80.

France places a duty of $2.70 a hundred on tea, and she collects a revenue of $66,962,304, a per capita tax of $1.62. On coffee for the breakfast table she places a duty of 26 cents a pound. She collects a revenue of $37,719,648, a per capita tax of 90 cents, on coffee alone; while in America everything that goes on the breakfast table and on the dinner table, and everything the American eats, will carry a tax of but $1.45, as estimated, under the tariff bill that is before the Senate at the present time.

On those four articles France collects a revenue of $2.77 per capita per year. The average daily wage paid to carpenters, bricklayers, machinists, plasterers, painters, and shoemakers in France at the present time is $1.46. The average for those trades in the United States is $7.17. If the American laborer were taxed in proportion to the earnings of the laborer of France, he would be forced to pay a tax on foreign imports of $42.60 a year, as compared with $3.29 under a protective tariff measure which gives labor protection, and which gives every industry in America protection. Ah, yes; the American laborer has been robbed.

The average daily wage paid to carpenters, bricklayers, machinists, plasterers, painters, and shoemakers in Germany at the present time is the princely sum of 71 cents. I was unable to get the figures of the receipts from the different items—coffee, sugar, tea, and cocoa—in Germany, but they collect a total per capita tax of $16.89 from their people on foreign imports. If the American laborer were taxed in proportion to the earnings of the laborer in Germany he would be forced to pay a tax on foreign imports of $168.90 a year.

I shall next give the figures for Canada, right across the border, in whose favor the Senator from Kentucky is so keen to destroy the brick plants in this country, where they can be destroyed, along the line, from the fact that in Canada they have cheaper labor and cheaper freight rates in some cases. Canada places a tax on the breakfast table; on tea of 10 cents a pound.

Mr. STANLEY. Mr. President, does the Senator mean to say that the level of wages in Canada is lower than in the United States?

Mr. GOODING. Lower than in the United States on an average.

Mr. STANLEY. That is contrary to the information furnished by every investigation of every industry we have ever had brought to the attention of the Senate or the Congress, and I would like to have incorporated in my address statements which prove the contrary.

Mr. GOODING. My information is that they are quite considerably lower in Canada on an average, especially in the trades, than they are in this country. In Canada in the woods I know they are working 10 hours a day. I think the scale is the same, but in America they have an eight-hour day in the woods right along the border, and in Canada they employ Japs, Hindus, and that class of labor. The Pacific Northwest is the only place I know of where outdoor labor in the woods is given an 8-hour day.

Canada places a duty of 10 cents a pound on tea. She collects a revenue of $2,570,480, or a per capita tax on breakfast tea of 29 cents. She places a duty on coffee of 5 cents a pound. The per capita tax is 6 cents.

She places a duty on cocoa of 35 cents a pound, and collects a revenue of $184,355.72, or 2 cents per capita.

She places a duty on sugar of 2 cents a pound. She collects a revenue of $8,150,797.60, a per capita tax on sugar in Canada of 92 cents.

The total per capita tax on those four articles in Canada is $1.29. The total per capita tax in Canada on foreign imports is $11.90, compared with $3.29 estimated under the McCumber bill.

The Republican policy has always been never to place any tax on any articles not produced in this country unless they have a displacement value, unless they displace some product of this country. This is practically the only great country in the world that follows that policy. That is the principle of the Republican Party, only to put a tax, if you please to call it a tax—I am not willing to admit that it is a tax except to the foreigner, as he brings his imports into this country and pays his money into the customhouse in order to bring his goods in here to sell in our market. Every tax placed on every industry is placed there for the benefit of labor, without a single exception to the rule.

In 1912 we admitted free of duty foreign imports to the value of $861,512,987. That same year we admitted foreign imports to the value of $759,209,915 upon which duties were paid. So that 53 per cent of all imports passed the customhouse free of duty under the protective tariff act of 1909.

In 1920 we received in this country free of duty imports to the value of $3,113,948,338. That same year we received imports to the value of $1,985,865,155, upon which duties were paid. In 1921, 61 per cent of all our foreign imports passed our customhouse free of duty, a larger percentage both under protection and free trade passing the customhouse of this country free of duty than any other country on earth. Yet we are asked, How can Europe sell to us unless we open our ports and give them an opportunity to bring their products in free.

Our duties on the average are lower than those of any other country on earth. The receipts at the customhouse prove that beyond any question of doubt. I placed in the RECORD the other day a list of the articles that we buy from foreign countries upon which no duty is paid at all. Why, we buy 80 per cent of all the rubber of the world. We are the biggest buyers of raw silk in the world that comes in here free, and many other of the great commodities of the world are admitted here free. Yet the great importers of this country and the international bankers come pretty near making the American people believe that our ports are practically closed to the foreigners of the world, which is not true. The Fordney-McCumber bill reduces the free list from 6 to 8 per cent, so that no doubt, as in the past, more than 50 per cent of our imports will come into this country free of duty.

I regret that we have people of foreign birth in this country who are objecting to this Government levying duties on imports that come in from their native land. I can not understand a foreigner, who comes to America to make a home, being pro-English, pro-German, pro-French, pro-Italian, pro-anything but pro-American. Never since the beginning of time has there been such a Government as ours. Never since the beginning of time has the laboring man had such an opportunity as he has had in America. Under the protection of this great Government of ours, foreigners are coming to our shores, and are given an opportunity to enjoy privileges and liberties such as the nobility in their own native lands have never enjoyed. It is time, as Andrew Jackson said way back in 1824, that we become a little more Americanized.

I want to tell Senators on the other side of the Chamber that we have reached a milestone in the history of this country, a milestone in the history of the whole world, when the question comes to find employment not only for the people of America but for the people of the world. I do not know how we are going to go on being the great beacon light for humanity unless we protect our own people and keep them strong, hoping some day that the people of Europe, the poor people of Europe, will come up to our standards. But as long as I have strength I am not going to see our ports thrown wide open, as the Democratic Party would have done if they could, and will do if they can, to the cheap labor of all the world.

I never was in more deadly earnest in my life than I am over the great principle of protection. I believe it is responsible

for the American standard of living and wages and citizenship that have made us the supercountry of all the world and the greatest people that ever graced the footstool since the dawn of civilization. I sometimes wonder if there can be an American who, in the words of Sir Walter Scott, has not said:

Breathes there the man with soul so dead
Who never to himself hath said,
This is my own, my native land?
Whose heart hath ne'er within him burned,
As home his footsteps he hath turned
From wandering on a foreign strand?
If such there breathe, go, mark him well;
For him no minstrel raptures swell;
High though his titles, proud his name,
Boundless his wealth as wish can claim—
Despite those titles, power, and pelf,
The wretch, concentrated all in self,
Living, shall forfeit fair renown,
And, doubly dying, shall go down
To the vile dust from whence he sprung,
Unwept, unhonored, and unsung.

Mr. President, I ask permission to have inserted in the RECORD the tables to which I have referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Total and per capita revenue derived from imports in the countries named for the latest year for which the figures are available.

Country.	Year.	Total receipts.	Population.	Per capita.
United States	1921	$292,397,349	105,710,620	$2.76
United Kingdom	1922	632,052,720	42,767,530	14.78
Canada	1922	104,420,451	8,769,489	11.90
France	1921	360,880,770	41,500,000	8.69
Germany	1922	1,047,200,000	62,000,000	16.89
Argentine	1920	70,526,398	9,000,000	7.83
Chile	1920	52,377,367	3,870,023	13.53

Estimated total receipts under the McCumber bill, $350,000,000; estimated total per capita, $3.29.

All receipts converted into American money at par. The fiscal year in the United Kingdom, Canada, and Germany ends March 31. The receipts for Germany for 1922 are estimated.

Source of information: Bureau of Foreign and Domestic Commerce.

TARIFF OF BELGIUM.

Monetary unit, 1 franc equals 100 centimes or $0.192; metric system of weights and measures.

Article.	Unit.	Duty.
	Pounds.	
Butter	100	$1.73
Cocoa, prepared	100	7.80
Coffee, roasted	100	2.60
Vegetables, tinned or bottled	100	3.90
Cheese	100	2.08
Cream, for manufacture	(1)	0.08
Milk, for manufacture	(1)	.016
Almonds	100	3.00
Bananas	100	1.30
Lemons, oranges, figs	100	1.56
Apples	100	8.63
Grapes	100	7.77
Walnuts in shell	100	1.72
Walnuts, shelled	100	2.44
Coconuts	100	.69
Prunes	100	5.17
Dates	100	2.76
Raisins	100	1.73
Oats	(2)	.26
Oat flour	100	.69
Flour, all other	100	.17
Vermicelli, macaroni, etc	100	.69
Honey	100	3.10
Soap	100	1.03 to 15.53
Sugar	100	1.52
Tobacco	100	5.17 to 10.40
Tobacco, manufactured	100	21.57
Game, dead	100	5.17
Poultry, dead	100	10.34

[1] Gallon. [2] Bushel.

NOTE.—Duties converted at par.

GERMANY.

Population, 1922	62,000,000
Total customs receipts from imports, 1922	$1,047,200,000
Per capita total receipts	$16.89

The average daily wage paid to carpenters, bricklayers, machinists, plasterers, painters, and shoemakers of Germany at the present time is 71 cents a day. The average for these trades in the United States is $7.17. If the American laborers of this country were taxed in proportion to the earnings of the laborers of Germany, they would be forced to pay a tax on foreign imports of $168.90 a year.

FRANCE.

Revenue derived from duties on imports of tea, coffee, cocoa, and sugar into France for the fiscal year ended March 31, 1920.

Article.	Duty.	Receipts.	Per capita tax.
	Pound.		
Sugar	$0.027	$66,962,304	$1.62
Coffee	.26	37,719,648	.90
Cocoa	.26	9,549,412	.235
Tea	.35	672,384	.015
Total		114,903,748	2.77

Population, 1921	41,500,000
Total customs receipts from imports, 1921	$360,880,770
Per capita total receipts	$8.69

The average daily wage paid to carpenters, bricklayers, machinists, plasterers, painters, and shoemakers of France at the present time is $1.46 a day. The average for these trades in the United States is $7.17. If the American laborers of this country were taxed in proportion to the earnings of the laborers in France, they would be forced to pay a tax on foreign imports of $42.60 a year.

UNITED KINGDOM.

Revenue derived from duties on imports of tea, coffee, cocoa, and sugar into the United Kingdom for the fiscal year ended March 31, 1921.

Article.	Duty.	Receipts.	Per capita tax.
	Pound.		
Tea	$0.24	$86,150,710	$2.00
Cocoa	.10	9,854,512	.23
Coffee	.12	3,018,837	.07
Sugar	.05	204,338,700	4.48
Total		303,462,765	6.78

Population, 1922	42,767,530
Total customs receipts from imports, 1922	$632,052,720
Per capita total receipts	$14.78

The average daily wage paid to carpenters, bricklayers, machinists, plasterers, painters, and shoemakers of the United Kingdom at the present time is $3.08 a day. The average for these trades in the United States is $7.17. If the American laborers of this country were taxed in proportion to the earnings of the laborers of the United Kingdom, they would be forced to pay a tax on foreign imports of $34.30 a year.

CANADA.

Revenue derived from duties on imports of tea, coffee, cocoa, and sugar into Canada for the fiscal year ended March 31, 1921.

Article.	Duty.	Receipts.	Per capita tax.
Tea	10 cents per pound	$2,570,480.74	$0.29
Coffee	5 cents per pound	538,551.11	.06
Cocoa	35 per cent	184,355.72	.02
Sugar	2 cents per pound	8,150,797.60	.92
Total		11,444,185.17	1.29

Population, 1922, 8,769,489; total customs receipts from imports, 1922, $104,420,451; per capita total receipts, $11.90.

Revenue derived from duties levied on imports of agricultural products and provisions and on sugar under the Payne-Aldrich, Underwood-Simmons, and the emergency tariff laws.

Articles.	Import revenue, 1912 (Payne-Aldrich.)	Population.	Per capita tax.
Agricultural products and provisions	$34,146,871	95,097,298	$0.36
Sugar	50,951,199		.53
Total	85,098,070		.89

Total: Customs receipts, $311,321,672; per capita, $3.20.

Articles.	Import revenue, 1914 (Payne-Aldrich.)	Population.	Per capita tax.
Agricultural products and provisions	$24,817,322	97,297,515	$0.25
Sugar	61,870,457		.63
Total	86,678,779		.88

Total: Customs receipts, $283,718,081; per capita, $2.85.

CANADA—Continued.

Revenue derived from duties levied on imports, etc.—Continued.

Articles.	Import revenue 1920 (Underwood).	Population.	Per capita tax.
Agricultural products and provisions..	$24,521,305	106,418,175	$0.23
Sugar	79,536,137		.75
Total	104,057,442		.98

Total: Customs receipts, $325,645,565; per capita, $3.01.

Articles.	Emergency bill, year ending June, 1922, estimated.	Population.	Per capita tax.
Agricultural products and provisions..	$45,881,959		$0.43
Sugar	103,997,805		.98
Total	149,879,764		1.41

The estimated revenue to be derived from agricultural products and sugar under the McCumber bill is $1.45 per capita.

The estimated total receipts under the McCumber bill is $350,000,000, or $3.29 per capita.

ATTORNEY GENERAL DAUGHERTY.

Mr. STANLEY. Mr. President, thus far I have had nothing to say in the controversy in which the Attorney General of the United States has played a conspicuous part. It is a fact that men of his own party have made, deliberately made, grave and serious charges against the Hon. Harry M. Daugherty, of Ohio, and they have been made against him in his official capacity. On the floor of the House and of the Senate he has been repeatedly charged with offenses serious and revolting to every sense of honor and of patriotism.

Into the question of the truth or falsity of these charges I do not propose to enter in this brief digression from the tariff bill. There is, however, a phase of the situation which must be painful, if not humiliating, to every true and patriotic American citizen.

It is recalled that men who have laid aside the honors and the emoluments of the highest office save one the American people can confer, and have gone out to do and dare for their country, men of the same political faith as Mr. Daugherty, demand his impeachment. On the floor of the Senate still more serious charges are made.

No civilized country in the world, Mr. President, hesitates to shoot on sight a ghoul in time of war. Instant death awaits the wretch who invades a battle field to rifle the bodies of the defenseless dead. He who runs his cadaverous fingers through the unprotected pockets of a dead soldier is not more a ghoul than the dollar-a-year man who rifles the Treasury of his country in the hour of need and peril.

He has been charged by men of his own party with using his high office as a fence for unpenitentiaried profiteers.

It is said that a lion will turn and flee
From a maid in the pride of her purity.

It is charged here, Mr. President, that those who despoil the honor of women in time of peace or betray their country in time of war command the good offices of the Attorney General; that no crime, however vile or repulsive, has failed to command his services as a common pardon broker. I do not make these charges; I am simply reviewing them.

Is it possible that we, in this day of bureaucracy, have reached the point, Mr. President, when the mere vesting a man with high authority renders him immune from criticism, that the law of lese majeste applies to a Cabinet officer? Is it not the duty of the President of the United States to demand of his official family that they stand like men and meet every aspersion upon their official integrity and on their personal honor? To my utter amazement—I say it in all kindness; I say it in sorrow rather than in anger—we find the President of the United States at one hour commending the patience of Lincoln under every form of traduction and slander, recalling to your mind and to mine the amazing tolerance of the great father of Democracy. On one occasion a visitor from Germany, seeing a foul and vicious libel published in a paper lying upon his library table, said, "I would have the man executed; I would have him thrown into prison"; but Jefferson replied, "The best proof of the freedom of our institutions is that he is at large. Take this paper back and read it to your king, and tell him that the President thus permits the freedom of speech and of the press of the United States of America"; and in the next, after this glowing tribute to the magnamity of Lincoln, to my amazement—to my utter amazement—I behold this same President exerting the dread powers of his high office to stifle if not to muzzle the freedom of the press.

I quote from the Philadelphia Ledger, a Republican newspaper—and later I shall ask leave to incorporate the entire article in my remarks—

President Harding to-day took a two-fisted fling at "political blackguards"—

"Political blackguards!" Who are the "political blackguards" assailing the Attorney General? They are two Members of Congress, one of them, at least, and I think both, wore the uniform of a soldier, and eminent Senators, representing sovereign States, ambassadors from two proud Commonwealths. Is it possible that the once genial, self-poised, courteous gentleman, occupying the White House could so far forget himself, in his desperate attempt to save a man who dares not shield himself; to speak for a man who dares not speak for himself? It is true. This Republican Party for the first time in nearly a hundred years to-day sees charge after charge hurled into the teeth of the chief law officer of the United States, and yet there are "none so poor to do him reverence," remembering the pathetic end of the Senator from Indiana [Mr. WATSON], they dare not speak in his defense, lest his subsequent confessions shall shame them. Will the President in his desperation, finding no other who dare to say a word for this discredited official, denounce as blackguards Senators who criticize the nefarious operations of a pardon broker who makes it a business, as it is charged at least, to deceive the Chief Magistrate of the United States in order that men may despoil women in time of peace and plunder the Treasury in time of war, and if one dares express his abhorrence of these unclean and abominable offenses he is a rascal and a blackguard?

It is said further by the Philadelphia Ledger:

Mr. Harding bitterly resents any such imputations against executive officers of the Government.

Executive officers of the Government!

He appears to resent no less the space given in newspapers "to the blackguarding of any rascal who gets up and makes charges."

In the President's view newspapermen and newspapers perform a public service by "putting on the brakes."

Think of it! The President of the United States has the power to make and unmake men. The Attorney General to-day, in a public interview, admonishes those who are seeking high judicial offices that some time ago the President agreed "with me" that in naming judges they ought to consult "us"—Harry M. Daugherty and Warren G. Harding, the President of the United States. Twenty-four judges are shortly to be named, and "You must consult us." That is given to the public. Why? As a notice to all who seek a place upon the bench, "Do not say anything about Daugherty, because Daugherty shadows the Representatives and Senators; Daugherty's sleuths are charged with framing up important witnesses, and Daugherty is not very apt to give his consent." "Us" will not consent to the naming of a judge who says anything about "us."

O God of battles and of war, is it possible? It is enough to send a shudder through the bronze heart of the Goddess of Liberty, now adorning the lofty dome of this Capitol.

Is the ermine to be besmirched by all the filth that now distains and dishonors the Department of Justice? And does the President mean to announce to the world that Daugherty must be consulted before he will name a judge, and that a Senator or a Representative is a rascal or a blackguard who dares assail him?

Then the President says the brakes must be put on the press. I say to the President of the United States this is not Austria; this is not Prussia; this is once free America. "Putting on the brakes" is the next thing to putting on a muzzle, and the statement is an implied threat to the press. Not the President nor Congress nor Senators nor judges shall shackle or abridge the freedom of the press in the United States while the first amendment of the Constitution is intact and there are men of wisdom and courage ready to defend and maintain it.

I ask permission to incorporate in the RECORD the article from the Philadelphia Ledger, to which I have referred, and also an article from the New York Tribune of to-day's issue, both orthodox Republican papers.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The articles referred to are as follows:

[From the Philadelphia Public Ledger of June 3, 1922.]

HARDING ASSAILS PUBLIC "SCOLDS"—PRESIDENT'S FLING AT TRADUCERS SEEN AS ATTACK ON CRITICS OF DAUGHERTY AND HOOVER—DEPLORES SENSATIONALISM—"POLITICAL BLACKGUARDS" GET TOO MUCH SPACE IN SOME NEWSPAPERS, HE BELIEVES.

(By Frederic William Wile. Copyright, 1922, by Public Ledger Co.)

PUBLIC LEDGER BUREAU,
Washington, June 2.

President Harding to-day took a two-fisted fling at "political blackguards" who assail members of his administration. No names were mentioned, but it was the general impression that recent attacks on

Attorney General Daugherty and Secretary Hoover were in the President's mind.

Efforts to induce him to discuss the Daugherty case were futile. Mr. Harding indicated he did not feel called upon to dignify by any utterance of his own the accusations now raging around Mr. Daugherty's name in and out of Congress. Instead, the President expressed himself forcefully regarding that section of the American press which advertises the "outgivings of unknowing, unthinking, and unheeding men."

His observations were in the nature of an appeal to newspapers to eschew "sensational" exploitations of men who utilize their positions to "traduce" faithful public servants.

The President's observations, while evoked by an inquiry designed to secure an expression of the Daugherty affair, did not refer exclusively to it. They were called forth in part by the recent uncouth attacks on Herbert Hoover by Senator WATSON, Democrat, of Georgia. Mr. WATSON a few days ago attacked the Secretary of Commerce in relation to Russian relief funds. Mr. Harding bitterly resents any such imputations against executive officers of the Government. He appears to resent no less the space given in newspapers "to the blackguarding of any rascal who gets up and makes charges."

WOULD CURB SENSATIONALISTS.

In the President's view newspaper men and newspapers would perform a public service by "putting on the brakes" and by ceasing to glorify the mendacity of sensational windjammers, effectually rob them of their chief stock in trade—public advertisement. It is the White House conviction that front-page headlines and "boxes"—the President likes talking newspaper language—only "add to the unrest" when they are used to direct public attention to the vaporings of mud slingers.

As an illustration of the unrecorded work of "unknown, unsung, and unheralded heroes"—in contrast to the prominence given to attacks on public servants—the President told of one of Herbert Hoover's relief workers in Russia who recently died of typhus. Mr. Harding said that brave young American "fell on the firing line of a generous civilization." The President has just written to the relief worker's mother, who has lost her last surviving son and support, a letter of cordial sympathy. It was evidently Mr. Harding's purpose to point out that while such national service usually goes untold and unappreciated in the public prints, no alleged misdemeanor besmirching the name of a high public official, if cried to the housetops loud enough by a "political blackguard," is too unimportant to claim the notice of "the sensational press."

SECOND PLEA AS "EDITOR."

To-day was the second occasion since he was elected President that the editor of the Marion Daily Star has unburdened himself on the topic of journalistic ethics. The first time was in December, 1920, following the President elect's return from his ill-starred vacation trip to Texas. Addressing the assembled corps of Washington correspondents in the press gallery of the Senate, Mr. Harding mentioned that in December, 1919, he made a League of Nation's speech in the Senate—"which was a good one, if I do say it myself."

Then he recalled and deplored the fact that, though his utterance dealt seriously with the burning topic of the moment, those few newspapers which dignified it with any attention at all gave it only a "stick."

Mr. Harding went on to soliloquize aloud that if instead of a reasoned address on the league he had called one of his senatorial colleagues a name, or indulged in fisticuffs, the news might have been "front paged" under "streamer" headlines.

It was in the same general sense that the President talked to-day. He spoke with uncommon candor and conveyed a distant impression that he is losing his patience with the kind of criticism now being leveled at his Attorney General and intimate political associate, Harry M. Daugherty. The President probably also had in mind the unfounded innuendoes leveled in Congress a few weeks ago against John W. Weeks, Secretary of War, in connection with alleged profiteering in alien property transactions.

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[From New York Tribune of June 3, 1922.]

RESIGN, PLEA OF CANDIDATES TO DAUGHERTY—REPUBLICAN CONGRESSMEN FEAR REACTION IN FALL ELECTIONS TO COURSE OF "POLITICAL STUPIDITY"—PRESIDENT RESENTS ATTACKS ON CABINET—BLAMES WASHINGTON CORRESPONDENTS FOR GIVING SO MUCH SPACE TO CRITICS.

(By Carter Field.)

WASHINGTON, June 2.—Harry M. Daugherty's resignation would be a highly acceptable political present to most of the Republican Senators and Members of the House who are facing hard fights for reelection. This desire to be relieved of the embarrassment which attacks on Daugherty is causing the candidates is heard in conversations wherever a few of them get together.

At the same time it became known to-day that President Harding resents the attacks which are being made against members of his official family. This was made clear in a White House statement to-day.

SENATE MAY HEAR OF CONTRACTS.

Prospects that the investigation of war contracts proposed in the House of Representatives by the Woodruff-Johnson resolution, which was snuffed out in the House yesterday, would be revived in the Senate, with the backing of Senator GEORGE W. NORRIS, added materially to the irritation and to the desire that the cause of it be removed.

The fact that many of these same Republicans who are now anxious to see Mr. Daugherty get out believe that a mountain has been made of a molehill has nothing to do with the case. They do not accuse Mr. Daugherty of crookedness. Some of them do not even regard his alleged actions as reprehensible but as something incomparably worse—political stupidity.

Not only has Mr. Daugherty, they point out, hurt himself by his course, and not only is he hurting every Republican candidate for office this fall by having through it given the Democrats what they have made into a fine talking point, but there is the instance of Senator JAMES E. WATSON, of Indiana, who was pretty well left out on a limb as a result of his attempt to rush to the defense of a member of President Harding's Cabinet.

DEMOCRATS SEEKING ISSUES.

All this at a time, as one angry Republican points out, when the Democrats are terribly hard up for good issues on which to attempt to arouse the people. The constant harping on the Newberry case, they say, and the recent attempt of Senator PAT HARRISON to compare the expenditure of Gifford Pinchot and his wife in Pennsylvania to those of NEWBERRY in Michigan offer the best proof of this.

Mr. Daugherty, according to the Republicans who are irritated over the situation, has only himself to blame for the present attacks on him in connection with the Morse case. Senator CARAWAY had no inside information when he began his drive on the Attorney General. His friends say that he was not even on a fishing expedition, but merely trying to get away with a partisan attack. He admitted on the floor that he had no proof and was talking entirely from hearsay.

The Attorney General maintained silence, but Senator WATSON, of Indiana, a strong friend of the administration, and generally regarded as an astute politician, did not like the political aspect of the situation. He called up the Attorney General. What was said may be left to the imagination, but at any rate Mr. WATSON seized the first opportune moment to make denial of Senator CARAWAY'S charges.

Twenty days later Mr. Daugherty admitted the Caraway accusation and repudiated the Watson defense. Mr. WATSON had this printed in the CONGRESSIONAL RECORD without comment. Six days later Mr. Daugherty decided to make public the details, giving his side of the case.

NONE EAGER TO DEFEND DAUGHERTY.

All of which leaves the Republicans in Congress guessing as to what Mr. Daugherty will do next. One thing is very certain. Not one of them is now going to rush in to Mr. Daugherty's defense when some new attack is made unless he has something definite to fall back on. In addition, the general desire is for each candidate to get his own campaign as separate and distinct from the Attorney General as possible, especially as Mr. Daugherty and Mr. NEWBERRY seem to be the chief issues of the Democrats so far.

It is conceded by Democrats as well as contended by Republicans that had Mr. Daugherty made a frank statement—such as he did make—immediately after Senator CARAWAY began his attacks, and without any seemingly authorized denials such as that made for the Attorney General by Senator JAMES E. WATSON, the whole thing would have blown over without attracting any great amount of public attention. Certainly there would have been little excuse for the Democrats to keep harping on it.

Whatever may come, however, the Republicans on Capitol Hill know Warren G. Harding well enough to know that he is not going to make a Jonah out of Mr. Daugherty. Mr. Harding doesn't throw his friends overboard, even when the crew think such an act will change the luck or the weather. The President is distressed over the criticisms being hurled at his old friend Daugherty, but while he may think Mr. Daugherty has handled the publicity badly and been caught in a bad trap by the common political enemy, he intends to stand by him.

HARDING STANDS BY FRIEND.

If Mr. Daugherty should resign, which as a matter of fact would surprise most observers here, the President, so far from feeling a sense of political relief, will actually be greatly concerned. This is not, as has been frequently stated of late, because of a sense of gratitude to Mr. Daugherty for what the Attorney General did during the preconvention campaign of 1920. As a matter of fact, Harding had before him pretty good evidence during that campaign that he could make better progress if he would not make Mr. Daugherty his campaign manager. He will not throw him overboard now for the same reason that he did not throw him overboard when Daugherty's enemies in Ohio begged him to in 1920. The reason is simply and solely that Warren Harding does not throw his old friends overboard.

It was Senator TOM WATSON'S denunciation of Herbert Hoover that brought the White House statement to-day, but it served to call up the whole series of recent events which have given rise to curiosity as to how Mr. Harding's well-known urbanity is withstanding the constant assaults upon his Cabinet officers. And it was made evident at the executive offices, while the White House gardens were enveloped in rainy gloom, and while beyond at the Capitol new vituperation was being heaped upon Attorney General Daugherty, that the President was thoroughly vexed.

His speech Tuesday at the Lincoln Memorial dedication, when he dwelt at length upon Lincoln's fortitude under criticism, had no special significance, as applied to Mr. Harding's own tribulations, according to the White House spokesman, nor did the President wish to deal with the attacks which were being made upon members of the Cabinet. Yet it was represented to be Mr. Harding's wish to speak frankly what was in his heart concerning certain matters.

HARDING CRITICIZES PRESS.

Then, while the protest was at its climax of feeling, the White House spokesman declared that Mr. Harding felt, as one who understood the workings of the press, that he was warranted in directing criticism at the Washington newspaper men. The trouble with them, it was declared, was that they gave too much space to the critics.

That, it was said, was all wrong. That was not helping to better the world. Why, it was asked, should they not devote their attention to things worth while and cease to encourage those who criticize unjustly and who belittle those undertakings which represent a sincere desire to achieve better conditions?

President Harding, it was asserted feelingly, was sensitive about some of these things.

CONDITION OF THE ARMENIAN PEOPLE.

Mr. ASHURST. Mr. President, I ask the Secretary to read some letters in the nature of petitions. They are brief and relate to the rumor or announcement emanating from various chancelleries to the effect that the Armenian people are to be delivered over to the Turk.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

DOUGLAS, ARIZ., *May 26, 1922.*

Hon. HENRY F. ASHURST,
United States Senate Chamber, Washington, D. C.

MOST HONORABLE SIR: I have recently heard with great distress that there is a plan on foot by the allied powers to return the long-suffering Armenians to the hands of the unspeakable Turk. To me this is unthinkable. My whole nature revolts at the suggestion, and I believe it will be so to the soul of every true American.

I humbly beseech you to use your good offices to have our Government to exert every possible influence to protect the present and future interests of this heroic and worthy people, and, above all, to save them from the murderous hand of the Turk.

I believe I am expressing the feeling of my people here at Douglas and of the Presbyterians of our State.

Most respectfully yours,

C. A. FOREMAN,
Pastor Presbyterian Church.

MINISTERIAL ASSOCIATION,
Douglas, Ariz., May 27, 1922.

Mr. HENRY F. ASHURST,
United States Senate, Washington, D. C.

HONORABLE AND DEAR SIR: At a meeting of the Ministerial Association of Douglas, Ariz., the following resolution was unanimously adopted:

"That we are opposed to intrusting the Armenians to the sovereignty of the Turk, and plead that your influence be used to assure a protected country in the interest of the Armenians."

Sincerely yours,

WILBUR FISK, *President.*
S. F. FRASER, *Clerk.*

MESA, ARIZ., *May 29, 1922.*

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

DEAR SIR: Whereas the Armenians were one of our allies in the late war and fought for its ideals; and

Whereas in consequence of their loyalty they suffered untold persecution, almost to the extent of annihilation; and

Whereas the Allies, as well as our own country, pledged them a safe area for themselves and their children; and

Whereas the American public has given millions of dollars to save the remnant of this shattered race; and

Whereas the allied powers are preparing a treaty with the Turkish nationalists which threatens to return the Armenians to unrestricted Turkish control: Therefore be it

Resolved, That we, the members and friends of the First Baptist Church of Mesa, Ariz., here assembled, express our strong sentiment and horror at the thought of exposing the Armenians to further suffering and persecution; and be it also

Resolved, That we are opposed to intrusting the Armenians to the sovereignty of the Turk; and be it further

Resolved, That we unitedly and earnestly petition you as our Senator to use every means within your power to give the Armenians a protected country.

THE FIRST BAPTIST CHURCH OF MESA, ARIZ.,
By F. E. HAWES, *Minister.*
ROYAL H. WHITAKER, *Church Clerk.*

Mr. ASHURST. Mr. President, in presenting these letters—and doubtless I shall have occasion later to present more of the same tenor—I do so from a sense of duty, and for the additional reasons that their sentiments meet my views entirely. It is shocking to any humane person to think that the Armenians may be delivered over to the Turk. Armenia was evangelized in the year 33 A. D. by Apostles fresh from the company and memory of our Lord, and Armenia has stood the storm of centuries. It is frightful to contemplate that these people shall be further exploited by the barbarous and murderous Turk.

In causing these letters, in the form of petitions, to be read, I do so in the hope that they may in some way reach and influence the various chancelleries contemplating any action, and I hope that protests will come not only from Arizona but from every other part of the United States against delivering to the Turk a mandate or any authority over the Armenians.

Mr. KING. Mr. President, I am glad the Senator from Arizona [Mr. ASHURST] has called attention to conditions in Turkey and to the barbarous treatment which is now being accorded to the Armenian race and to all the Christian population within the borders of the Angora Government. I have upon a number of occasions offered resolutions challenging attention to the brutalities and barbarities of the Turks and to their evident determination to exterminate all Christian peoples within the boundaries of the Turkish Empire in Asia. These resolutions have not received the support of Congress, nor are they receiving the approval of the present administration.

One of the resolutions asked that the President of the United States use his good offices to induce the allied nations to enforce the treaty of Sevres and protect the Armenian race and the Hellenic people of Asia Minor from further atrocities and from the exterminating policy of the Turks. I regret no action has been taken by the Foreign Relations Committee to which the resolution was sent. Nor has the State Department or the President taken any steps to show the sympathy of the United States for the suffering and unfortunate people, or to indicate that the United States views with abhorrence the wicked and cruel course pursued by the Kemalist régime.

Mr. President, I shall offer another resolution—one which, it seems to me, should promptly be adopted. I have diluted it to the point of extreme weakness. Even those who are afraid of speaking for the fallen and the weak, or entangling the United States in the affairs of other nations, can find no pretext, in my opinion, for refusing assent to such resolution. It is as follows:

Senate Resolution 300.

Whereas the Government of the United States has recognized Armenia as a free and independent state; and

Whereas the Government and people of the United States have a special concern for the political independence and territorial integrity of Armenia and for the welfare and security of the Armenian people: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Government of the United States can not regard with indifference attempts or projects to oppress the Armenian people or to deprive the Republic of Armenia of its status as a free and independent state.

Mr. President, this resolution may be considered innocuous. I concede that it fails to express what I think should be stated by the Senate of the United States, or to declare a policy that I think should be pursued by this Republic in dealing with the Armenian situation. However, the resolutions which I have heretofore offered, and which do call for a more vigorous policy, have not met with the approval of the administration, nor have they been reported from the Committee on Foreign Relations. Indeed, I do not think, no matter what the individual opinions of the members of the committee may be, that an affirmative report will be had with respect to either of them.

In offering this resolution I am not abandoning the former ones, nor taking the position that a less vigorous policy should be pursued than that suggested in former resolutions. Indeed, Mr. President, I feel that this Republic should announce to Turkey and to the allied nations and to the world that it does have a profound interest in the Republic of Armenia and in the enforcement of the provisions of the Sevres treaty, and that it looks with abhorrence upon the cruel and sanguinary acts of the Ottoman Turks and their policy of exterminating not only the Armenians but the Christian minorities found within Anatolia and territory under the control of the Ottoman Turks.

In my opinion the President of the United States could with propriety suggest to our former allies that they enforce the terms of the Sevres treaty and effectually act to protect the Armenian people from destruction. The Turks were our enemies, and though we did not declare war against Turkey, nevertheless it was a belligerent, as much so as was Austria. The Turkish armies were arrayed against the military forces with which our Nation was allied, and they were aiding our enemies, though, perhaps, none of the Turkish military forces came into direct contact with the armies of the United States. While we did not participate in the Sevres treaty, we are interested in its terms and can not, in my opinion, look with indifference or apathy upon the course of the nations parties to the treaty, even though the United States was not a signatory to the same.

The Armenians and the Greeks fought for the same cause for which our soldiers fought. It was announced repeatedly by officials of the United States, as well as by the allied Governments, that with the termination of the war and the triumph of the allied cause, the Armenian race should be protected and the Armenian people should have a Government of their own.

The Armenian troops bravely fought upon a hundred battle fields against the Turks and against the forces of the Central Empires. When Russia withdrew from the contest the heroic Armenian troops held the Caucasian front for many long and weary months against the Turkish armies led by German officers and aided in every way possible by the Central Powers. Their brave and heroic resistance prevented the Turkish forces from entering the oil fields of Baku, and this reacted to the advantage of the allied forces, including the American troops, upon the western front.

Ludendorf, in his Memoirs, declares that the failure to obtain oil from the region of the Caspian Sea contributed to the defeat of the Central Empires. The Armenian troops and the Syrian troops fought bravely in Palestine and Syria and materially contributed to the successes which came to General Allenby and to French armies in the Levant. Armenians from the United States were found fighting upon many battle fronts, and their blood was shed not only in behalf of the redemption of their native land but to preserve this Republic and the cause of civilization.

And the gallant Greeks also gave their lives fighting against the Turks and the Bulgarians and the Central Empires. We have not appreciated the heroic sacrifices made by the Hellenic peoples, by the Syrians, and by the Armenians. We have not understood the martyrdom which has come to them, and now, when the war is over, we close our eyes to the atrocities and cruelties perpetrated by the Ottoman Turks upon the Christian minorities in Asia Minor, in Syria, in Armenia, and in those communities where the Turks are found to be in the majority. The soil of Anatolia has been reddened by the blood of hundreds of thousands of Armenians and Pontian Greeks. Even now the Kemalist forces are murdering and butchering men, women, and children who have been driven from their homes along the southern borders of the Black Sea, and from Cilicia and from the vilayets which constituted the Republic of Armenia. The bloodthirsty Turks have determined to exterminate the Armenians and to destroy the Christian population inhabiting the littoral of the Black Sea, the Smyrna district, Cilicia, the Turkish vilayets of Armenia, and, indeed, all who reside in any part of Anatolia. More than a million Armenians were murdered by the Turks, led by Germans, during the war, and

tens of thousands have been deported and slain by these fiends since the armistice was signed.

The allied nations are doing nothing to protect Armenia nor to enforce the treaty of Sevres; indeed, France and Italy have furnished munitions of war to the Kemalist forces, who have turned their weapons upon the Christian peoples, and have thus contributed to their martyrdom.

I repeat, this resolution which I have offered is somewhat enemic. It is the least that we could say. It should be unanimously agreed to in the Senate. In drafting it I have drawn largely from a communication addressed by Daniel Webster, when Secretary of State, to our minister to Great Britain, regarding Liberia, and also a note addressed by John Hay, when Secretary of State, to our ambassador to France, which also related to Liberia. Mr. Webster's note is as follows:

This Government regards Liberia as occupying a peculiar position, and as possessing peculiar claims to the friendly consideration of all Christian powers; that this Government will be at all times prepared to interpose its good offices to prevent any encroachment by Liberia upon any just right of any nation; and that it would be very unwilling to see it despoiled of its territory rightfully acquired, or improperly restrained in the exercise of its necessary rights and powers.

Mr. Hay's note is as follows:

The Government of the United States having recognized Liberia feels that it has a peculiar interest in its citizens and could not be justified in regarding with indifference any attempt to oppress them or deprive them of their independence.

Are we less concerned for two or three million Christians in Asia Minor than we were in the Government of Liberia? If there was not violation of international proprieties in speaking for Liberia, shall it be said that it is improper to speak for Armenia and the Greek and Syrian people, who are threatened with destruction?

I have stated the United States has recognized Armenia as an independent nation. President Wilson was selected by our former allies to aid in delimiting the boundaries of the Armenian Republic. He accepted the trust, and, after making full investigation, reported, fixing the western boundaries of Armenia. His action was approved by the powers, as well as by the Armenian people. The Armenian Republic was organized as a nation and had an area of 26,491 square miles. As a matter of fact, when first organized, its area was 42,000 square miles. There are now more than a million and a quarter of Armenians within the boundaries of the republic. So far as I can ascertain, there are in what is called Turkish Armenia and Russian Armenia approximately 2,250,000 Armenians. Those in Turkish Armenia are being deported and butchered, and unless the Christian nations of the world interpose for their preservation the Ottoman Turks and the Kurds will sooner or later destroy them.

Mr. President, I offer another resolution which, after being read, I ask to be referred to the Committee on Foreign Relations. The resolution is as follows:

Senate Resolution 301.

Whereas the systematic deportations, murders, and outrages which have been continuously practiced against the Christian minorities in Anatolia and within the boundaries of the Armenian Republic by the so-called Kemalist Government, having its seat at Angora, have recently been confirmed in reports made by American citizens engaged in relief work in Anatolia, which reports have been published in Great Britain and in the United States, and have received the official notice of the British Government; and

Whereas such reports indicate that it is the purpose of said Kemalist Government to continue such systematic deportations, murders, and outrages as a nationalist policy; and

Whereas on or about the 12th of May, ultimo, the British Government dispatched to the Government of the United States a suggestion and invitation that the American high commissioner at Constantinople be authorized and instructed to act in conjunction with the high commissioners of Great Britain and the other powers in Constantinople to conduct an investigation of the atrocities and outrages which have been committed upon Christian minorities in Anatolia by and under the authority of said Kemalist Government; and

Whereas such investigation is necessary in order to authoritatively establish the facts and to prepare and arrange adequate measures against the recurrence of such outrages, for the protection of the Christian minorities in Anatolia, for the rectification of the sanguinary and intolerable conditions which exist in Anatolia, and for the general pacification of Anatolia: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Government of the United States should accept the said invitation of the British Government and authorize the American high commissioner at Constantinople, by himself and through competent deputies, to act in conjunction with the high commissioners of Great Britain and the other powers, to investigate outrages and atrocities committed against the Christian minorities in Anatolia and other places where the Ottoman Turks are found, and to ascertain the facts and determine the responsibility therefor, as the basis for the formulation of adequate measures for the prevention of the recurrence of such atrocities, for the protection of such Christian minorities, and the pacification of Anatolia.

Mr. President, I have in my hand the London Times under date of May 16, 1923. The subject to which I am now calling attention was brought before the House of Commons for consideration, and Mr. Chamberlain, replying to Mr. T. P. O'Connor, stated:

Confirmation has been received of the statements contained in the recent report to Major Yowell—

Major Yowell, as I understand, was an American—

to which, I presume, the honorable member refers. With the permission of the House I will read out two telegrams from His Majesty's high commissioner at Constantinople on the subject, dated May 10. The first runs:

"I have interviewed at great length Doctor Ward"—

Doctor Ward, as Senators know, is an American. He is now en route for the United States. He was deported by the Turks, and he has given evidence to the people in Constantinople, and his reports have been in part published in the United States of the atrocities which had been and were being committed by the Turks, and the probable annihilation of the Armenians in various sections of Anatolia and the Armenian Republic, as well as the destruction of thousands and hundreds of thousands of the Greeks who resided upon the southern borders of the Black Sea.

Let me add that centuries before the Christian era Hellenic peoples settled upon the southern borders of the Black Sea, and during all the years intervening they and their descendants have maintained their Hellenic culture and ideals.

I will continue reading from the Times:

I have interviewed at great length Doctor Ward, of Near Eastern Relief Commission, who had just arrived from Kharput, which he left March 15. He corroborates statements as to treatment of minorities contained in telegram from Constantinople published in the Times of May 5. The Turks appear to be working on a deliberate plan to get rid of minorities. Their method has been to collect at Amasia Ottoman Greeks from region between Samsun and Trebizond. These Greeks are marched from Amasia via Tokat and Sivas as far as Caesarea, and then back again, until they are eventually sent through Kharput to the east. In this manner a large number of deportees die on the road from hardship and exposure. The Turks can say they did not actually kill these refugees, but a comparison may be instituted with the way in which the Turks formerly got rid of dogs at Constantinople, by landing them on an island where they died of hunger and thirst. Large numbers of deportees who were being sent to Van and Bitlis passed through Kharput between June and December last year. Now that spring has come these deportations have begun again. Once these gangs have passed Diarbekr, which is the last American relief station, Americans lose all track of them, but Doctor Ward has little doubt that many deportees die in the mountains east of that place. Turks in preference choose winter weather for driving these deportees into mountains. American Near Eastern Relief was not allowed to shelter children whose parents had died on the road. These children were driven forward with other deportees. Doctor Ward himself last year in December counted 150 bodies on the road between Kharput and Malatia. A fellow worker saw and counted 1,500 bodies on the road to Kharput, and 2,000 deportees died on the road east of that place. Two-thirds of Greek deportees are women and children.

At present fresh deportation outrages are starting in all parts of Asia Minor from northern seaports to southeastern district. Turkish official at head educational department at Kharput told Doctor Ward as an illustration of Turkish inefficiency that in 1915 Turks had not made a clean job of massacres. He said that next time Turks would take care to do their work thoroughly. Doctor Ward indorsed Signor Tuozzi's statement of January last that deliberate policy of Turks is to exterminate minorities. He considers that they are accelerating their activities in this respect before peace settlement, and he stated that if action is not taken soon problem will be solved by disappearance of minorities. I am confirmed in my belief that the Turkish protests now being received in regard to alleged Greek excesses are designed to divert attention from Turkish atrocities. Another American of high character and standing, who came with Doctor Ward, states that Doctor Gibbon, formerly a professor at Robert College, who has just been visiting Greek front, and went into Turkish lines, reports that Greeks have behaved well in Afiun Karahissar-Aidin sectors; also that Mussulman population seem quite content with Greek rule in these districts.

I shall not take the time of the Senate to read the second and third telegrams which appear here, but I ask that they, too, be inserted in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

[Second telegram.]

Further reliable information received from American relief workers, dated April 25, shows that whole Greek population from the age of 15 upward of Trebizond area and its hinterland is being deported, apparently to labor battalions at Erzerum, Kars, and Sarikamysh. Since armistice proposal there has been marked recrudescence of these deportations, which are carried out in conditions of terrible hardship, and now embrace bank employees and others whose position had hitherto exempted them. There are numbers of Christian women and children in deplorable straits in Trebizend, who have been driven out of their villages. I have also received other reports, dating back to September, 1921, of deportations of Armenians from Zeitum.

[Third telegram.]

Information reported by you as received in the main from an American relief worker reveals such an appalling tale of barbarity and cruelty now being practiced by the Angora Turks as part of a systematic policy for the extermination of Christian minorities in Asia Minor that His Majesty's Government, who have in the proposed terms of peace assumed a serious responsibility for the future protection of these minorities, can not allow such reports to remain uninvestigated or such incidents to continue unchecked. I am informing the French, Italian, and American ambassadors of our opinion, with a view to securing their cooperation in action which I now propose, and I am requesting them to ask their Governments to send instructions to their high commissioners at Constantinople to act in concert with you. My proposal (this is a telegram, Mr. Chamberlain explained, from the secretary of

state for foreign affairs) is that each of these four powers should at once depute a carefully selected officer to proceed to Trebizond, or whatever Black Sea port may be suitable, with a view to proceeding to such places in the interior as may best enable them to make the necessary investigations. The permission of the Angora authorities will have to be sought and facilities demanded. It will be difficult for them to refuse these, since it is their contention either that the deportations and the massacres have not taken place or that they have been provoked by the conduct of the Greek and other minorities themselves. Should permission, nevertheless, be refused, His Majesty's Government will have to reconsider their entire attitude toward the peace proposals, which obviously could not be pursued with any chance of success in such conditions as I have described. It is inconceivable that Europe should agree to hand back to Turkish rule, without the most stringent guaranties, communities who would be liable to be treated in the manner described by competent American witnesses, whose reports, moreover, are confirmed by independent information in our possession.

Mr. KING. Doctor Ward and a number of Americans have recently been deported by the Turks from Armenia, where they were witnesses of the cruelties and barbarities committed by the Turks upon the Armenian and Christian minorities. Permit me to state that the barbarous treatment and the exterminating policies are not confined to Armenia. As Senators know, Anatolia consists of that great stretch of territory bounded upon the north by the Black Sea, upon the south by the Mediterranean Sea, and upon the east by what may be denominated the Mesopotamian region. Syria also borders it upon the southeast. On the west it overlooks the Bosphorus and Constantinople. Within the Smyrna district there were, at the end of the war, nearly a million Greeks. In what might be called Pontian Greece, bordering the northeast, there were more than three-quarters of a million of the Hellenic race. In Syria there were hundreds of thousands of Syrian Christians, and in eastern Anatolia, or Turkish Armenia, there were, as I have stated, hundreds of thousands of Armenians.

When the French troops withdrew from Cilicia, thousands of Armenians who were there gathered were murdered. It has not been definitely determined how many of the Greeks were driven from Pontus and how many have been killed, but we know that of the three-quarters of a million Greeks who inhabited the littoral of the North Sea the great majority have been driven from their homes and hundreds of thousands have been killed. Hundreds of towns have been burned and ruin and desolation have followed in the wake of the cruel and advancing hordes of Ottoman Turks. Pontus was Hellenic rather than Turkish, but nevertheless it has been subject to Turkish rule for several hundred years. Nearly 1,000 years B. C. representatives of the Hellenic race settled upon the southern borders of the Black Sea and founded a Greek State. Their descendants have since that time occupied that extensive district, perhaps five or six hundred miles easterly and westerly and extending from the Black Sea into the interior for varying distances. From that time until the present they there preserved Greek culture and resisted with great heroism the hordes of Tartars and Turks and Asiatics as they advanced, during the centuries that passed, in their westward march.

When they were overcome by the force of numbers, they still maintained their traditions, their language, their religion, their culture; and because of their superior intellectual powers and their superior civilization the Turks have now determined upon their destruction. Accordingly, as I have stated, they have, since the armistice, pursued a policy looking to the extermination of this heroic people.

The Turks, as I have stated, have determined to destroy the Greeks and the Armenians who inhabit Anatolia and Armenia. They are defying the allied nations, disregarding the terms of the treaty of Sevres, and continuing their barbarous policy of extermination.

Shall nothing be done by the Christian nations of the world to preserve these peoples from destruction? Mr. President, while the blood of Christians is now being shed, this Nation does not even lift its voice in protest. I wish the Senate would lift its voice in solemn protest against the wicked and cruel course of Turkey. I wish this Republic would demand of the Kemalist Government that it cease its atrocities and conform its course to the dictates of justice and to the demands of civilization.

Mr. President, I ask that these two resolutions be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. That reference will be made.

ATTORNEY GENERAL DAUGHERTY.

Mr. WALSH of Montana. Mr. President, on April 7 I called to the attention of the Senate a memorandum addressed by Mr. Rush Holland, Assistant Attorney General, to his chief, the Attorney General of the United States, in which he spoke of nominations for judicial positions in the Hawaiian Islands. It is brief, and I read it at this time from the RECORD of the date mentioned:

MEMORANDUM FOR THE ATTORNEY GENERAL.

Hon. Robert Shingle, Republican national committeeman for the Territory of Hawaii, has recommended the appointment of Emil C. Peters, of Honolulu, to be chief justice of the Supreme Court of the Territory of Hawaii, vice James L. Coke, term expired. He also recommends Antonio M. Perry, of Honolulu, to be associate justice of the Supreme Court of the Territory of Hawaii, vice Samuel B. Kemp, term expired.

In addition to the recommendation of Mr. Shingle, the above-named gentlemen are recommended by the Republican central committee and by the bar association of the islands. This matter has been carefully gone into, and both Mr. Perry and Mr. Peters appear to be eminently qualified for the positions for which they are recommended, and their selection meets the approval of the large majority of the bar association and of the leading Republicans of the islands.

There is at present no Delegate from the islands. Prince Kalanianaole recently died and the election of his successor has not yet taken place. It is believed that if these nominations are made now that such action will materially aid the Republican candidate for Delegate. I recommend that the appointments be made.

Respectfully,

HOLLAND,
Assistant Attorney General.

I believe that the ideals prevailing in the Department of Justice on April 7, or thereabouts, as evidenced by this letter, were quite generally condemned in this body upon both sides when attention was directed to the matter. To utilize the opportunity to make appointments to judicial positions for political ends seems such a prostitution of the judiciary as to call for universal reprehension.

We have not in anywise been advised, however, that any rebuke was administered to Mr. Holland for entertaining such sentiments as were expressed in the letter, or for penning the same. So far as I am advised, he still holds the place he occupied at the time the letter was penned, as Assistant Attorney General in charge of appointments.

I am pleased to note, however, from an address made on yesterday by the Attorney General, that very much higher ideals now prevail in that department, and I feel it due to the Attorney General to call attention to his present views on the matter of appointments to judicial positions, notwithstanding the fact that apparently the ideas of Mr. Holland had his approval at the time, since the letter was sent to him and the nominations were promptly transmitted to the Senate.

In an address delivered a few days ago to the Bar Association of the State of Illinois the Attorney General said:

> The appointment of a Federal judge requires the most painstaking investigation of the men under consideration. In grading men, if there is no question as to their honesty and their ability, I would discount brains as a matter of fact 10 per cent for an additional 5 per cent of the right kind of courage.
>
> It became, in my judgment, advisable upon a certain occasion to write a note to the President in connection with the appointment of a Federal judge. At the time the note was written I did not expect the letter would ever be published, but in connection with my visit upon this occasion I have the President's consent to make it public.
>
> The letter was written on April 8, 1922, acknowledging the recommendation by a very distinguished gentleman of this country urging the appointment of certain men to the Federal bench in case additional judges were provided for. In this letter I said to the President:
>
> APPOINTMENTS HARD TASK.
>
> "You will hardly have a harder task than that of appointing the judges under the bill which recently passed the House and Senate and is now in conference, and I know that you are impressed with the importance of inquiring fully into the qualifications of every man before a decision is reached. I shall make no committals of any kind that might in the least embarrass you or this department. I never commit myself to any appointment in this department which you are required to make without first giving you all the facts and conferring and cooperating with you.
>
> "Because of the pride I have in this department and in the judiciary and my desire that this administration shall be credited with the appointment of judges of high standing, to the end that the judiciary shall stand for years as an example and a sustaining force in the Government, and because I feel that this department will stand or fall with the final decision in connection with these appointments, we must take sufficient time and make thorough investigation before committing ourselves to appointments.
>
> "Senators and Representatives and political influences generally should be given to understand that they must not expect, as a matter of patronage, to dominate or dictate these appointments, and before they get immovably behind anybody we should be consulted."

I apprehend that, in view of these splendid sentiments just expressed by the Attorney General, he will promptly dismiss from the service Mr. Holland, who seems to entertain views quite at variance with those of the Attorney General.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 9344) providing for the appropriation of funds for acquiring additional water rights for Indians on the Crow Reservation, in Montana, whose lands are irrigable under the Two Leggins Irrigation Canal.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10871) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923,

and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ANTHONY, Mr. STAFFORD, and Mr. SISSON were appointed managers on the part of the House at the conference.

WAR DEPARTMENT APPROPRIATION.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10871) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923, and for other purposes, and asking for a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WADSWORTH. Mr. President, I move that the Senate insist upon its amendments, agree to the request of the other House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. WADSWORTH, Mr. JONES of Washington, Mr. SPENCER, Mr. HITCHCOCK, and Mr. HARRIS conferees on the part of the Senate.

REPAIRING AND RESTORING OF LEVEES ON THE MISSISSIPPI RIVER.

Mr. WARREN. From the Committee on Appropriations, I report back favorably without amendment the joint resolution (H. J. Res. 339) making available funds for repairing and restoring levees on the Mississippi River above Cairo, Ill. As it is an urgent matter, I ask unanimous consent for the immediate consideration of the joint resolution.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read as follows:

Resolved, etc., That an amount, not exceeding $100,000, of the funds authorized to be expended by Public Resolution No. 54, approved May 2, 1922, is hereby made available as an emergency fund to be expended by the Mississippi River Commission, under the direction of the Secretary of War, for repairing and restoring any levees on the Mississippi River above Cairo, Ill., which have been destroyed or seriously injured by the recent floods of the Mississippi River and which are not now within, but may, before June 15, 1922, be brought within, the provisions of the act entitled "An act to provide for the control of floods of the Mississippi River and of the Sacramento River, and for other purposes," approved March 1, 1917: *Provided,* That if the Mississippi River Commission finds that the levee or drainage district in which the broken levee is situated can not legally, by or before June 15, 1922, comply with section (b) of such act of March 1, 1917, the commission may accept, in this emergency, bonds of standing approved by it in amount sufficient to cover not less than one-third of the cost involved: *Provided further,* That nothing in this resolution shall be construed as authorizing a departure from the established practice of the commission except so far as may be necessary to permit the restoration of broken levees in districts which are willing but can not legally comply with said method of procedure in time to avoid another threatened overflow this year.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

REPORT OF PUBLIC BUILDINGS COMMISSION.

Mr. SMOOT. Mr. President, I shall not take more than a moment of the Senate's time. I merely desire to submit a report as the chairman of the Public Buildings Commission. That commission was created on March 1, 1919, and since its creation I have been making an annual report of its activities. I ask that the report which I now present for the last year be printed in the RECORD without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The report is as follows:

REPORT OF THE PUBLIC BUILDINGS COMMISSION.

The Public Buildings Commission, created by the act of March 1, 1919, is charged with the control and allotment of space in buildings owned or rented by the Government in the District of Columbia, with certain exceptions. In creating the commission Congress was undoubtedly actuated by a desire to effect a reduction in the Government's enormous expenditures for the rental of office space in the District of Columbia. The commission has, therefore, kept this idea uppermost in mind in carrying on its work, and has adopted a policy of requiring the departments to vacate rented space whenever practicable. The following table, which shows the annual rental expenditures of the various departments three years ago as compared to the rentals being paid at this time, will show what has been accomplished:

Department.	Annual rental May 22, 1919.	Annual rental May 22, 1922.
Agriculture	$190,910.00	$148,189.96
Alien Property Custodian	31,200.00	
Bureau of Efficiency		
Civil Service Commission	16,875.00	16,875.00
Commerce	66,900.00	65,500.00
Court of Claims		
Court of Customs Appeals	7,000.00	7,000.00
Employees' Compensation Commission	3,600.00	
Federal Board for Vocational Edutation	6,400.00	
Federal Power Commission		
Federal Trade Commission	12,600.00	
General Accounting Office[1]		
Government Printing Office		
Grain Corporation		
Interdepartmental Social Hygiene Board		
Interior	$23,000.00	
International Boundary Commission	2,040.00	
International Joint Commission	1,724.00	
Interstate Commerce Commission	72,058.04	$72,058.04
Justice	36,000.00	36,000.00
Labor	58,363.60	24,000.00
National Advisory Committee for Aeronautics		
Panama Canal Office	7,500.00	
Post Office		
Public Buildings and Grounds		
Railroad Administration[2]	86,985.00	
Shipping Board	210,105.56	
State	5,000.00	
Superintendent State, War, and Navy Buildings		
Tariff Commission	11,000.00	
Treasury	174,839.00	146,550.00
Veterans' Bureau		
War	111,797.08	29,700.00
Total	1,135,897.28	545,873.00

[1] Rented buildings occupied by the General Accounting Office are being paid for out of appropriations for the Treasury Department.

[2] Rentals for buildings occupied by the Railroad Administration are now being paid by funds derived from operation of the railroads.

The difference between these two totals shows a saving to the Government in rental charges of $590,024.28, to which will shortly be added the rental of $49,500 now being paid for the Hooe Building, which will be vacated by the Treasury Department on the 1st of September. This will make a total saving in rental charges of $639,524.28 annually, and will reduce the rental now being paid by the Government for office space in the District of Columbia to $496,373. The commission has several other moves in view at this time which it is confidently believed will bring the annual expenditures for rental well under $400,000 by the end of the present calendar year.

Two other savings of considerable size which the commission has been able to make are, first, the assignment of temporary building No. 2, Nineteenth and D Streets NW., to the Interstate Commerce Commission for the housing of certain field offices of the commission, which were occupying rented buildings in several cities at an annual cost of $66,418.92. Second, the assignment of temporary building No. 7, Eighteenth and C Streets NW., to the War Department for the housing of certain troops on duty in Washington. Officials of the War Department estimate that utilization of the building in this manner effects a saving to the Government of $175,000 annually in commutation of quarters and subsistence. This saving is of particular interest at this time in view of the proposal recently presented to Congress to acquire the sites of the temporary buildings west of Seventeenth Street. Temporary building No. 7 occupies one of the sites it is proposed to acquire. Estimating the life of the building at 10 years, which is conservative, it can readily be seen that the saving effected by the use of this one structure will in 10 years pay for the sites of all seven buildings and leave $250,000 to spare.

Adding these items of $66,418.92 and $175,000 to $590,024.28, which is the amount rentals in the District of Columbia have been reduced to date, it will be noted that the commission has been directly responsible for a reduction in the Government's annual expenditures amounting to $831,443.20.

Another considerable item of saving, which has naturally resulted from giving up rented buildings, is the saving in maintenance charges. Many Government activities occupying rented quarters were expending almost as much for maintenance as for rent. In moving them into Government-owned buildings this charge was eliminated almost entirely, as they were moved into buildings already being maintained by the Government and it is a well-known fact that the cost of maintenance of a building varies only slightly whether that building be partially or fully occupied. That this saving alone amounts to several hundred thousand dollars annually is believed to be a very conservative estimate.

The commission has not found it necessary to employ large clerical forces in order to accomplish the above result and has but a single employee, the secretary. Of the initial appropriation of $10,000, made more than three years ago, there is in the Treasury of the United States to-day an unexpended balance of $1,084.10.

After three years' experience in dealing with the housing of the Government departments in this city, this commission is unanimously of the opinion that at the earliest practicable date Congress should adopt a building program which will lead to the housing of all Government departments in permanent fireproof structures. That the great Government of the United States should be a tenant in its own Capital City is certainly food for serious reflection, to say the least. Probably no other large government in the world has given so little thought to an adequate housing of its activities as this.

The kind of building best adapted to the needs of the Government is the modern office-type structure, designed with due regard for the safety, health, and comfort of the people who are to use it. To embark upon a program of building Greek temples for housing the Government departments is both foolish and unnecessary. These buildings are exceedingly expensive and wasteful of space.

A very illuminating example of a building of this type is the Treasury Annex No. 1, located on Pennsylvania Avenue at Madison Place.

Among the more urgent needs of the Government for new buildings at this time are:

AN ARCHIVES BUILDING.

The erection of a building for the storage of the records and archives of the Government is probably the most urgently needed building. Aside from the protection it would afford these records from fire, it would make available for office purposes many thousands of square feet of office space, now being used for storage in the various public buildings.

DEPARTMENT OF AGRICULTURE.

This department is probably the worst housed institution in the city of Washington. It is now occupying 25 buildings scattered over the city and many of them are poorly adapted for office purposes.

GENERAL ACCOUNTING OFFICE.

The various divisions of this activity should by all means be housed under one roof. They are compelled to occupy several rented buildings at this time, in order to obtain fireproof space, which is very necessary in view of the character of their work.

TREASURY DEPARTMENT.

The construction of a building for the Bureau of Internal Revenue and other outlying bureaus of the department is a most urgent need.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. ROBINSON] to the amendment proposed by the Senator from North Dakota [Mr. MCCUMBER].

Mr. UNDERWOOD. May the amendment to the amendment be reported?

The VICE PRESIDENT. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. In the amendment proposed by the Senator from North Dakota [Mr. MCCUMBER], the Senator from Arkansas [Mr. ROBINSON] moves to strike out "25" and to insert "10," so that if amended the part to be inserted would read:

PAR. 201. Bath brick, chrome brick, and fire brick, not specially provided for, 10 per cent ad valorem; magnesite brick, three-fourths of 1 cent per pound and 10 per cent ad valorem.

Mr. UNDERWOOD. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. HARRISON (when his name was called). I transfer my general pair with the Senator from West Virginia [Mr. ELKINS] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. WALSH of Montana (when his name was called). I have a general pair with the senior Senator from New Jersey [Mr. FRELINGHUYSEN], who is absent. I transfer that pair to the junior Senator from Massachusetts [Mr. WALSH] and vote "yea."

Mr. WARREN (when his name was called). I have a general pair with the junior Senator from North Carolina [Mr. OVERMAN], which I transfer to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay." I ask that this announcement of my pair and its transfer may stand for the day.

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Oklahoma [Mr. HARRELD] and vote "nay."

The roll call was concluded.

Mr. BALL. I transfer my general pair with the senior Senator from Florida [Mr. FLETCHER] to the junior Senator from Ohio [Mr. WILLIS] and vote "nay."

Mr. NEW. I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from South Dakota [Mr. NORBECK] and vote "nay."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence, I transfer that pair to the junior Senator from Arizona [Mr. CAMERON] and vote "nay."

Mr. COLT. I transfer my general pair with the junior Senator from Florida [Mr. TRAMMELL] to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES].

Mr. ROBINSON. I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

The result was announced—yeas 21, nays 39, as follows:

YEAS—21.

Ashurst	Heflin	Robinson	Underwood
Caraway	King	Sheppard	Walsh, Mont.
Cummins	La Follette	Simmons	Watson, Ga.
Dial	Myers	Smith	
Harris	Ransdell	Stanley	
Harrison	Rawson	Swanson	

NAYS—39.

Ball	Capper	Dillingham	Gooding
Broussard	Colt	Ernst	Hale
Calder	Curtis	France	Johnson
Jones, Wash.	McCumber	Nicholson	Smoot
Kellogg	McKinley	Oddie	Spencer
Kendrick	McLean	Page	Sterling
Keyes	McNary	Pepper	Wadsworth
Ladd	Moses	Phipps	Warren
Lenroot	New	Poindexter	Watson, Ind.
Lodge	Newberry	Shortridge	

NOT VOTING—36.

Borah	Fernald	McKellar	Shields
Brandegee	Fletcher	Nelson	Stanfield
Bursum	Frelinghuysen	Norbeck	Sutherland
Cameron	Gerry	Norris	Townsend
Crow	Glass	Overman	Trammell
Culberson	Harreld	Owen	Walsh, Mass.
du Pont	Hitchcock	Pittman	Weller
Edge	Jones, N. Mex.	Pomerene	Williams
Elkins	McCormick	Reed	Willis

So Mr. ROBINSON'S amendment to Mr. MCCUMBER'S amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. MCCUMBER].

Mr. WALSH of Montana. Mr. President, before voting on the amendment I desire to say a word in view of the renewal of the declaration on the part of the Senator from Idaho [Mr. GOODING] that the question before us is as to the integrity of the protective tariff system—a question of free trade on the one side and the protective tariff upon the other.

That view is not entertained uniformly, if it is indeed entertained generally, by the advocates of a protective tariff in this country. I have before me an editorial appearing yesterday morning in the Philadelphia North American. The Philadelphia North American, as everybody knows, is a Republican newspaper, and is issued from a State which has profited very widely and very largely by protective tariff, and issued from a city, Philadelphia, that might properly be spoken of as the very citadel of protection. This paper frankly declares that it is in favor of the protective principle and in favor of a protective tariff, but it is denouncing the measure now under consideration by the Senate, and denouncing it because of the high, excessive, and unjustifiable rates which Senators upon this side have been steadfastly protesting.

There are two particular features of the editorial to which I desire to invite attention, after I have read a portion of it. I shall not read it all, but shall ask that it be incorporated in full in the RECORD. After reciting the history of tariff legislation in a general way in this country and bringing the discussion down to the time of President Roosevelt, the editorial continues:

His conflicts with the reactionary Republican leaders, however, revived the issue, and public discontent with the excessive protection they had put into the tariff law impelled Taft, when a candidate in 1908, to pledge revision downward. After his election, nevertheless, he yielded to the reactionary bosses and signed the iniquitous Payne-Aldrich bill, which revised important schedules upward. The effect of this was that in 1910 the Republicans lost control of Congress, and in 1912 the party was repudiated.

The Democrats put in power as a result of the Republican split undertook to carry out their program of a low protective tariff, modified by removal of all duty from some products, and passed the Underwood bill in 1913. This measure proved so unpopular that in the natural course of events it would have led to Democratic defeat in 1916; but meanwhile the World War had begun, and the virtual cessation of foreign commerce made the act inoperative and removed the tariff issue temporarily from politics.

Returned to power in 1920, the Republican Party has at last undertaken the drafting of a tariff law of its own. In this action it is following precedent, and there is no reason to expect that the process which so often has led to a party's defeat has ceased to operate.

Almost before the votes of the 1920 presidential election had been counted the manufacturing interests began to press for a new tariff bill to meet their ideas of protection. Some of the demands came from manufacturers who had real reason to fear that the Underwood bill would enable large quantities of cheaply made European goods, held back by war conditions, to flow into the country. On the other hand, the most aggressive agitation has been promoted by interests which aim to repeat the old performance of getting the highest duties possible, not for legitimate protection against foreign competition, but as a shelter behind which to raise prices to the domestic consumer.

A contention which has repeatedly been made from this side of the Chamber, notably by the Senator from Alabama [Mr. UNDERWOOD] and the Senator from North Carolina [Mr. SIMMONS]. The editorial continues:

Because the situation in international trade demanded early action, the Republican leaders sought to meet the demands by passing an emergency tariff bill, postponing the enactment of a regular measure until conditions had become stabilized. Affairs in the industrial and commercial world are still far from normal, but the pressure upon the party leaders has been so strong that they have been forced to take up the hazardous task anyway. Moreover, the methods employed differ in no essential way from those used in framing former tariff measures, methods which so often proved disastrous to the party in power.

There are two factors in the present situation which are certain to be used by the exploiters in their efforts to get the kind of tariff they want.

First, the farmers demand protection for their products. Whereas in the past the agricultural interests, particularly those of the West, stood against the high tariff forces of the East, they are now so de-

termined to get protection that they will make trades with the manufacturing interests. Second, costs of production abroad can not be accurately determined, and the American industries will take advantage of that fact and drive for the highest duties obtainable.

For these two reasons it is virtually certain that the new measure will set the rates higher than ever before. There is every indication, likewise, that the consumers will resent the scramble for plunder, and they have shown in the past that eventually they can make their protests painfully effective.

But the situation is complicated this time by still another factor, which is loaded with political and economic dynamite. Under the high tariffs of the past the United States was a debtor nation, and its export trade helped to meet its obligations abroad. Since the war, however, the United States has been the world's chief creditor nation. The balance of trade is billions of dollars in our favor, and besides Europe owes us more than $11,000,000,000 for war loans and deferred interest. In attempts to equalize exchange European countries have sent us nearly all their gold and can not pay in that metal. The only alternative is for them to liquidate their obligations by sending goods, and the tariff bill being framed will set duties so high that European goods will virtually be shut out.

In other words, the United States must soon face the question whether it will cancel most of the $11,000,000,000 of loans or lower the tariff wall so as to admit the European goods that would pay them. Upon the Republican Party, already burdened with a distrusted tariff, will fall the burden of convincing the people that they ought to cancel Europe's colossal indebtedness in order to maintain the high duties enacted.

This newspaper has been persistently optimistic and still is in that mood. It believes that the country is entering an era of prosperity. It is satisfied, moreover, that the Republican Party is the better fitted to carry on great constructive work, and it would regard the return of the Democratic Party to power as a national calamity. Nevertheless, as we contemplate the operation of the old, unscientific, logrolling methods of tariff legislation, we feel it would be uncandid not to acknowledge that we view the situation with concern for the Republican Party and for the Nation.

Mr. President, the protective policy as outlined by the Senator from Connecticut [Mr. McLEAN], for instance, and the Senator from Idaho [Mr. GOODING] has very many persuasive and taking and fetching features. The trouble about the matter is that whenever that policy is announced and is embodied in a measure looking to the imposition of duties with a view to the protection of so-called American industries it inevitably becomes a vicious logrolling measure. Senators from one State want a high protective duty upon certain articles. Senators from another State want high duties upon another article. So the thing goes. There is no hard and fast written agreement about the matter at all, but of course it is understood that there is a general understanding, "You support my duties and I will support yours." The vote in this body upon the measure clearly disclosed that condition of things.

Another thing, Mr. President, is that it invites the interests claiming protection to come here to Washington. They appear before the committees and appeal to them, representing onesidedly their claim for high protective duties, and the consuming public generally are not heard in opposition. Take the item upon which we just voted, the matter of fire brick, produced in the State of Idaho. It is barely possible, I dare say, that some amount of that commodity will reach the great commercial cities upon the coast—Portland, Seattle, and Takoma—and there come into competition possibly with brick, as suggested by the Senator from Idaho, that comes in ballast from Scotland. We put a duty upon fire brick at the suggestion of the Senator from Idaho, while the great people of those great cities, who must buy the brick at an increased price for the construction of homes, are not heard upon the proposition at all. There is no one to represent them.

Finally, Mr. President, it becomes perfectly obvious to everyone that the situation invites its utilization for political purposes. Great, powerful interests in the country come here represented by persuasive and adroit gentlemen and get what they ask from Republican Members of Congress, and it is the most natural thing in the world that they will be expected to return the favor and advantage when election time comes around.

So that, even though one may admit the wisdom of the principle stated in abstract terms, yet when it comes down to the actual application of the principle it becomes a matter of solicitude, as it seems to me, to everyone who is wedded to the principle at all to see that the duties are not such as are oppressive or exist, as stated by this able Republican newspaper, merely for the purpose of erecting a wall behind which the American producer can exact exorbitant prices from the American consumer without the peril of encountering opposition from abroad.

I ask that the editorial may be printed in the RECORD in full.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the North American, Philadelphia, Friday, June 2, 1922.]

TARIFF PITFALLS.

Now that the Republican leaders are unable to hold back tariff legislation any longer, and it has become the dominant issue in Congress, it may be well to emphasize some facts and opinions which have behind them the weight of public acceptance.

The first is that a protective tariff is as essential to the business life of this Nation as food is to human existence. It is as much a specific for certain industrial ills as quinine is for malarial fever. But a protective tariff, in the same way as overeating or overdosing, aggravates maladies instead of curing them. The tariff treatment should be administered as scientifically and conscientiously as any powerful drug employed as a remedial agent. The history of the American tariff shows that while there have been instances of mishandling and abuse of the policy, on the whole, it has operated to the incalculable benefit of the country.

A second fact is that the century-old conflict between the theories of free trade and protection ended in America several years ago in favor of the latter principle. So long ago as 1894, leading Democrats in the Senate joined with the Republicans in opposing drastic reduction of duties; and the last tariff bill passed by the Democratic Party, although admitting a large number of products free, was, in fact, a protective measure. It may be said that the controversy was officially brought to a close when President Wilson sent a special message to Congress advising effective tariff protection for the American dyestuffs industry. Today there is in Congress not a single outspoken advocate of free trade. Protection in principle is no longer a real issue between the Republican and Democratic Parties; the division is merely as to the extent of protection that shall be given.

Ever since the protective tariff policy was initiated by Alexander Hamilton, the greatest constructive statesman for the formative period of the Republic, it has been an important issue between two opposing schools of political thought. The economic structure of the country in Hamilton's time was almost wholly agricultural. He acted upon the belief that the United States would not be able to establish and maintain complete independence so long as it had to look to England for manufactured goods. He further held that this could not become a great and prosperous Nation until it had established an economic balance by developing its industrial capacities as well as its agricultural resources. Hamilton's Federalists, their Whig successors, and the Republican Party of the last 60 years have upheld the protectionist doctrine, while the Democratic Party, following the Jeffersonian tradition, stood until recent years for free trade or a tariff for revenue only.

Throughout the entire period the tariff issue has been a factor in virtually every congressional and presidential contest. During the last 40 years, especially, it not only has influenced elections but repeatedly has driven one party or the other from power.

The Garfield-Arthur administration, for example, faced growing criticism of the existing high duties, and to meet this Congress in 1883 made a general revision of the tariff; but the changes did not satisfy the public, and in 1884 the Democrats won the Presidency for the first time since the Civil War. Cleveland inaugurated a vigorous assault upon the protective policy, and his party in the House prepared a bill embodying drastic reductions. Republican control of the Senate prevented legislation, and the issue dominated the 1888 campaign, in which Harrison defeated Cleveland.

The McKinley Act of 1890 embodied the idea of high protection, and two years later the administration was defeated, Cleveland being elected the second time, on a pledge of tariff reduction. The result was passage of the Wilson Act of 1894; but although this measure was so far from the Cleveland idea that he let it become a law without his signature, it enabled the Republicans to make protection a prominent issue in 1896, and the Democratic Party was overthrown again. In the following year the Dingley bill, with increased duties, was enacted. Thereafter the old controversy was obscured for a time, first by the Spanish-American War and then by the realignment over the policies inaugurated by Roosevelt during his seven years in the White House.

His conflicts with the reactionary Republican leaders, however, revived the issue, and public discontent with the excessive protection they had put into the tariff law impelled Taft, when a candidate in 1908, to pledge revision downward. After his election, nevertheless, he yielded to the reactionary bosses and signed the iniquitous Payne-Aldrich bill, which revised important schedules upward. The effect of this was that in 1910 the Republicans lost control of Congress, and in 1912 the party was repudiated.

The Democrats, put in power as a result of the Republican split, undertook to carry out their program of a low protective tariff, modified by removal of all duty from some products, and passed the Underwood bill in 1913. This measure proved so unpopular that in the natural course of events it would have led to Democratic defeat in 1916; but meanwhile the World War had begun, and the virtual cessation of foreign commerce made the act inoperative and removed the tariff issue temporarily from politics.

Returned to power in 1920, the Republican Party has at last undertaken the drafting of a tariff law of its own. In this action it is following precedent, and there is no reason to expect that the process which so often has led to a party's defeat has ceased to operate.

When a large majority of the American people came to accept the protective principle as a national policy the controversy over free trade as against tariff protection vanished as a legitimate political issue. From that time the question has been purely economic, a matter to be determined on the basis of facts and not of partisan tradition or theory. Intelligent advocates of the protective principle fought persistently for establishment of a permanent, nonpartisan tariff commission, empowered to determine from time to time the amount of protection which might legitimately be given to the various industries, the basic factor being the difference in the cost of production of foreign-made and American-made goods.

This demand derived great momentum when it was made a principal plank in the Progressive platform of 1912, and afterwards was adopted by both the Republican and Democratic Parties. Eventually a tariff commission was established, but before it had begun to function effectively the outbreak of the war stopped imports and at the same time provided an unlimited foreign market for American goods. Moreover, since the return of peace it has been impossible to apply the principles adopted, since the demoralization of European currencies and the chaotic conditions of foreign exchange prevent any sound comparison of production costs here and abroad.

Almost before the votes of the 1920 presidential election had been counted the manufacturing interests began to press for a new tariff bill to meet their ideas of protection. Some of the demands came from manufacturers who had real reason to fear that the Underwood bill would enable large quantities of cheaply made European goods, held back by war conditions, to flow into the country. On the other hand, the most aggressive agitation has been promoted by interests which aim to repeat the old performance of getting the highest duties possible, not for legitimate protection against foreign competition but as a shelter behind which to raise prices to the domestic consumer.

Because the situation in international trade demanded early action, the Republican leaders sought to meet the demands by passing an emer-

gency tariff bill, postponing the enactment of a regular measure until conditions had become stabilized. Affairs in the industrial and commercial world are still far from normal, but the pressure upon the party leaders has been so strong that they have been forced to take up the hazardous task anyway. Moreover, the methods employed differ in no essential way from those used in framing former tariff measures—methods which so often proved disastrous to the party in power.

There are two factors in the present situation which are certain to be used by the exploiters in their efforts to get the kind of tariff they want.

First, the farmers demand protection for their products. Whereas in the past the agricultural interests, particularly those of the West, stood against the high-tariff forces of the East, they are now so determined to get protection that they will make trades with the manufacturing interests. Second, costs of production abroad can not be accurately determined, and the American industries will take advantage of that fact and drive for the highest duties obtainable.

For these two reasons it is virtually certain that the new measure will set the rates higher than ever before. There is every indication, likewise, that the consumers will resent the scramble for plunder; and they have shown in the past that eventually they can make their protests painfully effective.

But the situation is complicated this time by still another factor, which is loaded with political and economic dynamite. Under the high tariffs of the past the United States was a debtor nation, and its export trade helped to meet its obligations abroad. Since the war, however, the United States has been the world's chief creditor nation. The balance of trade is billions of dollars in our favor, and, besides, Europe owes us more than $11,000,000,000 for war loans and deferred interest. In attempts to equalize exchange European countries have sent us nearly all their gold, and can not pay in that metal. The only alternative is for them to liquidate their obligations by sending goods—and the tariff bill being framed will set duties so high that European goods will virtually be shut out.

In other words, the United States must soon face the question whether it will cancel most of the $11,000,000,000 of loans or lower the tariff wall so as to admit the European goods that would pay them. Upon the Republican Party, already burdened with a distrusted tariff, will fall the burden of convincing the people that they ought to cancel Europe's colossal indebtedness in order to maintain the high duties enacted.

This newspaper has been persistently optimistic and still is in that mood. It believes that the country is entering an era of prosperity. It is satisfied, moreover, that the Republican Party is the better fitted to carry on great constructive work, and it would regard the return of the Democratic Party to power as a national calamity. Nevertheless, as we contemplate the operation of the old unscientific, log-rolling methods of tariff legislation, we feel it would be uncandid not to acknowledge that we view the situation with concern for the Republican Party and for the Nation.

The VICE PRESIDENT. The question is upon agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. The next amendment proposed by the Senator from North Dakota is, on page 217, after line 5, to insert a new paragraph to read as follows:

PAR. 1535a. Brick, not specially provided for: *Provided*, That if any country, dependency, province, or other subdivision of government imposes a duty on such brick imported from the United States, an equal duty shall be imposed upon such brick coming into the United States from such country.

Mr. McCUMBER. I wish to modify the amendment by adding after the word "country" a comma and the words "dependency, province, or other subdivision of government," so as to make the provision definite and certain.

The ASSISTANT SECRETARY. After the word "country," at the end of the proposed amendment, insert a comma and the words "dependency, province, or other subdivision of government."

Mr. UNDERWOOD. Mr. President, I have no objection to that. The Senator has a right to perfect his amendment.

Mr. President, the amendment having been perfected, I desire to move to strike out the proviso. Under the proposal of the chairman of the Finance Committee ordinary brick are seemingly taken from the tax list and placed on the free list and then a proviso is added that, for the time being, at least, establishes an embargo instead of a tax. If the amendment proposed by the chairman of the committee, representing the committee, merely placed common brick on the free list I should most gladly cooperate with him; but he adds the proviso to his motion to the effect that they shall not go on the free list so long as any other country imposes a tax on brick imported from this country.

The effect of the amendment, although seemingly it puts ordinary brick on the free list, will be that instead of putting a tax on such brick at the customhouse we are going to prohibit their importation from the only country in the world from which importations might be expected.

I realize what the proviso means. I have no doubt that some Senators in proposing it think that by imposing reciprocal duties on brick Canada may be induced to lower or eliminate her tariff duty on brick. I myself entertained a similar view 9 or 10 years ago, and in the present law there was an effort made to bring about reciprocity of trade by providing that we should reduce or eliminate our duties when the other country did likewise. As a matter of fact, practically all of those provisions related to Canada; but the experience of 10 years has proven that they are ineffective; that they have not produced results.

I know of no more striking instance of that than the efforts that were made to bring about reciprocity in the trade in pulp wood, the raw material from which newsprint paper is made, in order to provide a necessary supply for the American press on which to print their newspapers. We put such provisions into the bill which is now the law in order to accomplish results of that kind, but they have proven ineffective; they have produced no results.

Everyone who is familiar with conditions in Canada, and will judge of the future with the light of the past staring him in the face, knows that the amendment which the Senator from North Dakota has just proposed will afford no relief whatever. The Senator is seemingly giving us bread, but in reality he hands us a stone, because by his amendment he makes the tariff wall higher than it was when bricks were left on the tax list. The Senator now proposes to put bricks on the free list if Canada puts them on the free list, knowing that Canada will not reciprocate. Therefore his proposal in reality is to put an embargo on brick coming in from Canada, brick being one of the materials from which the homes in America must be built. Therefore I have moved to strike out the proviso. If that be done we may have some little competition, some little threat against a great monopoly which is preventing the building of homes in America; but that monopoly will rejoice and welcome with open arms the proposal of the Senator from North Dakota, knowing that instead of a tax behind which they may stand and exercise their powers of monopoly they are going to have a wall built over which nothing can come.

Mr. President, I am in favor of reciprocity in trade and commerce between the United States and Canada. The Senator from Idaho [Mr. GOODING] this morning justified his position in contending for a duty on brick by stating that Canada imposes a duty on brick imported from the United States. Of course, if we are to enact laws only for the interest of those who manufacture and are to have no regard for those who must consume, that argument may be sound; but to follow the argument to its logical conclusion, if our neighbors propose to raise a tax on food, then we must burden our consumers with a tax on food, no matter in what dire stress they may be for the necessities of life.

But I wish to answer the Senator's argument from another standpoint—not one of reason but one of fact. The contention is made that we must tax goods coming from Canada, because Canada taxes goods coming from the United States. Where does the responsibility lie—with the Canadians or with ourselves? At this good hour it lies under the dome of this Capitol, here in the United States Senate. More than 10 years ago a Republican President, realizing that there were no stronger bonds that might tie a people together than the bonds of commerce and trade, proposed a treaty or understanding with the Dominion of Canada under which we might have at least partial reciprocity in trade. His party was then in power in both branches of the Congress. He negotiated a treaty with Canada and submitted it to the Congress for ratification. A Republican Congress, wedded to the idol of protection, wedded to the belief that the only way a manufacturer could exist in this country was to build a prohibitive wall around the United States and allow nothing to come in that seriously affected him, regardless of the effect on the American people, defeated the proposal of their President. A few months afterwards, in response to the mandate of the American people, a Democratic majority took possession of the House of Representatives. The Republican President who proposed this reciprocal arrangement with Canada, whereby she should lower her gates to our commerce and we should lower our gates to hers, sent for me to come to the White House and asked, if he called an extra session of Congress, if the Democratic Party would pass a bill providing for reciprocal trade with Canada; and, after consulting my colleagues, I assured him that it would be done. The extra session of Congress was called. I introduced the bill, and it passed the Congress, was signed by the President, became the law of the land, and is now on the statute books.

Unfortunately, when the matter was submitted to the Canadian Parliament, Laurier, then Premier of Canada, went to the country on the proposal. Canada was not prepared for the issue, and on account of other issues being involved the opposition came into power, the Conservative Party, and no action was taken for nearly a decade as to reciprocal tariff duties. Then the reaction came. The Conservative Party lost control of the Parliament. It was dissolved, and they went to the country, and the Liberals, who favored reciprocity in trade be-

tween the United States and Canada, were returned to power by an overwhelming majority, and are in power to-day.

I know, because I talked to him personally in regard to the matter before he was selected as Premier of Canada, that the present leader of the Canadian Government favors reciprocity in trade relations between these countries. I know that he sent one of the ministers of his Government to Washington within the last few months to feel out the present administration as to whether they were willing to act under the law of the land, the law that never has been repealed, the law that has been on the statute books in favor of reciprocity with Canada for nearly 10 years, and join with Canada in a reciprocal treatment that would encourage the trade of both nations; and I have been told that this minister of the Canadian Government, their representative, was received with slight courtesy in Washington, and sent back to his home with the understanding that this administration will not recognize the principle of reciprocity between Canada and the United States, notwithstanding it is a law on the statute books.

If you really wanted Canada to reduce the tax on brick so that American brick could flow across the border and at certain points Canadian brick could come into this country and compete, your administration in an hour could vitalize the proposition, could make it a living entity, without waiting for the passage of this tariff bill; but you do not want it. You ordered the Canadian envoy home, you repudiated the action of a Republican President, and you spit upon the law of the land; so I say that when you add to this amendment, seemingly in favor of allowing brick to come into this country without a tax, a proviso that it shall not come in if Canada levies a tax against brick, you are putting a joker into this bill, you are sandbagging your own proposal by putting on it a proviso that means the erection of an embargo instead of a tax.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. UNDERWOOD. Yes; I yield.

Mr. LENROOT. I should like to ask the Senator whether it is not true that Canada was well satisfied with the Underwood law, and would be satisfied to-day but for the emergency tariff act, because under the Underwood law the rates upon imports from Canada were, as a rule, very much less than the rates imposed by Canada upon imports from the United States?

Mr. UNDERWOOD. I will say to the Senator candidly that when the present law, which the Senator calls the Underwood law, was passed, it was passed shortly after a bill was passed recognizing reciprocity between Canada and the United States; and with a view to encouraging reciprocity of trade and commerce between Canada and the United States I did not attempt, so far as I was concerned—and I think I can speak for the committee that sat with me and wrote the bill—to establish embargoes against Canadian trade.

I have often been charged with being a free trader, but I never have been a free trader. I do not believe in a protective tariff; I do not believe in embargoes against commerce; but I believe it is a convenient way to raise revenue to levy reasonable taxes at the customhouse that do not interfere with reasonable importations from abroad and do not place embargoes on trade, and I am more in favor of that proposition between the United States and Canada than any other country in the world.

The Canadians are our brothers in kin. Only recently they have been our brothers in arms. No country on this globe made greater sacrifice for the cause of the Allies than did the Canadian soldiers. Hundreds of thousands of American farmer boys crossed the line and builded their homes in Canada. As far as I am concerned, I would make the trade relations between this country and Canada as free and full as possible. I would tear down the impediments to trade. I would welcome the tying to this country of Canada, and the tying to Canada of the United States of America, by bonds of trade that would make us inseparable for the future, make us brothers in commerce, brothers in war, and brothers in kin.

Mr. McCUMBER. Mr. President, I can readily understand why one who believes in free trade can also be a sincere friend of the reciprocity agreement that was entered into between this country and Canada under President Taft; but I can not agree with the philosophy of the Senator from Alabama in his description of what that meant to the United States and to Canada, and whether that law is still alive.

Let us see the conditions.

President Taft presented his scheme for reciprocity with Canada, in which most of the agricultural products, which were the things the Canadians desired to get rid of, should come in competition with the agricultural products of the United States, while most of the manufactured products would be reasonably well taken care of. It seemed to touch the heart of the manufacturing section of the country, but it did not appeal to those who believed in the principle of protection and not merely the selfish ideals of some of the protectionists.

That was submitted to one Republican Congress, and I think I did as much as any one Senator in battling against it. It was defeated; and then, as the Senator from Alabama says, the President of the United States consulted with the leader of the Democratic forces in the country. He made a mistake, I think, when he did that. I think he should have consulted with the Republicans rather than with the hereditary enemies of Republican principles; and, as the Senator from Alabama says, a coalition was made between a few of those who represented the manufacturing interests and the whole Democratic Party, and it was an unholy alliance which was strongly repudiated by the American people at the next election.

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. McCUMBER. I yield, with pleasure.

Mr. POMERENE. The Senator has referred to those who believe in protection as opposing the Canadian reciprocity legislation.

Mr. McCUMBER. I said those who believe in protection as a principle, and not as a matter of local benefit.

Mr. POMERENE. I recognize that fact, but my recollection is that there were a very large number of Republicans who voted in favor of the reciprocity legislation. Does the Senator mean by his statement to say that the Republicans who voted for that reciprocity legislation were not protectionists?

Mr. McCUMBER. No, Mr. President; I stated that there was a certain element of the manufacturing interests, whose interests were not injured in any way, who joined in the movement for Canadian reciprocity, while what would be called to-day the farm bloc was earnestly against it.

It went over to the next session. The alliance was formed, and, as I remember it, with a solid Democratic vote in favor of it, and a few Republican votes on this side in favor of it, considerably in the minority upon this side, we passed the Canadian reciprocity pact. Then it was submitted to Canada, and it was submitted to the voters of Canada, and the voters turned it down.

I am not discussing whether they acted in accordance with their own interests or whether they were governed, as I believe they were, by what they considered a patriotic principle to stand by their own country and to develop it as a manufacturing country; but the fact is that it was repudiated by a vote of the Canadian people.

There was an offer on one side. The other side refused the offer, and refused it in the strongest way they could refuse it. It was an offer to take effect at the time it was passed, not 10 years thereafter, or 20 or 30 years thereafter. It was an offer, and the offer was refused. That ended it. The law, so far as it remained upon the statute books, was and is a dead letter. It is not a law to-day.

When the Democratic Party came into power, they did not recognize it. They immediately passed a tariff law as though we had never made an offer of that character. Then the Republican Party came into power again, and it recognizes that that was an offer, that the offer was refused, and that that was the end of the proposition.

The Senator says that a representative from Canada came down here and received scant courtesy, as he understands. On the contrary, the representative of the Canadian Government discussed the matter with me, asked candidly whether we regarded that law as an open offer still in existence, and I told him candidly that we did not. He came down to see whether there would be any possibility of renewing the reciprocity offer, and suggested that if it was offered again they would accept it, and I candidly informed him that it would not be offered again. That was courteous. He said that was the view he had gotten from everyone he had talked with upon the subject, that it would be useless for them to attempt at this time to renew the Canadian pact.

I do not think the argument which the Senator from Alabama makes, based upon the reciprocity agreement, is a very good one when you consider the result. One of the strongest elements of objection against the Taft administration throughout the United States was the Canadian reciprocal agreement. I do not say that there were not other matters which were taken into consideration, but that was the chief objection to his administration.

I know a great many people now claim that the only issue in the last campaign was the issue against a league of nations or an agreement with other nations. There were a great many issues which entered into the last campaign, and it would be unfair to say that any one of them was the only issue in that

campaign. There was a mighty big change in the vote from one side to the other, but it was not due to that alone, although it was an important feature in the dissatisfaction with the last administration.

Let us see whether the Senator from Alabama is entirely consistent. He says he believes in reciprocity, and I want the Senator's attention to this, if I may have it, because I want to place his own argument in the RECORD. The Senator says he believes in a reciprocal relation with Canada. Very well. If we say to Canada, "We will give you free trade in brick on condition that you give us free trade in brick," that would be a reciprocal arrangement, and the Senator believes in it. But if we say to Canada, "If you put 25 per cent ad valorem upon brick, then we will put 25 per cent on brick," that is not reciprocal, according to the Senator. What is the difference? The only difference is between a reciprocal tariff and a reciprocal free trade. They mean exactly the same thing.

Under the free trade we say to Canada that we will allow their brick to come in free just so long as they allow us to export brick to Canada free. Under the tariff reciprocal—and that is all it is—we say to Canada, "We will continue to levy a duty of 22½ per cent ad valorem just so long as you fix a duty of 22½ per cent ad valorem." They are both reciprocal. The one depends upon the other. The moment Canada takes off her 22½ per cent duty, off goes our 22½ per cent duty.

I think I would agree with the Senator from Alabama upon one element in this matter, and that is the idea of taking somebody else's tariff as a basis in fixing ours. I say most candidly that I do not like that method of making a tariff bill; but the majority of the committee always rules in determining what rate we shall fix upon any item, and while I must say it is perfectly fair in this instance, I do not think it would be a good policy to adopt that principle to any great extent. It is just as fair as a reciprocity proposition is fair, but we ought to levy our duties according to the needs of the country, especially if it is a protective duty, and that which we reserve to ourselves we ought to grant as a right to our neighbors.

Mr. POMERENE. Mr. President, my friend from North Dakota, always very frank and candid, said he did not like the method which was adopted, but he was overruled by the majority of the committee.

Mr. McCUMBER. I did not say I was overruled, but I stated that the majority ruled.

Mr. POMERENE. The Senator may put it in that way. Does not the Senator think, under those circumstances, that his colleagues on the floor of the Senate ought to have the benefit of his direct vote on that proposition, the same as in the committee?

Mr. McCUMBER. My direct vote is to sustain what we considered to be for the best interests, as the committee recommended. If it were a question of great importance, if it were important at all, I might reserve the right to take a different view. But we must act together on this side in putting a bill through, the same as Senators do on the other side.

Mr. POMERENE. They must act together, if they are going to put it through, I think that is true; but, in other words, the Senator's position, as I construe it, is that on the floor of the Senate he is willing to vote against his convictions as expressed by his vote in the committee.

Mr. McCUMBER. No, Mr. President; the Senator knows nothing about my vote in the committee.

Mr. POMERENE. I simply know what the Senator has said on the floor of the Senate.

Mr. McCUMBER. I said that the majority of the committee voted in this way, and I am not stating what was my vote or the vote of any other Senator. I think, so far as this particular item is concerned, the rate is fair. I am stating as a general proposition that I do not believe in the policy of fixing our tariffs on the basis adopted by some other country in fixing its tariff, and in that I think the Senator from Ohio will undoubtedly agree with me.

Mr. POMERENE. Of course, Mr. President, we should not be absolutely bound by what other countries do, I agree with the Senator: but I have regretted ever since the day of the defeat of the reciprocity pact that it was not adopted. I think we would be better off, and every element of society would be better off to-day.

Mr. McCUMBER. I know the Senator thinks that way, but I believe we would be immensely worse off. However, we will not stop to discuss that now.

The Senator from Alabama says that by allowing this tariff we do not afford relief against a monopoly. I want the Senator to stop and think of that for just a moment. You have free trade now, have you not? You have no relief against the monopoly, have you? The monopoly was formed under free trade; it exists under free trade; and if it was formed and exists under free trade I do not believe the Senator thinks for a single moment that it is going to be continued by reason of charging for a few thousand brick which come over from Canada.

But if I understand it correctly, the monopoly has already been dissolved; a consent decree has been entered through the activity of the Attorney General. If that be true, then the monopoly which was created under free trade, which drew its breath of life under that benign policy, has gone out of existence by reason of the action of the law itself.

I want to read to the Senator a little statement from the Tariff Commission report. I have stated many times that this tariff will affect only a few localities along the Canadian border; that it will not affect in any degree the general price of brick throughout the United States. I want to substantiate that by the finding of the Tariff Commission.

Mr. POMERENE. Mr. President, the Senator said in this connection that it would not affect the price of brick except in a few localities.

Mr. McCUMBER. That was my statement.

Mr. POMERENE. Of course the Senator will concede that it will result in increasing the price of brick to the consumers of brick in those localities, will he not?

Mr. McCUMBER. It may. I assume that it probably will in those localities.

Mr. POMERENE. I think that is a more accurate statement.

Mr. McCUMBER. If Canada would just relieve from the 22½ per cent tax, we would have free brick on both sides. But this is what the Tariff Commission says:

> Structural brick is the most important clay product manufactured in the United States. The production surpasses in value the total production of pottery and chinaware or of all other clay products.
>
> Suitable clays are widely distributed, and bricks are produced in every State and Territory except Hawaii and Alaska.

Now note:

> The industry is local in character, very few bricks being shipped more than a few miles. Local demand is enormous near the large centers of population.

Now, that is correct. On account of the weight of the brick, as a rule it is shipped only a few miles.

Mr. CALDER. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from North Dakota yield to the Senator from New York?

Mr. McCUMBER. I yield.

Mr. CALDER. I will state that all the common brick used for structural purposes in and about New York City come from points within 100 miles of that city. We have great brick plants on the Hudson River and along the Shrewsbury River and the Newark Bay section of New Jersey. Rarely, if ever, to my knowledge have brick come to that city on the railroad cars. They always come in on barges floated down the river or across the bay from New Jersey.

With the permission of the Senator, I may add that just now brick are higher than at almost any other period in the history of the article in and about New York. Last spring they sold at the wharf at about $12 per 1,000, and now $17 is being paid. That comes from the shortage of brick, due to one of two causes,—either a premeditated effort upon the part of producers to limit the supply or else perhaps their neglect in estimating the amount needed.

We are having in New York to-day the greatest building boom the city has ever seen. We are using more brick than we ever used before. When the brick come to the wharf to-day they are so much in demand that those who need them are bidding for them. We have had a small shipment of brick from Denmark recently. Those brick are being imported——

Mr. POMERENE. How many of those brick came in?

Mr. CALDER. Only a few thousand; but they are being brought in for the purpose of determining whether or not they can be used to advantage and whether they can compete with our brick in the way of price. The freight charges on them from Denmark would be about $4 a thousand. The price of the brick in Denmark is $7 a thousand, which would make $11 a thousand, plus the profit in the handling. If the price of domestic brick continues as at present, at the price now being asked, there is no doubt in my mind that more brick will come in from Denmark.

Mr. McCUMBER. Mr. President, about the imports of brick, this again is the finding of the Tariff Commission:

> Imports of common brick are negligible and are confined to shipments from Canadian plants to points in the United States near the international boundary.

I think that is all I need to read from the Tariff Commission report. It is a matter which affects, as I stated before, a few Canadian brickkilns that manufacture a few thousand brick,

as against the American, right across the line. I admit that it is not important. It will not affect in any way the general price of brick throughout the United States, but it may possibly affect the price to some extent along the border on a few thousand brick that would be imported without the tariff duty.

Now, Mr. President, I want to say in addition to what I have said before that I regard the Canadian reciprocity pact as a dead letter in the law, for the reason that the offer was made and refused. The conditions have changed since. We have made new laws upon the subject on the assumption that it has been declined and that the offer is no longer extant; but to be certain that no one could claim that it was still in existence, we have inserted a special provision in the bill repealing it.

Mr. UNDERWOOD. Mr. President, I realized that the Senator was proposing to repeal a law which he says did not exist. That is why I did not interrupt the Senator in his argument, because I know it is very much more satisfactory to speak without interruption.

I stated in my argument that the responsibility for the lack of reciprocity and for the fact that Canada insisted on high duties against the commerce of the United States rested in this Chamber with the Republican Party, and it does. The Senator from North Dakota has admitted it. Of course he announces, with a sweep of his hand as if he were the law itself, that because Canada did not at once accept the proposal for reciprocity in trade which was made by the United States, that it was wiped out; that it does not exist; that it has gone. Well, Mr. President, it is a new way to repeal a law by the negative action of some person.

But, as I intended to point out, the Senator, as he has admitted, makes the argument that there is no reciprocity law existing. He says he told the minister of the Canadian Government that it no longer existed; but, as I intended to point out to him, which he admits, he thinks it so much a law, so much on the statute books, that he puts a clause within the borders of the bill to repeal it.

Of course the policy of the Republican Party is so much against reciprocity in trade that they are going to repeal an offer for reciprocity in trade, and the Senator is only admitting, more strongly than I could state the case, what I charged him with a moment ago, that the reason why we did not have reciprocity in trade, the reason why Canadian duties rested on American commerce, was because it is the policy of the Republican Party that the gates of commerce should be closed between this country and Canada. I am sure the Senator from North Dakota will not deny it. He pleads guilty to the charge in the items of this bill.

Now the Senator says that he, in part, is willing to have reciprocity and he evidences it by this clause in the bill, and asserts with much pride that although he repudiates reciprocity in trade by the terms of his bill repealing that law, that we authorize it now; that this is reciprocal trade; that this provision brings about reciprocity in trade, and we are only waiting for Canada to lower the door. The Senator knows as well as I do that we do not bring about reciprocity of trade on one item. An item that we want lowered going into Canada may be of no interest whatever to Canada or not of enough interest to cause her to lower her tariff rate, and that usually is the case. If Canada admits one of our products into her country, it is usually because of her goods not coming into our country and there being a balance of commerce on this side of the line for that particular article. Of course, if she is going to admit that article into her country, she wants some article from Canada to flow in here.

Mr. McCUMBER. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from North Dakota.

Mr. McCUMBER. Will the Senator tell me why Canada refused the reciprocity offer?

Mr. UNDERWOOD. Canada refused it for many reasons. I will not say that Canada was not opposed to reciprocity in trade at that time, because I can not say it. I am willing to admit the record as it was made at that time. But the Senator knows that there were many other questions which drove the Laurier Liberal Party out of power, and returned the Conservative Party. The Senator knows that western Canada, made up largely of sons and descendants of American citizens, voted with the Conservatives and drove the Laurier government out of power. Yet those same men in western Canada to-day make up almost unitedly the majorities of the liberal government under Mackenzie King, the premier of that government. There has been an entire reversal of sentiment, and because the sentiment a few years ago was not willing to meet us is no argument against our accepting the opportunity when sentiment in Canada has changed and we can make reciprocal trade an existing fact instead of a theory as the Senator would make it on brick.

The Senator knows we can not bring about reciprocal trade on one item. He knows it is absurd to contend that we can. More than that, we have contended here for hours about this schedule. It is not because the item is so great——

Mr. McCUMBER. Mr. President, may I ask the Senator another question?

Mr. UNDERWOOD. Certainly.

Mr. McCUMBER. If it is wicked to put it in this bill at this time, was not that principle equally wicked when the Senator put it in his bill on wood pulp in 1913?

Mr. UNDERWOOD. The Senator listens, but his ears are not open. Half an hour or an hour ago I answered that question, as the Senator would know if he had been listening to me, by stating that I had tried the same experiment in the law which is now on the statute books, because I was very anxious to produce a condition in reference to pulp wood, used as the raw product in the manufacture of paper, in order to give the great American press an opportunity to get its paper on reasonable terms. I tried the experiment and I said to the Senate in my opening statement that it failed. It did fail. Now I think that as it failed after I tried it I certainly would be unkind, when I see the Senator walking into a mistake of this kind, stumbling over impediments in his path, if I did not point out to him where they lay in the path so that he might avoid them in the future.

I admit that in quite a number of instances in the present law it was tried. Of course we tried it from the viewpoint that we hoped a general reciprocity treaty would soon be accepted by Canada, but it was not. The hour has come within the past few months, or within the year, when it can be accepted, but the Senator says himself that he told the emissary of the Canadian Government who called on him about it that he repudiated it, that it was lost, that it was only a temporary matter; that he told him the proposal was only temporary, and that he would not accept it now; and yet he thinks it is so temporary that it is necessary to repeal it from the statute books.

Mr. McCUMBER. If the Senator will allow me, I stated I wanted it repealed so that no one among the Canadians could claim that it was the law, simply to make absolutely certain a matter in which we might be in dispute ourselves.

Mr. UNDERWOOD. I do not contend that the party in power if it has the votes to do it can not repeal any law it wishes to repeal. I do not say that they have not the power, or that we are committed, morally or otherwise, to continue to carry out this agreement. If the party in power wishes to repudiate it, they have the right to repudiate it; and they are going to do it, as they proclaim in this bill; but I say the responsibility of repudiating it must rest with them. They can not contend that as to the little item of brick that they are proposing reciprocity with Canada when in fact they are trying to impose an embargo instead of a tax on the importation of brick.

The Senator from North Dakota said that the President 10 years ago was very unwise to consult with the Democratic leader, but I want to call to his attention the fact that at the time the reciprocity act was passed there were distinguished Senators on the Republican side of the Chamber who voted for the bill. Among them were the Senator from Connecticut [Mr. Brandegee], the Senator from Massachusetts [Mr. Lodge], Senator Penrose, of Pennsylvania, the Senator from Connecticut [Mr. McLean], Senator Crane, of Massachusetts, the Senator from Washington [Mr. Poindexter], Senator Root, of New York, and the Senator from Michigan [Mr. Townsend], and so on. The bill was not only supported by Democrats, but I have read a list of names of Senators who stood at the forefront of the Republican Party when the bill went through. It is now to be repudiated by being thrown out of the window and telling the envoy of a foreign Government before Congress acts, before it is known that there is a majority behind the proposal, he can go home, that because the arrangement was not accepted at once it is a dead letter.

Mr. President, I do not think the country will take that view of the question; but what I wish to point out is what this proviso will accomplish. It is proposed that brick shall be on the free list unless another country from which they may be imported levies a duty on bricks imported from the United States. There is nothing on the free list, as the Senator knows, except that which is expressly put on the free list; we shall have no dispute about that, and as bricks are not put on the free list, unless Canada by her affirmative action in

removing her tariff consents that the American people may bring in brick untaxed, bricks must be taxed at some rate.

Mr. McCUMBER. If I understand the Senator from Alabama correctly, I desire to say that I do not think he has carefully read the amendment. The committee propose, first, to place this paragraph under the free list items.

Mr. UNDERWOOD. Undoubtedly.

Mr. McCUMBER. Of course, it is recited before the colon that these articles are placed upon the free list.

Mr. UNDERWOOD. Undoubtedly.

Mr. McCUMBER. Then it is provided that against imports from countries which levy a duty upon the American commodity there shall be levied an equal duty.

Mr. UNDERWOOD. Undoubtedly. I have aided in writing tariff bills, and I am familiar with the fact that when articles are placed upon the free list they are not to be taxed unless a proviso is inserted stating that they shall only go on the free list on the happening of a certain event; and it is provided in the amendment not against all countries—for there is only one country involved in this controversy, and that is Canada—that bricks shall come in free of duty in the event that Canada admits bricks from this country free. Senators know that Canada does not admit brick from this country free. When we send home her envoy who comes here and asks for reciprocity in trade and tell him that it is an absurd proposition to contend for reciprocity in trade now, of course, Senators do not expect that Canada is going to eliminate her duty on bricks under those circumstances. Of course, practically no bricks come into this country from any country except Canada. I do not contend that the imports from Canada are very great, although they afford relief to certain American citizens; but the principle for which Senators on the other side are contending is, in my judgment, wrong when it requires that taxation shall be imposed on building material with which to build the homes of America. I think it is wrong to pick out a few little special interests and put into their pockets money which belongs to the taxpayers of America.

I want to know under which clause of the bill bricks are to fall. The Senator knows that Canada has a tax on bricks; the Senator also knows that this proviso will apply to Canada and that bricks will not be on the free list. So they must be provided for somewhere else. Now, I want to ask the Senator to answer the question whether when a duty is imposed at the customhouse on bricks coming from Canada, so long as Canada does not put American brick on the free list, whether they are going to fall under paragraph 201 of the bill providing that bath brick, chrome brick, and fire brick not specially provided for, shall pay a duty of 25 per cent ad valorem or whether they are going to fall under the basket clause. I do not recall what the tax under the basket clause is.

Mr. McCUMBER. I can answer the Senator; but I must say to the Senator most candidly that it seems to me he has not carefully read the amendment, because it says that there shall be then imposed "an equal duty"; that is, a duty equal to the duty that is imposed by the country from which they are imported. So brick would not fall under any other clause; but if they are imported from Canada, and Canada levies a 22½ per cent duty on American brick, of course the duty on brick from Canada would be a 22½ per cent ad valorem. They would not fall under any other clause.

Mr. UNDERWOOD. The Senator from North Dakota has satisfactorily answered my inquiry. I wanted to know under what paragraph brick from Canada were going to fall, because the tax has not been repealed. The Senator has very kindly answered the question that Canada has a tax of 22½ per cent on imported brick, and therefore, under the proviso, so long as the Canadian rate stands—and he admits that it will stand—brick imported into this country from Canada will be taxed 22½ per cent.

Now, what do we find the condition to be. We have fought for two days over the taxing of bricks.

Under the House bill "fire brick, weighing not more than 10 pounds each, not glazed, enameled, ornamented, or decorated in any manner," carried a rate of duty of 10 per cent, and as reported to the Senate by the committee, the rate of duty was 15 per cent ad valorem. That covered common brick. Now, the Senator admits that the proviso which he offers will raise the ad valorem rate on brick. I am not talking about the theory of their being on the free list, but I am talking about the fact that while the Senator and the committee are saying to the Senate they are going to provide free brick, yet they are putting brick in this bill under a proviso which in fact will result in levying a duty of 22½ per cent on common building brick. Am I wrong?

Mr. McCUMBER. On brick from Canada.

Mr. UNDERWOOD. On brick from Canada, the only country whence competition comes. The Senator admits I am right. Now, after discussing the brick item for two days, the Finance Committee come in here and say, "We are giving relief to the American people," yet we find a joker in the amendment, so that instead of reducing the tax on bricks, in reality the tax is being increased from 15 per cent ad valorem, as originally provided in the bill, to 22½ per cent on bricks coming from Canada, the only country from which come any material amount of bricks.

I hope, therefore, Mr. President, that my motion to strike out the proviso will prevail, and on that I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama to the amendment of the Senator from North Dakota, on which the yeas and nays are demanded.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. WARREN (when his name was called). Announcing my pair as earlier in the day, I vote "nay."

The roll call was concluded.

Mr. COLT. Making the same announcement as before, I vote "nay."

Mr. NEW. Making the same announcement with respect to the transfer of my pair as on the last preceding vote, I vote "nay."

Mr. HALE. I transfer my pair with the Senator from Tennessee [Mr. SHIELDS] to the Senator from Ohio [Mr. WILLIS] and will vote. I vote "nay."

Mr. ROBINSON (after having voted in the affirmative). I have a general pair with the Senator from West Virginia [Mr. SUTHERLAND]. I transfer that pair to the Senator from Texas [Mr. CULBERSON] and will let my vote stand.

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and will vote. I vote "yea."

Mr. SIMMONS. I wish to announce the unavoidable absence of my colleague [Mr. OVERMAN]. He is paired with the Senator from Wyoming [Mr. WARREN]. I will let this announcement stand for the day. If my colleague were present, he would vote "yea" on this amendment.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH].

The result was announced—yeas 22, nays 42, as follows:

YEAS—22.

Borah	Harrison	Rawson	Swanson
Caraway	Heflin	Robinson	Underwood
Cummins	Jones, N. Mex.	Sheppard	Watson, Ga.
Dial	King	Simmons	Williams
Gerry	La Follette	Smith	
Harris	Pomerene	Stanley	

NAYS—42.

Broussard	Johnson	McNary	Ransdell
Bursum	Jones, Wash.	Moses	Shortridge
Calder	Kellogg	New	Smoot
Cameron	Kendrick	Newberry	Spencer
Capper	Keyes	Nicholson	Sterling
Colt	Ladd	Norris	Townsend
Curtis	Lenroot	Oddie	Wadsworth
Ernst	Lodge	Page	Warren
France	McCumber	Pepper	Watson, Ind.
Gooding	McKinley	Phipps	
Hale	McLean	Poindexter	

NOT VOTING—32.

Ashurst	Elkins	McKellar	Shields
Ball	Fernald	Myers	Stanfield
Brandegee	Fletcher	Nelson	Sutherland
Crow	Frelinghuysen	Norbeck	Trammell
Culberson	Glass	Overman	Walsh, Mass.
Dillingham	Harreld	Owen	Walsh, Mont.
du Pont	Hitchcock	Pittman	Weller
Edge	McCormick	Reed	Willis

So Mr. UNDERWOOD's amendment to Mr. McCUMBER's amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, I now ask to return to paragraph 203, page 32; and I propose, on behalf of the committee, to move to strike out all of paragraph 203, and then to insert, on page 217, after line 24, a new paragraph, to read as follows:

PAR. 1541 a. Cement, Roman, Portland, and other hydraulic.

That would place it upon the free list. Then the same provision that we had in reference to brick:

Provided, That if any country, dependency, Province, or other subdivision of government imposes a duty on such cement imported from the United States, an equal duty shall be imposed upon such cement coming into the United States from such country, dependency, Province, or other subdivision of government.

It would then be necessary, if that is carried, on page 33, line 14, after the word "ton," to insert a semicolon and the following:

Other cement not specially provided for, 20 per cent ad valorem.

Mr. UNDERWOOD. Mr. President, I desire to ask a question of the Senator from North Dakota. I have not the Canadian tariff before me; and I want to ask, under this change, with the proviso in, what rate of duty cement would bear coming from Canada?

Mr. McCUMBER. I will turn to it in a moment.

Mr. UNDERWOOD. I ask for information, because I have not the information.

Mr. McCUMBER. I will look it up.

Mr. UNDERWOOD. I should like to have the information before we vote.

Mr. McCUMBER. If the Senator will indulge me a moment, I have the book here and will have the matter looked up.

The PRESIDING OFFICER. The Senator from North Dakota proposes an amendment, which will be stated.

The READING CLERK. It is first proposed, on page 32, to strike out paragraph 203, relative to Roman, Portland, and other hydraulic cement, as amended; then to insert, on page 217, after line 24, a new paragraph, to read as follows:

PAR. 1541a. Cement, Roman, Portland, and other hydraulic: *Provided*, That if any country, dependency, province, or other subdivision of government imposes a duty on such cement imported from the United States, an equal duty shall be imposed upon such cement coming into the United States from such country, dependency, province, or other subdivision of government.

Mr. McCUMBER. I will say to the Senator that the Canadian tariff reads as follows:

Cement, Portland, and hydraulic or water lime, in barrels, bags, or casks, the weight of the package to be included in the weight for duty, per hundred pounds, 11 cents.

Mr. UNDERWOOD. In other words, so far as Canada is concerned, if this amendment is adopted it will raise the tax on cement from 5 cents per 100 pounds, as provided in the bill, to 11 cents per 100 pounds?

Mr. SMOOT. Unless she changes her rate.

Mr. McCUMBER. That is correct; just the same as in the case of brick, if Canada retains her duty.

Mr. UNDERWOOD. The Senator from North Dakota has already admitted that the policy of the Republican Party is to have no reciprocity, and therefore, of course, we can not expect to change Canada, and the Senator's amendment protects American cement 11 cents per 100 pounds instead of 5 cents.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota.

Mr. ROBINSON. Mr. President, I move to strike out the proviso in the amendment offered by the Senator from North Dakota.

It is perfectly apparent that from a practical standpoint the tax on cement under the pending amendment, in so far as it relates to importations from Canada, will be more than double the rate if the provision in the bill is adopted; and unless the proviso be stricken out the effect of adopting the amendment of the Senator from North Dakota will be to increase the tax on cement imported into the United States from Canada by more than 2 to 1 over the amendment proposed originally by the committee in paragraph 203.

For these reasons I move to strike out the proviso.

Mr. SIMMONS. Mr. President, I was somewhat pleased when I heard early this morning that the majority members of the Finance Committee, in their accustomed morning sessions at which they are now revising the tariff bill, rewriting the schedules, and cutting down the rates, from day to day under the compulsion of the fire that has been leveled at the high rates, had decided to put cement upon the free list. We had only to a limited extent discussed the item of Portland cement. There was no committee amendment to the House rate, and therefore it was not before the Senate; but an amendment to the same paragraph by the committee relating to other cements than Portland cement and Roman cement—the duty of 5 cents a hundred upon Portland and Roman and other hydraulic cements—was discussed, and the facts with reference to that provision were laid before the Senate, and the utter lack of justification for any such duty upon this material was strongly argued.

It was then made clear that cement is one of the chief factors in practically all the heavier construction that is going on in the United States to-day, including road building, which is more active to-day in every State in the Union than it ever has been before; and I suppose that as the result of this discussion, and the exposure of the injustice of imposing such a rate of duty, the committee decided to surrender in this case, as it has, I am glad to say, surrendered in many other cases heretofore, and as I hope it will continue to do in rewriting this outrageous bill from day to day. Probably they consider it too late for them to recall the bill and rewrite it altogether, because we have gone nearly through three of the larger schedules.

It is enough, Mr. President, to assure the country that even the majority members of the committee itself, in the light of the discussions, have now been driven to the conclusion that the bill's rates are unjust and unfair to the people of the country, and that they ought to be revised. I suppose that that admission as to the rates they have already revised can be taken as an admission that the rates generally carried in this bill are too high, and are oppressive and burdensome to the people, and that they ought to come down.

I was delighted when I heard that they were going to put this article of common use upon the free list, just as they had claimed they had done with reference to brick; but in the case of cement and in the case of brick it turns out that they seek to accomplish the same purpose by the use of what is known as a countervailing duty. Probably the committee felt that the brick and cement were articles of such common use, so well known and understood by the people of the United States, that it would be a little risky, after the exposures which have taken place with reference to those items, to have them specifically carry these high rates, and that they could camouflage their action and accomplish practically the same purpose by the application of a countervailing duty.

The present proposition of the committee is that we are to have absolutely free trade in cement unless that cement happens to come from Canada, unless it is produced across this artificial boundary which separates the United States from Canada. If it comes in from any other country by the Atlantic Ocean or the Pacific Ocean, or from south of us, then it is to be free. If it comes to our Pacific ports from Japan or from China, although I do not know whether they make it there, or from any of the Pacific Ocean countries where they do make it, it is to be free. If it comes in from Europe and enters any of the American ports on the Atlantic coast, then it is to be free. But if it comes from our neighbor, Canada, it is to bear a duty equal to that levied by Canada, not the 5 per cent duty which the committee proposed as a just and fair rate when they brought this bill in, and from which they have now receded as to other countries, for the reason, I assume, that they have come to the conclusion that it is an unjust rate to impose as against other countries. Notwithstanding they have admitted that as to other countries this duty is unwarranted, as to Canada they propose now to more than double that rate by the imposition of a countervailing duty.

What have we against Canada? Why should we single her out for discrimination? We recently passed here an emergency tariff bill by which we practically embargoed most of the things which Canada sold to us, and that in face of the fact that Canada was, next to Europe, our best customer in all the world. As a result of that onslaught against the purchase by us of Canadian goods, the things they sold us in exchange for the things they bought from us—and they were only selling us about half as much as they bought from us—as the result of that onslaught upon our neighbor country, which has always been our friend, which is inhabited largely by people of the same nationality, speaking the same language, who live right at our door, in one short year we have lost over $600,000,000 of our Canadian business, and our trade with Canada to-day is only about one-half of what it was before the enactment of the so-called emergency tariff act.

Now, after having dealt her this body blow, it is proposed to establish free trade with all nations in cement except with Canada, and to impose in the case of Canada a rate twice as high as the committee attempted to impose against the world, but from which they have receded, thereby admitting and confessing that it was an unjust and an unwarranted duty.

I remind the country that in the Senate debates on the so-called emergency tariff bill I predicted just what has since happened with respect to the disastrous effects that bill, if en-

acted, would have upon our commerce with Canada. I said we must expect retaliation in that event. Now, having already lost as a consequence of the emergency tariff approximately one-half our Canadian trade, the Republican majority members propose to cut the vitals out of what remains of it by striking this wanton and foolish blow at our friend and neighbor, while admitting free of duty the cement of all other countries.

Mr. TOWNSEND. Mr. President, I do not propose to delay the action of the Senate on this amendment for a moment.

I remember that several years ago I voted for Canadian reciprocity. Subsequent events show that I made a mistake. Some of the Senators who are now condemning the committee because it imposes a reciprocal duty on one or two items, differed from the rest of us who favored reciprocity with Canada at that time. They strongly condemned this policy, but now they wish to surrender our market forever to those who place tariff duties on our products.

The Senator from North Carolina [Mr. SIMMONS] seems to suffer a great deal because of what he says is the injustice that is to be done to Canada in that we propose to have free trade in cement with all the rest of the world except Canada, and in that case we propose to almost double the duty that was originally proposed.

He does not tell the country that under this tariff Canada gets exactly the same benefit granted to every other country. Canada can have free trade with the United States in cement if she will remove her duty. This reciprocal provision does not apply to Canada alone, but applies exactly alike to all countries.

I am informed on good authority that in the country for which the Senator seems so solicitous, just across the river from Detroit, there is being erected now by the United States Steel Trust, as it has been called so frequently, a mammoth cement plant. Under the present law in Canada that corporation will have an advantage of the market in Canada over the United States to the extent at least of 11 cents per hundred pounds protection. It is planting its factory over there because it is for its advantage to do it. It would not do it otherwise. It gets an advantage over its United States competitors.

It is an easy matter for Canada to remove her duty of 11 cents against the United States and get free trade on cement. It is up to her. We are not discriminating against her. We are saying, "We will treat all nations fairly and exactly alike. All nations that furnish reciprocal privileges to us get their cement free of duty, and those nations which impose a tariff on our product will have the same tariff imposed on their product."

That is the story, and that is all there is to it. This statement that we are discriminating against Canada is not, in my judgment, in accord with the real facts in the case. This tariff will, if the Senate amendment is adopted, impose no duty upon foreign cement except upon cement coming from a country which imposes a duty upon cement from the United States, and in that case the duty will be self-imposed by such country.

Mr. CUMMINS. Mr. President, I regret that I feel compelled to differ from the conclusions of the Senator from Michigan [Mr. TOWNSEND] with regard to this proposition. He was in favor of the proposed reciprocity treaty with Canada a few years ago. I was against it, and I am just as much opposed to it now, or would be if it were before the people of the country, as it was then.

This is not a reciprocal arrangement. Properly speaking, there can be no such thing as reciprocity in competitive products. We may be able to make a bargain with another country respecting the admission of her products into our markets and the admission of our products into her markets of a different character, but there can be, at least from my standpoint, no such thing as reciprocity in a retaliatory duty. This is retaliation, not reciprocation.

If I believed that the cost of production of cement produced in the United States was, generally speaking, greater than the cost of the production of cement in Canada, I would favor a duty not only upon the importations from Canada but upon the importations from every country in the world. But I do not believe that there is any substantial difference between the cost of producing cement in Canada and the cost of producing it in the United States.

Mr. ROBINSON. Will the Senator yield at that point?

Mr. CUMMINS. I yield to the Senator from Arkansas.

Mr. ROBINSON. Directly in point with the statement the Senator has just made, I call attention to the information in the tariff surveys, furnished by the Tariff Commission, at page 261. The statement is:

> Most Canadian plants operate at a disadvantage, since fuel must, in most cases, be imported from mines in the United States.

The indications are that if there is any difference in the cost of production, the difference is in favor of the plants in the United States.

Mr. CUMMINS. I believe the information contained in the extract just read by the Senator from Arkansas is true, and it is fortified by the fact that Canada, a country which believes in protection, just as we do, has thought it necessary to levy a duty of 11 cents a hundred pounds upon this commodity in order to prevent the United States from taking her market, and it seems most astonishing that it is necessary for Canada to provide a duty to prevent importations from the United States and that at the same time it is necessary for the United States to levy a duty in order to prevent importations from Canada. The two things are not consistent with each other.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator yield to the Senator from North Dakota?

Mr. CUMMINS. I yield.

Mr. McCUMBER. I wanted to ask the Senator if the real question is not a question of freight rather than of cost of production?

Mr. CUMMINS. I have heard that mentioned several times, but the moment the article from Canada reaches the United States it must pay American freight rates. Canadian cement can not move upon railroads within the United States at any lower rate than that paid on the American product. Even if our freight rates, as compared with Canada's, may be a little higher, although I think that has been somewhat exaggerated, it can not be said that our freight rates warrant a duty upon this generally produced and widely used product.

Now, I would like to see a tariff law that all Republicans can defend, at least those who believe in protection. I believe in it as profoundly as does the Senator from North Dakota, but, in my judgment, some of the duties that are being imposed in the bill will do more to disparage the doctrine of protection among the American people than other duties in the bill, properly imposed, will do to sustain that doctrine.

I differ from my Republican friends on some of these points, and I do it with great regret. I expect to uphold the committee upon the greater number of the articles concerning which I know nothing, but there have been some mistakes, from my standpoint, made in the composition of the tariff bill that ought to be corrected, and this is one of them. I do not believe in a duty of 5 cents a hundred upon cement, nor do I believe in attaching a duty upon the importations from Canada because Canada has found it necessary to levy duties in order to prevent importations from the United States. I think we ought to be governed by the ancient and honorable rule that we have announced so often, that we intend to protect our manufacturers to the extent of the difference in the cost of production at home and abroad.

Mr. McCUMBER. Mr. President, I want the attention of the Senator from Iowa for just a moment. Let us admit, now, as a rule that we need no protection whatever. That is why we are proposing the free list. If the Senator will look over the exports, imports, and production, he will find that for every pound we import we export 6 pounds. The importations, I think, would not amount to 1 per cent of the production.

I am making that general statement, or admission, if you desire to call it such, in order to clear the ground that we are really giving a free importation, with the exception of possibly less than 1 per cent of our production, and that 1 per cent coming from Canada is not going to increase or have any particular effect upon the general market price of cement. It is too small to have that effect. What is it for, then? It is simply to protect or, if I may put it in another form, to give the American who lives upon the Canadian border the same opportunity to sell his product into Canada that the Canadian has to sell his product in the United States.

Here is an imaginary line with a little American factory on one side and a little Canadian factory upon the other side. Neither of them produces in any appreciable amount as compared with the entire production. The Canadian goes into the market of the American with free hands and has no duty to pay. The American who goes on the other side of the line has to pay about 40 cents for every barrel of cement that he takes across the Canadian border. While the Senator from Alabama [Mr. UNDERWOOD] says that when he put this like arrangement into his tariff law it failed, I am not so certain that it will fail in reference to cement. It may be that if we put this rate upon the Canadian cement factory, they will be willing that the American on the opposite side of the boundary line shall have the same privileges they have, but if we do fail we have not

done any harm particularly to the general public who buy cement.

Mr. CUMMINS. Mr. President, may I interrupt the Senator at that point?

Mr. McCUMBER. I yield.

Mr. CUMMINS. The Senator from North Dakota says it will do no harm. From the abstract standpoint I think it will do great harm, if it did not influence the movement of a single ton or pound of cement, because it furnishes one of those illustrations so often used and so effectively used by our friends upon the other side of the Chamber to disparage the doctrine of protection.

But I think it will do harm in another way. I think the great object of a protective tariff law is to employ and keep in employment the maximum number of people living in the United States. The Senator has said that we export to Canada 6 pounds of cement——

Mr. McCUMBER. No; the Senator is mistaken. I say that we export 6 pounds of cement to 1 pound that we import, but not as to Canada.

Mr. CUMMINS. How much of that comes from Canada?

Mr. McCUMBER. I think very little, if any. I would have to look up the record, but I think only a very small amount.

Mr. CUMMINS. I understood the Senator to say we exported to Canada 6 pounds of cement to 1 imported from Canada, but I may have misunderstood him.

Mr. McCUMBER. No; it is exported to Cuba and South American countries. I do not know whether there has been a pound exported to Canada.

Mr. CUMMINS. However that may be, when we enter into a war of tariff with Canada, and Canada pursues the same plan that some of our people want to have pursued by this country, I assume she would raise her duty to 50 cents and exclude all American cement upon the theory that it is better for that dominion that her cement be manufactured within her own borders. That, it would seem to me, might result in a very serious diminution of labor performed in the United States.

But I do not myself believe in retaliatory tariffs. I believe in legislating for the welfare of the people of the United States. It is better for us to admit cement from Canada, manufactured under conditions certainly not more advantageous than ours. Then, let us take that Canadian cement which comes in under those conditions. It might at times serve as a slight restriction in certain parts of the United States on the enormous prices that have been charged in recent times and that may be charged in the future.

I did not intend to take up the time of the Senator or of the Senate, but I wanted the Senate to know why I can not vote for a retaliatory duty upon cement.

Mr. McCUMBER. Mr. President, if, of course, we say that it is a retaliatory duty, the Senator's position would be correct from that standpoint. But during the first 10 years since 1900, according to the Tariff Commission's report, practically all of our imported cement came from Belgium, France, and Great Britain, and once in a while some would come over from Canada. Of course, the war came on and that cut off practically all the trade in cement from across the ocean. After the armistice they began to renew gradually and are continuing gradually the imports and the foreign product is now beginning to come in. I think, inasmuch as we imported large quantities in the earlier part of this century, that as soon as we reach normal conditions, or at least as soon as those countries get upon their feet again, they can import and will import to this country a sufficient amount to affect the price here and to prevent any combination, unless the combination is made with the foreigner as well, to impose an extortionate price against the American people.

But the Canadian exports only along the Canadian line for a short distance into the United States and the Tariff Commission so states:

> The bulk of the increase is Canadian cement from plants located near the border.

If they are any distance from the border the freight rates are such that they do not get into the interior. Now, within that zone in which both the American and the Canadian trade, the American is cut off from the Canadian side while the Canadian has the free use of the American side. While we may not like the policy, at the least the Canadian can not complain if we say to him, "We will give you free imports for your one-tenth of 1 per cent, or whatever it may be, provided you will give us free importation in your territory."

Mr. ROBINSON. Mr. President, cement of the class embraced in this paragraph—namely, Roman, Portland, and hydraulic cement—is now on the free list. Notwithstanding that fact, the industry is so completely organized throughout the United States that the prices which are being charged for the product are excessive beyond reason or justification.

The uses to which cement is put are in a measure public uses. It is used in a large number of industries of a public or quasi-public character. It is the most important building material and is constantly increasing in its importance, taking the place in many localities of brick and other building material. The United States, according to the Tariff Commission report, was the pioneer in concrete building and industrial construction, and the production and consumption per capita of concrete exceeds that of any other nation.

As stated by the Senator from North Dakota [Mr. McCUMBER], domestic production exceeds consumption. It is impossible, in my judgment, to determine what effect a tariff on this commodity will have on prices. Certainly the imposition of this duty is not intended to reduce prices. The only justification offered for it is to enable American producers of cement to maintain the trust-controlled prices along the Canadian border. The Senator from North Dakota gave a pathetic illustration of a little cement factory on the American side and a factory on the Canadian side, and appealed for protection in behalf of the American factory. He neglected to say, however, that both factories—certainly it is true of the American factory—now charge twice as much as the commodity ought to sell for.

On another occasion in discussing this subject I put into the RECORD a statement of the manner in which this industry is controlled, and also some information concerning the rapid rise in prices of cement during the last five years. My recollection is that cement is now selling for close to five times as much as it was selling for approximately five years ago. In view of that fact, I agree with the Senator from Iowa [Mr. CUMMINS] absolutely that the friends of protection, who, I admit, under the political situation that now prevails in the Congress, are entitled to write this bill, are discrediting the theory of protection by imposing high rates on commodities that are admittedly trust controlled and for which exorbitant prices are now being charged.

When the committee reported this bill it evidently felt that a rate of 5 cents per 100 pounds was adequate for protection purposes, but now, under the guise of putting cement on the free list, they have actually more than doubled the tariff on this important construction material. The original committee amendment contemplated the imposition of 5 cents per 100, while the pending amendment contemplates the imposition of 11 cents per 100, unless Canada sees fit to change her law, on all importations from Canada, and, as stated by the Senator from North Dakota, the principal importations come from Canada. So long as that is true, if we write the pending amendment into this proposed law, instead of putting cement on the free list, we shall be more than doubling the high rate originally proposed by the committee. It does not take a logician or a philosopher to see that.

It is absurd to say that cement shall be put upon the free list, but that importations of it from countries that impose duties on cement made in this country shall bear a rate of 11 cents per 100, when all the while we know that the principal effect of the provision will be to require every consumer of cement who is within access of the Canadian factories to pay a tribute of 11 cents per 100 pounds to the monopoly which dominates the industry in every State of the Union, including Michigan.

One can not buy one pound of cement from any factory in the State of Michigan for one cent less than he can buy it from any other factory in Michigan. One can not buy any quantity of cement from any factory that sells cement in the city of New York for less than he can buy it from any other producer of cement.

Mr. CARAWAY. And the Senator will also remember that if one is not within the territory contiguous to that particular factory he can not buy it at all.

Mr. ROBINSON. Yes. If he is not located in the territory allotted to the factory, he can not buy it at all. The country is divided into zones; the price is fixed; the quantity that may be sold to a consumer is limited; and it must be used upon particular works. If not used upon the job for which it was purchased, the consumer who uses it upon some other job can not thereafter purchase cement from anyone.

With this condition prevailing in the industry, with the public already being charged from two to three times what the commodity ought to sell for, with a condition which everybody realizes prevails in all our great cities respecting the building of houses, with gigantic enterprises involving road construction and other similar enterprises in progress throughout the United States, the Congress certainly should not take any steps calculated to fasten upon the country conditions that have

become intolerable in regard to this great industry. If the proposed rate will not tend to increase the price or maintain the price, then there is no justification for it on the theory that it is a protective tariff.

I have been hoping that the result of the proceedings instituted by the Department of Justice would be the dissolution of the Cement Trust, so that this country may go forward with its great construction enterprises; but this step, under the disguise of a free-trade amendment is, in fact, more than doubling the original high protective amendment which was proposed by the committee.

It is for this reason that I have moved to strike out the proviso and to leave this important material on the free list. When American factories reduce their prices so that they may receive ample but not extortionate and unreasonable profits I shall be willing to see written into a Republican tariff bill provisions for their protection.

Mr. HEFLIN. Mr. President, it would greatly please all American consumers of cement if the Republican Senate would place this important material on the free list. As has just been pointed out by the able Senator from Arkansas [Mr. ROBINSON], cement is a very important building material. While he was speaking I thought of the many ways in which we use cement. Watering troughs for fowls and animals are made of cement; walk ways in yards are made of cement; foundations for buildings—dwelling houses, schoolhouses, and churches—are made of cement; it is used in building sidewalks in towns and cities; it is used for paving streets; it is used for the construction of bridges and for the building of public roads. Not only that, Mr. President, but dwelling houses and even steamboats are actually being constructed of cement.

Mr. POMERENE. And business blocks.

Mr. HEFLIN. Yes; and business houses are being constructed of cement; the homes of the people are being built of cement. In fact, not a thing that can be thought of is in more general use except air and water and salt, and the Republican majority have imposed a tariff tax on salt. Cement is a very important commodity in daily use everywhere.

Now, Senators on the other side come here and propose a tax upon this very essential material. They talk about the increased prices affecting only people who live along the Canadian border, but the Senator from Arkansas is absolutely right in what he has said regarding that, for when the price of cement is increased on the Canadian border by an import duty levied against the small amount of cement which would come over into the United States every producer in the United States is given an opportunity to say "Congress has placed a tariff upon cement, and that is why cement is costing you more than before." He may add for your benefit, "I do not think Congress ought to have put that tax on; but it is on, and, of course, you must pay it." The cement manufacturers will hide behind that excuse to filch money from the pockets of the cement consumers of America.

by it—and the only people who are going to profit by it are the manufacturers who are interested in the 4,000 items upon which it imposes excessive duties—the cement manufacturers along the Canadian border can come here and tell the majority members of the committee that they are having a hard struggle with their competitors across the Canadian border; being framed purely for the manufacturers, who are to profit but what heed is paid to the man who comes and tells you, "I have got to build a bridge across a branch or creek running through my farm," or "I want to build a dwelling house, a stable for my horses and for my cow, and a house for my hogs out of cement." He has not been considered or consulted. He can say, "You are taking money out of my pocket and giving it to the cement producers in the United States. They ask you to do it, but you did not consider me or consider my interest."

Yet the Senator from Idaho [Mr. GOODING] repeatedly gets up here and says, "This tariff bill was not framed behind closed doors." Every Democratic member of the committee will substantiate the statement which has been made here time and time again that no Democrat was permitted to sit in the committee when the Republican Senators were framing this bill. If that is not true, let some Republican member of the committee deny it. They framed the bill by themselves, and no Democrat was there. The Democrats were shut out. Oh, Mr. President, nobody had access to that "chamber of horrors" except the profiteers and the tariff barons. When they tapped on the door and said, "Open sesame," it flew open, and they walked in, and when they laid their silk hats and kid gloves and gold-headed canes down on the table the Republican members of the committee bowed and smiled like a bunch of green-neck Muscovy ducks over a mud puddle full of fat tadpoles. [Laughter.]

There was never anything like it, and yet when we get up here and tell those who framed this monstrosity that we ought to have a right to combat the committee proposals in behalf of the American consumer they grow impatient and become indignant because we are exposing to the public item after item on which they add more and more to the tax burden of every consumer in America.

I want to see every legitimate manufacturing concern in America prosper; but, Mr. President, when I hear Republicans over there speaking about what is going to become of this pet manufacturer and that I think about the poor fellow in other walks of life out yonder who is now eking out a miserable existence. You are not considering him. The Senator from North Dakota [Mr. MCCUMBER] was talking a while ago about that poor little cement producer on the Canadian border and how hard it was for him to struggle along in competition with his neighbor just over the line. I want to ask him what you said to the farmer who was fleeced, robbed outright, by your deadly deflation policy carried out by the Federal Reserve Board? Your leaders said, "He has got to take his medicine." I said, "He can not live under this thing unless you furnish him money and credits to carry on his business." Your side said, "He must take his medicine."

What did you mean by that? You meant that if he could not live producing agricultural products he could quit. That is what you meant by it. You did not extend any helping hand to him. You did not pick him up and cry out that he was being ruined, when Wall Street was hoarding the gold supply of the country, and had a Federal Reserve Board that did its bidding day by day, to the robbery and ruin of the farmers of the country. What were you doing then for the millions of farmers in the South and West? I never heard you crying out then that the Government must come to their rescue; but now this little cement producer on the Canadian border is being held up by you as an example and a pitiful object, and you are going to his rescue and making that an excuse to tax every consumer of cement in America. That is what you are doing.

What happened to the farmers of the South by the thousands under your deflation policy? They quit the farm, driven from it, sold all their products and lost the farm; and with farm gone and debts still hanging over their heads, they have gone to towns and industrial centers to work for wages. That is what happened under your deflation system. Now you want to tax those men and tax everybody else who has to use cement for the benefit of the Cement Trust of the United States. That, I repeat, is what you are doing.

More cement is made in the State of Michigan, I believe, than is produced in all the world outside—4,000,000 barrels last year, I understand, against the importation of 5,000 barrels, or something like that—and then you say we need a tariff tax against the imports of cement into the United States! Senators, it is utterly ridiculous, inexcusable, and indefensible. That is the situation that we have.

Where is this thing going to stop? My good friend, the junior Senator from Arkansas [Mr. CARAWAY], suggests, and I think he is right, that it will stop at the next election. Oh, it will be a glorious thing when we can get the men and the women in America who wield the power of the ballot to stand up and face those who stood here day after day and night after night under whip and spur taxing, taxing the American masses at every turn in the road. That is precisely what you are doing. Four thousand captains of industry, 4,000 tariff barons, have demanded this pound of flesh from nearest the heart of the American consumer, and under the skillful leadership of the surgeon from North Dakota you are proceeding to cut it out. You are doing this for 4,000 tariff barons in the 4,000 items in your bill. For what purpose? To increase the profits and the fortunes of these men.

What of these millions of farmers who will not get out of debt for five years to come? What of them? Nothing. You Republicans say, "Let them take their medicine." That is what you said; and now we are told that your President is thinking of reappointing the present governor of the Federal Reserve Board. Well, what have I said all the time? Have I not told you all the time that Wall Street and the money changers of the East kept him in? Have I not told you all the time that they would not permit him to be turned out? What is this going to do but prove what I said?

Mr. WATSON of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. HEFLIN. I am glad to yield to my friend from Georgia.

Mr. WATSON of Georgia. I will inform the Senator from Alabama that at this time, in one county in the State in which I in part represent—a county which was one of the most thriving farming counties in Georgia—three pages of the county paper are taken up with advertisements of land to be sold for taxes.

Mr. HEFLIN. Mr. President, that is true of nearly every county in the South, and it is true of many, many counties in the West, if not all of them. The State of Texas by a resolution of the legislature extended the time for the payment of taxes, and I understand that the State of Mississippi did the same thing. These two Commonwealths took these steps in order to save from ruin their farmers. What were you saying, then, should be done for them? "Take their medicine." What about these 4,000 captains of industry and tariff barons? Why, they say, "We want this increase." You say, "All right; you shall have it. What is your reason for it?" "Why, I want to increase my profits. I want to increase my fortune through party machinery in Congress by the use of the taxing power." That is what he would say if he told the truth.

Mr. GOODING. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. HEFLIN. I yield to the Senator from Idaho.

Mr. GOODING. I want to ask the Senator if he will give us the date when this deflation started in this country?

Mr. HEFLIN. Mr. President, it started when a Republican Congress in control of both Houses passed a progressive interest rate, permitting 40 and 50 per cent and higher rates, and put in the hands of that board a knife with which to cut the throat of the farmer, the merchant, and the banker and everybody else in the agricultural sections of the country. That is when it started. There was not a ripple on the surface when Wilson was in health and the Democrats were in control of both branches of Congress.

It was when the Republican Party took control, and you put this progressive interest-rate measure through both Houses. It was when the Senator from Illinois [Mr. McCORMICK] passed through this body a deflation resolution, calling on this board to know what it was doing to deflate, and so forth, and when the governor of that board, W. P. G. Harding, who truckled to your party to hold his job and get reappointed, and to do some other things—that is when it started. You have kept him in power; the President could have asked for his resignation in the spring of 1921, just like he did that of the district attorney in the State of Texas, but he never asked for it—it was when that governor of the board commenced playing to your party to retain his position, and wrote back to the Senator from Illinois [Mr. McCORMICK] that he would not hesitate to use every power under the law to bring about that deadly thing. That is when it started. It started after President Wilson was stricken down and the Democrats lost control of the House of Representatives and the Senate. It started when you were using this deflation policy for political purposes in the South and the West, and well did the farmers of the South and West pay for it. My God, how they suffered!

Mr. GOODING. Mr. President——

Mr. HEFLIN. I yield to the Senator from Idaho.

Mr. GOODING. I will ask the Senator from Alabama if the Federal Reserve Board, all the time that this deflation was going on, did not have the support and indorsement of the Secretary of the Treasury, a Democrat?

Mr. HEFLIN. He was not a Democrat. He was appointed as a Democrat.

Mr. GOODING. I am talking about the Secretary of the Treasury under President Wilson.

Mr. HEFLIN. The Senator is talking about Houston and I am talking about his not being a Democrat at heart. Houston was Secretary at the time of which the Senator is speaking. I repudiated him long since. He betrayed the Democratic Party just as W. P. G. Harding betrayed it, and both of them, in betraying the Democratic Party, betrayed the people of the United States.

Why, this man W. P. G. Harding is so eager for the continuance of his connection with certain interests that he went up here the other day in Pennsylvania, when he was hardly acquainted with Secretary Mellon, and just fell all over himself saying that Mr. Mellon was "the greatest Secretary of the Treasury the country had ever had." Now, think of that, O ye of little faith [laughter]—the greatest the country had ever had. Why, Mr. Mellon had not been in that service long enough to cut his eyeteeth, and here is this man, with the month of August looking him in the face, when his term will expire and when he is going out, just taking on up there in Pennsylvania over Mr. Mellon, whom he pronounced "the greatest Secretary of the Treasury the country has ever produced."

When Mr. McAdoo was in there he was the greatest, according to Harding's idea, and then when Houston came in he was the greatest, according to his idea. They are out and gone. Mellon is now in a position of power, where he can say a good word to the President, and he suddenly becomes "the greatest Secretary of the Treasury that the country has ever had." Oh, this man is a great palaverer, this financial high priest of Wall Street.

The people are already burdened, yes, and overburdened, with taxes, Mr. President, and I rose simply to say a word in behalf of the American consumers, and to protest against this tariff tax now being levied by the Republican Party. It is a fortunate thing indeed that we do have elections every two years in the United States. It is fortunate that the man and woman out yonder, who will have their money taken from them without being given an opportunity to protest, without being heard at all by your committee, who were held up and robbed, shall confront on the hustings these men who have robbed them for the benefit of somebody else. I know that against that you will have heavy campaign funds, as you always do. You will have large contributions made to you by these men in whose name and in whose behalf you levy these taxes against the American people. You will have the influence of some of the press, subsidized agents of your party. Some of the press you can not control; some of it you can. You will have the wherewith given to you by these 4,000 captains of industry in whose interest you invoke the taxing power to try to hoodwink the people, fool them again, and make them think that you have done something for their benefit. You want them to smile as you go through their pockets; but when they meet you on the hustings this time with their ballots in their hands they will have an opportunity to answer you Senators, and I believe that their answer will be absolute repudiation.

Some of your newspapers are admitting now that we are going to beat you and carry the House, and they are saying that the Congress has not been good; that you would not mind the President; that he told you what to do and you would not do it. Now they are trying to shift the burden, and they say they are going to punish you, when you all look alike. You are all in the same boat. The people, Democrats and Republicans, are going to attend to all of you in 1924, because this is but brief authority that you have—only a temporary abiding place for you. You have been weighed in the balance and been found wanting. Well, you know what happened at old Belshazzar's feast. You are just reveling here now with your tariff barons and Newberries and all sorts of juicy financial berries. We are going to stew them all up for you and give you such a concoction in the fall of 1922 and 1924 that will restore to the people the blessed instrumentalities of constitutional government. The tariff barons will weep bitter tears, but the American people will rejoice that the day of their deliverance has come.

Mr. President, I fear that some Senators here have forgotten that this is the people's government and should be conducted in the interest of the whole people. We see the taxing power employed here day after day to take money out of the pockets of one class of people and put it in the pockets of another class.

The average citizen is willing to be taxed to meet the legitimate needs of the Government, but he is not willing to have this taxing power turned over to private individuals and corporations who use it to enrich themselves. You have no right to do that. The people are justified in crying out against this unjust usurpation of power. The title of this measure should be, "A bill to tax the American people for the financial benefit of 4,000 tariff barons in the United States." These men or their agents have been here and told you just what they wanted, and they were all very liberal in their demands upon the taxpayers' money, and you were very generous in granting their requests. But the fellow who is to be taxed, the man whose living expenses are to be greatly increased, you did not have him here. He has not been heard, except as we protest now in his name against the great injustice that you have done him. We did not know what you had done until the case was closed and you had framed your bill when only the Republican members of the committee were present. No Democrat was permitted to be present. But the bill thus framed taxes Democrats, Republicans, and everybody else for the benefit of those who told you what to write in the bill. Those who will repudiate your conduct will be found in the ranks of both parties. The improper use of the taxing power should be condemned by Democrats and Republicans alike. This bill is the worst example of the misuse and abuse

of the taxing power that has been presented to Congress in my day.

Mr. LENROOT. How about graphite?

Mr. HEFLIN. You can not say anything about graphite. The graphite industry here is closed down and the laborers have gone. The foreign graphite producer came in and took control of the American market. You who profess friendship for the American laboring man saw him come out of the American mines, having lost his employment, and you would not come to his rescue. Why? Because the big crucible makers of the United States told you not to do it, and you closed the graphite mines of America, you drove the American laboring man out of those mines, and trafficked to the foreigner the graphite market of your own country. Then you stand up and talk about doing something for the laboring man.

You are not going to do anything against the big interests. Certain big interests have written this bill. They furnish the campaign funds. If they elect a Republican Congress, why should they not write the bill. That is the way they feel about it. These things will happen every now and then, but the people get aroused, and when they do get aroused I have observed that they can do a heap of work around the polling places of the country. You used to talk about beating us in 1920 by 7,000,000, but you have stopped that. Since Pinchot won up in Pennsylvania and the cyclone struck Indiana you have sort of waked up. You realize what is going on in the country.

The people are becoming aroused. They ought to become aroused. They will become more and more aroused as the days come and go, and we show them how you are arranging to take money out of their pockets. The only thing you are doing is to enable somebody else to take money out of their pockets.

Mr. DIAL. Mr. President, what wages did the Senator say are paid to the foreign labor in the graphite mines abroad?

Mr. HEFLIN. Three cents a day for slave labor. They drove out free American citizens from the graphite mines in America and closed the mines for the benefit of graphite mined by slave labor of the Old World at 3 cents a day. Then they stand up and talk about being friends of the American laboring man.

I heard my friend from Idaho [Mr. GOODING] say he expected us on this side to shed tears for the laboring man. I have reminded the Senator from Idaho and others of 7,000,000 laboring men who have already been out of employment under your party's control for months and months. It has come to be a common thing for labor to be out of employment under Republican rule. That has become the order of the day until the man higher up gets ready to start the wheels to running. His robbing process will be employed again in due season. The shepherd usually waits for the wool to grow out on his sheep before he shears them again.

Mr. MOSES. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from New Hampshire?

Mr. HEFLIN. I gladly yield to the Senator from New Hampshire.

Mr. MOSES. I wish the Senator would enlighten the Senate and the country as to who enacted the tariff law under which all this misery occurred to the graphite industry.

Mr. HEFLIN. Mr. President, during the war the Government used some of the product and that industry flourished. This industry was not in existence when the Underwood-Simmons law was passed. It did not amount to anything in the United States at that time.

I want to say to the Senator from New Hampshire that half of the graphite supply of the United States is in my State. It is an infant industry, and the Republican Party would not come to the rescue of an infant. They let this old, hoary-headed monster from the Old World, employing slave labor, come over here and choke an infant to death in the United States.

Mr. MOSES. May I ask the Senator if he voted for a good duty on the product of his own State, namely, graphite?

Mr. HEFLIN. I voted for a wholesome revenue duty. I am not a free trader.

Mr. MOSES. No; not on the products of Alabama.

Mr. HEFLIN. It does not make any difference whether it is in Alabama or not. One of the Senators on the other side reminded me that most of those mines in my State are owned by eastern capital. I said that did not make any difference with me. The owners are American citizens and their investments are entitled to be treated fairly, and when they came to my State and invested their money there, they showed good taste, as well as good judgment, and I want them to have a fair deal. I do not care where the citizen lives, whether in my State or your State.

The Senator from Iowa suggested a thought this afternoon commented on by my friend from Arkansas [Mr. ROBINSON]. Under your theory of protection you are employing one excuse and another to literally plunder the American people. You used to say, "Here is an industry growing up and we should levy some taxes against its competitor abroad, at least until it can get on its feet and get in the game." The Government would derive some revenue, and if incidental benefit goes to the industry, very well. If labor shares it, all right. But, Mr. President, under that boasted protection theory of your party hundreds of fellows who go into business now say, "We are not making as much profit as we would like to make. We will go down to see the Republican Congress and ask that the taxing power be used to increase our profits."

You tax the American people to make certain interests enormously successful in business and these interests write checks for your campaign fund. They feel that they have paid for the privilege of using the taxing power. You have a hodge-podge arrangement, and you are taxing the American people for the benefit of 4,000 captains of industry in the United States.

Senators, what right have you to do that? I ask you, in the name of the toiling masses of America, what right have you to tax the salt that goes into their bread?

Mr. SHORTRIDGE. Mr. President, in the name of the people of Louisiana, let me ask the Senator a question. Is the Senator in favor of a protective tariff on sugar and on rice produced by the good people of that great State?

Mr. HEFLIN. I am not in favor of a high protective tariff duty on anything.

Mr. SMOOT. Only on graphite.

Mr. HEFLIN. I hope that answers my good friend from California. I favor a revenue tax on a great many things. I voted for the Underwood-Simmons revenue tax bill, under which we collect nearly $300,000,000 annually. That shows that I am not a free trader and that we were not for free trade when we levied those taxes. The difference between us is that we are taxing luxuries, in the main, and you are taxing now the absolute necessities of life.

If you tax something I could get along without, I could say, "No; I will not buy it, the price has gone so high. I would probably be better off without it. Excuse me." And I would just walk out of the store. But when you tax salt, which I must have to season my food, to give me health and strength, and to save and season meat, then you touch my pocketbook, and I have to respond and I have to buy.

Then, when you tax cement you tax a common necessity of life, and I have to have that. Then you tax brick; I have to buy brick if I do any building. The other day I saw you tax medicine—yes, you taxed medicine. Under the grinding process of your party you are reducing the people to such a state they can hardly walk, they are so weak; and when they put them to bed and send for the doctor you put a tax on the medicine he is going to give them to bring them back to health again.

Mr. MOSES. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from New Hampshire?

Mr. HEFLIN. Yes; I yield to the Senator from New Hampshire.

Mr. MOSES. I would like to ask the Senator from Alabama to what year he referred when he said there was $300,000,000 of revenue collected under the Underwood tariff law? What year was that?

Mr. HEFLIN. I understand that we have averaged somewhere between $240,000,000 and $300,000,000.

Mr. MOSES. For the benefit of the Senator, I would like to read the figures.

Mr. HEFLIN. Just give them to me in round numbers.

Mr. MOSES. There is no year of operation under the Underwood law in which anything like $300,000,000 was collected. In 1914, during which they had the benefit of the Payne-Aldrich law for a considerable portion of the year, the collections were $292,000,000. The next year they were $209,000,000 under the full operation of the Underwood law. The next year they were $213,000,000; the next year $225,000,000; the next year $182,000,000; and the next year $183,000,000. It is only since the emergency tariff law, a Republican measure, was added to the Underwood law that the revenues have approached anywhere near $300,000,000.

Mr. HEFLIN. How did the Senator vote on the emergency tariff question?

Mr. MOSES. I voted against it.

Mr. HEFLIN. That is what I thought.

Mr. MOSES. But the fact that I voted against it did not make it not a Republican measure any more than the fact that the Senator repudiates Governor Harding makes him not a Democrat.

Mr. HEFLIN. The fact that the Senator did not vote for that bill is something in its favor, perhaps. Anyhow, we will not fall out about figures. I am not quarreling about what the exact figures were, but we derived revenue under the Underwood tariff law.

In 1914 we collected under the Underwood-Simmons law $292,000,000. Of course, the amount fell off when German submarines were destroying millions of tons of commerce. But in 1920 when the war was over and before your emergency tariff went into effect, we collected $323,000,000. These are the figures given by the Department of Commerce.

Here is what is going to happen under your law, if you ever get to operate this thing for any length of time: If $2,000,000,000 worth of goods come in you will take out of the American people's pockets more than $3,000,000,000 in addition by reason of that. That is what you are going to do.

Let me illustrate: Suppose you tax a certain kind of pocketknife 25 cents, we will say. The manufacturer abroad stops sending that knife into the country. He will say, "I can not do it. The high tax you put on it shuts me out." He stops at the border line and his knives cease to come in. The man who manufactures the same knife in America, which he formerly sold at $1, will now sell it for $1.25. You have legislated into his pocket 25 cents on every knife that he sells. Why is that? He will tell the buyer, "They have put a tariff tax on this knife." The customer will say, "But I understand you have not any competition now." "Well, that is true. They have shut out foreign knives, but if you got that knife from abroad and paid the tax it would cost you $1.25, and I am going to add 25 cents onto my knife and you will have to pay it to me."

Under that plan the American Government would not get one cent, and yet you tax every knife buyer 25 cents who uses that particular kind of knife. That is what will happen under your bill. God, and God only, knows how much money you are going to filch from the pockets of the American people through this tax bill. You are going to leave the American people at the mercy of the tariff barons of our country, and they will fill their pockets with money that you have enabled them to extract from the pockets of the people.

Mr. SMOOT rose.

Mr. HEFLIN. Did the Senator desire to say something?

Mr. SMOOT. I thought the Senator was through.

Mr. HEFLIN. What is the Senator's suggestion?

Mr. SMOOT. I was going to ask for a vote on the amendment that is pending.

Mr. HEFLIN. I have no objection to voting on it, but let us have the yeas and nays.

Mr. POMERENE. I ask that the amendment be read.

The VICE PRESIDENT. The amendment will be read.

The ASSISTANT SECRETARY. There are three amendments in one.

Mr. SMOOT. I desire to have each amendment voted on separately. Let the first amendment be stated.

The ASSISTANT SECRETARY. On page 32, it is proposed to strike out the paragraph embraced in lines 13 to 17, both inclusive, in the following words:

PAR. 203. Roman, Portland, and other hydraulic cement, in barrels, sacks, or other packages, 5 cents per 100 pounds, including weight of barrel or package; in bulk, 4 cents per 100 pounds; other cement, not specially provided for, 20 per cent ad valorem.

The VICE PRESIDENT. The question is on the amendment striking out the paragraph just read.

The amendment was agreed to.

The ASSISTANT SECRETARY. The second amendment is, on page 217, after line 24, to insert a new paragraph to read as follows:

PAR. 1541a. Cement: Roman, Portland, and other hydraulic: *Provided*, That if any country, dependency, province, or other subdivision of government imposes a duty on such cement imported from the United States an equal duty shall be imposed upon such cement coming into the United States from such country, dependency, province, or other subdivision of government.

That amendment the Senator from Arkansas [Mr. ROBINSON] proposes to amend by striking out the proviso.

The VICE PRESIDENT. The question is on the amendment of the Senator from Arkansas to the amendment of the Senator from North Dakota.

Mr. ROBINSON. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. POMERENE. The vote is on the motion to strike out the proviso?

The VICE PRESIDENT. It is. It is on the amendment proposed by the Senator from Arkansas to the amendment of the Senator from North Dakota.

The reading clerk proceeded to call the roll.

Mr. KENDRICK (when his name was called). I transfer my general pair with the Senator from Illinois [Mr. MCCORMICK] to the junior Senator from Massachusetts [Mr. WALSH] and vote "yea."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WARREN (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. NEW. Repeating the announcement as to my pair and its transfer, I vote "nay."

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. HARRISON. Making the same announcement as before, I vote "yea."

Mr. COLT. Making the same announcement as before, I vote "nay."

Mr. STANLEY (after having voted in the affirmative). I transfer my general pair with the junior Senator from Kentucky [Mr. ERNST] to the Senator from Montana [Mr. MYERS] and allow my vote to stand.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH].

The result was announced—yeas 26, nays 35, as follows:

YEAS—26.

Borah	Jones, N. Mex.	Pomerene	Stanley
Caraway	Kellogg	Ransdell	Swanson
Cummins	Kendrick	Rawson	Underwood
Dial	King	Robinson	Watson, Ga.
Harris	La Follette	Sheppard	Williams
Harrison	Lenroot	Simmons	
Heflin	Pittman	Smith	

NAYS—35.

Brandegee	Hale	Moses	Shortridge
Broussard	Jones, Wash.	Nelson	Smoot
Bursum	Keyes	New	Spencer
Cameron	Ladd	Newberry	Sterling
Capper	Lodge	Norris	Townsend
Colt	McCumber	Oddie	Wadsworth
Curtis	McKinley	Pepper	Warren
France	McLean	Phipps	Watson, Ind.
Gooding	McNary	Poindexter	

NOT VOTING—35.

Ashurst	Ernst	McCormick	Shields
Ball	Fernald	McKellar	Stanfield
Calder	Fletcher	Myers	Sutherland
Crow	Frelinghuysen	Nicholson	Trammell
Culberson	Gerry	Norbeck	Walsh, Mass.
Dillingham	Glass	Overman	Walsh, Mont.
du Pont	Harreld	Owen	Weller
Edge	Hitchcock	Page	Willis
Elkins	Johnson	Reed	

So Mr. ROBINSON'S amendment to Mr. MCCUMBER'S amendment was rejected.

The VICE PRESIDENT. The question recurs on the amendment of the Senator from North Dakota [Mr. MCCUMBER].

The amendment was agreed to.

The VICE PRESIDENT. The next amendment proposed by the Senator from North Dakota will be stated.

The ASSISTANT SECRETARY. On page 33, line 14, after the word "ton," where it occurs at the end of the line, it is proposed to insert the words "other cement not specially provided for, 20 per cent ad valorem."

Mr. SIMMONS. Mr. President, I do not understand on what page that amendment is to come in.

Mr. MCCUMBER. I can explain it, if the Senator will allow me. We have just stricken out paragraph 203, which embraced not only Portland cement but the other cement put up in packages, for which we have already agreed upon a 20 per cent ad valorem duty. That action necessitates this clause being put in at some other place; so I am asking that it be put in at the end of paragraph 205. The words are just the same as those we have already agreed to.

Mr. SIMMONS. I have no objection to that.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota.

Mr. POMERENE. Mr. President, do I understand that this imposes a duty of 20 per cent on all other cement?

Mr. MCCUMBER. It places a duty of 20 per cent upon patent cements which come in zinc tubes, and so forth.

Mr. SIMMONS. We have already voted on it, and it is merely desired to transpose the committee amendment.

Mr. POMERENE. Very well.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LENROOT. Mr. President, I understand that we shall very shortly take a recess, and I simply wish to take a moment in acquainting the Senate with the present status of the pending bill, because probably very few Senators have taken the trouble to ascertain what progress we are making upon the bill.

Night before last I took the trouble to ascertain how many committee amendments had been acted upon by the Senate. There are 2,087 committee amendments to the bill. Night before last when we took a recess we had acted upon 196 of them; to-day I believe we have acted upon 4 amendments, making 200 committee amendments thus far acted upon out of a total of 2,087. We are now upon the seventh week of the actual consideration of the bill. If we shall make the same progress as we have during the past 7 weeks, this bill will pass the Senate, if none but committee amendments are considered, in 57 weeks. Of course, at this rate of progress the bill must fail on the 4th day of next March.

Senators across the aisle are insisting that they are indulging in nothing but legitimate debate. If that be true, and if we have had nothing but legitimate debate so far, there is no hope, under the present rules of the Senate, of passing this bill before the 4th of next March. That is the only statement that I care to make at this time.

Mr. ROBINSON. Mr. President, the statement just submitted by the Senator from Wisconsin is interesting, but, considering the facts surrounding the history of this bill since it reached the Senate, it does not seem to me to be of very great importance.

In the first place, it is extraordinary, without precedent, that to any bill a committee of either House of Congress should report 2,087 amendments. Why the Finance Committee saw fit, after a prolonged consideration of this measure in what amounted to executive sessions, to report 2,087 amendments remains to be explained.

In so far as the statement of the Senator from Wisconsin is concerned that the bill will not pass until the expiration of 57 weeks, I desire to say that unless the committee pursues in an intense degree the practice that it has adopted within the last few days, namely, of receding from or revising the important amendments which it has proposed to the House provisions, it would be better for the United States if it were 57 years before this bill were passed.

The Senator from Wisconsin referred to the declarations frequently made in the course of the debate upon this side that no filibuster is being conducted. Every Senator here knows that that is true. Every Senator in the Chamber knows that during the last week the other side has consumed more time than this side of the Chamber has consumed. Every Senator in the Chamber knows that speeches made about irrelevant subjects have been made from the other side of the Chamber oftener during the last week than from this side. In addition to that, another bill was injected on yesterday which consumed a day of the Senate's time. It was one of the most important of the department appropriation bills and carried many amendments. We passed this measure, the War Department bill, in a single day. This shows there is no filibuster.

Now, if the Finance Committee will do what it seems disposed to do, take this bill back into committee and revise it before the debate compels them to do so, they will save the Senate a great deal of time and the committee humiliation. So far as I recall, there has not been an important amendment considered by the Senate during the present week but what, after the debate on the amendment has proceeded at great length, the committee has withdrawn it and proposed another as a substitute for it. If the committee wants in good faith to pass this bill, they should take it back and revise these excessively high rates before the debate occurs in the Senate. This would take much less time to dispose of the bill.

The course which we have pursued here has resulted in great benefit to the country. The debates have informed the public. There is not a great Republican newspaper of which I know in the United States that indorses this measure. From limit to limit of the Nation, by every class of citizens familiar with the provisions of the bill, it is regarded as a legislative monstrosity, justified neither in economic experience nor in political theory. There is no sound basis for it. It discredits every principle of honest protection; it fortifies and entrenches monopoly; it justifies extortion and perpetuates unfair price control over the commodities which are most commonly and generally used.

Mr. STANLEY. Mr. President——

Mr. ROBINSON. I yield to the Senator from Kentucky.

Mr. STANLEY. The Senator from Arkansas has overlooked one thing. The bill may be intended to carry out the platform pledge "to reduce the high cost of living."

Mr. ROBINSON. Oh, Mr. President, the authors of this bill are ashamed of it. I violate no confidence when I assert that the Senators who manage the bill on the floor of the Senate, as evidenced by their conduct and their expressions, take no pride in it. They admit that this is an inopportune time to attempt to revise the tariff; they admit, if I understand them correctly, that the bill is not based upon any theory of protection heretofore recognized or advanced. It is a hodgepodge, a miserable compound, made by throwing together whatever may seem necessary to please the selfish interests that are dictating it.

Mr. SIMMONS. I want to suggest to the Senator that the reason we can not discuss this bill as a general proposition is because it is not based upon any principle of tariff, either of protection, free trade, or moderate tariff. It is therefore necessary for us to discuss each item of the bill in order to show what it is.

Mr. ROBINSON. That is true. The only rule followed is "give everyone what he asks." The debates show that the important items of the bill have been dictated by the interests which it is designed to benefit. Little consideration has been given to the general interests of the public. Therefore I characterize it as an unwholesome mixture the constituent elements of which when taken separately are palatable and sweet smelling, but when combined in the compound are obnoxious and repulsive to everyone. I repeat that with the possible exception of the Senator from Idaho [Mr. GOODING], who, it seems to me, stands in a distinct class to himself, this bill as a whole—I mean as reported by the Finance Committee—has no approval in the Senate, and is repudiated contemptuously in the Republican press of the Nation.

Oh, no; it will not take 57 weeks to dispose of this bill. The Finance Committee will either take back the important schedules and revise them before the debates, or they will revise them after the debates. If they take the first course, they will save time; but if the sentiment against this bill which has been gathering volume from the very day it was reported by the Finance Committee continues to grow among sincere Republicans and honest people generally throughout the United States, you yourselves will be glad of an excuse to "defer" its consideration, which, of course, means its death.

This business of talking in the Senate is not and can not be made a one-sided privilege. When you bring 2,087 amendments into the Senate on a bill it is the privilege of Members to discuss those amendments. It is the duty of Senators to give the public information concerning them; and the result of that course, which has been in good faith pursued by this side of the Chamber during the debate on this bill, has been to render your efforts obnoxious, to make the measure distasteful. I doubt now whether you are very anxious to pass this bill. I doubt whether you will want to enact it when you understand what it means and what it does. If you do want to pass it, you can do so in spite of the fact that its provisions are shown to be detrimental to the public interests, to the interests which we ought to conserve; but you can not intimidate anyone into yielding the just ground that we ought to understand what we are voting on, ought to vote intelligently, and give an explanation of the measure to the public. If the people can be made to realize how bad the Finance Committee's bill really is, they will oppose its passage, and you will not dare defy them.

Mr. McCUMBER. Mr. President, I had supposed that we desired to take a recess at half past 5 this evening, and therefore I am not going to take any time now to answer the argument of the Senator from Arkansas [Mr. ROBINSON]. Possibly before we get through we will see what is back of the papers that are railing against this tariff bill. I will say to the Senator most candidly that I do not believe the committee is going to be stampeded by anything which comes from a press that represents a propaganda that is making from a thousand to three thousand per cent upon its imports, and that possibly will be presented to the American people before we get through.

The Senator from Arkansas has suggested that we are not in a hurry to have a vote upon this bill. All I can say in reply thereto is, just give us a chance, and that will be the best evidence as to whether we desire to have a vote at the earliest possible time or not. Amendments undoubtedly will be suggested from time to time by the committee as additional testimony or conditions in the trade which are shown to us convince us that there ought to be changes; but in every instance I am certain that the committee will recommend a protective tariff bill.

Mr. President, I now ask unanimous consent that when we close our session to-day we shall take a recess until Monday at 11 o'clock.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION.

Mr. McCUMBER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session, the doors were reopened, and (at 5 o'clock and 40 minutes p. m.) the Senate, under the order previously made, took a recess until Monday, June 5, 1922, at 11 o'clock a. m.

COMFIRMATIONS.

Executive nominations confirmed by the Senate June 3, (legislative day of April 20, 1922).

ASSISTANT REGISTER OF THE TREASURY.

Frank A. DeGroot to be Assistant Register of the Treasury.

PROMOTIONS IN THE COAST GUARD SERVICE.

To be ensigns.

Albert M. Martinson.
Raymond J. Mauerman.
Edward H. Fritzche.
Robert C. Jewell.
Lee H. Baker.
George E. McCabe.
Harley E. Grogan.

To be ensigns (engineering).

Martin J. Bergen.
Howard A. Snyder.

POSTMASTERS.

CALIFORNIA.

Herman C. Lewis, Artesia.
John L. Childs, Crescent City.
Francis C. Harvey, Rivera.
Jennie Kinney, San Quentin.
Cynthia P. Griffith, Wheatland.

GEORGIA.

Philetus D. Wootten, Abbeville.

HAWAII.

Carl Spillner, Makaweli.
Jacintho S. Medeiros, Puunene.

INDIANA.

William J. DeVerter, Cayuga.

MISSISSIPPI.

Alabama Akers, Iuka.

NEW MEXICO.

Harran H. DeLozier, Texico.

NEW YORK.

Seward Latham, Central Bridge.
Frank S. Duncan, Lawrence.
Violet Breen, Roslyn Heights.

NORTH CAROLINA.

Roscoe C. Jones, Manteo.

OHIO.

Cleona M. Dunnick, Ashville.
Joseph E. W. Greene, Newport.
Julius R. Bruns, St. Henry.

WEST VIRGINIA.

Charles J. Parsons, Sabraton.

HOUSE OF REPRESENTATIVES.

SATURDAY, *June 3, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our Lord, we are drawn toward Thy throne, which is established forever and ever. It is our defense and the rock of our redemption. How much we need a sense of Thy nearness, for we are humanly weak in the things which are so divinely strong. O guide us in all our ways. As for the difficulties and labors of life, let them chasten our hearts and broaden our minds. Grant that every morning may bring us the light of hope, and every evening the shade of rest. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

WATER RIGHTS ON CROW RESERVATION, MONT.

Mr. SNYDER. Mr. Speaker, I desire to call up from the Speaker's table House bill 9344, and move that the House agree to the Senate amendments to the bill.

The SPEAKER. The gentleman from New York calls up from the Speaker's table a House bill with Senate amendments. The Clerk will report the bill by title.

The Clerk read the title of the bill (H. R. 9344) providing for the appropriation of funds for acquiring additional water rights for Indians on the Crow Reservation in Montana whose lands are irrigable under the Two Leggins Irrigation Canal.

The Senate amendments were read.

Mr. GARNER. Mr. Speaker, will the gentleman yield for a question?

Mr. SNYDER. Yes.

Mr. GARNER. In order to ascertain whether it is necessary to make the point of no quorum or not, has the gentleman advised with the ranking minority member of the committee concerning this amendment?

Mr. SNYDER. Yes; I have.

Mr. GARNER. And it is agreeable to him?

Mr. SNYDER. It is agreeable to him. I also spoke to the gentleman from Tennessee [Mr. GARRETT] about this matter last evening.

The amendment which the Senate put into this bill was exactly the thing that the committee unanimously reported to the House, and the discussion here in the House was as to whether we would fix the amount at $12.50 per acre plus interest for a certain period or whether we would make the amount $20 as a maximum, and give the Secretary of the Interior the same discretion that he has had heretofore on all other leases of this character. Upon a careful investigation, going into the matter further with the department, I find there is very little difference between what we desired to do and what the department and the Senate desire to do, so that I am asking this morning that the Senate amendment be agreed to.

That is all I desire to say.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

THE NAVAL ESTABLISHMENT.

Mr. BUTLER. Mr. Speaker, I move that the House resolve itself into the Committee on the Whole House on the state of the Union for the further consideration of the bill (H. R. 7864) providing for sundry matters affecting the Naval Establishment. This bill has been debated all the way through and amended by the committee, with the exception of one amendment offered by the gentleman from Kansas [Mr. TINCHER], to which I will agree.

The SPEAKER. The gentleman from Pennsylvania moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of a bill which the Clerk will report.

The Clerk read the title of the bill (H. R. 7864) providing for sundry matters affecting the Naval Establishment.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, with Mr. MADDEN in the chair.

Mr. BUTLER. Mr. Chairman, while I am not going to oppose the amendment offered by the gentleman from Kansas [Mr. TINCHER] I will ask unanimous consent for three minutes to explain the existing situation.

The CHAIRMAN. The Clerk will first report the amendment referred to by the gentleman from Pennsylvania.

Mr. BUTLER. It is to strike out section 10 of the bill.

The Clerk read as follows:

Amendment offered by Mr. TINCHER: Page 11, line 12, strike out all of section 10.

Mr. BUTLER. Mr. Chairman, I will accept the amendment. I think perhaps within the next few months shipbuilding like other construction will not cost as much as it has cost heretofore. Therefore I will accept the motion made by the gentleman from Kansas [Mr. TINCHER] and agree that section 10 shall be stricken from the bill.

The CHAIRMAN. The question is on the amendment of the gentleman from Kansas [Mr. TINCHER].

The question was taken.

Mr. STEENERSON. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. Yes.

Mr. STEENERSON. I should like to know if the gentleman from Pennsylvania and the gentleman from Kansas have entire

control of this matter, or are you going to submit it to the House?

Mr. BUTLER. We will submit it to the House. The Chair has submitted it to the House.

Mr. STEENERSON. It has been voted on, and I suppose my question comes too late.

Mr. BUTLER. Oh, no; I think the Chair will recognize the gentleman.

The CHAIRMAN. The Chair will hold that the gentleman from Minnesota is not too late.

Mr. STEENERSON. I suppose like all other sections of the bill we have the right to vote this up or down.

Mr. BUTLER. Certainly.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. BUTLER. Mr. Chairman, all the sections of the bill have been debated fully in Committee of the Whole. On July 28 last we concluded the consideration of it with the exception of this one amendment. Before I move that the committee rise I want to say that some of the sections were handled pretty roughly in my judgment, but the committee had its own way all the way through and amended the sections as the committee saw fit. It struck out four sections. Two of them went out upon my own motion. The others were fully debated. I repeat what I said before, that the bill has been amended to suit the committee.

Mr. GARNER. Will the gentleman yield?

Mr. BUTLER. Certainly.

Mr. GARNER. Do I understand that the gentleman and his committee have been laboring on this measure since July 28 last?

Mr. BUTLER. My old friend is all right. I will have a little private conversation with him later on. [Laughter.]

Mr. BEGG. Will the gentleman yield for a question?

Mr. BUTLER. Certainly.

Mr. BEGG. I can not recall exactly all that is in this bill. I should like to ask the gentleman if there is any limitation placed on the Navy Department as to how many dollars it can pay out in the adjustment of claims?

Mr. BUTLER. The section providing for the settlement of claims was stricken out, therefore there is no provision in the bill authorizing the settlement or adjustment or consideration of any claim. The contest in the committee arose largely over these sections and subsections that have been stricken out.

Mr. BEGG. They are still in this copy that I have.

Mr. BUTLER. The gentleman has not the bill as amended. Sections 1 and 2 and the subsections went out.

Mr. BEGG. Right there, if the gentleman will yield, sections 1 and 2 and the subsections went out?

Mr. BUTLER. Yes. There is nothing here which provides for the settlement or adjustment of any claim.

Mr. RAMSEYER. Will the gentleman yield?

Mr. BUTLER. Yes.

Mr. RAMSEYER. It has been almost a year since this bill was up. Will the gentleman explain what is left in the bill, so that we may know what we are voting on?

Mr. BUTLER. I will be delighted to do it. Section 3 in the bill has five paragraphs largely technical. During the war period enlisted men and noncommissioned officers were, many of them, promoted so that they could serve the country better by the promotion. They were told that when the war was over and demotion occurred they could revert to their old places if they wanted to. But the act of July 11, 1919, has been construed differently by the comptroller than what we anticipated. Many enlisted men and noncommissioned officers who served with credit and distinction, when the war was over and their temporary commissions were revoked and after 16 or 20 years' service, were compelled to reenter the Navy in the status of men on first enlistment.

Now, section 4, which provides for the rate of base pay of men serving in the insular possessions, might be stricken out. That would save the Government $150,000. It has been taken care of in the pay bill. As I say, that of itself will save the Government $150,000. It is the base pay of the men in the Philippine Islands recommended by the department and accepted by the Committee of the Whole. Section 6 is for the purpose of taking care of two preachers who came into the service during the war and who asked to be retained in the service until the time comes when they can be retired.

Mr. TINCHER. If the gentleman will yield, there was no trouble about the preachers, the real trouble was in section 10 where they wanted to get $90,000 more money on ships.

Mr. RAMSEYER. The bill has not been read since last July, and I wanted a brief statement from the gentleman from Pennsylvania, which he is now giving, so that we will know what we are voting on.

Mr. BUTLER. Section 7 provides that under certain circumstances men who had prior to the war a dishonorable discharge for desertion, who have since come back and performed honorable service during the war, shall have the charge of desertion removed. That will save us considerable trouble in considering private bills.

Section 8 of the bill provides that where men are called back—and it only affects 30 men—where they are called back from the retired list and placed on active duty they may have the benefit in the computation of their pay of the active service they performed. I am told that this is so in the Army, and it seems absolutely fair and just. Section 9 involves the sum only of $3,000. It provides that paymasters who, acting under an order issued by the department that certain discharged men should be furnished with an outfit of civilian clothes amounting to $15, should be relieved and the money paid out by them for these civilian outfits should not be checked against them.

Mr. CHALMERS. Will the gentleman yield?

Mr. BUTLER. Yes.

Mr. CHALMERS. I think it would save time if the gentleman would state what is in the bill.

Mr. BUTLER. I have been doing that very thing and have gone all over it.

Mr. CHALMERS. The gentleman is stating what was taken out.

Mr. BUTLER. No; I am not. These accounting officers had charged against them the cost of civilian clothes given to men not adapted to the service. We passed an act in 1919 authorizing that to be done, but it was held by the accounting officers of the Treasury that it applied only to the future. So there was a period between 1918 and 1919 that under the direction of the department the paymasters furnished these men with this clothing that they might go home, and the accounting officers hold that the act did not apply to that period. It amounts to only about $3,000. I think it is only fair that they should have it.

Mr. KING. Will the gentleman yield?

Mr. BUTLER. Yes.

Mr. KING. The gentleman from Kansas made a statement which I think ought to be cleared up, that they were asking $90,000 more, and I want to know who "they" is.

Mr. TINCHER. The fact is they wanted to raise the price of building ship *No. 44* from $12,750,000 to $14,750,000. That is a $2,000,000 raise which they ask for. On ship *46* they asked for a raise from $15,000,000 to $17,000,000. That makes $4,000,000 in all.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. RAMSEYER. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TINCHER. The next item was on ship *119*.

Mr. DOWELL. Is that still in the bill?

Mr. TINCHER. No; the whole section has gone out. The objectionable features of the bill have gone out.

Mr. DOWELL. Mr. Chairman, will the gentleman yield for a question?

Mr. BUTLER. Yes.

Mr. DOWELL. What became of the items with reference to the increase in the cost of these ships?

Mr. BUTLER. That item went out of the bill in the last seven minutes on a vote of the committee.

Mr. DOWELL. I understand that; but, as I understand the gentleman, at the time the money had already been expended, and I want to know how it is paid if it is not in the bill.

Mr. BUTLER. I understand that the *California* will likely have been paid for. It was built in a Government yard, out of funds already appropriated, because there is remaining in the Treasury not used a sum of money which we had appropriated for the construction of the 1916 program.

Mr. DOWELL. Then this item came out of that.

Mr. BUTLER. I hope that has been paid for. I have some information to the effect that it likely has been. I am not able to give the gentleman accurate information, which he would like to have. For that reason, not being well informed, I have agreed with our friend from Kansas [Mr. TINCHER] that the item should go from the bill until we are better informed.

Mr. DOWELL. I understand that it has gone from this bill, but what I am getting at is this: As I understood when this question was up before, this money had already been expended, when not authorized, and above the authorization.

Mr. BUTLER. Yes.

Mr. DOWELL. I am now trying to get at the facts, if I can. If this money was taken from some other appropriation, what appropriation was it, or has it been supplied in some other way?

Mr. BUTLER. Mr. Chairman, I will give the gentleman the best information that I have. I think that ship No. 44—the *Maryland*—which was built at Newport News, may have been paid for. The cost of construction was increased by the department without express authority of Congress. It may be that before the naval appropriation bill is passed, under construction of a provision that is in it, a part of the money that is remaining appropriated for the construction of the 1916 program may be used for the purpose of paying the addition to that ship.

Mr. DOWELL. As I understand the gentleman now, while we have stricken this out of the bill—and I am glad to see it go out—the gentleman still has in his mind the fact that we will pay this additional amount not authorized, shown in the bill a year ago.

Mr. BUTLER. I believe on ship 44 that the Congress may yet be asked to increase the cost. When that request comes I want to say to my friend that it will be laid squarely before the Committee of the Whole, so that it can be properly considered.

Mr. JOHNSON of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. Yes.

Mr. JOHNSON of Mississippi. On page 4, section 2a, the bill gives to the Secretary of the Navy full authority——

Mr. BUTLER. Oh, that has gone out.

Mr. JOHNSON of Mississippi. Section 2a has gone out?

Mr. BUTLER. Yes. Mr. Chairman, I move that the committee do now rise and report the bill with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman withhold that motion for a moment?

Mr. BUTLER. Certainly.

Mr. McCLINTIC. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. Yes; I yield to the gentleman.

Mr. McCLINTIC. If I understand correctly, this bill was considered several months ago prior to the time that we had what is known as the Disarmament Conference. At that time the bill was completed with the exception of section 10. As to section 10, a motion was made by the gentleman from Kansas [Mr. TINCHER] to strike it out.

Mr. BUTLER. That motion was pending at the time that the committee rose on the 28th of July, 1921, and it has now been voted on here in the committee and the amendment has been agreed to.

Mr. McCLINTIC. That being true, the bill is ready to be reported to the House.

Mr. BUTLER. Yes.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Did the gentleman state that he was going to move to strike out section 4 of the bill?

Mr. BUTLER. Oh, no. Section 5 was stricken out. Section 4 remains in the bill. I do not think it is important whether it is in or out. It has been provided for in the pay bill which was passed yesterday.

Mr. BRIGGS. Does it affect in any way the pay bill?

Mr. BUTLER. It can remain in or go out. It is not important at all. Mr. Chairman, I renew my motion that the committee do now rise and report the bill to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MADDEN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 7864) providing for sundry matters affecting the Naval Establishment, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. BUTLER. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. BUTLER, a motion to reconsider the vote by which the bill was passed was laid on the table.

WAR FINANCE CORPORATION ACT.

Mr. McFADDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2775.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2775, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2775, which the Clerk will report by title.

The Clerk read as follows:

An act (S. 2775) to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921.

Mr. LUCE. Mr. Chairman——

Mr. WINGO. I understand the gentleman from Massachusetts [Mr. WALSH] yielded the remainder of his time to the gentleman?

Mr. LUCE. He did.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 42 minutes.

Mr. LUCE. Henry Ward Beecher once observed that the only amusements tolerated by the American church were banking and the currrency. The faithful have gathered here this morning in the small numbers that under these conditions might be expected.

I desire to use my time chiefly in protest and in prophecy, with a dash of politics; but first, in the way of history, I must get some small basis upon which to build my oratorical edifice.

About a year after we went into the war it was deemed wise to put the public funds at the command of industry and commerce for war purposes, and an emergency bill was passed creating the War Finance Corporation. Three or four months after the armistice the whole country was aflame with the idea that huge profits were to be made in foreign trade. To that end it was deemed necessary to have Government aid, and the powers of this corporation were increased so that out of the Treasury foreign trade might be financed. One member of this corporation, the Secretary of the Treasury, after trying for more than a year to turn this notion to some public advantage, concluded that the corporation ought not longer to function, and his influence was such that its activities were suspended.

In the following December, 1920, there came on the scene one of the early indications of the new power of agriculture in the halls of legislation, and that power demanded the revival of this corporation. Mr. Eugene Meyer, a member of the board, dissatisfied that it had been put out of business, urged the renewal of its activities, and Congress saw fit to pass a resolution reviving the corporation.

The President, disapproving, vetoed the resolution, but it was passed over his veto. The corporation was revived for the purpose of financing export trade.

At that very time there was in process of organization in the city of Chicago a private activity to accomplish this identical thing. The conference there was declared by Mr. Hoover to have been the most momentous since the armistice. In 10 minutes they raised $100,000 for purposes of organization. They were to have a capacity of a billion dollars, but Congress stepped in and gave the same capacity of a billion dollars to this public activity and the private activity died. So the first achievement in this direction was the killing off of private activity, ready and willing and anxious to do precisely the same thing.

The men of great expectations, the men of the West, who hoped for so much from the use of public funds to finance exports, were disappointed by what followed. Instead of doing a billion dollars' worth of business in the way of financing exports, in the 17 months since then this corporation has done a business of $50,000,000, a bagatelle, as such things go. One bank in the city of New York has to-day assets of more than $90,000,000 and loans, acceptances, and discounts of $500,000,000. This great war activity, revived over the protest of the administration, has succeeded in financing foreign trade to the amount of one-tenth of the outstanding business of one bank in New York City. The exports of the United States in the year 1921 were close to four and a half billion dollars, averaging $12,300,000 a day. This great War Finance Corporation in the 17 months of its renewed existence has financed four days of the exports of the United States! No wonder that Mr. Meyer did not even

suggest continuing this corporation for the purpose of financing exports.

Those interested in prolonging the life of this governmental activity, desiring to keep the Government in business, contrary to the pledges of both parties in the recent presidential campaign, saw in August, 1921, that governmental financing of exports was virtually a failure. So they hunted around for some other way of using the public credit. They discovered, among other things, that there were railroad securities the sale of which needed to be financed. This was one of the excuses for the movement in August, 1921, to give the corporation further powers. The result in this particular was a complete fizzle. The powers so generously given to the corporation to this end were never called into exercise.

But there was another and greater opportunity that attracted the attention of our friends from the West. The western farmer appeared to be in hard luck. Times were bad and prices were low, and he felt unable to get himself out of his plight. So the spokesmen for the western farmer proceeded to demand special privileges for one class and for one section.

The farmers as a class had been the great profiteers in the war, according to the report of the commission created by our farmer friends, headed by the gentleman from Minnesota [Mr. ANDERSON].

Mr. HERRICK. Will the gentleman yield?

Mr. LUCE. I shall have no time to yield until I shall have concluded.

The value of the agricultural output in 1913 for each person engaged was $678. In 1919 it was $823. It had gone up one-fifth. In 1916 the average reward to each farmer for labor, risk, and management was $534. In 1918 it was $826.

In the same two years the average yearly earnings of factory employees fell from $793 to $725; of Government employees, from $810 to $566. (These figures are all being given on the basis of the purchasing power of the dollar, as of 1913, with the later inflation taken into account.) The farmer, as the statisticians tell us, at the end of the war was receiving far more for his labor, while the wage earner was receiving far less than at the opening of the war.

Mr. KING. Will the gentleman yield?

Mr. LUCE. I decline to yield until the conclusion of my remarks.

The farmer, then, had enjoyed unprecedented prosperity. He had in 1920 brought the number of automobiles on the farms up to about 2,150,000. His telephones were more than 2,500,000 in number. He had about 250,000 tractors, 130,000 motor trucks, and 450,000 of his farms had gas or electric light. He had, however, not saved his money. He had not exercised thrift. He had not remembered that fat years would be followed by lean years.

And when the break came he found himself, as he thought, in a hard plight. So there was organized here that bloc which one of our brilliant statesmen has described as consisting of 19 lawyers, 1 editor, 1 well driller, and 1 manufacturer of sewer pipe. That, of course, applies to only one segment of this organization. House Members were added thereto, and they have proceeded since then—to use the words of the same gentleman—to control the economic destiny of the United States.

The farmer up to 10 years ago was the most important single element in our economic life, but between 1910 and 1920 he took second place. In 1920 only 26.3 per cent of the persons in this country who were gainfully employed were engaged in farming, forestry, and animal husbandry, while 30.8 per cent were engaged in manufacturing and mechanical industries. At the end of the decade, instead of having agriculture lead industry by 2,000,000 workers, as in 1910, we find industry leading agriculture by 2,000,000 workers.

With the coming of the agricultural bloc the tail started in to wag the dog.

It was the complaint of the farmer that he did not have money enough; that he had been roundly abused by the banks. Yesterday gentlemen from the West repeated these complaints in spite of the fact that the report of the commission of inquiry, for which the agricultural bloc was responsible, showed that whereas on the 1st of July, 1918, the bank loans to farmers were estimated to have amounted to $2,506,814,000, on the 31st of December, 1920, they had risen to $3,869,891,415. Nearly $4,000,000,000 had been lent to the farmers by the banks when the activities of the War Finance Corporation were revived early in 1921.

But the farmers were not satisfied. They came here and said, "We must have more. You must add to the $4,000,000,000 the banks have lent us $1,000,000,000 out of the Public Treasury." So in August of last year we increased the power of this corporation that it might lend money indirectly to the farmers. Since that time we have lent them about $300,000,000 of your money and mine, the money of the taxpayer, put at the service of one section and one class.

Why do I say one section? Because of the $300,000,000 not one cent has been lent to any man in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Pennsylvania, Delaware, Maryland, the District of Columbia, or West Virginia. Six hundred thousand dollars, one-fifth of 1 per cent of the whole, has been lent to farmers in New York. The value of the agricultural product in the States to which not a penny has gone is about $1,700,000,000 a year, and if you add New York it is nearly $2,500,000,000. But the gentlemen from beyond the Mississippi do not recognize that there is such a thing as a farmer east of Pittsburgh. No measure urged by the agricultural bloc has given a moment of thought to the eastern farmer.

I desire to emphasize that I do not complain of the failure to lend any appreciable part of this money in the East. I am not asking that money be lent in the East. I am criticizing a system demanded for and given to a part of the citizens of but one section of the country.

At the same time that the public funds to the extent of $300,000,000 were being lent to one class in one part of the community, there was another class found in all parts of the community that was suffering more greatly than at any previous period in our country's history. In the eight months during which the farmers of the West and South have thus been helped, there have been in the United States 17,295 commercial failures. The liabilities in December broke all records. The January liabilities were the largest of any January since 1915. In no previous April were there so many large failures.

Mr. TINCHER. Will the gentleman yield?

Mr. LUCE. I will at the conclusion of my remarks.

The authorities in this field declare that as a cause of business failure lack of capital ranges from 22 to 32 per cent. In other words, about one-quarter of all these merchants, tradesmen, and manufacturers who have gone into bankruptcy in these last eight months have gone there by reason of want of credit. We helped the farmer who lacked credit and never thought of the tradesman who lacked credit.

You will say, of course, that I am talking as a Massachusetts man, speaking for the East. For many decades men of the West have felt that they were antagonized by the industrial interests of New England. Let me disclose to you a state of affairs with which I judge you are not acquainted, for I have not seen it mentioned in print. In 1919 there were in New England 1,351,800 wage earners, but in Ohio, Indiana, Illinois, and Michigan there were 2,133,000 wage earners. And while the value of the industrial product of New England was upward of $7,000,000,000, the product of Ohio, Indiana, Illinois, and Michigan was upward of $16,000,000,000. Cease, then, to think that I am speaking only for that small section of the country you have so long viewed with suspicion. I am trying to voice the views, as I believe they will be found to be, trying to explain the situation, of that part of the United States east of the Mississipi River and north of the Ohio and the Potomac.

Largely at the expense of this northeast quarter of the country we are now urged to continue the War Finance Corporation for 12 months longer. Not one valid reason for continuance has been presented, but some reasons have been put forward which do not seem to me valid.

One is that we should provide public funds to continue the orderly marketing of the farmer's product. Time does not permit me to demonstrate the fallacies of the theory that Government should support prices and regulate distribution. It must suffice to say that history furnishes overwhelming proof of the folly of governmental interference with the laws of supply and demand.

Next it is said that we should support cooperative marketing associations. Mr. Meyer, answering in the committee hearing my question as to why in relation to them an emergency would exist beyond July 1, said:

> Because, in the first place, the volume of products marketed by these organizations is greater than the local banks can take care of. In the second place, the cooperatives have always needed some financial assistance; they have never been adequately financed.

To my suggestion that it was a matter of general banking facilities rather than an emergency, he answered:

> It has been a chronic emergency, and the fact that it has not been met before is no reason for not meeting it now.

So the second reason given for continuing this corporation really is that it should be a function of the Federal Government to afford banking facilities and supply capital.

The third reason is that the cattlemen need support, and the answer is that we shall try in some reasonable way to furnish a system that will give it to them.

The fourth reason is the alleged lack of funds at the command of the farmer. This is advanced in face of the fact that in the May just finished the market for call money reached its lowest point in five years; that the United States is borrowing at 3½ per cent and municipalities at 4 per cent; that an abundance of funds is available from the Federal reserve and city banks and city correspondents; and that the discount rates of the Federal bank itself are 4½ per cent and 5 per cent—showing, as everybody knows, a greater abundance of capital than at any time in many years.

On the other hand, the farmer is regaining his prosperity. His purchasing power has increased from 20 to 25 per cent. It is expected that he will get a billion dollars more for his crop this year, or perhaps $2,000,000,000 more, than last year Typical of the state of affairs all along the line is the announcement that he will raise 5,000,000 more hogs, which alone will increase his earnings by $100,000,000. Cotton has gone above 20 cents.

We are asked to continue this war device in time of peace, in the face of the assurances given to us on previous occasions. For example, Mr. Meyer in the hearing of August, 1921, said he felt that July, 1922, would be the appropriate time to end. To the President, after a recent trip in the West, he wrote that January 1, 1923, would be a good time to end. But he met certain gentlemen after that who said to him, "Why stop then? Make it a year." And so, without one single substantial reason for extending it 12 months, he now advises that the farmers of the West and South be financed out of the Public Treasury in the year 1923. The promise of this bill is given 10 months before the money will be required for planting seed, a year and a half before the marketing time comes. Not a man yesterday, not a man in the committee, not a man anywhere, has yet explained why we should to-day promise to finance the farmer to the possible extent of $1,000,000,000 for the year of which the first day is more than six months away.

What is the real reason for this? It was disclosed by Mr. Meyer in the hearings. He said:

> The people there—in the West and South—have come to feel that the War Finance Corporation is necessary to them.

There is the nub of the whole thing. You have been sowing dragon's teeth and you are beginning to gather the crop. You have made this lending of public credit to one class of the community a habit. You have told these men that they may expect it. Gentlemen speaking for the region concerned hold out to its dwellers the alluring hope that they shall permanently continue to receive these great credits from the Public Treasury.

> Vice is a monster of so frightful mien
> As, to be hated, needs but to be seen;
> Yet seen too oft, familiar with her face,
> We first endure, then pity, then embrace.

A year and a half ago in the Committee on Banking and Currency there was the strongest opposition to reviving this corporation. The next time there was less opposition, and yesterday the chairman was able to say that the report of the committee was practically unanimous. So far as I know, I am alone or almost alone in that committee in still holding out against the danger of establishing a permanent policy of financing one class and one section of the country at the expense of the rest. Such a policy incites its beneficiaries to more and more insistence.

> Why, she would hang on him,
> As if increase of appetite had grown
> By what it fed on.

Let me suggest the course that ought to be followed, as shown by Mr. Meyer himself, when he told us that in September, 1921, in Salt Lake City, there had been started a company with $250,000 capital for financing live-stock men. Denver, for Wyoming, had subscribed $200,000 for the same purpose at the first meeting, and now has nearly a million dollars subscribed. Texas has a company with nearly $1,000,000 paid in, New Mexico one with about $600,000, and other States are at work. In that direction lies the course we ought to follow. Let men help themselves and save themselves.

Oliver Wendell Holmes said:

> I find that the greatest thing in the world is not so much where we stand as in what direction we are moving.

In the matter of the measure before us to-day you gentlemen will undoubtedly vote to move still further in the direction of paternalism. Here let me bring in some political considerations, not party considerations, for I am not wise enough to know which party will the most suffer. We have had before our committee this year as a witness one whose name will bring a smile to your faces, Gen. Jacob Coxey, of Ohio. We supposed that his words were hardly to be given weight until he told us that he had visited Dearborn, Mich., where he had passed several hours in company with the lieutenants of the great automobile manufacturer of that State, who thoroughly approved his views. Last week or the week before Mr. Thomas A. Edison presented to the agricultural bloc here a proposal akin to that advanced by the general from Ohio. Will not something of this sort be the next step in your program?

Let me remind you that 30 years ago a new political party came out of the West, out of Kansas, the State that to-day most firmly supports this proposition, out of Iowa and the other States beyond the Mississippi. In the platform of that party you may find two proposals. One was that the per capita currency of this country ought to be increased until it was $50 a head. If you look at the figures, you will find that but a few months ago we went over the $50. It is now reported at about $48 a head. So you have already unconsciously granted that first demand of the populist program.

The second demand was that the money of the public should be lent to the farmer at 2 per cent. We have had before our committee within a few days one Benjamin C. Marsh, the head of one of the groups of farmers' organizations, asking of us that we lend to the farmer at 2 per cent. What are you doing now? You are borrowing at 3½ per cent. You are lending to the banks at 5½ per cent. The banks are lending to the farmers at 7½ per cent. How long will it be before the farmers come up here and say, "Why don't you lend to us directly, not at 7½ or 5½ or 3½ per cent, but at 2 per cent?"

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. LUCE. Not until I finish. How will you answer the farmer when he points out to you that you are now gouging him, taking 4 per cent out of him beyond the rate you are paying for the money? It is a good business venture, and as a Yankee I can not criticize the program; but when will my friends from Kansas and Iowa and Minnesota wake up to the fact that they are paying 4 per cent more for their money than the Government is paying for the same money?

I have told you of Mr. Marsh's request, that the Government lend money to the farmer at 2 per cent. General Coxey got down lower than that and wanted public funds lent at one-half of 1 per cent. Mr. Edison goes the limit and says you should lend your money at zero per cent. Ah, I see a cloud on the political horizon no bigger than a man's hand, the hand of Mr. Edison's collaborator in bad finance, Henry Ford. I want to say to you Democrats on the right of the aisle here who have aided at every possible opportunity in the advancement of measures like this, it is easy, if you do not have responsibility, to vote for radical programs and to get your hands into the Public Treasury, but chickens will come home to roost. Here is my prophecy, that two years from now you are going to have your party forced to decide whether you will once again take up the heresy of fiat money, whether you will follow the leadership of William J. Bryan, the standard now handed over to Henry Ford, the standard carried down Pennsylvania Avenue with a flivver rampant, or whether you will follow the views of your Democratic brethren in the East who in 1896 demanded the gold standard.

And a word to my friends on the Republican side. What are you going to do about it? How are you going to answer your farmer partisans in Kansas and Missouri and Nebraska and Oklahoma who come here and say, "You have established on a permanent basis the policy of lending the public money to classes and sections. Are you going to continue to grind down the faces of the poor Kansas farmers by forcing them to pay 7½ per cent interest when you pay only 3½ per cent yourselves? Why not take the money from the taxpayer and let the men of the whole country pay the taxes and the interest and lend it to everybody as you have already lent it so freely to the men of one section and one class?"

I want to recall to you that the populist movement 30 years ago carried the electoral vote of four States, that it secured an elector in each one of two other States, and cast more than a million votes, on the program of lending the public money to the farmer at 2 per cent. How many votes will be cast for Henry Ford as a candidate for President, and perhaps Thomas A. Edison running for Vice President, with the proposal that you lend the money of the public to the farmers at zero per cent?

A wise writer, Harold J. Laski, has recently well said that "social legislation has the incurable habit of tending toward paternalism, and paternalism, however wide be the basis of consent upon which it is erected, is the subtlest form of poison to the democratic state." The paternalism here on foot goes beyond anything ever before seen in this country in time of

peace. This is the very first time that classes and sections have been recognized to the extent of $300,000,000, and the possibility of a billion in all yet to come. I bid you beware. I protest against it, not as an easterner, not as a Massachusetts man, but as a student of economics and of history.

There was some truth, some pathos, in a thing the former Senator from Oklahoma, Mr. Gore, said the other night. He observed that no man who believes in fundamental economics and natural laws and who does not believe in fairies can stay in public life. I do not believe in fairies. I do believe in fundamental economics and natural laws, and I will stay in public life only on condition that now and always I may stand up for what I believe to be the truth in these matters. You can not safely fly in the face of the law of supply and demand. You can not safely fly in the face of the individualistic principle upon which this country is founded. You can not make ours a socialistic Government and endure. You have before you the story of Russia. I know Bolshevism will be thought a far cry, but here you are taking a step, and a long step, toward the rule that all should contribute toward the support of each, a long step toward the theory that individualism should be taken out of our lives, a long step toward the theory that every man, no matter how reckless, extravagant, or imprudent he may have been, can come to the Public Treasury to borrow that which he may demand. [Applause.]

Mr. WINGO. Will the gentleman yield for a question?

Mr. LUCE. Yes.

Mr. WINGO. I have enjoyed the gentleman's speech very much; but I want to ask him, Does he seriously contend, as his remarks indicate, that this is a scheme of Henry Ford to turn the United States Treasury over to a New York Jew, Eugene Meyer? Mr. Meyer is the head of the corporation, and the gentleman says this is a scheme of Henry Ford to turn the Public Treasury over to a New York Jew, Henry Meyer. The gentleman is not serious in that, is he?

Mr. LUCE. I thank the gentleman for listening to me, but I wish he had been a little more attentive.

Mr. WINGO. That is the impression the gentleman has left on the House.

Mr. LUCE. The suggestion of Henry Ford's friend, Mr. Edison, that the public money be lent at zero per cent was made independently of the suggestion of the gentleman from Arkansas that the public money should be lent at 7½ per cent.

Mr. WINGO. The gentleman from Massachusetts regards this as a grant of special privilege to a class or to a section. Am I correct in that impression?

Mr. LUCE. "By their fruits ye shall know them."

Mr. WINGO. That is the flower; is not that the fruit of it—it is for a section and a class?

Mr. LUCE. I do so regard it.

Mr. WINGO. The gentleman is opposed to any agency for the American farmer equal to that which has been provided for industry and commerce?

Mr. LUCE. I am not.

Mr. WINGO. The gentleman has opposed every proposition that has been submitted for such a purpose?

Mr. LUCE. The gentleman is in error.

Mr. WINGO. Will the gentleman name one single proposal submitted to our committee to establish a sane agricultural credit system for the American farmer comparable with that provided for commerce and industry?

Mr. LUCE. The question has not reached the point of discussion. Neither the Anderson bill nor any of the others to like purpose have yet been taken up.

Mr. WINGO. We have had numerous bills before the committee, and he has opposed every proposition, and has announced that it is populistic. He has opposed even to a partial extent giving to agriculture the same credit that we have extended to commerce and industry.

Mr. LUCE. I think the gentleman is unjustified in that statement.

Mr. WINGO. I thought that was what the gentleman upheld, and that he regarded agricultural credits as unsafe.

Mr. LUCE. I have not taken any such position.

Mr. WINGO. What is the gentleman's position?

Mr. LUCE. The gentleman is taking me far afield. I am discussing the lending of money to private individuals in one part of the country belonging to a certain group or class.

Mr. WINGO. During the discussion of the farm loan and Federal bank system I happen to know that notes given by New England cotton-mill factors for cotton bought were classed as a part of agricultural paper and discounted by the Federal reserve bank. Now, a New England manufacturer can go to a bank, put up a note and get it rediscounted at the Federal bank, and that bank can and will issue to him a gold demand obligation on the United States Treasury. Does the gentleman regard that as populism?

Mr. LUCE. I think the gentleman has discovered a red herring to draw across the trail.

Mr. WINGO. Can not a New England manufacturer through his banker rediscount a note through the Federal reserve system and get a gold demand obligation, a Federal reserve note on the United States Treasury? Is not that true?

Mr. LUCE. I decline to follow the gentleman into that line of argument.

Mr. WINGO. Is not that the plain letter of the law and the working of the Federal bank system?

Mr. LUCE. The gentleman may think so; but I do not desire to engage in any controversy of that kind.

Mr. WINGO. I am asking if that is not a fact; and is it not done every day by the manufacturers? Have you got a system by which credit is given to the American farmer to the extent that he can go and do anything comparable to that? Is not the gentleman opposed to any such permanent legislation, or even to this makeshift?

Mr. LUCE. When I am discussing a particular subject my mind has no spur track, but I keep on the main line.

Mr. WINGO. That is the trouble with the gentleman—he is on a spur track and I want to get him onto the main track.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WINGO. Mr. Chairman, inasmuch as I have used considerable of the gentleman's time, I yield him one minute more.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. LUCE. Yes.

Mr. CONNALLY of Texas. I recognize the gentleman is a student of economics, and I have great respect for his discussion. Of course, the gentleman is opposed to loaning money to anybody on bad security at ruinous rates of interest or inadequate rates of interest for the Government. Being against loaning the money on these terms he would be opposed to giving money to any particular interest.

Mr. LUCE. I have never been able to satisfy my mind whether usuary laws are prudent or not.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CONNALLY of Texas. Does the gentleman favor a ship subsidy bill, for instance?

Mr. LUCE. Oh, that is another spur track that I have not even the time to start on.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed with amendments the bill (H. R. 10871) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923, and for other purposes, in which the concurrence of the House of Representatives was requested.

WAR FINANCE CORPORATION ACT.

The committee resumed its session.

Mr. WINGO. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman, in the discussion of this matter I want to clear away one or two rather erroneous statements that the gentleman from Massachusetts [Mr. LUCE] has made, as well as did the gentleman from Massachusetts [Mr. WALSH] yesterday. He says that this is a gratuity to one class, and the gentleman from Massachusetts [Mr. WALSH] yesterday made the same statement. The gentleman met himself coming around the corner a minute ago when he said that the farmers are having to pay 7½ per cent for this money for which the Government is paying only 3½ per cent. If he calls that a gratuity, I do not, and I do not think he can fool anybody else into believing it is. The fact is that the farmers put up good security. They have to borrow money at their own bank and satisfy the bank with their security so that the bank can underwrite the paper and get the money from the War Finance Corporation. There is no gratuity about that. It is merely a necessary provision for the orderly marketing of the produce of this country, to enable the farmers to get out of the terrific condition into which they were thrust by the processes which came after the war, for which they were not responsible.

The gentleman from Massachusetts [Mr. LUCE] said another thing to which I desire to call attention before I begin to discuss some other features. He said the farmers did not save their money. He said that they had electric lights in their houses. Has not the farmer a right to have electric lights as

well as anybody else? They have also the right to have automobiles if they pay for them.

The gentleman said that there had been an enormous number of commercial failures during the past year, which occurred for want of credit. What does that mean? A lot of people thought they were rich during the flush times and they went into business without sufficient capital, and did not have the security upon which to borrow the money needed when the pinch came. Therefore their business went to smash, but it was not for want of money, it was for want of credit, and I call the attention of the gentleman to the fact that for nearly 12 months now the currency has been contracting every day, because of the want of proper commercial demand for it, because they were not rediscounting at the Federal reserve banks, and to-day, if I am not mistaken, the Federal reserve notes could every one of them be retired and gold certificates issued instead of them, and we would still have a surplus gold reserve in the Treasury. There has been no limitation of money, but it has been a want of credit, a want of solvent commercial paper to be rediscounted.

The gentleman says he does not like one section to get anything for nothing, to get a gratuity, and then he says that we are paying for it. I call the attention of the House to the fact that New England never passes up a bet. She never loses her opportunity. When the tariff bill was going through the House they put a tariff on hides.

New England came up promptly and asked for a 10 per cent tariff on shoes as compensatory. The tariff on shoes would have amounted to about 50 cents a pair, while the tariff on hides to make the shoes would have amounted to about 2¼ cents. We turned down the compensatory duty on shoes and then they turned around and killed the tariff on hides, because, forsooth, they could not get 50 cents for every 2¼ cents that they paid out on a pair of shoes. The gentleman from Massachusetts [Mr. LUCE] was one of the leaders in that movement, and Mr. TREADWAY, of Massachusetts, made the demand for a separate vote, which killed the tariff on hides.

Permit me to call attention to another thing. The tariff bill as printed by the Senate, on page 111, contains a provision where men on licensed fishing vessels who cure their fish with imported salt or who cure their fish on the shores of navigable waters of the United States with imported salt may have all of the tariff on the salt remitted. They get their salt free. That is Cape Cod and Cape Cod fisheries alone. That is what it is. That is not loaning the Cape Codders the money with which to buy salt at 7 per cent interest. It is giving them back the tariff that they had to pay in order to cure the fish, whereas the fellow out on the farm who kills a hog has to pay the tariff on the salt that he puts on the hog. Yet my friend from Massachusetts says he does not want to see anything go west of the Mississippi, even if we pay 7 per cent for it.

Let us look a little further. These middle-western fellows take care of themselves, but they are not so completely wrapped up that they will take everything. There is a provision in the tariff bill about salt for the packers, that when a packer cures his meat with salt that is imported he gets his tariff remitted when he exports the meat—he gets a drawback—provided there is $100 worth of it. That is something in favor of the packer, because the colored man on my place who kills a hog—and all of them kill a few for their own meat—or a tenant on anybody's farm who kills a few hogs has to pay the tariff on the salt with which he salts it down, and he has to stand for it. He never gets it back, he never hears of it any more; and even if he did export he would not export enough to get back the $100 at a time. But the packer exports and he gets it back. The gentleman from Massachusetts stood for that; he never lifted his voice in opposition to it. Yet he does not believe in giving something for nothing. He never was shocked about that provision; but when we talk about giving the farmers money at 7½ per cent in order that they may live up to the law that we passed and carry out their organization for orderly marketing we begin to hear protests from the gentleman from Massachusetts. It is only within the last few months that we made it lawful for the farmers to combine in cooperative-marketing associations so that they could market their products. They have not yet had time to rig up credit corporations with which to carry those products, and it is necessary that this credit be provided for another 12 months until other arrangements can be made. Yet the gentleman from Massachusetts objects to that. It is merely a matter of credit.

If the gentleman will look at page 109 of the tariff bill as printed by the Senate, he will find there a provision making every smelter's establishment a smelter's warehouse. The smelter can import his ore and give a bond that he will pay the tariff if he lets the stuff out in this country. They charge up the tariff and do not make him pay, and when he has exported as much metal as that amount of ore ought to produce, they cancel his bond.

In other words, the United States Steel Corporation with millions and millions of tons of the best ore in the world in China, with coolie labor at 15 cents a day and boarding themselves, are writing into this bill—and the gentleman from Massachusetts will vote for it when it comes back here, or he did vote for it when it passed the House—a provision that they shall have opportunity to bring in competition with the men who dig ore in this country the Chinese ore, with coolie labor digging it against the miner in this country, and smelt it here and reduce it and ship it out by merely giving bond. And yet the gentleman from Massachusetts is not in favor of classes. That is not a class, that is one of the trusts that is having this written in favor of it, and no one can defend it; and yet he will vote for it when it comes over from the Senate.

Mr. MORGAN. Will the gentleman yield for a question?

Mr. STEVENSON. Like the gentleman from Massachusetts, I will yield to the gentleman.

Mr. MORGAN. Is not the importance of the pending bill made necessary by reason of the method of contraction of credits by the Federal Reserve Board and the New York banks resulting in a decline of 40 per cent on agricultural products and the maintenance of an artificial price on New England manufactured products?

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEVENSON. That may be possibly a way of explaining the attitude of New England about it.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate by Mr. Craven, its Chief Clerk, announced that the Senate had insisted upon its amendments to the bill (H. R. 10871) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1923, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon and had appointed Mr. WADSWORTH, Mr. JONES of Washington, Mr. SPENCER, Mr. HITCHCOCK, and Mr. HARRIS as the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 339. Joint resolution making available funds for repairing and restoring levees on the Mississippi River above Cairo, Ill.

WAR FINANCE CORPORATION ACT.

The committee resumed its session.

Mr. McFADDEN. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. GREEN].

Mr. GREEN of Iowa. Mr. Chairman, I have the highest respect for the talent and ability of the gentleman from Massachusetts [Mr. LUCE], and it causes me a great deal of surprise that he has fallen into so many errors in reference to what has been going on in financial matters in this country. Let me say for his benefit in the first place, as he seems to be very much alarmed about the so-called farm bloc, that I belong to no farm bloc or any other bloc. I seek no legislation for any one class I would not give another. I ask nothing for the farmer, and have not in the past, that I am not perfectly willing to give to the residents of the gentleman's own district and in his own region. Mr. Chairman, with all the ability that the gentleman from Massachusetts has it is a matter of astonishment to me that he can see only the money that is now being loaned in the West and forgets what the Government has done for his own region. He thinks it is done for a class and a section when money is loaned in the West. When it is loaned in the East it is for the great benefit of the whole country.

Mr. Chairman, I know something about the creation of this War Finance Corporation. The act which originally created it was reported by my own committee. I voted to report it and to pass it. Its purpose was to loan money, not, as originally passed, to farmers, but to railroads and other business institutions in various parts of the country, and among one of the early loans which it made, being for $1,300,000, was to the New Haven Railroad Co., the bonds and stock of which are largely held in New England, and particularly in the gentleman's own State.

Mr. STEVENSON. Will the gentleman permit a suggestion?

Mr. GREEN of Iowa. If the gentleman will pardon me——

Mr. STEVENSON. I just wanted to call the gentleman's attention to the fact that the Massachusetts Members voted for it when you passed it.

Mr. GREEN of Iowa. The New Haven road, as you are all aware, is a great railroad and ought to be a most prosperous system. It is not prosperous and it has not been for a number of years, for reasons which I believe you have all known. Later on in 1918 the Government loaned the New Haven Railroad Co. the immense sum of $43,000,000. Why? Because that great institution was on the verge of bankruptcy at the time and it would have gone into the hands of a receiver. Hundreds, perhaps thousands, of people in New England would have lost their all if that had been permitted to take place. It would have damaged and injured the whole country. Was the voice of the eloquent gentleman from Massachusetts heard in protest against this loan? He was as silent as a graven image. For that course I have no criticism, for I sanctioned it. Gentlemen on both sides sanctioned it; the Members from the West sanctioned it. It was specially made in the interest of New England at that time; but was that class legislation? Oh, it would have been class legislation if it had gone out into the West. It would have been sectional if that money had gone out to the West. But, in fact, it was not sectional, and it saved the New Haven Railroad from destruction at that time.

Let me call the attention of gentlemen to another matter in that connection: These loans now being made by the War Finance Corporation are good loans, and nobody denies that; nobody claims that the Government will ever lose a dollar or even 1 cent on them. What kind of a loan was made to the New Haven Co.? It was a loan no private institution would have made. We knew it was not a good loan; neither the gentleman from Massachusetts or anyone else knows when the Government will get its money back. We can only hope we will get the money back some day. Yet the gentleman from Massachusetts did not condemn this loan.

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. GREEN of Iowa. Well——

Mr. JOHNSON of Mississippi. I simply wanted to say the money loaned in my State on cotton has practically been paid back.

Mr. GREEN of Iowa. It is being paid back right along; none of it will be lost. Now the gentleman objects because we wish to enable the banks to make loans to the farmer for a longer time, not exceeding a year, and he says this is paternalistic and socialistic. What consistency, when just a little while ago the director general extended this loan to the New Haven Railroad Co. for 10 years, and the gentleman from Massachusetts did not object.

Mr. REED of West Virginia. At what per cent?

Mr. GREEN of Iowa. My recollection is it is 6 per cent.

Mr. REED of West Virginia. What do the farmers pay under this provision?

Mr. GREEN of Iowa. I understand they pay about 7½ per cent.

Mr. SNYDER. Depending entirely on the section of the country where the loan is made.

Mr. GREEN of Iowa. Yes. It is not to exceed, as I recollect, 2 per cent above the Federal reserve bank for that region. Sometimes it is not that much.

That is not all the money that the New Haven Railroad has. It has been loaned about $17,000,000 by the Railroad Administration to pay what it owes the Government for improvements and betterments. They have also got a loan of something like $10,000,000 or $15,000,000 recently from the Interstate Commerce Commission. And the Boston & Maine Railroad, up in that region, was loaned by the Government about $26,000,000. Is that a good loan? No. It is not a loan that any private concern would make, no matter how much money it had. But it is a loan that is proper, because it is not well for the country that these great systems should go into bankruptcy. That spreads ruin everywhere. The gentleman from Massachusetts [Mr. LUCE] says he is voicing his opposition to this bill on the ground that it is not sound economics. I will say to the gentleman he is dealing in the past. There was a time when it was thought that such operations were not a function of the Government, and we let ruin follow ruin, failure follow failure, and crash follow crash. But later it was thought proper for the Government to interpose. We have seen how property is sacrificed when a financial panic spreads over a section of the country, how production has been impeded, that production which alone would create wealth; we have seen how business is halted; we have seen how nobody profits by the aggregation of ruin that follows, except the speculator and the money shark. They are the only ones benefited by it. The country as a whole invariably loses.

Now we have this great agricultural region in financial distress. The gentleman may say it is through farmers' own mistakes. But how is it that so many farmers lost their financial standing? They lost it because the Federal reserve banks told them to come on, that the banks had plenty of money at a low rate. Then afterwards the reserve banks put on the brakes, with the same effect that would follow with an automobile going at 60 miles an hour on a slippery road. The result was that the whole financial support went into the ditch and the farmers faced ruin. For many the help came too late. Yet they have the resources to make them solvent if given time. They have the means of production which will benefit the whole country if it is preserved, but which, if lost, will injure the whole country. And this can be done without one cent of cost, without one bit of injury to the Government, without taxing the residents of the gentleman's district or of the East anywhere a single cent. And gradually, through this bill, we will restore that region to the prosperity that it ought to have. Gentlemen, this bill is sound economically; it is sound socially; it is not socialistic; it is not populistic. It is a great measure and ought to be passed. [Applause.]

Mr. McFADDEN. Mr. Chairman, I am wondering if we can not come to an agreement as to time. My understanding is that the gentleman has used 30 minutes, and, if I am correct, I have used 37 minutes.

The CHAIRMAN. The gentleman from Pennsylvania has 27 minutes remaining, and the gentleman from Arkansas [Mr. WINGO] has 29 minutes remaining.

Mr. WINGO. We will have to rise, I will suggest to the gentleman, and reach an agreement in the House as to time.

Mr. McFADDEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. TINCHER having assumed the chair as Speaker pro tempore, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 2775 and had come to no resolution thereon.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent that in addition to the time that has already been allotted to the gentleman from Arkansas [Mr. WINGO] and to myself that the time be increased 30 minutes each—the gentleman from Arkansas to have control of 30 minutes, and I to have control of 30 minutes.

Mr. WINGO. In other words, the proposition is to extend general debate for one hour, to be equally divided between us?

Mr. McFADDEN. Yes.

Mr. KING. Mr. Speaker, reserving the right to object, what is the purpose of extending the time?

Mr. McFADDEN. For the purpose of accommodating certain gentlemen who desire to speak.

Mr. KING. On the bill?

Mr. McFADDEN. On the bill, except one Member.

Mr. KING. It is for the purpose of killing time. We ought not to do it.

Mr. McFADDEN. It is not for the purpose of killing time. We want to get through with this bill, and I think we can get through by 4 o'clock.

Mr. KINCHELOE. Reserving the right to object, do I understand the gentleman to say that it is his purpose to pass this bill to-day?

Mr. McFADDEN. It is; yes.

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent that the time for general debate be extended one hour in addition to the time already remaining.

Mr. WINGO. In other words, I understand that the general debate shall be limited to such time as will give the gentleman from Pennsylvania and myself the remaining time and 30 minutes apiece additional. We have not had any limit set yet.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

Mr. LUCE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection? [After a pause.]

Mr. STRONG of Kansas. Mr. Speaker, I make the same request.

The SPEAKER pro tempore. The gentleman from Kansas makes the same request. Is there objection? [After a pause.] The Chair hears none.

WAR DEPARTMENT APPROPRIATIONS.

Mr. ANTHONY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 10871, a bill making appropriations for the War Department for the next fiscal year, disagree to the amendments made thereto by the Senate, and ask for a conference.

Mr. GARRETT of Tennessee. Mr. Speaker, I do not know of any objection to that. But I have not had any opportunity to confer with the gentleman from Mississippi [Mr. SISSON].

Mr. MADDEN. Mr. SISSON is agreeable to this.

Mr. BYRNS of Tennessee. Mr. Speaker, reserving the right to object, the Senate placed an amendment on the bill carrying $7,500,000, I think, for further work on the dam at Muscle Shoals. I want to ask the gentleman if he will be willing to say that if the House conferees are unable to agree with the Senate upon that amendment, he will give the House an opportunity to pass directly upon it?

Mr. ANTHONY. I think it would be the disposition of the conferees to consult the wishes of the House on such an important matter as that before they come to a decision.

Mr. BYRNS of Tennessee. Of course, I take it that the conferees will be glad and anxious to comply with the wishes of the House in that matter, but it seems to me that on a matter of that very great importance, unless the House conferees should agree with the Senate, the House ought to have an opportunity to vote directly on it.

Mr. ANTHONY. I can say as one conferee that I would hesitate to agree to such an important matter as that, or disagree to it, without carefully consulting the wishes of the House in regard to it.

Mr. GREENE of Vermont. Mr. Speaker, will the gentleman from Kansas permit me to make a suggestion in that regard?

Mr. ANTHONY. Yes.

Mr. GREENE of Vermont. Of course, the gentleman is officially aware of the fact that another committee is already considering the matters involved in this particular foundation at Muscle Shoals and the expenditures on it, namely, the Committee on Military Affairs.

Mr. BYRNS of Tennessee. That may be true, but this does not affect the matter under consideration by the Committee on Military Affairs. This is simply to continue the work that is there.

Mr. GREENE of Vermont. The matter intrusted to the Committee on Military Affairs is the question of whether we shall continue to build it or not.

Mr. BYRNS of Tennessee. If any of the propositions pending before the committee are accepted, or if the committee decides to continue the work, the appropriations will be necessary, and this is simply carrying on the work.

Mr. GREENE of Vermont. If the gentleman will permit me again——

Mr. ANTHONY. Yes——

Mr. GREENE of Vermont. I think, with all due respect toward good old ordinary common business sense, we ought not to have two committees making a fight on the same proposition.

Mr. BYRNS of Tennessee. This does not involve the matter intrusted to the gentleman's committee. As a matter of fact, the gentleman's committee would have no right to recommend an appropriation.

Mr. GREENE of Vermont. Why not?

Mr. BYRNS of Tennessee. This merely provides an appropriation deemed sufficient to take care of the work during the coming year.

Mr. GREENE of Vermont. The committee that I in part represent has charge of War Department property, and, as I understand, this is War Department property.

Mr. BYRNS of Tennessee. I understand that; but I was speaking of the actual appropriation necessary. It carries an appropriation.

Mr. GREENE of Vermont. It carries an appropriation on which there is no substantive law to rest it. It involves a question of policy which is now being considered by the Committee on Military Affairs, as to whether the business shall be conducted by the Government at Muscle Shoals or by private interests.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. GREENE of Vermont. Certainly.

Mr. GARRETT of Tennessee. I would not like the statement of the gentleman from Vermont to go unchallenged, that the appropriation has no authority of law.

Mr. GREENE of Vermont. Technically, I must confess I am wrong about that, and perhaps overstepped the fact in making that remark; but practically the question now comes to a matter of public policy, whether the Government shall continue its proprietary interest in Muscle Shoals at its own expense or enter into contractual relations as to work going on there.

Mr. BYRNS of Tennessee. I do not think there is any conflict between this appropriation and the matter which the gentleman's committee has under consideration; none whatever.

Mr. GREENE of Vermont. I think it is just trying to do with a teaspoon now what somebody may later try to do with a 40-horsepower dredge.

Mr. ALMON. Mr. Speaker, reserving the right to object, something has been said about this amendment not being in order. It provides for an appropriation for the continuation of the work on Dam No. 2 at Muscle Shoals which is authorized by section 124 of the national defense act, commonly referred to as the nitrate section of that act, upon which $17,000,000 has already been expended. When this question was before the House at the closing days of the last session of Congress it was admitted by those who had investigated the question that such an appropriation was authorized by that section of the national defense act, and no point of order was made against the amendment proposed at that time.

In view of the statement of the gentleman from Kansas [Mr. ANTHONY], that the House will be given an opportunity to express itself upon this amendment if it is not agreed to in conference, I shall not object to the bill going to conference.

The SPEAKER. Is there objection?

Mr. BYRNS of Tennessee. In view of the statement made by the gentleman from Kansas [Mr. ANTHONY] in reference to his action and the action of the conferees on this matter, so far as I am personally concerned, Mr. Speaker, I am not going to offer any objection. I am sure the gentleman will bring the matter back and give to the House an opportunity to pass upon it.

Mr. KINCHELOE. Reserving the right to object, Mr. Speaker, I want to say to the gentleman from Kansas that I am sure he knows as well as I do that the whole country is interested in this Muscle Shoals proposition. It is not localized at all. Here is an amendment that the Senate has put on, about which the House has not been consulted at all. Yet the House is deeply interested in it, and you gentlemen ought to give the House the right to pass upon it provided the House conferees should not agree to it.

Mr. ANTHONY. I am sure that the conferees on the part of the House will not only give gentlemen an opportunity to express their views on this question, but that we will crave the advice and assistance of gentlemen on this matter.

Mr. KINCHELOE. I will say that if I did not think the conferees would give the House the right to pass upon it I would be constrained to object, but as it is I do not object.

The SPEAKER. Is there objection?

There was no objection; and the Speaker announced as the conferees on the part of the House Mr. ANTHONY, Mr. STAFFORD, and Mr. SISSON.

WAR FINANCE CORPORATION ACT.

Mr. McFADDEN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2775) to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921.

The SPEAKER. The gentleman from Pennsylvania moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2775. The question is on agreeing to that motion.

The motion was agreed to.

Accordingly the House again resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2775) to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921, with Mr. CAMPBELL of Kansas in the chair.

Mr. McFADDEN. Mr. Chairman, I yield 20 minutes to the gentleman from Washington [Mr. SUMMERS].

Mr. COLTON. Mr. Chairman, in view of the importance of the subject that the gentleman is going to speak upon, I make the point of no quorum present.

The CHAIRMAN. The gentleman from Utah makes the point of no quorum present. The Chair will count.

Mr. McFADDEN. Mr. Chairman, I move that the committee do now rise.

Mr. COLTON. Mr. Chairman, at the suggestion of gentlemen around me, I withdraw the point of no quorum.

Mr. McFADDEN. And I will withdraw my motion.

The CHAIRMAN. The gentleman from Washington [Mr. SUMMERS] is recognized for 20 minutes.

Mr. SUMMERS of Washington. Mr. Chairman, I am in favor of this bill which will continue to bring relief to farmers and stock raisers, but I wish to speak for a short time on the subject of the best investment that Uncle Sam ever made—on the subject of Jack Rabbits and Markets.

A short time ago on a sage-brush plain in the far West there occurred a jack-rabbit drive.

Between the hours of 9 and 11.30 a. m. 8,000 jack rabbits were killed.

Shortly thereafter another drive in near-by territory slaughtered 5,000. A third drive resulted in 6,000 fatalities; and still the jack rabbit remains undaunted and millions of unborn jack rabbits are weeping to be born. [Laughter.]

Mr. KINCHELOE. Will the gentleman yield?

Mr. SUMMERS of Washington. A little later.

Mr. KINCHELOE. I should like to know why they killed these jack rabbits. I thought they were good to eat.

Mr. SUMMERS of Washington. They are an expensive pest.

The great sweep of level land on which these drives took place is flanked by three rivers and traversed by three railroads, a State highway, and several county roads.

Now, when Columbus discovered America that sagebrush plain was there.

The Declaration of Independence left it untouched.

When the Federal Government in 1836 distributed to Massachusetts, New York, Pennsylvania, Ohio, and 22 other eastern States $28,000,000 that had then accrued from the sale of public lands, this sagebrush plain remained undeveloped.

When Daniel Webster, then Secretary of State, contemplated swapping to Great Britain the "inaccessible barren waste beyond the Rockies," now comprising the great Commonwealths of Oregon, Washington, and Idaho, in exchange for fishing privileges off the banks of Newfoundland, the sagebrush plain had undergone no change and was regarded as worthless.

Now, the sagebrush plain throughout the centuries has been the home of the jack rabbit.

THE JACK RABBIT LEADS THE SIMPLE LIFE.

The jack rabbit pays no taxes. He builds no houses. He requires no saws from Indianapolis, no hammers from Connecticut, no paints from Ohio and Illinois. He wants no furniture, carpets, stoves, kitchen ware, nor sewer pipe from the factories of the East.

Throughout the centuries these sturdy jack rabbits of the purple sagebrush plains have never placed an order for telephone equipment in Chicago nor Pittsburgh. They never wired to South Bend nor Louisville for farm wagons, nor to Ohio or Illinois for farm machinery.

While they multiplied and replenished the earth, their progeny required no fabrics from the looms of the East nor from the South. They placed no orders for wearing apparel in Rochester nor Cincinnati. The factories of Missouri and Massachusetts never furnished their shoes.

These millions of jacks—young and old—never ordered their breakfast food from Niagara nor Cedar Rapids nor from Topeka, Kans.

WISE MEN OF THE EAST.

Great rivers flow through these useless lands and on to the sea, but the fragrant sagebrush plains and the jack rabbits are the same, yesterday, to-day, and—shall I say forever?

The lands are worth $1.25 per acre, and, as I have said, pay no taxes, neither State nor Federal.

I was about to say this condition would continue "forever," but in the days of Theodore Roosevelt the "wise men of the east" had a dream and were troubled.

They said:

"This part of our great national farm has remained unimproved and unproductive for centuries.

"Under present conditions it will remain so throughout all time.

"Can the ingenuity of man do nothing?"

And then the "wise men" had a vision and they said:

"Why not bring the life-giving water and the parched lands of the sagebrush together?

"Why not people these plains with thrifty American citizens?

"Why not build homes?

"Why not increase the wealth of the Nation?

"Why not put producers and consumers and taxpayers where the jack rabbit has for centuries held sway?"

And the "wise men from the east" said one to another, "Why not create markets?"

CONGRESS STIMULATES DEVELOPMENT.

And in the year of our Lord 1902 the great American Congress said, in its heart:

"The thirteen original States have profited greatly from public lands; the territory of the great West, even beyond the Appalachian Mountains and in the valley of the Mississippi and the Western Plains, which we once thought almost worthless, has, under our guidance, developed into a great producing and consuming empire—the backbone of the Nation."

And in its wisdom the Congress hearkened to the "wise men of the East" and West and said, "We will apply the receipts from the sale of public lands to the reclamation of arid lands in those same States," and during the past 20 years 26 projects, comprising 1,700,000 acres of sagebrush land, has been irrigated.

And this is what happened on one of the sagebrush plains when water was put on the dry land:

Homes were built, labor was employed in the West, tools and farming implements and furniture and stoves and carpets and clothing and shoes and breakfast foods and telephones and books and magazines and automobiles and life-insurance policies and codfish were ordered from the East, where vastly more labor was employed than in the West.

And American citizens and defenders of the flag established beautiful and productive farms and homes and replenished the plains, and the $1.25 land became $300 land, and producers and consumers and taxpayers replaced the jack rabbits and are now repaying at the rate of $4,000,000 per annum the loan that was made for purposes of development.

MILLIONS EXPENDED IN EASTERN MARKETS.

Without taking into account millions of dollars worth of merchandise that has been shipped in less than carload lots, the following carload shipments are received annually on one—just one—of the 26 reclaimed plains.

On the accompanying map I have indicated the point of origin, and have shown Boise, Idaho, as the actual destination of these carload shipments. These lines could be extended and similar figures would apply to Yakima, Wash., and to other projects.

Origin of shipment.	Commodity.	Number carload shipments per year.	Totals.
ALABAMA.			
Anniston	Pipes and fittings	4	
Bessemer	do	6	
			10
ARKANSAS.			
Fayette	Hardwood	4	
Fort Smith	Wagon wood	6	
			10
COLORADO.			
Denver	Crackers	4	
Minnequa	Wire fence	6	
Do	Nails	18	
Do	Bar iron	8	
Do	Bale ties	12	
Do	Barbed wire	6	
Do	Bolts and spikes	2	
Denver	Paper	2	
Fort Lupton	Canned beans	4	62
CONNECTICUT.			
New Britain	Hinges	2	
Bridgeport	Ammunition	6	
			8
FLORIDA.			
Arcadia	Grapefruit	12	12
IOWA.			
Cedar Rapids	Cereals	12	
Newton	Electric washers	8	
Clinton	Wire	1	
Mount Pleasant	Canned corn	4	
Davenport	Pumps	2	
			27
ILLINOIS.			
Dixon	Wire cloth	1	
Chicago	Furniture	12	
Do	Sirup	26	
Do	Pipe and fittings	8	
Do	Boilers	1	
Do	Oil	1	
Galva	Machinery	1	
Chicago	Electric washers	1	
Do	Catalogues	3	
Decatur	Pumps and tanks	1	
Rock Island	Agricultural implements	4	
Joliet	Wire fence	6	
Chicago	Canned goods	4	
Aurora	Grindstones	2	
Chicago	Autos	8	
Cairo	Wagon wood	4	
Proviso	Coal	1	
Chicago	Starch	3	
Aurora	Barn-door hangers	1	
Chicago	Paint and varnish	2	
Granite City	Enamel ware	3	
Quincy	Stoves	2	
De Kalb	Barb wire	1	
Quincy	Cereals	2	
			98

Origin of shipment.	Commodity.	Number carload shipments per year.	Totals.
INDIANA.			
Kendallville	Windmills	2	
Newtown	Washing machines	1	
Gary	Iron roofing	2	
Indianapolis	Pork and beans	2	
Do	Corn meal	1	
Connersville	Autos	4	
Indiana Harbor	Steel bars	1	
Elwood	Kitchen cabinets	1	
			14
KANSAS.			
Topeka	Cereals	2	
Hutchinson	Salt	6	
Wilson and Wichita	Flour	8	
Wichita	Egg case fillers	4	
Do	Brooms	2	
			22
KENTUCKY.			
Newport	Iron roofing	4	
Louisville	Soap	10	
			14
LOUISIANA.			
New Orleans	Bananas	8	
Gretna	Cottolene	6	
Harvey	Molasses	2	
Crowley	Rice	4	
New Orleans	Oyster shells	2	
			22
MAINE.			
Rumford	Paper bags	4	4
MICHIGAN.			
Lansing, Flint, Alma, and Detroit	Autos	220	
Detroit	Stoves	2	
Do	Paint	3	
Jackson	Wood handles	2	
Do	Agricultural implements	1	
Detroit	Salt	2	
Adrian	Wire fence	6	
Lawton	Grape juice	3	
Grand Rapids	Cereals	2	
Lansing	Concrete mixers	1	
			242
MINNESOTA.			
Minneapolis	Cereals	6	
St. Paul	Sirup	4	
			10
MARYLAND.			
Baltimore	Oysters	3	3
MASSACHUSETTS.			
Milton	Chocolate	2	
Boston	Sirup	4	
Do	Range boilers	2	
			8
MISSOURI.			
St. Joseph	Pancake flour	1	
Kansas City	Radiators	3	
Do	Autos	30	
St. Louis	Sirup	1	
Do	Tinware	6	
Do	Sweeping compound	1	
Do	Cereal beverages	8	
Do	Stoves	4	
Kansas City	Soap	2	
			56
OKLAHOMA.			
Sand Springs	Fruit jars	10	10
PENNSYLVANIA.			
Lebanon	Bolts and nuts	2	
Chester	Toilet paper	1	
			3
TENNESSEE.			
South Pittsburg	Stoves	1	1
TEXAS.			
Wichita Falls	Fruit jars	12	12
WISCONSIN.			
Racine	Wagon irons	1	
Sheboygan	Bath tubs	6	
La Crosse	Beverages	14	
Milwaukee	Tinware	3	
Superior	Salt	1	
Kenosha	Furniture	2	
Wauput	Canned goods	1	
			28
Grand total annual car lot shipments to the one project			674

This means a train 5 miles long, carrying products from eastern factories to just 1 of the 26 irrigated plains of the West.

If to this we add the consumption of grain, flour, coal, gasoline, lumber, brick, cement, and miscellaneous shipments, our car lots are multiplied several times and our freight and emigrant train stretches down the track some 20 miles or more.

Twenty million dollars annually goes to the markets of the East from this one reclaimed sage-brush plain.

The existence, growth, and development of 25 other projects of the West duplicate this one to a greater or less extent.

THE YAKIMA PROJECT.

To illustrate further, the Yakima project in the State of Washington shipped out 67,000 carloads of products valued at $80,000,000 in 1919–20.

During the same period it shipped into the Yakima country from the Central and Eastern States the following commodities:

	Value of commodity.
Automobiles, tires, and accessories	$5,825,000
Hardware and building supplies	2,300,000
Canned goods, mixed groceries, and breakfast foods	4,150,000
Farm machinery	1,250,000
Ready-to-wear clothing	3,500,000
Shoes	2,000,000
Furniture and household supplies	2,700,000
Cotton and woolen goods	2,200,000
Drugs and sundries	2,350,000
Millinery, notions, and crockery, and electrical apparatus	1,950,000
Insurance premiums paid to eastern companies	6,200,000
Total	34,425,000

IRRIGATION A NATIONAL ASSET.

Every State with a coal or iron mine and every manufacturing center in the United States shares the prosperity of these projects.

Clearly these are not local but national assets.

The market at Boise, Idaho, to which I have just referred, is created almost wholly by 250,000 acres of irrigated land.

A home market seventy times as great as this awaits development.

In the State of Washington alone are 2,500,000 acres of irrigable but unreclaimed lands, with rivers flowing through, and now traversed by railroads and State highways.

COLUMBIA BASIN.

The proposed Columbia Basin project in east Washington embraces 1,750,000 acres, and when constructed will be the world's greatest irrigation project.

General Goethals has but recently pronounced this project entirely feasible, and has said that its construction would be worth more to the United States than the Panama Canal.

Throughout the Western States are 17,000,000 acres of such lands awaiting the decision of the "wise men of the East."

Will it mean more for this Nation to develop these lands and homes and markets, or shall this decade and this century leave them untouched while tens of thousands of service men beg for farms?

Foreign lands are expensive to exploit. Foreign markets are difficult to secure and hard to hold. Home markets once developed are always ours.

Shall the jack rabbit and his progeny forever hold the sage-brush plains? [Applause.]

An article written by me and published recently in the Country Gentleman embraced much of the matter here presented, and I am indebted to that magazine for the privilege of reproducing it here.

Mr. Chairman, I ask unanimous consent to extend my remarks and to include the map to which I have referred, and that it be printed in the RECORD.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD in the manner indicated and to include the printing of the map. Is there objection?

There was no objection.

Mr. GARNER. Will the gentleman yield for a question?

Mr. SUMMERS of Washington. I yield to the gentleman from Texas.

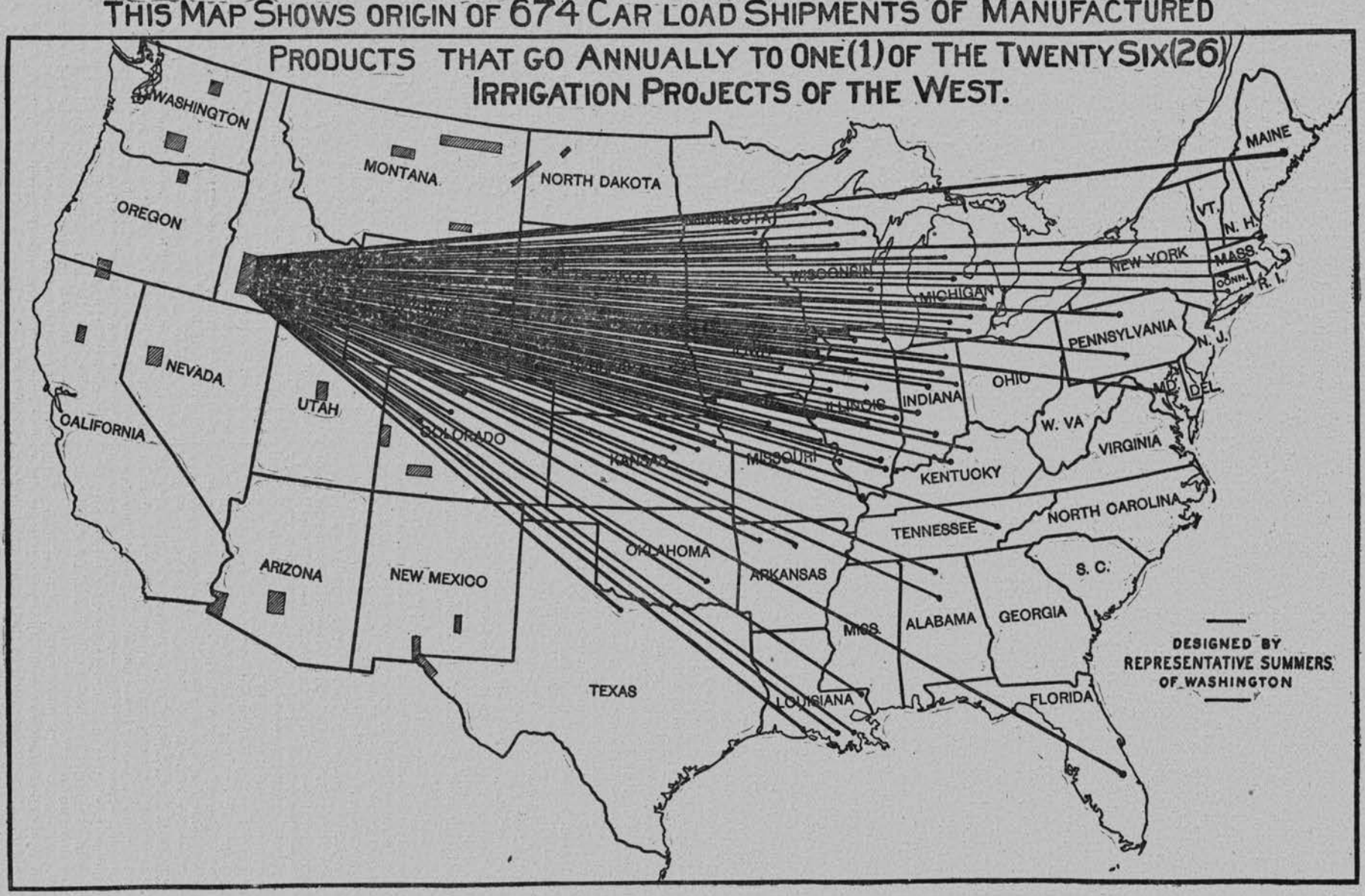
Mr. GARNER. I take it that the gentleman's argument is in an effort to show the House that it is wise public policy to continue to reclaim these lands?

Mr. SUMMERS of Washington. That is my object.

Mr. GARNER. And, if I understand it, the bill now pending in the House that has the approval of the western people is known as the Smith-McNary bill?

Mr. SUMMERS of Washington. That is correct.

Mr. GARNER. Can the gentleman tell us if we are going to have an opportunity to vote upon that bill at this session?


THIS MAP SHOWS ORIGIN OF 674 CAR LOAD SHIPMENTS OF MANUFACTURED
PRODUCTS THAT GO ANNUALLY TO ONE(1) OF THE TWENTY SIX(26)
IRRIGATION PROJECTS OF THE WEST.
WASHINGTON
OREGON
CALIFORNIA
NEVADA
UTAH
COLORADO
ARIZONA
NEW MEXICO
MONTANA
NORTH DAKOTA
KANSAS
OKLAHOMA
TEXAS
MISSOURI
ARKANSAS
LOUISIANA
WISCONSIN
MICHIGAN
ILLINOIS
INDIANA
OHIO
KENTUOKY
TENNESSEE
MISS.
ALABAMA
GEORGIA
FLORIDA
S. C.
NORTH CAROLINA
VIRGINIA
W. VA
PENNSYLVANIA
NEW YORK
MAINE
VT.
N. H.
MASS.
CONN.
R. I.
N. J.
MD.
DEL.
DESIGNED BY
REPRESENTATIVE SUMMERS
OF WASHINGTON

Mr. SUMMERS of Washington. I am very sorry to say that I can not give you any definite assurances in regard to that matter.

Mr. SINNOTT. You hope the opportunity will be afforded?

Mr. SUMMERS of Washington. Yes; and I hope these remarks may help enlist the interest of others. I trust the bill will be brought to a vote at this session. There is very great interest in the bill throughout the country. It is much broader in its scope than our irrigation policy, because it takes in swamp lands as well as dry lands and provides for the loaning of Federal money at 5 per cent for reclamation purposes.

Mr. GARNER. I understand that the western people as well as the valley people propose to pay their own way, and all they ask is that Uncle Sam go on their notes?

Mr. SUMMERS of Washington. That is the plan.

Mr. GARNER. Up to date Uncle Sam has not lost any money by going on the notes of the people in these various projects.

Mr. SUMMERS of Washington. The gentleman is correct.

Mr. GARNER. If I understand it, the gentleman's party, in its national platform and also in the statement of the President, has agreed to give some relief in this direction.

Mr. SUMMERS of Washington. Both parties have so agreed.

Mr. GARNER. Both parties. I want to say that there are a great many on this side of the House who are anxious to have an opportunity to vote for this bill.

Mr. SUMMERS of Washington. Can the gentleman assure us how many votes there will be for the bill on that side?

Mr. GARNER. I can not say how many, but there will be a large vote in favor of the bill.

Mr. SUMMERS of Washington. It is a very important matter and concerns the whole country.

Mr. GARNER. I think I can assure the gentleman that there will be three-fourths of the Members on this side of the House who will vote for the bill. According to the map which the gentleman has exhibited here there is only one point in Texas which ships anything into that Idaho project.

Mr. SUMMERS of Washington. The map shows only the carload shipments.

Mr. GARNER. Notwithstanding that fact, I think that a very large proportion of the Texas delegation will vote for that proposition, although there is only one point in Texas from which products have been shipped to this reclamation project. But we believe it is good public policy to reclaim these desert lands and to reclaim the swamp lands as well. I do hope that the steering committee will give us an opportunity to vote on this matter, and that the gentleman from Kansas will bring in a rule and not keep it in his pocket. [Laughter.]

Mr. SUMMERS of Washington. We of the West have seen the benefits of reclamation to the whole country and are extremely anxious to see this policy extended. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. McFADDEN. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr STRONG].

Mr. STRONG of Kansas. Mr. Chairman, the purpose of this bill is to extend for another year the operations of the War Finance Corporation, which otherwise would be prohibited after the 30th of this month from making new loans to assist in financing the marketing and exportation of agricultural products.

The bill will pass, because the great majority of both parties in Congress have come to realize the great relief and assistance it has given through loaning over $500,000,000 in the agricultural sections of the country during the past year, but I regret the opposition from the New England States, led by my friends, the two splendid gentlemen from Massachusetts, who have opposed this bill. I do not believe they are unsympathetic or unwilling to give the rest of the country the consideration to which it is entitled. They simply do not understand the agricultural problem. They have been trained in a school which has taught them that the farmer should not take a hand in finance or other great matters not directly concerned with their business. They believe that if the farmers till the soil and gather in the harvest they should let other interests market their products and provide on their own terms the necessary finances. They are so obsessed with the notion that farmers are not able to attend properly to the business of disposing of their products that they are unable to approach the subject of agricultural legislation from a broad and all comprehending plane. One of them comes from that city of culture and of beans whose principal industry consists in loaning money for hire, while the other represents a district in which the loom and the spindle are the basis of their prosperity.

I hope yet we can convince them, both that their money will not sustain life unless used to enable the farmer to produce food for them and that the operation of their mills must largely depend upon the ability of the farmer, who constitutes one-third of the people of the Nation, to purchase their products. The trouble with the Massachusetts statesman is that he will not step up on the Plymouth Rock and look westward, as his Pilgrim fathers did. He is content with Massachusetts, and uses the hammer freely when legislation in behalf of agriculture is proposed. Especially does he like to knock Kansas. They glory in the statement, "Massachusetts, there she stands, she speaks for herself"; but of Kansas we say, "There she goes; what she does speaks for her."

But the Representatives of agricultural States want no radical legislation. We are only asking a fair share in the benefits which have been already extended to other interests. During the war agriculture was appealed to to increase the production of food products and clothing material. Agents of the Government urged the planting of more wheat, cotton, corn, and other crops; the raising of more hogs and the increasing of the cattle and sheep herds. The banks, through the Federal reserve system, were requested to finance liberally the farmer and the cattleman. Then, that the country and the world might have bread and meat on reasonable terms, a price was set on the products the farmer had to sell. To this he loyally assented. He was not a war profiteer, but he was soon to learn that no price was set upon what he had to buy, and those who produced harness, wagons, implements, and clothing were permitted to charge him what they pleased.

After the war, when the price fixed upon agricultural products was removed and they had largely advanced, it was impossible to market them because of the shortage of cars, which had been brought east to transport war materials and manufactured goods along the Atlantic seaboard.

Then the period of deflation set in, with the crop of 1920 still in the farmers' hands, and because of restriction of credits he was unable to hold the same, but was forced to sell at less than the cost of production. With an immense crop of corn in 1920, it was impossible to secure credit to purchase feeders of the cattlemen, and the corn crop was forced to be sold at the ruinous price of from 25 to 30 cents a bushel while hundreds of thousands of cattle were sold in such a condition that required them to be marketed as canners.

Bankers in agricultural States found that because of the decline in prices the cattle and grain, on which they had taken security for the loans they had been urged to make, would not liquidate the same. One banker interested in 47 banks in the cattle and sheep country of the Northwest came before our Banking and Currency Committee and stated that if credit was not extended so as to relieve the situation that both the banks and the stockman would be forced into bankruptcy. He produced the papers showing the shipment of 900 sheep from Wyoming to Chicago that netted but 35 cents apiece after the freight and handling expenses and commissions were paid. On this shipment one of the banks had a mortgage of $1.75 a head, which it had been urged to make by representatives of the Government when sheep were worth $4.50 apiece. The same condition existed throughout the West from Texas to the Dakotas.

To meet this situation representatives of agriculture in Congress united to pass legislation that would extend relief and avoid a national crisis, and I insist that none of these bills have extended favors that have not been enjoyed by other commercial and industrial interests.

The bill to rehabilitate the War Finance Corporation and empower it to make loans to banks and cooperative associations to finance the marketing and exportation of agriculture, as it had been used to finance manufacturing interests, was reported out of our Banking and Currency Committee and became a law. Also three bills, the principal one of which was that of Senator Curtis, of Kansas, making it possible for the farm-loan banks and the joint-stock banks to sell their bonds to the amount of over $350,000,000, which have made it possible for the farmer and the cattleman to borrow money at reasonable rates of interest that have saved them from bankruptcy. The farm-loan banks are now loaning a million dollars a day on the best security in the world and have lately reduced the interest throughout the country from 6 to 5½ per cent.

The bill to give agriculture representation on the Federal Reserve Board met with the same opposition that this bill is now confronting, and to get it out of our committee we had to consent to amendments which I am glad to say we were able to defeat upon the floor of this House, and yet under that bill we only gave to the agricultural industry the same status that commerce and industry already enjoyed. Why should the bankers of the country and the great moneyed interests oppose having upon the board that controls the Federal reserve system one man who represents the greatest industry in the Nation? [Applause.]

Our committee is now considering agricultural credit bills, and it is the purpose of those of us who represent agricultural districts and States to try and induce the Congress to establish a system so that agriculture may have the same credit facilities as are accorded to other industries.

Our present financial system does not provide for the extension of credits based on personal security for a longer term than six months. This meets the requirements of those engaged in commercial and industrial pursuits, because the length of time of what is termed their "turn-over period" does not exceed six months, but the farmer's turn-over period is one year, because it takes that length of time for him to plant, harvest, and market his crops, while the cattleman's turn-over period is from one to three years, because it takes that length of time for him to produce, prepare, and market his live stock. To insist that the farmer and the stockman shall finance his business through loans that mature before his turn-over period is reached subjects him in case of a financial stringency to be forced into financial embarrassment and perhaps ruin.

We realize that our present financial system is based upon short-time loans which can be readily liquidated, and that this is necessarily so since the commercial deposits in the banks are used to finance the same and must mature in short periods to assure the depositors the return of their money when they call for it, but we want, without injuring the system, to provide a means to finance the farmer and the stockman for his credit needs. It can easily be done.

I doubt, however, if the legislation can be perfected in time to pass at this session of Congress. Some want to establish an independent system of banks; some wish to follow the suggestion that I made last July to the Commission on Agricultural Inquiry to use the farm loan banks. I have come to believe that the farmer and the cattleman should be able to go to his own local bank and secure his credit needs, where he is known and where his security can be easily inspected and approved. I think this can be done by providing a special fund in the Federal reserve system through which all the banks in the country can rediscount the paper of the farmer and the cattleman, if it becomes necessary for them to do so, and with a representative of agriculture on the Federal Reserve Board, which the bill we passed last week will make possible, there will be created increased confidence in agricultural sections in this great financial system, but until we can perfect and pass agriculture credit legislation, the operations of the War Finance Corporation must be continued.

I hope that the Representatives in Congress who do not represent agricultural districts will overcome the prejudice that has been created by the great financial interests of the country against the legislation we have passed and wish to pass in behalf of agriculture. It is an industry in which one-third of the people and one-fifth of the wealth of this great Nation is interested. It is the basic industry of the country. It provides the food and clothing for all. It must be prosperous if it is to continue to serve the Nation, and unless it is, commerce and industry can not prosper. The history of the world reveals the fact that nations begin to decay when agriculture wanes. The continued greatness of this Nation and the prosperity and happiness of its people depend upon the protection and encouragement of all the industries, and as the representative of a great agricultural district in one of the principal agricultural States, I want to cooperate with those who represent the other industries to accomplish such an end. [Applause.]

Mr. WINGO. Mr. Chairman, I yield to the gentleman from Texas [Mr. BRIGGS].

Mr. BRIGGS. Mr. Chairman, the pending measure provides for the extension for another year of the powers of the War Finance Corporation to make advances in order to provide relief for producers of and dealers in agricultural products and for exporters and others, as more fully set forth in the act.

Up to yesterday the War Finance Corporation had made advances aggregating $355,963,442.69, of which $32,515,215 went to the State of Texas, and which latter has practically all been repaid.

The facilities which this corporation has provided and the great volume of loans made to not only the agricultural and live-stock interests of Texas but to those of a great number of other States throughout the Nation, has clearly demonstrated the imperative need for it; the continuing inability to obtain necessary credit without it is still so acute that it is not anticipated that there will be very many in this House voicing any serious objection to the adoption of this extension measure.

The agricultural and live-stock interests throughout the country suffered so severely by reason of the tremendous deflation in values and the existing general depression that the facilities which this Government corporation has provided has enabled such interests to weather a most critical condition and continue to survive. But the critical period is not over, and the relief offered by the War Finance Corporation must be continued another year. By that time it is hoped that the administration will have sanctioned the consideration and adoption by Congress of proposed legislation providing a better and more comprehensive system of agricultural credits, so that loans for longer periods than now permitted under the existing law can be extended to such interests and an independent system of short-term rural credits provided.

The repayments of advances already made by the War Finance Corporation have been most gratifying, so the managing director advises, and such repayments are now exceeding the amount of loans being made.

The action taken by Congress a few days ago in providing for the representation of agriculture on the Federal Reserve Board was a distinct and beneficial step in the right direction, and one which I supported and particularly favored because the appointment on that board of a true representative of agriculture will give to that body a better opportunity for successfully dealing with the problems of agriculture and the farming interests of the Nation. And this will result in the greatest benefit to the country generally.

Agriculture to-day is, however, still confronted with the gravest problems and difficulties, conspicuous among which are the excessively high transportation rates on farm products. A reduction in such rates would, in my opinion, not bring about reduction in revenue to the railroads, but would maintain and increase revenue from such sources by stimulating an increased movement of the products of the farms to consumers and effectually correcting a condition which permits farm products, so badly needed, to go to waste and decay on the farm, because after transportation charges are paid to markets there is so often nothing left out of which to pay the producer for his commodities, and hence there is no incentive to the producer to continue shipments under such discouraging and profitless conditions.

One remedy which, in my opinion, would be of the greatest remedial value in bringing about proper reduction in rates would be to restore to the several States that power of regulating their intrastate rates, which was taken away from them under the transportation act of 1920, the passage of which I strenuously opposed.

All these considerations and problems affecting agriculture ought to be dealt with by Congress and dealt with soon; but this measure for the extension of the life of the War Finance Corporation another year will aid the live-stock and agricultural interests, and exporters as well, in meeting such difficulties and problems until other necessary legislation has been provided.

Mr. WINGO. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. CONNALLY].

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, the gentleman from Massachusetts [Mr. LUCE], who to-day spoke against this bill to extend the War Finance Corporation, is an entertaining talker. He is an educated and cultured man, but his views are unsound. He comes from the environment of Boston, far from the farms and ranches, far from the open spaces where men toil with their hands out in God's free sunlight and free air, and the gentleman from Massachusetts does not feel any sympathy for the farmers nor any appreciation of the problems and struggles that those engaged in agriculture have suffered during the past two years. The only contact the gentleman from Massachusetts has with the farmer is when at the dinner table he pushes his patent-leather shoes under the table and partakes of the bodily comforts from the farm and from the ranch. When that contact with the farm and the products of the farm is over, the gentleman from Massachusetts forgets the farmer, retires to his study, adjusts his glasses, and begins to commune with himself on the great fundamental questions of economic law, of culture, and of artistic taste in which he delights to revel. [Laughter and applause.]

I agree to the abstract proposition, the abstract principle, that the Government should not go into its purse and give to an individual or a special interest money that is wrung from the people by taxation.

But let us look at the words of the gentleman from Massachusetts and compare them with his actions. There is holy authority that is more acceptable to me than the word of the gentleman from Massachusetts—that "by their fruits ye shall know them." The gentleman from Massachusetts strongly declaims against the War Finance Corporation, which does not have as its object the taking of a single dollar out of the Treasury and giving it to agriculture but has for its object the

continuance of an institution that has loaned to country banks, agricultural pools, and marketing associations more than $300,000,000 with which to market agricultural products, which has for its object the continuance of an agency to enable agriculture to finance the exportation and sale of its products at home and in foreign markets. The gentleman declaims against that, and yet when they bring into the Halls of this Chamber, when they bring on the floor of this House a tariff bill that goes into the pockets of men that labor on the farm and takes money from their pockets and gives it to the manufacturers of New England who live in the district which the gentleman represents he votes for it. Why, when the tariff bill comes before this body the gentleman from Massachusetts closes his study, he deserts his statuary, he forgets his pictures and paintings, and rushes here with haste and votes for the tariff that does not give any special privileges to anybody except the constituents of the gentleman from Massachusetts. [Laughter.]

Mr. LUCE. Will the gentleman yield?

Mr. CONNALLY of Texas. Not now, when I am through. The gentleman from Massachusetts says that this bill is paternalistic. He says he does not believe in paternalism, and when I asked him if he believed in and favored the ship subsidy bill, that measure, which President Harding and the Republican leaders are urging, that measure that proposes to take money out of the Treasury of the United States and give it as a bounty to great shipping companies—when I asked him if he favored the ship subsidy bill the gentleman evaded the question by saying that that question was off on a spur track of his mind and for the moment the gentleman wanted to get away from the spur track. He refused to answer. Everybody knew what he meant.

Everybody knew that the gentleman was in favor of a ship subsidy bill, and everybody knows now that he is in favor of it, because if he had not been he would have said so. He will vote for it because it takes money raised by taxing all the people and will give it to shipping interests, some of whom are in New England.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CONNALLY of Texas. Can not the gentleman from Arkansas yield me a few minutes more?

Mr. WINGO. Mr. Chairman, I yield the gentleman two minutes more.

Mr. CONNALLY of Texas. When the tariff bill was reported to the House the gentleman from Massachusetts [Mr. LUCE] thought it was the part of statesmanship, the part of justice, of equality, that it was the function of Government which is to govern and not to grant bounties, to have that bill provide a tariff on shoes—after a hide had been tanned and made into a shoe in New England, it should have a compensatory duty of 10 per cent of the price of the finished shoe; but back yonder in the beginning, back yonder in the elemental stages of that shoe, back yonder while that shoe was on the back of some cow feeding on the plains of Kansas or Iowa or Wyoming or Texas—when that shoe was out yonder still in the hide of some cow grazing on the plains, eating the farmers hay and corn and cottonseed products, the gentleman from Massachusetts did not believe that it was right, that it was fair, that it was a function of Government to levy a tariff on hides.

Mr. Chairman, let me say this for the farmers. They are not standing at the doors of this Congress asking that you take out of the Treasury and give them any bounty. Neither do they want to pay a tariff bounty on the manufactured goods that they must buy; nor do they want to pay a ship subsidy. We are demanding in this bill that the Republican Party, which is in control of the Government, give them an opportunity to sell in the markets of the world the products of their toil and industry, and that is all that this bill does. I voted for the bill when the War Finance Corporation was created. This bill is merely to carry forward the Finance Corporation in order to let the farmers have an avenue into European and other foreign markets for the labor and toil that they spend while with bended backs they are digging in Mother Earth. Yet the gentleman from Massachusetts in his easy chair in his study, sustained by the comforts that come from the farm, closes the door of his heart, closes his sense of fairness, forgets the principle of equality, and would say to the farmer that he shall not even have this agency, when it does not cost the Government one single farthing. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. McFADDEN. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. HERRICK].

Mr. HERRICK. Mr. Chairman, I have only five minutes in which to try to do justice to the subject that ought to take five hours, therefore I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HERRICK. Mr. Chairman, I have a few notes here from which I will read, and then I shall speak without them. I want to say that I am in favor of extending for one year the powers of the War Finance Corporation, in order to provide relief for the producers of and the dealers in agricultural products. Figures submitted in the debate yesterday show that the total loans made since January 4, 1921, up to and including May 27, 1922, by this corporation amount to $354,718,000, of which sum $304,000,000 was loaned direct to financial institutions and $59,372,000 was loaned to cooperative associations. In the discussion by the opponents of this measure nothing has been said either yesterday or to-day about the $304,000,000 loaned to financial institutions, but they seem to be greatly troubled about the $59,372,000 loaned to cooperative associations, because it is benefiting the farmer.

Mr. Chairman, some gentlemen east of the Allegheny Mountains and north of the Mason and Dixon line, and perhaps one or two south of it, occasionally seem to indulge in what seems to be a popular indoor sport of throwing sarcasm and ridicule at the farmer. I would remind these gentlemen, particularly the gentleman from Massachusetts [Mr. LUCE], that that is eminently unfair. I am sorry that some of the other speakers have paid so much attention to the distinguished gentleman from Massachusetts [Mr. LUCE]. I really do not think he deserves all of the sarcasm and the criticism and the time and attention that have been devoted to him. I would remind gentlemen who have been paying attention to him to-day that the next time he takes the floor on a similar subject they ought to recollect that he is entitled to a reasonable amount of excuse for extenuating circumstances. Gentlemen should recollect that he is a pretty nice man, personally, considering where he comes from. [Laughter.] It has been a misfortune of nature or of the Almighty or of some forces over which he has no control that he lives in a little crab hole in the fog banks of Massachusetts, and as the fog there is pretty dense on the banks it obscures his vision, and he can not see any other portion of the United States except the little strip of sand dunes around Cape Cod. [Laughter.] However, for the benefit of the aforesaid gentleman and of his colleagues I would remind him that when he is casting these slurs at the farmer he is unthinkingly casting slurs at the very foundation on which humanity exists. He would be wholly unable to sell the products of the Massachusetts shoe factories if there were not any farmers to first produce the raw leather. [Applause.]

And I would further like to remind him that his Massachusetts financial institutions could not run at all if there were not any farmers to produce food to feed the New England bankers, because they could not subsist very well upon his New England fog. [Laughter and applause.] If there were not any farmers or agricultural products the railroads would cease to run, the coal mines would cease to operate, because no one could produce food for the coal miners; ships would cease to sail, because there would be nothing to ship, and while it seems to be pretty popular with some of the effete easterners to regard the farmer as a hayseed, or a jay, or a country reuben, or a tar bucket, or some other necessary evil, if they would just stop and think seriously for a few minutes they would realize that they can not exist without the farmer, and they would also realize that their manufacturing States in the East are not self-sustaining. The flour to make their biscuits has to come from the great grain-growing States of the West. And furthermore, I would like to call special attention to one statement that the gentleman made, which is not only grossly erroneous, but I think he must have made it unthinkingly, because otherwise I would certainly give him credit for more intelligence. [Laughter.] That is this: He stated that the farmer was the chief profiteer during the late war. Now, we hear of profiteers who are going to be prosecuted. I would just like to ask how many farmers—in case we have real, genuine, true, honest prosecutions—how many farmers does he expect are going to be sent to the penitentiary? [Laughter.] I make the prediction that not even one will be indicted. I can not say what will happen otherwise.

Last year we passed a bill appropriating over one-half billion of dollars in the payment of the guaranteed dividends of the railroads, and these gentlemen who are now so vigorously opposing this bill and who are contending that this measure is populistic and paternalistic were the foremost advocates of that

measure, and their contention was that it was economically sound for the Government to guarantee the dividends of the railroads—the dividends based upon a highly inflated and fictitious valuation as represented by inflated and watered stocks and bonds. The people were compelled to pay 6 per cent dividends or more thereon; but while these gentlemen appeared to view the guaranteeing of dividends to railways as necessary, no one guaranteed or even suggested guaranteeing dividends in any sum and upon any kind of a valuation to the farmer. The guaranteeing of dividends to one class of business enterprise and the refusal to guarantee dividends to another class was clearly class legislation, and I think it ill becomes the Representatives who favored the guaranteeing of dividends to railroads to characterize as class legislation a measure which is calculated to extend a little relief to the farming industry in the form of a loan, to be paid back with 7 per cent interest thereon. We also passed a bill appropriating $660,000,000 for the completion of the battleships contracted for by the late administration at war-profiteer prices for material, with a 10 per cent plus profit added thereon, and no sooner were these ships practically completed, the United States having gained the naval supremacy of the seas, than the present administration undertakes to expend a lot of additional millions in tearing them down again and scrapping them, which program obligingly restores to the British Empire the supremacy of the seas, which otherwise they had lost to the United States. It appears that any proposal that will take millions from the United States Treasury for the benefit of profiteers is proper and wise legislation in the minds of too many Congressmen, but to expend a few millions in the form of sound loans to stabilize the agricultural industry, upon which the whole people are compelled to depend for subsistence, is paternalism and the extension of a gratuity.

Anyone with the least intelligence knows that a properly secured loan is not a gift but is a sound business investment. Those who slurringly refer to this measure as an act for the purpose of extending a gratuity to farmers had better not throw stones; otherwise they will be liable to break the glass houses of their own constituents. Billions have been loaned to foreign Governments for purposes that will never be of any benefit to the American people, and no effort is being made to even collect the interest thereon, but more and further loans are continuing to be made, which, in all probability, will never be repaid and will never redound to the benefit of the American people in the slightest degree. Witness the recent loan to Liberia. Unfortunately it seems to be the policy to enrich the foreigner and impoverish American citizens. When deflation was decreed after the war, the farmer was compelled to submit to having everything which he had to sell deflated below the cost of production, while nearly everything that he had to buy was allowed to remain at or very nearly at war prices. This had the effect of subjecting him to a double impoverishment by his getting only about one-fourth or one-third of what he had previously been getting for his products, while continuing to pay war prices for everything which he had to buy. I am in possession of more than a bushel of letters from farmers who inclosed itemized lists of their cost of production and the market value of the crops which they produced; and in many instances the cash value at marketing time was not equal to the cost of production. The farmers were thus compelled to work for nothing and face a deficit in cash as well. Many of the letters cited figures to show that the entire cash value of all their crops would not meet their taxes and the interest upon the money which they borrowed for the purpose of producing their crops. This is an alarming condition; for with thousands of farmers being forced into bankruptcy, it is swelling the army of unemployed and causing a depreciation of the national food supply which will ultimately result in a scarcity of foodstuffs and at a greatly enhanced price to the consumer.

The business of the farmer having been deflated and the farmer having been placed in the position where it will take him from five to ten years to recoup his losses, provided nothing further is done to further impoverish him, it now becomes the turn of labor to be deflated. The Railroad Labor Board has reduced the pay of more than a million railway workers, which will undoubtedly cause a strike and add a million or more to the already large army of unemployed, now numbering millions. If it was proper to guarantee dividends to railroads and to guarantee profits of 10 per cent plus to war contractors, and arbitrarily set a market price of $2.20 per bushel for the farmers' wheat at terminal points, which in reality meant about $1.70 or $1.75 to the farmer at the point of delivery, why would it not be proper to pass a standardized wage and commodities bill, which would set a definite coinage value upon the products of the farmer and upon a specified number of hours of labor performed by workingmen? This would stabilize industry, prevent disastrous strikes, enable everyone to make reasonably safe business arrangements, restore employment to the unemployed, and bring national prosperity. A legislator who is himself personally or whose constituents are interested in large commercial enterprises or in railroads can not be expected nor should be expected to favor legislation in the interest of farmers or laboring men. Therefore the only remedy for farmers and laboring men to secure legislation which will give them justice and be beneficial to their interests is to elect more farmers and laborers to Congress, and then and not until then will they secure adequate consideration at the hands of the National Legislature.

Mr. McFADDEN. Mr. Chairman, I yield two minutes to the gentleman from Kansas [Mr. WHITE].

Mr. WHITE of Kansas. Mr. Chairman, I have followed this discussion very carefully. I have studied this subject, at least I have endeavored to study it, from a broad viewpoint. I think, Mr. Chairman and gentlemen, that the unfortunate economic and financial conditions developed as a result of the war, culminating in 1920 and continuing almost entirely through the year 1921, would have been greatly neutralized and ameliorated if the products of agriculture had not been deflated out of all proportion to the products of the factory; and I believe, gentlemen, that the fundamental reason for that, or one of the reasons, is because the farmer is not able to introduce and exercise the monopolistic element in marketing his products that the organized manufacturer has developed the power to exercise, we might say, in a superlative degree.

I am in favor of this bill. I shall vote for it most cheerfully. There can be no doubt that as a direct result of the stimulus administered to the export trade through the reorganization of the War Finance Corporation great assistance has been rendered the American farmer in the stabilization of the price of his products and also in developing the very greatly improved condition of his business generally, and it should be said that all other lines of business are now giving evidence of a very pronounced revival.

I am greatly pleased that the chairman of the Committee on Banking and Currency [Mr. McFADDEN] has given us to-day positive assurance that a bill supplementing the Federal reserve act will soon be reported from his committee which will provide for the permanent reinforcement of agricultural credit, which in times of emergency will fully meet the situation and will obviate the necessity for enforced liquidation and effectually prevent a recurrence of the distressing situation which weighed down American agriculture through the last half of 1920 and the entire year of 1921.

Whether the committee shall decide to report the bill of my colleague, Mr. STRONG, of the fifth Kansas district, or the Capper bill now before the Senate Finance Committee, or a committee bill was not stated. I believe, however, the plan is thoroughly feasible and is entirely sound from a financial standpoint. I do not expect in its operations it shall at all supersede or usurp the functions of the local banks, but that it shall cooperate with and function as their helpful auxiliary. That agriculture is basic and essential—yes, more, that it is imperatively necessary—is admitted by everyone. The American farmer has seventy-five billion of basic capital. He is not a reckless nor an inconsiderate investor. He asks for no special favor; only a square deal. I am more than gratified to note that the Congress is coming to have a better understanding and a keener appreciation of the peculiar credit needs of the stock farmer or the stockman, as we call him in the West. It has been made clear that he has not in the past and does not now have ready access to a source of credit adapted to his peculiar requirements. So that in times of emergency, such as I have described, he has been subjected to losses to which the merchant and manufacturer is not exposed for the reason that the nature of their business does not require the extended credit which is necessary to the stockman and which the latter must have upon occasion or suffer losses through forced sale of unfinished product which in the recent depression sent thousands of hitherto prosperous, conservative stockmen to irreparable financial ruin. I have the greatest confidence that the effect of the pending legislation and of the proposed legislation will be to stabilize the business of agriculture, making its position much more secure and very greatly strengthening its credit.

FREIGHT RATES.

I can not refrain in this connection from again, as I have done in the past, emphasizing the great importance to the entire country of further reductions in transportation charges, especially upon basic commodities, in order that a normal trade and commercial balance shall be restored. Whether, as frequently charged, the agricultural and live-stock interests were

discriminated against in the processes of deflation—and I firmly believe they were—is not now an issue, except for the effect that a knowledge of the fact may have on the future conduct of the bank and its attitude toward farm credit. But it is nevertheless true that 12 months before the prices of other commodities began any important decline the prices of farmers' products as to almost every item were exceeding the speed limit on the toboggan slide, and it should be remembered that the order promulgating the increase of 25 to 35 per cent in freight rates by the Interstate Commerce Commission August 20, 1920, was made when all manufactured goods were at the peak of high prices, while basic farm products had at that very time suffered declines in prices amounting to billions of dollars in the aggregate—a most striking and fatal coincidence.

The preposterous folly, injustice, and utter futility of the horizontal percentage method of adjusting rates has never had a more forceful illustration than in the hardship imposed upon basic commodities as articulated in that particular order. It would seem that everybody in the United States is and has been for years fully cognizant of the impropriety, injustice, utter unfairness, and impracticability of this rule, unless perchance it may be the Interstate Commerce Commission.

The farmer is grandiloquently acclaimed in public speech and written essay "the backbone of the Republic." But he who observes his treatment at the hands of the Interstate Commerce Commission and the Federal reserve banks would naturally conclude that he is the tail end so far as any fair recognition and consideration of his interests are concerned.

I felt at the time the increase of 1920 was granted that it would curtail production, restrict traffic, and therefore would not produce revenue in any greatly increased volume. I have asserted here on this floor and in public speeches elsewhere that excessive transportation charges were the greatest single obstacle in the way of returning prosperity. A rate the traffic will not bear can not be otherwise than injurious both to production and transportation. And 20 months of disastrous experience has proven the soundness of that contention.

But now at last comes this honorable body, the Interstate Commerce Commission, and in their Public Document No. 1392 three commissioners declare in favor of reductions on basic commodities. The entire report, as I interpret it, admits the futility of the excessive rates in Ex Parte Order 74; it repudiates the per cent horizontal method of fixing rates. Two consecutive sentences from the opinion of Chairman McChord, which I here insert as a part of my remarks, approve this statement:

> I think that the times and conditions plainly demand reductions in rates on all materials and products that are basic in industry and in our existence as a people to a level that business interests will recognize as the lowest available for some time to come. Nothing less will quiet the prevalent unrest and agitation for lower transportation costs and encourage the needed healthy flow of traffic.

I have only to add that while reductions ordered will be helpful, I am, if possible, more strongly than ever of the view that further reduction in rates on basic commodities should be promulgated within the near future.

To the American business man there is to-day presented a most hopeful and encouraging outlook. Our industrial and commercial interests are showing steadily increasing activity. The bonds of the Government are all at par or above from day to day.

Speaking more especially of the products of the western farm and range the improvement in the past eight months is most pronounced. In the course of an experience of 50 years actively engaged during all that time in the live-stock business—raising, feeding, buying, selling, and shipping live stock—I do not recall a year when there has been so complete a reversal of conditions favorable to agriculture, and especially the live-stock industry, as we have witnessed within the past 10 months. I shall consume little time in comparison, but if I may do so I will make this statement and challenge contradiction here or elsewhere—in this country one year ago to-day every cattleman and every sheepman, whether a rancher or a feeder, was at the brink of ruin. Every one of these men who said a word about the situation said it could be no worse. Every live-stock man was losing money. The Hon. CLAUDE HUDSPETH, from the sixteenth Texas district, in a speech April 14, 1921, in the Committee of the Whole House on the emergency tariff bill then under consideration, cited an instance where a carload of sheep shipped from Donaldsonville, La., netted but $5.43 for the carload after paying the cost of marketing. Wool and mohair, important products of Mr. HUDSPETH'S district, were cited by him in the same speech as selling at that time at 10 to 20 cents per pound. Their cattle were selling at prices which spelled but one word, and that word was ruin. To-day all is changed.

Any time in the past three months the same carload of sheep to which the gentleman called attention which netted $5.43 for the carload would have netted from $200 to $400 for the same carload in Kansas City. The wool and mohair then going begging for a buyer at 10 to 20 cents per pound is now snapped up at 35 to 45 cents per pound in the grease, almost treble the price of one year ago. His herds have been reorganized on a paying basis. In my own State of Kansas no such losses have ever been sustained as were sustained by the cattle and sheep feeders who sold fat cattle and sheep in the spring of 1921. But to-day we are telling a different story. A letter from a constituent a few days back informs me that his business has never been more profitable than for the present spring. Well may the people of this great progressive country take courage. Much has been accomplished in the past year by legislation. The reorganization of the War Finance Corporation, the appropriation of $25,000,000 additional revolving fund for the Federal land bank, the emergency tariff act, have all contributed to bring about a better and constantly improving situation, and lastly, the unconquerable spirit of the great American people, who are perplexed at no intricacy of conditions, who are never daunted in the face of difficulty, whose indomitable courage, whose arbitrary and unconquerable spirit has made them what they are, the wealthiest, the strongest, and yet the most just people in the world, has been an important, probably the most important, single factor in our remarkable process of successful economic, financial, and industrial readjustment.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. McFADDEN. Mr. Chairman, I yield three minutes to the gentleman from New Jersey [Mr. APPLEBY].

Mr. APPLEBY. Mr. Chairman and gentlemen, as a member of the Banking and Currency Committee I did not look with much favor upon this proposition when it was first presented, but after listening to the testimony from the financial men of the country, especially from the South and West, and Mr. Eugene Meyer, of New York, who is classed as one of the leading financiers of the United States, I came to the conclusion that it was sound legislation and should be favorably reported by the committee. This bill proposes to extend the operations of the War Finance Corporation for one year. Of course, some of my friends say that I come from the East, and this is a southern and western proposition. My answer to that, gentlemen, is this: I came to the House of Representatives to legislate for the whole country. I have been convinced that the farming and agricultural interests of the United States need help at this time, and I am satisfied that when this particular bill becomes a law that the agricultural interests are going to be tided over a very serious proposition. In my opinion many banks would have failed ere this had not the War Finance Corporation been in existence. Now, it has been stated that no loans have been made to the Eastern States by this organization. That is a compliment to those States. If our farmers of the East are in a position to go to their banks and get credit for their needs from their banks, if our manufacturing and transportation interests are able to rediscount through their banks, through the Federal reserve system, and get the accommodation they want, they are also taken care of, and it seems to me that legislation of this character should not be based on any angle, North, South, East, or West, but the whole question is, Is this a fair proposition? A great many of these loans already made have been paid off and this system is functioning satisfactorily. Now a word of warning: I want to say to our southern and western friends that they ought not to encourage their constituents to borrow too much. It is very easy to borrow money, but hard to pay, but on the whole I think this proposed legislation is one of the many accomplishments of which the Sixty-seventh Congress is going to be thoroughly satisfied, and while it is going to benefit the farmers primarily, yet indirectly all classes in the whole United States will be benefited. Gentlemen, I thank you. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. APPLEBY. I ask the privilege of revising and extending my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. WINGO. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. JONES].

Mr. JONES of Texas. Mr. Chairman, as a member of the Agricultural Committee and representing, as I do, a district that is largely agricultural, I feel a very great interest in this bill. I have the honor to represent a district that is one of the largest cattle and agricultural districts in the United States, comprising 53 counties in northwestern Texas.

We are creatures of custom all over this country. Whenever a new departure is advocated there is always some one to call

names. They say it is paternalistic, or populistic, or some other pet aversion. But when you come to analyze the proposition that is before the House to-day, it does not seem to me that you can make any real distinction except in the length of the credit in extending credit to the producer and extending credit to a distributer who wants to borrow money to deal in the very products in many instances, or in the articles that are made from the products that the farmer grows. As a matter of fact, with short-time commercial paper the local bank can go to the reserve bank and rediscount that paper and get credits there or have Treasury notes issued, for that matter, on this short-term commercial paper as security.

Now, I do not see any good reason why the farmer who produces or the stockman who produces these things should not have the same facilities extended him by the Government itself that are extended to commercial paper and the commercial interests of the country. Why should we not arrange the machinery for production as well as the machinery for distribution? Why should not credit and Government money be available for those who are producing as well as those who are working after the production is made?

One of the great problems in this country is the problem of reducing the spread between the producer and the consumer. Everyone recognizes that, and it has been said over and over and over again that one of the best ways to accomplish that is to finance the producer in such a way that he can ship his products to the market at the time when the market can best accept those products. There is not any way to escape from that conclusion. Now, as long as you finance or adopt a financial system, and maintain it, that takes care of the man whose purpose and business is distribution, and at the same time you deny the man who is producing the same facilities, you enable the man who is distributing to maintain the spread, and at the expense of both the producer and ultimate consumer.

The only way really to reduce the spread between the producer and the consumer is to enable the producer to have a way to the ultimate consumer, which may be one that will not be used all the time but one that will be open for use. But, of course, if the producer is forced to sell on a glutted market as soon as he has produced, he can never use an avenue that might be open to him for sale direct to the ultimate consumer. I believe that it is necessary to maintain the machinery of distribution. I am not complaining that the financial system is so arranged as to care for that, but it also ought to be arranged so as to care for the producer in the same way and after the same fashion. [Applause.]

It is amusing to hear some of the opponents of this measure deliver themselves of their remarks and then to observe their position on other matters. Some of these same men seem to think it is all right for the Government to lend money direct to the railways. They seem to think it is all right to grant a subsidy to the private shipowners, and by means of a high tariff to rob the many to enrich the few, but they balk and kick out of the traces at simply providing a means of securing credit on good security to the farmers and stock raisers. Why is it a wrong principle of government to arrange credit facilities for the farmer, when it is a recognized principle to lend the commercial interests of the country? The Government provides a fiscal system. Its credit facilities should be available alike to all essential national activities. And until our general financial system is so modified as to accomplish this end, or until a permanent system of agricultural marketing credits is devised, the present act should be continued in operation.

Mr. TOWNER. Mr. Chairman, I confess I am somewhat surprised that there has developed any opposition to this bill. It is not to create a new activity. It is not to embark on a new enterprise. It is not to try a new experiment. It is only to continue for another year the activities of the War Finance Corporation. It would have been necessary in any event to have continued its existence for another six months in order that it might wind up its affairs in an orderly and provident manner. But when it was realized that this could better be accomplished if a year's time were given instead of the six months at first contemplated, and especially when it was understood that it was very important that some system should be instituted by legislation to take the place of the service now being rendered especially to the farmers by the War Finance Corporation, it was agreed by almost all those interested that a year's extension would be necessary.

Mr. Chairman, the service rendered by the War Finance Corporation in a serious and trying economic emergency has been a great and most effective service. Its revival and extension have been of great value not only to farmers but to all business interests as well. Some of us thought it ought to have begun earlier, and that it could have been more effective if more directly made available. Be that as it may, no unprejudiced mind but will admit it has served a most useful purpose at a time of great distress and need.

The history of the War Finance Corporation is most interesting. It was created in 1918, during the war, to furnish money to industry and commerce for war purposes. Only about $60,000,000 was thus furnished. In 1919, after the armistice, our export trade having greatly decreased because of the inability of foreigners to finance their demands, power was given the corporation to finance exports. But little was done at that time and its activities soon ceased entirely. In 1920 the foreign demand seemed increased and a resolution was passed to revive the activities of the corporation. President Wilson vetoed it, and Congress passed it over his veto. It was not until August, 1921, that its benefits were effectively extended to producers and dealers in agricultural products.

Since then loans have been made amounting to $355,000,000. Of the total amount loaned $107,000,000 has been already repaid, so there is now outstanding only $247,000,000. Amounts paid in now exceed the amounts paid out. Every day and week and month more is collected than is loaned, so that the corporation is now in process of liquidation, and by the end of the period of extension now asked for everything will be settled. And all this without any cost whatever to the General Government.

The beneficial effects of the operation of the corporation when made available for agriculture were almost immediately apparent. Exports increased and large shipments of grain and cotton stimulated the demand and increased the price. Increased demand for these staples increased the demand and price for other farm products. Since that time there has been a slow but steady increase in the sales and prices of all farm products. It is estimated that this year's farm products will bring the farmers at least a billion dollars more than the products of last year. Other factors have influenced these bettered conditions, but it is certain the help rendered by the War Finance Corporation had a large part in this great improvement in conditions.

WHAT IS CLASS LEGISLATION?

I know that there are those who object to this legislation, however much it may benefit agriculture. They say it is class legislation and therefore indefensible. One wonders what would be their definition of "class legislation." All legislation that is beneficial in its character will necessarily benefit some more than others. We help industry, we help labor, we help banking. If help to these is justifiable, why is agriculture under condemnation? Why is it that every time any legislation is proposed to help the farmer it is denounced as class legislation? This Nation in common with every other civilized nation in the world has established its Government to promote the general welfare of its people, and every important interest of the people is entitled to its encouragement and help in time of need. Help to any important interest is help to all interests, and there is no more important interest in the United States than agriculture. If the farmer can not produce, the food and raiment of the whole people are not provided. If the farmer can not purchase, there will be no market for the manufacturer. If the grain and cotton and meat and fruit of the farmer are not in demand, transportation fails. To help the farmer helps all. It is evident to all unprejudiced minds that upon the prosperity of the farmer depends the prosperity of the Nation. And so a benefit conferred upon the farmers, general in its nature, such as this legislation is, and especially when no charge is made upon the Treasury, and no burden placed upon the Nation or upon any individual, can not justly be called "class legislation." Gentlemen who condemn this legislation should, to be consistent, condemn all legislation of this character. But they do not. It is only when the farmer is to be benefited that such legislation falls under their ban.

We established the national banking system. Do gentlemen condemn that legislation? And yet it was established primarily to help the business and commercial interests of the country. Was it paternalistic and socialistic? We went further and established the Federal reserve system. Still more paternalisitc. Still more of a governmental interference with individualistic activities. But gentlemen are not heard denouncing that system. Then we established the Federal farm loan system, a direct interference with legitimate business. But while faint objections were urged against its establishment, they have been drowned beneath the praise and approval of the great body of the people.

In fact, our whole Agricultural Department and the Department of Commerce and the Department of Labor are all un-

justifiable extensions of governmental activities, if this law is subject to objection for that reason.

It must be evident that gentlemen are not justified in picking out legislation in the interest of agriculture and denouncing it as class legislation. It is to meet a national need, to remedy a national defect, and to bring a national benefit that this legislation is demanded and justified.

A FARMERS' CREDIT SYSTEM NEEDED.

A year ago the farmers of the United States were sorely stricken. Prices of farm products had not only dropped to the bottom, but below it. In many instances the home-market price was not one-half the cost of production. There was, of course, a general lowering of all war prices, but the farmers' products were lower in proportion than any others, so that the price level of what the farmers were compelled to buy was much higher than the price level of the things they had to sell.

In this condition he was not able to decrease his indebtedness, and was compelled to increase it if he could obtain credit. Just at this time the banks were notified by the Federal Reserve Board that no more farm paper be rediscounted and that outstanding obligations must be paid. Then drastic enforced deflation, just at the time when the farmer was least able to stand it, forced thousands of farmers into bankruptcy and caused general distress throughout all agricultural sections.

It seems to be the view of some that the farmer does not need and should not have credit. Others engaged in business need and must have credit, but the farmer should not go in debt. It must be evident from the slightest investigation that such a view is erroneous. If the farmer starts with a farm plant ready for operation he must nevertheless purchase seed, hire labor, arrange for maintenance till crops can be produced and marketed, and provide for all family needs in the meantime. He needs to buy fertilizers to produce paying crops. He must buy live stock if he expects to feed. He must prepare for the labor demands of harvesting.

The farmer needs three classes of credits. He must have an opportunity to use, where necessary, the ordinary commercial credit, on short-time paper, not exceeding six months, and usually limited to 90 days. This credit can be procured and is now available at all commercial banks.

The farmer also needs in common with other business enterprises a long-time credit, usually extended in this country on real estate mortgage security. The period of these loans runs from 5 to 30 years. Such credit is now available to the farmer through private mortgage loan companies and through the Federal farm loan system.

There is also a third class, at least as necessary to the farmer in order that he may carry on his farm operations profitably and satisfactorily, and that is what may be termed "intermediate credit facilities." And that class of credit has not been and is not now available. Its period runs from six months to three years. Such credits can not be furnished by the commercial banks, and the farmer should not be compelled to increase his mortgage indebtedness to secure them.

In the past these credit demands have been very unsatisfactorily supplied in two ways—commercial banks have granted credit for six months with promise of renewal for the required period. This is unsatisfactory and dangerous, for it depends upon the bank's ability or desire to grant a renewal. At any expiration period of the short-time paper the bank may demand payment. The farmer is thus placed at the mercy of the bank. The bank itself may be unable to longer carry the credit, or it may be unwilling from mere caprice or personal dislike of the borrower to carry out its promise of renewal. More than this, it enables the bank to dictate when the farmer shall market his grain or his live stock. In this way the farmer is compelled to submit his judgment to that of his banker.

It must appear evident that any system of credit that will not be long enough to cover the maturity of a crop or the preparation of live stock for sale and the orderly and profitable marketing of such products is inadequate.

The other form of credit is even worse and more dangerous. It is easy to increase mortgage indebtedness in most instances, for farm property is the most valuable security for credit that can be offered. This increase may be effected in two ways. The original loan can be taken up and a new one with the added increase made. Or a second mortgage can be made for the needed increase.

With the added burden of increased interest charges and renewal charges, and the necessity of providing some means for reducing and finally paying these mortgages, when depression comes, or untoward crop conditions, forfeiture and foreclosure are possible and in many cases are inevitable. While mortgages appear a necessity, and while we should do all in our power to secure low interest rates and easy terms, still the mortgage is the farmer's greatest burden and worst enemy, and everything possible should be done to avoid it and to make it the last credit resort.

The Government through its national bank system and its Federal reserve system has provided for all necessary facilities for procuring and handling short-time credits. It has provided through its Federal land banks and its joint-stock land banks for all long-time credits. It yet remains for the Government to provide an intermediate system through which the farmer can procure credits of from six months to three years duration.

In 1921 Congress created a Joint Committee of Agricultural Inquiry, which was directed to investigate and report, among other things, as to the "banking and financial resources and credits of the country, especially as affecting agricultural credits." This commission consisted of five Members of the Senate and five Members of the House, able and especially qualified for such service. The commission have already made some very valuable reports and recommendations to Congress. Among these is a very able and valuable report on farm credits, with a recommendation for legislation to provide a system of intermediate farm credits to meet the defects which I have just discussed. A bill has been formulated and introduced in both Senate and House.

The main features recommended for this legislation are:

1. That the Federal farm loan act be amended so as to permit the Federal land banks to rediscount paper representing loans upon which money has been advanced to farmers which has been used or is to be used for agricultural purposes, having a maturity of not less than six months nor more than three years for national banks, State banks, and trust companies, savings institutions, and incorporated live-stock loan companies, and also to permit direct loans by the Federal land banks to cooperative associations of farmers organized under State laws, secured by warehouse receipts upon staple agricultural products.

2. It is recommended that Federal farm land banks be permitted to establish separate departments for the purpose of issuing short-time debentures having a maturity of not more than three years, secured by loans of the kinds described in paragraph 1 above.

In view of the fact that these short-time debentures will be materially different from the long-time bonds now issued by the farm land banks and will appeal to a different market, it is essential that the farm land banks should establish separate departments for the purpose of issuing these short-time debentures. That will preclude the possibility of a confusion of either the character or collateral of the long-time bonds and the short-time debentures. Necessary capital for the separate department in the land bank so established shall be furnished from the Federal Treasury.

3. As the rates of interest on short-time loans will in all likelihood differ from the rate of interest on the long-time loans made by farm land banks because of their maturity, it should be understood that the rates of interest on the loans recommended in paragraph 1 hereof and the rates of interest on the short-time debentures covering those loans need not necessarily coincide with the rates of interest on farm land mortgages and farm land bonds covering those mortgages made or issued by farm land banks.

4. That the Federal reserve act be amended, if necessary, so as to permit Federal reserve banks to purchase debentures issued under the terms of this amendment under the same terms and conditions as now govern the purchase of farm loan bonds by Federal reserve banks.

5. That the Federal reserve act be amended so as to permit Federal reserve banks to rediscount for Federal land banks or joint-stock land banks, with their indorsement, any loans made under the terms of paragraph 1 hereof, when within a maturity of six months.

The farm land banks, not having any large fixed capital, must necessarily turn to the investment market for the sale of their bonds or debentures in order to provide working capital with which to make new loans. In view, however, of the seasonal nature of the requirements of the agricultural interests, it would not be practicable to require the farm land banks to borrow in this manner the amounts necessary to satisfy the demands of the farmers at their peak. For that reason it is believed that it is desirable, if not necessary, to permit the Federal reserve banks to rediscount for farm land banks loans made upon the security of agricultural products in the manner described in paragraph 1 hereof whenever these loans come within a maturity of six months. They will then be of a char-

acter and maturity of the kind which Federal reserve banks are now authorized to rediscount for their member banks.

It is not believed that it will be advisable or necessary to permit farm land banks to become members of the Federal reserve system in order to afford them this one facility, and, because of their limited working capital, the commission does not recommend that they be required to make any deposit with the Federal reserve bank as a prerequisite to their right to apply for the rediscount of any of the loans herein referred to.

If these recommendations of the commission are approved by Congress, the result will be an extension of the powers of present existing agencies in such manner as will best be calculated to grant to the farmer immediate and effective credit facilities for that intermediate period for which there is not now sufficient available credit. The approval of these recommendations will, it is believed, effectively and safely bridge the present gap in the two kinds of credit without sacrificing any of the fundamental principles upon which both the farm-loan system and the Federal reserve system must rest.

Until legislation can be secured which will provide in this or some other way for intermediate credits with from six months to three years maturity it will be unwise for us to discontinue the War Finance Corporation. It is confidently hoped that Congress will, without delay, and at least within the period of extension granted, enact the necessary legislation to provide for a permanent intermediate system of farm credits. Such a system will impose no burden upon the people, for it will be entirely self-sustaining. It is greatly needed and will prove a national benefit.

For these and other reasons that might be urged the passage of this bill to extend the time one year for the continuance of the operations of the War Finance Corporation is entirely justified.

Mr. McFADDEN. Mr. Chairman, will the gentleman on the other side use some of his time?

Mr. WINGO. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. SUMNERS].

The CHAIRMAN. The gentleman from Texas is recognized for five minutes.

Mr. SUMNERS of Texas. Mr. Chairman, unless this legislation is favorably acted upon, the life of the War Finance Corporation, in so far as making new loans is concerned, will end July next, and we will be thrown back upon the commercial banks and the credit which may be obtained from cattle loan companies operating on money received from the sale of their own notes to take care of agricultural ranch chattel credits.

In a crisis such as confronted agriculture last year, and through which we have not fully passed, it was demonstrated that these credit-extending agencies could not be depended upon in such a time fully to meet the necessities of the farmer and the ranchman. The country banks themselves in such an emergency required for their own safety such an agency. The uncertainty of these times warns against dispossessing ourselves of any agency of proven efficiency. These are times which call for the maximum of caution and of preparation for any contingency which may be provided against. Aside from the direct beneficial effect upon the agricultural situation which the credit extended through the War Finance Corporation had, the effect was greater upon the general psychology of the situation. And, we must remember, gentlemen, that that thing which is wrong with the world now is more mental than anything else. The world is not yet sane as measured by ordinary standards of world sanity. The extension of the life of this corporation will make the farmer and the stockman as well as the country bank feel more secure. That is of first importance now.

I say this credit extending agency is of proven efficiency. Last year we confronted a situation in the agricultural and livestock sections of the country, as viewed by the ordinary person, as hopeless and as helpless as could be imagined. Prices were on the toboggan, local banks were extended to the limit, and merchants to a very large extent had reached a situation where they could neither obtain nor extend additional credit.

With regard to cotton, while there was a small crop in prospect, and the estimated yield continued to decrease, the price, notwithstanding that fact, continued to decline. Europe, which had taken a large percentage of our cotton, was out of the market in so far as quantity purchases with its own money was concerned. American mills were either closed down or running on very short time. The ability of local banks and of local creditors to extend the time of payment of obligations due them was exhausted. It was the judgment of well-advised men everywhere that when the cotton crop came to maturity last fall it would be forced on the market under this demand for liquidation and would bring with it the entire American carry-over, which was the largest in the history of the industry; and it was the judgment expressed by a group of important American cotton spinners called in conference in Washington that the price would probably go at around 8 cents. The fact of a small crop had no chance to operate on prices. I am not guessing about this.

Immediately after the organization of the Joint Commission of Agricultural Inquiry, of which I was made a member, I made an extended trip through some of the more important cotton States, visiting both the areas of production and of manufacture. There was no hope and no courage among the people there. Their morale was absolutely at the breaking point. This was not limited to the farmers, nor to the country merchants, nor to the country bankers. It was the attitude of the city banker and of the cotton spinner as well.

It was perfectly evident that if the Federal reserve bank system at that time should very greatly liberalize the rediscount privileges extended the country banks, already greatly obligated on their rediscounts, they would not be willing to add to those obligations. Not only were the credits of the banks frozen but the banking system there as a conduit to convey additional credits from the Federal reserve system to the people who needed credit was frozen. It was perfectly evident that any attempt to supply additional credit solely through that agency would be as futile as would be an attempt to force water from a reservoir through a frozen conduit. That situation could not be thawed out from the Federal reserve bank end. In such a condition it was necessary to construct a route around some of the banks in order to get money back to the people, which in turn could thaw out the credit condition of those banks and put them into normal functioning. The necessary relief could not be fed in through the banks. In many instances it had to go around them to the people in order to save the banks and restore their activity.

Very soon after the War Finance Corporation had been fully authorized and equipped to begin its service I went again into this section for the purpose of trying to help bring about a united purpose on the part of the farmers and merchants and bankers of that section to stand resolutely together to save the country, to avail themselves of the credit possible of procurement from the War Finance Corporation and from the Federal reserve system, operating under a liberalized policy. Both were necessary, but I found that the fact that it was proposed by the War Finance Corporation that in the event the local banks could not function in extending the necessary credit to make possible the orderly marketing of that cotton crop the farmers could organize cooperative marketing associations and, under proper conditions and restrictions, procure the necessary credit from the War Finance Corporation, was the most powerful factor in reversing the psychology of that whole section of the country and in renewing its fighting spirit. It was the necessary supplement to and complement of the Federal reserve system to take care of that situation, and the people recognized the fact and felt themselves, by such a provision, equipped to deal with the situation. It was necessary.

In the early fall I also made a trip into the stock-raising section of Texas—an automobile trip of about 1,500 miles—holding numerous conferences with stockmen and local bankers. The situation, if possible, was worse in that section than in the cotton-producing sections. The large cattle-loan companies which held paper against many of the ranchmen were demanding immediate liquidation. This section is peculiarly a breeding section, and under the pressure being exerted upon the ranchmen they were sending their calves and cows to the slaughter market. Their local banks were absolutely powerless to assist them. Those banks are banks of small capitalization. Many of them had reached the state of exhaustion where they could not longer provide credit for the payment of the grocery bills nor the cowboy hire of the ranches, and the cattle-loan companies were refusing in many instances to permit the retention by the ranchmen of any part of the proceeds received from the sale of cattle for the purpose of paying the operating expenses of their ranches.

Gentlemen who are from the North and the East, from the industrial sections, where banks of large capitalization obtain, where the investors in securities reside, have no conception of the situation of an industry like the cattle industry of Texas was in last fall when their breeding stock, which is exactly to their ranches what the machinery of a factory is to the manufacturing plant, was being forced from the ranches, and that, too, not to the feeders of the northern sections but to the slaughter market. With a poor market on one hand, pitiless pressure to sell on the other, with neither credit nor market, these men were literally being destroyed and the future beef

supply of the country was being destroyed in a definite degree. Shall we make possible the recurrence of such a tragedy as that?

When the War Finance Corporation got into operation, it began to extend credit through cattle loan associations, organized largely from capital raised in the cities dependent in a measure upon the cattle industry. And, while the relief extended was not what the situation required, and the plan adopted was not the plan which in my humble judgment ought to have been adopted, still it helped at a time and in a way when there was but little help from any other source, and it helped the psychology of the situation. The bankers' cattle goal failed because the relief which it proposed had to go through the local banks. They were frozen. It matters not how much water is in the reservoir if the pipes leading from it are frozen.

At this time, so I am advised, the big cattle loan companies, many of them are believed to be, and probably with sufficient reason, closely associated with the packing interests, are endeavoring to get out of this business. While bills have been introduced and are pending to provide the necessary longer time chattle credit than is now obtainable, these propositions have not yet been enacted into law. Incomplete and unsatisfactory as is the service being rendered by the War Finance Corporation, we must not destroy it until a better is provided.

In a situation like this, with an experience such as we have recently had and in the face of a condition of uncertainty which yet obtains and the necessity which is well recognized, it seems to me that to fail to continue the War Finance Corporation, an instrumentality of proven efficiency, at least in a definite degree, until some better plan shall have been made possible by the necessary legislation to meet those credit necessities of the farmer and the ranchman, which the ordinary commercial banks have demonstrated themselves unable to take care of in a crisis would be a reckless disregard of a duty which the Congress must not make itself guilty of.

These banks of small capitalization could not take care of the situation. That explains why it is possible for the gentleman from Massachusetts [Mr. LUCE] to make the statement which he made with reference to the fact that the New England States had not demanded this service. That was because the farmer there lives in communities where there are banks of large capitalization and there is much capital to invest in securities. In conclusion I want to direct your attention to the fact that this is not for the farmer alone, not even primarily so. Some such provision as this is required to insure the stability of the commercial banking institutions of the South and West, as I have indicated.

There are two reasons for that. One is that the banks of the South and West serving agricultural territories are banks of small capitalization. The second reason is that the returns from the sale of the products of those communities are seasonal. They fall directly and immediately under the influence of any condition which paralyzes agriculture. And I want to remind the gentleman from Massachusetts that when the cattle loan companies were pressing the western cattlemen and they were sending the cows and the calves that must feed New England to the slaughter market, that was a matter of concern to New England. Some time, somewhere, New England has got to pay the bill in the additional price for its beef and veal that is represented by that economic loss resulting from that situation.

Remember, gentlemen, you can not feed additional money through a frozen conduit, I do not care how much you have got in your reservoir. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. McFADDEN. I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, it is proposed by the legislation before us to extend for the period of one year the authority and activities of the War Finance Corporation. We all realize that this corporation and the operations under it are new and unusual to our practice as a people, and at the time this agency was invoked there was doubt expressed by some as to the wisdom of attempting to extend aid in the way proposed. We were confronted with a very unusual condition at the close of a great war which had caused the most extraordinary financial upheaval that the world has ever witnessed, the greatest disarrangement of values, particularly agricultural values, that has been known at least in modern times.

The War Finance Corporation rendered a very excellent service during the war for the purpose for which it was first constituted, that of aiding exports. I am very glad to be able to say—and I say it out of a very considerable knowledge of the operations of the corporation—that it has been even more successful and more useful in its activities in rendering aid and assistance to the agricultural and live-stock industries of the country. The corporation has been under good management, and so far as any of us here know of its operations—and I think that all of us from the West are quite familiar with them—the corporation has been managed with judgment and with conservatism, and while it has rendered a most useful and valuable service; that service has been rendered along sound and sane business lines. I have no manner of doubt that the advances which have been made will be repaid without more than the usual losses in commercial transactions.

Of course we all realize that an organization of this sort for the purposes for which it was organized is necessarily a temporary expedient. It should not be made permanent. The Government should not permanently go into the loaning business, and this organization through its operation does for the time being, indirectly at least, place the Government in the loaning business. What we hope is that through the inquiries and investigations and discussions that are now being had before the Committee on Banking and Currency that that committee will be able to bring out a measure that we can all support that will perform for the stockmen and for the farmers generally the service of providing a plan whereby there may be rendered available to them on reasonable terms and under favorable conditions the financial resources of the country. [Applause.]

There is no lack of wealth in the country, the owners of which would be willing and are anxious to make investments along the sound and safe lines of agricultural credit. Unfortunately, up to this time much as has been done in the building up of banking institutions on behalf of commerce and industry in general, we have not made adequate provision for that class of credits that the farmer and stockmen, the agriculturists in the broadest sense of the word, need and require. I have confidence that the Committee on Banking and Currency, a committee that has proven its sound judgment and good sense in this Congress, will be able to bring out a measure for agricultural credits that we can all of us support. [Applause.]

Mr. WINGO. Mr. Chairman, I yield to the gentleman from Texas [Mr. BOX].

Mr. BOX. Mr. Chairman and gentlemen of the committee, the present and future welfare of the United States and its people depends upon the prosperity of its farmers and the growth and development of its agricultural and rural life. Among many things needed by the farming interests of the country at least two are of paramount importance. These are improved farm-credit facilities and better marketing conditions.

The banking system of the country has been organized mainly for the benefit of the mercantile, trading, and manufacturing groups. Adequate provision has not been made for our farming and stock-raising interests. The Federal reserve banking system, if operated so as to promote the purpose which prompted its enactment, would go far toward meeting the situation. But while that has proven to be a great banking system, as a measure for liberalizing and enlarging farm credits and making them adequate to the strain of hard situations, it has been disappointing to our farming and live-stock people. This has been due in no small degree to the manner of its management. But one of the tasks before Congress is the establishment of a system of farm credits which will adequately meet the needs of our farmers and small stockmen. These people are engaged in a line of industry first in existence, closest to the bosom of nature, and first in its importance to the life of our people. Without this industry all else would perish.

One of the most ominous developments of our industry and social life is the apparent decline of our farms and country homes and the whole rural life based on them. A few years ago our rural population was two-thirds to three-fourths of the whole population of the country. Now it is one-third. There is every indication that it will continue to grow relatively smaller and less attractive unless we improve our economic and financial systems so as to provide better opportunities for it.

For one, I shall give the need for this change my unfailing attention, with the determination that no effort to bring in a better order of things shall be spared by me.

I have improved every opportunity which I have seen during my service here to work to that end, and on two or more occasions have been gratified to afterwards receive from many of my own people and from the heads of the great organizations representing farming interests here, such as the American Farm Bureau Federation, special letters of thanks for my services in

that connection. The problem is a big one, but the country will have to solve it or take dire consequences, which will inevitably follow the decline and decay of agricultural life in America.

Closely, inseparably, connected with this imperative need is the necessity of working out an adequate marketing system. Our present system of marketing farm products is so imperfect that farmers often can not sell and consumers often can not buy what the farmer produces, though the farmer wants to sell and the consumer wants to buy the products.

Think of millions needing and wanting what other millions in the same country have and want to sell, and yet the producers can not sell and the consumers can not buy. When farm products can be sold they must often go at starvation prices. When the consumers of them can buy at all, they frequently have to pay profiteer's prices for what the producer sells for almost nothing.

This situation must be met. The country has met other great difficulties and must meet this one. The Government can do much and must do it. The people must apply themselves to working it out. They must read about it in their farm papers and in the agricultural bulletins and publications of the Department of Agriculture. They must discuss it in their exchanges and market associations. The classes in agriculture in the public schools should study it continually until the younger men and women of the country understand it better than it is now understood and realize its vital importance.

At the same time the Government, which encourages commerce, banking, manufacturing, and all other activities, and aids in finding markets for other products, must concern itself, not spasmodically but with persistent, efficient determination, in the work of helping the producers to sell and the consumers to buy to the advantage of both and for the permanent and general welfare of the country. [Applause.]

Mr. WINGO. Mr. Chairman, I do not think I shall consume much time, but there are a few things that I should like to discuss of a general nature. I do not think we should fall out with our conservative friends who are afraid of measures of this kind, because they but reflect the natural conservative tendency of the American people. I have no personal fault to find with my good friend from Massachusetts [Mr. LUCE]. He is just as sincere as I am. The gentleman from Massachusetts is one of the ablest and most distinguished Members of the House. Those of us who are associated with him personally know him to be not only a man of great ability but of fine character, and it is always a matter of regret when I differ with him. His viewpoint is the conservative viewpoint of the New England statesman. He simply overlooks certain fundamentals. It is refreshing, of course, to a Democrat to hear a New England Republican protest against class legislation. Sometimes when I hear some of my New England friends protest against class and sectional legislation, when it happens not to be for the benefit of his section or class, I can shut my eyes and imagine I hear a Democrat speaking. It is a little incongruous to hear a New England Republican protest against class legislation, because the wealth and prosperity of New England has been built upon class legislation given them by the American Congress.

Now, Mr. Chairman, there is a reason for that; the evolution of the present credit system is but following the natural evolution of American business. What was the situation? In the beginning, when the American Colonies obtained their independence from England, we were peculiarly an agricultural people. We were prosperous from an agricultural standpoint. But as soon as we gained our political independence we realized that a political independence was worthless unless we had economic independence, and the Colonies were still forced to buy their manufactured goods from England. So the statesmen of all parties in that day agreed that in order to establish an economic as well as a political independence for the American Republic they would foster by special class legislation manufactures, so as to enable manufacturers to build up in the original thirteen Colonies the new Republic. That was a proper and sound policy, and I suspect if the statesmen of to-day were confronted with the same kind of a situation they would act as did their forefathers.

So we started on the road of special class legislation for the manufacturers. The American thought, in spite of all its radical utterances at times, is always in the last analysis conservative when it comes to final action. We talk a great deal and say many things that are radical, but when it comes down to action the American people through their representatives are conservative and slow. We gradually built up the great manufacturing enterprises and developed the independence of American manufacturers which not only enabled them to stand alone but to become the marvel and the wonder of the industrial world and the pride of the American people. I say pride deliberately. I think I know my own self, and I have not in me any jealousy of the people and the industries of other parts of my country. In my humble way in the study of American life and American economics I realize the fundamental proposition that all of our interests are interwoven, and it is to the benefit of the cotton grower of the South and the wheat grower of the West that all parts of the country should prosper, because by that prosperity we enlarge the purchasing power in the domestic markets of our products. The only thing we complain about is that sometimes people in other sections of the country are not as broad as that, and they do not realize that the best purchaser, the best market that the New England and the eastern manufacturers have is the farmer of the South and the farmer of the West, and therefore they should join us in our efforts to build up agriculture. Whenever disaster comes to any industry in any part of the United States all other parts suffer. So far as the Committee on Banking and Currency is concerned, when it comes to considering problems that involve the policy and the credit systems of the United States, we find ourselves very seldom divided on partisan or sectional lines. We try to think of the whole country.

Getting back now to my first thought, while the manufacturers were being built up and growing stronger and stronger with the evolution of American business and world business, the credit needs of American agriculture became more acute. In the pioneer days what need did the farmer have for credit? American agriculture in those early days was largely a proposition of living at home and selling locally principally surplus stuff and getting what cash was needed. The farmer obtained what he needed in the mercantile market near by, purchasing the manufactured product, and his wants were few; but as we developed the American standard of living, as we developed our social organization, the need of the American farmer for things that were manufactured and that he did not produce became larger and larger. Even for the implements with which he pursued his husbandry he had to go more and more into the market for cash or credit with which to get them. Then as the world market developed and as American producers of wheat and cotton and manufactured articles further found their interests interwoven with world markets, we found more and more the need of larger and more extended credit agencies. The Civil War produced the national banking system. That national banking system, gentlemen will recall, is a demand deposit banking system. Necessarily, therefore, it has to confine itself to short-term liquid paper that matures automatically within a short time, so that the commercial banker feels safe at all times in being able to meet the demands of his depositors should those demands become exceptional. What happened? As agriculture developed and its needs for additional credits became larger, was there any credit system built up? Oh, no. The American farmer found that he must go to the same credit window, to the same credit merchant, the short-term commercial banker, and there obtain his credit. In the very nature of things, with the philosophy of the system with which he had to deal, he was compelled to purchase that which was inadequate for his needs—that is, short-term credit—when what he needed in order to thrive and be independent was a credit that was commensurate with his needs, his seasonal needs.

The American cotton farmer needs a credit for 12 months. The wheat grower frequently needs a credit for 12 months and longer. The cattle grower—and though I have no very extensive cattle growing in my district I would be sectional if I did not think of him—in order to be independent and prosper, in order to add to the wealth of the American food supply, must have in some instances a credit of three years. Have we done that for him? Have we treated his needs with the same consideration that we have the manufacturers in my city of Fort Smith? I do not have to go to other parts of the country to find the discrimination. We have built a commercial credit agency that gives my manufacturing friends in the city of Fort Smith greater facilities for their credit needs than are given to the farmer in the same county. It is against that class discrimination that I protest. I do not ask for class legislation for the American farmer. I only demand equality of treatment. During the years of my short service in this House, commencing with the original writing of the Federal reserve act, I insisted that commerce, industry, and agriculture stand side by side, and that the needs of all three should be recognized, each upon an equal footing, and that only by doing that could the American Congress meet not simply class needs but the needs of the entire public of the Nation. Those of you who were here at that time will remember that I insisted when the first proposal came that would limit the paper to from 30 to 60 days that there should be adequate provision for agri-

cultural paper put into the bill, so that it might be discounted for a term of maturity of sufficient length to fit agriculture. The older Members here will remember the fight that I made then. And I do not recall this now for political purposes, because I have no opposition and I am not here to play politics, but I am thinking alone of the welfare of the United States. Finally we got six months' paper, which was the best that we could do, and we were promised by the leaders of both parties that if I would stop my fight at that time, that in the next session of Congress the Congress should take up agricultural credits. So far as the President of the United States, Mr. Wilson, was concerned, that pledge was kept, and he urged it in his message to Congress. We partially met the needs of the American farmer by establishing a land bank system. It was insisted then, and with some merit, that we ought not to intermingle the personal credit of the American farmer with the land bank interest and investment credits, and so the personal credit system was not taken care of, but that was put off until another day.

Commissions of inquiry and investigation went on. My candid judgment is that if the war had not come on the thoughtful men on both sides of the aisle would have evolved a scheme—safe, sound, certain, and reasonable—which would have met the personal credit needs of the American farmer by establishing a separate and distinct agency, not in competition with the short-time commercial banker, who too often in his shortsightedness thinks we who are advocating that are trying to destroy his business—not that, but something of a credit system, well rounded, in which there was the same agency, the same facilities for every class and not simply for one or two classes. But the war came on and that fell through. Gentlemen, I am frank to say I have been more anxious—of course, you have got an excuse that since the war things are unsettled. We have pending in the Committee on Banking and Currency several proposals—the King bill, the Strong bill, the Anderson bill, and others. If we had done what we ought to have done long ago, if we had established a personal credit system commensurate with the needs of the American farmer, we would not have had this legislation here to-day. I am for the extension of this because it is simply a stop-gap, the best you will permit, which will be of some benefit. But, gentlemen, if this Congress does not before this year goes around establish personal-credits machinery for the personal credits of the American farmer, we will be derelict in our duty and we will still face the same emergency that faces us at this particular hour. Gentlemen, I have faith in my country. Oh, we are strong and rich and powerful. What a reflection upon the statesmanship of America that agriculture, here in the most powerful and richest nation on earth, has been permitted to suffer the losses which it did suffer in the last two years. It is a reflection upon all parties and the statesmanship on both sides of the aisle, and the question is, Is American statesmanship bankrupt? If it is not, we can evolve a proper plan and then pass it that will meet all the needs.

Gentlemen, if you will do that you will do more to solve the problems of agriculture than anything else. The American farmer is the most conservative voter you have; he is the most industrious citizen you have in America, and the American farmer is the most law-abiding citizen you have. He does not ask for class legislation, he only asks for equality of treatment, and if you will give him the agencies by which he can work out his own salvation, by which he can meet his own needs, the American farmer will prosper and he will develop the food supply of America, not alone to his own personal interest but he will do it for the welfare and the prosperity of the whole American people. [Applause.] Gentlemen, in the solution of this problem you gentlemen of New England have just as much at stake as we have, because, as I said in the beginning, the farmer of the Wheat Belt, the farmer of the Cotton Belt, the farmer of the cattle-growing territory, they are the best customers you have for your manufactured goods, and if you want to avoid the charge of class legislation then you can no longer delay meeting the needs of agriculture along this line, and if you do it, gentlemen, within the next 10 or 20 years that lie before us the American people will rejoice in the greatest prosperity that has ever blessed a people since the dawn of history. Now, let us get together and do it, and do it at once. Let us quit this thing of every two years, about campaign time, talking about farm credits. Let us do it and quit talking about it. Now, I want to say that I do not say this in any partisan spirit here, because gentlemen will concede that I have not played politics. In the committee I have joined with Republicans and I have joined with Democrats, and I want to say this much to you: You Republicans are in complete control. You not only have the right to frame the legislation but the responsibility rests with you, and I want to say to you in the solution of that problem, in working out such a system of credits for the American farmer, I can pledge to you the united support of every Democrat on this side of the aisle. We are with you.

We recognize it as the most pressing problem confronting Congress, and in behalf, not alone of the farmers as a class, but in behalf of stability and business prosperity of the Nation as a whole, I plead with you to hasten in the solution of that problem and solve it in the only possible way by giving the American farmer an independent, ample system that will meet his long-term personal-credits needs. [Applause.]

Mr. McFADDEN. Mr. Chairman, I yield to the gentleman from Georgia [Mr. CRISP].

Mr. CRISP. Mr. Chairman, I rise to ask leave for my colleague, Judge BRAND, who is a member of the Committee on Banking and Currency, and who is very much in favor of this bill, to extend his remarks in the RECORD. He is in the Hall, but does not feel strong enough to make the request.

The CHAIRMAN. The gentleman from Georgia [Mr. CRISP] asks unanimous consent that his colleague from Georgia [Mr. BRAND] have leave to extend his remarks in the RECORD, Judge BRAND himself being indisposed at this time. Is there objection? [After a pause.] The Chair hears none.

Mr. WINGO. Mr. Chairman, I yield three minutes to the gentleman from Kansas [Mr. TINCHER].

Mr. TINCHER. Mr. Chairman, I am sure everyone appreciated the speech just made by the gentleman from Arkansas [Mr. WINGO]. I do not know that any particular one should be censured that an industry like agriculture was not taken care of when they adopted a financial system for this country, but I am glad to know that my friend from Arkansas [Mr. WINGO] protested against the enactment of the Federal reserve system when it left agriculture out.

There is not any question in the world but that the subject of credits for agriculture that will accommodate the producer in season is a complicated and a hard one, and that it has taken considerable time to work it out. I recall the first session I was here that Mr. Morgan, of Oklahoma, every time he got on the floor talked on that subject. I know the complication the Committee on Banking and Currency are confronted with in this matter, and I am glad to know that there is a determined movement now in that committee, as well as at the other end of the Capitol, toward the end that the class legislation which has been our history in the past is to be done away with, and that agriculture is to come into its own and have the same treatment in our economic system in this country that other industries and other businesses have.

Mr. WINGO. I do not want the gentleman to create the impression that I thought the Federal reserve act was not beneficial to the American farmer. As a matter of fact, thoughtful men, both Republicans and Democrats, thought we went as far in that act as was safe and sound to the American banking system.

Mr. TINCHER. What I said was this, that I wanted to compliment my friend here. The fact is that that was class legislation, was known to him at the time, and he protested. If that protest had been heeded no doubt the farmer would not have suffered as he did by reason of the deflation forced by the system after the war. [Applause.]

Mr. McFADDEN. Mr. Chairman, I believe a careful analysis of the applications made to and the loans made by the War Finance Corporation indicate the great need for an intermediate system of rural credits which will give relief to the agricultural interests of this country.

Now, the operations of the War Finance Corporation have not been confined entirely to the agricultural interests. Loans have been made to the railroads of the East and to some of the Southern railroads. They have been made to the rapid transit companies in New York City; loans have been made to the Baldwin Locomotive Works; loans have been made to the International Harvester Co.; and loans have been made to the cotton farmers of the South and to the cattle farmers of the West. Loans have been made to all classes of industrial institutions and banks, both National and State, in this country, and to some public utilities. So that the uses of the War Finance Corporation have been pretty general. While the larger amount of the loans have been made of late to the agricultural interests, at the same time they have been of indirect benefit to all lines of industry in this country.

Now, the Federal reserve system takes care of the commercial banking system of the country. It does provide in a limited manner for the handling of paper which has a maturity up to six months' time. It has and is now giving great relief to the agricultural interests in the country. There is not any question about that. The farm loan system which has been organ-

ized has made loans throughout the country to the farmers for a long-time period, to an extent of something over $600,000,000, and there is a gap between what that system is doing and the Federal reserve system, which must be taken care of. We have discussed it at different times here, and, as I said yesterday, the committee are considering plans to give this relief. I believe we can assure the people that there will be enacted within the year proper legislation to cover this, and what I mean by that is a system similar to the Federal farm loan system, or perhaps an amendment to the farm loan system or the Federal reserve system, which will provide a system through which these intermediate credits which are desired by the farmers can flow in an orderly manner into the investor's hands. It may be necessary that some capital be contributed by the Treasury, but I believe it has been demonstrated to us that if the Federal farm loan system can finance its loans to the American farmers to the extent it has on a capital of $50,000,000, that a capital of $50,000,000, or not to exceed it, would take care of the short-time rural intermediate credits we are discussing here. I believe we are on the eve of the formation of a plan which will give this necessary relief.

Mr. JOHNSON of Mississippi. I realize this is only temporary legislation. I want to know if it was the expectation of the Committee on Banking and Currency to act upon the Strong bill or the Anderson bill at this session of Congress?

Mr. McFADDEN. I will say to the gentleman that we are considering all the propositions that are before the committee. We have not singled out any one of them. It will probably be a composite of suggestions that may be contained in the several bills.

I called attention yesterday to a bill that I introduced, H. R. 11763, which provides credit relief. It may be that this will be the bill, or a modification of it. But I would not want to say to the gentleman that we are going to report out any one specific bill at this time.

Mr. JOHNSON of Mississippi. But from those bills you hope to work out a longer term of credit for the farmers and stock-raisers?

Mr. McFADDEN. Yes.

Mr. Chairman, much has been said during this debate about winding up the affairs of the War Finance Corporation, I believe that no further extension should be granted for the continuance of this corporation. It is a powerful central bank, governmentally controlled, and all the capital furnished by the United States Treasury and under improper management might be so administered as to do great evil. The way to discontinue its operations is to provide a proper means to take care of the intermediate credits, and then this can be done. I hope that this may be done without Treasury aid by private capital, somewhat in the same manner as joint-stock land banks are now organized, with proper governmental supervision. If Treasury aid is necessary provision should be made to return the capital as soon as possible to the Treasury.

Mr. Chairman, for the information of the Members of the House I am going to put in the RECORD at this point an analysis of the bill to which I have just referred.

The CHAIRMAN. Without objection, the analysis referred to by the gentleman from Pennsylvania may be inserted in the RECORD. [After a pause.] The Chair hears no objection.

Mr. McFADDEN. Mr. Chairman, I wish to say that the bill H. R. 11763, introduced in the House by me on May 23, 1922, contains two parts. Title I of the act contains certain amendments to the Federal reserve act designed to adapt the Federal reserve system more nearly to the needs of the agricultural sections of the United States. Title II is substantially the bill heretofore introduced by Senator CAPPER—Senate bill 3563—providing for a system of live-stock financing. It is believed that the two parts of the bill when taken together contain a fairly complete program of agricultural-credits legislation. The two parts of the bill should be considered separately.

TITLE I.

Sections 1 and 2 of Title I of the bill substitute for a brief paragraph, in section 13 of the present Federal reserve act, a new section to be entitled section 13a, containing a full statement of the conditions under which agricultural and live-stock paper shall be eligible for rediscount with Federal reserve banks.

The new section provides that notes, drafts, or bills of exchange issued or drawn for an agricultural purpose or based on live stock shall be eligible with a maturity of not exceeding six months. In this respect the present law is not changed. The new section provides, however, that where agricultural paper is secured by warehouse receipts covering readily marketable and nonperishable agricultural products it may be eligible for rediscount with a maturity not exceeding nine months. It is also provided that loans on the security of live stock which is being fattened for market—generally termed "feeder loans" as distinguished from loans on breeding herds—shall be eligible for rediscount with a maturity not exceeding nine months. It is believed that these changes will go far toward adapting the machinery of the Federal reserve system to the needs of agricultural communities without at the same time sacrificing in any degree the liquid character so essential to Federal reserve discounts.

To guard against the possibility of a Federal reserve bank investing too large a proportion of its assets in six and nine months paper, it is provided that the Federal Reserve Board may limit the amount of paper of six and nine months' maturities which any Federal reserve bank may discount. It is also provided that the Federal Reserve Board may prescribe regulations designed to insure that nine months warehouse-receipt paper discounted by member banks is issued as part of a program of orderly marketing, and not for speculative holding.

The new section 13a also clarifies the eligibility of notes of cooperative marketing associations issued to finance advances to their members or expenditures of the associations for agricultural purposes. As recently interpreted by the Federal Reserve Board, the present Federal reserve act leaves the matter in considerable doubt.

Section 3 of the bill reduces the minimum capital necessary to render a State bank eligible for membership in the Federal reserve system. It is provided that in towns the population of which does not exceed 6,000 inhabitants State banks may be admitted to membership if their paid-in capital is at least $30,000, and that in towns the population of which does not exceed 3,000 inhabitants State banks may be admitted to membership if they have a paid-in capital of at least $15,000. In each case, however, as a condition of membership, there will be filed with the Federal Reserve Board adequate undertakings of the bank and of its principal stockholders that they will within three years increase their capital to the present statutory limit of $50,000 in towns not exceeding 6,000 inhabitants and $25,000 in towns not exceeding 3,000 inhabitants.

TITLE II.

This title represents an attempt to put live-stock financing on a sound and permanent basis, so that credit can be made available to the live-stock industry upon reasonable terms, both as to interest rate and maturity.

The conditions which make such legislation necessary at this time were explained by Eugene Meyer, jr., managing director of the War Finance Corporation, in his recent testimony before the House Committee on Banking and Currency. He explained that live-stock financing had never been on a sound basis. Ranchmen have been compelled to borrow money upon 90-day or six months maturities to finance a turnover to from two to three years. As long as renewals could be obtained there was no difficulty. But in a time of credit stringency, banks would refuse to renew; new funds would be unobtainable, and breeding herds, immature and unfit for slaughter, would be forced to market. Even where live-stock financing was done in the first instance through live-stock loan companies the same conditions were encountered, for these loan companies were in turn obliged to obtain funds by rediscount with commercial banks.

These conditions emphasize the need of a longer term of credit for breeding herds. A ranchman should be assured when he purchases or replenishes his herd that the money he has borrowed for the purpose will be available until he can repay it out of the orderly marketing of the increase.

With these objects in mind, it is proposed that a system of rediscount corporations be established, to be known as Federal live-stock finance corporations. The Federal Farm Loan Board is authorized to divide the continental United States into from 5 to 10 districts,to be known as live-stock districts, and may organize a Federal live-stock finance corporation in any district upon application of five or more eligible live-stock loan companies in the district.

Any live-stock loan company with a paid-in capital of $100,000 or more, is eligible for membership in the system, and entitled to the rediscount privileges therein provided, and as a condition of membership is required to subscribe to capital stock of a Federal live-stock finance corporation in an amount equal to 25 per cent of the paid-in capital of the loan company. Paper eligible for rediscount must be secured by chattel mortgage on live stock having a market value at least 50 per cent in excess of the face amount of the note secured thereby. The live stock must have been inspected in accordance with regulations to be drawn up by the Federal Farm Loan Board. Such

live-stock paper may have a maturity of not more than one year with provision for renewal of such paper up to three years from its original date.

Any member live-stock loan company is entitled to rediscount with a Federal live-stock finance corporation eligible live-stock paper in an amount not exceeding five times its paid-in capital stock. The bill contemplates that the capital of the loan company, aside from the amount necessary for current operations, shall be maintained in safe and readily marketable securities instead of being invested in loans, as has been the custom among loan companies in the past. It is therefore provided that in addition to the 25 per cent of a loan company's capital stock which is invested in stock of the Federal live-stock finance corporation, a further sum equal to 10 per cent of the amount of all paper rediscounted by the loan company shall be invested in United States securities and pledged with the Federal live-stock finance corporation as additional security. This 10 per cent invested in United States securities will be available in the event that unusual expenditures must be made in an emergency to protect and preserve the live stock forming the principal security. The remainder of the loan company's capital stock is to be retained by the company for operating needs.

In order to obtain funds to finance their rediscount operations, it is contemplated that Federal live-stock finance corporations will issue bonds, secured by eligible live-stock paper, and by the 10 per cent deposit of Government securities above mentioned. The bonds will have maturity of from one to three years, and any bonds issued up to June 30, 1925, will be tax exempt. Thereafter they will be taxable. It is believed that with the conservative provisions for security, and the additional backing of the capital stock of the rediscount corporation and of the live-stock loan company, such paper will be readily marketable at a relatively low rate of interest.

In order to assure purchasers of these bonds of the integrity of their security, it is provided that there be appointed by the Federal Farm Loan Board, for each Federal live-stock finance corporation, a Federal custodian who will act as chairman of the board. The bonds will be issued under a collateral trust agreement between the Federal custodian and the corporation, which will require the Federal custodian to certify upon each bond issue that the required securities are in his possession; that they are accompanied by inspection reports indicating that the property has been inspected in accordance with regulations of the Federal Farm Loan Board; and that he has an opinion of counsel that they are in proper legal form. It is not contemplated—as is the practice in the case of Federal farm-loan bonds—that the actual mortgages will be submitted to the Federal Farm Loan Board in Washington.

It is provided that the rediscount rate charged by a Federal live-stock finance corporation shall be not less than one-half of 1 per cent and not more than 1 per cent in excess of the rate at which bonds are sold. In addition, the live-stock loan company is authorized to charge 1½ per cent in excess of the rediscount rate, besides a reasonable inspection fee, to be regulated by the Federal Farm Loan Board.

In addition to the capital stock in a Federal live-stock finance corporation subscribed by the member corporations, the Secretary of the Treasury is authorized to subscribe temporarily an amount of capital stock equal to 25 per cent of the subscriptions of member corporations. It is provided that the Government subscription will be retired out of earnings within a reasonable time.

Capital stock in a Federal live-stock finance corporation will receive out of earnings 6 per cent cumulative dividends. Earnings in excess of 6 per cent will go into a surplus fund until the fund amounts to 25 per cent of the subscribed capital stock. Thereafter all excess earnings will go, first, to retire the stock subscribed by the United States; second, to pay an additional dividend of 2 per cent; third, to increase the surplus of the corporation until it equals the subscribed capital, and any amount in excess to the United States as a franchise tax.

In considering the effectiveness of this bill the following points should be borne in mind:

1. The bill is not designed to take over the whole live-stock loan business of the United States. It contemplates that much of this business will still be conducted through local banks, through nonmember live-stock loan companies, or through other sources. There will still be a substantial amount of live-stock paper, which does not comply with the technical requirements of the bill with respect to margins, and so forth, but which on account of the financial condition and character of the maker of the paper is entirely safe from a banking viewpoint, and it is expected that this will find its way, as it has in the past, into the normal banking channels. The purpose of this bill, however, is to provide a means by which the best quality of live-stock paper, complying with definite standards upon which investors can rely, can be used as a means of raising a substantial amount of funds at reasonable rate, and upon terms, with respect to maturity, which will render it unnecessary for the borrower to concern himself every 90 days or six months with renewals.

2. Except for a temporary and limited use of Government funds for capital stock of the corporations, the bill does not contemplate the pledging of Government credit or the lending of Government money. The functions of the United States Government, as contemplated in the bill, are substantially restricted to the supervision and safeguarding of the security, and the regulation of the terms upon which bonds may be issued. In this respect the bill follows the analogy of the Federal farm loan act.

3. Title 2 of the bill is confined exclusively to live-stock financing, and does not attempt to set up any new machinery for general agricultural credits. It is believed that the financing of live stock, especially so far as the breeding herds are concerned, requires a special machinery of its own. It is impracticable to finance seasonal agricultural operations by means of bond issues, just as it is unsound to finance the three-year turnover of a ranchman out of banking funds representing demand deposits. A farmer engaged in raising commodities for the market can not tell in advance precisely when he will need his money, nor can he anticipate when he will be able to sell his products and repay the loan. Current agricultural financing should, therefore, be provided by a modification and expansion of our banking system rather than by new machinery based upon the sale of bonds in the investment market. Moreover, to the average investor a standardized security, such as would be provided by bonds based solely on live stock, is greatly preferable to a mixed security. It is believed that the addition of general farm paper to the security provided in the bill would greatly diminish the salability of the bonds.

4. The bill renders bonds of the Federal live-stock finance corporations tax exempt, but only in so far as they are issued on or before June 30, 1925. It is believed that tax exemption will be of great assistance in setting the machinery on its feet. At the same time it is recognized that a permanent policy of permitting tax-exempt issues of this character is open to serious objection. It is believed that by the time the bonds will, under the terms of the bill, become taxable, the system will have had an opportunity to establish itself on such a basis that funds will be available at reasonable rates without the artificial stimulus of tax exemption.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the first sentence of section 23 of the War Finance Corporation act, approved April 5, 1918, as amended, is amended to read as follows:

"SEC. 23. That notwithstanding the limitation of section 1, the advances provided for by section 21 and section 22 of this act may be made until July 1, 1923."

SEC. 2. That the last sentence of section 24 of such act as amended, is amended to read as follows:

"Advances or purchases may be made under this section at any time prior to July 1, 1923."

With a committee amendment, as follows:

Strike out all after the enacting clause and insert the following:

"That the time during which the War Finance Corporation may make advances and purchase notes, drafts, bills of exchange or other securities under the terms of sections 21, 22, 23, and 24 of the War Finance Corporation act, as amended, is hereby extended up to and including May 31, 1923: *Provided*, That if any application for an advance or for the purchase by the War Finance Corporation of notes, drafts, bills of exchange, or other securities is received at the office of the corporation in the District of Columbia on or before May 31, 1923, such application may be acted upon and approved, and the advance may be made or the notes, drafts, bills of exchange, or other securities purchased at any time prior to June 30, 1923.

"SEC. 2. That the second paragraph of section 12 of title 1 of the War Finance Corporation act, as amended, be further amended to read as follows:

"'The power of the corporation to issue notes or bonds may be exercised at any time prior to January 31, 1926, but no such notes or bonds shall mature later than June 30, 1926.'

"SEC. 3. That paragraph 3 of section 15 of title 1 of the War Finance Corporation act, as amended, be amended by striking out at the beginning of said paragraph the words 'beginning July 1, 1922,' and inserting in lieu thereof the words 'beginning July 1, 1923.'

"That paragraph 4 of said section 15 be amended by striking out at the beginning of said paragraph the words 'After July 1, 1922,' and inserting in lieu thereof the words 'After July 1, 1923.'"

Mr. LUCE. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Massachusetts moves to strike out the last word.

Mr. LUCE. Mr. Chairman, I do this in order to comment briefly upon the observations made by the gentleman from Iowa [Mr. TOWNER]. For the sake of historical accuracy, and not to engage in controversy at all and not to criticize, but in order that the historian of the fiat money movement of 1924 may prop-

erly describe its genesis, I would like to suggest to the gentleman from Iowa that he misunderstood the circumstances when he suggested that the purpose of this bill is to furnish time for liquidating the business of the War Finance Corporation. Under the act loans made for export purposes can be renewed for five years, and under the change that was made in extending it to the field of agricultural banking, if I may call it such, provision was made for a renewal of loans for three years. Therefore, there is no occasion for this bill at this time in order to liquidate.

The bill is being enacted in order that the corporation may make absolutely new loans after the 1st of July. It is giving 12 months more to this corporation to engage in new business. The present business can all be handled under the law, and there will be ample time for it. It will be unfortunate if readers of the RECORD, in attempting to understand the situation, should gather from what was said yesterday and what has been said to-day that the purpose of this law is to wind up the affairs of the corporation. The purpose of the law is to permit new business to be transacted between the 1st of July this year and the 1st of July next year.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Certainly.

Mr. TOWNER. I think the gentleman misunderstood my statement. The statement I made was, if I remember correctly, that it would have been possible for the War Finance Corporation to have had an extension of six months. Of course, the gentleman understands that that does not mean that they could wind up these long-time loans. Provision was made in the original act for that. I did not say that the only purpose of this extension was to give them time to wind up their affairs. I said that for the reason that there had been no provision made for an intermediate credit system to take the place of this it was necessary that they should have a longer time.

Mr. LUCE. With the last statement of the gentleman, Mr. Chairman, I do not take issue. I simply wanted to get into the RECORD the fact that neither in his letter to the President nor in his statement to the Banking and Currency Committee, if my recollection is correct, did Mr. Meyer ever suggest the desirability of more time for the purpose of winding up the business. There are other reasons that have not been as yet commented upon, but this extension is not for the purpose of convenience in liquidation.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CROWTHER rose.

Mr. STEAGALL. Mr. Chairman, I desire to be recognized in opposition to the amendment.

The CHAIRMAN. The gentleman from Alabama is recognized.

Mr. STEAGALL. Mr. Chairman, broadly speaking, the whole question under consideration since the termination of the war with respect to the Finance Corporation act has been the question of the liquidation of the business of the corporation.

The War Finance Corporation was established originally to assist in the conduct of the war, and after the termination of the war the question presented to Congress has been when and how best to terminate the activities of the corporation without disturbing and upsetting the business interests of the country, which, of course, had felt to a great extent the influence of the use of the vast amount of capital making up the stock of this corporation. So that it can not be accurately said that in the bill now before us an effort is made to venture upon as a new field of banking and to set up a new banking scheme by which loans are to be made directly with capital supplied by the Government. The question with which we are dealing is when it will be wise and prudent and practicable to have the War Finance Corporation wind up its affairs and quit business without disturbing unnecessarily and unwisely the business of the country. We think, many of us, that it was wise, in the disturbed condition following the war, to make use of this great agency of the Government to afford credit to aid in the exportation of American products, both from factory and farm, and later to use this fund and this instrumentality for the purpose of affording credit to the agricultural interests of the country that were suffering peculiarly as the result of the conditions growing out of the war. Nobody expects that this is to become a permanent thing. It is only thought that we will try to utilize it until we can establish some system that is adapted permanently to accomplish the purpose of affording stable credit agencies to the agricultural interests of the Nation.

I do not mean by that that the Government will undertake, as it does in the matter of the War Finance Corporation, to afford the capital; but that a plan may be worked out whereby the farmers of the country may assemble their assets and utilize their resources for the purpose of obtaining credit in the open market. We should by all means create some agency adapted to this work and enable the farmer to obtain credit adapted to his needs, both in volume and in terms and interest rates. We must solve this problem and put the farmer upon an equal footing with the merchant and manufacturer in credit facilities. Not by direct Government loans but by a banking agency under Government supervision and safeguards suited to his needs. Let us do this without further delay. But let us not terminate the War Finance Corporation until we have something to take its place. We must not risk any more shocks and disturbances to agriculture in existing conditions. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. McFADDEN. Mr. Chairman, I move that the committee do now rise and report the bill with the amendment to the House with favorable recommendation.

The CHAIRMAN. The gentleman from Pennsylvania moves that the committee do now rise and report the bill with an amendment to the House, with the recommendation that the amendment be agreed to and that the bill as amended do pass. The question is on agreeing to that motion.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (S. 2775) to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to a third reading, and was accordingly read the third time and passed.

On motion of Mr. McFADDEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted—

To Mr. BRENNAN (at the request of Mr. MICHENER), indefinitely, on account of illness in his family.

To Mr. LYON, for one week, on account of important business.

To Mr. VINSON, for 10 days, on account of important business.

ENROLLED JOINT RESOLUTION SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution of the following title, when the Speaker signed the same:

H. J. Res. 339. A joint resolution making available funds for repairing and restoring levees on the Mississippi River above Cairo, Ill.

POST OFFICE APPROPRIATIONS.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to file a conference report on the Post Office appropriation bill for printing in the RECORD. It will be ready shortly after the adjournment of the House.

The SPEAKER. The gentleman from Illinois asks unanimous consent to file for printing in the RECORD under the rules a conference report on the Post Office appropriation bill at any time up to midnight to-night. Is there objection?

Mr. WINGO. Reserving the right to object, I presume the gentleman has consulted with the ranking minority member?

Mr. MADDEN. We all agree.

Mr. WINGO. All right.

REPORTS OF NATIONAL BANKS.

Mr. CAMPBELL of Kansas. Mr. Speaker, I have a privileged resolution here providing for the consideration of another bill from the Committee on Banking and Currency. In order to save time I ask unanimous consent for the consideration of House bill 8996, and that the general debate be limited to 20 minutes, 10 minutes on a side.

Mr. DOWELL. What is the purport of the bill?

Mr. CAMPBELL of Kansas. Limiting the number of reports required to be made by national banks in any one year, reducing the number from five to three.

The SPEAKER. The gentleman from Kansas asks unanimous consent for the immediate consideration of House bill 8996, and that the general debate be limited to 20 minutes, 10 minutes in favor and 10 minutes against the bill. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the title of the bill (H. R. 8996) to amend paragraph 440, section 5211, act of June 3, 1864.

The SPEAKER. This bill is on the Union Calendar. The Chair thinks it is a fair interpretation of the request which was granted that the House should go into Committee of the Whole House on the state of the Union for the consideration of the bill. The gentleman from Kansas [Mr. CAMPBELL] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8996) to amend paragraph 440, section 5211, act of June 3, 1864, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. McFADDEN. Mr. Chairman, all this bill does is to change one word in section 5211 of the Revised Statutes. It changes the word "five" to "three," which applies to the number of reports that the Comptroller of the Currency is authorized to ask in each year from national banks.

Mr. WINGO. Mr. Chairman, I deeply sympathize with the gentleman from New York [Mr. CROWTHER], who charges that all leading Republican American newspapers are against the pending tariff bill and says there is a growing sentiment in the country against protection.

The gentleman had to go away down to Texas for the only persons he could find that indorsed the pending tariff bill, which, of course, is not the old protective tariff but is an outright prohibitive tariff. He asks, "When are we going to have a tariff law?" I ask the gentleman the question himself, "When are you going to pass the tariff bill?" The gentleman's party has an overwhelming majority in this House and in the other end of the Capitol, and every business man in America would like to know just when this do-nothing, wiggle-wobble administration is going to settle down to the major problem which confronts them, which is the matter of taxes, and one of the major tax measures is the tariff bill. I do not know what is going on behind the Republican scenes. The gentleman lifted the curtain a little bit. He must understand why we are kept here all summer. Nobody knows when we are going to get through. The Republicans are quarreling behind closed doors, each one fighting for his own special privilege. That is the trouble when you get to indulging in class legislation. They fall out among themselves when it comes to a division of the swag; and so this Republican administration, like the famous snake railroad—

> Wiggles in and wobbles out,
> And leaves the people all in doubt,
> Whether, in its zigzag track,
> 'Tis going west or coming back.

The gentleman talks about the election. He said something about that, and he had the wisdom to predict that the only hope of even the protectionists lies in a Democratic Congress. That is true. A Democratic Congress could exercise more intelligence in enacting even a protective tariff bill than this administration and this Republican Congress have thus far exercised, because a Democratic Congress would possess both intelligence and courage.

Mr. CROWTHER. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. CROWTHER. The gentleman wants to know when we are going to have a tariff bill. I will tell him that under the present rules of the other body we shall have a tariff bill just as soon as the Democratic windjammers get through.

Mr. WINGO. Democratic windjammers? What about your Republican windjammers? Why, you have the votes in the Senate. The Republicans of the Senate took eight months behind closed doors, excluding the Democrats, to report the bill, and now you can not get a majority of the Republicans to stay on the job much less approve the monstrosity, which the gentleman himself admits is condemned and ridiculed by even leading Republican newspapers. The more it is studied, the more disgusted even Republicans are.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. GARNER. It took them eight months to windjam by Republicans behind closed doors in order to get the bill out of the committee to the floor of the Senate.

Mr. WINGO. In other words, the gentleman from New York confesses that even under gag rules, with the distinguished present occupant of the chair [Mr. CAMPBELL] at the head of the Rules Committee, under this administration most of the bills, even those which are privileged, must be considered under special gag rules so that the Republican Members may "hog tie" themselves in advance in order that they may be protected against their own weakness.

The gentleman confesses that under this administration with a big majority in both Houses and with the genial gentleman at the other end of the avenue in charge of the party, you can not find out what you want to do, and when you think you have found out, you are lacking in either the intelligence or courage to do it.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. McFADDEN. Mr. Chairman, now that the merits of the bill have been so thoroughly discussed, I ask that it be read for amendment.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That paragraph 440 of section 5211 of the act of June 3, 1864, as amended, 1877, be amended to read as follows:

"440. Every association shall make to the Comptroller of the Currency not less than three reports during each year, according to the form which may be prescribed by him, verified by the oath or affirmation of the president or cashier of such association, and attested by the signature of at least three of the directors. Each such report shall exhibit in detail and under appropriate heads the resources and liabilities of the association at the close of business on any past day by him specified, and shall be transmitted to the comptroller within five days after the receipt of a request or requisition therefor from him, and in the same form in which it is made to the comptroller shall be published in a newspaper published in the place where such association is established, or if there is no newspaper in the place then in the one published nearest thereto in the same county at the expense of the association, and such proof of publication shall be furnished as may be required by the comptroller. The comptroller shall also have power to call for special reports from any particular association whenever in his judgment the same are necessary in order to a full and complete knowledge of its condition."

Mr. KING. Mr. Chairman, I move to strike out the last word and ask unanimous consent to extend my remarks in the RECORD on the subject of agricultural credits.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McFADDEN. Mr. Chairman, I move that the committee do now rise and report the bill without amendment to the House, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 8996, and had directed him to report the same back to the House with the recommendation that it do pass.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time and passed.

On motion of Mr. McFADDEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

ADJOURNMENT.

Mr. McFADDEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 18 minutes p. m.) the House adjourned until Monday, June 5, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

622. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination and survey of Lake Washington ship canal, Washington (H. Doc. 324), was taken from the Speaker's table, referred to the Committee on Rivers and Harbors, and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. HAUGEN: Committee on Agriculture. H. Res. 357. A resolution directing the United States Department of Agriculture and the Post Office Department to investigate the feasi-

bility of furnishing market prices of cotton, corn, wheat, live stock, and dairy products by radiophone to the farmers; with amendments (Rept. No. 1064). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. O'CONNOR: Committee on Naval Affairs. S. 1690. An act to correct the military record of John Sullivan; with an amendment (Rept. No. 1063). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WRIGHT: A bill (H. R. 11886) authorizing the acceptance of the proposal of Henry Ford for the completion and leasing of the dams and hydroelectric plants at Muscle Shoals and for the purchase of nitrate plant No. 1, nitrate plant No. 2, the Waco Quarry, and the interest of the Government in the Gorgas Warrior River steam plant, all in the State of Alabama, dated May 31, 1922; to the Committee on Military Affairs.

By Mr. COLTON: A bill (H. R. 11887) providing for location, entry, and patenting of lands within the former Uncompahgre Indian Reservation in the State of Utah, containing gilsonite, or other like substances, and for other purposes; to the Committee on the Public Lands.

By Mr. WILSON: A bill (H. R. 11888) extending jurisdiction of the Mississippi River Commission; to the Committee on Flood Control.

By Mr. COLTON: A bill (H. R. 11889) providing for the sale and disposition of lands within the former Uncompahgre Indian Reservation in the State of Utah containing gilsonite or other like substances; to the Committee on the Public Lands.

By the SPEAKER (by request): Memorial of the Legislature of the State of Maryland, urging the passage of House bill 10734; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHINDBLOM: A bill (H. R. 11890) granting an increase of pension to Charles Wilson; to the Committee on Pensions.

By Mr. FITZGERALD: A bill (H. R. 11891) granting a pension to Ella H. Candy; to the Committee on Invalid Pensions.

By Mr. GILLETT: A bill (H. R. 11892) granting a pension to Laura M. A. Jones; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 11893) for the relief of Marion F. Wade; to the Committee on Military Affairs.

Also, a bill (H. R. 11894) for the relief of Thomas R. Powers; to the Committee on Claims.

By Mr. HAYS: A bill (H. R. 11895) granting an increase of pension to William H. Hayes; to the Committee on Invalid Pensions.

By Mr. JAMES: A bill (H. R. 11896) granting a pension to John L. Williams; to the Committee on Pensions.

By Mr. KUNZ: A bill (H. R. 11897) for the relief of Ovid Lemieux and Joseph M. Caulfield; to the Committee on Claims.

By Mr. McLAUGHLIN of Nebraska: A bill (H. R. 11898) granting an increase of pension to Caroline Kinsloe; to the Committee on Invalid Pensions.

By Mr. SPEAKS: A bill (H. R. 11899) granting a pension to Sylvester Condon; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 11900) for the relief of First Lieut. Claude L. Gamble, Quartermaster Corps, United States Army; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5881. By the SPEAKER (by request): Resolutions adopted by the twenty-ninth convention of the Brotherhood of Locomotive Firemen and Enginemen, assembled in Houston, Tex., relative to the proposed steps to be taken by the Government regarding Alaska; to the Committee on the Public Lands.

5882. By Mr. BARBOUR: Petition of Poplar Grange, No. 359, Porterville, Calif., urging the election of farmer stockholders as officers of the Federal land banks; to the Committee on Banking and Currency.

5883. By Mr. BURTON: Evidence in support of House bill 11875, granting a pension to Alice L. Byers; to the Committee on Invalid Pensions.

5884. By Mr. CLASSON: Petition of John O. Miller and others, of Mariette, Wis., for the establishment of a Jewish national homeland in Palestine; to the Committee on Foreign Affairs.

5885. By Mr. DUPRÉ: Resolutions of Order of Eastern Star, Grand Chapter of Louisiana, in behalf of the Sterling-Towner bill; to the Committee on Education.

5886. By Mr. GALLIVAN: Petition of F. L. Dunne & Co., Boston, Mass., protesting against paragraphs 1109 and 1110 of House bill 7456; to the Committee on Ways and Means.

5887. By Mr. HAYS: Petition of Fred Stuart, of Ava, Mo., and 86 other citizens of Douglas County, in favor of passage of Senate bill 3310 and House bill 7213; to the Committee on Invalid Pensions.

5888. By Mr. JAMES: Resolution adopted by the Presbytery of Lake Superior at Sault Ste. Marie, Mich., indorsing Senate Joint Resolution 31, relative to enacting uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

5889. By Mr. KISSEL: Petition of Commercial Standards Council, New York City, urging the passage of House bill 10159; to the Committee on the Judiciary.

5890. Also, petition of Devoe & Raynolds Co. (Inc.), New York City, relative to paragraph 62 of House bill 7456; to the Committee on Ways and Means.

5891. By Mr. McLAUGHLIN of Nebraska: Petition of sundry citizens of Seward, Seward County, Nebr., protesting against the passage of House bill 9753, or any other Sunday bill; to the Committee on the District of Columbia.

5892. By Mr. RIDDICK: Petition of residents of Dodson and Gallatin County, Mont., urging passage of the Towner-Sterling bill; to the Committee on Education.

5893. Also, petition of veterans of the Spanish-American War, Bridger, Mont., urging that adjusted compensation bill be amended to give bonus to Spanish War veterans; to the Committee on Ways and Means.

5894. Also, petition of farmers of Aloe, Power, Emory, Enid, and Fairfield, Mont., urging the revival of the United States Grain Corporation; to the Committee on Agriculture.

5895. By Mr. SNYDER: Petition of Immanual Congregational Church, West Winfield, N. Y., protesting against a treaty which will return the Armenians to unrestricted Turkish control; to the Committee on Foreign Affairs.

5896. By Mr. TAYLOR of Arkansas: Petition of Mr. B. Bluestone and Mr. I. B. Williams, Rison, Ark., favoring adoption of a resolution for establishment of the national Jewish homeland in Palestine; to the Committee on Foreign Affairs.

5897. By Mr. WATSON: Petition of citizens of Norristown, Montgomery County, Pa., favoring the Bursum bill; to the Committee on Invalid Pensions.

5898. Also, resolution passed by the Pennsylvania State Chamber of Commerce at its annual meeting, October 11, 1921, favoring the adoption of the amendment to the Constitution of the United States concerning nontaxable securities; to the Committee on the Judiciary.

5899. By Mr. WILLIAMSON: Resolutions adopted by the Hecla Commercial Club urging the passage of the Sweet bill, relative to State railway commissions; to the Committee on Interstate and Foreign Commerce.

5900. Also, resolutions adopted by the Aberdeen Commercial Club, favoring the passage of the Sweet bill, relative to State railway commissions; to the Committee on Interstate and Foreign Commerce.

5901. By Mr. WOODYARD: Memorial relative to completion of river improvements in the Ohio River; to the Committee on Rivers and Harbors.

SENATE.

MONDAY, *June 5, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. WATSON of Indiana obtained the floor.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Frelinghuysen	McKinley	Smoot
Brandegee	Gooding	McLean	Sterling
Cameron	Hale	McNary	Sutherland
Capper	Harris	Nelson	Swanson
Caraway	Harrison	Newberry	Townsend
Colt	Heflin	Nicholson	Underwood
Culberson	Johnson	Oddie	Walsh, Mass.
Cummins	Jones, N. Mex.	Page	Walsh, Mont.
Curtis	Kellogg	Phipps	Warren
Dial	Kendrick	Pittman	Watson, Ga.
Dillingham	Keyes	Rawson	Watson, Ind.
Edge	Ladd	Sheppard	Willis
Ernst	La Follette	Shortridge	
France	McCumber	Simmons	

Mr. UNDERWOOD. I wish to announce the necessary absence, on account of illness, of the Senator from Florida [Mr. FLETCHER]. I ask that this notice may continue during the day.

Mr. CURTIS. I desire to state that the Senator from Washington [Mr. JONES] is absent on official business.

The VICE PRESIDENT. Fifty-four Senators have answered to their names. A quorum is present.

Mr. WATSON of Indiana. I have agreed for a moment or two to yield to the Senator from Wisconsin [Mr. LA FOLLETTE] to call up a couple of resolutions in which he is interested and which he assures me will take no time for debate.

NAVAL OIL RESERVE LEASES.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent for the present consideration of Senate Resolution 294. I am certain it will lead to no debate and that it can be disposed of immediately.

The VICE PRESIDENT. The Secretary will read the resolution for information.

The reading clerk read the resolution submitted by Mr. LA FOLLETTE and reported from the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That S. Res. 282 is hereby amended by adding at the end of said resolution the following:

"That the said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpœnas or otherwise; to require the production of books, papers, and documents; and to employ counsel, experts, and other assistants, and stenographers, at a cost not exceeding $1.25 per printed page. The chairman of the committee, or any member thereof, may administer oaths to witnesses and sign subpœnas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law. The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate."

Mr. WARREN. Mr. President, may I ask the Senator which committee will conduct the investigation?

Mr. LA FOLLETTE. The Committee on Public Lands and Surveys is to carry on the investigation. This is an amendment to the resolution directing the investigation regarding the leasing of certain naval oil reserves and especially the Teapot Dome in Wyoming.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

The resolution was considered by unanimous consent and agreed to.

PRICES OF CRUDE OIL AND GASOLINE.

Mr. LA FOLLETTE. I now ask unanimous consent for the present consideration of Senate Resolution 295. I will take a moment to state that it is an amendment to the resolution introduced by the junior Senator from Tennessee [Mr. MCKELLAR] directing the Committee on Manufactures to make an investigation into the prices of crude oil and gasoline. I introduced the present resolution as an amendment to that resolution and had it referred to the Committee to Audit and Control the Contingent Expenses of the Senate. It was reported back favorably on Saturday, and I now call it up and ask for its present consideration.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That Senate Resolution 292 is hereby amended to read as follows:

"*Resolved*, That the Committee on Manufactures, or any subcommittee thereof, be, and it is hereby, authorized and instructed to investigate and report to the Senate as early as possible—

"First. The stocks of crude oil, gasoline, and other petroleum products at refineries or elsewhere in the United States at the end of each month for the years 1920, 1921, and 1922, and the holders or owners thereof.

"Second. The prices of crude oil, gasoline, and other petroleum products during the several months in said years and their relations to each.

"Third. Whether or not the recent increases or other recent changes in the prices of gasoline or of other petroleum products have been made generally or uniformly by all companies, and whether there have been marked local differences in the price changes made.

"Fourth. The profits of companies refining and marketing petroleum in the United States for the years 1920, 1921, and the first half of 1922.

"Fifth. Whether there is any natural reason for the changes of prices of crude oil, gasoline, and of other petroleum products, or whether there has been any understanding or agreement between various oil companies to raise or depress prices, or whether there are any conditions of ownership or control of oil properties or of refining and marketing facilities in the industry in any part of the country or branch of the business which prevent effective competition.

"Sixth. And all such facts as bear upon the recent changes in prices of crude oil, gasoline, or other petroleum products or upon any other of the foregoing matters.

"The said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpœnas or otherwise; to require the production of books, papers, and documents; to employ counsel, experts, and other assistants; and to employ stenographers, at a cost not exceeding $1.25 per printed page. The chairman of the committee, or any member thereof, may administer oaths to witnesses and sign subpœnas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee, or appears and refuses to answer questions pertinent to said investigation, shall be punished as prescribed by law. The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate."

PROPOSED MERGER OF STEEL COMPANIES.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Federal Trade Commission relative to the proposed merger of certain steel companies, in response to Senate Resolution 286. The communication will be referred to the Committee on the Judiciary and printed.

Mr. LA FOLLETTE. Mr. President, the communication just laid before the Senate is very short. I had an opportunity to see it, and I ask to have it read. It will take but a few moments.

Mr. WATSON of Indiana. Mr. President, I would like to proceed. Can not the letter be read later on? I have already yielded pretty well to my friend.

Mr. LA FOLLETTE. It would take not to exceed 10 minutes to read it, but if the Senator is anxious to proceed I will wait until he has concluded, and then I shall take the floor and read the communication into the RECORD.

Mr. WATSON of Indiana. I will be obliged to the Senator if he will do that.

Mr. LA FOLLETTE. Very well.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. WATSON of Indiana. Mr. President, there were two courses open to the Republican members of the Finance Committee with reference to the discussion of the pending amendment, and whichever course was chosen we were bound to be more or less at a disadvantage from the beginning because of the ability and the insistence of the opposition.

One course was to refrain from debate. We had been led at the beginning to believe that our friends, the enemy, did not intend that this bill should be passed until a short time before the election. We still believe that. So if we indulged in debate we but played into their hands, and, in a sense, helped to filibuster our own bill. Believing that this measure when passed and placed in operation would justify itself, we chose the opposite course and determined to refrain almost wholly from debate; but, having chosen that course, it was not free from difficulties, for the reason that Senators upon the other side insisted upon asking questions of the chairman of the Committee on Finance, the Senator from North Dakota [Mr. MCCUMBER], and the senior Senator from Utah [Mr. SMOOT]. Thus pressed with questions, those Senators could not fail to respond, because if they had chosen such a course they would have been charged either with ignorance or with mendacity or with purposely declining to debate the great proposition for which they, above all others, stood as sponsors on this floor. So it was not altogether possible for them to refrain from debate. They felt compelled to answer questions, and therefore, later on, to explain items and schedules of the bill. This, of course, has all taken time; and yet it is quite evident that this bill is not to be passed until shortly before the elections; and it is my present view that our friends will permit it to be passed then.

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Ohio?

Mr. WATSON of Indiana. I do.

Mr. POMERENE. As one Member on this side of the Chamber, I certainly shall not consent to a filibuster; but in view of the fact that the discussion of this bill began on April 20, 1922, and we have now been, perhaps, six weeks in the discussion, and this side of the Chamber is charged with a filibuster, and in view of the further fact that the House of Representatives began consideration of the bill on January 6, 1921, and it took from January 6, 1921, until April 11, 1922, to get a report from the Finance Committee, let me ask the Senator in all candor, Is he quite fair when he charges Senators on this side of the aisle with a filibuster and an effort to delay? Might we not with more force charge Senators on the other side with being, perhaps, guilty of some sinister purpose when they have taken this long time to get the bill into the Senate?

Mr. WATSON of Indiana. Mr. President, that is a fair question from a fair-minded man, and I shall be very much pleased to answer it.

In the first place, everybody knows that all revenue legislation must originate in the House of Representatives, and that after the internal revenue tax bill had been passed by the House of Representatives and brought over here it was the unanimous verdict of the country and the consensus of opinion in the Senate that the consideration of the tariff bill should be temporarily suspended by the Finance Committee until the internal revenue legislation was out of the way. We followed that course, and, as I now look back upon it, I think wisely. Of course, it took a great deal of time to formulate the revenue measure and it took a great deal of time to pass it through the Senate. Immediately after that the consideration of the pending measure was resumed by the Finance Committee.

That committee labored assiduously and unremittingly from 9 o'clock every morning until 5 o'clock or 5.30 o'clock every evening in the consideration of the measure. We found untoward conditions; we found unusual situations; the commerce of the whole world was in a chaotic condition; values were uncertain; costs were changing; prices were shifting. We labored as no other committee has ever labored within my knowledge of legislation to get at the real facts, to find the basic truths. After we had thus labored we brought forth this bill, which I believe under all the circumstances to be the best balanced tariff bill in all respects that has ever been introduced into the American Congress.

Mr. POMERENE. Mr. President, there is room for an honest difference of opinion on that subject. I agree with the Senator from Indiana that Senators on the other side of the Chamber have had very great difficulty in coming to a conclusion; I judge from what has been said on the floor of the Senate as well as from what has been said to me by individual members of the Finance Committee in private conversation that Republican Senators have had very great difficulty among themselves in coming to a conclusion; but allow me to suggest that the difficulties which confronted my distinguished friend from Indiana and his associates also confront the Members on this side of the Chamber. If it took the majority of the Finance Committee all these long months to give birth to the bill which is now before us, it seems to me that a reasonable time at least ought to be allowed the Senators on this side of the Chamber, who are just as sincerely patriotic as are Senators on the other side of the Chamber, to discuss and consider the bill.

I have judged from some of the things that have been said by certain Members of the Senate that, in the judgment of a few of them, Senators on the other side of the Chamber have a monopoly of all the brains and all of the honor and all of the integrity which is in the Chamber. I am not referring, of course, to my distinguished friend from Indiana on that branch of the subject. It does seem to me, however, that we on this side ought to have at least a fair opportunity to discuss some of the questions involved in this measure.

Mr. WATSON of Indiana. Mr. President, I shall not make reply to the last insinuation of my friend, but as to the first part of his interrogation, which is worthy of reply, I desire to say that the able Senator from Ohio is a lawyer, and what he wants to do is to have as much time to argue the case as it takes to get the evidence before the jury. That is never done, and never ought to be done. Senators on the other side of the Chamber spent four days discussing the tariff rate on vinegar and three weeks in discussing the chemical schedule.

Mr. HARRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Georgia?

Mr. WATSON of Indiana. I yield.

Mr. HARRIS. Mr. President, I do not desire to get into any partisan debate this morning; what I want is to get through with the business of the Senate; but I desire to remind the Senator from Indiana that the subcommittee of the Committee on Appropriations worked on the Army appropriation bill for six solid weeks all day long. There was a great difference of opinion among members of the committee, including the majority members themselves. Nevertheless we worked hard and reported to the Senate a bill carrying over $300,000,000 and involving a number of questions that would have ordinarily, perhaps, taken weeks to discuss in a legitimate manner, and we got that bill through the Senate in less than half a day. The reason the bill was passed through the Senate in that time was because the minority members of the committee were trying to get through with the business of the Senate in a short time.

I do not know any Senator on this side of the Chamber who wants to filibuster. So far as I am concerned, and so far as the Senators who I hear discuss the question are concerned, we want to get through with this bill. If it is a good bill, as the Senator from Indiana says it is, he ought to be glad to have all the discussion which can take place on it, in order to let the country ascertain how good a bill it is. For my part, I think it is the worst tariff measure that has ever been thrust into the Senate. I think we ought to discuss it, but I am not willing to filibuster, and the Senators on this side are not willing to filibuster, and it seems to me Senators on the majority side can have very little argument to use in favor of the measure when, instead of defending the bill, they come here and charge that we are indulging in a filibuster, when the RECORD shows that we are not.

Mr. WATSON of Indiana. Mr. President, the instance cited by my friend from Georgia recoils upon him and destroys his own argument. For six weeks the Committee on Appropriations labored with the Army appropriation bill. It was a measure of vast importance and contained a large number of items and appropriated a great sum of money, but it was not partisan, and it was, therefore, passed in a day.

Mr. HARRISON. Mr. President, may I ask the Senator a question?

Mr. WATSON of Indiana. I yield; but I am going to quit yielding, because I will not get through to-day unless I do.

Mr. HARRISON. I should like to say that in the preparation of the Army appropriation bill both Democratic and Republican members of the committee were present; they participated in the deliberations of the committee in the consideration of the bill, whereas the preparation of the pending tariff bill was confined to the majority members of the committee when it came to writing the bill, and the Democratic minority were not permitted to come in.

Mr. WATSON of Indiana. There never has been a tariff bill in the entire history of tariff legislation since the beginning of the Civil War, and even before, that was not formulated precisely as the pending bill has been formulated, by the members of the majority, because, being a partisan question, they have the right to formulate it along partisan lines and to express the party thought and opinion in the bill. That is precisely what we have done.

Mr. WATSON of Georgia. Mr. President, before the Senator from Indiana quits allowing interruptions, will he not allow me to ask him a question?

Mr. WATSON of Indiana. I certainly shall.

Mr. WATSON of Georgia. Is it true, as has been rumored, that the Finance Committee heard the same delegations representing the same manufacturing interests again and again and thus killed time?

Mr. WATSON of Indiana. It is not true.

Mr. WATSON of Georgia. I would not have asked the question if I had not been told so by the leader on the other side.

Mr. WATSON of Indiana. Well, we are all leaders over here, and, of course, I do not know to what leader the Senator from Georgia refers.

Mr. WATSON of Georgia. That is the reason why they do not lead.

Mr. WATSON of Indiana. Perhaps we do not lead as Democrats are led; but we get on in mass formation and we always run over the other fellows when the day of battle comes.

Mr. WATSON of Georgia. They have not been doing it very much here of late.

Mr. WATSON of Indiana. A majority of 7,000,000 votes does fairly well.

Mr. HEFLIN. Mr. President, the Senator means that they are now trying to run over the people by this bill, I presume.

Mr. WATSON of Indiana. Mr. President, I desire to refer briefly to the difficulties which confronted the members of the Finance Committee when the consideration of the bill was begun in the Senate. As I have said, we could choose one of two courses: One was to decline to debate in order to insure the passage of the measure; the other was to debate, and therefore play into the hands of the opposition, who, we believed then and believe now, do not intend that this bill shall pass until shortly before the election. I believe as firmly as I am standing on my feet here that if this were now the 1st day of October the opposition to the passage of the bill would melt into nothingness and that we would be permitted to put it through.

The reason is this: Up to this time the opposition has had the newspapers. The forces which attack always get the ear of the newspapers. The other side may or may not, but certainly the side attacking is heard where the side that defends may not have a hearing. So up to this time those who have attacked, the assailants of the measure, have taken up most of the time of the Senate and have occupied most of the space in the newspapers. Therefore they have gotten their side of the controversy before the people. If there be something of misinformation about it and something of misunderstanding about it, it behooves us to correct it, notwithstanding some little time it will take to do it.

Senators, we all go back—those of us who are old enough personally and those who are not old enough go back traditionally—to 1890, when the McKinley bill was passed just a month before the election.

We all know the result to the Republican Party and to the great leader himself, Mr. McKinley. We remember the tactics that were pursued by our Democratic friends in that campaign, and if an opportunity is given they intend now to do the same thing, for they do not propose to give this measure a chance to justify itself by actual operation in the United States. We recall that they went over McKinley's district, and that they sold tin cups, or attempted to sell them, for 50 cents apiece, and coffeepots for $1.50 to $2 apiece, and wash boilers for from $5 to $6 apiece, and when questioned about such outrageous prices they said, "Well, this is the result of the McKinley tariff on tin which your candidate for Congress has put on that product in his tariff bill." My friend over there smiles, but he knows that just as well as he knows that I am talking about it, and I was in the district at the time and campaigning as a young man and saw it myself, and I know its disastrous effect; and yet what was the final result? The final result was, as the world knows, that within five years we were making in the United States all the tin that we consumed in the United States. We had literally picked up that industry in Wales and transported it over to the United States. We were employing American laboring men and paying them a higher wage than was ever paid in Wales, and investing American capital, and adding to the thrift and prosperity of the American people. That is what happened. In other words, that bill did not have a chance to justify and vindicate itself in the eyes of the people.

What was done in 1890 is precisely what our friends on the other side intend to do to-day. If they believed that this bill is as vicious and as illogical and as inequitable and as un-American and as immoral as they say it is, they would get out of the way and let us pass it in the next 15 minutes, with one roll call. There is not a shadow of doubt about it on earth.

Mr. WATSON of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Georgia?

Mr. WATSON of Indiana. I do.

Mr. WATSON of Georgia. Does the Senator from Indiana mean to say that smiles upon this side should be put on the tax list?

Mr. WATSON of Indiana. Mr. President, I have listened to the speeches made on the other side with very much interest, though not with grave concern. I have heard them all before. During the last four or five days I have taken occasion to run back over the tariff discussions beginning with 1824, again in 1828, and in 1832, and on up to 1840, and then the tariff bill of 1846, then the McKinley law, and then the Payne-Aldrich law. I could lift bodily the speeches made in many of these debates and place them in the RECORD of to-day and attribute them to Senators on the other side, and I would not miss five sentences in most of the speeches made—precisely the same charges, precisely the same prophecies, precisely the same predictions, and all with the same inevitable result. Six times in the history of the United States free trade has dissipated our industries, paralyzed the arm of labor, and put capital on crutches, and six times the protective tariff system has resuscitated our industries and brought prosperity to a stricken people; and the same speeches were made on the other side every time, and they are being made to-day.

In 1897 we passed the Dingley law, and the Dingley law was the highest in its rates of any law we ever enacted in the history of the country. Under the McKinley law the average ad valorem was 47.72 per cent. The average free and dutiable was 25.17 per cent. Under the Dingley law the average ad valorem was 47.78 per cent; the average free and dutiable was 26.18 per cent.

Under the Payne law the average ad valorem was 41.21 per cent, 6 per cent less than under either of the previous laws, and the average free and dutiable was 20.13 per cent, 6 per cent less than under the Dingley law, and 5 per cent plus less than under the McKinley law. So under the highest law ever passed in the history of the United States, my fellow citizens, we prospered as no other people ever prospered in all the recorded history of time, and we came out of a condition as deplorable as any nation had ever known; for the administration of Grover Cleveland, with its free trade bill, cost this country more in the loss of wages and more in the decline of prices and more in the shrinkage of values than the Civil War in America, with all the loss that it entailed upon the people and upon the industries of the Republic.

I want now for a little while to show what some of our Democratic friends at that time said was going to happen under the operation of that bill, precisely the words used now, exactly the language employed now, talking about a higher bill than we propose here, for the rates in that bill were higher than those we propose in this bill; and oh, the dismal tales of woe, and oh, the direful prophecies, and oh, the freezing terrors that were going to grip the Republic if that awful law was fastened upon the helpless people of the Nation! Just the same old wail and the same old prophecy, always singing in a minor key, like an owl that sits on the limb of the dead past and hoots the same old dismal hoots that have been hooted for 150 years of American progress.

Senator Vest said—and he was some orator and some statesman, just as dead wrong on this tariff question as the mother that stands on the bank of the Ganges and throws her babe in to appease the wrath of some nonexistent god. What did he say about it? He said:

> I plead, of course, to deaf ears, so far as this Chamber is concerned.

I wish our friends on the other side would come to that same conclusion now.

> I plead, of course, to deaf ears so far as this Chamber is concerned, and I have not the gift of special prophecy; but I tell my friends on the other side, continue this thing and you will repeat history as it occurred after the act of 1890. There is an instinct of fair play and right in the American people which will not tolerate this sort of illogical, indefensible, and outrageous taxation.

Does not that have a familiar sound?

> If any Senator can tell me why, with the existing conditions, this duty upon tin plate should be increased, I shall be more astonished than I have ever been in my whole political career.

We all know why it was increased. It was put on and then decreased under the Democratic law, and it threatened to destroy the industry in the United States, and we put the tariff back on and saved it, and it has marched on from that day to this as a living monument to the wisdom of a protective-tariff system.

Senator Caffrey, of Lousiana, had this to say, expressing the awful fears that seized and gripped his terrified soul:

> Sir, the Republican Party went to defeat under the high tariff of 1890. That was but a skirmish compared to the battle that is to be in 1900. Then will come the Waterloo of Republicanism. The Napoleon of the tariff can then meditate on the ingratitude of the Republic, and the blindness of them who fail to see the blessings of paying somebody else a part of their money to make them rich.
>
> Sir, the industries that have flourished in the United States are those grounded on natural advantages. Our wheat and cotton and corn never needed and can not prosper under a tariff.

Think of a man making a statement of that kind in the light of all that has transpired under that law and under the operation of every other protective tariff.

> It is so of the leading manufacturing industries, iron, cotton, wool, and wood.

Why, my fellow citizens, I stop long enough to say that but for the imposition of a tariff these industries never would have been established in the United States. We put on a tariff to establish the iron industry, we put on one to establish the steel industry, and the cotton-manufacturing industry, and the woolen-manufacturing industry, and the tin-plate industry, and the pearl-button industry. They and all these other industries have

been established in the United States in the first instance because of the imposition of a protective tariff, and would not have been established aside from that, because they never could have met the withering and the blasting competition of the pauper labor of Europe but for the imposition of a protective tariff.

Senator Allen said:

Mr. President, I want to see the bill pass.

There was a man that had the logic of the situation. He was willing to follow it to its direful conclusion, and wanted it tested. I wish my friends on the other side were so frank now.

I want to see the bill pass. I want to see it pass as speedily as possible. In my judgment it will be the gigantic failure of the age. It will fall short of producing revenue. Although its purpose is as I said, I want to see the great body of honest American citizens who believe there is something in the tariff issue to learn by bitter experience, if they can not learn otherwise, that the tariff is a delusion and a snare. * * *

I do not know what course I shall pursue then, but I believe, and I believe the American people are becoming daily convinced, that the bill will be a failure the moment it is adopted.

I shall not stop to give you the history of that just now, for I want to go on and recite others of these prophecies, I trust for your interest, if not for your instruction.

Senator Chilton of Texas said:

The bill, under the guise of levying taxes, is to be made a great instrumentality of protection. In my judgment, it will fall by its own weight. It will fall as the McKinley law fell whenever it comes to the test before the American people and they learn its results by actual experience.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. WATSON of Indiana. Yes; I yield.

Mr. HARRISON. Will not the Senator read to us what he said in advocacy of the Payne-Aldrich tariff law?

Mr. WATSON of Indiana. Yes; and what I said came true. It was all fulfilled.

Mr. HARRISON. It came true to the extent that your party was turned out of power for passing the Payne-Aldrich bill.

Mr. WATSON of Indiana. Not by reason of the passage of the Payne-Aldrich tariff bill at all. Other things led to the overthrow of the Republican Party in 1912, temporarily. Unfortunately, I was there when it happened, and I know that the Payne-Aldrich tariff bill did not have anything to do with it.

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana further yield?

Mr. WATSON of Indiana. Yes.

Mr. STANLEY. As I understand it, the Senator means to state that his party was guilty of a multitude of other sins besides the passage of the Payne-Aldrich bill, and that this industrial crime alone was not responsible for the discomfiture of his party?

Mr. WATSON of Indiana. No; I am not going to Kentucky to raise any standard of either sin or virtue, I will say to my friend across the river. I am not going to talk about that. What I am saying is this. I intend no reflection.

Mr. STANLEY. Mr. President, I do not expect the Senator to come to Kentucky. Those who love darkness rather than light never seek it; and an Indiana Republican will always keep away from Kentucky until a power higher than any party organization has cleansed his political soul and made him fit for the better Democratic life in old Kentucky.

Mr. WATSON of Indiana. And from Kentucky! [Laughter.] Good heavens, think of that!

Senator Mills, of Texas, who himself was the author of a tariff bill, used this language:

Do you think there is no hereafter?

I have heard that question asked on the other side four or five times in this debate.

Wait until the swallows homeward fly. There is a tribunal whose doors are always open, and we will invite you to meet us there. If the people of the United States indorse your doctrine and the policy that you write on the statute books to-day, they are not fit for self-government.

And yet for 125 of the 145 years of the history of this Nation we have operated under the protective tariff system, but this man had the audacity to say that if we adopted the protective tariff system the people were not fit for self-government. I continue reading from that speech:

Nor will they do it, either. They will bring you to an account, and the places that know some of you to-day will know you no more hereafter forever.

We are casting our pearls away faster than our enemies can gather them. We are turning dead ears to the voices that come to us from Massachusetts and Virginia that our Government is for free men, for the preservation of our natural rights, for the security of our happiness and well-being, and not for the profit of any one man, or family, or class of men. Our ship is driving upon the rocks, and unless we seize the helm and change its course, the historian will emerge from the darkness to write the melancholy pages of the decline and fall of the great American Republic.

Think of a man making an assertion of that kind about the passage of the Dingley bill, which absolutely worked wonders, as everybody knows, in the history of the United States—industrially, commercially, and financially. Not only that, but it brought our Nation, numbering less than one-twentieth of the population of the globe, to that high position among the peoples of the earth where we owned one-half of all of its railroads, two-thirds of all its telegraphs, and three-fourths of all its telephones, while we did one-third of its mining, one-fourth of its manufacturing, one-fifth of its agriculture, and owned one-sixth of all its wealth. Yet this man said it would bring despair to the people and usher us into the oblivion of decay.

On page 1671 of the RECORD, Senator Gorman, of Maryland, not a novice, by the way, in political affairs, expressed himself in this fashion:

The country will understand it. The country will understand perfectly that this great scheme of prosperity, this great measure of relief, adds tenfold to the taxation on the consumption of every man of moderate means in the land while there is nothing here that attempts to approach the ideal—making men pay for the support of the Government in proportion to their wealth. The whole system is unequal and unjust. The people's verdict will be that of 1892.

Senator Tillman, then in his prime, gave forth this tribute to the protective-tariff system:

The time will come when the tariff will sink you Republicans, because you can not give prosperity under any scheme of duties that you may enact.

Senator Morgan, of Alabama, a very great leader and a very great statesman, was seized with fear for the downtrodden industrial masses, who were going to be the sufferers, and prophesied panic, disorder, and distress to follow in the wake of the passage of that bill. He said:

But after a while, Mr. President, this thing is going to stop, because the other people who are not provided for, the great industrial masses of this country, will not be able to earn enough to pay these bounties, and depression and calamity will take place in the country; panic will appear in the commercial and financial marts, and this bill will produce it. Causes now exist sufficient to produce it, but this bill will aggravate it; and after this bill has had its first reviving effect upon these so-called industries of manufacturing, etc., when the reaction comes in this country, there is no man, I think, who has bestowed his thoughts sedately upon questions forecast in his mind that this country, by virtue of this political tariff, designed by a political party, is bound to suffer panic, disorder, and distress.

Senator Jones, of Arkansas, the predecessor of my very dear friend from Arkansas, who on Saturday evening delivered himself of a philippic against the pending measure, said:

You can not make the people rich by taxing them, and you can not make them prosperous by making them pay higher prices for what they have to buy without giving them increased facilities for doing so.

Let them try this bill, if the friends of the measure of high protection are sufficiently strong in this body to put it upon the statute books, but when it has become the law of the land the promised prosperity fails to come, as I am sure it will fail to come, then the question will be asked at once of these gentlemen, "You promised us prosperity by the passage of the tariff bill, and what do you propose to do now? How do you propose to give us prosperity now?" The people will be doubtful in their belief of what is promised them because of the failure at this time.

And here is another quotation from Senator Vest:

Mr. President, coming events sometimes cast their shadows before. Our Republican friends propose now to put back the high duties upon wool and upon woolen goods. When the people of this country find that experience in the past has been verified as to results in the future, when they know that these promises have been kept to the ear and broken to the hope, there will come a day of reckoning. The Republican Party, mark it, will come back to this Capitol broken and shattered with the irresistible logic of having made promises which they have not kept.

Senator Bate, of Tennessee, foresaw the lifeblood of labor being sucked out by the enactment of that law. He said:

It will be an indirect and constant drain upon the great body of consumers.

* * * It would increase poverty where it now exists and multiply wealth where it now abounds. It will suck the lifeblood of labor and make of it a pale and sickly dependent. It will encourage capital to combine and build up those modern curses, trusts and monopolies. It will multiply tramps and millionaires.

Think of that sort of a prophecy about the enactment of the Dingley law! Senator Chilton again said:

We now come to Schedule G, entitled "Agricultural products and provisions."

I read this because precisely the same line of attack has been made against the agricultural schedule set forth in the pending bill, and, singularly enough, made by at least one of the men who voted for the emergency tariff act, which carried higher rates than the pending bill carries in the agricultural schedule.

Senator Chilton said:

We now come to Schedule G, entitled "Agricultural products and provisions." This should more properly be styled the "Fraud schedule" because, while designed on its face to benefit the farmer, it really does him no good whatever, and in some paragraphs actually adds to his burdens.

* * * Teach the farmer the truth; teach him to bare his arm against protection at every point; teach the farmer that he can never gain a fair share in this protection robbery; teach him to fight it to-day, to-morrow, and next year; teach him to make war against the first schedule, the second schedule, the fourteenth schedule—all the schedules; teach him to muster with that party which will move manfully toward ultimate free trade in this country; and when you do that, we can write another such platform as the Democratic Party wrote in 1856 and we can win another such victory as was won under Buchanan as our candidate for President.

I pause long enough to read what President Buchanan said in his last message about the tariff of 1856; not directly about the tariff but about the results of that tariff as inevitably to follow as night is to follow day. Buchanan said:

With unsurpassed plenty in all the elements of national wealth, our manufacturers have suspended, our public works are retarded, our private enterprises of different kinds are abandoned, and thousands of useful laborers are thrown out of employment and reduced to want.

Yet a Senator standing on the floor of the Senate said he wanted a return of the tariff that brought about such an anomalous condition in the United States, anomalous because with all of our natural resources, with all of our inventive genius, with all of our capacity for management, and with all of our ability to make skilled laborers in the United States, we ought to lead, industrially, commercially, and financially, and not be prostrate and helpless before all the other people of the world. Yet, whenever we permit, in free and unrestricted fashion, the products of the cheap labor of Europe to come into competition with the products of our labor, there can be but one of two results; our laboring people must come down to the wage level of the foreigners or else shut up shop. There is no other alternative, and every time we have tried a Democratic tariff we have shut up shop, and every time we have adopted a Republican tariff we have opened the shops, the boys have gone back to work, and the hum of industry has again come to bless and gladden the ears of all the people.

Senator Jones, of Arkansas, again said:

* * * I, for one, believe that this bill will, when enacted into law, utterly disappoint its friends; that there will be no substantial revival of business as the result of it; that there will be no stimulation of commerce by reason of this law being written on the statute books.

* * * This bill, levying the highest rates of tariff taxes ever known in this country, will only aggravate the evils already almost unendurable.

Senator Morgan said:

The people will hold you up to it, and that one item of responsibility, to say nothing about pine timber or anything else, will crush this bill into dust and ashes when the people get a chance at it at the next election. They are not deceived. They do not fail to understand the situation, nor, sir, do they fail to feel it.

The Senate did not have a monopoly upon the prophets then or now, and some of them were men with whom my honored friend from Kentucky and my other friend from Alabama associated, along with me and other Members on the other side as well as on this. Congressman Ball, of Texas, had this to say:

* * * The days of the Republican Party will be "few and full of trouble," and the wrath of an outraged people, which reached high-water mark in 1892, will come again and cover them in 1900, as the molten lava from Vesuvius did the ancient cities of Pompeii and Herculaneum.

Oh, how our friends hunted the dictionary to find new adjectives and coin new phrases to describe the terrors that would come upon the people after the Dingley law was passed, and the same prophesies are being uttered to-day on the other side, in almost identical language, about this bill, with lower rates than that bill carried, and it will inevitably be followed by the same result.

Congressman Lanham, of Texas, said:

Pass your bill, reeking as it does with blight and burden, carrying as it does disaster and distress, freighted as it is with woe and waste, filled as it is with injustice and oppression to your fellow men; but it will but briefly blot and blur the statute books of this mighty Nation, for it is against the genius of our institutions, the ethics of civilization, the proprieties of life, the equities of good government, and the conscience of a free people that Mammon shall be enthroned and that money shall rule man in this land.

Beautiful, is it not, and especially in the light of all the facts? I think it was the late Senator Dolliver who said, what comes to me now in speaking of those prophesies, that if Noah had predicted a drouth instead of a flood, and put in a system of waterworks instead of a boat, he would have been a shining example of prophetic insight as compared with these purveyors of woe on the Democratic side. The words come to me now, and I think they are entirely apt and appropriate.

Congressman Handy, of Delaware, said:

When the farmer learns by further bitter experience how heavy are the burdens you lay on him, and how futile the pretended protection for him in this bill, he will join the workingman in the demand for another campaign for tariff reform. You pass this bill to-day, but you must know full well that its reckless provisions are too grievous to be borne with patience. * * * This bill seems to me a cruel and unjust measure, the most outrageous tariff bill that American politics has ever known.

And my friend from Georgia but now repeated the language, his voice still reverberating within the four walls of this Chamber. Every tariff bill is the most outrageous and the most infamous and the most inexcusable and the most illogical and the most un-American of all the tariff bills that has ever been proposed, and yet we have gone on and passed them despite these complaints and these wails; we have made them into law, and the country has gone on from mediocrity to greatness, and from greatness to grandeur under the operation of a protective tariff law, and under the combined operation of all these successive tariff laws we have come to be easily first among all the peoples of the world in everything that pertains to national greatness.

Not only that, but under the stimulating effect of these successive protective-tariff measures we had brought our people to that high place among the nations of the world in 1917 where we were absolutely essential to their salvation. They reached out their blood-stained hands to us across the sea and asked for help, and we were in position to give them help—why? Because we were strong at home, and we remained strong at home because we had attended to our own business; we had developed our own resources; we had diversified our own industries, employed our own labor, and increased its wages. We had invested our own capital and remuneratively invested it, and we had brought our people to that condition among the peoples of the world where we were in a position to help when they wanted help. And, my fellow citizens, the same situation confronts us now. It is up to us whether or not this same policy shall be continued or we shall pursue the will-of-the-wisp, vacuous, and fatuous policy of free trade.

But let me go on. Congressman Stephens, my personal friend for many years in the House, was a very honorable gentleman, who believed what he said. These gentlemen are all sincere—that is to say, as to the fundamentals of the tariff. I can not doubt that some of them are playing a little politics when they stand up against the immediate passage of this bill, because if I were on the other side and I believed the bill would work the havoc they say it will, I would get out of the way and let it go through. It would inevitably result in a Democratic House; it would certainly be followed by a Democratic President; and there would be no escape from either result. But they do not intend that it shall be passed in time to give a demonstration of what its provisions will do by way of the employment of labor and investment of capital and the resuscitation of industry, which, by the way, is fairly well on the upgrade even now.

Congressman Stephens, of Texas, said:

If the trust and money powers, led on, as they are now, by the Republican Party, can carry these, their pet designs, into execution, the laboring and producing millions will be forced into a slavery far worse than the peons of Mexico have ever been subjected to.

Does not this have a natural ring:

I now warn our Republican oppressors that whilst the mills of the gods grind slowly, they grind exceedingly fine, and in the near future I expect to see the laborers and producers of this country by the power of their ballots drive from power the Republican Party and their cormorant allies.

Congressman Dockery, of Missouri, almost 20 years a Member of the House and afterwards governor of his State, a very high-minded and honorable gentleman, too, had this to say:

"McKinleyism" and "Dingleyism" are both extreme illustrations of the vicious policy of paternalism. The McKinley Act in the campaigns following its enactment led the Republican Party to disaster. The Dingley Act in the campaigns to come will prove still more disastrous to that party.

It was Waterloo for the Republican Party in 1890 and 1892. It will be Waterloo, Sedan, and Pultowa, all in one, in 1897 and 1898.

Dire prediction, but, oh, what futile prophecy!

Now I come to the part that I want more particularly to impress upon Senators, because it is the one phase of the situation which our friends on the other side are pressing most insistently upon us, and to which they are most persistently calling the attention of the country, and that is that if we pass the bill we will destroy our foreign commerce and ruin our export trade. Their cry began with John C. Calhoun and Thomas A. Benton. I have their speeches, and never could this argument be more eloquently put than they stated it. Their cry has been repeated from then until now, over and over again,

every time we have tried to pass a tariff law, that we can not sell to other people unless we buy of them, and that we can not buy of them because of our high tariff wall.

That is precisely what my friend the Senator from North Carolina [Mr. SIMMONS] said the other day. He said exactly the same thing about the Payne-Aldrich law, precisely the same thing about it, and those who preceded him, not only from his own State but his colleagues and associates, said the same thing about the Dingley law, and made the same prophecies about the destruction of our export trade. It is not confined to men of this country, but men who come here as the accredited representatives of other nations stand up before us and say that if we expect to trade with them we must not pass this tariff bill, we must not have a high tariff wall interposed between them and us, that they can not sell to us because of the tariff wall, and that we can not sell to them unless we buy of them. That is the argument. It is here to-day. It has been here every day. I want to answer it by the irresistible logic of events and by the irrefutable force of facts.

But I want first to give some of the prophecies, and show how they are to-day repeating the same thing over yonder on the other side of the Chamber, and inevitably they will be followed by the same results.

Senator Morgan said:

We are making war upon the commerce of the world for the purpose of dividing out amongst politicians and political retinues in the United States those benefits which come from political action in a recent presidential election. We are fastening down upon the commerce of the world burdens which it can not stand, which will necessarily cripple our commercial relations with foreign nations, and there is not a nation in the world to-day, from Mexico to Turkey, which does not understand that the tariff bill which we are now enacting is a war upon the commerce of the world.

Again, he said:

* * * Let it come, but when we are destroying our own people and their happiness and prosperity by the exaggeration and outrages of the tariff, do not let us aim our shafts at a country like Japan, which has done so much to try to assist in her civilization and her rise and progress amongst the nations of the earth.

Senator Turpie, as learned a man as ever sat in this body in a generation, whose successor I am on the floor of the Senate, had this to say:

What will be the effect of the increase, the excessive increase of taxation upon imports? It must necessarily affect exports. It must necessarily reduce exports. These two act and react upon each other. It must lessen the demand for cotton, for wheat, for corn, for all the cereals, the true surplus of our country.

Let me stop and ask where on earth my predecessor got that sort of logic? We do not put a tariff on anything that goes out of the country. Everybody is free to come in here and buy, whatever our tariff laws. We put a tariff only on things that come into the United States, not on things that go out. Under our Constitution we are prohibited from placing an export duty upon any article, and they are just as free from duty now, no matter what sort of "tariff wall" we have, if we may use the term "tariff wall."

The nations of Europe and the nations of the world do not buy of us because they love us. No; they buy of us because they can get better goods and cheaper here under the impetus we give to labor and to investments and to invention than they can get anywhere else in the world. That is why they come here and buy, and any import wall which we erect can have no place in our economic policy so far as interfering with foreign commerce is concerned.

Mr. STANLEY. Mr. President, will the Senator yield?

Mr. WATSON of Indiana. I can not yield. I am right in the midst of this quotation from Senator Turpie:

It must lessen and reduce the price of those great commodities of international exchange. It must consequently leave the people less able to pay the rates of taxation than they are at present. I do not think there has been a bill drafted in the history of the Government which commits so large and unprovoked a spoliation upon the commerce of the world as the bill we are to-day considering. The decrease of exports and the falling market for our cereals may be considered the compensatory duties which will follow the passage of this enactment.

I want Senators to keep in mind what my distinguished predecessor said when I come to show the actual facts, to set over against prophecy the logic of what occurred, and that after all is the best answer to any free-trade doctrinaire argument.

Senator Bate said:

At the same time we are considering here in Congress the most effectual tariff system that shall paralyze the industries of other nations, deny them access to our markets, and shut off seventy-five millions of consumers from the production of other nations.

Yes; that is what we are trying to do; not to shut them out but to preserve the American market for the American producer, looking first after our own labor, our own capital, our own farmers, our own natural resources, and our own industries, and then selling abroad whatever surplus we may have, and the facts show that any tariff we ever erected in no wise interferes with that sale.

Let me proceed. Congressman Ball, of Texas, said:

* * * Never yet have the powers of government been so perverted, the interests of favored classes so advanced, and the rights of the masses of our people so trampled upon as by this outrageous and indefensible measure.

* * * This bill is a declaration of commercial war upon the nations of the earth. It will not open a single market for anything we make or produce; it will close many to various industries; it will not add a customer to our mills or factories from abroad, and domestic consumption can not be increased by raising the cost of our own wares to a people without money to buy their present output at existing prices.

Why, our own colleague over here, the Senator from Virginia [Mr. SWANSON], delightful gentleman, whom we all love, uttered this prophecy:

The passage of this bill means to destroy this vast trade, which is fast increasing each year. It means an abandonment by the United States of the markets of the world. It means, on our part, a policy of isolation, instead of one of progress and enterprise. It means a confinement of the sale and purchase of commodities by our citizens to the limit of their own country, to be fleeced by the favored few who are the recipients of the bounties and privileges of this bill.

Congressman Lewis, of Georgia, said:

But your tariff bill will not bring general prosperity. It is true it will enlarge the profits and income of a part of the people, on the one hand, and increase the burdens of the masses, on the other hand.

* * * I tell you this will limit our greatness; it will dwarf our Nation. Protection that forces all consumers to patronize their home manufactories, virtually limiting the manufactories to sell only to our home consumers, reminds me of an old story of two snakes fighting. They began swallowing each other, and at the end of the fight only their heads were left unswallowed.

I shall not go into all of these prophecies, but, without objection, I shall print some others along with my remarks.

Senator Mills, on page 1326 of the RECORD, while discussing the window-glass schedule, saw some danger ahead:

These high rates will be put on, and worse rates will be put on. Your exports will be cut off or reduced in value; your people will be further and further oppressed, and money will be made scarcer, without which it will be impossible to pay debts or to pay the dues to the National, State, and local governments.

Other Senators and Representatives could see only disaster coming upon the people in the discussion of specific items. Senator Vest was a prophet of some renown in those days, and said, at page 1234:

I do not believe that the imposition of larger taxation, either in the shape of import duties or internal revenue taxes, will lift the cloud that now rests upon the people of the United States. I do not believe that higher tariff duties will bring back sunshine and illuminate this whole country, as we have been told over and over again by our Republican opponents.

How do you expect by increasing tariff taxation to enable the farmers of this country to purchase manufactured goods? How do you expect to give them the means with which to buy the articles, the price of which you propose to increase by your tariff imposition?

* * * But I am just as sure as I am of anything that can possibly be determined that the proposed tariff law will not relieve the country, and that your imposition of import and internal revenue taxation will simply increase the trouble and not bring relief to the people.

When we supply the home market, when the Lead Trust is making millions and millions of dollars and declaring its enormous dividends of 12 per cent upon its stock, why should we put up the duty half a cent a pound, double the duty upon lead, and nearly double it upon white lead, which goes upon the cottage of every poor man in the land?

It seems to me that the increase is utterly indefensible.

* * * I do not propose to go into it, but take the crockery and earthenware schedule, to which my friend, the Senator from Rhode Island, alluded. The increases in that schedule, I was about to say, are appalling. They were too high in the Wilson Act, by far too high, and none of us upon this side attempted to defend them.

Senator Caffery, on page 1267, objected to the duty on borax:

I submit, Mr. President, that this is cutting a little too deep with the tariff knife, even upon a bill which is framed on the scientific lines of the highest protective ideas of the Senator from Rhode Island. One hundred per cent upon such a necessary of life as this, which will enhance the cost of every material into which the mineral enters as a raw material, is excessive, and it is clearly shown by the letter which I have read from this firm in New York that this tariff will produce no revenue whatever, but will cut off importations.

Page 2207:

In a few days, Mr. President, this bill will pass, the evil to be wrought by it will be consummated, and the people of the United States will be treated to such a dose of tariff as was never thrust down them before. This bill carries higher rates than the McKinley law. In a time of profound peace we have a bill in comparison with which the Morrill tariff bill of the war pales into utter insignificance.

Senator Clay, on page 1529, doubting as some do at the present time that the tariff was an issue in the late campaign, said:

Pass this bill and place it upon our statute books and its advocates and those who reap its benefits will come back with renewed energy and demand more protection. This bill will not give relief to the people. I deny that it was the real issue of the last campaign.

Senator Gray, from Delaware, on page 1559, had fears for the lumber business of this country. He said:

We should be no better off if consuming fire had devastated every forest north of the Canada border, and yet that would produce the precise effect that you are seeking to produce by a protective tariff. The world's wealth would be that much decreased, and every man, woman, and child who depends upon lumber for shelter would suffer an appreciable loss, but of course the owners of the timberland would gain, because the price of timber would be increased, and that is what a protective tariff seeks to do. It seeks to do what fire and flood might do, to make a scarcity, as the Senator from Nebraska so well said a while ago, and fill the pockets of those who are fortunate enough to possess the article to be sold.

Senator White, on page 1670, foresaw the tightening of the pouches that contained the Republican campaign funds:

The public knew and know that the party to which the distinguished Senator from Iowa belongs is in power; they knew and know that a tariff bill is going through just as the Republican members of the Finance Committee construct it—everyone knows that—and yet, with this absolute certainty before them, the people of this country do not seem to be overburdened with confidence, money coffers have not opened, industry has not awakened, enterprise remains fettered, poverty stares us in the face. These conditions are more emphatic than ever. The looked-for panacea fails to act. The real remedy will not, in my judgment, be found in this or any other tariff bill.

Senator Allen, Populist, from Nebraska, on page 2789, naturally felt as the Democrats, and so expressed himself:

Every burden in the form of high specific duties, added to which are large ad valorem duties, is imposed upon the industrial classes of our country. The bill is made prohibitory in many of its features. The American market is to be turned over to the American shark; the American commercial highwayman is to sail his black flag of piracy unchecked, and he is to fix the price of everything consumed by the farming and laboring classes of the United States. He has ample liberty under the provisions of this most iniquitous bill to impose prices largely in excess of reasonable profits upon what he may produce or handle.

Again, on page 2827, Senator Jones, of Arkansas, was covered with a sweeping and general cloud of anxiety:

The pending bill is framed on the theory that more taxes will relieve the present distress. It is clear enough if one man or one set of men shall be allowed to levy these taxes on their fellows that the condition of those who are permitted to levy the taxes for their own benefit may be greatly relieved by the enactment of such a law. But what must be the condition of those upon whom such taxes are levied? Bowed already by the burdens of taxation, harassed and distressed by debt and want, those who must submit to the exactions of the favored few will only have their condition made harder and harder by the grinding exactions of this bill. An increase in the cost of nails and glass, wood screws, chinaware, glassware, woolen cloths, and cotton goods may readily swell the fortunes of those who manufacture and sell these articles, but every cent legislated into their pockets by this bill must be taken out of the pockets of the consumers.

Congressman Hunter, of Illinois, on page 93, foresaw in detail every possible ill that might be enumerated on the passage of this measure:

Mr. Chairman, this tariff bill brought in here by the Committee on Ways and Means is infamous. It stands like a highwayman in the road of the American people to prosperity. It is an enemy to legitimate industry, a menace to the ambition and hopes of enterprising people, a crime against labor and agriculture. It is a financial outlaw; it has not one redeeming quality in all of its provisions; they are all bad. It revives imperial ideas of government. It puts a premium upon profligacy and idleness. It brings the venal and vicious into control. It fastens a shoddy nobility upon the country. It forces the earnings of the wealth producer into the pockets of a class who render no consideration. It is a harlot masquerading in the robes of virtue. The sum of all covetousness, avarice, and inordinate greed. It stands without a rival in extortion, and brings reproach upon American character.

It lays the burdens of taxation more heavily upon the farmer and the laborer now than ever before.

It limits the exchange of the farmer's surplus product and reduces the price.

It has no reference to raising the necessary revenue to support the Government.

It enhances the value of the protected article to the home consumer and limits the field of labor.

It compels every laboring man in the country to give more of his earnings for the protected goods and leaves labor on the free list.

Its advocates contend that the more money it takes from the taxpayer the richer they become.

It has created 470 trusts and corporations, whose net income is more than six hundred millions annually.

It violates every principle of honesty and integrity.

Its life is drawn from the polluted blood of avarice.

It is robbery under the forms of law.

It closes the doors of the factories and turns men, women, and children into the street to starve and to die in order to influence and secure legislative favors.

Congressman Bailey, of Texas, on page 2739, brings out that oft-repeated but false statement, in effect, that the "tariff is a tax upon the consumer."

But, Mr. Speaker, we do not rest our opposition to this bill solely upon the ground that it will injure the country by encouraging extravagance and discouraging the production of wealth. We go further than that, and without a moment's hesitation we declare that even if it would add nothing to the expenses of the Government and subtract nothing from the wealth of the country it ought not to pass, because it is intended to enable our manufacturers to charge our consumers increased prices for their goods.

Congressman McMillan, of Tennessee, on page 2747, gives in few words his opinion of the bill:

This Congress was called not to raise revenue but to plunder the people and enrich the manufacturers.

While Congressman J. W. Stokes, of South Carolina, on page 111, again and finally warns the Republican leaders:

Let the Republican Party beware. The fate of the Cleveland dynasty awaits them, as it awaits every party that dares trifle with the verdict of the people at the polls. * * * You may pile up the tariff like Pelion upon Ossa, but it can never bring prosperity to the farmer.

Thus history repeats itself. While our friends on the other side of the Chamber may or may not really mean all that they say, yet we of this side believe that the future prosperity of this country—agriculturally, industrially, and commercially—depends upon the protection afforded under the Republican policy, and, moreover, the prosperity of the world depends as never before upon the prosperity of the United States.

Running on down through the prophecies in regard to the Payne-Aldrich law, uttered by the same men in the same language as those who are now prophesying on the other side of the aisle, telling us what awful things are going to happen to us, foreboding dismal in character and limitless in extent, giving wing to the imagination and hunting up new adjectives so as to amplify their vocabulary to describe the awful condition of industry and the people should we pass the pending tariff measure, we find the same old crowd, the same old arguments, the same old prophecies, the same old Democratic Party, and always followed by the same results.

What did we do? I have read some of these prophecies in order to show what they said was going to happen. But what did happen? I will read you these figures very quickly, for this is one way to catch them without studying.

Exports and imports under the McKinley law: Notwithstanding all they said about the destruction of our foreign commerce, about diminishing exports and imports and dwarfing our trade abroad, let me call attention to these. Listen. In 1891, 1892, 1893, and in 1894 our exports were, respectively, $884,480,810, $1,030,278,148, $847,665,194, and $892,140,572; and our imports were, respectively, $844,916,196, $827,402,462, $866,400,922, and $654,994,622. Why was there a falling off in the last year? Because of the anticipated enactment of a Democratic free-trade tariff law. The decrease in imports shows the effect of that law. It is the easiest thing in the world to explain why. When people over here were out of work, they did not have the money with which to buy; therefore they did not buy anything either abroad or at home. That is all there is to it. It was all brought about because of the theory of cheapness. I have speeches here to show that Democrats have said that we ought to go and buy wherever we can buy the cheapest. The doctrine of cheapness is the most fallacious doctrine that has ever tainted political discussion in this country.

In 1893 we learned, and in 1914 we should have again learned but for the interposition of the war, that a thing is dear at any price when you have not got the price. When our factories were closed and our citizens were out of work and wages were not being paid, we did not have the price. We did not buy at home and we did not buy abroad. It is under those circumstances that our foreign commerce falls off, and not when everybody is at work.

My friends, the thing to consider in this country is production. Production ought to be full and unhindered and unhampered, free always and everywhere. Every line of activity ought to be employed; we ought to develop our natural resources to the limit; we ought to employ our labor to the full, and we ought to take advantage of the vast capital we have to the extreme limit; there should be production every day and everywhere, rife, active, and unhampered always. It is a great economic fact, from which there can be no escape, that if we take care of the producers in the United States, the consumers will take care of themselves, or, as Daniel Webster said on the floor of the Senate so many years ago, "Where there is work for the hand of man there will always be work for his teeth." That is the fundamental economic doctrine which our friends on the other side have in their haste overlooked.

Now, I come to the Dingley law. I have read the prophesies about the Dingley law, because it was in operation longer than was any other tariff law that was ever passed, because it was the highest tariff law that was ever enacted in the history of the country, because it met with more bitter opposition and because it was denounced to a more unlimited degree than any other tariff law ever enacted.

I will read very quickly the exports under the Dingley law, running from 1898 to 1908. Listen: They were, in the respective years of that period, $1,231,000,000, $1,227,000,000, $1,394,000,000, $1,487,000,000, $1,381,000,000, $1,420,000,000, $1,460,000,000, $1,518,000,000, $1,743,000,000, $1,880,000,000, $1,860,000,000, an increase in 10 years of over $600,000,000 in what we sold out of the country, and the exports increased in practically every year. Why? Because all our factories were at work and we were producing more and we had more to sell. Listen to me, Senators. We sold abroad so much that the Democrats finally began to howl at us—and Senators remember the howl—that we were selling abroad cheaper than at home, and there was some trouble caused in the United States because of the acrimonious discussion that arose over it. So much for exports, which, as I have shown, increased more than $600,000,000, notwithstanding the dismal prophecies that we were about to destroy the prosperity of the Republic.

What about imports? Listen: From 1898 to 1908 they were, for the respective years, $616,000,000, $697,000,000, $849,000,000, $823,000,000, $903,000,000, $1,025,000,000, $991,000,000, $1,117,000,000, $1,226,000,000, $1,434,000,000, an increase of $800,000,000 in what we bought abroad under the highest tariff law in the history of the United States, notwithstanding all the dismal prophecies and the doleful forebodings of prophets of evil on the other side of the Chamber.

The total of exports and imports for the respective years when the Dingley law was in force were: $1,847,000,000, $1,924,000,000, $2,244,000,000, $2,310,000,000, $2,285,000,000, $2,445,000,000, $2,451,000,000, $2,636,000,000, $2,970,000,000, $3,315,000,000—an increase in what we bought and what we sold under the highest of all our tariff laws of $1,200,000,000, and that, too, right in the teeth of the dismal prophets, who yet to-day are indulging in the same prophecies; but they are not seeing correct visions; they have distorted imaginations. These evils which they foretell exist only in the heated and perfervid imaginations of free-trade doctrinaires.

Now, what about the Payne-Aldrich law? The Democrats made the same old prophecies and the same old predictions, but the same inevitable results followed. Why need we sit here and pay attention to such prophecies? Why do we not go on and pass this bill? We know what it will do, and we need not be terrified by the false predictions or the fatuous prophecies of those on the other side of the aisle.

What about the Payne-Aldrich law? The exports in 1909, 1910, 1911, 1912, and 1913 were, respectively, $1,663,000,000, $1,744,000,000, $2,049,000,000, $2,204,000,000, $2,465,000,000—an increase of $800,000,000 in exports, and yet they told us that we were destroying our commerce; that we were dwarfing our trade with the peoples of the world.

What about imports? They were for the respective years $1,317,000,000, $1,556,000,000, $1,527,000,000, $1,653,000,000 $1,813,000,000—an increase, my friends, of how much? An increase of $502,000,000 in what we sold abroad, and a total increase of $1,300,000,000 in what we sold and what we bought, notwithstanding this high tariff law, notwithstanding the dismal predictions and doleful prophecies of the opponents of the protective tariff system.

What more need I say about that? My friends, the whole argument on the other side up to this time has been based on the destruction of our foreign trade. We are told that we can not buy if we do not sell. Mr. President, when our factories are all operating, when our labor is all employed, when we are paying wages higher than are paid elsewhere on earth, when our mines are running at full force, when everybody is at work drawing American wages, we can buy more than any other nation on earth, and we do buy, regardless of the tariff, and the people of foreign nations come here and buy because ours is the best market on earth in which to buy. At the same time we preserve our own market for our own producers, first of all, as is shown by the fact that before the war 92 per cent of all we made in the country we sold in the country. Our Democratic friends want to give up 92 per cent in order to increase the 8 per cent. I do not. I want to have an American policy, an American tariff to protect our American labor and our American investments, and to employ our own people in profitable enterprises.

That is the logic of it all, and I am backed up by the successes of Republican tariff laws which have been enacted at various times in the history of the country so that no one can prove otherwise.

I ask unanimous consent at this point to insert in the RECORD the tables from which I have quoted as to the exports and imports under the McKinley, the Dingley, and the Payne-Aldrich Acts, respectively.

The VICE PRESIDENT. Without objection, it is so ordered. The tables referred to are as follows:

The official record of our imports and exports under the McKinley law is as follows:

Year ended June 30.	Exports.	Imports.	Total exports and imports.
1891	$884,480,810	$844,916,196	$1,729,397,006
1892	1,030,278,148	827,402,462	1,857,680,610
1893	847,665,194	866,400,922	1,714,066,116
1894	892,140,572	654,994,622	1,547,135,194

NOTE.—A sharp decline in imports during the last year of the McKinley law was due to the anticipated reduction of the tariff by the Cleveland administration.

The Dingley law was in effect for 11 years, and the record of our foreign trade is as follows:

Year ending June 30—	Exports.	Imports.	Total exports and imports.
1898	$1,231,482,330	$616,049,654	$1,847,531,984
1899	1,227,023,302	697,148,489	1,924,171,791
1900	1,394,483,082	849,941,184	2,244,424,266
1901	1,487,764,991	823,172,165	2,310,937,156
1902	1,381,719,401	903,320,948	2,285,040,349
1903	1,420,141,679	1,025,719,237	2,445,860,916
1904	1,460,827,271	991,087,371	2,451,914,642
1905	1,518,561,666	1,117,513,071	2,636,074,737
1906	1,743,864,500	1,226,562,446	2,970,426,946
1907	1,880,851,078	1,434,421,425	3,315,272,503
1908	1,860,773,346	1,194,341,792	3,055,115,138

Statistics of foreign trade under the Payne-Aldrich Tariff Act:

Year ended June 30—	Exports.	Imports.	Total exports and imports.
1909	$1,663,011,104	$1,311,920,224	$2,974,931,328
1910	1,744,984,720	1,556,947,430	3,301,932,150
1911	2,049,320,199	1,527,226,105	3,575,546,304
1912	2,204,322,409	1,653,264,934	3,857,587,343
1913	2,465,884,149	1,813,008,234	4,278,892,383

Mr. WATSON of Indiana. Mr. President, I have occupied much more of the time of the Senate than I expected. I intended to take up the subject of foreign tariffs; but my good friend, the Senator from Idaho [Mr. GOODING], who is a protectionist after my own heart, has covered it, and I shall not go into it, although I have here an article prepared on that question. I may refer to it later on.

Mr. President, it has repeatedly been stated on the other side since my friend, the Senator from North Carolina [Mr. SIMMONS], made the statement in his opening speech, that the wages of labor in Germany have increased since 1914. I deny that absolutely. I have here a statement of wages for 1913, compiled from the Statistical Yearbook for the German Empire for 1915, page 91. The wages for December, 1921, are compiled from the publication of the General German Trade Union Federation, March 4, 1922. If I had the time I would go into it here, but I shall ask to have it printed without taking the time of the Senate. It shows, however, what a tremendous reduction in wages has occurred in Germany in key industries from 1914 up to the present time. For instance, the wages of bakers, measured in gold, in 1913 were $6.14 as against $2.52 in 1921.

Mr. McLEAN. Does the Senator mean per week?

Mr. WATSON of Indiana. Yes; the wages per week—an average of $6.14 in 1913 to $2.52 now. Brewery workers—that has a sort of ancient sound—brewery workers, skilled, $7.73 then as against $2.43 now; unskilled, $5.83 then as against $2.39 now; tailors, $11.17 then as against $2.78 now; painters, $14.38 then as against $2.58 now; stonecutters, $17.41 then as against $2.56 now; stonemasons, $17.22 then as against $3 now; bookbinders, $6.69 then as against $2.59 now; printers, $7.71 then as against $2.74 now; joiners, $13 then as against $2.59 now; transport workers, $6.57 then as against $2.30 now.

I had another sheet, which I seem to have mislaid, giving the wages paid in cotton factories and woolen factories and other manufacturing establishments, including dye industries. I do not know where it is, although the Senator from Utah [Mr. SMOOT] perhaps has already placed the figures in the RECORD.

The figures quoted by me are absolutely authentic, and there can be no dispute concerning them. I ask unanimous consent that the table be placed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The table referred to is as follows:

Wages in Germany—Rates per week for adult male workers.

Source: The wages for 1913 were compiled from the Statisches Jahrbuch für des Deutsche Reich (Statistical Yearbook for the German Empire, 1915), page 91. The wages for December, 1921, are compiled from the Korrespondenzblatt des Allegemeinen Deutschen Gewerkschaftsbundes (the publication of the General German Trade Union Federation, March 4, 1922) pages 4–18, inclusive.

Mark converted to dollars in 1913, at $0.2382.

Mark converted to dollars in December, 1921, at $0.005223, the average buying rate for the month of December, 1921, for New York cable transfers as reported by the Federal Reserve Board.

City.	Bakers.		Brewery workers.				Tailors.		Painters.		Stone-cutters.		Stone-masons.		Book-binders.		Printers.		Joiners.		Transport workers.	
			Skilled.		Unskilled.																	
	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.
Berlin	$6.19	$2.66	$7.15	$2.51	$6.19	$2.48	$13.10	$3.13	$17.15	$2.64	$19.06	$2.38	$20.25	$3.13	$7.50	$2.78	$8.19	$2.89	$14.77	$2.88	$6.91	$2.74
Konigsberg	.....	1.88	.....	2.27	.....	2.18	10.72	2.51	12.62	2.51	16.20	.....	15.72	.....	.....	2.59	7.37	2.65	8.34	.....	5.00	1.47
Kiel	5.95	2.80	7.98	2.72	6.31	2.68	10.72	2.63	15.48	2.69	.....	.....	17.39	2.57	.....	2.42	7.86	2.72	15.24	2.68	8.05	2.51
Osnabruck	.....	2.51	6.91	1.78	5.95	1.75	.....	2.51	12.39	2.33	13.10	2.46	15.48	.....	.....	2.32	7.04	2.52	12.15	2.66	.....	2.25
Dusseldorf	7.38	3.39	7.50	3.16	6.07	3.11	11.67	3.51	14.29	2.93	17.63	2.51	.....	3.38	5.36	2.97	7.70	3.08	14.29	3.17	6.43	2.92
Munchen	6.19	2.17	8.10	2.34	5.72	2.29	10.00	2.63	13.34	2.32	15.96	.....	.....	2.91	5.95	2.59	7.86	2.68	12.62	2.14	6.91	1.98
Leipzig	5.72	2.35	8.34	2.35	6.19	2.32	9.53	2.63	.....	2.54	19.06	2.34	.....	3.80	7.20	2.59	7.86	2.68	13.82	2.64	6.43	2.09
Stuttgart	.....	.....	7.91	2.30	6.53	2.26	10.00	2.63	13.82	2.51	15.48	.....	.....	2.86	6.88	2.59	7.70	2.68	11.91	2.16	5.72	1.71
Manheim	5.72	2.09	8.10	2.53	4.76	2.51	11.91	2.88	13.58	2.77	15.24	.....	.....	3.21	6.91	2.59	7.70	2.79	12.86	2.31	.....	2.96
Rostock	5.48	2.01	6.43	1.61	5.12	1.58	11.43	2.41	13.10	2.32	13.34	.....	16.67	2.26	5.84	2.42	7.37	2.58	10.24	2.16	.....	2.07
Bremen	5.95	2.67	8.10	.....	6.07	.....	10.72	2.76	15.01	2.66	22.63	3.18	15.96	3.21	6.79	2.59	7.70	2.74	14.29	2.75	5.95	1.72
Hamburg	6.67	3.13	8.57	3.13	5.24	3.11	13.10	3.13	17.39	2.76	23.82	2.47	19.06	3.37	7.74	2.59	8.19	2.85	15.48	2.93	7.72	3.13
Average	6.14	2.52	7.73	2.43	5.83	2.39	11.17	2.78	14.38	2.58	17.41	2.56	17.22	3.00	6.69	2.59	7.71	2.74	13.00	2.59	6.57	2.30

Mr. WATSON of Indiana. Mr. President, our Democratic friends and the importers, who are organized and militant as never before in this country, are not the only ones who are inveighing against our tariff system. Foreigners are coming here and telling us how to run our country and how to conduct our Government and what laws we ought to pass, and are interfering, I think, unjustly in our domestic affairs.

Mr. BORAH. They are not confining themselves to the tariff.

Mr. WATSON of Indiana. That is quite true, but the tariff is the question now before us, I will say to my friend. I will call the attention of the Senator from Idaho to the singular fact that those who tried to get us into the League of Nations are the ones who are now trying to defeat this bill—free trade and internationalism combine in opposition to it.

Mr. WATSON of Georgia. Mr. President, what does the Senator think of a member of the British Parliament coming over here and telling us what our foreign policy should be?

Mr. WATSON of Indiana. I am going to refer to that later. I think my friend from Georgia is getting religion, perhaps, and if he shall continue to sit on this side we may inoculate him so that he will see the light. It will take considerable inoculation, but we have the material over here. I desire now to quote from the New York Times of May 11, 1922, a very great newspaper and splendidly edited, and about as fair as a newspaper can be, situated as it is and breathing the atmosphere its editors always breathe—

> The anxiety which European nations feel over the possibilities of a prohibitive American tariff was expressed yesterday by the French and British consuls at this port at a luncheon given by the New York Board of Trade and Transportation to the representatives of 37 Governments. The two consuls said in speeches that by preventing importations we would injure our own export trade.

They talked like Democrats, did they not?

> "It is as much in your interest as in ours that your Government deal fairly with this matter," said Gaston Liebert, consul general for France. "We all hope that the tariff you adopt will not be an insurmountable barrier to imports, and thus, also, to exports.
> "All the European countries are in urgent need of recreating riches, and the only way they can recreate riches is to export to America, which has all the gold, all the riches in the world."

Right at the time these people were paying us this lofty tribute the Senators over on the other side were telling us that we were going into the jaws of destruction and despair.

What has France done, by the way, and why? France was confronted with the problem of reestablishing her industries and compensating the loss in customs revenues due to the depreciation of French currency, and she attempted to secure these objects by a general increase of pre-war customs duties by the use of a system of coefficients, which I shall not go into. Some of the pre-war rates were doubled, and others were increased from five to ten times; so that while France has been increasing her tariff rates and increasing the number of articles upon which those duties are imposed, her consuls over here are telling us that we must not pass this bill, and that we must not put on these high rates, because, if we do, France will not be able to sell to us.

I will go on:

> Lewis E. Bernays, who represented Great Britain in the absence of Consul General Armstrong, said: "Trade to be successful must be interfered with as little as possible."

And right in the teeth of that statement, what did Great Britain do? In the first place, she put an embargo on dyes going into her country, and France put an embargo on dyes, and Italy, to whose ambassador I shall refer in a moment, put an embargo on dyes; and, Senators, what else did Great Britain do? I will break off for a moment and go back.

The most notable instance of increase was the safeguarding of industries act passed by the British Parliament, and which went into effect October 1, 1921. This act imposed customs duties. Listen:

> With a view to the safeguarding of certain special industries and the safeguarding of employment in industries in the United Kingdom against the effects of the depreciation of foreign currencies and the disposal of imported goods at prices below the cost of production.

The duty imposed is 33⅓ per cent, and over 6,000 articles were affected by its provisions; and yet, in the teeth of that act, the representative of that Government comes here to say that we must not pass a high tariff act, for if we do they can not sell to us, and the only way we can have trade with other people is to have it "interfered with just as little as possible."

Why, my fellow citizens, that is a pro-British declaration, and our friends on the other side make these pro-British and pro-English declarations, for free trade is an international proposition. It goes along with internationalism. It goes hand in hand with the League of Nations and all efforts to tear down American nationality and involve us in the broils and the quarrels, indeed, in the industrial disturbances, of the Old World. It is all of one cloth and all of one piece:

> Trade to be successful must be interfered with as little as possible. It is not government aid or support, but the initiative of the individual and his knowledge of his own business, that spells success. In my opinion, prosperity can not return to this world until the artificial barriers to pre-war trade be removed.

Why, that doctrine is as old as Cobden. It has been preached by every British free trader for a long number of years, since they abandoned their protective tariff system; and, my fellow citizens, always there has been British propaganda back of free trade in the United States, just as it is now back of free trade in the United States.

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. WATSON of Indiana. Yes.

Mr. STANLEY. The Senator says this doctrine has been preached by free traders. The Senator is a great scholar. Will he give me the name of any great political economist, speaking the English language on either side of the ocean, who ever controverted that doctrine or ever questioned its wisdom?

Mr. WATSON of Indiana. Why, certainly. British statesmen right along have done it. The Senator from Kentucky on this floor, in answer to my questions within the last 30 days, did not quite do it, but he edged up to it so close that I could not see between him and the edge. What did he say? I said to him: "Does the Senator, then, believe in free trade?" "Well," he said, "I would not say just exactly that." Go get your language and look at it. It was in answer to what the Senator said about the hemp industry in Kentucky, in which the Senator specifically stated that free trade in hemp had devastated the hemp fields of Kentucky. He said it, and I had him repeat it. That is a tribute to his policy. That is just what it always does, but I did not think the Senator would say it. He said free trade had devastated the hemp fields of Kentucky; and then I asked him whether or not he believed in going abroad to buy wherever we could buy the cheapest. He would not quite say that; and then my friend from California [Mr. SHORTRIDGE] pressed the Senator, and I will tell you that these speeches I have read here show that the Democratic Party always has stood for free trade, but you have not the courage of your convictions. If you had, you would propose a tariff on tea, and you would propose a tariff on coffee, and you would propose a tariff on spices, and you would propose a tariff on rubber, and on all those things the like of which we do not produce in the United States; for a tariff of that kind is a tax which is added to the price which the consumer pays, and which goes inevitably into the Treasury. That is your doctrine, and you believe in it, but you have not the courage to put it into practice, or even to attempt it, and so you say you are in favor of a tariff for revenue with incidental protection—incidental "robbery"; incidental "infamy."

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana further yield to the Senator from Kentucky?

Mr. WATSON of Indiana. I do.

Mr. STANLEY. If the Senator will again yield, I am not concerned about the bald statement of the Senator from Indiana that I have not the courage of my convictions, because the Senator from Indiana knows better, just as every Senator on this floor who knows anything about my attitude on public questions knows better.

Mr. WATSON of Indiana. Is my friend going to ask me a question, or to make a speech?

Mr. STANLEY. I am going to answer a statement of the Senator's now.

Mr. WATSON of Indiana. Oh, no; I am not going to have that done. If the Senator wants to ask me a question, of course I will yield to him, always.

Mr. STANLEY. I thank the Senator. I do not mean to interrupt his speech, but I was a little surprised at that sort of statement from my genial colleague. I have never hesitated to state where I stood, even upon questions where I knew a majority of my own people were hostile.

I wish to say that the Senator from Indiana has not answered my question. I asked the Senator from Indiana if he knew of any great political economist in Europe or America who had ever controverted the truth of the general principle he had just read. He honored me by saying that I did not stand for those doctrines. It does not matter what gentlemen of the size of the Senator from Indiana or myself think about such matters as that. He has a political organization behind him that wants to get fat out of these industries. I may have a political organization behind me whose opinions I may more or less reflect; but no great scholar who has ever studied the question of international relations, from Adam Smith until now, has ever stood for the patent and palpable heresies that the Senator from Indiana so eloquently espouses, and I defy him to name anyone who has.

Mr. WATSON of Indiana. Does the Senator from Kentucky ask me whether or not any man has ever said he believed in straight protection?

Mr. STANLEY. I asked the Senator to name one great political economist of international note, either in Europe or in America, who had ever advocated the principle of high protection as a correct policy.

Mr. WATSON of Indiana. Why, heavens and earth, where has my friend been all these years!—Rip Van Winkle-like, asleep? The first act that we ever passed in the history of the United States was a protective tariff act. It was passed and signed by George Washington and all the mighty men who had formulated the Constitution, and who builded broad and deep the enduring foundations of the Republic. There was no division of sentiment or opinion among them. From that time down, that was the view of nearly everyone except John C. Calhoun and those who immediately followed him. I do not speak offensively. He was an absolute free trader; and yet John C. Calhoun, in 1824 and again in 1828, stood in the Senate of the United States and, without division of party or sentiment, along with Henry Clay, and along with Andrew Jackson, and along with Daniel Webster, and along with many of those great men, without division of party, voted for the tariffs of 1824 and 1828. What were these men if they were not protectionists? What was Abraham Lincoln? What was Henry Clay, from the Senator's own State, who denominated this to be the American system—and that is what it is—as against the English system? One system has been contending against the other from that day to this. What was James G. Blaine? What was William McKinley? What have been all these great lights among the statesmen of our country and of history, save and except pure, unadulterated, unequivocal protectionists? And we have formulated our bills accordingly. You people got your doctrine from Richard Cobden, and you have been following along that line ever since. It is an economic school in which I do not believe, and with which, as an American, I have no patience.

Mr. STANLEY. Mr. President——

Mr. WATSON of Indiana. Let me go on. I do not want the Senator to make a speech in my time.

Mr. STANLEY. I do not want to make a speech.

Mr. WATSON of Indiana. Yes; the Senator does. My friend always wants to make a speech.

Mr. STANLEY. But the Senator has asked me a question, and I should like an opportunity to answer it.

Mr. WATSON of Indiana. No; I did not ask the Senator a question.

Mr. STANLEY. Yes; the Senator asked me about Henry Clay and all the rest of them. I will tell the Senator; it is short. Neither Henry Clay nor Daniel Webster nor Blaine nor McKinley nor any Republican, alive or dead, nor any Whig or any other man who lived for an hour and deserves to be remembered 15 minutes after his funeral obsequies, ever did defend or ever did excuse the abominations of this tariff; and the Senator knows it, and he will not give me time to tell him so.

Mr. WATSON of Indiana. Mr. President, does not that have a natural sound, after all I have been reading here? It is the same old language, from my gifted friend from Kentucky; but oh, when it comes to decrying the abominations of this tariff and the freezing terror of this law, he will put John C. Calhoun and all those other brethren off the map, telling about the awful things which, in the providence of a gracious God, will never happen here or anywhere else on earth.

Mr. WATSON of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Georgia?

Mr. WATSON of Indiana. I have to yield to a member of the family.

Mr. WATSON of Georgia. How does my genial relative, who so well represents the great State of Indiana, account for the fact that the human race got along without a protective tariff system until the time of Louis XIV?

Mr. WATSON of Indiana. That is very easily answered. We did not get along without it immediately after the Revolution. The American Colonies were all divided up, each with its own tariff law, all subject to English commerce and English exploitation, as the Senator knows. What happened? One of the very objects of the fighting of that war was that we might protect ourselves commercially from those who would prey upon us from abroad, and in order to carry it out the very first act passed was a protective tariff act and it was expressly stated it was a protective tariff. Yet we did not have a protective tariff act in the present-day acceptation of the term until 1824, and again in 1828. Up to 1860 we never had a real, genuine protective tariff, as we now understand that term, and in all those years we had accumulated but $16,000,000,000 of wealth. After 1860, when we began to develop our resources, when we began to diversify our industries, when we began to employ our labor, when we began to invest our capital, and when we began to have an American scale of wages, an American system of living, and an American conception of the regal dignity of every man under the flag, then we began that imperial march which has landed us the industrial and commercial primacy of the world. Does the Senator deny the irresistible logic of that?

That is what we did under the protective tariff system. Nobody disputes it except the doctrinaire who still insists that we ought to go somewhere else to buy because we can buy there cheaper than we do at home. If we permit a product to be brought in from some other country and sold at a price cheaper than that at which we can buy it here, we put out of business the fellow who is making it here; and whenever we do that we close factories, we stop home industry, and we para-

lyze labor. That has been the result every time the Democratic Party has had an opportunity to put its theory into practice, and we do not intend to give them another chance.

Now, I want to go on with these foreign representatives of the Democratic idea.

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. WATSON of Indiana. No; I do not want to yield.

Mr. STANLEY. If my good friend will yield for a statement——

Mr. WATSON of Indiana. Will not the Senator wait a little and let me finish this particular line, because I do not want to break into it?

Mr. STANLEY. I will not interrupt the Senator again. I simply want to correct a statement of the Senator, so that in proceeding he can answer. The Senator misapprehended, I am sure he will find if he will examine the record, my statement with reference to the hemp industry of Kentucky. I said the people of Kentucky would see their fields devastated before they would desert the principles of democracy. No field of Kentucky was ever devasted on account of the people's devotion to democracy, or was ever enriched on account of their devotion to the principles of protection.

Mr. WATSON of Indiana. Now, I want to go on with the discussion of the foreign representatives of the Democratic idea. In thus speaking I do so with entire respect for the accredited representatives of foreign Governments to this country. They are entitled to their opinions, and within certain limits should have the privilege of expressing them, but I for one insist that these gentlemen who come here to represent foreign nations should not undertake to dictate to us what our policy shall be. I remember very well that only a short time ago a gentleman got himself into a little trouble by coming here and advocating the election of the Democratic ticket, and it was very much like unto the existing situation, and is therefore worthy of recollection and repetition.

The letter I am about to read, written from Beverly, Mass., September 13, 1888, followed by an explanation in the New York Times, may be illuminating and throw some light on the existing situation and on the rights of foreigners who are representing their Governments among us. The letter reads:

I am in receipt of your letter of the 4th instant, and beg to say that I fully appreciate the difficulty in which you find yourself in casting your vote.

This was in the midst of the election of 1888, in which Harrison and Cleveland were running against each other. I call the attention of my Democratic friends to this significant statement, for it is as true now as it was then:

You are probably aware that any political party which openly favored the mother country at the present moment would lose popularity, and that the party in power is fully aware of this fact. The party, however, is, I believe, still desirous of maintaining friendly relations with Great Britain.

There never was a shadow of a doubt about that on earth; not only then but now they have been anxious to maintain friendly relations with Great Britain. I read further:

The party, however, is, I believe, still desirous of maintaining friendly relations with Great Britain, and is still as desirous in settling all questions with Canada, which have been unfortunately reopened since the retraction of the treaty by the Republican majority in the Senate and by the President's message, to which you allude. All allowances must, therefore, be made for the political situation as regards the presidential election thus created. It is, however, impossible to predict the course which President Cleveland may pursue in the matter of retaliation should he be elected, but there is every reason to believe that, while upholding the position he has taken, he will manifest a spirit of conciliation in dealing with the question involved in his message. I inclose an article from the New York Times of August 22 and remain,

Yours faithfully, L. S. SACKVILLE WEST.

Then follows this item from the New York Times, then, as now, advocating this pro-British doctrine in America:

There is this further consideration in favor of supporting the administration on this issue. It will leave the question still open for friendly means of settlement of some kind, while a support of the Senate's position would close all avenues of future negotiations and bring upon the country the disastrous consequences of retaliation, hostility, and possible war. It would put an end to all prospect of improving the commercial relations of the United States and Canada. This is one of the questions which the people will keep in mind in casting their votes next November.

What happened to Sackville West? He was immediately recalled by the direct action of Grover Cleveland, the President of the United States. But times have changed. The spirit of internationalism is abroad in the land. The League of Nations has been discussed. Tremendous efforts have been made to drag us into all the entanglements and all the broils of Europe, and if it can not be done politically in one way, there are thousands of people in the United States, including certain papers in New York, which intend to do it in another way, and if they can not get us immediately, as a national unit, into all their political entanglements and involvements, they intend to have free trade, as nearly as possible, and to send their representatives over here to inculcate that doctrine among our people and among our citizens. These men have the right to express themselves in their own countries, but I deny the right of the representative of any foreign government, accredited to represent his people here, to come within the confines of the United States and instruct us as to what course we shall pursue with reference to the policies of our Government.

Let me go on. This is a special to the Washington Post:

The Italian ambassador, Vittori Rolandi Ricci, asked to explain the attitude of discrimination against American goods embodied in the tariff legislation of his Government which has been in effect since August, and which proposed legislation threatens to make still more discriminatory, said:

"In accordance with the policy long since adopted by several of the principal countries of the world, including the United States, the Italian Government was obliged to increase the schedule of import duties upon many items.

"The increase in customs duties generally was not very high. Nevertheless, if the campaign of the American agriculturists (the farm bloc) carried on for a high protective tariff on the few olives and lemons which they supply for home consumption is forwarded, and as a result the tariff raised, the Italian Government will be obliged to augment further the duty on American agricultural products imported by Italy.

"It is obvious that if you will prevent us from selling you those products which are natural to our country, we shall not be able to purchase; besides, if we had those means at our disposal we would logically rather spend them in another country which would not bar the opportunity of selling our products."

In other words, that is a threat that if we put up the tariff and do not buy of them they will cease to buy of us. They buy of us now because they have to buy of us, and we will continue to sell to them just as they need our products and just as we have been selling. As I have explained here in language unmistakable, and in figures irrefutable, there is no alteration of the currents of trade by the imposition of a tariff duty. All the figures show it, and there is no one to stand and challenge it in the light of the history of the past.

When our Italian friends came here in unnumbered hundreds of thousands from Italy, why did they come? They came in part to stand under the protecting shadow of the American flag and to be benefited by the freedom which it guarantees. But in part they came to enjoy the prosperity of the United States. They came to share in the good things we have so abundantly bestowed upon us in this Republic, and they were all welcomed. The gates of Castle Garden always swing inward; they never swing outward; and they swing inward because of the prosperity of the American people, prosperity made possible by continued protective tariff enactments, and these people are here to enjoy the blessings and the benefits which always come from such a beneficent policy.

We welcome them here, and I know that no Italian in the United States can best secure his job or best increase his wages by having more imports from his country to compete with what he produces in the United States, nor can any other man laboring in this country under our flag best increase his opportunity or enhance his wages by bringing a larger flood of imports from abroad, thereby depriving him of the right to earn his bread in the sweat of his honest face.

We have no objection to these people expressing their honest views, but we have objection to them trying to dictate the policies of the United States, so long as they are accredited here as the representatives of their nation. Suppose Colonel Harvey should get up in London and tell them they had to pass a tariff bill, or tell them they had to do something, or we would not do business with them. He would not last long over there, would he? They would send him home, and they ought to do it. It is not his business to go over there and dictate the policy of any European government. It is not theirs to comes here and dictate ours. This is an American policy, this is an American Government, and it is to be dictated to only by the sovereign voice of the American people.

I have other quotations from the speeches of the ambassador, but I shall not read them. He further inveighed against our policy of immigration, but I shall not take the time to read what he said about that. He also attacked the policy of prohibition. Whatever anyone may think about it, it is our policy; we made it; we are responsible for it. While it is the law we ought to enforce it. If we do not like the law, let us repeal it or modify it. So we would do if the great majority of the American people thus believed, but I do not think they yet do believe that way, and I hope they never will, speaking for myself.

Sir Auckland Geddes, the very able and distinguished ambassador from England, made a speech in March in which he said:

CHICAGO, March 12.—With America holding two-thirds of the supply of gold in the world, American business can no longer look for cash payments for exports to England, according to Sir Auckland Geddes, British ambassador to the United States.

This is from an Associated Press report published in the morning papers of March 13, 1922:

America must find a means whereby cash payments would not be required or she will face complete loss of her English export trade, now "dwindling because there is no money in England," Sir Auckland says.

Reciprocal trading between England and the United States was one solution of credit men here Saturday. Sir Auckland also suggested that American business use British service, such as insurance and the use of English ships, as a means of solving the problem of diminishing exports, which he attributed almost wholly to the lack of cash in England.

We must not have an American merchant marine, must not have a merchant marine on this side. Who said so? The British ambassador. We must use British ships, we must employ the British merchant marine to do our carrying. This mighty Nation, situated as it is between the two imperial seas of the world, ought to have the carrying trade of the earth and bear American commerce in American ships, built by American laboring men, investing American capital, and flying always the American flag. Is not that the right policy for the United States? Oh, but our friend from abroad says no; we must use British ships; we must not have an American merchant marine, or they will not trade with us.

"The question for America to decide," Geddes said, "is whether she wants to open the country for trade or throw up a barrier."

Now, Mr. President, he is a very great man, a very capable representative of a mighty people, and yet I think is going entirely outside the bounds of propriety in attempting to dictate the policy of this mightiest of nations in the recorded history of time.

I might go on and show the articles that have been written by Nevinson, Gibbs, Gardiner, Repington, and many other British publicists and writers, writing articles for newspapers and magazines every day in the United States, exploiting this British doctrine and inveighing in caustic terms and unmitigated fashion against the protective-tariff doctrine. There you have it. It is the American doctrine as against the British. It is our idea as to what we shall do with our own Government as against the interference of all other Governments. I desire as one Senator to resent interference from abroad in our domestic affairs.

They get happy over there when the Democrats are in power. We all remember the letter written by Ambassador Page to Woodrow Wilson when they passed the Underwood-Simmons law, the lowest tariff law by odds in the history of the Nation, with but 6½ per cent on the average on imports. What would happen to us now or in the future when those countries are resuscitated and rehabilitated and get on their feet commercially and industrially if we had a 6½ per cent tariff? I shall not stop to describe, because we are not going to have it.

The Senate is determined on it, this Congress is determined on it, and our President is determined on it. The American people have so decided, and we intend to listen to that voice and to pass this tariff bill.

Ambassador Page said:

I can assure you emphatically that the tariff act does command their respect and is already having an amazing influence on their opinion of our Government.

He wrote that to Woodrow Wilson, President of the United States. He was our ambassador to England. He said that it was having an amazing influence on their opinion of our Government. Well, it had an amazing influence on our opinion of our own Government—not the Government, but the acts that were passed and the destruction it brought, because everybody knows that by 1914, when the war intervened, we were headed directly for catastrophe, just like all previous low tariff laws had produced in the United States. There is no question about it in the world that the interposition of the World War saved us from that disaster. What else did Mr. Page say?

Lord Mersey, a distinguished law lord and a fine old fellow, of the very best type of Englishman, said to me last Sunday: "I wish to thank you for stopping halfway in reducing your tariff; that will only half ruin us."

We have not any desire to ruin them. That is not our object. But old St. Paul said, "He that careth not for his own household is worse than an infidel," and we do not intend to rest under that charge. We are going to look after our own people and care for our own household, and no one need be alarmed about dwarfing our influence or diminishing the estimate in which we are held by the people of the world.

Mr. President, we have gone through trials and tribulations to the present time. We went through a war which saved us from the disastrous effects of the Democratic tariff. We have come safely through it and new conditions now confront us. These new conditions are exaggerated beyond anything that ever existed before the war. Wages abroad are lower than ever before and wages here are higher than ever before.

So far as the great markets of the United States are concerned, the cities of Germany are closer to them than our own western cities. They are practically side by side. How can our Democratic friends expect to employ our laboring people in our factories and pay the wages we are now paying when precisely the things we are making in our factories come in from all their factories in competition with what we produce, made by men who get one-tenth to one-fifth what we pay our men? It is an utter impossibility.

It is just like having a factory in Ohio and one in Indiana, running side by side, making the same thing, and paying five times the wages in one that were paid in the other. It could not be done. It is utterly impossible, and nobody but our Democratic friends, skilled in argumentation along theoretical lines, would expect such an impossible thing to occur.

So, my friends, notwithstanding the many difficulties that surround us and the obstacles that have beset us, we propose to pass this bill. Like Grant said, we intend to fight it out on this line if it takes all summer—not only all summer, but until the snow flies. The Democrats will not endeavor to prevent its passage until after election. Oh, no; they would then be playing into our hands. They want to pass it just before election. They want to do with this bill just like they did with the McKinley law, and we do not intend that they shall do it if we can help it, and if we can not help it we intend to stay here and fight along this protective tariff line to the very last, because we believe it to be absolutely essential to the prosperity of our country and to the greatness of our land.

Mr. SIMMONS. Mr. President, it is always delightful to listen to our genial, talented, and truly eloquent friend from Indiana [Mr. WATSON]. I know of no man who possesses greater gifts of speech than the Senator from Indiana, and when he has taken time for preparation he is, of course, entertaining.

It is not my purpose to undertake now a general answer to the speech which the Senator has made. To speak the truth, there was so little of the speech that related to the bill, or had any pertinence to the questions we have been discussing here now for five or six weeks, that it does not really require any answer unless it were desirable to enter into an academic discussion of the differences between Democratic theory of the tariff and the Republican theory of the tariff. Most of the Senator's speech might be characterized as graveyard matter. It is something like the discussions that have taken place upon the hustings during the past half century with reference to the merits of the protective tariff system as compared with the low tariff principles advocated by the Democratic Party.

Practically no attention was paid by the Senator to the real issue raised by the bill, and which has been raised in the discussions which have taken place in the Chamber up to this time. I should say, making a rough calculation, that not 10 per cent of the time which the Senator consumed here this morning had anything to do with the bill, or with the real issue that grows out of the bill, or with the contentions that are being made here from time to time by the representatives of the two sides of the controversy.

The Senator did, however, in the beginning of his speech undertake to defend the committee for the time it has consumed in bringing before the Senate this pressing question—pressing from their standpoint—and the time that has been consumed by them since in its defense.

In the first place he tries to justify the committees of the two Houses for delaying a measure which the Republicans promised in their platform should be immediately passed if the Republican Party should be given control of all branches of the Government. He has one excuse after another for these delays. "Other matters had to be considered," he said, "besides the tariff, and therefore we were longer in preparing our tariff measure than usual." Well, always in making tariff measures in committee other things are being discussed in the Senate and in the House, but the fact that other bills have to be enacted into law contemporaneously with this is no excuse for the delay.

There was a distinct promise to the people of the country on the part of the now dominant party that the tariff should be passed speedily upon its coming into power, and it was estimated that it would only require a month or two to enact it into law. Instead of that we find that 18 months and more have elapsed since the Republican Party came into power in all branches of the Government and the tariff bill has not yet been passed. It has been argued that since it came in here we have been responsible for the delays. But who is responsible for the delay of a year and a half before it got here? What was the trouble with the Republican Party that it could not carry out its promise to speedily bring in the tariff bill?

It was because the Republican Party was not in harmony upon this question. It was because one element of the Republican Party was seeking to frame a tariff especially in the interest of 4,000 members of the big industries of the country and another part of the Republican Party was demanding a tariff in the interest of the people. There was no progress made, Mr. President, until the two wings of the Republican Party got together upon a logrolling proposition and united in an agreement to divide the spoils of protection. This bill would have been in committee yet, in all probability, but for that. That is the secret of the delay, and this mongrel and unnatural measure is the kind of bill that has emerged as the result of the "harmony" that was at last restored in the Republican ranks.

The Republicans finally brought out a bill that imposes taxes amounting in the aggregate, when the increase of prices resulting from these taxes is taken into consideration, to three billion or four billion dollars, or practically as much as we collect from the people through the internal taxes which we impose. They have brought us out a bill, I say, to impose those taxes upon the many millions of the people of the United States, embracing the laboring man, the farmers, the clerks, and the salaried men, whose returns upon their investments are not 2 per cent a year. Certainly it is true with reference to the farmers that the net income upon their investment is not 2 per cent a year, and 50,000,000 of farmers will have to pay one-half of this $4,000,000,000 of additional taxes. To whom? The pitiable sum of $300,000,000 to the Government and the balance to about 4,000 manufacturers and profiteers in the country, who are making incomes ranging from 10, 20, 30, 40, 50, to 100 per cent upon their investments.

I say the bill never could have been brought out if a trade had not been consummated by which it was sought—and I am afraid it was accomplished—to purchase the support of the element which stands usually for the 50 per cent who have to pay half of these taxes and who make only 2 per cent on their investment. The bill was brought about by promising that there would be given to a few of the farmers of this country certain benefits upon the particular products which they produced as a compensation and a consideration for their representatives yielding their position and agreeing to support a measure framed in the special interest of 4,000 people who are making exorbitant profits as against the millions who are making practically no profits. That is the reason why in the committee there was such great delay in the consideration of the bill.

I am not speaking now of the delay that took place while the bill was in its formative stage in the other House or while it was going through the process of hearings before the Senate committee, with a view to its revision and rewriting; I am not speaking about that; that necessarily occupied a good deal of time. I am speaking about the time that was taken in the Senate Finance Committee room considering the measure and framing the 2,000 amendments which we are now discussing, and which I shall show before I get through are just as far removed from the principle of protection about which the Senator from Indiana [Mr. WATSON] has been talking so much as is the earth from Mars. There is involved in this bill no principle of protection, as that principle has heretofore been understood by any man or party in the discussion of the question.

It took the Republicans how many months, Mr. President, to report the bill? It took them three months to make these 2,000 changes. Let me say in passing that no other tariff bill with which I have had anything to do—and I have had to do with all that have been passed here during the past quarter of a century—has had more than 400 or 500 amendments put on it. This one has had over 2,000 amendments attached to it; and it took the committee approximately three months to draft them. Why? The Senator from Indiana said it was because conditions here and abroad, throughout the world, were so upset and upturned and chaotic and disorganized that the committee had to go back to the fundamentals; that they had to take up and consider all sorts of questions in connection with the framing of these amendments.

Mr. President, the very debates which we have had here show that that was not the cause. The rates in the pending bill were not fixed upon any rule; they were not framed upon any measurement of the amount of protection to which the industries were entitled. Nobody can successfully contend that they were. They were made by a sort of a haphazard, a guess, the committee generally guessing that what the seeker for protection desired was the correct rate to which he was entitled.

The Senator from Indiana says that his side of the Chamber did not discuss these questions. Mr. President, when they did undertake to discuss them, after they were forced to do so, they clearly showed that they had never analyzed the basis which should support any rate of tariff taxation, and they showed an utter lack of knowledge, an utter want, I will say, of information as to questions which have heretofore been considered absolutely essential to the framing of a tariff law. So they were not really engaged there in the work of finding out the facts which should be obtained in order to levy rates upon the protective principle at all, but their discussions here and the debate as it has been developed show that they had no knowledge of and were not in possession of any information as to these matters.

What were they doing, Mr. President, in those secret sessions for three months, with the corridors outside swarming with the seekers of favors from the Government, with these suppliants for subsidies and bulldozers of bounties from the Government, with these pleaders for privilege in taxing the masses of the people of the country for their own special benefit and profit? They sat there conferring with one of these representatives and then with another, getting their views and hearing their demands as to what they wanted.

It took them frequently a long time to reconcile the views of the members of the committee with the views of these seekers of bounties from the Government, and they never would, as I have heretofore stated, have been able to bring about a reconciliation except for the logrolling scheme to which they finally resorted in order to enable these seekers for special privilege to get all that they asked; and all that they asked is so far above what they are entitled to upon any principle of protection that I say the duties imposed by this bill bear no resemblance to the principle of protection and are as far removed from the principle of protection as is the earth from Mars.

What is the use, therefore, of the Senator from Indiana consuming two hours of time—precious time from his viewpoint, because from his viewpoint it is extremely desirable that this proposed legislation shall be enacted speedily and shall be put upon the statute book so that it may demonstrate its virtues (?) before election day—when nine-tenths of his two and a half hours' speech this morning was consumed in discussing things that have absolutely no pertinence to the question which is under consideration?

Mr. President, with the exception of a few hidebound Republican Party organs, organization newspapers, newspapers partisan under all circumstances and all conditions, there comes from outside of this Chamber, from every impartial source throughout the country, including the disinterested manufacturer—for there are a great many of them who do not participate in this drive against the pocketbooks of the American people—from the press throughout the country, without reference to whether it is Republican or Democratic or independent or nonpartisan or religious or agricultural, trade or commercial, not a voice of protest against the discussion of the pending bill. With the exception of the little clique of partisan newspapers there comes not a single charge that the discussion on the part of the Democrats is filibustering, but, on the contrary, there comes a chorus from every part of the country and from all sources of public information in this country highly commending this discussion, saying it is enlightening to the people, that it is doing good, and if the bill is to pass without further amendment—material, radical amendment—of the taxes it imposes, the discussion ought to continue until the bill shall be defeated, even if it takes a year or two years to accomplish that great end.

I am not speaking loosely; I am measuring my words. I ask the Senator from Indiana to point me to any complaint against the discussions that are taking place here upon this floor upon this bill, outside, as I say, of the small clique of bitterly partisan journals. I ask him to go to the files of the metropolitan press, to start with the great Republican organs—papers that have heretofore stood shoulder to shoulder with the Republican Party in all of its efforts to establish the protective system in this country—go to them first, then go to the independent press of this country, the great metropolitan independent papers, the small journals of the cities of ten to fifty thousand people scattered throughout the country; let him take the dailies of his own party, the independent dailies, and the dailies of the Democratic Party, and I ask him after he shall have done that to come here and file a list of the great papers in this country, exponents of public opinion that are entitled to respect and that have the confidence and respect of their readers, and point out those who are criticizing and who have criticized this debate.

Mr. President, has it been solely in the interest of party politics, as they claim? What has been the fruit of this discussion? I would better ask that question of the Senator from North Dakota [Mr. MCCUMBER], who has charge of the bill,

than of anybody else, I reckon. I should like to have him get up here and state to the Senate how many of these rates, in these daily morning executive sessions that the committee holds from 10 o'clock until 11 o'clock, he has reduced from 10 to 25 or 30 or even, as to some of them, as much as 50 per cent because of the disclosures and the discussions that have been taking place upon this floor, and let him tell the Senate how many of the amendments to the schedules that we have already discussed he has taken back to the committee, and with reference to which it is now considering radical reductions in the rates because the discussions have shown that the taxes he proposed would be oppressive and unjust to the people of the United States.

Mr. POMERENE. Mr. President, the Senator has made a very valuable suggestion, and I wondered if he had a memorandum of the number.

Mr. SIMMONS. I have not made it. I thought the Senator from North Dakota could better make it.

Mr. President, only last Saturday about 12 paragraphs of the metal schedule were passed over, after we had been discussing items, both before and after that, in the same general classification and category. There were 12 items, I think, that were to be looked after by a Senator who happened to be sick the day they were passed over. When on Saturday I suggested to the Senator from North Dakota that we should take them up, as they were then in order, and should dispose of them, he advised me that the committee intended to bring in amendments, material amendments, to every one of those paragraphs that had been passed over.

Mr. JONES of New Mexico. Mr. President——

Mr. SIMMONS. Will the Senator just let me finish this? Not only that, Mr. President, but day after day Republican Senators on the other side are giving the committee to understand that in the light of these discussions that have brought out the iniquity of these rates the committee can not rely upon them for their support unless the committee do reduce these rates, and radically reduce them. That group was led by the Senator from Iowa [Mr. CUMMINS] a day or two ago in a very notable speech in this body.

I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. Mr. President, I just wanted to call attention to a statement by the chairman of the committee in corroboration of what the Senator has just said. On June 1, when we took up the tariff bill, the chairman of the committee stated:

> I desire to suggest several committee changes in the paragraph. It is the paragraph that relates to cylinder, crown, and sheet glass, generally known as window glass, and that character of glass.
>
> I wish to say at this time that the committee in its first hearings gave so much time to the paragraphs of the bill on which there were contests that it may be that in some instances where there was no contest it did not give the consideration that ought to have been given to the amendment of some of the House provisions. It was understood that the committee should be in session every morning for the purpose of looking further into any of these matters as they arose.
>
> The committe has carefully gone over paragraph 219 and will suggest an amendment to each one of these rates, with the exception of the first one.

And then he proceeded to enumerate a number of changes, clearly stating, as I interpret his language, that they brought in here a bill which was not even digested in the committee itself.

Mr. SIMMONS. After three months' work on it.

Mr. JONES of New Mexico. After three months' work; and they expect us and the Senate to accept such work as that without investigation or discussion.

Mr. SIMMONS. Mr. President, I think it is not venturing too much to say that in the light of the exposures—for you can not call it anything else—that have resulted from these discussions, it would have been absolutely impossible to pass this bill through the Senate, even with the logrolling agreement that has been entered into, unless very material reductions were made all along the line.

Mr. President, we have not yet quite finished the third schedule. We are just coming to that part of the bill which, to my mind, is most monstrous of all the unthinkable propositions in the bill. I think, as we go along, that the recklessness of the committee in writing these exorbitant taxes against the people into this bill will be made more and more apparent and glaring, and that before we get through with it, unless the bill shall be practically rewritten in these secret morning sessions of the committee, there will be such a revolt, such an uprising, such an outcry, such a denunciation from one end of the country to the other, irrespective of party, that the majority Members will hardly dare to ask its enactment, and will be glad of an opportunity to drop it, and say it was killed by "the filibustering tactics of the Democratic Party."

Mr. President, if there is any filibustering, they are doing their part of it now, and it may be that that is the reason—that they have discovered that the thing is so bad that it can not be repaired, it can not be remedied, and the best thing to do is to join this side in a whole-hearted discussion of all of these items, and take up time, and finally let the bill fail, either here or in conference, and then say that "the Democrats filibustered" to such an extent that they were not able to get it through in time to have it become a law during this session of the Congress.

Mr. President, I am talking in a practical way. I am not dealing in pyrotechnics. I am not dealing in graveyard stuff. I am not talking of the academic discussions of 15 or 20 or 25 years ago. I am talking about this bill—the thing they now propose to enact into law. That is what we have been trying to get the Republicans to talk about; but whenever we ask them to talk about this bill they begin to talk about protection and the American laborer, and make the same hackneyed speeches we heard so much 25 years ago. Before I get through I want to throw some light upon what they are doing for the American laborer as compared with what they are doing for the American millionaire and the American magnate of the tariff—the American trusts and monopolies.

The Senator read from a great many speeches that were delivered in past times. I think he went back as far as John C. Calhoun and reviewed the discussions then, and then he followed them up and reviewed the discussions up to the passage of the latest tariff act on the part of the Democrats and on the part of the Republicans, discussions of the great fundamental principles underlying the differences in the thoughts and the policies of the Democratic and the Republican Parties upon the great question of tariff taxation. He said that we were hearing the same old thing here in this Chamber that was echoed and reechoed in these speeches of bygone years. Mr. President, there has not been on this side of the Chamber a single academic discussion of the question of protection or of free trade or of revenue tariff, and no such discussion has been made on the other side of the Chamber except by the junior Senator from Idaho [Mr. GOODING]. The other discussions here have related to this particular bill and have been closely confined to this bill.

The Senator says we are making prophecies, and that we have made these prophecies before, and that they have all vanished into thin air when election day came. Mr. President, I think the Senator forgot recent history. He forgot the only Republican tariff bill that has ever been passed that bore any relationship whatever to this one. That one did have some regard for the protective principle. This has none. That one was based on some thought and some information as to the underlying principles of protection. This has not. That bill carried a rate of forty-odd per cent. This bill carries a rate at least 50 per cent higher than that did, and it is laid in such a way that it is at least an additional 50 per cent more oppressive than that bill was.

The Senator says that that bill brought great prosperity to the country, and he read figures of imports and exports in millions and billions until the Chamber reeked with his figures, showing the wonderful development that had resulted from the Payne-Aldrich tariff and the other Republican tariffs, and the great advance that we have made in world trade, all called to a halt as the result of the passage of the Underwood bill.

Mr. President, he forgot the fact that our balance of trade during the first year under the Underwood law was 18 per cent, as compared with 4 per cent under the Payne-Aldrich law. He forgot the fact that in 1921, the only other normal year—for 1921 was a normal year, so far as foreign trade was concerned—under the Underwood rates our balance of trade, for that single year, was as much as our balance of trade during the four long years under the Payne-Aldrich law. He did not tell us about that in his rhetorical and eloquent flourishes about the great benefits of a protective tariff. He thinks that nothing built up this country but a protective tariff. He thinks there has been no development in the world during the past quarter of a century except in America. The figures which are known of all men who study history show the contrary. During that period we may have led the procession, but there are other countries which have come tramping pretty close upon our heels in development and progress, economically, financially, and industrially.

When he spoke of our prophecies with reference to the effect of the enactment of this iniquitous Republican measure now made as being like those which have been made in the past, I am compelled to think the Senator has suffered a lapse of memory. He could not have had his mind upon what happened in this very Chamber in 1909. I was here. I wish the Senator

could have heard, as I heard, the eloquent onslaughts of the great Senator from Iowa, the eloquent and masterful Dolliver, when, day after day, he leveled broadsides against the Payne-Aldrich bill, just as we are leveling them against this bill.

I wish he could have been here and could have heard the eloquent and practical present senior Senator from Iowa [Mr. CUMMINS], who sits just across the aisle from me, when he, together with his great colleague, led the forces against the Payne-Aldrich bill, and predicted dire disaster to the Republican Party if that measure were adopted.

Has the Senator from Indiana forgotten those prophecies? Has the memory of the Senator from Indiana so far lapsed that he has forgotten the consequences of the Senate and the Congress refusing to take the admonition and warning of the two great Senators from Iowa? Has he forgotten that? Upon what issue were the campaigns of 1910 and 1912 fought out? They were fought out upon the issue of the tariff rates in the Payne-Aldrich bill. That was the issue in 1910 and in 1912, and what was the result in both of those years of a contest in which that question was put to the test, and the people were allowed to pass upon the facts that called forth these prophecies of the two great Senators from Iowa, reinforced by a few other great Senators on the other side, as well as on this side of the Chamber? In both of those contests the result was most disastrous to the Republican Party, reversing its control of the House and the Senate in the one campaign, and when it came to a direct question of electing a President upon that issue the Republicans carried but two little States in this Union.

Yet the Senator says that our prophecies are vain, and that he is not concerning himself about them in the least. If he is not concerning himself about them, the leaders of his party outside of this Chamber are concerning themselves about them very much, and I think before we get through with this business we shall find that everybody on the other side of the Chamber, including the eloquent Senator from Indiana, will be concerning themselves about it, and doing everything they can to take the back track, and to try to placate the wrath and indignation of the American people.

Mr. President, away back yonder in the days of William McKinley, the greatest apostle of protection this country has seen, but a man who looked at protection from the standpoint of national welfare and sanity—William McKinley foresaw, as all the great protectionists of that day foresaw, that the only way the protective principle could possibly be preserved, and the only justification, in fact, for its existence and application, was through domestic competition in the products of the country.

When the argument was made that the duties asked would practically shut out foreign importations or greatly restrict foreign importations and thereby affect competition at home, we were assured that prices would not be increased. We were assured by these gentlemen, these first expounders of the doctrine of protection, these great apostles of the doctrine of protection, when it was probably in its swaddling clothes in this country, that there would be no increases in domestic prices as the result of the enactment of a protective policy; that, on the other hand, as soon as we should begin to produce the product in this country to a point anything like the demand of the country, the domestic competition would be so keen that it would keep down prices, and that instead of the exclusion of foreign products advancing prices, it would result in a reduction of prices.

Mr. President, you yourself are a great protectionist [Mr. FRELINGHUYSEN in the chair]. I want to ask you if that was not the plea of protectionists, put forward when this principle was first advanced and urged upon the American people? We then said, "No; we want competition. We are entitled to competition. If you keep out the foreigner, you will simply increase the price." They said, "No; the domestic competition will take care of that."

I know Senators on the other side of the Chamber all deserted when I began to reply to the forensic and sophomoric speech of the Senator from Indiana; they have all departed from the Chamber. They will not hear argument; they will not listen to facts. I want to ask them nevertheless if they would be in favor of protection if it were certified that there would be no competition in the domestic market between domestic producers and that the prices of products would be fixed by the producers in combination and agreement and always fixed as high as the tariff would bear?

Mr. WATSON of Georgia. Mr. President——

Mr. SIMMONS. If they would go before the people and say that to-morrow, I guarantee you that they would not get 5 per cent of the votes of the American people in the next election. I shall now proceed to show that that very condition will inevitably arise as the result of the adoption of the rates carried in this bill.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER (Mr. FRELINGHUYSEN in the chair). Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. SIMMONS. I yield to the Senator from Georgia with great pleasure.

Mr. WATSON of Georgia. Now that it has been boldy proclaimed that the purpose of these Republican tariff bills is to put profits into the business of one branch of American industry, namely, the manufacturers, does not the Senator from North Carolina, as a great lawyer, believe that any taxpayer in America could enjoin the enforcement of these rates?

Mr. SIMMONS. Mr. President, I would not say that, in view of the decision of the Supreme Court with reference to the unlimited power of Congress in imposing this class of taxation. But for that I should say undoubtedly that the Senator's question should be answered in the affirmative.

I am seeking to answer the Senator from Indiana by a practical discussion of this particular bill. I do not want to deal with the dead past as the Senator from Indiana did; I am dealing with the present. This bill is not going to tax people who are dead and in their graves; it is going to tax the 110,000,000 people who are living here to-day. It is going to tax them whether they are making 1 per cent profit or 2 per cent profit, and more than half of them are not making more than 2 per cent profit. It is going to tax them from 30 to 40 per cent, sometimes as high as 100 per cent, and I can point out cases where it will tax them 150 per cent for the benefit of four or five thousand especially favored people in this country who are making profits upon what they produce all the way from 10 to 100 per cent.

I said a little while ago that the protective principle was based upon the theory that prices would not be enhanced by reason of the exclusion of the foreign product; that domestic competition would protect the people; that that competition would keep the prices down, and that therefore the consumer need not be in fear because of these duties. If that had not been advanced as a reason why the people would not eternally have to pay these high rates of duty, the protective principle never could have been engrafted upon our economic system. What has happened? I want to show that what has happened in the United States since that time has made the protective principle, as understood by McKinley and Blaine and Dingley, absolutely impossible of fair application to America.

Is there any domestic competition in this country to-day? In 90 per cent of all the products of this country, outside of farm products, is there any competition in this country to-day between the producers? Can anyone name any great industry in this country to-day that is not absolutely dominated either by a trust or by some agreement that is tantamount to a trust in its effect upon competition?

In the Lockwood investigation Mr. Untermyer took the testimony upon the glass schedule in the hearings before the Finance Committee, and from that testimony showed conclusively that there was an understanding and agreement that fixed the price as to practically all glassware products of this country. He showed that there were three great associations, and that there was another sort of holding association composed of elected or selected members from those three great glassware associations. This holding company, so to speak, this association composed of the representatives of the three great glassware associations, fixed the prices and the terms and conditions under which the product was sold, thereby eliminating every vestige of competition.

The following is from the New York Times concerning the glass combine:

[From the New York Times, May 21, 1921.]

GLASS COMBINE PUT PRICES UP 400 PER CENT—LOCKWOOD INQUIRY REVEALS AN ENORMOUS INCREASE, MOSTLY SINCE THE ARMISTICE—RULED BY THREE ASSOCIATIONS—PLANNED TO CREATE AN ARTIFICIAL SCARCITY IN COMMODITY BY SHUTTING DOWN PLANTS—PARQUET FLOORING BOOST—PRICES QUADRUPLED IN FOUR YEARS, BUT RISE WAS CHECKED BY HOUSING INQUIRY.

A combine of glass manufacturers controlling practically $350,000,000 worth of window, plate, and rough glass annually has increased prices 400 per cent since 1915, according to evidence bared before the Lockwood committee yesterday. The signing of the armistice and the relaxation of Federal supervision on industry was followed by a rise in prices of 250 per cent for the year from the end of 1918 to the end of 1919. Prices increased 150 per cent from 1915 to 1918.

The combine consists of three national associations, known as the National Association of Window Glass Manufacturers, with headquarters in Pittsburgh; the Plate Glass Manufacturers of America, with offices in the same building; and the Association of Manufacturers of Rough Glass. The national associations are allied through membership in the National Glass Distributing Association, the organization of

jobbers, which covers the United States and which is divided into the Eastern Association and the Western Association. The jobbers handle the output of the manufacturers.

The evidence revealed by Samuel Untermyer and George R. Brennan, his assistant, showed that the glass manufacturers kept a strict supervision of the amount of glass manufactured, arranged a "quota" of the product to be manufactured by each member, fixed uniform prices, and had the factories shut down when the "quota" was obtained.

A circular sent to the trade of J. R. Johnston, secretary of the National Association of Window Glass Manufacturers, stated that many factories would complete their "quota" before the first week in May and some reported that they would have their "quota" in 12 weeks instead of 15 or 16 weeks. When the 16 weeks elapsed the furnaces were "blown out" and the workmen laid off.

Take any other industry you please. If it is an important industry, if it is big enough to attract or justify a trust or a combination or a concerted action of this character, they get together upon price fixing, and in this way all competition in the domestic market, in the material and essential and staple products of the country, outside of the products of agriculture, has been brought to an end under the process of monopolization into a trust or agreement that names the prices at which the product shall be bought and sold in the American market, without any reference to the law of supply and demand and without any reference to the law of competition.

When the people of this country have lost, as they indeed have lost, the benefits of domestic competition the very foundation stone of the protective tariff system is gone and it can not be justified for a minute, when we admit that the prices in this market are not regulated by competition but are regulated by monopoly. I defy the present Presiding Officer of the Senate [Mr. FRELINGHUYSEN in the chair] or any advocate of protection to rise on the floor of this Chamber and say that the protective principle can be justified if it be conceded that domestic competition has been stifled by monopoly, by trusts, by associations, combines, or understandings of any character whatsoever.

So we now have no foundation for the protective system. If we had, even then there is no protective tariff in this bill. How can anyone, then, justify a protective tariff, even if we have competitive conditions, which I say is the basic principle upon which protection must rest? If we take out the foundation stone, the whole temple falls of its own weight.

Who is undertaking upon the floor of the Senate, when these rates have been attacked, to justify them upon any principle of protection that has ever been advanced heretofore? Who has undertaken to argue that these tariff rates measure the difference in the cost of production here and abroad? Does anyone believe for a minute that the American people would consent to tax themselves to protect these industries from foreign competition to further increase the profits already excessive and out of proportion to those of nine-tenths of the people or for any purpose save to equalize cost of materials and labor and thus bring about fair conditions of competition? Did Aldrich, did McKinley, did Dingley, or did anybody who has ever spoken in behalf of protection in this country attempt to justify it upon any other principle than that of difference in cost of production? It was always the poor laborer of the country whose wages must be kept up to the American standard and that we must give protection to in order to measure the difference in wage cost. That was the cry. If there was a difference in the cost of the materials of production, that was also to be equalized. Nobody has contended in these debates, however, that there is any substantial difference in the material cost here and in foreign countries of many, indeed most, of the things contained in the bill. In fact, as a rule, I take it that it will be agreed that the material cost in most foreign countries is just now about as great as here. Especially is that true where the foreign manufacturer must purchase his own raw materials elsewhere. Of course, if the raw materials are produced in the country of production, there might be some slight difference in cost in favor of some countries of Europe.

Europe is our industrial competitor, but if the difference in exchange cuts against us in the case of imports of foreign merchandise, the same thing cuts against the foreigner when he has to buy his raw materials from abroad. It may, therefore, be laid down as a general principle that there is practically none or little difference in most of the manufactured products of this country and of Europe with reference to material cost. It has not been seriously contended here that there was, as a rule, any substantial differences. Wherever there has been a feeble effort to justify any of these rates upon the protective principle, it has been upon the basis of difference in labor cost. Nobody on the other side of the Chamber up to this time has been rash enough to contend that the duties in this bill were necessary to equalize the labor cost here and abroad, except in isolated cases of certain German products, such as toys and knives. They do not attempt to justify it on that principle. On the contrary, they admit that that principle of measurement had to be scrapped, and had to be scrapped because it had been impossible to get data in the present unsettled condition of affairs. In the uncertain status of markets here and abroad it was impossible to get data as to the cost of production abroad or even here, and therefore the rule could not be applied.

Now, having abandoned that fundamental principle of protection, they have laid down and attempted to justify the bill upon the ground that as to one country in the world, and only one country in the world, the selling price of the foreign product imported to this country is very much below the selling price of the domestic product in this country. That country is Germany. From that country during the last year we imported only $88,000,000 worth of products, and to that country in the last year we exported $347,000,000 worth of products. Because, therefore, of the importation to this country of $88,000,000 as against our exportations of four times that much to that same country, they insist that these rates shall be raised from 50 to 100 per cent higher than the labor costs of those products in other countries of the world, and in many instances 50 per cent higher than the total labor costs of the product in this country.

Mr. President, upon that subject I have some data which I wish to place in the RECORD. I am not going to put in the RECORD a lot of moldy old speeches of a half or a quarter of a century ago. I am not going to fill the RECORD and take up the time of the Senate reading from what John C. Calhoun said or what Vest said or what Clay said or what some great statesman of the past, either Republican or Democrat, may have said about protection when it was an academic question in this country. I am going to show the facts with reference to labor costs, always heretofore regarded as the foundation upon which tariff taxation must rest.

The rates in this bill are made high, it is claimed, because of the difference in the labor cost here and in Germany—not generally, but in Germany, the country to which we sell four times as much as we buy from it. I venture the statement that when we investigate the facts it will be found that German products sell nearly as high in this market as American products sell for in the German market, and that we have been able to sell her four times as much as we bought from her during the last year because of the cheap prices at which we have offered her our products.

I have some figures here about this labor business. I have obtained these figures through experts furnished me by the Tariff Commission. The calculations have not been worked out by free traders; they have not been framed up by tax dodgers, as many of the figures that are brought in here on the other side have been framed up by people who are seeking to gouge the American public. They have been prepared for me by a Government official expert, and the bases of the calculation are the official figures. I am going to read some of them, though it would take too long to read them all.

The first striking example that I have is wrought pipe. The total wage cost of producing wrought pipe in this country—not in Europe but in this country—is 18.2 per cent of the total value of the product. That is the total labor cost. The duty imposed in this bill upon the imports of that product is 27 per cent; in other words, Mr. President, the duty levied upon this product is 9 per cent higher than the total labor cost of the product.

Mr. HITCHCOCK. I think the Senator from North Carolina means 50 per cent higher.

Mr. SIMMONS. It would be 50 per cent in the comparison, but I am merely stating the difference in percentage.

Mr. HITCHCOCK. The tariff rate is one-half higher.

Mr. SIMMONS. Yes; it is one-half higher.

The next item is adding and calculating machines. Those are very much in use in this country, and are very much more important to the men who are engaged in business than a rehash and recital of musty old speeches of the past quarter of a century. The entire labor cost of this product is 25.7 per cent—not quite 26 per cent. The duty imposed upon it is 30 per cent.

Mr. KING. Will it disturb the Senator if I interrupt him?

Mr. SIMMONS. Not at all.

Mr. KING. Mr. President, of course, I can not challenge the accuracy of the expert's statement as to the labor costs as the statement has been submitted to my distinguished friend; but I venture the assertion that those costs have been put entirely too high. The labor cost in the entire chemical industry—and labor there is higher for the product returned than in any other industry, I should imagine, because of the tech-

nical skill supposed to be involved—and the labor cost there is only 8 per cent. Before the war it was only 8½ per cent of the value of the product.

Mr. SIMMONS. What is the average duty which this bill puts on commodities in the chemical schedule?

Mr. KING. The average duty is from 150 to 600 per cent.

Mr. SIMMONS. With a labor cost of only 8 or 10 per cent?

Mr. KING. With a labor cost of only 8 per cent of the entire value of the product. I can not comprehend, if in the entire chemical schedule the labor cost is only 8 per cent, why it should be 20 per cent in the industry to which the Senator from North Carolina refers.

Mr. WALSH of Montana. Will the Senator pardon me for an interruption?

Mr. SIMMONS. Yes.

Mr. WALSH of Montana. I should like to inquire whether the statement is controverted by anyone on the other side?

Mr. KING. I do not think it can be.

Mr. SIMMONS. I presume it can not be, for it is based upon the official records.

Again, Mr. President, as to structural iron not made in steel mills, the labor cost is 20.3 per cent, while the duties upon it imposed in this bill range from 30 to 40 per cent—double the entire labor cost in this country of the product.

Again, Mr. President, in the case of tin plate and terneplates, articles of common use in this country, the labor cost is 5.9 per cent—call it 6 per cent—while the protection given in this bill is 8.2 per cent.

In the case of brass and bronze the labor cost is 20.4 per cent, while the protection accorded is 46.2 per cent—more than twice the entire labor cost. In the case of copper smelting the labor cost, as I understand, is made up of two items, which would make it 19.1 per cent, while the duty is 36.3 per cent.

Mr. POMERENE. Mr. President, I should like to ask the Senator a question. He has given the labor cost, for instance, of wrought pipe, as I recall one item. Does that mean the total labor cost from the ore in the mine to the manufacture of the pipe?

Mr. SIMMONS. I means the total cost of manufacturing the product.

Mr. POMERENE. Out of what? Out of the iron or the steel, as the case may be?

Mr. SIMMONS. Yes; if it is a manufactured product.

Mr. POMERENE. It includes the one process?

Mr. SIMMONS. No; it includes the labor—the employees, clerks, stenographers, and office force—all the labor that is properly chargeable against that product.

Mr. POMERENE. But what I am trying to get at is whether it covers all the processes from the ore in the mine to the pig and from the pig later on to the finished product?

Mr. SIMMONS. I do not understand that this would include the mining of the raw material.

Mr. HITCHCOCK. Will the Senator specify what he means by copper? I did not understand that.

Mr. SIMMONS. It reads "copper smelting." That is the reason I was a bit uncertain as to what it means.

Mr. WALSH of Montana. If the Senator will pardon me, there is some ambiguity there which ought to be cleared up.

Mr. SIMMONS. I ask the Senator if he will not clear it up, for I do not know much about this industry—especially nomenclature—while the Senator from Montana is familiar with it.

Mr. WALSH of Montana. It is quite plain that the item refers to manufactures of brass and bronze and copper and to such smelting as is incident to the manufacturing of the product, not to the smelting of the copper or the zinc ore which enters into the composition of the brass and copper.

Mr. SIMMONS. That was my understanding.

The next item that I come to is electrical machinery, apparatus, and supplies. There is a tremendous output of those products in this country, the output being practically a billion dollars' worth. The entire labor cost is 23.9 per cent; call it 24 per cent. The entire labor cost of this great product in which everybody is deeply interested, which enters so universally into our daily lives and the expense of living is 24 per cent in round figures, as against a protection of 40 per cent under this bill.

Mr. WALSH of Montana. Mr. President, I take it that a very large portion of the remainder of the cost is attributable to the cost of materials entering into the product.

Mr. SIMMONS. Certainly.

Mr. WALSH of Montana. Of course, with reference to many of the raw materials we have an advantage which, to some extent at least, offsets the advantage in the lower cost of labor abroad. The copper, for instance, produced in this country so largely is obviously available to the American manufacturer at a less cost than it is to the European manufacturer, the difference in cost of transportation across the ocean and to the place of use alone being a considerable item. So it is with a multitude of things which are manufactured from raw materials of which America is the source.

Mr. SIMMONS. Yes. I am putting these figures into the RECORD for the purpose of showing that even if the commodities which we buy from abroad did not cost anything in the way of labor over there, if they were sold without real labor cost to the exporter, there would still be 50 per cent more duty imposed in the bill than the entire labor cost of the product in this country.

Mr. WALSH of Montana. Exactly, and I was endeavoring to draw attention to the fact that in determining whether any duty is necessary in order to equalize conditions there are other elements than labor which must of necessity be taken into consideration.

Mr. SIMMONS. Undoubtedly—and, as the Senator says, in many instances these other elements are in our favor, as in the case of copper just referred to by the Senator.

Mr. President, the next item is stamped ware, of which $100,000,000 is the value of the domestic product; the labor cost is 23.4 per cent; and the duty ranges from 40 to 60 per cent. For enamel ware, domestic labor costs 25.7 per cent, the duty is 5 cents a pound to 50 per cent ad valorem. For bath tubs, lavatories, and sinks, the labor cost 30.5 per cent; the protective duty 40 per cent. For table cutlery the labor cost in the American factory is 43.5 per cent and the protection is 132 per cent.

Think about that, Senators!

Razors: Labor cost, 16.1 per cent; protection, 175 per cent.

Knives, except table knives: Domestic labor cost, 46 per cent; protection, 166 per cent.

All other cutlery: Labor cost, 36.7 per cent; protection, 134 per cent.

Edged tools: Labor cost, 32.3 per cent; protection, 40 per cent.

Files—an article in common use in every household and on every farm: Labor cost, 35.2 per cent; protection, 44 per cent.

Hardware: Labor cost, 29.3 per cent; protection, 40 per cent.

Wire: Labor cost, 18.6 per cent; protection, 35 per cent.

Wirework, including wire rope, and so forth: Labor cost, 17.1 per cent; protection, 40 per cent.

Aluminum ware: Labor cost, 17.7 per cent; household ware made of aluminum, 15 cents per pound and 60 per cent; electric attachments, 15 cents a pound and 70 per cent.

Clocks: Labor cost, 33.6 per cent; protection, 41 per cent.

Watches, including parts of watches and clocks: Labor cost, 39.6 per cent; protection, 58 per cent.

I have here a most illuminating case, Mr. President, furnished me by the president of the Fair Tariff League, a protective-tariff association claiming to have 1,500,000 members. He says:

American women are paid 4 cents for knitting a pair of cheap wool socks, piecework, but American women are taxed 18 cents on a pair of these same stockings. This is four and one-third times the labor cost. The woman operative gets a wage of 4 cents. Against labor's 4 cents the woolgrower gets 5 cents protection and the factory 13 cents.

Mr. President, I am simply taking advantage of this occasion to put in the RECORD some matter, and it is not graveyard stuff, either; it is live stuff, pertinent to the duties in this bill. I do not wish to take the time of the Senate to read all of this matter; but upon the same line, with reference to the comparison between the total labor cost and the duties in this bill, I ask permission to insert without reading certain documentary matter that I have. This data is with reference to the matter that I have been discussing. In getting this permission, I do not want to abuse at all the privilege.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

The Fair Tariff League of Racine, Wis., through its president, Mr. H. E. Miles, says that the tariff should be purely a business proposition. That is good business talk. There is no place for party politics in tariff making. The Republican and Democratic Parties have come quite near each other in their tariff declarations. The last definitive Republican statement was in the platform of 1908, which said that the measure of protection should be the difference in cost of production here and abroad. The Democrats say the tariff should be for revenue, with incidental protection. These viewpoints are not so different that they need prevent the framing of a business tariff on business lines.

But the Fordney-McCumber bill imposes duties far higher than have ever been dreamed of before. It pays no attention to the difference in cost of production. It is a bonus bill for manufacturers.

American women are paid 4 cents for knitting a pair of cheap wool stockings, but American women are taxed 18 cents on a pair of these stockings. This is four and one-third times the labor cost. The woman operative gets a wage of 4 cents. Against labor's 4 cents the woolgrower gets 5 cents protection and the factory 13 cents.

The Aluminum Trust sells aluminum to Americans at 21 cents per pound and exports it to England, where the price is 15 cents. This trust is a monopoly. It started with a paid-in capital of about $200,000, which has grown in capital and dividends to some $70,000,000. Its costs are substantially as low as anywhere in the world, but the Fordney-McCumber bill would make its duty from 5 to 9 cents per pound on the metal and 70 per cent on kitchen and table ware.

The cheapest machine-made lace, such as poor women use, made here as cheaply as anywhere in the world, is taxed 90 per cent. With the wholesaler's and retailers' charges this will be 180 per cent upon the lace the working woman and the farmer's wife wear.

The proposed duty on wool will add $4.15 to the price of a cheap dress, part wool, part shoddy. In anticipation of it the American Woolen Co. has already increased its prices 10 to 45 cents per yard.

LINOLEUM.

The Fair Tariff League, of Racine, Wis., says that American women buy very many yards of linoleum every year. The American manufacturers of linoleum have made large profits by supplying American women with it. But the Fordney-McCumber bill gives an additional bonus to the manufacturers. It authorizes them to add 35 cents to every dollar of their price. And their price is already nearly double what it was in 1917. The cost of making a square yard of molded, inlaid linoleum in this country is less than 89 cents. In England the cost is nearly 82 cents. A duty of 10 per cent would more than cover the difference in cost of production here and abroad. But the Fordney-McCumber bill gives a duty of 35 per cent as a bonus to the American manufacturer. It gives him three and one-half times what he has any right to claim, and it gives it to him at the cost of the housewife in millions of small American homes.

GLUE.

Almost every American home contains a bottle of glue. It is made of the by-products of the packing house, good for nothing else. Any tariff is a gift to the packers. The Fordney-McCumber bill gives the packers a bonus in the shape of a duty of 25 per cent upon glue. The glue makers will stick the consumers, the women of America, that much more. The packer would be glad to sell a dollar's worth of this by-product for a dollar, but Uncle Sam gives him the right to charge $1.25 for a dollar's worth, so, of course, he will do so.

JEWELRY.

Jewelry of the quality usually sold in department stores, etc., is made more cheaply in the United States than anywhere else in the world. The only imports of cheap jewelry are fancy novelties. In 1920 imports were six-tenths of 1 per cent of domestic production; in 1919, 60 cents worth was imported for each $100 worth made. We export much more than we import. The present duty is 60 cents on the dollar. The Fordney-McCumber bill gives the manufacturer a bonus of 20 cents more, 80 cents on the dollar.

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FURTHER STATEMENT OF MR. MILES.

(Statement of H. E. Miles, chairman Fair Tariff League, a protectionist organization representing farmers, wage earners, manufacturers, and distributors.)

It is a crime to call the Senate tariff bill a protectionist measure. Our league has analyzed every schedule. There is no worst schedule. Each one is an utter betrayal of the principle of protection as defined by the Republican Party and every protectionist and requiring that each rate measure the difference in cost of production here and abroad. Look at this:

The poor woman's bread knife with a 10-inch fluted blade is sold from American factories for 6½ cents; the duty proposed is 13 cents. The figures are the same for the common butcher knife with 6-inch blade. The cheap wood-handle kitchen table knife is sold for 4½ cents; duty, 6.85 cents. So with all table cutlery, of which 48 per cent of all that was made in the United States in the last three years was freely shipped to all parts of the world. The makers meet and "fix prices" against American consumers annually.

The cheap check gingham of which the poor woman's dress is made is now shut out of the American market by a 15 per cent duty. None has come in in 20 years. The principal manufacturer showed a capital of about $4,000,000 in 1896, since which time he has increased it to about $40,000,000 and declared some $30,000,000 of cash dividends. He is now cutting wages. The Senate proposes to increase his duty to 39.2 per cent. The total wages in the cotton mills of the United States average about 16 per cent. The duties are often twice this total wage percentage and more.

We all remember the scandal of a few years ago when under the Dingley law sewing-machine makers exported their product at prices far below their domestic prices. The Simmons-Underwood law put them on the free list. They produced in 1919 $43,694,919. Of their total product they exported to all quarters 25 per cent in 1919, 35.7 per cent in 1920, and 16.7 per cent in 1921, when foreign countries were too poor to buy freely. We imported only one-half of 1 per cent in 1919, seven-tenths of 1 per cent in 1920, and nine-tenths of 1 per cent in 1921. The Senate offers these manufacturers 25 per cent on sewing machines worth less than $75 and 40 per cent on more expensive machines. Thus does the Senate of the United States propose to go into the sewing-machine business and make themselves the initial force in low prices for export and extortion against American consumers.

I happen to know from inside and authoritative sources that the great Singer Sewing Machine Co., which is said to produce 80 per cent of all the sewing machines made in the world, fills its orders from China, Japan, and other oriental countries, and these orders are very extensive, from its New Jersey factory because it is cheaper to do so than to ship from its British factory on the Clyde, with the so-called cheap labor of free trade England.

The whole tariff is exactly of this sort. The poor man's wool clothing is taxed 120 to 140 per cent, the rich man's 75 per cent.

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[From the New York Journal of Commerce, May 19, 1922.]

BARYTES AS AN EXAMPLE.

A day or two ago there occurred in the Senate a characteristic debate which centered around the tariff rate of barytes. The Finance Committee had recommended a rate of $5 per ton on crude and $10 per ton on manufactured barytes, as against a rate of $1.50 per ton in the Payne-Aldrich law. Debate brought out the fact that barytes is imported but little into this country, the bulk of what comes in being used on the Atlantic coast, while the domestic product is used in the western cities. It was apparently largely as a price-fixing expedient that the committee had granted the $5 rate, thereby permitting monopoly charges to be set by local owners of the mines.

Of course, there was little trouble in putting to flight the "cost of production" argument. It appeared that the rate was equal to fully 100 per cent protection, and at the same time an increase of three and one-third times the pre-war rate on the article. Mining men testified that the tariff was enough to cover the costs of the most expensive ore now being mined in any industry, so that as affecting this particular product there was not, by the wildest stretch of imagination, the least ground for the proposal to establish a rate of $5 per ton. Neither on the basis of protective theory, nor on that of comparative cost, nor on that of supposed advantage enjoyed by countries of low currency exchange could there be defense of the suggested tariff duty.

Barytes is not a commodity of popular consumption. The "average man" does not buy much of it. Nevertheless, it figures in the cost of things he does buy, and the effect of playing into the hands of western mine owners by giving them an exclusive monopoly of this market would be simply to raise the cost of all products in which barytes figures as an element of expense. Among these are various rubber products, paints, and other items. The barytes rate was thus a plan to assess monopoly profits indirectly upon consumers of paints and rubber goods of the kinds in which barytes figures. This was not an isolated example, for the same "principle" runs all through the tariff.

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[From the Chicago Tribune, Tuesday, May 23, 1922.]

The common argument in favor of a protective tariff is to the effect that without such tariff the products of cheap foreign labor, perhaps combined with cheap raw materials and low overhead costs, can compete so successfully with American products in American markets as to put the American competitor out of business, close his factory, or reduce his workmen to starvation wages. That is a good argument. But it doesn't always hold. There are situations in which the reverse is true.

Consider the aluminum business, which we have mentioned before, not because of any antipathy but because it appears to afford startling illustration of possible dangers in a high protective tariff. The production of crude aluminum in the United States is controlled by a monopoly, the Aluminum Co. of America. In addition to producing virtually all the aluminum smelted in this country, that concern, through its subsidiary corporations, is a large producer of fabricated aluminum, such as kitchen utensils, and incidentally makes a vast amount of aluminum castings for use in automobile manufacture.

It has as competitors some 35 or 40 independent aluminum cooking utensil manufacturers and several hundred independent aluminum foundries. It supplies these independents with ingots and sheets from which their products are manufactured. It is frequently delayed in filling orders for such materials. The better business becomes and the greater the demand for materials the more likely is the supply to be delayed.

Two courses then are open to the independents. They can buy abroad or close or restrict their plants. A prohibitive tariff would prevent them from buying abroad. It would also allow the monopoly to put any price it might desire upon its supplies. The effect upon these independents, employing some 10,000 men, is easily understood. It goes further than that. The average weight of aluminum used in automobiles is estimated at more than 100 pounds. The effect of protection of the monopoly upon our vast automobile business would be important.

Yet a tariff which the independents consider prohibitive, and which they say would allow the monopoly to close their plants and put their workers out of a job, is now on the schedule. And that "protection" is asked by and for a monopoly which earned more than $10,000,000 net in 1920 on a capitalization of less than $19,000,000. If such a tariff arrangement could be made in the aluminum business there is little doubt that a similar arrangement exists among others of the thousands of items on the bill. Such a duty does not protect. It exploits. It demands careful investigation of the entire bill.

Mr. SIMMONS. The Senator from Indiana thinks that we can further curtail our imports by raising the wall of protection to such heights as will exclude many products that are now imported in considerable quantities and still enjoy our foreign export market.

Mr. President, this is a strange argument, in the light of the facts as developed in these discussions. It has been conclusively shown that we are not now flooded with foreign imports under the present law, under the moderate import duties that now obtain. Our imports from all the world last year were not much above normal, while our imports from Europe, the country to which we sell most of our surplus of manufactured products and probably two-thirds of our surplus farm products, last year were actually below normal. They were less than they were in any year under the Payne-Aldrich bill. I have the figures here, Mr. President.

Mr. KING. Notwithstanding our population is very much enlarged.

Mr. SIMMONS. Notwithstanding our population is much larger. Under the low rates of the Underwood bill last year our imports from Europe—and it is upon Europe, as I said, that we must rely for a sale for our wheat, our cotton, our pork, our lard, and other fat products, as well as a large part of our manufactured products—our imports from all of Europe last year, 1921, were only $764,000,000. In 1910, the first year under the Payne-Aldrich bill, our imports from Europe were $790,000,000, about $30,000,000 more than in 1921.

In 1911, the second year under the Payne-Aldrich law, our imports from Europe were $770,000,000, $6,000,000 more than they were last year. Our imports in 1912, the third year of the Payne-Aldrich law, were $900,000,000, or $136,000,000 more than in 1921. In 1913, the fourth year of the Payne-Aldrich law, they were $864,000,000, or $100,000,000 more than in 1921. So that it is true that our imports from Europe in

1921 were less than they were any year during the time the Payne-Aldrich law was on the statute books, and they were about $25,000,000 less than they were in 1914, the first year of the operation of the Underwood law. Therefore, they are now below normal, so far as Europe is concerned.

Europe owes us practically $12,000,000,000. If Europe should pay us the interest upon that $12,000,000,000, it would take practically all they receive in exchange for the goods we now buy from her to pay that interest. Business men, great financiers, masters of industry, bankers, political economists recognize, and many of them have asserted heretofore, that it was a question whether we would not have either to arrange to take European products in payment of the interest upon this debt or to cancel it, and many wise men in this country have advocated a policy of canceling this debt, because they argued that Europe could not pay the interest unless we accepted its products in payment; that that would not be desirable under present conditions.

If it be true that it would take substantially the entire purchase price of the products we now import from Europe to pay the interest upon her debt and it is questionable whether for that reason we ought to insist upon payment of the interest at this time, I ask how can Europe pay us for its purchases of the vast surplus products of our fields, of our factories, of our mines which we seek to sell her if we radically curtail the volume of her present importations to us by the tariff bars set up in this bill? Where is she going to get the money to pay us for these things? And must there not follow a disastrous slump in our export trade with Europe unless we are willing to buy in reasonable measure what she has to sell us? All healthy international trade is based on barter, and we must buy if we expect to sell.

Mr. President, it must be obvious that there is no hope of a continuance of that magnificent business we have in the past enjoyed, and in large measure yet enjoy, in the sale of our goods upon the Continent of Europe if we shall raise this wall so high as to further materially reduce the already less than normal importations from that Continent.

Last year we sold for the most part to Europe, $552,000,000 worth of wheat. We sold mostly to Europe something over $500,000,000 worth of raw cotton. We sold mostly to Europe in lard products and meat products nearly another half billion dollars' worth. Of four agricultural products we sold to Europe last year practically one and a half billion dollars' worth of products of our farms alone. Now, it is proposed to further cut down imports from Europe, for no man who has studied this bill can doubt that these high and oftentimes prohibitive rates are aimed chiefly at the products of Europe. There are high rates on some agricultural products, and some of these will affect importations from Australia, of South America, Central America, Canada, Cuba, and so forth. But the objective of the bill and its rates is to curtail or exclude the products of Europe, mostly manufactures. I repeat, the main purpose of this bill is to exclude imports from the European Continent, and I make the prediction now that if this bill passes, our imports from Europe will dwindle to a fraction of what they are to-day, and when that happens, in the condition in which Europe finds herself now, without gold to pay us, with impaired credit, with practically no way of liquidating her purchases except by exchange of products, we may look for a disastrous slump in our export business to Europe, just as has already taken place in our export and our import business with Canada.

The emergency tariff bill was aimed especially at Canada. There is no use beating about the bush about that. Everybody knows the emergency tariff bill was passed to shut out Canadian imports from this country. What has been the effect of that emergency tariff upon our Canadian business? In not quite a year, since the enactment of that law, our trade with the Dominion of Canada has dropped from $1,300,000,000 to a little over $700,000,000, a reduction of something over $600,000,000 in one year.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I yield.

Mr. KING. As a further result of this unwise and impolitic economic policy, I direct the Senator's attention to a fact which perhaps he has discussed, and which no doubt has suggested itself to the able Senator many times, that when those nations with whom we have been dealing, and who have been taking our products in the past, are forced by our unwise legislation from our markets, and are perforce compelled to find a market elsewhere, the result will be that in a few years they will be cut off entirely, even though we would be willing to trade, because they will have developed new avenues of trade and new fields in which they will make their purchases and where they will make disposition of their surplus products.

Mr. SIMMONS. That is self-evident. If we shut English manufactured products out of this country, of course they will seek a market in South America, and if they find a market in South America instead of here, England will buy her agricultural products from South America instead of from us.

If we shut out English manufacturers from this market, they will seek a market in Canada, and they will buy their agricultural products from Canada instead of from us. The same thing will happen with reference to Australia and Brazil and every other country where manufacturing is not highly developed and where agriculture is. If, in other words, we cut off our British imports of manufactured products as the result of this tariff, that does not mean that the British are not going to continue to make those products and sell them, but it means that they are going to sell them in some other market. It will be in the market of an agricultural country, and they will buy their agricultural products in that country instead of buying them in this country.

Mr. President, we not only have lost practically one-half of our trade with our neighbor, Canada, the best customer we had in the world except Europe, but we are going to lose a great deal more of that trade. Right now the authorities of Canada, I am advised, are preparing to promulgate a new preferential tariff in behalf of Great Britain. Instead of giving her the comparatively moderate preference she now enjoys, hereafter Great Britain is to have a preferential tariff rate of 50 per cent over the United States and other countries. If that happens, then we are going to lose, and lose to Great Britain, by reason of a stupid discrimination in tariff imposed here, a large part of the balance of this great and valuable trade we have so long enjoyed. We are going to lose, to a large extent at least, the best customer we have in the world to-day, except one, for our surplus manufactured products.

Mr. President, a fact was demonstrated here the other day in the debate, and it is a fact which I have the documents here to show, though I am not going to take the time to do so now, but before we get through with this discussion we will explode a great many things that have been set up here as pretexts and excuses to justify this unconscionable raid upon the pocketbooks of the American people. I have the data here that I shall put in the RECORD when I get it a little better arranged than it is now to show that as a result of the fact that most of the staple products of this country are monopolized so as to enable the producers to charge the American people what they please, there is only one restraint upon their greed, and that is the fear of foreign competition if they should raise the prices beyond a certain level.

Under these circumstances the great trusts which now control probably three-fourths of our manufacturing industries are charging the American people prices that range from 10 to 30 per cent higher than the prices at which they export the very same articles and sell them to the foreigner. That is going on now where there is trust control, and I say it is almost all-pervading now. But when we leave those trusts without restraint with reference to the matter of price, when the present tariff wall is gradually raised until it is twice and sometimes three times as high as it is at present, so that they may charge the American people without the slightest danger of foreign competition from 25 to 75 per cent and more than they are charging them now, they will be just as eager for the foreign market as they are now. They will be more eager than they are now, and they will, by reason of the higher prices and profits they will then exact and get from the domestic consumer, feel justified in selling their surplus abroad at a lower profit than they would feel warranted in selling them for now. It will be found when the bill is passed and these restraints are removed, and the domestic prices have been jacked up, that the foreign prices will not be likewise increased, but lowered, so that they may be kept to the level of the world price and to promote quick and heavy sales will in many instances be reduced below the world level.

What will be the outcome of those high duties? It will be a higher price paid by the domestic consumer and a lower price paid by the foreign consumer for the American product. If that condition follows, am I not right in saying that the result of your tariff will not be to protect the American consumer or the American laborer? Nor will it be in the interest of the American consumer or the American laborer.

Its sole benefit will inure to the manufacturers of those products already rolling in wealth, already living in princely mansions, and to the foreigner who buys the American manufacturer's surplus.

Are we here for the benefit of making a tariff in the interest of the foreigner? These gentlemen say they are making it in the interest of the American consumer and laborer. I say that the result will inevitably follow of higher prices here and lower prices abroad of the American-produced product, and in many cases the foreigner will get the benefit of the tariff, and not the domestic consumer.

Mr. President, I have talked very much longer than I expected, but before I conclude I want to put a few other things in the RECORD. I have here a most illuminating article, which appeared in the New York World the other day. They sent an expert down here to make an investigation of the bill and of the facts with reference to it and the tariff situation generally. They asked him to thoroughly post himself and make an analysis, and in this article he has made a very illuminating analysis of certain schedules in this bill. It is stated that other articles will appear. I have not yet seen the others, but if they are as good as this I shall be glad to see them. It is written by Mr. Elliott Thurston. I have had the pleasure of meeting him and talking with him. He is one of the most intelligent newspaper men I have ever met. This is one of the strongest articles that has been written by any reporter from the Capital since these debates began. I ask permission to incorporate the article in the RECORD without reading it.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Without objection, it is so ordered.

The article referred to is as follows:

DICTATED BY SUPERLOBBYISTS, TARIFF BILL WOULD ADD BURDEN EQUAL TO PRESENT UNITED STATES TAXES—INQUIRY BY THE WORLD SHOWS THE FORDNEY-MCCUMBER MEASURE WOULD CAUSE COST OF LIVING TO JUMP AGAIN—AGENTS OF HUGE COMBINATIONS DEMANDED AND GOT RATES THAT WOULD INSURE INCOME ON WAR PROFITS—"A DISGRACEFUL SPECTACLE," SAYS SIMMONS—NOTICE OF INCREASE IN PRICES ALREADY SENT OUT IN SOME TRADES—RATES 50 PER CENT ABOVE NOTORIOUS PAYNE-ALDRICH BILL BASED ON FIGURES OF FOREIGN COSTS NOW CHANGED SHARPLY UPWARD—FOOD, CLOTHING, BUILDING MATERIALS, AND OTHER NECESSITIES AFFECTED—JOKERS CUNNINGLY CONCEALED WOULD BAR COMPETITION—HUGE GOLD BRICK FOR FARMERS BOUGHT FARM BLOC'S SUPPORT.

Do you like to be gouged? Do you think any further burdens should be added by the Government to the present heavy war taxes and the high cost of living? If not, do you know what you will have to pay if the Fordney-McCumber tariff bill should be enacted?

Every citizen of the land will come under new and heavy exactions, for every necessity of life will bear its burdens under the bill. The treasure will go mostly to swell the tremendous profits made by big industries during the war.

Appreciating that the public is not aware of what the measure means, the World has had a careful inquiry made into the provisions of the Fordney-McCumber bill by Elliott Thurston, a member of its staff who has had much experience in such matters. Below is the first of Mr. Thurston's articles. Others will be printed at intervals of two or three days until the main points of the greatest tariff gouge ever attempted are made clear.

[By Elliott Thurston.]

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WASHINGTON, May 28.—Republican leaders hoped to have the Fordney-McCumber tariff bill passed by the end of June. Now Congress is likely to stay in session most of the summer, if not into the fall, in the battle over this measure, for the Senate has begun only the opening skirmishes. Bitter fighting is to come, for the country is just awakening to what this measure means and protests are deluging Senators. Some of the Republicans show signs of breaking under the fire.

A careful inquiry into the bill gives plenty of reason for popular outcry. In all the country's stormy history of tariff making since 1816 no measure ever before proposed for passage was so loaded with burdens for the public. Other bills embodied jokers, concessions to industrial powers, and glaring inconsistencies, but none ever represented so complete a surrender to the will of organized monopoly.

Here are some of the leading features of the Fordney-McCumber bill shown by the World's inquiry:

1. The high cost of living, which has been reduced so slowly and laboriously, will jump again. An insurmountable tariff wall will be erected behind which war prices could be charged for food, all sorts of clothing, shoes, housing, and other necessities of life without danger of competition.

2. An "invisible tax" estimated by experts for the Senate minority to equal, if not exceed, the income and all other Federal taxes now imposed would be wrung from the public under this bill. The bulk of the proceeds would be handed over to the favored beneficiaries under the proposed rates, enabling them to pay dividends on inflated capitalization.

SUPERLOBBYISTS DICTATED RATES 50 PER CENT OVER HIGH RECORD.

3. A small group of superlobbyists, armed with the delegated power of gigantic industrial monopolies, in many cases arrogantly demanded and obtained prohibitive rates which would insure income on swollen war profits as well as old plants. These superlobbyists are a new, specialized product of concerted pressure exerted by combinations. Under their dictation the rates of the bill have been jacked up an average of 50 per cent above the levels of the Payne-Aldrich tariff—the highest heretofore—which caused a revolt in the country.

4. An amazing string of jokers in new guises, evidently intended to escape discovery pending passage of the measure, has been concealed in the technicalities of the bill.

5. A gigantic gold brick would be unloaded upon the unsuspecting farmer, who, for the sake of winning the farm bloc's support for the bill, is allowed a few more dollars for his products. The information that for every dollar he gains he will have to pay out $5 to meet the increased cost of living is being carefully withheld from him.

6. High duties are proposed on cement, brick, and other building materials formerly on the free list, which would add to the already exorbitant building and housing costs. The duties would perpetuate the profiteering and illegal monopolies in the building trades exposed by the Lockwood committee in New York.

EUROPE COULDN'T PAY DEBTS.

7. Importations would be placed under a virtual embargo, thereby blocking Europe's only means of paying off her war debt of more than $11,000,000,000 to the United States. The economically unhealthy gold surplus would remain in this country—over 40 per cent of the world's gold supply is now in Federal reserve bank vaults—instead of flowing back to normal channels and stabilizing exchanges.

8. Unemployment and depression will result in those lines of business and industry which depend upon selling their surpluses abroad. Foreign markets will be closed to America when foreign goods are excluded from this country. Europe can not buy of America except through the process of exchanging merchandise.

9. Notices of price increases in anticipation of the passage of the Fordney-McCumber bill, have already been issued to dealers by several of the chief industrial favorites of the bill. These are industries exerting a control of domestic markets amounting to monopoly.

$100,000 REPORT NOW OBSOLETE.

10. Framers of the bill, professing to abide by the Republican doctrine of fixing tariff rates to equalize the difference between production costs at home and abroad, used as a basis for their calculations the $100,000 report of the Reynolds investigating committee. This report arbitrarily took foreign production costs of August 1, 1921. These costs have since increased so much as to make the whole report obsolete and a false basis of comparison.

11. The bill would give the President the power to increase any of the rates by 50 per cent upon 30 days' notice, or to substitute the discredited American valuation plan with its still higher rates of duty. This plan met with such general denunciation that the Senate was forced to kill it as a part of the bill itself.

ORDERS OF MASTER TO SERVANT WHEN BIG INTERESTS SPOKE.

The superlobbyists were the men who wrote these provisions into the bill. Wielding tremendous political power as the delegates of whole branches of industry, numbering hundreds of individual plants and factories, they approached the House Ways and Means Committee and the Senate Finance Committee as dictators rather than petitioners. They gave their orders. The orders were promptly obeyed with no more than a pretense of inquiry into the facts or justification of the demands.

"I have never seen a more disgraceful spectacle than the way in which the majority of the committee bowed to these representatives of organized industry," are the words of Senator SIMMONS of North Carolina, chief assailant of the bill, veteran of 20 years in the Senate and chairman of the Finance Committee during the Wilson administration. "They did not come in as in the past and make requests. They came in and made demands. Their orders were obeyed without question as the orders of a master to a servant are obeyed."

MEN BEHIND THE SCHEDULES.

Item after item in the proposed bill bears the unmistakable mark of their work. Some of it was performed in open committee sessions, most of it behind closed doors in secret sessions.

Here are some of the men who came before the committees as spokesmen for huge industrial organizations, as shown by the RECORD:

Henry F. Lippitt, former United States Senator, Providence, R. I., representing cotton manufacturers.

Lucius N. Littauer, New York, representing manufacturers of cotton gloves.

Horace B. Cheney, New York, representing the Silk Association of America.

John P. Wood, Boston, representing the National Association of Wool Manufacturers.

Arthur V. Davis, president of the Aluminum Co. of America.

William J. O'Brien, Baltimore, representing 83 of the 88 cement companies in the country.

These names, taken at random from records of hearings on the various schedules of the bill, illustrate the manner in which organized industries left their destinies in the hands of single spokesmen. Comparison of their wishes with the rates in the bill shows the fidelity with which the committees obeyed. More pointed still are the meetings not made a matter of record at which William M. Wood, president of the American Woolen Co. and other industrial powers, made known their will privately and in advance.

JOKE ON THE FARMERS.

Most of the agricultural duties resulted from the trading of the farm bloc, which went so far as to obtain rates on wheat and corn notwithstanding the fact that America is the world's largest producer of both. This has become one of the standing jokes at the present session.

Ever since negotiating this trade—the promise of support for the bill as against the duties they were awarded—members of the bloc have been conspicuously absent from hearings in the Senate on the bill.

These unprecedented tactics in the drafting of the measure have not passed without resentment even in the ranks of the Republicans. Several Senators of progressive leanings admit privately that they are strongly against the extortions proposed and the methods employed. But they are keeping silent in the interest of party unity, hoping for revisions later. Senators LENROOT and NORRIS have gone so far as to express their dissatisfaction on the floor of the Senate. The breaking away from the ranks of these two Senators—with the prospect of others to follow—has caused the Republican leaders no little worry.

NO SIGNS OF DUMPING.

In so far as anyone has undertaken an explanation of the bill it appears that there were two predominant motives considered. One was protection of the American manufacturer against dumping—that is, an inundation of foreign goods that would drive him out of business. The specter of this catastrophe stalks across page after page of the testimony taken at the committee hearings on the various schedules in the bill.

Senator SIMMONS has attempted to run this specter to the ground. He first pointed out that except for a few German toys and pocketknives, about which there has been loud wailing, no evidence of dumping has yet been shown.

Examination of the Department of Commerce's figures on imports discloses no evidence of dumping. On the contrary, imports from Europe in 1921 are found to be $764,000,000, which is $463,000,000 less than in 1920. It is even less than in any year during the life of the high Payne-Aldrich tariff. Likewise imports from all sources for the eight months ending February, 1921, were $2,757,000,000. For the eight months ending February, 1922, they were $1,629,000,000.

In other words, the statistics prove that instead of a swelling flood of foreign goods pouring into America that alleged tide receded, even under the present Underwood tariff, at the rate of more than a billion and a half a year.

MAINTENANCE OF WAGES PLEA.

The other leading consideration was maintenance of good wages for the American worker. The champions of the bill, however, have not elaborated their argument to the point where the American worker can be shown how he is to gain if all his living costs are to go up again, and if industries depending on foreign markets can not sell their goods abroad. This instance is typical of the catch phrases applied to all tariff bills, particularly this one, in the belief that those whom they are designed to reach will take them at their face value.

If the Fordney-McCumber bill was ever intended as a revenue-producing measure, its sponsors have ceased to defend it on that ground in the face of the overwhelming opinion that no revenue can be expected of a bill which will exclude the goods upon which the revenue is to be raised.

In all the sea of conflicting opinion and divergent tariff faith surrounding and clouding the issues at stake, one fact stands out with singular clarity—the bill in its present form gives perfect satisfaction to all the organized and monopolized industries in the country. It is their product. What happens to the public is something for the public to worry about.

Mr. SIMMONS. Mr. President, I have not had much to say about the agricultural schedule of the bill, except disapproval of the methods by which many of the duties were written into the bill and of the understanding that brought about supposed harmony in the ranks of the Republican Party in connection with those rates, but I want to read to the Senate an article that appeared a few days ago in the Nebraska Union Farmer. This newspaper, as I understand, published at Omaha, Nebr., is the official organ of the Farmers' Union of that State. I am told by the Senator from Nebraska [Mr. NORRIS] that the editor is a Republican. I know nothing about that, but the word of Senator NORRIS will be accepted by all. I judge the editor is a Republican also, from some of his comments in the article which I am going to read. The article which I wish first to read appears in the April 26, 1922, issue of this paper and is from President Charles S. Barrett. Mr. Barrett, as I understand, is the national president of the Farmers' Union. That, as I am advised, is the largest farm organization in the United States and probably has the largest membership. Certainly its membership is more widely scattered throughout the country than that of any other farm organization. It is the only great farm organization that has survived in my State, and it still has there a very large membership. Mr. Barrett has been its president for many years. He is an able man. The article is as follows:

FARMERS WORSTED ON TARIFF.

(By National President Charles S. Barrett.)

With reference to the proposed tariff, Chairman MCCUMBER of the Senate Finance Committee makes a statement which is undoubtedly true. He says: "We have given the agricultural interests of the country a better standard of protection than has ever been given in any previous tariff bill."

I think that the farmers of the country are glad to feel that they are likely to receive greater tariff protection on farm products; at least, that is the impression I get from talking with a number of farm representatives here in Washington who have been acting for commodity organizations of dairymen, wool, and cane growers, etc.

They have had a hard fight to secure what they consider proper treatment, and in some instances are not fully satisfied that the tariff duties proposed are sufficient, as, for instance, the organized dairymen, who have made a very strong case for tariff protection against the importation of vegetable oils. There is no doubt in my mind that these commodity experts are amply fortified with data to show consumers that they have taken the right course to protect American agriculture.

INDUSTRY GETS LION'S SHARE.

I feel that it is a matter of concern that the farmers, in order to secure what they believe is fair and reasonable and necessary in the matter of tariff protection, have been forced to submit to unjustly high, if not extortionate, import duties on many of the manufactured articles produced in this country, which, I believe, instead of being higher, should be lower.

Is it not a sad commentary upon legislative conditions that in order for the farmers to receive only what is just and adequate in the matter of protection, there must be months of logrolling operations on the part of Senators and Representatives, and that for every added dollar which agriculture is to receive, the manufacturers, as a whole, will receive probably six or eight times as much—and this despite the fact that the capital investment in agriculture is $77,000,000,000, while that of manufacturing is only $44,000,000,000?

If what some of the tariff authorities say is true, it looks as if the increased tariff rates which the manufacturers expect to get will make possible an increase of their prices of upward of $2,000,000,000. If this is so, then I suppose we must multiply the manufacturers' price by two to get the price the consumers pay after the goods have gone through the middlemen's channels.

On the other hand, I am unable to see where agriculture, as a whole, can expect to secure, through the proposed increased duties, more than $250,000,000. I think this is necessarily so, since with reference to the great staple products, like cotton and grains, and also in the case of hogs and their by-products, we are an exporting nation.

A NOTABLE PAMPHLET.

I have been forcibly impressed with the viewpoint of two well-known manufacturers, George N. Peak and Gen. Hugh S. Johnson, of the Moline Plow Co., whose pamphlet, "Equality for Agriculture," has attracted so much attention. They, like myself, are not satisfied with the present arrangement in tariff making. I do not know that I agree entirely with their views, as when they say, "agricultural tariffs do not protect agriculture, since world prices fix domestic prices of every crop we export a surplus," but I suppose I must agree if their statement were changed to read, "agricultural tariffs do not adequately protect agriculture."

I fully indorse their statement that world prices fix the domestic prices of the crops of which we export a surplus, and I am also most heartily in agreement with their next statement that "industrial tariffs can and do protect prices of articles for which a crop is exchanged," and that "the protective principle is operated for the benefit of industry to the detriment of agriculture."

That is the situation that I must protest as representative of a great national farm organization, and I think the time must inevitably arrive when jockeying and logrolling, which have been forced upon the farmers by the powerfully financed manufacturing interests, must give way to a sound and scientific tariff making, based upon publicly known, indisputable facts with reference to what is necessary in tariff laws, to give proper protection to the various business interests of the Nation.

EXTORTION IN NAME OF LABOR.

I am morally certain that in many cases the highly paid attorneys and technical experts of the manufacturing industry have put one over on our lawmakers, for I am convinced that even with the higher wages paid American labor in order more nearly to secure what is known as the American standard of living, there are certain lines of manufacturing which can produce as cheaply as any foreign nation, and in some cases more cheaply.

This is because the American labor is highly efficient and because of the highly perfected automatic machinery, which in the case of knitting works, to use an illustration, is said to enable an operative to knit 150 dozen pairs of cheap socks a day. If $3 a day is the wage, and this is much higher than in other nations for this class of work, then the labor cost of knitting the 150 dozen pairs of socks is 2 cents per dozen pairs, or, in other words, less than seventeen-hundredths of a cent a pair; and yet, in spite of this condition, the Senators and Representatives upon whom agriculture has had to depend to secure fair and reasonable protection have been forced to agree that the present duties on hosiery will be practically doubled.

I wish it distinctly understood that in offering these observations upon the tariff situation I am making no criticism of the Senators and Representatives coming from agricultural sections of the Nation who have been planning the tariff measure or taking an active part in it. They have done the best they could under the circumstances. They had their duty to perform, and they had to work under a severe handicap.

A WELTER OF SELFISHNESS.

The manufacturers have swarmed to Washington, and with their vast mass of statistics and balance sheets, literally overwhelmed a large part of Congress. Only highly trained statisticians, certified public accountants, and manufacturing experts could possibly assimilate and interpret the alleged facts and figures which many of these manufacturers have successfully pressed in behalf of their claims for still further tariff protection.

The great manufacturing interests of this country have completely outstripped the farmers in many ways, as is shown by the fact that with only about 57 per cent as great an investment their annual turnover is many billion dollars more than that of agriculture; and also by the fact that the present tariff schedules are likely to secure increased prices of upward of $2,000,000,000, making a total of $4,000,000,000 when passed through the middlemen's hands, while, on the other hand, agriculture will probably receive through direct price increases not over one-quarter of a billion dollars.

It is certainly worthy of comment that the officials of the Moline Plow Co. referred to, Mr. Peak and General Johnson, fully acknowledge the supremacy of manufacturing over agriculture. One comment which these great manufacturers make is this:

"Industrial tariff affords protection for industry from cheap foreign competition, because industry can, must, and does regulate supply to demand on domestic markets. It can, because it can control production. Even if overproduced, it is organized and financed to withhold surplus until demand at fair value absorbs it. It must, because failure to do so would destroy it by withdrawal of capital. It can elect when and whether it shall sell in export and at what price."

TIME TO DO SOME THINKING.

This whole problem of benefits that agriculture can permanently expect to secure through our present method of tariff making—with agriculture as yet largely unskilled in the methods which will place it upon a somewhat equal basis with manufacturing as far as securing a return upon its labor and interest upon its investments—must be taken hold of one of these days with vigor and understanding.

Secretary Wallace recognized this fact when recently he called together in Washington a group of financiers and business men to consider the suggestions made by the officials of the Moline Plow Co. The problem is so intricate and forces which have so hugely profited from tariff making in the past are so powerfully intrenched that it may be some years before a better solution is found; but at least it is a matter worthy of consideration and getting ready to tackle.

Editorially the publication says, speaking of the article which I have just read:

THE PRICE OF PROTECTION.

President Barrett's article on the tariff question in this issue affords abundant food for thought. He suggests that the pending tariff measure would operate to increase the prices of some of our agricultural products, such as wool, sugar, butter, and some of the fruits, but that on the great staple farm products of the country—the corn, wheat, cotton, pork, and beef—it would have little, if any, effect.

The operation of the duties in the pending bill would give a total increase in prices of agricultural products of not over one-fourth of a billion dollars a year, President Barrett estimates. On the other hand, he shows that the protection given to manufacturers would enable them to exact $2,000,000,000 a year in added prices on their wares, which would be multiplied by two by the time the goods reached the consumers.

What will it profit the farmers of the country to secure effective protection on a few relatively unimportant agricultural commodities at the cost of increased prices on almost everything they buy? We do not wish to put words into President Barrett's mouth or draw conclusions for him, but it seems to us from his figures that farmers are paying a mighty long price for the so-called protection the tariff bill would afford.

Farmers of the great Corn Belt fare particularly badly in this transaction. Prices of their staple products are not increased by the

"paper" duties placed upon them. As consumers, however, they will not only have to pay a large part of the increase in prices caused by added duties on manufactured products but will also have to help pay the increased prices for some of the agricultural products on which the tariff is effective.

President Barrett invites us to consider how farmers can get a square deal on the tariff question. We have pondered this question a great deal, and have come firmly to the conclusion that farmers should cease to ask for protection on their products. Then they could go before Congress with clean hands to oppose the demands of manufacturers. Until farmers do this, they will be cheated regularly in the tariff-framing game.

Next I insert an editorial from the same Nebraska farmers' organ in its issue of April 12, 1922, as follows:

[Editorial by L. S. Herron in the Nebraska Union Farmer of April 12, 1922.]

TARIFF DICKERING.

From Washington come reports that the Senate has "surrendered" to the farm bloc on the tariff. That is, the members of the farm bloc are to be allowed to write the duties for farm products just as high as they wish—providing, of course, they allow the manufacturing interests to write their schedules as high as they please. Now, that isn't just what we would call a surrender. It appears rather that the members of the farm bloc have been taken into camp by the tariff-sustained monopolists.

Except in a comparatively few cases, of which sugar and wool are examples, tariff duties on farm products do not tend to enhance prices in this country, because prices here are determined by the markets of the world in which the surplus is sold. This has been proved conclusively by the utter failure of the emergency tariff on farm products to have any effect on prices.

If the farmers were organized into a monopoly, they might make tariff duties operative by withholding their products from the market and creating scarcity behind the tariff wall; but farmers are not organized into any such monopoly, and there is no prospect that they will be. On the other hand, the protected manufacturers, for the most part, are organized to restrict production and hold up prices. They make their duties operative.

This means that the members of the bloc, if the reports are true, are trading real price-fixing protection to manufacturers for mere "paper" duties on the preponderant part of agricultural products. This would be a very bad trade at any time, but it is especially bad just now when the country is suffering acutely from price disparity.

Mr. President, I have strayed far from the line of discussion which I had mapped out for myself when I took the floor. I expected only briefly to reply to some of the observations made by the Senator from Indiana [Mr. WATSON], but after finishing with that matter I felt it was opportune, as the Senator had started the discussion, to put into the RECORD some practical facts in connection with the rates carried in the particular bill now pending. I regret that I have taken so much of the time of the Senate in doing so, but I feel that the facts and data that I have been able to offer will be of much value in elucidating these rates and in conveying not only to the Senators who had not had the time and opportunity for studing the details of this measure but to the country at large what the rates in the bill really mean not only to the consumers of the country but to the legitimate business of the United States, especially the trade of the United States that must find an export market for its surplus.

Mr. McCUMBER. Mr. President, I think this is the fourth or, possibly, the fifth time the Senator from North Carolina [Mr. SIMMONS] has delivered a general speech upon the tariff question, and I think I am not stretching the truth in the slightest degree when I say that nine-tenths of the last speech was practically the same as the first and that each one has been along the same line.

The Senator to-day took 2 hours and 20 minutes to tell us what he had told us before, the first time in a 4-hour speech, the second time, I think, in about a 2½-hour speech, and it has been repeated in about the same language on each occasion.

Mr. President, there has been but one speech on this side of the Chamber which pretended to be a general discussion of the tariff question, involving the great principle of protection, and that was the speech made this forenoon by the Senator from Indiana [Mr. WATSON]. Now the Senator from North Carolina has put in another 2 hours and 20 minutes, and I wish to take 2 minutes in replying in substance to practically all that he has said.

The whole gist of his argument has been that if we are to get the interest upon what the countries of Europe owe us we must allow Europe to enter into our markets and take possession of them.

Mr. President, a few weeks ago the Russian government offered to settle the debts which they owed to foreign countries provided those countries would loan them the money with which to do it. That proposal has been ridiculed generally by the press of the country. Germany a short time ago said to the Reparation Commission, "If you will loan us the money with which to pay, we will pay you the reparations." That suggestion, too, has been ridiculed by the press of the country. If a debtor should come to me and say, "I owe you $100 on my note, and if you will loan me $100 I will pay it," I think that proposal would generally be ridiculed. Yet that is exactly what the Senator from North Carolnia proposes as a settlement of the indebtedness owed by Europe to the United States.

He quotes England, for instance, as saying to us that the only way they can pay us the $200,000,000 of interest due is for us to open our markets to her goods. Very well; let us suppose that she makes 10 per cent upon her goods sold in this country. That would mean that we would have to surrender the manufacture of $2,000,000,000 worth of goods in order to allow Great Britain to enter the American market and make enough upon her imports to pay us $200,000,000 of interest which she owes us. We decline to do that. She says to us in effect, "Close down your mills which produce $2,000,000,000 worth of goods; put out of employment half a million American workmen, and give us the market for that much goods and we will pay the interest." We say, however, we will not do that.

The Senator from North Carolina has not told us in all of his argument what we are going to do with the half a million of workmen who would walk the streets if their occupation were taken away on account of the closing down of the mills in which they are employed. We on this side of the Chamber say it is a thousand times better that we do not get a red cent from our debtors than to close down American business or to surrender $2,000,000,000 of it to Great Britain in order that she may pay the interest upon the debt she owes us. I believe, Mr. President, that we should be for America; that we should keep open our mills and our factories and keep our men employed. That is worth more to us than all of the interest that could be paid in a year or ten years or a thousand years from our debtors. That is what we are seeking under the terms of the pending bill.

The Senator from North Carolina says that we have lost $600,000,000 in our trade with Canada because of the emergency tariff law. He says that law is the cause of that loss in trade. That is a very fine argument, but in the very next breath he will say that the cause of our declining commerce is the depression throughout the world. We have lost just as much of our trade and commerce elsewhere. If he will take hold of one horn of the dilemma and say that our business has decreased generally because of world depression, then we will all agree with him that that is the principal cause.

But, Mr. President, we are not meeting merely the condition of to-day. Europe has been paralyzed. She is scarcely on her feet to-day. She has not the goods to export in any great quantities to the United States to-day, but she has the ability, the man power and the woman power, to produce them; and as soon as she can again get upon her feet and start all her factories at work, with the American wage practically double and the foreign wage practically cut in two, no man on earth with ordinary common sense can deny the truth that she will be a stronger competitor in our markets than ever before, and no man can deny that as she becomes a stronger competitor we will need a stronger barrier to hold our own markets against competition.

That is what this bill seeks to do. It does not for a single moment seek to exclude goods. There is not an item in the bill, outside of those that are covered by the embargo, that will not allow importations, and in time sufficient importations to put the foreigner at least on equal ground with the American, and in many instances gives him an advantage over the American producer unless we enormously decrease our own wages. Any one who looks over the situation and says that any one of these rates, other than those contained in the embargo provisions covering dyes, is a prohibitive rate, knows that he is not giving us the true facts.

The time will soon come when we will take the time to answer these so-called Republican papers which are representing only the interests of the importer. We shall be able to show the profits of the manufacturer compared with the enormous profits of the importer who is being represented by this subsidized press—subsidized through the payment of immense sums for advertising—which is willing to destroy the manufacturing interests for the benefit of a few thousand importers.

Mr. President, it is said that these long addresses that we hear every day or two on the other side are necessary in order to explain this bill, so that the American people will be able to understand what it means. When the American people have read an assertion once, they understand English, and do not need to have it repeated 4,000 times in order to comprehend the simple English statement; and yet they tell us, "Oh, no; we are not trying to delay this bill. We can speak three or four hours at a time, and then vote on one or two little items a day, but we are not delaying it at all. We are just trying to explain to the American people its iniquities."

Mr. President, I hope now that we can return for the moment to the real question. It is a hard question, we will admit, either to defend or to attack. We do not, as Repub-

licans, believe in embargoes; but the dye question, the chemical question, raised in the American mind an apprehension which grew out of the war such as has never before faced the American public; and to develop the chemical industry, the dye industry, with all it meant, we placed an embargo, first recommended by a Democratic President, and rightly recommended, to establish an American industry that might protect us and be useful in time of war.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. McCUMBER. I do.

Mr. KING. I think the Senator is in error—at least, I may have misunderstood his position—in assuming that the embargo feature is before us to-day. It is paragraphs 25 and 26 of the chemical schedule, as I understand, that we are considering to-day.

Mr. McCUMBER. Yes; but I intend to bring the embargo provision right on in connection with them. It was understood that we would take up the dye-embargo part of the bill, so that we could consider and dispose of all of the dye propositions at one time.

Mr. KING. If the Senator will pardon me, I do not know how he got such an understanding. I never so understood it, and I always opposed that. In fact, I have not understood that we were to consider anything but paragraphs 25 and 26, because I shall oppose bringing forward the embargo provision, and I think it would be very unfair to bring it forward, because that is not under consideration now, and has not been reached.

Mr. McCUMBER. It is all on the same subject, Mr. President. One can hardly consider the two paragraphs mentioned by the Senator without considering them in connection with the dye embargo. It was my understanding, and it was reiterated several times, that we would desire to take up the whole question of dyes at one time, but we can consider only these two paragraphs first. I can not tell how much time they will take; I hope not much longer; but I think we can settle on whether we will follow them with the dye embargo when we get through with these two.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Jersey?

Mr. McCUMBER. I yield the floor.

Mr. KING. If the Senator will pardon me, I approached the Senator from North Dakota some time ago and asked that the consideration of paragraphs 25 and 26 be postponed until we reached the embargo provision, so that they could be considered at the same time. The Senator from North Dakota, as I understood him, when I made that suggestion to him several weeks ago, assented to it; I will not say definitely, but he indicated that as far as he knew that would be agreeable.

Mr. McCUMBER. I thought they ought to come together, whichever way we brought them, either bringing the last one up to these, or bringing these further along to the last section.

Mr. KING. So just before we reached paragraphs 25 and 26 I suggested to the Senator that they go over until we reached the embargo provision. Thereupon the Senator from North Dakota, as I understood him, rather demurred, and said that he would like to consider paragraphs 25 and 26 when they were reached in their regular order. I told him that of course I could not object to that procedure if he insisted, but that I hoped he would permit the consideration of paragraphs 25 and 26 to go over until we reached the embargo.

I confess that I was somewhat disappointed that the Senator should call up paragraphs 25 and 26 before we reached the embargo, but I felt, in view of the fact that they are there, that he could insist upon disposing of the amendments to paragraphs 25 and 26 at this time; but I shall object now to taking up a provision further along in the bill. Indeed, I think it would be a violation of the unanimous-consent agreement to take up the amendments and consider them first.

Mr. McCUMBER. That provision is an amendment.

Mr. KING. No; but I mean in the regular order. The understanding was that we would take up the amendments in the regular order.

Mr. McCUMBER. No, Mr. President; there was no understanding about the regular order, and I have broken the regular order time and time again, not only at the request of the Senator now speaking but at the request of other Senators, for their convenience. I have tried to accommodate them in every possible way, and I want to assure the Senator now that I will try to accommodate him.

Mr. KING. Let me say to the Senator that the Senator from New Hampshire [Mr. MOSES] wants to be here when the embargo provision is up for consideration; but, of course, I do not concede that it is up for consideration to-day, and it will not be until we reach it in regular course in the consideration of the bill.

Mr. McCUMBER. Paragraph 25 is up now.

Mr. KING. Yes; paragraph 25 and paragraph 26.

Mr. McCUMBER. Paragraph 26 will be up when we get through with paragraph 25.

The PRESIDING OFFICER. Will the Senator pardon the Chair? The Secretary advises the Chair that there are three amendments in paragraph 25, and that they have all been agreed to, and that paragraph 25 is disposed of.

Mr. KING. Well, Mr. President, that is not——

The PRESIDING OFFICER. The Chair is only stating what he has been advised.

Mr. FRELINGHUYSEN. Mr. President, am I recognized?

The PRESIDING OFFICER. Just a moment. The Secretary states that on May 12 the first amendment was agreed to, and on June 1 the second and third amendments were agreed to. Now the Senator from New Jersey is recognized.

Mr. FRELINGHUYSEN. Mr. President, as I understand the record, last week we debated paragraph 25. The Senator from Utah offered a motion that we disagree to it. That was defeated, and then the committee amendment was agreed to; and, as I understand, the paragraph, with the committee amendments, has been passed and we are now on paragraph 26.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Utah?

Mr. FRELINGHUYSEN. Yes.

Mr. KING. I stated during the discussion that I had two amendments to strike out "50" and insert "30," and then that I intended to offer an amendment to the "7 cents per pound." If that may be done at this time——

Mr. FRELINGHUYSEN. Of course, that will be up to the chairman of the committee; but I hope that this whole dye question can be taken up at one time.

Some time past, in debating the question of the duty on antimony, we skipped one of the paragraphs and took up paragraphs further along in the bill, but they related entirely to the other paragraph and cleaned it all up at one time. The embargo and the expansion of the embargo are in two separate paragraphs further along in the bill, but they relate entirely to the dye schedule; and if we are going to settle what our tariff policy shall be on dyes, with the experts here anxious to clean up this schedule and leave and go to their other duties, the practical way to do it is to clean it up at once. So I hope that after paragraph 26 has been debated and settled the chairman will urge the Senate to continue the discussion of the dye embargo and its extension, so that the whole question can be cleaned up at one time.

Mr. KING. All I can say is that, of course, I shall oppose that. I think it would be manifestly unfair and manifestly unjust to import a section down at the tail end of the bill up to this schedule and consider it now. I have no objection to disposing of paragraphs 25 and 26, and have no objection to any Senator discussing the embargo as much as he pleases; but I shall certainly object to the Senate voting upon the embargo now. I should consider that it would be a violation of the rule which we announced at the beginning, namely, that we would take up for consideration the amendments, proceeding with them in order, and pass upon them, going down through the bill; then, after the Senate amendments had been disposed of, that we could recur to the beginning and offer such amendments to the text of the bill as were desired by Senators.

Mr. FRELINGHUYSEN. Mr. President, that is a very impractical and scattering way to do it. At the suggestion of the other side, we settled the entire question of one product, and we skipped all over the bill to do it. I think if we are going to settle our tariff policy on dyes, we ought to settle the entire question, debate it at one time, and close it up. That is my position, and I hope we can do it.

I want to say to the Senator from Utah that the suggestion of the policy of clearing up a whole subject at one time came from the other side, and the committee accepted the suggestion. Therefore, we are not departing from any rule or understanding. We are simply clearing up one schedule at a time in a practical way, and I hope the Senator will not make any objection to a continuation of the debate and the final settlement of the entire question.

Mr. KING. May I say, in response to my good friend, that there was never any suggestion at all that we should bring the embargo provision up to the chemical schedule and consider it at this time. I did suggest to my good friend, the chairman of the committee, before we began the debate, that paragraphs

25 and 26 be relegated to that part of the bill where we would discuss the embargo, as I thought they might with propriety be discussed at that time, and after talking with him I so announced to the Senator from New Hampshire [Mr. MOSES]. Later I talked with the chairman of the committee, and he stated that when we reached paragraphs 25 and 26 we would consider that matter, but I never did and never would assent to the proposition of discussing the embargo now, or at any time when we were discussing paragraphs 25 and 26. I want to say to the Senator that, in my opinion, it would be rather unfair to the Senator from New Hampshire to take up the embargo question now.

Mr. McCUMBER. Let me say to the Senator from Utah that the chairman will try, as far as he can, to accommodate all Senators and to carry out the general understanding. My own understanding was that when we got to the dye matter it would make very little difference whether we put paragraphs 25 and 26 over to the time we should consider the embargo provision, or should bring the embargo matter up immediately after we considered those paragraphs; but I did think we could dispose of all of them at one time. I am informed, and have had some talk with the Senator from New Hampshire myself, that if we will eliminate from this provision in paragraph 26 that which belongs to the administrative portion, he would not care even to be present when the matter was discussed.

Mr. KING. That is, when paragraphs 25 and 26 were discussed?

Mr. McCUMBER. No; as I understand, even when the embargo was discussed.

Mr. KING. I do not so understand it. I think the Senator is in error.

Mr. McCUMBER. I think not; but I will look over the RECORD while we are discussing paragraph 26 and the items in it, and will try to carry out what appears to be the understanding.

Mr. KING. Let me say to the Senator that the Senator from North Dakota never had any understanding from me or from this side, that we would consent to the bringing up of the embargo provision, and acting upon it when we were acting upon paragraphs 25 and 26, because I took the precaution at the beginning to state to the Senator that I would prefer that paragraphs 25 and 26 be passed over until we reached the embargo, and I never assented, nor has anybody upon this side assented, to the bringing forward of the embargo provision.

Mr. McCUMBER. I think there is sufficient in the bill to keep us busy for some time, and I have stated that I would try to accommodate all Senators. I have given them notice that we would take up and dispose of the dye proposition next, both the embargo and the other matter, but I think rather than to mislead, if that has misled any Senator, I will try my best to accommodate each Senator in the matter of considering these questions. However, I do want to look over the RECORD and see what the understanding was.

Mr. KING. I do not know what understanding the Senator had with others, but he had no understanding with me——

Mr. McCUMBER. I will take the Senator's word for that.

Mr. KING. Because the Senator will recall very distinctly that in the beginning I asked that paragraphs 25 and 26 go over until we reached the embargo provision. I have no objection to proceeding with paragraphs 25 and 26.

Mr. McCUMBER. I understand paragraph 25 has been disposed of.

The PRESIDING OFFICER. The present occupant of the chair is advised that the record discloses that all the committee amendments offered to paragraph 25 have been disposed of.

Mr. KING. I did not so understand.

The PRESIDING OFFICER. The Secretary will state what the record discloses as to paragraph 25.

The ASSISTANT SECRETARY. The amendments in paragraph 25 as reported by the committee have each and all been agreed to as reported.

Mr. KING. I did not so understand, and I want to move to reconsider, merely for the purpose of offering an amendment which I indicated in my remarks the other day I should offer. I want to be entirely frank with the Senator, and I say to him that I am not quite clear whether under the unanimous-consent agreement I could attack the specific rates, and if the Senator raises the point of order, I shall submit it to the Chair and take his ruling.

Mr. McCUMBER. If we can get a vote on it right away, I will ask unanimous consent that the vote by which the amendment was adopted may be reconsidered.

Mr. KING. I shall take but very few minutes, I will say to the Senator.

Mr. McCUMBER. I ask, then, that the vote by which the committee amendment, on page 10, line 17, was agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection?

Mr. FRELINGHUYSEN. Reserving the right to object, I should like to ask the Senator from Utah if it is his purpose to offer an amendment to this paragraph for the record?

Mr. KING. Yes.

Mr. FRELINGHUYSEN. Does the Senator intend to take much time on it? We debated it the other night at length.

Mr. KING. Not at all. I stated to the Senator on Saturday evening that it would not take long.

Mr. FRELINGHUYSEN. I will not object, then.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent that the vote by which the committee amendment, on page 10, line 17, was agreed to be reconsidered. Is there objection? The Chair hears none, and it is so ordered.

Mr. KING. I offer the following amendment: I move to insert, in paragraph 25, line 17, after the numerals "1546," the following:

Valued not above 10 cents per pound, 50 per cent ad valorem and 3½ cents per pound; valued above 10 cents per pound, 30 per cent ad valorem and 7 cents per pound.

It introduces a classification.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah to the amendment of the committee.

The amendment to the amendment was rejected.

Mr KING. I reserve a separate vote in the Senate upon this and all other amendments which I have offered to these paragraphs.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The first amendment of the committee in paragraph 26 was, on page 12, line 2, to strike out "gauiacol" and to insert "guaiacol."

The amendment was agreed to.

The next amendment of the committee was, on page 12, line 6, to strike out "35" and insert in lieu thereof "60," so as to read:

and all mixtures, including solutions, consisting in whole or in part of any of the articles or materials provided for in this paragraph, excepting mixtures of synthetic odoriferous or aromatic chemicals, 60 per cent ad valorem and 7 cents per pound.

Mr. KING. I move to amend the committee amendment as follows: On line 6, page 12, in lieu of the words "60 per cent ad valorem and 7 cents per pound" I move to insert the following:

valued not above 25 cents per pound, 35 per cent ad valorem and 3 cents per pound; valued above 25 cents per pound and not above 50 cents per pound, 35 per cent ad valorem and 5 cents per pound; valued above 50 cents per pound, 35 per cent ad valorem and 7 cents per pound.

That introduces three classes. The other evening I called attention to what I conceive to be the unfair basis upon which both these paragraphs were drawn.

Mr. FRELINGHUYSEN. Has the Senator from Utah any objection to having the amendment stated at this time?

Mr. KING. None at all.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. It is proposed to strike out "60 per cent ad valorem and 7 cents per pound," on line 6, page 12, and to insert the following:

valued not above 25 cents per pound, 35 per cent ad valorem and 3 cents per pound; valued above 25 cents per pound and not above 50 cents per pound, 35 per cent ad valorem and 5 cents per pound; valued above 50 cents per pound, 35 per cent ad valorem and 7 cents per pound.

Mr. KING. I argued this question at considerable length the other evening, and I do not intend to consume any time in further presenting the facts in the case. I only want to call attention again to the situation.

In both paragraph 25 and paragraph 26 one classification of intermediates and dyes exists. Notwithstanding some dyes may be sold at 1¾ cents per pound, the pre-war price, some at 2 cents, some at 6, some at 7, some at 10, and others sold at very high prices, the same rates are prescribed—the same rates as to intermediates and the same rates as to the finished products of the dyes themselves. That seems to me to be manifestly unfair. I can not see how we can justify a duty which in some instances would amount to 400 or 500 or 600 per cent, and yet a commodity allied to it, indeed akin to the same product, would bear a duty of perhaps 100 per cent. Yet we

find such incongruities in the bill now before us. The same rate is imposed upon a product the import value of which is 2 or 3 or 4 cents a pound as is imposed upon an article the import value of which may be 60 cents per pound or $1 or more per pound.

I have no particular objection to the ad valorem except that it is too high, but it is the specific rate that I am criticizing particularly. A specific rate of 7 cents a pound upon a commodity the import value of which is 1¾ or 2 or 3 cents per pound would range all the way from 200 per cent to 300 or 400 per cent. That is what I am objecting to. It does seem to me that these articles lend themselves to a logical, to a proper, indeed to a scientific, classification. Many of the dyes, as we know, are cheap. Many of them, as we know, are costly. We have introduced into the other schedules varying rates depending upon a multitude of conditions. We say that some articles are luxuries, and we impose a much higher rate than we do upon articles which are much cheaper and which may be more commonly and universally used. I called attention the other evening to the fact that certain dyes—indigo, sulphur black, and others—are comparatively cheap and that their use is extensive. Now, to impose a 7-cent specific duty upon dyes or intermediates of a value of 1, 2, 3, 4, or 5 cents per pound and the same specific upon dyes that cost $1 a pound to me seems to be wholly unjustifiable.

Mr. President, I will be willing to take a vote.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee.

Mr. KING. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. HARRISON (when his name was called). I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and I vote "yea." I ask that this announcement of the transfer of my pair may stand for the day.

Mr. SIMMONS (when Mr. OVERMAN'S name was called). I wish to announce that my colleague [Mr. OVERMAN] is unavoidably absent. He is paired with the senior Senator from Wyoming [Mr. WARREN]. If my colleague were present, he would vote "yea."

Mr. SUTHERLAND (when his name was called). Transferring my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Oklahoma [Mr. HARRELD], I vote "nay."

Mr. UNDERWOOD (when his name was called). I am paired with the senior Senator from Massachusetts [Mr. LODGE], who is unavoidably absent. I transfer my pair to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WARREN (when his name was called). I transfer my general pair with the junior Senator from North Carolina [Mr. OVERMAN] to the senior Senator from Pennsylvania [Mr. CROW]. I ask that this transfer may stand for the day. I vote "nay."

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS], which I transfer to the junior Senator from South Dakota [Mr. NORBECK], and vote "nay."

The roll call was concluded.

Mr. COLT. I transfer my general pair with the junior Senator from Florida [Mr. TRAMMELL] to the junior Senator from Oregon [Mr. STANFIELD], and vote "nay."

Mr. DIAL. I transfer my pair with the senior Senator from Colorado [Mr. PHIPPS] to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "yea."

Mr. JONES of Washington (after having voted in the negative). I understand that the senior Senator from Virginia [Mr. SWANSON] has not voted. He is necessarily absent, and I promised to take care of him with a pair. However, I find I can transfer my pair to the junior Senator from New York [Mr. CALDER], which I do, and allow my vote to stand.

Mr. EDGE. I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the senior Senator from New Hampshire [Mr. MOSES], and vote "nay."

Mr. BALL. I transfer my general pair with the senior Senator from Florida [Mr. FLETCHER] to the senior Senator from Kansas [Mr. CURTIS], and vote "nay."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. I observe that he has not voted. I transfer my pair to the Senator from Illinois [Mr. MCCORMICK], and vote "nay."

Mr. MCKINLEY (after having voted in the negative). I transfer my general pair with the junior Senator from Arkansas [Mr. CARAWAY] to the senior Senator from Maryland [Mr. FRANCE], and allow my vote to stand.

Mr. JONES of Washington. I wish to announce the unavoidable absence of the senior Senator from Kansas [Mr. CURTIS]. He stands paired on this vote with the Senator from Florida [Mr. FLETCHER].

The result was announced—yeas 18, nays 40, as follows:

YEAS—18.

Ashurst	Jones, N. Mex.	Pomerene	Underwood
Dial	King	Sheppard	Walsh, Mont.
Harris	La Follette	Simmons	Watson, Ga.
Harrison	Norris	Smith	
Heflin	Pittman	Stanley	

NAYS—40.

Ball	Edge	McKinley	Shortridge
Brandegee	Ernst	McLean	Smoot
Broussard	Frelinghuysen	McNary	Spencer
Bursum	Hale	Nelson	Sterling
Cameron	Jones, Wash.	Newberry	Sutherland
Capper	Kellogg	Oddie	Townsend
Colt	Kendrick	Page	Wadsworth
Cummins	Ladd	Pepper	Warren
Dillingham	Lenroot	Poindexter	Watson, Ind.
du Pont	McCumber	Ransdell	Willis

NOT VOTING—38.

Borah	Gerry	Moses	Robinson
Calder	Glass	Myers	Shields
Caraway	Gooding	New	Stanfield
Crow	Harreld	Nicholson	Swanson
Culberson	Hitchcock	Norbeck	Trammell
Curtis	Johnson	Overman	Walsh, Mass.
Elkins	Keyes	Owen	Weller
Fernald	Lodge	Phipps	Williams
Fletcher	McCormick	Rawson	
France	McKellar	Reed	

So Mr. KING'S amendment to the committee amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment passed over will be stated.

The next amendment passed over was, on page 12, line 19, after the word "act," to strike out the words "no package containing" and to insert "it shall be unlawful to import or bring into the United States."

The amendment was agreed to.

Mr. KING. Mr. President, may I inquire of the Senator having the bill in charge if he is ready to offer the amendment which he indicated?

Mr. MCCUMBER. To strike out a portion of the next committee amendment? Yes.

Mr. KING. Would not that involve the amendment which has just been read by the Secretary?

Mr. MCCUMBER. I think not. But, Mr. President, if we may take a moment, not taking the amendments up in their regular order, I ask at this time that the Senate reject the portion of the committee amendment beginning with the word "Provided," in line 15, on page 14, and going down to and including line 16, on page 15.

In explanation I will simply state that the proviso covers the importation of goods on which there is a trade-mark held or supposed to be held by American manufacturers. Whether it is important to insert such a provision in a tariff bill I am not prepared at this time to say definitely, but I am quite certain that in the form in which it is herein written it ought not to be inserted at any place in the bill except in the administrative provisions, and not even there without a very material amendment to it. Therefore, without prejudicing any right to bring the matter up in some form in the administrative provisions, but certainly not with my consent in the form in which it is now written, I ask that that portion of the committee amendment which I have indicated may be disagreed to.

The VICE PRESIDENT. The amendment proposed by the Senator from North Dakota to the committee amendment will be stated.

The ASSISTANT SECRETARY. On page 13, line 13, beginning with the word "particular," the Committee on Finance proposes to strike out down to and including the numerals "1546," in line 23, and to insert the words printed in italics from that point down to the end of line 16, on page 15.

The Senator from North Dakota now proposes from the portion proposed to be inserted, after the numerals "1546," on page 14, line 15, to strike out the proviso.

Mr. KING. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. KING. I desire before this paragraph is finally disposed of to move to strike out lines 11, 12, 13, 14, and 15, down to the word "Provided," which is included in the committee amendment.

The VICE PRESIDENT. The Senator from Utah will have a right to offer his amendment to the amendment after the pending amendment to the amendment shall have been disposed of.

Mr. KING. I have no objection to taking a vote on the amendment to the committee amendment.

The VICE PRESIDENT. The question, as the Chair understands, is on the amendment of the Senator from North Dakota [Mr. MCCUMBER] to the committee amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the committee amendment as amended.

Mr. KING. On page 14 I move to strike out lines 11, 12, 13, 14, and 15 of the committee amendment.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Utah to the committee amendment, which will be stated.

The ASSISTANT SECRETARY. In the committee amendment, on page 14, after line 10, it is proposed to strike out:

Provided further, That any article or product which is within the terms of paragraphs 1, 5, 35, 37, 56, 63, 79, or 1578, as well as within the terms of pargraphs 25, 26, or 1546, shall be assessed for duty or exempted from duty as the case may be under paragraphs 25, 26, or 1546.

Mr. KING. Mr. President, just a word. It was developed during the discussion the other day that the lines which I have moved to strike out sought to take from various other provisions of the bill the articles therein referred to and to subject them to the rates of duty that are found in this paragraph provided that any of the compounds were derived from coal tars or from any of their derivatives.

I call attention to the fact that medicines and pharmaceuticals that are found in paragraphs 1, 5, 35, 37, 56, 63, 79, and perhaps in paragraph 1578 bear in those particular paragraphs in which they were found a lower rate of duty than that which is prescribed in paragraph 26. This proviso is for the purpose of taking those particular medicines and medicinal compounds and pharmaceuticals out of those paragraphs, where the average duty, perhaps, is 20 or 25 per cent ad valorem, possibly in some instances higher, and fastening upon them higher rates of duty than would otherwise apply.

The question is this: Is it fair and just and right to establish two different rates of duty for the same character of compounds that bear the same name, have the same therapeutic effect, and are used for the same purpose, and are known by the trade, perhaps, by the same name, and to subject those medicines and compounds to different rates of duty simply because one may be made from coal-tar products or from coal-tar derivatives and others from natural products? I submit that it is unfair and can not be defended; and yet this provision is aimed directly at the accomplishment of that end. If my amendment shall prevail, then those paragraphs which we have considered and which deal with those medicine compounds will bear the same duty that we understood they would bear when we voted upon them. If we adopt the amendment offered by the committee, then, of course, we increase the duties upon some of those products upon which we have already voted and as to which we have understood the rate of duty was fixed. We are making a sort of a pet of the coal-tar products, the by-products of the coke oven. We are saying to two individuals, one of whom manufactures medicines out of natural products and another manufactures the same class of medicines out of coal-tar products, we will differentiate in favor of the latter, so that the man who manufactures certain products used in medicines out of coal tar shall have a higher rate of duty than the individual who manufactures the same kind of a medicine out of some natural product. I can not find any justification for it, and therefore I have offered the amendment to which I have called attention. I presented this matter very fully the other day in the discussion of paragraphs 25 and 26, and I do not care to further elaborate the subject.

Mr. SMOOT. Mr. President, I merely wish to state what I said the other night as to why this provision was put in the bill. The Tariff Commission called attention to the necessity of it, as will be found on page 83 of the Summary of Tariff Information, which I am not going to take the time of the Senate now to read. However, the paragraphs mentioned refer to acids, chemicals, ethers, esters, flavoring extracts, perfumes, colors, compounds of crude oil tar, and explosives not specially provided for.

Would it be fair not to provide a duty upon those articles if they are from coal tar or derivatives of coal tar? The paragraphs enumerated seek specifically to provide for these items where they are not derived from coal tar. There must not be a conflict here, and therefore it is absolutely necessary to include them in this paragraph. They are not provided for in any other part of the bill; but they are provided for in the paragraphs having reference to coal-tar derivatives, and are to be assessed as provided in paragraphs 25 and 26, one of which has reference to intermediates and the other to coal-tar products themselves. Why? Because they are derivatives of coal tar; and chemicals, ethers, esters, perfumes that are derived or produced from coal tar ought to fall in the paragraph in which coal-tar products are taken care of. That is why the particular paragraphs are enumerated in paragraph 26, and why the commodities referred to have imposed upon them the rates of duty provided in that paragraph.

Mr. KING. Mr. President, if I understand my colleague—and perhaps I did not fully comprehend his statement—from paragraph 5, which reads—

all chemical elements, all chemical salts and compounds, all medicinal preparations, and all combinations and mixtures of any of the foregoing, all the foregoing obtained naturally or artificially and not specially provided for, 25 per cent ad valorem—

There are to be excepted those products which are manufactured from coal tar or its derivatives. It appears that, unless there are imported into that paragraph the words "coal tar or derivatives of coal tar," the construction placed upon it by my colleague must be wrong.

Mr. SMOOT. No. It says in each one of those paragraphs "not specially provided for"; and therefore, just as my colleague has said, the articles which are specially provided for are transferred to paragraph 26, and they are to be assessed on the basis of paragraphs 25 and 26. The reason of that is that they are derived from coal tar. Those that are not derived from coal-tar products are taken care of in each one of the paragraphs named in the amendment, namely, paragraphs 1, 5, 35, 37, 56, 63, 79, 156, 146.

My colleague is right in the statement that the rates are higher under paragraph 26 than under the other paragraphs, because of the very fact that the products are derived from coal tar. If that industry is to be protected as a whole, then it is proper that articles derived from coal tar should fall in this paragraph, no matter what the rate is upon other items in the bill. The derivatives of coal tar, whether they be chemicals or whether they be ethers or esters or perfumes or colors not specially provided for, ought to fall in this paragraph. As to the rate, as I said the other night to my colleague, I have not been discussing that at all.

Mr. KING. Mr. President, I agree entirely with what the Senator from Utah states that the provision we are now discussing, which is involved in my amendment, is intended to place all medicines, flavoring extracts, and various other products which are derived from coal tar or any of its derivatives in this paragraph for the purpose of fixing the rate of duty.

That is what I am complaining about. Take paragraph 35, under the head of "ethers and esters." It provides that diethyl sulphate and dimethyl sulphate shall bear a rate of duty of 15 cents per pound; ethyl acetate, 3 cents per pound; ethyl chloride, 15 cents per pound; ethyl ether, 4 cents per pound; and ethers and esters of all kinds not specially provided for, 30 per cent ad valorem.

Mr. SMOOT. But that does not change any of the items that the Senator has just read.

Mr. KING. I agree with the Senator.

Provided, That no article containing more than 10 per cent of alcohol shall be classified for duty under this paragraph.

It is possible that there may be ethers and esters that are the products of coal tar or some of the derivatives of coal tar. There are other paragraphs here; for instance, there are explosives that may be manufactured from certain products, not coal tar or the derivatives of coal tar, and they bear a certain rate of duty; but if the explosives are manufactured in part from coal tar or the derivatives of coal tar, then a different rate of duty is prescribed. The senior Senator from Utah is correct in stating that the provision now under consideration is intended to impress upon all those commodities the same rates that are found in paragraph 26, notwithstanding the fact that other commodities may be manufactured from other products than coal tar or its derivatives and bear a lesser rate of duty.

It is simply, as my colleague says, a question of policy: Shall we discriminate? Shall we say to the man who is engaged in the manufacture of any of these products out of coal tar or any of the derivatives of coal tar, "We are going to give you an advantage. You are a particular pet of the Government, and

we will permit you to enjoy a higher rate of duty than we give to other persons and to other manufacturers"?

That is all there is to this amendment. I insist that the same commodity, the same product, whether it come from coal tar or a derivative of coal tar or some natural product, shall bear the same rate of duty, no higher and no lower, than if it were derived from some other product. In other words, let us treat all commodities of the same character that serve the same purpose, that are applied to the same end, in the same way. Let us impose the same rate of duty upon explosives, whether they are made from the products of coal tar or whether they are made from some other base or primary compound.

I insist that medicines, such as salol, phenacetine, acetanilid, aspirin, and so forth, that may be made from coal tar shall bear the same rate of duty that they would bear if they were made from some other primary compound; but we propose, as I state, to lift them out of the other paragraphs if they are the product of coal tar, and subject them to a higher rate of duty. I think it is manifestly unfair, that it is giving to the manufacturers who are engaged in the coal-tar product business an advantage over those who may be engaged in the production of the same products from other primary compounds.

Mr. SMOOT. Mr. President, let me suggest to my colleague that the discrimination would be the other way about. Why should we give a certain rate upon coal-tar products as found in paragraphs 25 and 26 and take out these little items that are coal-tar products and put them somewhere else? That is where the discrimination comes. Why should one manufacturer, manufacturing articles from coal tar, have one rate of duty, and then, because he made an ester or an ether, why should it be taken out and put somewhere else? All of the items manufactured from coal-tar products ought to fall in one paragraph, as I have already said; and unless they do there is a discrimination between the manufacturer who makes products from coal tar and the manufacturer who makes them from other bases.

It seems to me this is the only logical way to write a bill. As I said before, as to the rates, that is another matter.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. KING. Mr. President, I move to strike out, on line 9, page 14, the word "lowest" and insert in lieu thereof the word "highest," so that it will read:

That if a dye or other article was or is ordinarily used in more than one commercial strength, then the highest commercial strength shall be adopted as the standard of strength for such dye or other article.

Mr. McCUMBER. Will the Senator repeat where his amendment is?

Mr. KING. On page 14, line 9, strike out the word "lowest" and insert the word "highest."

I called attention the other day, when we were engaging in a general discussion of paragraphs 25 and 26, to the fact that before the war, and now, dyes are imported in different standards of strength. I suggested that it would perhaps result in the imposition of exceedingly high rates of duty if we committed to the Treasury Department the authority and the power to apply different specific rates, or, rather, to double or treble the specific rates, as may be done under this provision.

Assume that a given dye has been imported in the past under two standards of strength, 20 per cent and 40 per cent. Assume that the overwhelming majority of that particular product came in under the 40 per cent standard. Nevertheless, if the lesser standard was sufficiently used to enable it to be said that it was commercially used, the Treasury Department under this bill might adopt that lower standard, and in that event would apply a 14-cent specific rate to the product, adopting the lower as the basis of the application of the specific rate. I suggested that that was manifestly unfair, and it seems so to me now.

I therefore have offered the amendment to fix the highest rate where it was commercially used as the standard for the application of the specific rate. If the highest standard was 80 per cent pure, then 80 per cent pure will be the standard now for attaching this specific rate of 7 cents per pound. If the highest standard was 60 per cent, then that would be the one which would govern in the future; but where there have been varying standards obviously it would lead to confusion, and I make the prediction now that if the bill shall pass in this form there will be not only confusion but litigation as the result of the particular provision now under consideration.

Mr. SMOOT. Mr. President, if the amendment is agreed to, I can think of a great many cases where it would be most unjust.

Some lines of business can only use these dyes in a paste form. In other words, they are not prepared to take the powdered form and make it into a paste and do it successfully and do it economically. The other evening I gave a history of the manufacturing of the pastes as originally turned out from the plants, and then improvements being made by producing the same article not in paste form but in powdered form, thus obviating the shipping of the water—for that is all there is in the paste—from a foreign country to all parts of the United States where they use the article. Therefore it was unjust; and if we put it now upon the highest strength, every institution in the United States that could not use the powdered form, but was required under its conditions to use the liquid form, would have to pay, perhaps, 20 per cent more duty, 30 per cent more duty, or 50 per cent more duty. If a paste was 40 per cent and a powdered form was 90 per cent, and the man could not use the powdered form but had to use the liquid form, he would be penalized for that reason.

Whatever rate is established ought to be established upon the lowest standard strength, and then everyone who wanted to use the lowest could use it; and when a man used a higher strength, whether it was a double-strength paste or whether it was in powdered form, he would pay exactly the same rate.

Mr. KING. Mr. President, will my colleague yield?

Mr. SMOOT. Yes.

Mr. KING. I have no objection to that, providing you will strike out the provision which ties the bill to antecedent conditions. If it will apply to matters in futuro, then the argument of my colleague is sound; but the proposition is to go back to the past and take the precedents from the past as the basis for the standardization, whereas we know, as my colleague stated the other evening, that in the past there were various standards, high and low, and if we should take the lowest standard then existing and import it into the present and the future and base the rates upon that lowest standard, obviously there will be many injustices. If, however, we declare that the lowest commercial standard in the future shall govern, then I think my colleague's argument is sound.

Mr. SMOOT. Now, let me call my colleague's attention to the fact that they all fall in this same bracket now, developed since the war or during the war, and most of them have been developed during the war. There were very few coal-tar products that were developed before the war that come in either paste form or powdered form. I mentioned a few of them the other night. The great line of these articles has been developed during the war, and there can then be no conflict in passing this bill.

Mr. KING. Mr. President, if my colleague will strike out the words "was or," I will withdraw my amendment. Then it will read:

That if a dye or other article is ordinarily used in more than one commercial strength.

If my colleague will do that, so that it will apply in futuro, I have no objection; but if you go back 5, 10, or 15 years, as you may under this bill, beyond the period of the war, it does seem to me that manifest injustices may be done.

Mr. SMOOT. I can not see it that way. I very much prefer to take the lowest strength and have a rate apply to that, because if you do not do it you are bound to get into litigation. You can not keep away from it. If you take the highest strength as the basis every shipment that comes in below that strength would have to pay the higher rate, and that would be unfair. The highest strength, when it is perfected, is found in the powdered form, and everybody who would use it other than in the powdered form, as I have already said, would be penalized, and I do not think that would be right. The rate ought to be based upon the lower strength, and then, of course, built up to the higher strength.

Mr. KING. I agree with what my colleague says, that there would be some injustice if the amendment which I have offered should prevail; but I have measured the injustices which would arise under that amendment if it should prevail with the injustice which will arise if the committee amendment prevails, and from all the information I can obtain, the injustices would be less in the former than in the latter case.

I concede that a rate based on the highest standard might be quite oppressive upon some of the importers, whereas the adoption of a rate based on the lowest would relieve them, but it would impose burdens upon a larger number of individuals, because from all I can learn a great majority of those who have imported have not imported the lowest standard, but what might be denominated an intermediate standard, and the imposition of the rates based upon the lowest standard would merely mean, not a 7-cent specific but a 14-cent specific, and possibly a 21-cent specific rate, so that the bill as reported, in my opinion,

will impose a 14-cent specific rate, or a 21-cent specific rate in many instances, instead of a 7-cent specific.

Mr. SMOOT. I take it for granted that my colleague has not had his attention called to the first part of this paragraph, or he would know that we would have to use the words "was or is" in order to cover both sections. It provides:

Provided further, That in the enforcement of the foregoing provisos in this paragraph the Secretary of the Treasury shall adopt a standard of strength for each dye or other article which shall conform as nearly as practicable to the commercial strength in ordinary use in the United States prior to July 1, 1914.

That is prior to the war. Then it goes on:

That if a dye or other article has been introduced into commercial use since said date, then the standard of strength for such dye or other article shall conform as nearly as practicable to the commercial strength in ordinary use.

That only applies, as I said, to the articles which have been developed since the beginning of the war; and then, of course, using those two standards, we say:

If a dye or other article was—

That is, before the war—

or is ordinarily used in more than one commercial strength, then the lowest commercial strength shall be adopted as the standard of strength for such dye or other article.

So I think my colleague will notice now that we have to use the words "was or is."

Mr. KING. We would have to amend, and I intended to suggest an amendment in line 3 to deal with that question. I think my colleague now concedes, however, that under the amendment tendered by the committee the period prior to the war could be resorted to for the purpose of determining the standard.

Mr. SMOOT. That is, as to articles "in ordinary use in the United States prior to July 1, 1914." I will say to the Senator that there were very few of them.

Mr. KING. Prior to the war?

Mr. SMOOT. Yes; prior to the war; and I know of only one or two that are made now in powdered form. Of course, that is the highest strength.

Mr. KING. Let me say to the chairman of the committee that I shall withdraw my amendment, with the understanding that later, upon further consultation with those who are familiar with this matter—dye men, manufacturers, and importers—if the conditions to which I have referred should be found to exist, I may renew my motion.

Mr. SMOOT. I want to call the Senator's attention to one other matter, so that he can give it consideration at the time he takes this up for further study. The Senator will notice that we use the words "ordinary use." Those words are used for the reason that if a sample of very low strength were sent over from a foreign country to America for a special purpose, it never would be taken as the basis of imposing a tax. It would have to be ordinarily used in the United States.

Mr. KING. For commercial purposes?

Mr. SMOOT. For commercial purposes.

Mr. KING. I understand that, and that is the reason why I stated it would lead to confusion and perhaps to litigation, because the phrase "ordinary use" is a very elastic term. Is it "ordinary use" in Boston, "ordinary use" in Philadelphia, "ordinary use" in some textile plants, or "ordinary use" where? If it is a small community or a small State, with a homogeneous population, or a limited area, in which the textile interests are located, then it would not be susceptible of so much confusion or controversy.

Mr. SMOOT. It could not lead to any confusion on the part of the manufacturers, because all of these items are sold and advertised, and the trade know them just as well as they know what sugar is or what flour is, or what anything else is. There is no more trouble with it than with the three grades of flour.

The next amendment was, on page 12, line 19, after the word "act," to strike out "no package containing" and to insert "it shall be unlawful to import or bring into the United States"; and in line 22, after the word "compound," to strike out "shall be admitted to entry into the United States unless such package" and to insert "unless the package, case, or container," so as to make the additional proviso read:

Provided further, That beginning six months after the date of passage of this act it shall be unlawful to import or bring into the United States any such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl compound, unless the package, case, or container, and the invoice shall bear a plain, conspicuous, and truly descriptive statement of the identity and percentage, exclusive of diluents, of such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl compound contained therein.

The amendment was agreed to.

The next amendment was, on page 13, line 5, after the word "act," to strike out "no package containing any such article shall be admitted to entry into the United States if it or the" and to insert "it shall be unlawful to import or bring into the United States any such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl compound if the package, case, or container, or the"; in line 11, before the word "article," to strike out "such" and to insert "the"; and, in line 13, after the word "any," to strike out "particular; in the enforcement of the foregoing provisos the Secretary of the Treasury shall adopt a standard of strength for each dye or other article which shall conform as nearly as practicable to the commercial strength in ordinary use in the United States prior to July 1, 1914: *Provided further*, That any article or product which may come within the terms of other paragraphs of this act, as well as within the terms of paragraphs 25, 26, or 1546, shall be assessed for duty or exempted from duty, as the case may be, under paragraphs 25, 26, or 1546," and to insert "particular," so as to make the additional proviso read:

Provided further, That on and after the passage of this act it shall be unlawful to import or bring into the United States any such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl compound if the package, case, or container, or the invoice bears any statement, design, or device regarding the article or the ingredients or substances contained therein which is false, fraudulent, or misleading in any particular.

Mr. KING. I would like to inquire of the chairman of the committee whether an effort is made in the case of other products to interdict the importation under penalty, unless the container or the receptacle states clearly contents of the package or the receptacle and the information which is sought by this amendment. Is this a discrimination against the dye products which are imported?

Mr. McCUMBER. I understand that is done, but the Senator will understand why we make the change here. It is a question merely of making the entry. As it came over from the House, the bill simply provided against making the entry. The entry, of course, covers filing the inventory, and so forth. This makes it unlawful to import misbranded articles, so that there can be no possibility of not knowing what is intended. It makes it an illegal act to import or bring them into the country, and not merely the fact of making an entry, which is not bringing the article in at all, but simply filing your inventory of an intended bringing in of the article itself.

Mr. KING. What I meant to inquire about was this: Are dye products treated differently from any other products which are imported? Do you make it unlawful, for instance, to import other products than coal-tar products "if the package, case, or container, or the invoice bears any statement, design, or device regarding the article or the ingredients or substances contained therein which is false, fraudulent, or misleading in any particular?"

Mr. McCUMBER. That, of course, is general. That is made to apply, I think, to every article in the other paragraphs or schedules.

Mr. KING. That is what I am inquiring. You do not single out dyes and make it illegal or unlawful to import them with a misleading brand, and let other articles imported into the United States under misleading brands be immune from the penalty here provided?

Mr. McCUMBER. I think we have a general rule which prevents anything that is misleading or fraudulent from being brought in.

Mr. SMOOT. I think if the Senator will look at sections 590 to 592 he will find that they provide for "false drawback" claim, and that, of course, is an entry for a drawback. That is provided in the administrative features of the bill.

Mr. KING. I have no particular objection if a general provision shall be inserted in the bill making it unlawful to import commodities into the United States which are falsely branded.

Mr. McCUMBER. I may not be able to turn to it at the moment, but in the administrative provisions we have sufficiently guarded against fraudulent statements of the contents of packages, and so forth.

Mr. KING. That was my understanding, and that is the reason I wondered why you should specifically insert this language in this paragraph. There would be just as much reason to insert a similar provision in another paragraph.

Mr. McCUMBER. The Senator will notice that it is inserted here, because above that the House provision is:

the invoice shall bear a plain, conspicuous, and truly descriptive statement of the identity and percentage, exclusive of diluents, of such color, dye—

And so forth.

Therefore we inserted a provision against this being imported unless it complied with what was in that particular

provision. Possibly it was not necessary to repeat it there. It may be; but I think it is equally covered in other sections.

Mr. SMOOT. The reason why it was put in this paragraph was more particularly because of the standard of strength being provided for. Here we gave a standard of strength, and therefore it applies more to that than to the general provision. The general provision will be found in section 591.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. FRELINGHUYSEN. I ask leave to insert at this point the statement of the Tariff Commission on the label feature, which gives the full explanation as outlined by the chairman of the committee.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

LABELING FEATURE.

The United States Tariff Commission, in its report dated December 12, 1918, "Dyes and other coal-tar chemicals," states:

"It is suggested that all imports of dyes shall be required to bear a plain, conspicuous, and truly descriptive statement of the identity and percentage of the dye contained therein, and that if false, fraudulent, or misleading statements are contained on the package or the invoice therefor the goods shall not be permitted to enter.

"* * * Therefore the requirement that the identity and percentage shall be disclosed will greatly facilitate the assessment of both the ad valorem and specific duties.

"* * * Incidentally, this provision for the truthful labeling of dyes will protect the consumers of dyes against fraud and the American manufacturers of dyes against unfair competition from foreign manufacturers. It is a notorious fact that unfair methods of competition, such as bribery of purchasing agents, adulteration, and misbranding, have been especially prevalent in the dye industry."

The VICE PRESIDENT. This completes the paragraph.

EXTENSION OF NATIONAL-BANK CHARTERS.

Mr. KELLOGG. I ask the Chair to lay before the Senate the action of the House of Representatives on the amendments of the Senate to House bill 9527.

The PRESIDING OFFICER (Mr. ASHURST in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KELLOGG. As the House has disagreed to the Senate amendments and appointed conferees, I ask the Senator from Utah [Mr. KING] if he will not now ask consent to withdraw his motion and allow the conferees to be appointed?

Mr. KING. Mr. President, as I indicated the other day, this bill was passed during my absence. I have been opposed, and still am opposed, to granting charters for such a length of time as provided in this bill. The present law grants charters for a period of 20 years. The bill as it passed the House gave perpetual charters to national banks. The Senate committee have amended it, and have granted charters for 99 years. I have understood that an agreement was reached by which the limit would be fixed at 50 years; but, at any rate, the bill has been passed, as I have stated, with a 99-year limit.

I submitted the other day a motion to reconsider the vote by which the Senate had passed the bill in the form I have stated. I have spoken with a number of Senators who I thought shared the view which I entertained, that 50 years was the maximum limit which they would support.

They have acceded to the action of the Senate, and are supporting the bill which grants charters for 99 years. In view of that position, and owing to the fact that there are only a very few of us who take the view which I have expressed, I have consented to withdraw the motion to reconsider, but with the understanding that when the conference report is submitted we may then have a record vote upon the matter.

I therefore ask consent to withdraw the motion to reconsider.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and the motion to reconsider is withdrawn.

Mr. KELLOGG. I move that the Senate insist on its amendments and agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CALDER, Mr. SHORTRIDGE, and Mr. GLASS conferees on the part of the Senate.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed the bill (S. 2775) to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7864. An act providing for sundry matters affecting the Naval Establishment; and

H. R. 8996. An act to amend paragraph 440, section 5211, act June 3, 1864.

ENROLLED JOINT RESOLUTION SIGNED.

The message further announced that the Speaker of the House had signed the enrolled joint resolution (H. J. Res. 339) making available funds for repairing and restoring levees on the Mississippi River above Cairo, Ill., and it was thereupon signed by the Vice President.

HOUSE BILLS REFERRED.

The following bills were each read twice by title and referred as indicated below:

H. R. 7864. An act providing for sundry matters affecting the Naval Establishment; to the Committee on Naval Affairs.

H. R. 8996. An act to amend paragraph 440, section 5211, act of June 3, 1864; to the Committee on Banking and Currency.

EXTENSION OF WAR FINANCE CORPORATION.

Mr. SMOOT. I ask the Chair to lay before the Senate the amendment of the House to Senate bill 2775.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2775) to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921, which was to strike out all after the enacting clause and insert:

That the time during which the War Finance Corporation may make advances and purchase notes, drafts, bills of exchange, or other securities under the terms of sections 21, 22, 23, and 24 of the War Finance Corporation act, as amended, is hereby extended up to and including May 31, 1923: *Provided*, That if any application for an advance or for the purchase by the War Finance Corporation of notes, drafts, bills of exchange, or other securities is received at the office of the corporation in the District of Columbia on or before May 31, 1923, such application may be acted upon and approved, and the advance may be made or the notes, drafts, bills of exchange, or other securities purchased at any time prior to June 30, 1923.

SEC. 2. That the second paragraph of section 12 of title 1 of the War Finance Corporation act, as amended, be further amended to read as follows:

"The power of the corporation to issue notes or bonds may be exercised at any time prior to January 31, 1926, but no such notes or bonds shall mature later than June 30, 1926."

SEC. 3. That paragraph 3 of section 15 of title 1 of the War Finance Corporation act, as amended, be amended by striking out at the beginning of said paragraph the words "beginning July 1, 1922," and inserting in lieu thereof the words "beginning July 1, 1923."

That paragraph 4 of said section 15 be amended by striking out at the beginning of said paragraph the words "After July 1, 1922," and inserting in lieu thereof the words "After July 1, 1923."

Mr. SMOOT. I can state in just a few words what the change is. This is a Senate bill, and the House has passed a substitute bill making one change. Under the act of August 24, 1921—

The power of the corporation to issue notes or bonds may be exercised at any time prior to January 1, 1925, but no notes or bonds shall mature later than July 1, 1925.

The House has changed that to June 30, 1926, extending the power of the commission for one year.

I move that the Senate agree to the House amendment.

The motion was agreed to.

DEDICATION OF MONUMENT TO FRANCIS SCOTT KEY.

The VICE PRESIDENT. In the sundry civil appropriation act of March 4, 1921, there is a provision for the dedication of the monument to Francis Scott Key at Fort McHenry, Baltimore, directing the President of the Senate to appoint three Senators to represent the Senate on that occasion. The dedication ceremonies will occur on the afternoon of June 14. The Chair appoints the Senator from Maryland, Mr. FRANCE, the Senator from Pennsylvania, Mr. PEPPER, and the Senator from Nevada, Mr. PITTMAN, the committee on the part of the Senate.

PETITIONS.

Mr. BALL presented a petition of the Kalorama Citizens' Association, of Washington, D. C., relative to the fiscal relations of the District of Columbia, which was referred to the

Committee on Appropriations and ordered to be printed in the RECORD, as follows:

KALORAMA CITIZENS' ASSOCIATION,
Washington, D. C.

The undersigned officers of the Kalorama Citizens' Association, at a meeting of the association held on May 16, 1922, were empowered and directed to present to the two Houses of Congress the following petition:

Petition.

The Kalorama Citizens' Association, of Washington, D. C., respectfully request that a hearing be accorded to the citizens of the District of Columbia before action is taken by Congress on the conference report on the District of Columbia appropriation bill, or on the amendment of the House of Representatives to the amendment of the Senate on said bill, revolutionizing the fiscal relations between the Federal Government and the District of Columbia on the ground—

1. That while they have no vote and therefore no potent voice in their own affairs, yet, in a spirit of fair play and in conformity with the traditions of Anglo-Saxon government, they have at least the right to be heard before there is imposed upon them, suddenly and without notice, a complete change in their system of taxation which may lead ultimately, if it is not designed presently, to onerous and unbearable burdens.

2. That it has not been shown that property generally in the District is underassessed or not adequately taxed; indeed, the last expression on this subject, emanating from Congress itself, is found in the report of the joint committee of Congress appointed in the Sixty-fourth Congress (1915), which, after an exhaustive investigation, reported:

"We find from the evidence of fair-minded men, residents of Washington, familiar with real-estate values in general, that the present assessment for taxation is fair and reasonable.

"That, taken as a whole, the assessments made against all classes of property in the different locations in the city are equitable.

"The committee believes that, independently of the question of what should be the proper subjects of taxation in the District of Columbia, the payment of taxes on real estate from the assessments as they are now constituted is a fair and reasonable response in such taxation for municipal benefits received by the citizens of the District of Columbia."

3. That whatever inequalities may be alleged to exist as between the Federal Government and the District of Columbia under the present arrangement, the citizens of Washington are in nowise to blame, as their affairs are completely in the hands of Congress and they should not be penalized if Congress has made a mistake in the past.

4. That owing to conditions growing out of the war thousands of people of humble means have been compelled to purchase houses on the installment plan, and the proposed increase in the assessment and in the burden of taxation will work a great hardship on thousands of them, upon many of whom, indeed, quite generally throughout the city, a strong feeling of resentment and dissatisfaction has been provoked at the contemplated action.

5. That if it is desired to place the District on a cash basis—and it is not the fault of the citizens of the District that it is not on a cash basis—the object can be accomplished by giving the District credit for accumulated District tax money now in the Federal Treasury, upon which no interest has been paid, and by providing for the payment of taxes in installments earlier in the year than at present.

6. That it is unjust to deprive the District in part of sources of revenue which in every city in America are devoted exclusively to municipal purposes, such as receipts from licenses, fines, permits, etc., and to cover a portion of such receipts in the general fund of the Treasury.

7. That the present tax on intangibles, which is largely a conscience tax and therefore inequitable, is believed to compare favorably in revenue derived and in the rigor of its terms with similar taxes in most of the States, and no increase is justifiable.

Your petitioners request the Congress to bear in mind that the citizens of the District contribute their full share of national taxation, the amount paid by them exceeding the amounts paid by a number of the States, and that while the citizens of the States contribute a few cents per capita to the maintenance and upbuilding of the Nation's Capital, the citizens of the District contribute probably as much per capita to Federal works and improvements carried on in the respective States, such as good roads, agricultural colleges and extension work, public buildings, rivers and harbors, etc. When the Federal District was created the property holders therein donated half of their property to the Federal Government, while the Federal Government has donated millions upon millions of dollars to various States on their admission into the Union in the form of public lands and otherwise.

A. COULTER WELLS,
President Kalorama Citizens' Association.
EDW. R. WALTON, Jr.,
Secretary Kalorama Citizens' Association.

Mr. CAPPER presented a resolution of the Delphos Farmers' Union, of Delphos, Kans., protesting against the passage of the so-called Jones-Green ship subsidy bill, which was referred to the Committee on Commerce.

He also presented a resolution of the Irving Parent-Teachers' Association of Kansas City, Kans., favoring the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. NEWBERRY presented a petition of sundry citizens of Fergus, St. Charles, Chesaning, Saginaw, and Hemlock, all in the State of Michigan, praying for the imposition in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, which was referred to the Committee on Finance.

Mr. WILLIS presented the petition of Adam Fischer, of Sylvania, and sundry other citizens of Sylvania, Ottawa, Berkey, Metamora, and Dundee, all in the State of Ohio, and Riga, Mich., praying for the imposition in the pending tariff bill of a duty of $2 per 100 pounds of Cuban sugar, which was referred to the Committee on Finance.

Mr. TOWNSEND presented resolutions adopted by the Presbytery of Lake Superior Presbyterian Church, at Sault Ste. Marie, Mich., favoring amendments to the Constitution providing for uniform marriage and divorce laws and prohibiting polygamy, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Battle Creek, Mich., praying that only a moderate duty on kid gloves be imposed in the pending tariff bill, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of New Lathrop, Mich., praying for the imposition in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, which was referred to the Committee on Finance.

REPORTS OF THE COMMITTEE ON CLAIMS.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment, and submitted reports thereon:

A bill (H. R. 5668) for the relief of Cora T. Dering (Rept. No. 747);

A bill (H. R. 8767) for the relief of F. E. Taylor and B. C. Broom (Rept. No. 748); and

A bill (H. R. 9069) for the relief of William H. Slaine (Rept. No. 749).

ENROLLED BILL PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that June 3, 1922, they presented to the President of the United States the enrolled bill (S. 745) to amend section 24 and section 256 of the Judicial Code.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 3676) making appropriation for a quarantine station at Sabine Pass, Tex.; to the Committee on Appropriations.

By Mr. HARRIS:

A bill (S. 3677) authorizing the Director of the Census to collect additional statistics of cotton; to the Committee on Commerce.

By Mr. KING:

A joint resolution (S. J. Res. 203) authorizing return to corporations of neutral countries properties taken over during the World War by the Alien Property Custodian; to the Committee on the Judiciary.

AMENDMENT TO HOUSE RIVER AND HARBOR BILL.

Mr. SHEPPARD submitted an amendment providing for improvement work at Buffalo Bayou, Tex., in accordance with the report submitted in House Document No. 93, Sixty-seventh Congress, first session, and subject to the conditions set forth in said document, intended to be proposed by him to the bill (H. R. 10766) authorizing appropriations for the prosecution and maintenance of public works on canals, rivers, and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. I think the next paragraph in order would have been the one relating to tanning dyes, but the Senator from Wisconsin [Mr. LA FOLLETTE] says he is not prepared to take that up, and asks that it may go over. Therefore I ask that the Senate return to paragraph 302, relating to manganese ore.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	Lenroot	Shortridge
Borah	Hale	McCumber	Simmons
Brandegee	Harris	McLean	Smith
Broussard	Harrison	McNary	Smoot
Bursum	Heflin	Nelson	Spencer
Cameron	Johnson	Newberry	Sutherland
Capper	Jones, N. Mex.	Nicholson	Swanson
Caraway	Jones, Wash.	Oddie	Townsend
Colt	Kellogg	Page	Underwood
Cummins	Kendrick	Pepper	Wadsworth
Curtis	Keyes	Poindexter	Watson, Ga.
Dial	King	Pomerene	Willis
Dillingham	Ladd	Ransdell	
du Pont	La Follette	Sheppard	

The VICE PRESIDENT. Fifty-four Senators have answered to their names. A quorum is present.

Mr. NICHOLSON. Mr. President, I ask that the amendment I have proposed to paragraph 302 of the pending tariff bill may be reported.

The VICE PRESIDENT. The amendment of the committee will be stated.

The READING CLERK. On page 48, in paragraph 302, on line 20, the committee proposes to strike out "manganese ore or concentrates containing in excess of 30 per cent of metallic manganese, 1 cent per pound on the metallic manganese contained therein; molybdenum," and to insert the word "molybdenum," so as to read:

Molybdenum ore or concentrates, 75 cents per pound on the metallic molybdenum contained therein.

The Senator from Colorado [Mr. NICHOLSON] asks that the Senate restore the House text by disagreeing to the committee amendments.

Mr. NICHOLSON. Mr. President, I send to the desk and ask to have read a joint resolution passed by the Colorado Legislature during its special session, beginning in the month of April, indorsing the House rate on tungsten.

Mr. HARRISON. May I ask the date of the resolution?

Mr. NICHOLSON. May 10, 1922. I desire to state for the information of the Senator from Mississippi that every Republican and Democrat in the house and senate of the Colorado Legislature voted for the adoption of the joint resolution.

Mr. HARRISON. I was merely wondering if they indorsed the bill or merely indorsed the one item.

Mr. NICHOLSON. They merely indorsed the item mentioned in the joint resolution which I have now offered. May we have the joint resolution read?

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

STATE OF COLORADO,
OFFICE OF THE SECRETARY OF STATE.
CERTIFICATE.

UNITED STATES OF AMERICA,
State of Colorado, ss:

I, Carl S. Milliken, secretary of state of the State of Colorado, do hereby certify that the annexed is a full, true, and complete transcript of House Joint Resolution No. 2, which was adopted at the extraordinary session of the twenty-third general assembly of the State of Colorado and filed in this office by the officers of the house of representatives of said assembly.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Colorado, at the city of Denver, this 10th day of May, A. D. 1922.

[SEAL.] CARL S. MILLIKEN,
Secretary of State.

House Joint Resolution No. 2.

MANGANESE ORE.

Whereas the mining industry of the West has been and is now suffering because of a lack of profitable markets in which to dispose of its various minerals; and

Whereas the development of the past few years shows that the West and South contain many bodies of availbale minerals largely used by the industries of the Nation, but which have heretofore been largely imported from China, India, Brazil, and other foreign nations because of the cheap production costs therein on account of the cheap labor and cheap ocean transportation; and

Whereas the markets for Colorado farm and range products, because of the long distances of consumption centers of the East, were greatly hampered because of the falling off of mining development and production in the State;

Whereas the building up of mining activities in the State are vastly important in order to furnish added markets for Colorado farm and range products;

Whereas the railroads of the West, the arteries which are essential to the farmer and which now are compelled to charge excessive freight rates on a decreased business, are suffering depression because of the loss of earnings by a lessening of the demand for transportation of ores and minerals, which loss must either be charged against the farmers' product, or manifest itself by diminished and inadequate transportation service; and

Whereas the falling off in returns to the Federal Government under the income tax law because of business depression makes necessary the use of other sources of income in order to meet the required demands of governmental operation and the interest upon the burden of the war debt; and

Whereas the steel industry of the United States annually consumes more than one-half million tons of manganese ores, which have heretofore been imported from foreign countries; and

Whereas the necessities of the war, during which all vessels were needed to carry food and supplies to our soldiers in the trenches of France, made the importation of foreign manganese difficult; and

Whereas the increased price thereby occasioned made possible the increase of production of high-grade manganese ore in the United States from 2,635 tons in 1914 to 305,869 tons in 1918, and a total increase of both high and low grade manganese ores from 100,900 tons in 1914 to 1,474,647 tons in 1918; and

Whereas the developments made in this production demonstrate that the manganese reserves of this country are ample and sufficient to meet all of the industrial needs of the Nation; and

Whereas the House of Representatives of the United States has enacted a bill, known as the Fordney bill, which provides for a duty of 1 cent per pound upon the manganese content of all imported ores: Therefore be it

Resolved by the senate and house of representatives of the State of Colorado, in special session assembled at Denver, Colo., on the 18th day of April, 1922, That we protest against the placing of the Colorado miners in competition with the cheap labor of China, India, and Brazil; and be it further

Resolved, That in order to add to the revenues of the Nation, to furnish adequate business to the railroads of the West, to stimulate western mining production, and particularly that the manganese ores of the State of Colorado can be mined and employment provided for the miners of the West, the Senators of the State of Colorado, Members in the United States Senate, are hereby earnestly urged to exert their best efforts to secure the adoption by the United States Senate of the tariff rates proposed in the Fordney bill for the protection of the manganese industry of the West; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, the Hon. Warren G. Harding, to the Presiding Officer of the United States Senate, Hon. CALVIN COOLIDGE, and Hon. LAWRENCE C. PHIPPS and Hon. SAMUEL D. NICHOLSON, Colorado Members in the Senate of the United States.

Mr. NICHOLSON. Mr. President, I should like to address the Senate on a subject which has heretofore been under discussion and which is one of the most vital questions in the whole tariff bill. I refer to the tariff on manganese.

We may as well admit the issue. The tariff on manganese would have been a settled fact months ago but for the selfishness of the steel industry. I am not talking to you, therefore, to prove any question of necessity for protection, any question of the ability of this industry to develop under protection, or any of the economic factors usually involved in a tariff discussion; these issues have all been settled, and the result was shown by the placing of a duty on manganese by the Ways and Means Committee of the House after the most complete investigation over a period of four months by its subcommittee on metals; I am talking to you solely to counteract, if possible, the insidious propaganda emanating from the selfishness of the steel manufacturers.

The opposition to protection for this key industry in the United States strikes at the very root of our tariff principles. This opposition was conceived in selfishness. It has grown in blindness. It is before you as a most shameful example of proposed selfish legislative enactment. It uproots a high Republican principle to meet the desires of an individual industry—the steel interests.

In the reports of the Ways and Means Committee and the Senate Finance Committee the steel producers are granted a duty of one-half cent per pound on steel ingots, billets, and so forth, valued at $33.60 per ton. This would amount to protection of $11.20 per ton, or a duty of 33⅓ per cent.

The Fordney bill provided for manganese producers a duty of 1 cent per pound metallic content of manganese ore. This is equal to one-third to one-half cent duty per pound on the ore as imported. It is equivalent to 16 cents per ton of manganese contained in raw steel. This is the further equivalent of seven-tenths of 1 per cent duty on steel.

Now, what does this mean? It means that the steel manufacturer has the protection of $11.20 per ton as contrasted to 16 cents per ton which he is asked to pay on the manganese content. Deduct this from his tariff protection and he still has a protection of $11.04 per ton net. Deduct the percentage from his percentage of 33⅓ per cent and he still has a net ad valorem protection of 32.6 per cent.

It is difficult to conceive of a producer receiving $11.20 per ton protection on his product objecting to a protective duty on an essential raw material, which will only affect his net protection seven-tenths of 1 per cent.

After the steel manufacturer has paid his duty on manganese, he still has a net protection of 32.6 per cent.

Let us consider the tariff history of this gigantic industry. It is insisting that those things which it must buy be on the free list, and that those things that it sells shall be protected by high rates of duty.

In 1883 steel was protected by a duty which ranged from $28 to $65 per ton. In all the years since the steel industry has enjoyed free manganese, free iron ore, and free coal. To-day we are told by the steel industry that a duty which increases the cost of steel 16 cents per ton will ruin the industry.

In the tariff act of 1864, which was in effect in substance until 1883, the duty provided on steel ingots was $50.40 per ton. (Tariff acts, U. S. Document 671, 61st Congress, p. 234.) In 1870 a tariff of $28 per ton was provided on steel rails. (P. 273, same reference.)

The tariff act of 1883 carried a duty on iron or steel rails of nine-tenths of 1 cent per pound or $20.16 per ton. (P. 325, same reference.)

The price of steel rails in May, 1889, was $27 per ton. (Mineral resources, Department of the Interior, Miscellaneous Document No. 230, 51st Congress, p. 16.)

The tariff act of 1883 was then in effect. This was a duty therefore of $20.16 per ton on a product valued at only $27 per ton, or an ad valorem rate of 75 per cent.

This was at a time of great railroad expansion in the United States. What burden did this tariff duty put upon the people of the United States?

Under a protective tariff the steel industry has flourished. This is proper. The tariff on certain items has been gradually reduced, but no appreciable tariff was imposed on the materials used in making steel. To-day the steel people say that an increase of 16 cents on the cost of manganese used in a ton of steel will so burden the consumer that he will revolt, and that competition in foreign markets will be impossible.

Iron ores carried a duty of 75 cents per ton in the tariff bill of 1883. The purpose of this duty was to protect an infant industry in its development of iron ore deposits in this country. This emphatically resulted in great benefit to the country. But to do this the duty put a burden of at least $1.60 per ton on raw or finished steel. This is ten times the burden that would be placed on the cost of steel by the proposed manganese tariff.

The favorite statement of the steel interests has been that, "We have no manganese ore in the United States suitable to our needs." This is the same old story that you hear from every manufacturer who wants protection on what he sells, and wants what he buys on the free list. Whether it be a woolen manufacturer who wants free wool and protected worsteds, a graphite manufacturer who wants protected lead pencils and free graphite, or a steel maker who wants protected steel and free manganese ore, it is just the same old story.

In 1918 we produced 310,000 tons of high-grade manganese in the United States, and over 1,000,000 tons of manganiferous iron ore. This ore was all sold to the steel industry. My own State of Colorado has produced millions of tons of manganiferous ore and has many millions in reserve. It will take more than oratory on the part of the steel interests to convince me that we have no manganese in the United States.

There are over 400 districts in the United States capable of producing manganese ore. Over 1,100 deposits have been investigated and reported upon by reputable engineers, mine operators, and geologists.

In many of the districts much more ore has been actually shipped from a single property than was originally credited to the entire district. This apparent discrepancy is due to the fact that no distinction was made between actual ore in sight and ore reserves.

Improved metallurgical processes have also made the utilization of many so-called low-grade manganese ores not only possible but advantageous.

The output of manganiferous iron ore in the United States jumped from 59,403 tons in 1913 to 1,168,777 tons in 1918.

In 1915 our manganese production was triple that of 1914. In 1916 it was three times that of 1915. In 1917 it was again three times that of 1916, and in the first 10½ months of 1918 it was three times that of 1917. This remarkable increase in production came from the operation of only 10 per cent of the known properties. Most of these were in their initial stages, rarely exceeding 50 per cent of their capacity. This development was being carried on diligently in the hope of again trebling production during one more year of intensive effort. It is the judgment of all those connected with the industry that an output of 800,000 to 1,000,000 tons would have been a most modest expectation. This would have taken care of much more than the total manganese requirements of the steel industry for any year of its history.

The domestic production of manganese for 1918 was greater than the total consumption of manganese by the steel industry during any pre-war year. It was greater than the consumption of manganese by the steel industry during 1919 or 1921, and was greater than the average annual consumption of manganese by the steel industry in all the years since the war. It can not be doubted, then, that from three-fourths of a million to one million tons could easily have been produced in 1919 had foreign ores been kept out and the demand continued.

If the companies mining manganese were satisfied that their operations were secure from ruinous foreign competition, the entire management requirements of the United States could be met by domestic production within a few years, and in the meantime the revenue from imported manganese would be welcomed by the Treasury Department and would relieve the undue burdens now resting on the shoulders of American taxpayers.

The statements by certain consumers that we have no adequate manganese reserves are made either from a selfish interest or are due to painful ignorance of our natural resources.

The annual requirement of manganese in the steel industry, as stated by their representatives, is the equivalent of 800,000 tons of 45 per cent manganese ore. Of this amount one-half can and will be consumed in the form of high manganese pig, under modern established furnace practice. High manganese pig is made from manganiferous iron ore. To supply the 400,000 tons of equivalent 45 per cent manganese in this form will require 2,500,000 tons of manganiferous iron ore per annum, as this ore ranges from 10 per cent to 35 per cent manganese.

I have before me [exhibiting] two hundred or more statements of State geologists, mine operators, and mining engineers of recognized authority; statements signed by mine operators and owners, some of them are sworn to, many of them are based on careful engineers' reports, from which are summarized the manganese reserves of the United States.

The principal districts and other known investigated reserves which total more than 25,000,000 tons, based on 45 per cent manganese ore, are as follows:

	Tons.
Alabama	55,000
Arizona	326,000
Arkansas	4,152,000
California	160,275
Colorado	270,859
Georgia	300,000
Montana	8,479,216
Nevada	201,000
New Mexico	201,500
Oregon	16,000
Tennessee	121,000
Utah	15,000
Virginia	11,114,357
Washington	500
Total	25,411,707

Reserves of manganiferous iron ore which have been investigated and checked to date occur in the following States:

	Tons.
Alabama	2,000,000
Arizona	4,107,110
Arkansas	3,859,500
California	60,000
Colorado	2,772,000
Georgia	480,000
Michigan	7,000,000
Minnesota	40,178,510
Montana	227,492
Nevada	1,052,000
New Mexico	2,824,000
Oregon	1,979,000
Tennessee	65,000
Utah	4,000
Virginia	8,406,000

There are known deposits on which only general estimates have been given in the following States:

Maine, Missouri, Mississippi, Maryland, New Jersey, Oklahoma, South Dakota, Texas, Vermont, Wyoming, Idaho.

Mr. President, in addition, there are millions of tons of recoverable manganese associated with the metalliferous ores of the South and West. These will be made available if given adequate protection. These ores, with a value placed on their manganese content, will then be commercially valuable for the combined recovery of all minerals contained.

Concerning the manganiferous iron ore which it is estimated will fill half of the requirements of manganese in the steel industry: At a hearing before a special committee of Senators, appointed to investigate the manganese reserves of the Nation, a prominent producer of manganiferous iron ore stated, in the presence of the officials of the steel companies, who are opposing this very tariff:

> If this tariff is granted, I would be willing to take a contract to supply, not any individual steel company, not the Steel Corporation alone, but the entire steel industry of the United States with its annual requirements of manganiferous iron ore to take care of 50 per cent of the manganese requirements of the United States, and these gentlemen who are here, who are to-day my best customers, know that I fill my contracts and that I would fill this contract.

Mr. President, to this startling statement none of the representatives of the steel industry there present interposed any objection or contradiction. Does this look like insufficiency of reserves? Hardly. And it did not look so to the representatives of the steel industry who were there.

LABOR COSTS.

The cost of production in labor per day in foreign countries producing manganese ore is as follows—and I wish the Senators would take note of this particular schedule. These figures I received from the Department of Commerce a few days ago:

Country.	Source of information.	Cost.
		Per day.
India	Department of Commerce	$0.05
Brazil	do	.28
Cuba	do	1.25
Central America	do	.35
Russia (Ural Mountains)	Government bulletin	.07

This is the kind of labor with which the American miner is asked to compete if he is to produce manganese ore for the great steel corporations of this country.

The average wage paid to manganese miners in the United States is $4 per day. The labor cost per ton of foreign ore varies from 30 cents to $1.25. The labor cost per ton of domestic ore ranges from $6.50 to $15 per ton. The difference between the foreign and domestic labor cost is, therefore, from $6.30 to $14.75 per ton.

RATES.

The ocean freights on imported manganese have ranged from 30 cents per ton to $4 per ton. To this must be added freight rate from mine to ocean port and freight from port of entry to furnace. The total of these two rates averages between $3 and $7. The domestic rate on manganese ore from mine to furnace ranges from $4.50 to $14 per ton, with an average of $10 per ton.

American manganese ore is, therefore, under a labor handicap, which averages $6.30 to $14.75 per ton, and a freight handicap which averages from $4.50 to $10 per ton.

In connection with this discussion of freight rates it should be noted that when the horizontal advance in railroad rates was made in August, 1920, rates on imported manganese ore from New York, Philadelphia, and Baltimore to Pittsburgh stations and Bessemer were increased as follows:

From—	Old rates 1919.	New rates 1920.
New York	$4.10	$5.74
Philadelphia	3.36	5.46
Baltimore	3.36	5.46

On November 15, 1921, the carriers established special reduced rates, as follows:

From—	Reduced rates 1921.	Percentage of reduction.
		Per cent.
New York	$3.12	46
Philadelphia	2.52	52
Baltimore	2.72	50

These rates applied until February 25, 1922, when new rates higher than those of November, 1921, but still 40 per cent lower than those of August, 1920, were made effective, as follows:

New rate, February, 1922.

From—	
New York	$3.96
Philadelphia	3.36
Baltimore	3.56

These rates, however, were apparently unsatisfactory to the steel industry, and on April 1, 1922, practically only one month after the previous change, the special reduced rates granted in November, 1921, were again established, so that the present rates to Pittsburgh and Bessemer are:

Reduced rates, April, 1922.

From—	
New York	$3.12
Philadelphia	2.52
Baltimore	2.72

Note, then, that while the steel industry secured reduction in freight rates on foreign ore no attempt was made to secure any reduction in freight rates on domestic manganese ore.

In his semiannual address to the American Iron and Steel Institute on Friday, May 26, Judge Gary, chairman of the Steel Corporation, advocated—I quote from the statement in the Washington Post of Saturday, May 27—that—

> Congress take the tariff out of politics. * * * The tariff question should be delegated for investigation to a "commission of well-paid, high-minded, intelligent, competent, and nonpartisan appointees, authorized to ascertain and communicate the facts and figures." Their reports should be frequent, so that, if deemed necessary, a change in or amendment to the tariff laws could be made at any time Congress is in session.

Take the tariff out of politics? Of course, the judge would like to have the tariff handled by a governmental executive bureau. It would make it possible to concentrate the educational efforts of such employees as Mr. Hughes toward the realization of their idea of a proper tariff arrangement for the steel industry to have everything they sell protected and everything they buy on the free list.

Their success in getting low freight rates on their manganese ore mined in Brazil from docks to furnace when they import it into this country while domestic ore gets no such consideration from the Interstate Commerce Commission should give them great encouragement in the efficacy of such a system, for the reason that a small commission would be more easily approached and with less publicity than in having the matter discussed in a tariff bill before the United States Congress. These great corporations could keep men constantly in Washington, year in and year out, to see that manganese never got adequate protection.

In 1918 Brazil exported to the United States 345,877 tons of manganese ore, taking an export duty of $1.85 per ton from Brazil, assessed by the Brazilian State of origin. The Government railroad which transported these ores to seaboard increased its freight rate in order to enhance the Government revenues.

This increased the cost of manganese to the United States by approximately $1,000,000, which the steel industry paid without objection. The cost was passed on to the consumer. It is logical, therefore, to presume that in the absence of an import duty here Brazilian export taxes will be increased to the maximum the traffic will bear, all of which will be passed on to the consumers here. This would result in no benefit to this Government, and would be a detriment to our manganese producers.

According to the report of the War Industries Board, page 143, the price of ferromanganese was $37.50 per ton in 1914. It reached $450 in July, 1917, and was stabilized at $250 the latter part of that year through the efforts of the American Iron & Steel Institute. Shortage of shipping and the submarine menace made it necessary to pay this price in order to get American production.

Thus because its own manganese resources had not been developed this country paid a penalty of over $50,000,000. Had importations of manganese ore been cut off, in three months time the steel industry would have been absolutely paralyzed. Ninety per cent of its orders at that time were for essential war materials. This on no less authority than Mr. James A. Farrell, president of the United States Steel Corporation.

The present manganese deposits of the United States are sufficient to meet all the industrial needs of the Nation. An undeveloped deposit is of no value in either peace or war.

The development of the manganese industry under the stabilizing influence of a protective tariff will be vastly different from development to meet war needs. It will be substantial, permanent, constructive. Having assurance of a protected market over a number of years, instead of the hazards of a fluctuating market upon war demands, producers will be able to plan their operations on a permanent basis with true engineering efficiency. They will build up a permanent mineral industry which will compare favorably with the other great mineral industries of this country.

Competition is the life of trade. A duty which will give to the American manganese producer an equal competitive field with foreign production will stimulate domestic production. It will provide revenue for our Government. It will strengthen our national defense.

The wide distribution of our manganese deposits does not lend itself to monopolistic control. From a purely revenue standpoint the manganese industry is as logically entitled to a duty as any other. Upon the basic principles of a protective tariff, it is more entitled to protection than any other.

The development of the manganese industry will create self-supporting communities in 26 States. These communities will furnish steady employment for thousands of men. They will produce substantial railway revenues. They will offer a nearby market for the products of our farms and will increase the purchasing power of American labor.

It has been stated by the steel interests that our exports represent our surplus, and this is exported whether money is made or lost, because more labor is employed, overhead is kept down, and production is cheaper.

It would be interesting to note the amount of excess profits which the American people pay annually to the steel industry. They beg for free manganese in order to create a surplus on the plea of employing home labor. What about the employment of home labor in the manganese mines of America?

In the year 1920 the United States produced approximately 41,000,000 tons of raw steel. On the basis of 1 cent per pound on the metallic content of the ore, it is estimated that the duty on manganese provided by the Fordney bill would yield an approximate revenue of $6,560,000 per year. The steel interests, nurtured and fattened by a protective tariff, and now being long past the infant-industry stage, ask a total tariff protection of $475,000,000 on their products.

I have here statements showing the capitalization and earnings of the United States Steel Corporation, which I send to

the desk and ask to have them incorporated as part of my remarks.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

In 1910 the United States Commissioner of Corporations reported that in 1901 the United States Steel Corporation's estimate of the value of its tangible property exceeded the value as computed by Government experts $804,946,615; in 1907, $572,901,540; in 1910, $506,017,962.

The total capitalization of the corporation in April, 1901 including underlying bonds and purchase money obligations was $1,402,846,817. Its investment in tangible property alone, as indicated by historical analysis, was $676,000,000. The excess of its outstanding securities over its investment amounted to $726,846,817. The total value of its property, tangible and intangible, as indicated by the market prices of its securities was $793,000,000. Its total capitalization exceeded this amount by $609,846,817.

The value of the corporation's tangible property as of December 31, 1920, as shown by its annual report, was $1,995,100,483.86 for 1920. While the value of its property as of that date based upon the 1910 valuation made by the Commissioner of Corporations and adding thereto net additions to investment as shown by the corporation's annual reports, after making adjustments for depreciation, etc., would have been $1,585,939,570.81.

Total outstanding securities, etc., on December 31, 1920, amounted to $1,455,395,645.10. These figures indicate that the enormous overcapitalization of 1901 condemned by the Commissioner of Corporations, in his investigation, has been completely made over into real money out of the pockets of the people of the United States by earnings and profits accumulated since.

It is impossible to determine the true annual net earnings of the corporation by the examination of its annual reports. Several important items are difficult to analyze or explain; for example, the corporation claims to have spent for "repairs and maintenance" in 1914 $40,000,000; 1915, $40,000,000; 1916, $65,000,000; 1917, $85,000,000; 1918, $100,000,000; 1919, $110,000,000; 1920, $145,000,000; apparently in addition to large deductions for depreciation, replacements, etc.

It might well be assumed that some of the corporation's capital expenditures are being written off as expense in order to reduce Federal income and excess profits taxes.

Comparison of investment of steel corporation, with total earnings thereon, as adjusted by the United States Bureau of Corporations, yearly, 1901–1910:

	Total investment in tangible property.	Earnings as adjusted by bureau.	Per cent.
1901	$698,869,756	[1] $77,741,231	[2] 14.8
1902	763,574,919	121,502,344	15.9
1903	806,615,979	94,156,958	11.7
1904	818,238,143	62,491,950	7.6
1905	874,840,920	112,830,835	12.9
1906	947,397,884	143,393,707	15.1
1907	1,078,763,602	155,416,873	14.4
1908	1,090,425,487	84,793,296	7.8
1909	1,146,875,993	120,807,579	10.5
1910	1,186,982,038	127,216,084	10.7
Total		1,100,350,857	
Average	941,258,472	112,856,498	12.0

[1] Nine months—April to December.
[2] Indicated rate per annum based on actual earnings for 9 months.

Estimate of value of tangible assets of the United States Steel Corporation, 1911 to 1920, inclusive, and net earnings, as shown by corporation's annual reports. (Values based on 1910 valuation made by Commissioner of Corporations plus annual net additions to investment.)

	Estimated value of tangible assets.	Net earnings.	Per cent.
1911	$1,234,412,899.12	$104,304,465.87	8.5
1912	1,245,721,173.01	117,926,402.02	9.4
1913	1,298,561,078.46	147,166,616.81	11.3
1914	1,327,185,403.93	81,746,517.86	6.2
1915	1,338,083,273.34	140,250,066.33	10.5
1916	1,395,738,559.39	342,997,092.44	24.6
1917	1,440,150,800.24	304,161,471.53	21.1
1918	1,500,742,942.92	208,281,104.23	13.9
1919	1,532,355,548.17	152,290,639.24	9.9
1920	1,585,939,570.81	185,095,359.28	11.7
Total	13,898,891,249.39	1,784,220,735.61	127.1
Average	1,389,889,124.94	178,422,073.56	12.7

Mr. NICHOLSON. Mr. President, the corporation's annual reports show that in 1916 it had set aside for Federal taxes $22,171,540.47; 1917, $247,463,230.85; 1918, $288,078,865.12; 1919, $70,574,345.84; 1920, $63,063,930.51. It does not follow, however, that the amounts set aside correspond to the amounts ultimately paid. It is safe to assume that the corporation did not pay $247,463,230.85 in 1917 and $288,078,865.12 in 1918.

After securing an adjustment of its invested capital, March 1, 1913, value, depreciation, depletion, war amortization, obsolescence, inventories, and so forth, with the Bureau of Internal Revenue, it is fair to assume that the corporation did not pay the amounts originally set aside. It would be interesting to know just how much of the annual reserves for taxes was actually paid and how much turned back to surplus. It is suggestive to note that the total surplus of the corporation jumped from $180,025,328.74 in 1915 to the enormous sum of $523,454,890.89 on December 31, 1920.

Of course, the revenue law does not permit the Revenue Bureau to disclose the true figures for taxes or the basis for their computation.

The asset value of each share of stock is said by the Magazine of Wall Street of April 15, 1922, to approximate $260, or a total of more than $2,258,500,000, although total outstanding securities, including capital stock, bonded and debenture liability, and so forth, amounted in 1920 to only $1,455,395,645.10.

If the Bureau of Internal Revenue allowed the corporation either an invested capital value, or a March 1, 1913, value, sufficient to give its stock an asset value of $260 per share, when the par value is only $100 per share and the market value little more than that amount, the Government has not received its full share of excess war profits.

At the end of 1910 the total dividends paid on the preferred stock amounted to $269,414,628.66 and on common stock $124,512,257.50. From 1911 to 1920, inclusive, dividends paid on the preferred stock amounted to $252,196,770 and on the common $355,811,750.

Capital stock, surplus, earnings, taxes, dividends, interest, depreciation, and so forth, additions to property account, as shown by annual reports of United States Steel Corporation, 1911 to 1920, inclusive, are as follows:

	Capital stock.	Surplus.	Net earnings.[1]	Tax.
1911	$868,583,600.00	$133,691,195.08	$111,018,324.23	$6,712,858.36
1912	868,583,600.00	136,716,245.27	124,693,497.46	6,767,095.44
1913	868,583,600.00	151,798,428.89	156,067,118.42	8,900,501.61
1914	868,583,600.00	135,204,471.90	90,348,821.38	8,602,303.52
1915	868,583,600.00	180,025,328.74	150,181,011.18	9,930,944.85
1916	868,583,600.00	381,360,913.37	365,168,632.91	22,171,540.47
1917	868,583,600.00	431,660,803.63	651,394,702.38	247,463,230.85
1918	868,583,600.00	466,888,421.38	496,359,969.35	288,078,865.12
1919	868,583,600.00	423,048,201.93	222,864,985.08	70,574,345.84
1920	868,583,600.00	523,454,890.89	248,159,289.79	63,063,930.51
Total	868,583,600.00		2,616,256,352.18	732,265,616.57

	Dividends.	Interest.
1911	$50,634,802.00	$31,144,618.31
1912	50,634,802.00	32,569,199.65
1913	50,634,802.00	32,517,962.96
1914	40,468,752.00	32,321,989.22
1915	31,573,458.25	31,782,688.43
1916	69,696,145.75	31,025,767.84
1917	116,714,127.00	30,125,594.67
1918	96,382,027.00	29,825,540.57
1919	50,634,802.00	29,210,897.57
1920	50,634,802.00	28,514,020.45
Total	608,008,520.00	309,034,279.67

	Depreciation, extraordinary replacement and sinking funds.	Additions to property account.
1911	$26,980,025.63	$72,150,014.60
1912	30,444,978.56	38,499,515.14
1913	31,860,652.72	65,111,535.32
1914	25,143,207.41	45,070,060.67
1915	32,428,048.85	37,661,461.19
1916	39,547,612.65	79,663,068.53
1917	51,553,271.67	107,260,629.11
1918	40,718,823.70	96,912,665.55
1919	45,545,926.43	68,356,644.41
1920	46,684,364.32	97,857,146.25
Total	370,906,911.94	708,542,740.77

[1] Before deducting taxes, dividends, interest, depreciation, replacement, and sinking funds.

During the 10-year period 1911–1920, inclusive, this great monopoly paid:

In dividends	$608,008,520.00
Interest on bonds, etc	309,034,259.47
Into depreciation, extraordinary replacement, and sinking-fund reserves	370,906,911.94
Into surplus	389,763,695.81
Into property investment and stripping and development of mines	708,522,740.77

In 1917 the Steel Corporation, notwithstanding the fact that it set aside $247,463,230.85 for taxes and paid $30,125,594.67 interest on bonds, and so forth, $51,553,271.67 depreciation, re-

placement, and sinking funds, $107,260,629.11 additions to property investment, and $50,299,810.26 to surplus, a total of $486,702,536.56, paid 7 per cent on preferred stock and 18 per cent on common.

In 1918 this corporation, after setting aside $288,078,865.12 for taxes and paying $29,825,540.57 interest on bonds, and so forth, $40,718,823.70 to depreciation, replacement, and sinking funds, $96,912,665.55 to property investment, and $35,227,617.75 to surplus, a total of $490,763,512.69, paid dividends of 7 per cent on preferred stock and 14 per cent on common.

Here is the outrageous spectacle of a great monopolistic combine gouging the consuming public for enormous dividends, credits to surplus, and additions to property investment at a time when the Nation is struggling in the throes of war, when every man and interest are expected to do their bit. These figures prove that the consumer of steel paid not only his own income and excess-profits taxes, if any, but also the hundreds of millions assessed to the United States Steel Corporation.

The history of all the other steel companies combined parallels that of the United States Steel Corporation.

Mr. KING. Will the Senator yield?

Mr. NICHOLSON. Certainly.

Mr. KING. The Senator is now speaking of the Steel Corporation?

Mr. NICHOLSON. Yes; the United States Steel Corporation.

Mr. KING. And its enormous dividends?

Mr. NICHOLSON. Yes.

Mr. KING. That same steel company is asking for increased rates in this bill upon some of its products, I understand.

Mr. NICHOLSON. I have not made a comparison between the rates in the pending bill and those in the Payne-Aldrich law, but I will state for the information of the Senator that I am quite sure the rates are increased over those in the Underwood law.

Mr. KING. In view of the fact that these steel corporations, one or more, have made such enormous profits, does the Senator think we ought to increase the present tariff?

Mr. NICHOLSON. I will state for the information of the Senator that up to this time I have not heard it suggested, either from the other side of the Chamber or from this side, whether the schedules which are to be found in the Fordney-McCumber bill are higher than the difference in the cost of production at home and abroad. I will say emphatically to the Senator from Utah that when he can show me that a rate is greater than the difference between the cost of production in this country and abroad, he will find me voting to reduce the rate to that difference.

Mr. KING. If it has not been stated on this side, one Member on this side will state to the Senator that these steel products ought to be put on the free list. I think the able argument which the Senator is now making is an argument in favor of placing upon the free list these steel products, from which such enormous profits have been made, indeed so enormous as to excite the just indignation of the able Senator from Colorado.

Mr. NICHOLSON. As to that statement I will say that what we need is a regulatory supervision over these prices rather than the allowing of cheap products to come from abroad; what we need is to see that the rates are so adjusted that these enormous profits are not possible.

Mr. KING. Let me say to the Senator, if he will pardon me for further trespassing upon his time, that if he and other Republicans force upon the country this tariff bill, which provides these enormous rates, so that other corporations may make the enormous profits which the Steel Corporation has made, they are going to get regulation, not only of the Steel Corporation and others but of substantially all corporations engaged in interstate commerce, because the American people, while they do not want bureaucracy, paternalism, and socialism, are not going to permit these great corporations to make such enormous profits, exploiting and robbing the people in so doing. They will take hold of them and regulate them, and I am afraid the effect will be to diminish efficiency and to reduce our business activities to dead level of uniformity. But be that as it may, the American people are not going to submit to extortion at the hands of the protected monopolies of the United States.

Mr. NICHOLSON. The statement made by the Senator from Utah was quite extended. Instead of asking a question he has delivered a speech, and I am not going to take time now to reply to the address made by the distinguished Senator from Utah.

Mr. KING. The Senator was making such an interesting statement that I felt impelled to ascertain his views on the question.

Mr. NICHOLSON. These other steel companies have a series of well-developed plans for one or more mergers, which, if completed, would approximate the United States Steel Corporation itself in size and power.

John A. Topping, the present head of the Republic Iron & Steel Corporation, is the most hopeful aspirant for the presidency of this new merger. It is an open secret that his ability to head this merger will be closely gauged by his success in leading the fight against a proper protective tariff on manganese ore to a conclusion successful for the steel companies.

I would like to have the attention of the Senator from Utah [Mr. KING] in order to inform him what took place at a conference between the steel manufacturers and the producers of manganese.

At a conference held in the committee rooms of the Senate Committee on Banking and Currency, at the suggestion of members of the Senate Finance Committee, to attempt to effect a compromise on the proposed tariff on manganese, I asked Mr. Topping what he considered a proper basis for such compromise. I said, "Mr. Topping, the steel industry has built up its enormous prosperity through the benefits and protection afforded by a protective tariff. Are you willing that this manganese industry be permitted to attempt development under the same protection?" To this question Mr. Topping answered, "No." "Very well," I said, "are you willing that the manganese industry shall have a rate of tariff for its protection which shall amount to the difference in the cost of production here and the cost of production in foreign countries?" To this again Mr. Topping answered "No."

At this juncture the junior Senator from Washington, equally interested in just protection of these newly developed mineral industries, entered the room and said, "Pardon my natural curiosity, but who is this that we are asking if they will stand for certain rates of duty on the products of American industry? Who is writing this tariff bill? I was under the impression that this tariff bill was being prepared by the Congress of the United States, not by Mr. Topping and his associates."

The curiosity of the Senator from Washington can be easily understood. The active opposition of the steel industry to a tariff on the materials which are component parts of steel, while they at the same time demand rates of duty on their own products which brought them the prosperity just outlined, is the crying shame of this tariff bill.

Later in this meeting I told Mr. Topping what I thought of the industry that wanted everything which it purchases placed on the free list and everything which it sells protected.

Now, what is back of this whole thing? Let us look this thing right in the eye. The United States Steel Corporation owns a mine in Brazil, the Morra da Mina. They bought this mine less than a year ago. There the Steel Corporation can hire native labor for 28 cents a day. It can ship this ore to the United States and still get it cheaper than it can be produced in the United States with American labor. The other steel companies want to buy ore which is produced in the Ural Mountains with wages 7 cents a day, in India with wages 6 cents a day, while our American workmen are walking the streets seeking employment.

In the capital city of my State only a few months ago the city gave over a day to the alleviation of the condition of former service men out of employment. It was called "Have-a-heart day." Many of the good women of Denver gave practically all of their time for a week in advance and set aside this day, when a thousand of them appeared on the streets soliciting funds to relieve returned soldiers who were in distress because of their inability to secure employment.

Among these unemployed men were thousands of former miners. Yet, within but a few miles of Denver lie magnificent deposits of manganese ore, idle mines at which these men could have been employed, supporting their families, and not a burden upon the public sympathy and public purse. These mines are idle because these very steel companies are now and have been ever since the World War importing all the manganese they could bring in from foreign countries, where it is produced with the cheapest labor in the world.

When the price of steel was jumping by leaps and bounds during the war the consumers of steel products were told, "We have to raise the price of steel because of raw materials which cost us more." After the war was over the prices of steel products remained at their war-time levels for nearly two and a half years.

STEEL PRICES.

On March 2, 1919, the industrial board fixed the price of steel as shown in this table:

Index steel prices per hundredweight.
(Commerce Department and Metal Statistics.)

	Rails.	Shapes.	Plates.	Black sheets.	Bars.
1914	28.00	1.05	1.05	1.80	1.05
1916	38.00	3.10	3.60	4.50	3.00
1917	55.00	3.00	3.25	5.00	2.90
1918	55.00	3.00	3.25	5.00	2.90
1919 [1]	45.00	2.45	2.65	4.35	2.35
1920	45.00	2.45	2.65	4.35	2.35
1921 [2]	40.00	2.20	2.20	4.00	2.10

[1] Prices fixed by industrial board Mar. 21, 1919.
[2] Prices announced by Steel Corporation Apr. 21, 1921.

Mr. KING. Will the Senator permit a question for information?

Mr. NICHOLSON. Certainly. I will be glad to answer if I can impart the information.

Mr. KING. The Senator has stated that certain rates were fixed during the war and maintained——

Mr. NICHOLSON. For two and a half years after the armistice.

Mr. KING. When the rates were fixed during the war, did all the steel companies, the independents as well as the Steel Corporation, adhere to those rates?

Mr. NICHOLSON. So far as I know, they did.

Mr. KING. So long as these rates were in effect, was there a general acceptation of them by all the steel companies of the United States?

Mr. NICHOLSON. I think in a large measure that is true.

Mr. KING. To what extent, may I inquire of the Senator, have the independents since then departed from those rates?

Mr. NICHOLSON. I think the Steel Trust and the independents maintain prices very nearly on an equality. The independents cut prices, as I recall it, below those of the Steel Corporation, but it was for only a short period, because they were informed that if they cut prices the Steel Corporation would cut prices below their prices, and my recollection is that the independents came back to the schedule fixed by the Steel Corporation.

Mr. KING. Has not the investigation which the able Senator has made convinced him that many of the so-called independents have really used the Steel Trust or the big steel company as a shield to fix rates, behind which they took lodgment and availed themselves of the same high rates as announced and maintained by the Steel Trust?

Mr. NICHOLSON. I would place a different construction upon the situation from the construction placed by the Senator from Utah. I would say that the independents, if we are to reason back to the big Gary dinners, were compelled to accept rates fixed by the Steel Corporation, and that it was not of their liking or choosing but due to a matter of compulsion.

Mr. KING. So long as there has been a demand for the combined product of the Steel Corporation and the independents, have not the independents shown a good deal of happy disposition to follow the rates fixed by the Steel Trust.

Mr. NICHOLSON. If the Senator will take the map and see where the steel plants are located, and where the independent plants are located, he will think differently. Take the Midvale Steel or the Bethlehem Steel Co. They would receive an inquiry for a large tonnage, we will say, in Nebraska or Colorado. The United States Steel Corporation could furnish that steel cheaper than the Midvale or the Bethlehem Steel Co. on account of the difference in freight rates. They would ship it from Chicago. If they get contracts in close proximity to the independents they are on an equal basis with them. The Senator can readily see from the placing of the various steel plants of the Steel Corporation that they have a great advantage in freight rates over their independent competitors.

Mr. KING. After all, then, the Steel Corporation fixes the prices of steel products?

Mr. NICHOLSON. I would say so in a large measure.

Mr. KING. If the independents desired to enter into competition and to lower the prices they would fear the domination of the Steel Trust and would trail in behind it, accepting the rates which it fixed. Accepting that conclusion, may I suggest to the Senator whether he does not think now, in all fairness, that we ought to put steel products on the free list?

Mr. NICHOLSON. I want to call the attention of the distinguished Senator from Utah to the fact that it was under the beneficent auspices of a Democratic administration that these enormous profits were permitted to be made.

Mr. KING. I want the Senator to understand that I am sitting at the feet of Gamaliel now and seeking information. I am conceding, as the Senator stated, that there have been these enormous profits, that the steel corporation has gouged the public—and the Senator used that expression, and I think quite properly—and got these enormous profits. The Senator has indicated that they dominated and that the independents have followed behind them and accepted in the main the rates which they fixed. Does not the Senator think in all fairness that we ought not to prostitute the taxing power of the Government to permit this monopoly to continue to rob and exploit the American people?

Mr. NICHOLSON. I will base my reply upon two propositions—first, that the steel industry seems to be more strongly intrenched so far as getting preferential consideration than any other industry that I know of. On my own side of the Chamber we are in favor of protection. On the Senator's side of the Chamber they are in favor of admitting all the raw products free.

Mr. KING. Oh, no; I do not want the Senator to make that statement.

Mr. NICHOLSON. That is the statement of the Senator from Utah.

Mr. KING. Oh, no.

Mr. NICHOLSON. The Democratic Party is a free-trade party.

Mr. KING. The Senator has made his statement too broad.

Mr. NICHOLSON. I hope I have made it too broad.

Mr. KING. There are spotted protectionists on this side, as there are spotted protectionists on the Senator's side of the aisle.

Mr. NICHOLSON. It would be very pleasing to me if I have made too broad a statement so far as the Democratic Party is concerned.

Throughout the remainder of 1919 and all of 1920 and up until about one year ago the corporation maintained these prices. On April 12, 1921, the corporation announced the first reduction of its prices since the signing of the armistice.

Further, a resumption of imports of foreign low-priced basic materials for steel began in 1918 and 1919, and the prices of steel were held at their war-time levels until the late spring of 1921. Steel prices were not cut until about a year ago, and the net earnings of the steel companies during these supposedly lean years have been greater than they were during the years before the war.

What benefit does the consumer of steel derive, or has he ever derived, from this employment of foreign labor, owned and controlled by the steel industries of the United States? It surely has not been reflected in the price to the consumer. Is it possible that the advantage of this ownership of foreign mines is reflected in the earnings of the steel companies?

The monthly earnings of the Steel Corporation in the latter part of 1916 were in excess of $35,000,000 per month. Thereafter the decrease in earnings during 1917, 1918, and 1919 was due entirely to the deduction of the excess-profits tax. With the exception of this deduction, the earnings of the United States Steel Corporation have been $10,000,000 higher per month than they were in 1915. So that at no time were any of these war-time excess-profits taxes ever paid by the Steel Corporation or by any other steel company.

If an article cost them $1 to make and they sold it for $2, their profit being $1, and by the addition of these taxes their cost was increased to $1.50, they sold the same article for $3 and make $1.50 where they had previously made $1.

Here are some typical steel items on which the manganese producer asks 16 cents per ton and on which the steel manufacturer receives the following duties:

AFFECTING THE BUILDING INDUSTRY.

Beams, channel steel, $10.50 per ton upward.
Sashes, frames and building forms, 40 per cent ad valorem.
Galvanized roofing, $19 per ton.
Butt and lap welded pipe, $15 to $35 per ton.
Conduit pipe, 35 per cent ad valorem.
Nails, $8 to $50 per ton.
Rivets, $20 per ton.
Screening, 25 to 45 per cent ad valorem.
Screws, $60 to $200 per ton.

AFFECTING RAILROADS.

Rails, $3.92 per ton.
Fishplates, $5 per ton.
Bolts, $20 per ton.
Lock washers, 40 per cent ad valorem.
Wheels and axle parts, $20 per ton.
Track tools and sledges, $32.50 per ton.

AFFECTING THE FARMER.

Horse and mule shoes, $12 to $40 per ton.
Horseshoe nails, $50 per ton.
Hoop, band iron, and cotton-baling iron, $5 to $11 per ton.
Galvanized wire, $10 per ton.
Crowbars, $27.50 per ton (or 37½ cents for every crowbar used in the United States).
Wire rope, 40 per cent ad valorem.
Chain, $20 to $80 per ton, "provided no chain except anchor and stud chain shall pay a less duty than 45 per cent ad valorem."
Anvils, $32.50 per ton.
Bolts, etc., $12 to $20 per ton.
Lock nuts, 40 per cent ad valorem.
Tin plate, $20 per ton.
Culvert pipe, 30 per cent ad valorem plus $4 per ton.

AFFECTING MISCELLANEOUS MANUFACTURING INDUSTRY.

Steel billets, $11.20 per ton (which at to-day's market is 33⅓ per cent ad valorem).

The protection afforded to the steel industry on this one item alone, of 42,000,000 tons of steel per year, is $475,000,000 or more.

Steel forgings, 30 per cent ad valorem. (Every steel forging for whatever purpose bears a protection of 30 per cent ad valorem.)
Covered wire, 40 per cent ad valorem.
Wire rope, 40 per cent ad valorem.
Spinning-ring travelers, 40 per cent ad valorem.
Wire heddles and healds, 25 cents per thousand plus 40 per cent ad valorem.
Steel wool, $200 per ton plus 30 per cent ad valorem.
Ball bearings, $200 per ton plus 55 per cent ad valorem.

At a hearing before the Senate Finance Committee on August 25, 1921, Mr. John A. Topping, representing the Republic Iron & Steel Co., asked:

Is it a time-honored policy of the Republican Party—protection of finished products and free raw materials?
What, then, shall we say to an ad valorem duty of 33⅓ per cent on steel ingots, basic product of the steel industry of the United States, and the raw material of every metal manufacturing industry; a protection which costs the people of this country $475,000,000 a year, and benefits the steel industry a like amount? The manganese industry is asking this powerful steel industry to permit a duty which amounts to 16 cents per ton on these same steel ingots.
The best answer to this question is a statement by Chairman FORDNEY, of the House Ways and Means Committee, when he said, "There has been a great deal of talk here about raw material; hide on the back of a range steer, which has never had a bit of human care, is a raw material; iron ore, lying in the ground, is raw material; but when one element of human labor has been added to any such thing to prepare it for its market it has become that man's finished product."

Chairman FORDNEY, of the House Ways and Means Committee, had all the facts before him when considering the merits of manganese protection. He appointed a subcommittee to investigate the manganese reserves, he gave the manganese producers a chance to be heard, and, although this committee was besieged by the agents of the steel interests in their opposition to a tariff on manganese, he refused to bend his knees to their dominance and attempted perversion of Republican principles.

President Campbell, of the Youngstown Steel & Tube Co., said:

The duties on manganese ore and alloys will put a considerable tax on the steel industry which the consumer must pay. We will pay it first and then pass it on to the consumer.

If a tariff of 16 cents a ton on steel is passed on to the consumer, the public has little to fear. Mr. Campbell does not hesitate to ask for a duty on his products, such as pipe, amounting to $15 a ton, or on wire rods of $6.72 a ton, which he is perfectly willing to pass on to the consumer.

Mr. President, the sole question is whether American industries shall be operated by American workmen, making this country independent in time of war and prosperous in time of peace; whether we shall promote our industrial welfare by developing our own raw materials, thus enabling our railroads and lake boats to increase the employment of American labor, or whether we shall compete with riffraff employed in foreign mines, while our citizens seek employment and our own abundant natural resources lie undeveloped.

Mr. WILLIS. Mr. President, I desire merely to make some very brief observations with reference to this item which has been so eloquently discussed by the Senator from Colorado [Mr. NICHOLSON].

I will say, in the first place, that I think the Senator from Colorado is utterly mistaken in his viewpoint with reference to the probable effect of the action which he desires the Senate to take. I shall not at this time engage in any discussion of the rates proposed on iron and steel; we have not come to those as yet, nor shall I engage in any attack upon the iron and steel industry. We shall settle the question of rates on iron and steel when we come to those rates. I hold no brief for the United States Steel Corporation or for anybody else, but I do have some interest in the general welfare of the American people; and I think the action contemplated and desired by the Senator from Colorado would not promote that welfare.

I am quite familiar with the argument urged in favor of the establishment of new industries in this country, and I am strongly in favor of the development of the resources of this country; but, Mr. President, we can not develop a resource which does not exist in appreciable quantity. The cold fact is, borne out by the most careful researches, that we have not in the United States a sufficient supply of manganese to make it reasonable to talk about the establishment of a manganese industry. Now, let us see whether that is true, for I think it is fundamental.

Here in part is what is reported in the Summary of Tariff Information, at page 362, concerning manganese:

Operating costs here are much higher than abroad, American mines being situated far from points of consumption and often at considerable distances from railroads.

Now, note this:

Domestic resources have been carefully estimated—

This is the most recent information and the most reliable information that we have—

Domestic resources have been carefully estimated and found to be insufficient to supply our requirements for more than a few years.

Mr. WALSH of Montana. Mr. President——

Mr. WILLIS. I yield to the Senator from Montana.

Mr. WALSH of Montana. I inquire of the Senator why he states that is the "most reliable information" we have?

Mr. WILLIS. It is the most reliable information that I have been able to get from any quarter. It is the information that is furnished by the Tariff Commission, and I should very much prefer to rely upon this information rather than to rely upon information furnished in briefs by those who are seeking to secure a practically prohibitive duty on this product. Does the Senator from Montana know of any more reliable information than this?

Mr. WALSH of Montana. I think so.

Mr. WILLIS. I hope the Senator will give it to the Senate.

Mr. WALSH of Montana. I shall be very glad to do so; but I want now to challenge the statement which the Senator now makes, which is apparently the basis of his argument. The Senator, however, probably knows that the information which the Tariff Commission gives us it gets from the Geological Survey reports.

Mr. WILLIS. Yes.

Mr. WALSH of Montana. The Senator probably also knows, if he has read the hearings, that the Geological Survey admits that it is in error about that.

Mr. WILLIS. Yes. We might as well, however, forthwith get at the facts of the situation. It is admitted that there are deposits of manganese in this country; I think the Senator from Montana, probably, has deposits in his State, and there are such deposits in the State represented by the Senator from Colorado; those two States have, probably, the greatest deposits of manganese in this country; but even there my information is that those deposits are in comparatively small quantities; that they are found in comparatively small "pockets," and are not sufficient to supply the industry for more than two or three years at the outside.

Mr. WALSH of Montana. The Senator from Montana will be able to correct that statement before the consideration of the subject shall have been concluded.

Mr. WILLIS. I shall be very glad if the Senator will be able to correct it; but that is the latest information I have.

Mr. BURSUM. Mr. President——

Mr. WILLIS. I yield to the Senator from New Mexico.

Mr. BURSUM. I desire to call the attention of the Senator from Ohio to the fact that the Geological Survey has made a detailed survey of but a very small portion of the area of this country's resources. There are millions and millions of acres all over this country that the Geological Survey has never been able to examine. The Geological Survey is many years behind in its information. I do not make that statement as reflection on the ability of those who are connected with the Geological Survey, for the truth of the matter is that the Government has never given the Geological Survey sufficient support or appropriations to enable it to make thorough investigations. There might be billions of tons of manganese without there being any record of it so far as any knowledge which the Geological Survey might have obtained.

Mr. KELLOGG and Mr. WALSH of Montana addressed the Chair.

Mr. WILLIS. I yield first to the Senator from Minnesota.

Mr. KELLOGG. Mr. President, it appears, as I understand, in the hearings before the Committee on Finance that the Tariff Commission report is based upon the information fur-

nished by the Geological Survey; that many of their estimates are five or six years old; that they are out of date, and do not include large explorations of manganese ore and manganiferous iron ore which were developed during the war and immediately after the war. For instance, my State has developed about 40,000,000 tons of manganiferous iron ore which is available for the manufacture of steel in this country.

Mr. WALSH of Montana. Mr. President, I ventured to interrupt the distinguished Senator from Ohio because if the facts were as he assumes them to be there would scarcely be room for argument. If there is not enough of manganiferous ore in this country to warrant the belief that any considerable percentage of the domestic demand could be supplied from domestic sources, I suppose probably it would not fall within the protective principle. But I do not want the Senate to proceed upon the assumption that that is the established fact, although the Senator has accepted it.

Mr. WILLIS. Mr. President, I should be very glad if any later or more reliable information can be given to the Senate, but I venture to suggest to the Senator that the mere hypothesis that we have millions of tons of this material scattered around somewhere is a rather unsubstantial basis upon which to construct legislation that affects great industries employing hundreds of thousands of men.

Mr. WALSH of Montana. We all concede that statement to be true, and if there is no better basis than the mere general statement that there are hundreds of millions of tons of manganese in this country, it would scarcely be a safe factor for the guidance of the Senate; but I think that if the Senator will read the testimony taken before the committee he will find the figures to be much more substantial than a mere general statement. I shall be glad to supply further information on the subject.

Mr. WILLIS. My friend from Montana is an experienced, courageous, and able legislator, and he knows, as I know, although I do not know it so well as he, that men in their desire to make out a case will unconsciously perhaps overstate; in other words, in their enthusiasm, in a perfectly honorable and honest way, I think that the advocates of this practically prohibitive duty—and I am referring to what I have read in the hearings; and the duty is prohibitive, and I am astounded to find my friend from Montana advocating such a duty—in the enthusiasm of their cause have worked themselves up into the belief that there are deposits in this country that can be developed. I rely upon the latest information available, and, if I may have permission, I shall place in the RECORD at this point an excerpt from a letter from the Director of the Geological Survey dated October 6, 1921.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Without objection, it is so ordered.

The excerpt referred to is as follows:

> The foregoing discussion of the charges and claims of Mr. Potts should not becloud the fundamental question of the amount of manganese-bearing materials remaining unmined in the United States, for that is the information which Congress needs. It is out of the question for the survey at the present time to attempt an exhaustive reexamination of all or even most of the principal deposits. In considering the present situation I do not think this is necessary. The estimates, even of qualified individuals, concerning the domestic resources of a number of minerals seem bound to differ widely. The estimates of mineral reserves by conservative persons, particularly those conscious of responsibility, will always seem ridiculously low to persons of different temperament and to those seeking to promote selfish ends. After considering the estimates of our domestic manganese reserves made by the survey during 1917 and 1918, the statements of production that have been filed by the producers with the survey, and other sources of information published or furnished informally since that time, I give herewith the survey's present impression of domestic manganese-ore reserves. There is fair assurance of the existence in domestic deposits of about 1,800,000 tons of material containing more than 35 per cent manganese, which are sufficient to make about 75,000,000 tons of steel by present practices. If the large reserves of lower grade material be considered, making proper allowances for necessary adjustments in steel plants and processes, the combined reserves are probably sufficient to make about twice as much steel, or 150,000,000 tons.
>
> Very truly yours,
>
> GEO. OTIS SMITH, *Director.*

Mr. WALSH of Montana. If the Senator will pardon a further interruption, I am willing to announce my concurrence with the view expressed by the Senator that the statements of gentlemen who come before the committee and make arguments concerning conditions upon which they expect to get high rates of duty are to be regarded, as a matter of course, with some degree of suspicion, at least with a high degree of scrutiny. We were read a lecture the other day for venturing to question some statements made from the other side of the Chamber. I am glad to recognize that the Senator from Ohio admits that statements made under certain conditions should be considered with some degree of care and not accepted without careful investigation.

Mr. NICHOLSON. Mr. President, will the Senator yield for a question?

Mr. WILLIS. I will yield to my friend in a moment. I desire to finish reading the statement from the Summary of Tariff Information which I think I had not completed. Then I will yield to my friend. I quote further from page 362 of the Tariff Information Summary:

> Domestic resources have been carefully estimated and found to be insufficient to supply our requirements for more than a few years. Under normal trade conditions, with a free movement of ore from foreign countries, domestic manganese mining can not continue except on a limited scale.

Now I yield to the Senator from Colorado.

Mr. NICHOLSON. Mr. President, I wish to state first, for the information of the Senator, that the Geological Survey is one among some fourteen other bureaus in the Department of the Interior. Suppose that our petroleum industry had been dependent upon the reports made by the Geological Survey, what would be the petroleum production of this Nation to-day? I venture to say to the Senator from Ohio that when the tariff of 1883 was passed and a duty of 25 cents a ton was placed upon iron ore the Geological Survey reports did not disclose one-tenth of the iron deposits of the United States.

I should like to say further, for the information of the Senator, that the report of the Geological Survey from which he is reading is as misleading so far as manganese is concerned as were its reports in 1883 concerning the deposits of iron ore.

Mr. WILLIS. Mr. President, it raises in my mind, to borrow the language of my friend from Montana, a degree of suspicion or, at any rate, suggests exceeding care and scrutiny when in order to make out a case we must attack an agency of the Government and undertake to prove that it does not know what it is talking about. Perhaps the Geological Survey do not know what they are talking about, but Senators who undertake to say that the Geological Survey is without sufficient information, although they are supposed to know about it, owe it to the Senate to bring more convincing testimony than has been brought forth in any statement which has been made upon the floor or in any committee room, as shown by the hearings.

Mr. FRELINGHUYSEN and Mr. BURSUM addressed the Chair.

Mr. WILLIS. I yield first to the Senator from New Jersey.

Mr. FRELINGHUYSEN. Have not the Geological Survey been relied upon as an authority heretofore in connection with information of similar character?

Mr. WILLIS. Absolutely; but in this instance their report does not coincide with the ideas of gentlemen who want a prohibitive duty on manganese, and therefore the Geological Survey is to be cast into "outer darkness, where there is wailing and gnashing of teeth."

Mr. NICHOLSON. Will the Senator yield to me to make one more statement concerning the Geological Survey?

Mr. WILLIS. Certainly.

Mr. NICHOLSON. The Geological Survey has had insufficient funds set aside for its work, so that it has not been in a position to carry on its investigations in a thorough and complete way. I have lived for many years in Colorado; and in that State, after the Geological Survey had made two surveys in the district and never reported that there was one ton of such ore within the confines of the Leadville district, there was discovered carbonate of zinc, and we shipped millions of tons of it.

I wish to say to the Senator from Ohio that I have spent 42 years of my life in mining; I have visited nearly all of the States that produce zinc and lead and manganese, and it is my opinion that, after a few years of intensive development, if all the manganese in the mines of the rest of the world were sealed up, the United States could produce sufficient manganese not only to take care of the iron industry in the United States but in the whole world.

Mr. WILLIS. Mr. President, I attach great weight to the opinion of my friend from Colorado, and have the most profound regard for him personally, but I think he is mistaken about this. For example, to see whether any real investigating work was done here, let us see about it. I am reading now from the hearings, at page 2098, to see whether they really did investigate this matter:

> In this work 18 geologists, of whom 12 were members of this survey, specially chosen because of previous experience and other fitness, devoted a total of about 50 months to field examinations during 1917 and 1918.

Mr. BURSUM. How many?

Mr. WILLIS. Eighteen geologists, of whom 12 were members of the survey.

Mr. BURSUM. Of how large an area does the Senator think that those 12 geologists could make a detailed survey?

Mr. WILLIS. I am no more of a geologist than my friend from New Mexico is. I could not tell how much they could survey. I am simply calling attention to the fact that this idea that is put forth here, that there has not been anything of a careful survey, has nothing to support it. The fact is that the Geological Survey, which heretofore has been relied upon, is now assailed, and its conclusions are called in question simply because it did not find the information that Senators wanted.

Mr. WALSH of Montana. Mr. President, I desire to invite attention to the information now given to the Senate by the Senator from Ohio, namely, that the statement put out by the Geological Survey is based upon surveys made in the years 1917 and 1918. It will be understood that the manganese industry in this country, so far as it has any considerable proportions at all, was a development of the war; that the deposits were opened up during 1917 and 1918, much of them late in 1918, and many of them had not yet become producing at the time the armistice was signed in November, 1918. So that the Senator from Ohio, fair man as he is, must realize that the production since that time has been such as to show that the information relied upon which dates from 1917 and 1918 can not possibly be authoritative.

Mr. WILLIS. Oh, Mr. President, I did not say at all that no investigations were made subsequent to that time. The statement that I read—and I will place the whole paragraph in the RECORD here, at page 2098 of the hearings—was simply undertaking to show the thoroughness with which the work was done in those years. I am repelling the idea that because the department does not reach the conclusion that we think it ought to reach and that we hoped it would reach, therefore the whole thing is to be called in question.

The PRESIDING OFFICER. Without objection, the matter referred to by the Senator from Ohio will be printed in the RECORD.

The matter referred to is as follows:

For your information I attach hereto a brief summary of the estimate of reserves prepared by Messrs. Harder and Hewett, in which the work is classified as to whether it was detailed or reconnaissance and as to whether estimates might warrant revision or not. In this work 18 geologists, of whom 12 were members of this survey, specially chosen because of previous experience and other fitness, devoted a total of about 50 months to field examinations during 1917 and 1918. Of the 1,181 deposits considered, 588 lie in districts where the work was of detailed character involving the preparation of geologic maps. It will be noted that the reserves of high-grade ore in these districts make up 80 per cent of the total in the United States and of the additional reserves in prospect almost the entire amount, if the carbonate ore of the Butte district be omitted. The reconnaissance work was done in districts that mostly offered small promise of reserves of high-grade ore, although a number of districts containing low-grade ore were considered in this manner only. The survey has never had any doubt that the reserves of low-grade manganese ore were adequate to meet any needs that the steel industry would impose for some years to come.

Mr. BURSUM. Mr. President, will the Senator yield?

Mr. WILLIS. Yes; I yield further, but I do want to go on. I do not want to occupy time, but I yield to the Senator from New Mexico.

Mr. BURSUM. I want to impress the Senator from Ohio with the fact that there is no disposition upon the part of anyone to charge inaccurate information on the part of the Geological Survey. What we do say is that the Geological Survey is not in possession of sufficient information——

Mr. WILLIS. To be accurate.

Mr. BURSUM. And that the reason is apparent, that the appropriations have not been such as to enable the Geological Survey to place a sufficient force in the field to make detailed surveys. It has simply been a physical impossibility.

Mr. WILLIS. Mr. President, I will join the Senator in endeavoring to secure more liberal appropriations for this bureau in the future; but I still cling to the lingering belief that that bureau is a tolerably reliable concern now, and I am inclined, until more reliable information is produced, to place credence in its reports.

Mr. ODDIE. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Ohio yield to the Senator from Nevada?

Mr. WILLIS. I yield to the Senator from Nevada.

Mr. ODDIE. I should like to make a statement showing that the Geological Survey has been in error and has admitted its error.

In the hearings will be found a letter to the Finance Committee, dated March 10, 1922, from the Director of the Geological Survey, in which he says:

My attention has been called to a statement which appears on page 2100 of the tariff hearings, Schedule 3, being a quotation from certain comments made by me in a communication to the chairman of the Tariff Commission. These detailed comments were of the nature of a reply to certain charges made before your committee, and, while intended to clarify the matter of the domestic reserves of manganese ore, contained, unfortunately, an inexplicable blunder, which unintentionally does injustice to a well-recognized large reserve of high-grade manganese ore at Butte. * * * There is no question but that there are large deposits of manganese carbonate ore in the Butte district, and of the importance of those carbonate ores in the Emma mine at Butte.

That can apply to many other deposits in the United States, and there is an abundance of evidence to show that the deposits of manganese ore to-day are far in excess of any statements made in any of the Government reports.

Mr. WILLIS. Mr. President, I want now, if I can, to proceed for just a very few minutes and finish what I have in mind to say.

The trouble about the argument of those who desire to overturn the action of the committee is that they assume that if they find somewhere a metal containing a trace of manganese, that is a manganiferous ore, and therefore that is feasible to be used in the manufacture of steel. The fact of the business is that those low-grade ores can not be satisfactorily used. I call the attention of Senators to the fact, which they must admit to be a fact, that although the manufacturers of iron and steel may be charged with a great many things, everybody will have to admit that they are tolerably good business men, that they know their business fairly well, and, I repeat, I hold no brief for them.

If there were in the United States sufficient deposits of manganese, do not Senators suppose that those who have been responsible for the development of the great iron and steel industry of the country would have preferred to secure that material here? And do not Senators know also that every effort has been made to develop the various sources of supply, but it has been found, as I have said, that the material exists in little pockets here and there, and has not been found workable? This is a great industry, and it must have access to a reasonably certain source of supply.

Mr. NICHOLSON. Mr. President, may I ask the Senator another question?

Mr. WILLIS. Certainly.

Mr. NICHOLSON. Does the Senator feel that a duty of 1 cent a pound on the metallic content of all manganese ore imported into this country, which will add only 16 cents a ton to the cost of steel that is manufactured here, is going to destroy the steel industry? Does the Senator feel that that places an excessive burden upon the steel industry, in other words?

Mr. WILLIS. Mr. President, if I had felt that, I should have sought some way to give audible expression to it; but I have not said anything whatever of that sort, and it is apparent that I do not feel that way.

Mr. NICHOLSON. But that is the very question involved here. Does the Senator think that 16 cents added to the cost of a ton of steel in this country is going to destroy the steel industry of the United States?

Mr. WILLIS. Oh, certainly not. I have not made any such suggestion, that it would destroy the steel industry. The Senator knows that.

Mr. NICHOLSON. Why, then, does the Senator oppose this?

Mr. WILLIS. Because I do not desire to have the Senator—if he wants me to say it—unwittingly play into the hands of the United States Steel Corporation, which manufactures its own ferromanganese, and which, if his plan goes through, will have a monopoly of the thing. That is why.

Mr. NICHOLSON. I think I have clearly shown to the Senator that at the places where the independents get their supply of manganese ore it is mined by labor which is paid 6 and 7 cents a day.

Mr. WILLIS. Yes; but that does not respond to what I have just stated to the Senator.

Mr. NICHOLSON. Yes; it does.

Mr. WILLIS. No; that makes no response at all. The fact is——

Mr. POMERENE. Mr. President——

Mr. WILLIS. Let me answer the statement just a little bit further. As I say, I am not at this time discussing the rates upon iron and steel. We will meet that question when we come to it, and the Senator will find that I will go as far as he will to insist that those rates shall be fair; but the fact is that unwittingly the placing of an excessive—a prohibitive—duty upon manganese plays directly into the hands of the United States Steel Corporation, which is the only great steel company that manufactures its ferromanganese. The Senator, in his desire—perfectly commendable and perfectly sincere—is playing into the hands of the corporation that he is denouncing

and putting a burden on the shoulders of those that he would favor. There is not any question about that fact.

Mr. WALSH of Montana. Mr. President, I have been endeavoring to follow the Senator from Ohio; and I must confess that I do not quite understand how, if the Steel Corporation, which manufactures its own ferromanganese, is obliged——

Mr. WILLIS. And the other companies do not, I will say to the Senate. The so-called independent companies do not.

Mr. WALSH of Montana. Yes; the United States Steel Corporation produces its own ferromanganese.

Mr. WILLIS. Yes; that is my understanding.

Mr. WALSH of Montana. Utilizing, of course, manganiferous ores. If a duty is placed upon the importation from a foreign country of manganiferous ores, just how does that help the United States Steel Corporation, which manufactures ferromanganese?

Mr. WILLIS. It must be perfectly apparent to the Senator that if there were only a reasonable duty upon ferromanganese, or if it should be on the free list—personally, I should very much prefer a reasonable duty, though those materials have heretofore been on the free list, and are now on the free list—but if they should be on the free list or come in under only a reasonable duty, it must be perfectly apparent to the Senator that the so-called independent companies, the smaller companies, will have a very much better opportunity of getting their materials than they will have if a practically prohibitive duty is placed upon the importation of this material.

Mr. WALSH of Montana. I can very well understand, Mr. President, that if the manganese ores were admitted free and a duty were imposed upon the ferromanganese that would, of course, operate to the interest of the United States Steel Corporation, which is engaged in the manufacture of ferromanganese; but that would be because of the duty on ferromanganese and not because of the duty on manganese ores. As I understand, we are not now considering the duty on ferromanganese; we are considering the duty on manganese.

Mr. WILLIS. I understand that perfectly well. What I am trying to show to the Senate is that we are about to do the thing that so many times heretofore in legislation has been done in haste and in a spirit of hate, and I am speaking of this only because of the exceedingly critical character of the address and argument made by my friend from Colorado. In order to "get" the United States Steel Corporation, which is alleged to be making great profits, we are likely to do a thing here that really does not increase the burden of the United States Steel Corporation so greatly as it does the burden of the so-called independent companies.

Mr. WALSH of Montana. I have not the slightest objection to the Senator pursuing that argument with the Senator from Colorado, and I should not think of interrupting, but that was not the point. The Senator laid down with very much vigor and force the proposition that those who are in favor of a duty on manganese ore——

Mr. WILLIS. A prohibitive duty, if the Senator will permit me to correct him.

Mr. WALSH of Montana. A prohibitive duty, for that matter, were playing into the hands of the United States Steel Corporation, which, so far as I know, owns no mines in this country valuable because of the manganese content.

Mr. WILLIS. It owned a number of mines, but abandoned most of them, because they were found not to be profitable.

Mr. WALSH of Montana. I am talking about owning producing manganese mines. It does own mines in Brazil, and of course wants to have the ores introduced without duty, the independent companies owning no foreign supplies so far as my information goes.

Mr. WILLIS. Then is it not evident to the Senator that if you shut out all manganese ores from elsewhere you have given a very practical and substantial advantage to the United States Steel Corporation, which, by the Senator's own statement, does own tremendous mines in Brazil? That is perfectly clear to me.

Mr. WALSH of Montana. I should think not. I should think being obliged to pay a duty upon the ores which it gets from Brazil and other places would work to the disadvantage of the steel company.

Mr. WILLIS. I think it would be very much more to the disadvantage of the independents, who did not have any mines anywhere, if their foreign supply were cut off.

Mr. WALSH of Montana. Why?

Mr. WILLIS. That is very clear to me. If the Senator can not see that, I do not want to take the time to discuss it with him, but I think the Senator will see it if he thinks it over.

Mr. WALSH of Montana. Of course if the Senator wants to abandon that argument——

Mr. WILLIS. The Senator does not want to abandon it. I insist upon it with a great deal of vigor, and I say it is a fact, that if this goes through as suggested by the Senator from Colorado, out of a desire to injure or to put a limitation upon one concern, you will really practically give it more advantage over the independent concerns than it now has.

According to the latest figures I have available, in 1921 we produced 85,000 tons of manganese ore, of workable character, not where there is a trace of manganese in it but ore running 35 per cent or above. The normal requirement of manufacture in this country is about ten times that much. We are now producing practically one-tenth of what we must have. I put it to Senators whether it is wise, just in one fell swoop, to say to these people who up to date have been able to produce only one-tenth of what is used in the country that they shall be called upon to produce all that is to be used.

Mr. NICHOLSON. I assume that the Senator from Ohio wants to be fair.

Mr. WILLIS. I am fair.

Mr. NICHOLSON. But his information is misleading in this, that he knows that it is impossible for the miners of the United States to produce this manganese in competition with the cheap labor that is employed in its production abroad. I know the Senator from Ohio, if he will consider these facts, will find the reason for the decline in the production of manganese ore after the armistice was signed. It was because the steel companies, the independents and the United States Steel Corporation, purchased their ores where they could buy them the cheapest. It was not a fact that we did not have any here, but we could not produce it as cheaply as it was produced abroad, and I want to say to the Senator that if we were to produce this ore as cheaply as it is produced abroad it would place the shackles of slavery upon the laborers of America.

Mr. BURSUM. Mr. President——

Mr. WILLIS. Let me answer one Senator at a time. I say to my friend from Colorado that if he had suggested a reasonable rate of duty the situation would have been different. I am in favor of taking pretty strong medicine in the matter of protective tariff duties, as the Senator knows, and I will go a long way to establish protective duties, because I believe in developing American industry; but I do not believe it is in harmony with Republican doctrine to write duties which are prohibitive, and if there has been monopoly in the steel industry I do not think it is wise to undertake to correct that by building another monopoly in the manganese industry. I think if the Senator had suggested a reasonable rate of duty there would have been no difficulty about it at all. Now I yield to the Senator from New Mexico.

Mr. BURSUM. Does the Senator from Ohio believe that a duty which involves practically seven-tenths of 1 per cent on the finished product is prohibitive?

Mr. WILLIS. Practically so; yes. I do not think it would destroy that industry; do not misunderstand me; but I think it is practically a prohibitive duty. That is the hope of the Senator, is it not? He is for it, and he wants it to be prohibitive. He does not want any of this foreign material to come in. I do not remember how much he said there was scattered all around in the West, so that you could find it anywhere; could scoop it up.

Mr. BURSUM. I believe that every ounce of manganese that can be produced by American labor ought to be produced in this country.

Mr. WILLIS. So do I, if it can be produced economically, and in a quantity sufficient to supply the market; but I do not believe that if you find a teaspoonful here and a teapotful over yonder you ought to say to a great industry that needs 800,000 tons a year: "You have to rely on these doubtful sources of supply." Let us put on a reasonable protective duty and develop the industry rather than build a wall so high that we can not defend the rate before the people. This makes a rate of about 120 per cent, and I think there is no defense for it.

Mr. BURSUM. We must either give the miner a chance to live, or we had better not give him any duty. We can not expect miners to live on bread and water.

Mr. WILLIS. No, Mr. President; my friend and I can not get into any argument about that, because we believe in exactly the same theory. The fact is that the Senator is proposing to place a rate that is prohibitive; he wants it prohibitive; I think the better way would be to place a reasonable rate on it, to see whether it is true that the Geological Survey is mistaken, and that the reports of the scientific men are all wrong. I hope they are; I hope we will find mountains of manganese here; but

I think until we find them it is unwise to so legislate as to prohibit the importation of it. I yield the floor.

Mr. BURSUM. The Senator will admit that if we have not the supply of manganese in this country of necessity we will have to import the supply, the same as we are doing now. Even if that were true, as I see it, this would be no serious matter, nothing that would shut down the production of steel in this country.

Mr. WILLIS. I do not desire to be misunderstood or misquoted. I have not said or thought that this was going to shut down the production of steel in this country. I have never entertained such an idea.

Mr. BURSUM. The Senator has time and again said this duty was prohibitive. What did he mean by that?

Mr. WILLIS. I meant that it was prohibitive in that foreign manganese could not come in, and that we would have to have access to these little sources of supply in this country, where admittedly the ore can not, in my opinion, be economically mined.

Mr. BURSUM. If the statement of the Senator from Ohio is true——

Mr. WILLIS. It is true.

Mr. BURSUM. That this duty is prohibitory, that is an admission that we can produce the manganese in this country.

Mr. WILLIS. Certainly. I have said that. The Senator does not need to argue to prove that, because I have said that a number of times, if we want to rely upon these little pocket deposits.

Mr. BURSUM. The Senator makes the statement that this duty is prohibitory, and that would imply that the seven-tenths of 1 per cent which this would increase the cost of the finished product, or the manufactured steel, would be a prohibitory rate, because, after all, the question as to whether a duty is prohibitive or not depends entirely upon its effect upon the manufactured product. I suggest that prior to the war we produced no manganese. Certainly, on account of the impossibility of importing manganese from other countries, from those places were our industrial concerns had been in the habit of purchasing their supplies, it became vital to the country that manganese be produced in this country.

The miners all over this country were asked to go out and prospect and hunt for it, to locate the supplies of manganese, and develop the mines which might yield a production to the Nation in time of great necessity; and, surprising as it was, the miners of this country were able to supply all the requirements during the war. They scarcely developed the product to a point of economical production. Now, I contend it would be unjust to say to these miners, "You developed your property; you have done so at great expense, and now we do not need you. We can get our supplies from Brazil, or from China, or from some other country. We can bring those supplies in as ballast. We can deliver manganese here much cheaper than you can produce it. We are not going to give you protection which will permit you to operate."

I say that is manifestly unjust, that it is unfair, it is wrong to say to the miner, "You either compete with 60-cent laborers of China or the cheap labor of Brazil, or your property will be idle." I say that is unfair and not in harmony with the doctrine of protection to American labor and American industry.

I submit that one of our troubles in this country is high freight rates, and it has been contended, and I believe rightfully so, that one of the reasons why the rates can not be reduced is that there has not been a sufficient volume of tonnage. Develop the mining resources of this country, develop this manganese industry, and it will be a great factor toward giving the railroads a large tonnage of freight, which will be a contributing factor toward making possible lower freight rates. It is impossible for the railroads of the country to compete with tonnage that is brought over in ballast. It simply can not be done.

Mr. FRELINGHUYSEN. Mr. President, in the interest of accuracy, I want to introduce into the RECORD a letter which has been so often quoted in this debate, of Director of the Geological Survey Mr. George Otis Smith in reply to the statement of Charles W. Potts. I want that to go into the RECORD, and also the letter which was partially read by the Senator from Nevada [Mr. ODDIE], now occupying the chair, in which the Director of the Geological Survey admitted the deposits of manganese ore in the Montana district, which is perfectly true.

There is a large deposit of ore there—how extensive has never yet been determined. But I want to point out in the letter, which I ask to have printed in the RECORD, the statement of the director, in justice to him, in which he says:

Finally, to show the unintentional character of what now seems a misstatement, permit me to quote the concluding paragraph of my letter of October 7, also addressed to Dr. Page (see p. 2097 of hearings). In this letter, written only a day later than the submission of the other comments, I make a statement which in my opinion is absolutely correct and does not need the change of a single word.

I ask that this entire letter be printed in the RECORD, with the other letter from the director to which I have already called attention.

There being no objection, the letters referred to were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
UNITED STATES GEOLOGICAL SURVEY,
Washington, October 6, 1921.

Dr. THOMAS WALKER PAGE,
Chairman United States Tariff Commission.

DEAR DOCTOR PAGE: I have received your letter of September 30 with reference to the statements of Mr. C. W. Potts before the Committee on Finance of the United States Senate.

Mr. Potts's charges are of such a character and of such wide range that they demand rather detailed consideration. It has seemed best, therefore, to prepare rather full answers to each type of charge. I give below a summary of my reply. Considering the reception given to the charges by the Senate committee, I suggest that Mr. Potts be given an opportunity to retract the charges and, if possible, to reappear before the committee under circumstances that permit cross-examination. I need scarcely assure you that you are at liberty to use both this letter and the attached statement as you wish.

Mr. Potts's charges that the survey's estimates of manganese-ore reserves are based upon superficial examinations and obsolete reports and that the examinations were undertaken with pessimism are untrue. His further charges that the reports of reserves in the Butte district are not consistent with reports of production and that the World Atlas of Commercial Geology was based upon material available in 1913 are not only untrue but arise out of his very superficial examination of and careless reference to the publications. On the other hand, he has refused, for the present at least, to give the survey access to the data and methods by which his estimate of 10,000,000 tons of 42 per cent ore was reached. Further, by partial statements and by the incorrect use of data submitted to him, he has reached conclusions which are obviously unsound.

The foregoing discussion of the charges and claims of Mr. Potts should not becloud the fundamental question of the amount of manganese-bearing materials remaining unmined in the United States, for that is the information which Congress needs. It is out of the question for the survey at the present time to attempt an exhaustive reexamination of all or even most of the principal deposits. In considering the present situation I do not think this is necessary. The estimates, even of qualified individuals, concerning the domestic resources of a number of minerals seem bound to differ widely. The estimates of mineral reserves by conservative persons, particularly those conscious of responsibility, will always seem ridiculously low to persons of different temperament and to those seeking to promote selfish ends. After considering the estimates of our domestic manganese reserves made by the survey during 1917 and 1918, the statements of production that have been filed by the producers with the survey, and other sources of information published or furnished informally since that time, I give herewith the survey's present impression of domestic manganese-ore reserves. There is fair assurance of the existence in domestic deposits of about 1,800,000 tons of material containing more than 35 per cent manganese, which are sufficient to make about 75,000,000 tons of steel by present practices. If the large reserves of lower grade material be considered, making proper allowances for necessary adjustments in steel plants and processes, the combined reserves are probably sufficient to make about twice as much steel, or 150,000,000 tons.

Very truly yours,

GEO. OTIS SMITH, *Director.*

DEPARTMENT OF THE INTERIOR,
UNITED STATES GEOLOGICAL SURVEY, OFFICE OF THE DIRECTOR,
Washington, March 9, 1922.

Hon. PORTER J. MCCUMBER,
Chairman Finance Committee, United States Senate.

MY DEAR SENATOR: My attention has been called to a statement which appears on page 2100 of the Tariff Hearings, Schedule 3, being a quotation from certain comments made by me in a communication to the chairman of the Tariff Commission. These detailed comments were of the nature of a reply to certain charges made before your committee, and while intended to clarify the matter of the domestic reserves of manganese ore, contained, unfortunately, an inexplicable blunder which unintentionally does injustice to a well recognized large reserve of high-grade manganese ore at Butte. The statements now made by the Anaconda Copper Mining Co. and Mr. A. J. Seligman are not necessary to set this matter right in my mind, since the same figures of ore shipments for 1918 are already on record with the Geological Survey, being confidentially reported early in 1919 by the Anaconda Copper Mining Co.

There is no question but that there are large deposits of manganese carbonate ore in the Butte district, and the importance of these carbonate ores in the Emma mine at Butte was in fact recognized in 1917 at the time of the study of this district by Mr. Pardee, a geologist of this survey, but at that time no tonnage estimate was regarded as possible, although the high quality of these ores was stated in the survey report "Manganese at Butte, Mont.," published in April, 1918, and later in the same year the table of manganese ore reserves in the United States specifically states that the estimate of tonnage given "does not include large deposits of carbonate ore, 35 to 38 per cent of manganese."

The paragraph in the hearings to which attention has been called (bottom of page 2100 and top of page 2101) seems to be in error in its mention of concentration of low-grade oxide ore. The fact well known to Mr. Hewett and Mr. Pardee, and in fact to all of us who kept in touch with the subject during the search for manganese ores, is that large bodies of high-grade carbonate manganese ores exist in the Emma mine at Butte and were being mined in 1918. However, in showing up what seemed to me Mr. Potts's unfairness in handling the survey

reports, Mr. Hewett himself seems to have confused concentrated low-grade oxide ore with these shipments from the Emma mine. Unfortunately, Mr. Hewett is, now in the field in Nevada, but rather than wait for his explanation of what now appears to me a careless statement, due possibly to the fact that the detailed comment appearing on pages 2097 to 2100 was prepared by Mr. Hewett last October on the eve of his leaving the city on a field trip, I am now submitting this correction and if I hear anything to modify this explanation I will later inform you.

Finally, to show the unintentional character of what now seems a misstatement, permit me to quote the concluding paragraph of my letter of October 7, also addressed to Doctor Page (see page 2097 of hearings). In this letter, written only a day later than the submission of the other comments, I make a statement which in my opinion is absolutely correct and does not need the change of a single word. This brings out the essential fact that the large shipments from the Emma mine in 1918 and 1920 were of a wholly different character from the 2,800 tons of high-grade oxide ore estimated by the Geological Survey.

On the same page in an earlier paragraph Mr. Potts reiterates his reference to the 2,800 tons of high-grade ore in the Butte district, with which he compares a many times larger tonnage of ore shipped from the same district, not specifying, however, the kind of ore so shipped, the survey's distinction in its estimate between oxide and carbonate ores being either unnoticed by Mr. Potts, as he stated to Mr. Hewett, or disregarded by him in his very plain purpose to discredit the United States Geological Survey.

Yours very cordially,

GEORGE OTIS SMITH, *Director.*

Mr. FRELINGHUYSEN. Mr. President, the manganese ore was transferred to the free list only after a very thorough examination by the committee of all the available evidence. The committee reported on manganese as follows:

The transfer of manganese ore to the free list is a further illustration of this policy. Data as to domestic resources have been prepared by the Geological Survey and the Tariff Commission, and their evidence upholds the conclusion that domestic resources of manganese ore are insufficient in quantity to provide adequate supplies of this important metal for any considerable period.

The question in the minds of the committee was whether there was a sufficient supply available in this country for more than two or three years. There is extreme doubt, and the Geological Survey confidently claim that the present resources will not last over that length of time.

The record of manganese production during the war was this—and I read from the Tariff Commission, who made a thorough study of the situation and presented this summary of information:

Prior to the war we produced less than 1 per cent of our manganese requirements, the output rarely exceeding 4,000 tons of high-grade ore. In 1915 production of high-grade ore (metallic content 35 per cent or more) increased to nearly 10,000 tons; in 1916, to 31,000 tons; in 1917, to 129,000 tons; and in 1918, to approximately 305,869 tons. In 1919 it fell to less than 56,000 tons—

I may point out that at the period of the higher production of ferromanganese the metal content sold as high as $450 per ton, which, of course, encouraged the mines to produce. It paid for the expense of mining operations and for the development as well—

but in 1920 increased to about 94,000 tons. During the war the production of manganese ore was a profitable industry in many localities, but only because prices were from three to four times pre-war quotations. Foreign ores are of a better general grade and more easily mined, averaging from 45 to 55 per cent manganese, as compared with domestic "high grade" running from 35 to 45 per cent. Operating costs here are much higher than abroad, American mines being situated far from points of consumption, and often at considerable distances from railroads. Domestic resources have been carefully estimated and found to be insufficient to supply our requirements for more than a few years. Under normal trade conditions, with a free movement of ore from foreign countries, domestic manganese mining can not continue except on a limited scale.

The testimony before the committee showed that the duty of 1 cent per pound on the ore would cost the independent companies $8,000,000. If there is a prospect in this country of sufficient deposits of manganese ore, if it had been shown at the hearings and by the reports of the one recognized authority upon which we depended, the Geological Survey, that there would become available deposits of manganese, undoubtedly the committee would have protected it in order that there might be a sufficient duty to develop the industry and to mine the ore. But the committee did not believe that condition existed, and did not have such information. Of course, certain of the western mining associations believe that it exists. It may exist, but is it a wise policy with that remote possibility to place a burden of $8,000,000 upon the steel industry of the country? It might be worth it if we were assured of a continued supply for all time.

But upon whom does the burden rest? It is not upon the United States Steel Corporation, because they import their ore from Brazil. They have their own reduction furnaces and they can absorb the losses. But when the Taylor Iron & Steel Co., for instance, which makes ferrosteel, and when several other smaller steel corporations have to go out in the open market and pay the increased duty and be subject to the demands of the importer of ferromanganese metal, it means that those independent corporations have a heavier burden by reason of the fact that they have to go into the open market, and they have not the resources or have not the income to mark off their losses.

Whether it were wise or not I am not going to say, but the opinion of the committee was that there was not a sufficient supply of manganese ore in the country, and there is nothing to show it, and therefore the committee felt that it was unwise to take this product off the free list and put a duty upon it. That was the position of the committee.

Mr. WALSH of Montana. Mr. President, by section 315 of the bill it is provided as follows:

That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended whenever the President, upon investigation of the differences in conditions of competition in trade in the markets of the United States of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties fixed in this act do not equalize the said differences in conditions of competition in trade he shall, by such investigation, ascertain said differences and determine and proclaim the changes in classifications or forms of duty or increases or decreases in any rate of duty provided in this act shown by said ascertained differences in conditions of competition in trade necessary to equalize the same in the markets of the United States.

That is declared to be the policy and the principle of the bill, namely, to fix the duties upon articles produced alike in this country and in foreign countries at such a rate as will equalize the differences in competition.

In view of the attitude taken by Senators with reference to this particular item, as well as a few more, I think it will be necessary, Mr. President, to make a slight amendment of that provision, namely, to except from its operation those articles that enter into the competition of steel, and to provide that those shall not be subjected to this rule.

Mr. President, conceal it as anyone may, gloss it over as anyone may choose to do, there is one reason and one reason only why the committee took this item off the dutiable list and put it upon the free list, and that is because it would be a tax upon the manufactures of steel in this country. Candor and frankness would compel an admission to that effect.

The Senator from Ohio [Mr. WILLIS] asserts as the basis of his contention that ores containing manganese exist in such limited quantities in this country as that it will be impossible to develop the industry and thus supply in any considerable amount the demands of domestic consumption. The statement is made upon the floor here as though the question were not an open debated one before the committee which considered the bill. The Senator from New Jersey [Mr. FRELINGHUYSEN] now tells us, not really that the supplies do not exist but that the committee had no information upon which it could justify itself in believing that the supplies exist in this country. I shall call attention to the testimony with reference to that matter presently as it was given before the committee.

Now, the fact is not only that it is well established that the supplies are here but that the committee had information to that effect. So far as the supplies are concerned, Mr. President, and the possibility of the development of the manganese industry in this country to a point where it will measurably supply the demands of domestic consumption, I want to call attention to what the record shows.

Some figures were submitted by the distinguished Senator from New Jersey upon that matter. Let me show something about the development of the industry, the possibility of its expansion and extension first. In 1910 there was produced in this country of ore containing 35 per cent of manganese or more only 2,258 tons, and the amount did not increase until 1915 by reason of war demands in any substantial amount, the production of 35 per cent manganese for that year being only 9,613 tons. The war demand, however, increased the production so that in 1916 there were 31,474 tons produced. Bear in mind this is not the low-grade ore at all. It is ore containing 35 per cent or more of manganese, which is a high-grade ore.

In 1917, when we went into the war, the production of this ore increased to 129,405 tons; in 1918 to 305,869 tons; and thus it will be perceived that the quantity was continually increasing as the demand for it existed; but when the armistice was signed and the demand was shut off, the production fell in 1919 to 55,322 tons. In 1920 it rose to 94,420 tons, but in 1921 fell again to 13,000 tons.

We are advised, however, Mr. President, that the quantity of high-grade manganese ore in the country is inconsiderable, and the Senator from Ohio [Mr. WILLIS] tells us that the ore contains only a modicum of manganese. In addition to the supply

of high-grade manganese to which I have called attention there was produced in the United States during 1915, of ore containing from 10 to 35 per cent manganese, 185,000 tons; in 1916 there were 453,000 tons; in 1917, 730,000 tons; in 1918, 916,000 tons; and then the production dropped in the next year to 399,000 tons; in 1920, to 481,000 tons; and in 1921, to 72,000 tons.

But we can go beyond that and utilize ores by concentration very profitably that contain from 5 to 10 per cent of manganese and of these ores enormous quantities were produced in this country. I shall offer for the RECORD the table which I hold in my hand, which is based upon the reports of the Geological Survey and the Bureau of Mines. It will be interesting to note about what percentage of the domestic demand was thus supplied from the domestic sources which we are told are so lean and so rare as to be incapable of development. I trust I may have the attention of the Senator from New Jersey [Mr. FRELINGHUYSEN], because, perhaps, the figures which I am about to quote have not had his notice.

In 1910 we produced in this country only 1.8 per cent of all the manganese utilized in domestic industry; in 1915 our production jumped to 9.1 per cent; in 1916 to 13.2 per cent; in 1917 we were producing 27.2 per cent of the entire domestic consumption; in 1918 we produced almost one-half of all the manganese used in this country—46.6 per cent. Then in the same way the percentage dropped to 24.5 per cent in 1919; to 20.2 per cent in 1920; and to 6.1 per cent in 1921. These important and illuminating tables, Mr. President, I ask to be printed in the RECORD in connection with my remarks as a complete refutation of the contention that the American supply is not worthy of development and is incapable of supplying the domestic demand.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Without objection, it is so ordered.

The tables referred to are as follows:

PRODUCTION OF MANGANESE IN THE UNITED STATES COMPARED WITH IMPORTATION OF MANGANESE.

EXPLANATION.

[Charts omitted in the RECORD.]

Domestic ore produced: Shipping grades of domestic manganese used for steel making are roughly divided into two classes of ores, viz: (1) High grade, containing 35 per cent manganese or more. (2) Combined manganese and iron ores (of which this country has the largest known developed deposits in the world), in which the manganese content is from 5 per cent to 35 per cent and the balance of the metallic content is iron. In this chart all domestic manganese-bearing ore is reduced to terms of high-grade ore.

Imports of manganese ore and ferromanganese: In pre-war times about half of the manganese requirements for steel making was imported in the form of ore, the other half was imported in the crude alloy, ferromanganese. In this chart all importations of manganese are expressed in terms of high-grade ore.

Year.	Production of manganese ore in the United States.[1]	Imports of manganese ore and ferro-manganese into United States.[2]	Year.	Production of manganese ore in the United States.	Imports of manganese ore and ferro-manganese into United States.
	Long tons.	*Long tons.*		*Long tons.*	*Long tons.*
1910	10,510	527,918	1916	122,245	803,641
1911	9,974	377,510	1917	275,565	734,895
1912	9,837	548,504	1918	489,102	559,223
1913	14,350	665,265	1919	135,289	415,899
1914	20,968	490,787	1920	190,670	755,072
1915	45,804	458,936	1921	27,400	423,998

[1] Includes total tonnage containing 35 per cent + manganese and one-fifth tonnage 10–35 per cent grade.
[2] Includes total tonnage high-grade ore and two and one-half times the tonnage of ferromanganese.
NOTE.—This adjustment of medium grade ore to the high-grade basis and of ferromanganese to the ore basis is made necessary in order to accurately compare domestic production with imports.

In the pre-war period, when there were no protective regulations for manganese, there was relatively no domestic ore mined. Pauper labor in India, China, and Russia, and cheap labor in Brazil mined this ore. The steel makers depended on foreign supplies. There was no incentive for development of American deposits.

The partial embargoes imposed as a war measure resulted in the remarkable increase of production shown in above chart.

Less than 10 per cent of the known manganese deposits of the United States were in operation in 1918. Very few of the mines opened up had got to the shipping point, practically no mines had the equipment installed or even purchased to advantageously produce ore, and not 5 per cent of the mines had installed the necessary equipment for concentrating the ores or improving their grades.

About 500 mines were operating or getting started, 7,000 men were employed, $15,000,000 was invested under Government encouragement. America showed its ability to produce. The steel industry, which has developed under and by reason of protection, is the opponent of manganese protection. The great mass of the American people who know the facts concerning a tariff for manganese approve. Shall the people rule?

United States manganese production—1910–1921.[1]

[Long tons.]

Year	Ore containing 35 per cent of manganese or more.	Ore containing 10 to 35 per cent of manganese.	Ore containing 5 to 10 per cent of manganese.	Total.[2]
1910	2,258	41,260	19,841	63,359
1911	2,457	37,584	6,853	46,894
1912	1,664	40,863	10,654	53,181
1913	4,048	51,512	7,891	63,451
1914	2,635	91,666	6,599	100,900
1915	9,613	180,953	13,982	204,548
1916	31,474	453,853	89,447	574,774
1917	129,405	730,759	130,044	990,208
1918	305,869	916,163	252,615	1,474,647
1919	55,322	399,834	123,055	578,211
1920	94,420	481,249	285,165	[3] 860,834
1921	13,000	72,000	14,000	99,000

[1] U. S. Geological Survey Reports.
[2] Excludes ore containing less than 5 per cent manganese.
[3] Estimated by U. S. Geological Survey.

Percentage domestic production of manganese consumption in United States, 1910–1921.

[Long tons.]

	United States production[1] of manganese ore.	United States net imports[2] of manganese ore and ferro-manganese.	United States consumption[3] of manganese production plus imports.	Percentage production of manganese consumption.
1910	10,510	527,918	538,428	1.8
1911	9,974	377,510	387,484	2.6
1912	9,837	548,504	558,341	1.8
1913	14,350	665,265	679,615	2.1
1914	20,968	490,787	511,755	4.1
1915	45,804	458,936	504,740	9.1
1916	122,245	803,641	925,886	13.2
1917	275,565	734,895	1,010,460	27.2
1918	489,102	559,223	1,048,325	46.6
1919	135,289	415,899	551,188	24.5
1920	190,670	755,072	945,742	20.2
1921	27,400	423,998	451,398	6.1

[1] Includes total tonnage containing 35 per cent manganese and one-fifth tonnage 10 per cent–35 per cent grade.
[2] Includes total tonnage high-grade ore and two and one-half times the tonnage of ferromanganese.
[3] With exception of a small tonnage of imported spiegeleisen, this total represents the manganese consumption of the United States.
NOTE.—This adjustment of medium-grade ore to the high-grade basis and of ferromanganese to the ore basis is made necessary in order to accurately compare domestic production with imports.

Mr. FRELINGHUYSEN and Mr. SHORTRIDGE addressed the Chair.

Mr. WALSH of Montana. I yield first to the Senator from New Jersey.

Mr. FRELINGHUYSEN. Has the Senator from Montana any figures showing the percentage of the ferromanganese content of the ores which we produce?

Mr. WALSH of Montana. I have called attention to that. The ores are classified as ores containing more than 35 per cent, ores containing from 10 to 35 per cent, and ores containing from 5 to 10 per cent of manganese.

Mr. FRELINGHUYSEN. Is it not true that the line of demarcation between the ore which may be utilized for ferromanganese and which may be utilized for spiegeleisen, so called, is 40 per cent, and that below that it is penalized?

Mr. WALSH of Montana. I think not. I shall have something to say about that a little later on.

However, Mr. President, I wish first to take up the contention advanced here, based upon the report of the Tariff Commission, which is merely a reproduction of the statement made in the report of the Geological Survey, to the effect that the domestic supplies are limited and are not adequate to meet the demands for more than two years.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from California?

Mr. WALSH of Montana. I yield to the Senator from California.

Mr. SHORTRIDGE. The Senator from Montana has quoted some very important figures showing gradually a great increase in production of manganese and then a falling off. In aid of his thought, with which I fully agree so far as he has proceeded, I desire to suggest that the Senator at this point suggest why

there was a falling off in the production from our American mines.

Mr. WALSH of Montana. That is perfectly obvious.

Mr. SHORTRIDGE. I think so, but I should be glad to have the Senator from Montana state it.

Mr. WALSH of Montana. It was due as a matter of fact to two considerations: In the first place, during the war the steel industry was keyed up to its very limit. The manufacture of steel for war purposes and for purposes incident to war was stimulated in all countries which were engaged in that war, and, consequently, the demand was very great. I have not at hand the production of steel during the subsequent years, but I have no doubt there was a great falling off.

In the second place, as a matter of fact the industry was developed in this country during the war to a very large extent because we were unable to command the shipping necessary to bring the supplies here from foreign countries. As soon, however, as the armistice was declared, at least as soon as repatriation was completed, the ships were released and could then engage in the business of carrying supplies from foreign countries.

Mr. SHORTRIDGE. Is it not a fact that there is no evidence whatever that the falling off in the production of manganese in this country was due to any lack of minable ore?

Mr. WALSH of Montana. There was no evidence whatever that there was any exhaustion of domestic supplies, or that the mines were worked out or anything of that kind.

Mr. FRELINGHUYSEN. Mr. President——

Mr. WALSH of Montana. If the Senator will pardon me, I desire to say that the fact about the matter is that in my State, which, I may say, is far and away the leading producer of manganese, a large number of mines were opened up and were brought right to the productive stage when the armistice was signed and the crash came. Those supplies have never been touched, but, Mr. President, none of the mines that were opened up in my State have shown any indication whatever of exhaustion, a circumstance with reference to which I shall dwell at some length before I conclude. Now I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. I merely wish to point out that in the hearings before the Committee on Finance there appears this testimony from the president of the Republic Steel Co., one of the independents, which use this alloy:

> But it was not stated on the floor of the House why the miners of manganese in these States went out of business when the war ended. The reason was not because of free trade in manganese, but because there was no market for domestic lean and high-silicon manganese ores when the richer foreign products of Brazil, India, and Russia were again available.

Mr. WALSH of Montana. That is the statement of the president of a steel company?

Mr. FRELINGHUYSEN. Yes; that is the statement of the president of a steel company.

Mr. WALSH of Montana. I will furnish information about that before I get through.

I might say further with respect to the question addressed to me by the Senator from California that it is recognized upon all hands that the great difficulty in the situation is the matter of freight rates. The transcontinental freight charges so far exceed the cost of transportation by water from foreign sources that the matter of the relative difference in the cost of production at the mines is not so important.

Mr. President, touching the information given to the Senate so definitely by the Senator from Ohio [Mr. WILLIS], and concurred in by the Senator from New Jersey [Mr. FRELINGHUYSEN] so far as the committee is concerned, that the domestic supplies are not of sufficient extent to warrant the development of the industry, it was disclosed further in the course of the discussion by the Senator from Ohio that the information upon which the statement made by the Geological Survey was based was all derived prior to the year 1918. I have pointed out that prior to 1915 the production in this country, we might properly say, was inconsequential, being 1 or 2 per cent of the total requirements; but when the war broke out in Europe, and before our participation in it, the mines in the South, chiefly in Arkansas, began producing a little more generously and the quantity was increased. It was not, however, until we actually entered the war in 1917 and the submarine menace became so threatening and the necessity for ships to transport our men across the sea became so urgent as to make it difficult, if not impossible, to get the foreign supply here, that the Bureau of Mines and other departments of the Government urged the miners in the West to scan the hills and endeavor to locate deposits of manganese and prompted those who knew of deposits of that kind to their speedy development.

They responded patriotically; they responded generously; many of them put the last dollar they had in the world into the development of these properties; and then, as I have indicated, when shipping conditions became more normal and when the high and increasing freight rates confronted them they found themselves utterly unable to compete with the foreign supply, and their enterprises ended in dismal and disastrous failure.

Mr. FRELINGHUYSEN. Mr. President——

Mr. WALSH of Montana. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. Does the Senator believe that there is a sufficient quantity of manganese ore in this country to supply the demand of all the industries here?

Mr. WALSH of Montana. I have not the slightest doubt in the world about it, upon information which I have before me, which I shall give to the Senator.

Mr. FRELINGHUYSEN. I do not want to interrupt the Senator; I am very much interested in the Senator's statement, and I should like to know where it is located.

Mr. WALSH of Montana. I wish to emphasize the point to which I am referring by mentioning that in 1910 manganese was known to exist in less than a hundred districts in the United States. In 1918 Government publications reported it in 427 districts and in 1,181 deposits, and many deposits are now known that were not then examined. Manganese is now known to exist in 30 different States. Also the number of shippers increased from about a dozen in 1910 to 41 in 1915 and to 408 in 1918. In the five-year period, from 1910 to 1914, inclusive, the production of high-grade ore in the United States averaged only 2,612 tons, but in 1918 it was 305,869 tons, an increase of 117 times, equivalent to 1,170 per cent. None of this the Geological Survey had at its command. A part of the information upon which the statements of Senators are based is to the effect that there were then reserves in the Butte district of only 2,800 tons of manganese ore carrying more than 35 per cent.

I trust this item will have the attention of the Senator from New Jersey. The Geological Survey, in its schedule of the deposits of manganese ores in this country, as it had information concerning them, credited the Butte district with reserves to the extent of 2,800 tons of ore containing 35 per cent or more of manganese. Since that time there have actually been shipped out of the Butte district 166,650 tons of ore of a grade higher than 35 per cent.

I have before me a general review of this subject, and I want to read it:

> In spite of all the increase of production, the increased number of known deposits, the published reports of metallurgists concerning the desirability of the domestic ores, the favorable reports of the field geologists of the survey, the favorable reports of State geologists and other geologists and mining engineers of standing, the signed and, in many instances, the sworn statements of the owners of manganese properties, the Geological Survey, in its bulletin, "Manganese and Manganiferous Ores in 1919," published April 6, 1921, says the domestic manganese reserves will last only two years.
>
> It is claimed by the producers that the report has not dealt fairly with the subject of domestic sources of manganese, and that any fair consideration must take into account all sources of domestic manganese and all metallurgical practices of steel making. A general statement concerning the sources of manganese is desirable in the consideration of domestic reserves.
>
> Manganese is a metal; its ores occur in some 112 named minerals; it never occurs in a "free" or metallic form in nature, but always chemically combined with other elements, principally with oxygen, as in the oxides, or with carbon dioxide as carbonates. These oxides or carbonates are frequently associated with the ores of other metals, as iron, zinc, or silver.

Now, we take these three classes—first, the high-grade ores; second, the low-grade ores; and, third, the associated manganese ores:

> I. High-grade ores: (1) High-grade oxide ores, 35 per cent or better, actual and in prospect.—Of the oxide manganese ores there are half a dozen of commercial importance; they are usually black, grey, or brown in color, and contain 40 to 55 per cent manganese.
>
> (2) High-grade carbonate ores, 35 per cent or better, actual and in prospect.—Of the carbonate ores one—rhodochrosite—is of commercial importance; this is a pink one and usually contains 37 to 42 per cent manganese.
>
> II. Low-grade ores: (3) Lower grade oxide ores, less than 35 per cent manganese content in the crude form, where the ores are mixed with sand, clay, silica (rock), etc., but which are amenable to concentration by washing, screening, jigging, magnetic processes, or other means.—This classification comprises both oxides and carbonates disseminated through sand or clay or rock in so small a proportion that the percentage of contained manganese is too low in the crude state to be suitable for smelting, but is capable of cheap concentration to high-grade ore by mechanical or other physical processes. Material containing manganese of less than commercial grade that no means is now known for concentration is not considered ore.

Apparently this was the kind of ore which the Senator from Ohio [Mr. WILLIS] had in mind when he discussed this subject; but that is a matter of no very great consequence to us in the West, because the process of concentration is applied to ores of all classes, and may be applied to manganese ores as well as

to copper ores and others. That process is the elimination of the material of no value or of little value, and the preservation only of that which is useful.

III. Associated manganese ores: These ores may be either oxides or carbonates, but generally they are oxides and are usually associated with iron, silver, zinc, or other metalliferous minerals. Those manganese ores associated with iron ore are known as ferruginous manganese ore (lower grade carbonate ores which in the crude form contain less than 35 per cent manganese, but which can be recovered as a by-product in the concentration of other ores) or manganiferous iron ores (ferruginous manganese ores, Mn. 10 per cent to 35 per cent); those with silver, as manganiferous silver ores; and those with zinc, after passing off in the slag from the zinc smelters, are known as manganiferous zinc residuum.

Bear in mind, Mr. President, that these low-grade ores have actually been used after they have been properly concentrated.

Associated manganese ores of both oxides and carbonates, particularly the former, in combination with various metals as:
Ferruginous manganese ores (Mn. 10 per cent to 35 per cent).
Manganiferous iron ore (Mn. 3 per cent to 10 per cent).
Manganiferous silver ores.
Manganiferous lead ores.
Manganiferous zinc ores.
When the Geological Survey says that there are manganese ore reserves in this country to last the steel industry only two years they only take into account the first classification of ore and only one-tenth of that, according to the latest information.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Montana yield to the Senator from Minnesota?

Mr. WALSH of Montana. I yield to the Senator.

Mr. KELLOGG. Is it not a fact that something like 860,000 tons of manganiferous iron ore was produced from the Cuyuna Range of Minnesota during the war?

Mr. WALSH of Montana. The production of the Cuyuna Range—which, as I understand, is manganiferous iron—is very high. I was going to submit the figures from that source.

Uses of manganese: Ninety-five per cent of the manganese consumed in this country is used for making common steel.

Mr. President, I may be pardoned for interjecting here that that is the reason why this is on the free list.

It is not a constituent of the steel but of the raw products that go into steel making. Though 15 pounds of metallic manganese in common practice is added to a long ton of steel, there is approximately no more manganese in the finished product than there was in the combined pig iron and scrap that was charged into the furnace. The additional charge goes off in the slag.

Manganese is called a scavenger or a purifier. Its actual purpose is (1) as a deoxidizer, (2) a desulphurizer, (3) a recarburizer, (4) and to improve the physical structure. No steel is made without manganese; there is no known substitute that fulfills all its functions.

This is the answer to the question addressed to me by the Senator from New Jersey:

FORM IN WHICH MANGANESE IS USED IN MAKING COMMON STEEL.

Manganese is introduced into the making of common steel through different ways—(1) as ferromanganese (a crude alloy containing essentially 80 per cent manganese, 14 per cent iron, and 6 per cent carbon), (2) as spiegeleisen (a crude alloy containing 20 per cent manganese, 75 per cent iron, and 5 per cent carbon).

I might say that the Anaconda Copper Mining Co. has a ferromanganese plant at Great Falls, Mont., and during the war was actively engaged in the production of ferromanganese from the Butte and Phillipsburg mines.

Mr. FRELINGHUYSEN. Mr. President, does the Senator contend that the manganiferous ores in Minnesota are of high enough manganese content to be utilized for ferromanganese?

Mr. WALSH of Montana. Mr. President, I am not so familiar with the Minnesota supply, naturally, and so I am not able to answer the question of the Senator. I assert, however, without any possibility of contradiction, that the Montana ores are peculiarly adapted to the production of ferromanganese.

Third. As high manganese pig iron containing 2 per cent to 6 per cent manganese instead of approximately 1 per cent or less manganese, usual manganese content of pig iron.

Fourth. Silico manganese and silicon spiegel, two alloys of manganese iron and silica that have promising future demands.

Note: Alloys containing less manganese than 80 per cent (standard ferromanganese) or more than 20 per cent (standard spiegeleisen) can be used with equal effectiveness if of uniform grade and free from other deleterious substances.

Equally good steel is made in the utilization of all the crude manganese alloys and also by the high manganese pig-iron method. Advocates of all practices have most ardent exponents.

MAKING THE ALLOYS; HIGH MANGANESE PIG IRON.

Ferromanganese, "spiegel," and high manganese pig iron are all commonly made in a blast furnace. There is a smelting loss of manganese content in volatilization, dust, and slag, varying from 20 to 40 per cent, depending upon the grade of ore and the efficiency of the operation. The common deleterious element in the manganese alloys for steel making is phosphorus. Domestic ores are not generally high in phosphorus. High silica content of ore increases the slag volume, and necessarily the smelting cost, but the product may be of the highest quality. The ratio of iron content to manganese can not be greater than 1 to 10 for the production of 80 per cent ferromanganese, but where higher, lower manganese content of ferro is produced the product is also desirable for steel making. Silica (commonly rock) should be eliminated by concentrating; (this is a mine operation, and under stabilized condition of the manganese mining industry will be accomplished by the mining companies, so that a high-grade ore only will be delivered to the furnaces); higher content iron ores than the prescribed ratio for ferromanganese are used for (1) lower ratio ferromanganese, (2) spiegeleisen, and (3) high manganese pig iron.

I believe I ought to say here to the Senator from New Jersey in answer to his inquiry that I think it quite likely that inasmuch as spiegeleisen contains a high percentage of iron and a relatively low content of manganese, probably the Minnesota ores are more particularly adapted to the production of spiegeleisen than of ferromanganese; but spiegeleisen has its use in the production of steel just exactly the same as ferromanganese has its use, so that that is a matter of no particular consequence. Of course, so far as the Montana ores are concerned they have a very low iron content, and accordingly are more adapted to the production of ferromanganese.

A low-grade manganese ore, if concentrated, will make a high-grade alloy, just as low-grade copper ore can be recovered and smelted into high-grade copper. In both cases it is a question of concentration and recovery.

I dare say that the Senator from Ohio is not familiar with the process of concentration, by which low-grade ores come to produce a product containing a very high percentage of the particular metal which is desired.

Many hundreds of thousands of tons of American manganese ores were utilized during the war with no deterioration in the grade of steel produced thereby.

That is a sufficient answer to the contention which has been made that the domestic ores do not meet the requirements as well as the foreign ores. No contention of that kind was made during the war, when 46 per cent of all the manganese used came from domestic sources:

Of the 305,869 tons of high-grade ore produced in 1918 Montana produced 199,932 tons, of which 129,865 tons were oxide ores and 70,067 tons carbonate ores. About 100 manganese deposits are known in the State of Montana. Property owners and operators claim millions of tons of high-grade carbonate ores, high-grade oxide ores, and also large deposits of manganiferous iron ore.

The United States Geological Survey in its last bulletin dealing with the reserves, "Manganese and Manganiferous Ores in 1919," pages 94 and 95, gives the following for the reserves of manganese in Montana:

BUTTE DISTRICT.[1]

Manganese 35 per cent.			Manganese 5 to 35 per cent, largely more than 20 per cent silica less than 30 per cent iron.			Manganese 5 to 35 per cent largely more than 30 per cent iron and less than 20 per cent silica.		
Number of deposits.	Reserves (tons).	Additional reserve in prospect.	Number of deposits.	Reserves (tons).	Additional reserve in prospect.	Number of deposits.	Reserves (tons).	Additional reserve in prospect.
2	2,800	.....	60	400,000	.....	.....	.....	.....

PHILIPSBURG DISTRICT.[2]

25	130,000	350,000	19	56,000	230,000	.....	.....	.....

OTHER DISTRICTS.[3]

1	100	.....	2	700	.....	1	1,800	.....

[1] Authority: J. T. Pardee. Number of deposits examined 1916–17: 62. Work concluded: August, 1917. Number of deposits examined less than 50 tons: * * * Remarks: All recorded deposits of oxide ores examined; estimate does not include large deposits of carbonate ore, 35 to 38 per cent of manganese.

[2] Authority: J. T. Pardee. Number of deposits examined 1916–1918: 25. Work concluded: October, 1918. Number of deposits examined less than 50 tons: * * * Remarks: * * *

[3] Authority: J. T. Pardee. Number of deposits examined 1916–17: 4. Work concluded: 1917. Number of deposits examined less than 50 tons: 1. Remarks: Madison County.

That shows of high-grade ores, as I have heretofore advised the Senate, only 2,800 tons, when, as a matter of fact, 166,650 tons have since been shipped. It shows only 400,000 tons of ores from 5 to 35 per cent containing more than 20 per cent of silica and less than 30 per cent of iron, and none whatever from 5 to 35 per cent containing more than 30 per cent of iron and less than 20 per cent of silica.

Mr. FRELINGHUYSEN. Mr. President, will the Senator tell me who made this survey, who compiled this information? It is very interesting.

Mr. WALSH of Montana. From what source I get this?

Mr. FRELINGHUYSEN. Yes.

Mr. WALSH of Montana. I get it from the American Mining Congress, but the figures are the figures of the Geological Survey.

Mr. FRELINGHUYSEN. Has the Senator any information as to the reserves? Has any estimate been made of them?

Mr. WALSH of Montana. Yes; I am going to furnish that to the Senator.

In view of the statement made by the Senator from New Jersey to the effect that the committee was compelled to take the action it did because it did not have these facts before it, of course that is no reason why the Senate, now being fully advised about the matter, should follow the committee. But the fact about the matter is that these facts were all canvassed and discussed before the Finance Committee, as will appear from the following colloquy. Mr. Potts, who collaborated in the preparation of the information which I am now giving the Senate, testifying upon the subject before the Senate committee, was interrogated as follows:

Senator McLEAN. Are these reports equally accurate in respect of oil reserves?

Mr. POTTS. I could not tell you that, Senator.

Senator CURTIS. From what I hear, I think they are.

The CHAIRMAN. I have a theory that 60 or 70 per cent of the Government publications are worthless.

Senator SMOOT. We were told 12 years ago that there was only coal enough in the United States to last 28 years.

The CHAIRMAN. I know that large numbers of these pamphlets are returned to me with letters of indignation by constituents in Pennsylvania.

The fact about the matter is that—the controversy thus waging before the Finance Committee—the matter was called to the attention of the director of the survey, who sent the following letter to the committee:

In calling attention to the small estimate of high-grade manganese ore in the Butte district, 2,800 tons (p. 1690), Mr. Potts quotes from a letter of Albert J. Seligman to the effect that 71,000 tons of manganese ore were produced by his company in 1918 and 63,000 tons in 1920. Mr. Potts admitted in conference with Mr. Hewitt that he was ignorant of the fact that these quantities represent not high-grade manganese ore but low-grade oxide ore which had to be milled to yield a shipping concentrate. This material was part of the estimated 400,000 tons of low-grade material as figured by Mr. Pardee and which appears in the table of reserves.

The director also said, in the hearing before the Finance Committee, page 2007:

Considering the reception given the charges by the Senate Committee, I suggest that Mr. Potts be given an opportunity to retract that charge.

It was apparently the Director of the Survey and not Mr. Potts who was in error concerning the character of the ore shipped by the Butte Copper & Zinc Co., to which reference has been made:

The affidavit of Albert J. Seligman, president of the Butte Copper & Zinc Co., the shipper of the ore, fully impeaches the statement of the Director of the Survey where he says Mr. Potts's "charges arise out of very superficial examination of and careless reference to publications."

The affidavit of Mr. Seligman shows that no low-grade ore was shipped by his company at all, and that every ton that was shipped was of the high-grade, carbonate ore.

I read from the affidavit of Mr. Seligman, to which reference was made. I may say here that I have had the pleasure of very intimate acquaintance with Mr. Seligman for 30 years, and any statement he makes I would accept without serious question, only bearing in mind always that these statements are made by gentlemen who are interested in securing the high rates for which they ask. I read:

Albert J. Seligman, of 61 Broadway, New York City, being first duly sworn, deposes and says: That he is the president of the Butte Copper & Zinc Co., and is the author of a letter referred to in the last paragraph of page 2100 of the hearings before the Committee on Finance on the proposed tariff of 1921, Schedule No. 3.

He further avers that he read the statement of Mr. Hewett to the effect that shipments of manganese ore from the Butte Copper & Zinc Co.'s property in 1918 and 1920 were not high-grade ore but low-grade oxide ore which have been milled and concentrated. The affiant avers that this statement recited by Mr. Hewett is absolutely and unequivocably untrue. The exact tonnage of ore shipped by the Butte Copper & Zinc Co. was as follows:

	Tons.
1918	70,067
1919	320
1920	64,131

Not one ton of ore was concentrated. Every ton shipped was high-grade manganese carbonate ore.

The letter to which reference is made in this affidavit is as follows:

WASHINGTON, D. C., *March 9, 1922.*

Mr. GEORGE OTIS SMITH,
Director United States Geological Survey,
Washington, D. C.

DEAR SIR: A great injustice has been inadvertently done in the statements made in paragraph 3, page 2100, of the tariff hearings, schedule 3, metals and manufactures of, in reference to the shipments of manganese carbonate ores from the Butte Copper & Zinc Co.'s mines, during the years 1918 and 1920, and I am sure you will be glad to make correction of this evident error.

As I am president of the company and can vouch for all of the facts, I beg to state that all of the ore shipped was a high-grade manganese carbonate called rhodochrosite, and that not a pound of the ore was concentrated, it having been shipped in the raw state to practically all the large ferromanganese manufacturers of the Middle West and East.

All the above ore was high-grade ore shipped from a deposit which your department had credited with containing only 2,800 tons of high-grade ore.

Will you not kindly send a letter to the Finance Committee correcting this statement, and inasmuch as the matter is to be decided within a day or so, I would ask you to kindly give it your immediate attention.

Yours very truly,

BUTTE COPPER & ZINC CO.,
ALBERT J. SELIGMAN.

The letter of the director of the survey with reference to the matter was referred to, and I ask that it be printed in the RECORD as a part of my remarks, without taking the time of the Senate to read it.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
UNITED STATES GEOLOGICAL SURVEY,
OFFICE OF THE DIRECTOR,
Washington, March 19, 1922.

Hon. PORTER J. MCCUMBER,
Chairman Finance Committee, United States Senate.

MY DEAR SENATOR: My attention has been called to a statement which appears on page 2100 of the tariff hearings, Schedule 3, being a quotation from certain comments made by me in a communication to the chairman of the Tariff Commission. These detailed comments were of the nature of a reply to certain charges made before your committee, and while intended to clarify the matter of the domestic reserves of manganese ore, contained, unfortunately, an inexplicable blunder, which unintentionally does injustice to a well-recognized large reserve of high-grade manganese ore at Butte. The statements now made by the Anaconda Copper Mining Co. and Mr. A. J. Seligman are not necessary to set this matter right in my mind, since the same figures of ore shipments for 1918 are already on record with the Geological Survey, being confidentially reported early in 1919 by the Anaconda Copper Mining Co.

There is no question but that there are large deposits of manganese carbonate ore in the Butte district, and the importance of those carbonate ores in the Emma mine at Butte was, in fact, recognized in 1917 at the time of the study of this district by Mr. Pardee, a geologist of this survey; but at that time no tonnage estimate was regarded as possible, although the high quality of these ores was stated in the survey's report, "Manganese at Butte, Mont.," published in April, 1918; and later in the same year the table of manganese ore reserves in the United States specifically states that the estimate of the tonnage given "does not include large deposits of carbonate ore 35 to 38 per cent of manganese."

The paragraph in the hearings to which attention has been called (bottom of page 2100 and top of page 2101) seems to be in error in its mention of concentration of low-grade oxide ore. The fact well known to Mr. Hewett and Mr. Pardee and, in fact, to all of us who kept in touch with the subject during the search for manganese ores is that large bodies of high-grade carbonate manganese ore exist in the Emma mine at Butte and were being mined in 1918. However, in showing up what seemed to me Mr. Potts's unfairness in handling the survey's reports, Mr. Hewett himself seems to have confused concentrated low-grade oxide ore with these shipments from the Emma mine. Unfortunately, Mr. Hewett is now in the field in Nevada, but rather than wait for his explanation of what now appears to me a careless statement, due possibly to the fact that the detailed comment appearing on pages 2097 to 2100 was prepared by Mr. Hewett last October on the eve of his leaving the city on a field trip, I am now submitting this correction and if I hear anything to modify this explanation I will later inform you.

Finally, to show the unintentional character of what now seems a misstatement permit me to quote the concluding paragraph of my letter of October 7, also addressed to Doctor Page (see p. 2097 of hearings). In this letter, written only a day later than the submission of the other comment, I made a statement which in my opinion is absolutely correct and does not need the change of a single word. This brings out the essential fact that the large shipments from the Emma mine in 1919 and 1920 were of a wholly different character from the 2,800 tons of high-grade oxide estimated by the Geological Survey.

On the same page in an earlier paragraph Mr. Potts reiterates his reference to the 2,800 tons of high-grade ore in the Butte district, with which he compares a many times larger tonnage of ore shipped from the same district, not specifying, however, the kind of ore so shipped, the survey's distinction in its estimates between oxide and carbonate ores being either unnoticed by Mr. Potts, as he stated to Mr. Hewett, or disregarded by him in his very plain purpose to discredit the United States Geological Survey.

Yours very truly,

GEORGE OTIS SMITH.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Kentucky?

Mr. WALSH of Montana. I yield.

Mr. STANLEY. I see a statement on page 1641 of the hearings, by Mr. Dette, representing Crocker Bros. He said:

Even under the stimulus of war necessity and high prices domestic production furnished only a small part of our total needs, and that only by a sacrifice in quality of the smelted product.

Senator LA FOLLETTE. What is the total consumption?

Mr. DETTE. About 300,000 tons, I should say, normally.

It is safe to say that the steel trade must depend for all time on foreign ores or foreign ferromanganese for at least 90 per cent of its requirements. The proposed duty of 1 cent per pound content, or about $11.20 per long ton on average ores, would be merely a subsidy to one or two ore producers. We recommend that manganese ores be taxed not more than $1 per ton for ores containing 45 per cent manganese and over.

Does the Senator agree in that statement, as to the relative amount of ores necessary to import, considering the quality of

the ore? I have not heard all of the argument but I think that is very vital if true.

Mr. WALSH of Montana. Will the Senator call my attention again to the essential feature of that?

Mr. STANLEY. He states, in the first place, that of the 300,000 tons normal production 90 per cent must come from foreign importations, and that, in the second place, the quality of the domestic ore is not comparable to that of the imported ore; that we must import the foreign ore to mix with the domestic ore in any event. The vital thing is that we only produce, Mr. Dette claims, one-tenth of our total consumption of this product.

Mr. WALSH of Montana. My attention was directed to that, and I supposed I had covered it.

Mr. STANLEY. I do not want the Senator to repeat what he has already said.

Mr. WALSH of Montana. The Senator should bear in mind that this is a party who is producing ferromanganese. He says:

It is safe to say that the steel trade must depend for all time on foreign ores or foreign ferromanganese for 90 per cent of its articles.

I showed that during the war the domestic supply was actually furnishing 46.6 per cent of the total consumption, and that there is not the slightest indication anywhere of the exhaustion of any of the mines from which these supplies were drawn, and many mines have been opened up that have never been brought to the producing stage, because of the subsequent dropping of the price. He continues:

The proposed duty of 1 cent per pound content, or about $11.20 per long ton on average ores, would be merely a subsidy to one or two ore producers.

I have called attention to the fact that the number of shippers actually shipping in 1918 was 408, and the statement to which the Senator has invited my attention is to the effect that this would mean a subsidy to one or two ore producers.

Mr. STANLEY. I would like to call attention to a subsequent statement, as given on page 1641:

The domestic supplies are limited, inferior in quality, and far from consuming points.

Mr. WALSH of Montana. So far as the supply is concerned I have been devoting my attention to that, but I am going now to address myself particularly to the Montana supplies, and then to the Minnesota supplies, which are the two known sources of great supply. That is the kind of testimony, apparently, upon which the committee was acting.

Mr. STANLEY. Is it the Senator's contention that we can produce approximately at the same cost that is paid for imported ores; that is, with a reasonable difference for a reasonable import duty, enough to supply the needs of the iron industry in this country?

Mr. WALSH of Montana. I have no doubt we could supply the iron industry entirely in this country. Just exactly what duty would be necessary to make it worth while developing these properties I have not undertaken to figure out.

Touching the Montana supplies, the following is a summary of the situation so far as Montana is concerned:

MANGANESE IN MONTANA.

Montana was not regarded as a manganese producing State until the war demand for this mineral and the cutting off of importation of manganese from foreign countries made possible the development of the deposits within the State. In 1918–19 Montana supplied nearly two-thirds of the total domestic production of manganese ore.

One of the surprises of the war period was the large production of manganese ore in Montana. In 1917 the production in the Philipsburg district so greatly increased that Montana jumped far ahead of the other States producing manganese ore. Apparently because the carbonate of manganese was new to the ore trade, the bodies of rhodochrosite at Butte, which are among the largest and most valuable sources of manganese in the country, were overlooked for several months after the mining of the oxide ores had begun. In 1918 a further increase in output was made at Philipsburg, and Butte, having begun the mining of its rhodochrosite bodies, became, next to Philipsburg, the most productive district in the United States. Although manganese minerals are known in several other mining districts in Montana, only a small production has so far been made elsewhere than at Butte and Philipsburg. Montana supplied during 1917 and 1918 nearly two-thirds of the total domestic production of manganese ore and nearly one-sixth of the amount of the domestic production and imports. Most of this product was smelted to ferromanganese for use in making steel. At the rate of 3 tons of ore to 1 ton of alloy * * * Montana would have yielded an amount sufficient to manufacture 15,000,000 tons of steel. In 1919 Montana produced nearly half of the total output in the United States. (J. E. Pardee, Bulletin 725–C, U. S. Geological Survey, 1921.)

In all of their earlier reports the United States Geological Survey have completely ignored Montana's manganese reserves, and even in their latest report, above referred to, they credit the Butte district with having a reserve tonnage of only 2,800 tons, notwithstanding the fact that this district has shipped since 1918 166,650 tons of ore containing 35 per cent or more of manganese.

The two properties in Montana that have shipped the largest amount of ores are the Emma mine, owned by the Butte Copper & Zinc Co., and the Algonquin mine, owned by the Philipsburg Mining Co.

The last-named company owns—

Sixty mining claims, on 17 of which manganese was found on the surface; it is the only company in the Philipsburg district that has done extensive development work. They have expended $600,000 in developing the property. Their latest estimate to the Internal-Revenue Bureau was 1,000,000 tons of ore, averaging 35 per cent or better of oxidized manganese. This estimate was made on a probable depth of manganese of that character of 400 feet. Since then one of the shafts has reached a depth of 570 feet, with ore of as high grade as any heretofore found. A reasonable tonnage estimate would be 2,000,000 tons of oxidized ore. The carbonate ores (rhodochrosite) no doubt extend to great depths and probably contain an equal or greater tonnage. (Statement of J. E. Meyer, president Philipsburg Mining Co., Apr. 18, 1922.)

The Butte Copper & Zinc Co.'s properties at Butte are large producers of rhodochrosite (pink manganese). At the request of the Government in 1918 this company concentrated all its efforts toward the rapid extraction of manganese, of which it had very large quantities developed. They produced and shipped over 71,000 tons of manganese in 1918. Their ore is a carbonate, rich in manganese, low in silica, and adapts itself readily to treatment at a low cost. The ore runs about 38 per cent manganese, 7 per cent silica.

It is very difficult to give accurate estimates of the manganese ore deposits. We have in our property many hundreds of thousands of tons of ore developed and probable, and throughout the district the condition prevails that at depth the manganese deposits are wider and richer. The history of the Butte districts is one of continuous development to great depth, and it is fair to assume that in our manganese properties the same conditions will prevail. (A. J. Seligman, president Butte Copper & Zinc Co., Feb. 14, 1921.)

In their sworn statement this company states that they have a proved tonnage of 200,000 tons of 37 per cent ore, with a possible tonnage of this grade of 880,000 tons.

The William A. Clark properties in the Butte district have large showings of manganese. In the Ancient Mine manganese ore occurs to a depth of more than 500 feet, and from 30 to 40 feet in width. This ore averages 48 per cent manganese, in the form of rhodochrosite.

It is difficult to estimate the ore in sight in the Travona property. It would amount to several hundred thousand tons. It is fair to assume that it will extend in depth at least 500 feet additional, and perhaps more. There is one claim belonging to me that lies east of the Ancient claim which evidently contains this same body of ore. (Letter from William A. Clark, former United States Senator, July 16, 1919.)

Bodies of manganese ore and of manganiferous material that may be capable of beneficiation are found in several of the mining districts. Their distribution coincides in general with that of the ores of silver, lead, zinc, but small amounts of manganese and manganiferous ores are found in some areas that have not produced the other metals. (P. 145, United States Geological Survey Bulletin 725–C.)

BUTTE DISTRICT.

Since the report in 1918—

mining developments have shown that some of the mines contain bodies of manganese ore that are formed on the same grand scale as the other ore deposits of this famous district. These deposits consist of rhodochrosite, the carbonate of manganese, a mineral that until late in 1917 was entirely overlooked as a source of the metal. (P. 174 U. S. G. S. Bul., 725–C.)

During 1918, the value of rhodochrosite having been demonstrated, the production of manganese ore at Butte rapidly increased. In fact, in that year the output of this district was about three times as great as that of California, next to Montana the most productive State, and nearly seven times as great as that of Virginia, formerly the principal manganese-producing State in the country. (P. 175 U. S. G. S. Bul., 725–C.)

The reserve of high-grade oxide ore was probably depleted more or less during 1918, but only a small part of the low-grade material has been removed. The quantity of rhodochrosite ore reported as actually developed early in November, 1918, was more than 125,000 tons. To this reserve should be added an unknown and presumably very large amount in prospect. In addition the lodes contain an almost unlimited quantity of low-grade material consisting of the carbonate and silicate of manganese, and quartz * * *. This constitutes a reserve from which the country's needs might be largely supplied. With improvement in the methods of reduction much of it might even become valuable under ordinary conditions. * * * The Butte manganese deposits possess the advantage of being large and economically mined. Most of them can be developed and the ore removed without additions to the workings needed to exploit the ores of the other metals. With abundant facilities available for concentrating the ore and making ferroalloys the operators are in a position to take advantage of any favorable market without delay. Although Butte is rather far from the principal steel-manufacturing centers of the country, it will therefore probably be profitable to mine manganese in this district for some time to come or until trade conditions revert to what they were before the war. (P. 176 U. S. G. S. Bul., 725–C.)

The manganiferous deposits of Butte are parts of the quartz lodes that have been mined chiefly for zinc and silver. Manganese minerals are widely distributed, both horizontally and vertically, but are comparatively scarce in the copper district. As a rule, this mineral—rhodochrosite—forms a very considerable part of the vein matter, and is generally mixed with

quartz, sulphide, and so forth. In places, however, rhodochrosite forms large, practically unmixed bodies similar to the shoots of zinc and silver ores. The total vertical range of the rhodochrosite bodies is at least 2,000 feet.

* * * Oxidized material that carries from 12 per cent to 35 per cent of manganese forms a large part of the lodes. * * * Most of the manganiferous deposits carry noteworthy amounts of silver, lead, or zinc, and several are fairly rich in iron. (Pp. 176, 177, Bul. 725–C, U. S. G. S.)

In 1918 the Anaconda Copper Co. built at Great Falls, Mont., an electric smelter capable of making 90 tons of ferromanganese a day and designed to utilize chiefly the rhodochrosite ore from Butte. This plant was completed in time to run only a short period before the sudden decline in the market, and the smelter has since been closed and the mining of this ore in Montana practically suspended. The Anaconda Copper Co. has suffered an enormous loss in this venture, which loss it will not be able to recover unless it is possible for them to utilize their manganese ore. This, in addition to the slump in the copper market, has caused this company that employs thousands of men to suffer severe financial loss.

Bulletin 725–C of the United States Geological Survey describes 22 deposits in Montana, and says:

The deposits described are typical and illustrative of the Philipsburg district. Several mines not described for lack of sufficient detailed information are equally worthy. Several claims from which no shipments have been made contain promising outcrops and prospective reserves of considerable size. (P. 157.)

The deposits described are known as:

Algonquin, Coyle mine, Climax mine, Trout mine, Gem mine, Pocahontas, Little Gem mine, West Algonquin, Bernard, Horton, Headlight, N. G. Group, Wenger No. 2, Sharktown, Bryant mine, Cliff mine, White Horse, Scratch Awl, True Fissure, Saunders, Marie, Redemption.

Forty-seven individuals and corporations claim a loss totaling $453,533.83 in developing manganese properties during the war, according to the records of the War Minerals Relief Commission. The total investment in these properties will be a complete loss unless a protective tariff is given which will permit the resumption of production.

Montana mining men have an investment of more than $2,000,000 in the manganese industry of the State, all of which is in jeopardy unless they are permitted to operate their properties, which is impossible in competition with foreign manganese and without a compensatory tariff.

Bulletin 725–C of the survey, which is quoted extensively in this report, discusses only generally the properties in the Butte district, the most important of which are the properties of the Butte Copper & Zinc Co. and the William A. Clark properties, upon which we have reports from the companies themselves.

Mr. President, I will undertake to say that no one can read the record and have any doubt about the adequacy of the supplies in our country. There is little excuse for the contention that this particular commodity should be excepted from the operation of the general principle which it is declared has governed in the preparation of the bill.

Mr. FRELINGHUYSEN. Mr. President, may I ask the Senator a question?

Mr. WALSH of Montana. Certainly.

Mr. FRELINGHUYSEN. I have been very much interested in the Senator's statement about the quantity of manganese ore in the Montana district, but I have not yet had a reply to my question as to an estimate of the total reserve in those districts. The Senator has read several statements of estimates of the different mine owners. Has there been a compilation of all the estimates of the different mines and the grades of the ores? Does the Senator believe that there are 3,000,000 tons of manganese in the Montana district?

Mr. WALSH of Montana. I would not hesitate to say that there are three times three million tons in the Butte district, not to speak about the Philipsburg and other districts of the State.

Mr. FRELINGHUYSEN. Does the Senator believe a tariff rate of 1 cent per pound is necessary to produce it, and is he in favor of that rate?

Mr. WALSH of Montana. I am not discussing rates. I am contending, and contending only, that there is no excuse whatever on the other side of this Chamber, professing to frame a tariff bill intended for the protection of American industry and to promote the development of American industries, for putting this item on the free list. The matter of rates some one else besides myself can handle.

Mr. FRELINGHUYSEN. Then I take it the Senator is not in favor of a duty on manganese?

Mr. WALSH of Montana. What is the difference what I am in favor of?

Mr. FRELINGHUYSEN. The Senator has been arguing in favor of the large deposits of manganese and in favor, I think, of the duty that has been proposed by the Senator from Colorado [Mr. NICHOLSON].

Mr. WALSH of Montana. I have been endeavoring to show, and simply to show, that the excuse which is offered here for putting this product upon the free list, in violation of what is professed to be the principle upon which the bill is founded, has no justification whatever.

Mr. FRELINGHUYSEN. I am not convinced that the Senator has shown that there is sufficient manganese ore in the country to supply the demand for any number of years. If his claims are based upon the estimates of mine owners, we have the statement of the Director of the Geological Survey, who, while he admits deposits, still adheres to his statement, even in his letter in which he revised his former statement, that there are not sufficient deposits in this country to supply the industry for any number of years.

I want to put this question to the Senator fairly, and I know he wants to be fair and is fair. The American Mining Congress have been very insistent that on all of these alloys—on magnesite, ferrosilicon, fluorspar, and manganese—there should be a high duty. If their estimates and their hopes are not finally realized, what will be the result of a duty of $20 a ton on manganese? It has not been shown that over 300,000 tons have been produced in any year. Suppose those estimates are not realized; will it not be placing a great burden on the productive industries of the country?

Mr. WALSH of Montana. Of course, beyond question it will increase the cost of producing steel. Of course that is what the Senator has a tariff for, is it not? That is what we have been arguing, that he is burdening the industries of the country with all these high duties. I am very glad to know that the Senator is a convert.

Mr. FRELINGHUYSEN. Of course it is the policy of the party to put a duty on any foreign manufactured product which can be produced and manufactured in this country, but as I said to the Senator, and I fairly stated the position of the committee, the committee were of the opinion, with all the information before them, that there was not a sufficient supply or sufficient quantity or quality of manganese in this country, and, therefore, the duty would not have the effect of increasing the domestic supply.

Mr. GOODING. Mr. President, I would like to ask the Senator from New Jersey if he feels that the Finance Committee made as thorough an investigation of the supply of manganese in this country as the Ways and Means Committee of the House, which appointed a special committee to investigate the matter, and which, after spending something like four months in making a special investigation, recommended a duty of 1 cent a pound?

I want to say to the Senator from New Jersey that we do not think in the West that we have started to develop that wonderful country out there. One of the most marvelous developments has taken place there that the country has ever seen. I want to say to the Senator that we have placed a duty on steel that protects steel clear to San Francisco against Belgium, and yet we will hear arguments upon the floor of the Senate to the effect that there must be a dead line drawn so far as the West is concerned; that they can not come any farther than Chicago with that great product. If we develop the West it will make a market for manufactured products.

I beg the pardon of the Senator from Montana for taking his time——

Mr. WALSH of Montana. I am very glad to yield to the Senator from Idaho.

Mr. GOODING. All this talk about a dead line, so far as the West is concerned, and then permitting a duty on everything that carries it out to the Pacific coast, is hardly fair to the great West. If that part of the country is to be developed to its fullest greatness, we must be given an opportunity to furnish our products to the country. If we can be given that duty and can develop manganese in the West, it will mean something like $10,000,000 in freight rates to the railroads alone. It will give us a chance to live out there, and we shall not have to pay the exorbitant prices we are paying now, which are much more than any product can bear to be carried to market.

If the principle of protection is right, it is right all the way round; and if it is wrong, it is wrong all the way round. We might just as well meet it in that light and in the spirit of fairness. I beg the pardon of the Senator from Montana for having taken so much of his time.

Mr. WALSH of Montana. Mr. President, I think myself exceedingly unfortunate that I have been unable to make a more favorable impression upon the mind of the Senator from New Jersey, who I thought was going to consider the matter in an open-minded way, and yet he proceeds to tell the Senate, notwithstanding all that has been represented here, that the United

States has never succeeded in producing more than 300,000 tons of manganese in any one year. I have put into the RECORD figures showing that in the year 1918 there were produced in this country of ores containing more than 35 per cent of manganese 305,869 tons. The Senator from New Jersey seems to be disposed to disregard and to throw into the dump any ores that do not contain more than 35 per cent manganese. The same figures—and they are from the Geological Survey report for 1921—disclose that in addition to the 305,869 tons of high-grade manganese we produced 916,163 tons of manganese ores containing from 10 to 35 per cent; and that we produced, in addition to that, 252,615 tons of ores containing from 5 to 10 per cent, an aggregate of 1,474,647 tons, as against 300,000 tons, as the Senator from New Jersey understands.

Mr. FRELINGHUYSEN. The Senator from Montana knows that I wish to be accurate. I was quoting from the Summary of Tariff Information, which relates to the ferromanganese ore which is proposed to be protected under the amendment of the Senator from Colorado [Mr. NICHOLSON].

Mr. WALSH of Montana. The Senator is evading the question. All manganese ores are put on the free list, and all manganese ores to which reference has been made here are used in the production of ferromanganese, whether they are high grade or low grade. If they are low grade they have got to be concentrated, that is all. So far as the manganese is concerned, the content is exactly the same whether it is high or low. Mr. President, that is all I care to say about the Montana supply of manganese.

Mr. STANLEY. Mr. President, I desire to ask the Senator from Montana one other question. Has the Senator figured out the ad valorem equivalent of 1 cent a pound on this commodity?

Mr. WALSH of Montana. I have not. As I have stated, I am not concerning myself with the specific rate of duty; I am protesting against putting this commodity upon the free list upon the contention that it is not an industry that is worthy of development because of the inconsequential supply and the inferior character of the ore.

Now, Mr. President, I promised the Senate that I would refer—and I intended to refer—to the magnificent supply of ores which the State of Minnesota commands. I would leave that for the junior Senator from Minnesota [Mr. KELLOGG], who is interested in this subject, but I do not see him in the Chamber at this time. In view of his absence, I am going to call attention to those deposits. They were told about before the Committee on Finance by Mr. Crosby, of Duluth, of that State, as follows:

Mr. CROSBY. In order to get myself properly before the committee, I will state that I am a discoverer and explorer of minerals on the Minnesota, Michigan, and Wisconsin ranges and elsewhere. By exploring is meant the proving of tonnages and grades to determine its merchantability, by the use of power-driven churn and diamond drills. I have had an experience of over a quarter of a century and am one of the pioneers of the Mesabi and Cuyuna Ranges. The Mesabi is an iron-ore bearing range; the Cuyuna Range is known as an iron range, but a considerable portion of the ore from this district carries manganese and has been of considerable economic importance for its manganese content in steel making.

Since the discovery of the Cuyuna iron and manganese range there has been about 2,800 holes drilled, differing in depth from 60 to 1,000 feet. Of those 2,800 holes I have personally drilled 700. I have drilled something like 20 properties. Eight of those properties have become producers of manganese-bearing ore and helped to furnish the manganese that was used in the steel manufacture during the war period.

During the year 1918 there were 860,000 tons of this material shipped from the Cuyuna Range—

There were 860,000 tons of it!—

to the steel industry in this country and used in the manufacture of steel; and, in addition to that, there were 305,000 tons of what we call high-grade manganese ore running 40 per cent or better. This higher grade of manganese came from different localities, more especially from Butte and Phillipsburg, Mont., and from Virginia and Arkansas. The balance of the tonnage was distributed over a large area, and about 30 States were represented.

It has been stated by witnesses here—and I simply am amazed at the statements they have made—that there are no reserve tonnages of manganese ore in this country. As a matter of fact, we will prove to you in a brief that will be presented by Mr. Charles W. Potts, based upon Government reports and reports of producers of this material, who have made explorations of their deposits and measured the tonnages and the grades, etc., that there are 36,000,000 tons of ferruginous manganese ore in reserve; that there are over 20,000,000 tons of high-grade manganese ore that runs over 40 per cent ready to be mined and shipped to the steel manufacturers.

Mr. Crosby continues:

I do not believe it is necessary for me to dwell upon where the manganese that has been used up to 1914 came from, because you are all familiar with that. But I will state that most of it came from Brazil, the Caucasus, and India. It is true that this ore has been the chief source of supply that steel makers have used generally in the manufacture of steel. It comes, perhaps, in larger deposits. However, the grade is no higher than our best domestic ores.

The domestic ore producers rose to the emergency during the war and filled a demand that would have been quite impossible to have filled otherwise.

I personally spent, in trying to produce for war purposes, $1,450,000 in the development of mines in Minnesota, and I wish to state that this money will be almost a total loss to me unless the producers of manganese ore in this country are protected.

I have read the report of the Tariff Commission on the subject of manganese-ore reserves and know the tonnages of manganese-bearing ores and the grades that have been accredited to this range by the United States Geological Survey, series 121. Based on the knowledge I have of the Cuyuna Range, gained through years of experience, these estimates do not fully represent either the actual tonnages or the proper classification of grades of this district.

According to the reports issued by the Geological Survey, there are only 13,628,000 tons of manganese-bearing ore, containing 5 to 35 per cent manganese, in the district. No figures are given for any additional reserve in prospect. This report seriously minimizes the importance of manganese-bearing ores of the Cuyuna Range, for the following reasons:

That the actual tonnage is greater than claimed. There were 24 mines on the Cuyuna Range that were producing or preparing to produce manganese-bearing ore in 1918. I can name two out of this group that contain more ore than the Geological Survey says exists in the whole district. The Sagamore contains 11,000,000 tons; the Ida May, 4,000,000. The proved tonnage of Cuyuna Range is 36,000,000 tons. This constitutes the actual tonnage of manganese-bearing ores included in the classification of ferruginous manganese ores and manganiferous iron ores containing 5 to 35 per cent manganese, of which the balance of the mineral constituent is iron ore.

A fact generally overlooked by the Geological Survey and the Bureau of Mines, that is to say, they take it into consideration, but when they present their totals of reserves they do not mention it, is that 5 per cent manganese ore, if it were contained with rock, would be of little avail as a mineral, but is quite valuable if it is contained with iron ore. For instance, where manganese ore in the Cuyuna Range has 5 per cent manganese it has a constituent mineral which contains 50 to 55 per cent iron ore. Therefore, it becomes commercial in that way, and it is used in making high manganese pig.

And of course one can readily understand that when manganese is found in association with iron ore it is very much more valuable and is commercial, even though the manganese content is very low.

The Government report minimizes the importance of the ores of the Cuyuna Range by ignoring the probable ore. There is an additional tonnage of probable ore not capable of definite calculation, but of certain existence, which would undoubtedly increase the reserve tonnages to approximately 50,000,000 tons.

That will be sufficient, Mr. President, to show the possibilities of Minnesota as a producer of magnesite ore.

Mr. SMITH. From what page has the Senator been reading?

Mr. WALSH of Montana. I have been reading from pages 1669, 1670, and 1671 of the hearings before the Senate Committee on Finance.

Mr. President, this bill can not be defended on the principle upon which it is asserted it is framed if this important commodity, this infant industry, is not treated with the same consideration that is given to many items of much less importance in the bill.

Mr. President, I desire my position with respect to the matter to be definitely understood. I believe that it is unwise to burden the industries of this country at this time and to increase the high cost of living by the imposition of the extraordinary duties which are provided for in the pending bill, and unless it undergoes modification, which I do not at all anticipate, I can not and will not give it my vote; indeed, as I have heretofore stated, I believe that it will work disaster to our country not only by reason of the fact that it will increase the cost of living—and that is the purpose of it—but because it will limit to a large extent our export trade, which is the life and substance of the great agricultural industry of this country, and much of the mineral industry as well. I have spoken heretofore about the two great products of my State—wheat and copper. The industries engaged in producing those commodities can not thrive unless Europe is given an opportunity to sell her products liberally in this country, so that they may have the means by which they can buy these great products of ours.

Mr. STANLEY. Mr. President, the proposed duty on ferromanganese and manganese ore is illustrative of the utter lack of any system underlying this bill. Of course, if, as contended by the Senator from Idaho [Mr. GOODING], protection is a blessed and beneficent thing, a kind of bonus derived from legislation, which makes nobody poor but makes everybody rich, in that event it would be a matter of small importance whether the duty were 1 cent a pound or $1 a pound upon ferromanganese or manganese ore, or anything else, because the importer would pay it and the domestic consumer would get the benefit of it. From a Democratic standpoint, however, Mr. President, as I see it, this duty is peculiarly indefensible.

It has been stated here—and it is true, in a measure—that the largest consumer of manganese ore and of ferromanganese is the United States Steel Corporation, and necessarily so. I hold no brief, as everybody knows, for the Steel Corporation. We, however, should not be biased by any misdeeds of a single corporation engaged in an industry to the point that we are willing to injure the industry. There is a vast difference be-

tween the United States Steel Corporation and the steel industry.

I know of no single industry more peculiarly indigenous to this soil than the production and the fabrication of iron and steel. The time is fast approaching when we shall consume the bulk of our agricultural products, when we shall make our wheat into bread, when we shall make our hides into leather, just as we now more than weave all our wool into cloth. I can see the day when few bales of cotton will leave this coast. We have 7,000,000,000,000 tons of coal—twice as much as all the rest of the world possesses—mined at infinitely less cost than it can be produced anywhere else in the world. That coal can be converted into coke at a less cost and that coke and limestone and ore can be assembled at less cost than anywhere else in the world.

We have brought to perfection the most costly and the most ponderous machinery for the fabrication of iron and steel. We can to-day make rails, structural shapes, beams, bars, girders, tin plate, and an infinite number of agricultural implements and machinery; we can build bridges, we can construct locomotive engines, we can weave wire cables cheaper than any other country in the world. The day is not far distant, under a wise and broad and liberal statesmanship, if this industry is given an opportunity—not fostered, not coddled, not subsidized, but unshackled—when our ships shall carry steel fabrications to every port in the world, and, returning, take your copper, your wheat, and a thousand and one other things.

Iron, not gold, not silver, is to be the commodity that we are to trade for the things we need all over the world; and of all the foolish and silly things, the most foolish and silly is this practice here, this fetish, of protection. It is not a belief in it; it is a superstition. It has ceased to be rational. You have abandoned the old idea of equalizing the cost of production; you have abandoned the old idea of infant industries, and you have slathered this thing all over everything and everybody—agriculture, horticulture, dairying, mining, manufactures, everything.

Everybody must make everybody else rich. It would be absurd if it were not tragic; and it is an economic crime to weight and burden this great industry with petty duties on manganese, on the constituent elements of fire brick, on manganese ores; on this, that, or the other element that goes into the fabrication of steel.

The sane, the rational, the democratic thing, is to give these great masters of the steel business, the steel kings of the world—by nature and by the beneficence of God they are the masters of this industry in all the world—give them a chance, unshackle them, let them secure their raw materials, let them fabricate their various articles for the commerce of the world at as low cost as they fairly can, and then take from them every dime of protection on the finished product, and the only thing that Europe will ever ship here will be a darning-needle, a pocketknife, or a razor.

Mr. POMERENE. Mr. President, just a word.

During the past year I have had a great many letters bearing upon this subject. I have quite a portion of my correspondence here. I do not intend to take the time of the Senate to discuss this matter at length. Many of these letters have been from the independent steel mills of the country. All of them are opposed to it. The substance of these letters is to the effect that if this duty prevails it will add 25 cents a ton to the cost of steel, and one of these writers estimates that the total cost to the steel industry of the country would be not less than $10,000,000, and this to protect an industry engaged in the production of low-grade ore for the most part. Without any definite promise as to what is going to happen, it is said that there are millions and millions and millions of tons. If that fact is so well known, and it is of a grade of ore which can be profitably mined and reduced, I do not understand the need of this tremendously high tariff duty.

Mr. NICHOLSON. Mr. President, may I ask the Senator a question?

Mr. POMERENE. Yes.

Mr. NICHOLSON. The Senator made the statement that this duty would add 25 cents a ton to the cost of steel. It takes only 16 pounds of manganese to make a ton of steel. We are looking for a duty of a cent a pound. As only 16 pounds of manganese is used to produce a ton of steel, where does the Senator get his 25 cents?

Mr. POMERENE. Mr. President, I am not a steel man, but I am quoting the figures as given to me by the best steel men in the country.

Mr. NICHOLSON. I apprehend that that is true; they are good steel men; but I state to the Senator that only 16 pounds of manganese is needed to produce a ton of steel, and the added cost, at a cent a pound, would not exceed 16 cents.

Mr. POMERENE. The difference between the Senator's statement and my own is only nine pounds, or about one-third of the total, as I claim it.

Mr. McCUMBER. Mr. President, I think I can explain the difference between the statements of the two Senators. It is this:

A duty is paid upon the manganese content, but in extracting and smelting it is never possible to get all of the manganese content out of the ore. Therefore, there is a sufficient amount of loss, so that I think you can add somewhat to the 16 cents and bring it up to 20 or 25 cents.

Mr. POMERENE. That is probably the explanation, and I am obliged to the Senator for it.

Mr. STANLEY. Mr. President, will the Senator permit an interruption just at that point?

Mr. POMERENE. Yes.

Mr. STANLEY. The Senator knows more about the details of this business than I do; but, as I understand, the Senator from Montana stated that there are thirty or forty million tons of manganese-bearing ore in the Cuyuna Range, just as there are hundreds of millions of tons of self-fluxing ores—that is, ores containing limestone—in Alabama. As I understand—I may be wrong—this ore containing manganese is just like any other iron ore, except that in smelting that ore it is not necessary to purchase and mix ferromanganese with it, as you would do in the case of other ores. That ore, therefore, would only be the more valuable on account of the manganese content, and would certainly need no duty to develop it.

Mr. POMERENE. Mr. President, I find on looking at this correspondence—I have not turned to the statutes to verify the statement—one of these writers tells me that the McKinley tariff on manganese ore was $6.72; under the Dingley tariff it was $4; and under the pending bill it would be $20 per ton. Why, after hearing some of the speeches which were made here I scarcely know what to think of William McKinley.

I lived in his district. I heard a great many of his speeches upon the tariff question. I was led to believe that he was a protectionist of protectionists. I am constrained to believe, however, that if the majority members of the Finance Committee are Republicans to-day, then William McKinley was a free-trade Democrat.

Mr. WALSH of Montana. Mr. President, the Senator will remember that President McKinley, in one of the last speeches that he made, intimated that the time had come when high duties ought not any longer to prevail.

Mr. POMERENE. Yes.

Mr. WALSH of Montana. Of course our friends have long since passed the protection point of McKinley.

Mr. POMERENE. Yes, Mr. President. I want to correct the Senator to this extent: He says that was one of President McKinley's last statements. That statement was made in his last speech at Buffalo, just before the assassin's bullet struck him low; and then it was, and I think I quote his exact language, that he said:

> We can not expect always to sell and never to buy from foreign countries.

To-day we have listened to a wonderfully eloquent address by the brilliant Senator from Indiana [Mr. WATSON], in which he quoted from Democrats who said that we could not expect always to sell and never to buy. I wondered why he did not quote the words of McKinley in the Buffalo speech, which were substantially the same words that were used by some of these distinguished Democrats from whom the Senator from Indiana quoted.

Mr. McCUMBER. Mr. President, will the Senator tell me whether, in the language that was used by President McKinley, he meant to say that we must always buy from the same country to which we sell?

Mr. POMERENE. Oh, no, Mr. President; and there was nothing in what I said that would indicate that I was trying to represent McKinley as so stating.

Mr. McCUMBER. No; the reason why I asked the Senator was because the argument to-day seemed to be along the line that we must always sell to the country from which we buy.

Mr. POMERENE. Oh, I did not make any such statement as that. McKinley, whatever his earlier views may have been, when he became President and when he died had a mental vision as broad and as comprehensive as the country itself. I am afraid that some of our friends who have been discussing this tariff bill can see nothing at all except the interests of the very few who are specially interested in tariff rates, and perhaps some of them specially interested themselves in having particular rates

adopted; and some of them have advocated rates here under circumstances that are no credit to the Senators themselves.

Mr. President, I have here a letter which bears upon the subject of the duty upon this ore, which I would like to have inserted in the RECORD without reading.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 2, 1921.

CHAIRMAN WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

DEAR SIR: In connection with the proposed tariff legislation, we wish to be placed on record as opposing any increase in the tariff on ferromanganese, ferrosilicon, ferrovanadium, ferrotungsten, or ferrochromium, or any increase in the tariff on the ores from which these ferroalloys are produced. We particularly protest against any increase in the duty on ferromanganese.

This is a matter of vital interest to us as independent producers of steel.

The selling price of ferromanganese, covering a period of 10 years before the war, averaged about $47.50. It has recently been proposed that the duty on ferromanganese be increased by the sum of $44.80 per ton—nearly a 100 per cent increase.

Under the tariff act of 1897 ferromanganese was assessed $4 per ton, and under the act of 1909 it was assessed $2.50 per ton. As a revenue producer we would not object to a duty not exceeding the tariff act of 1897—that is, $4 per ton—but even in that event the American manufacturers of ferromanganese should be compelled to show by sworn statements if their cost of production is greater than the foreign cost, after making due allowance for the ocean freight and other charges on the foreign product.

Ferromanganese is produced in a blast furnace, and these blast furnaces when not operating on ferromanganese can be utilized for the production of pig iron.

The surplus foreign products of ferromanganese, barred from the American market, would be sold in Europe at low figures, thus giving to the European steel manufacturers a distinct advantage in costs, thereby placing the American steel manufacturers at a disadvantage in the markets of the world where we all hope to sell our surplus products.

Please note that the United States Steel Corporation and a few of the largest steel producers produce their own ferromanganese. This puts the smaller independent steel companies to a great disadvantage as compared with the United States Steel Corporation.

The three or four ferromanganese producers in the United States are seeking a monopoly of the trade under a tariff which would eliminate all competition. Every one of the more than 400 active steel works in the United States would be affected. The entire steel industry would be heavily taxed for the benefit of three or four interests.

Ferromanganese, in any event, must be made from ore bought from distant parts.

Government records will show that the average selling price of ferromanganese in this country during the period from 1908 to 1914, inclusive, was only about $47 per ton. Therefore, the protection which is proposed of $44.80 per ton would be a severe penalty to inflict on the United States consumers of ferromanganese.

A tariff of $4 per ton, or 10 per cent, should easily cover all differences in cost.

These selfish ferromanganese manufacturers are asking for a 100 per cent tariff duty and at the same time asking that manganese ore be continued on the free list.

Please further note that the records show that in the four years from 1915 to 1918 practically all of the imported ferromanganese was delivered to consumers at an average price of $118.13, plus about $4 per ton freight, while in the same period the average quotation for American ferromanganese was $202.83.

We object to the proposed rate on the following grounds:

1. That it is excessive and prohibitive and therefore would not produce a cent of revenue; that it would allow a small group of American makers to monopolize this market and pocket the difference due to this high tariff.

2. Ferromanganese is produced in an ordinary blast furnace, which may be utilized for the production of pig iron when not operating on ferromanganese. Therefore it can not be stated with any degree of truthfulness that this rate is needed to protect an industry, as the manufacture of ferromanganese is not in the true sense of the word an industry. Therefore they are not entitled to a high rate of duty.

As a means of revenue we would recommend a rate of not exceeding $4 per ton, and this amount, added to the present ocean freight of about $4 per ton, would actually give to the American ferromanganese manufacturer a protection of about $8 per ton, which, in our opinion, is more than the difference between the actual cost of production of the average American and English ferromanganese furnaces.

Respectfully submitted.

Mr. McCUMBER. Mr. President, before voting upon this subject, I think it fair for me to state, on behalf of the committee, the thoughts which governed the majority of the committee in deciding to levy no rate against the importation of manganese ore.

Mr. NICHOLSON. Mr. President, I would like to ask a question of the Senator from Ohio. Did I understand the Senator from Ohio to say that if a duty of 1 cent a pound is added it means that the tariff is $20 a ton? Is that the statement the Senator made?

Mr. POMERENE. That is the substance of what I said.

Mr. NICHOLSON. In order that the question may be clearly understood, let us take ore containing 30 per cent manganese. Under the rate asked for here the rate would be $6 a ton, not $20 a ton. If the manganese content should be 35 per cent, it would be $7, not $40. I submit that that is not an exorbitant rate of duty to ask for, when you take into consideration the rates of duty that are afforded on the manufactured products.

Mr. STANLEY. Mr. President, I do not wish to interrupt, but as I understood the Senator, the duty is a cent a pound on the manganese content.

Mr. NICHOLSON. Yes.

Mr. STANLEY. That would amount to $25 a ton on the ore. If they should bring manganese into this country containing one-half of 1 per cent, it would be practically nothing.

Mr. NICHOLSON. It would be practically nothing.

Mr. STANLEY. They would have to import that many more tons of ore.

Mr. NICHOLSON. Yes.

Mr. STANLEY. They would have to produce enough low-grade ore to make it 25 cents on the ton.

Mr. McCUMBER. If the Senators will kindly allow me, I will restate the reasons which actuated the majority of the committee in deciding that this is not an opportune time to levy a duty on manganese ore.

First let it be remembered that all were agreed upon one proposition—that less than 1 cent per pound protection would be of no use whatever to the producers of manganese ore. The junior Senator from Ohio [Mr. WILLIS] indicated to-day that he might be in favor of a reasonable tariff upon the ore, but I think all agreed that if we were going to have protection at all it could not be less than 1 cent per pound upon the manganese content. So that had to be taken into consideration. The manganese content of the ore which is imported averages about 1 cent a pound. That means that the duty of 1 cent would be 100 per cent ad valorem.

The next matter which was taken into consideration by the committee was the fact that a majority of the majority believed that there was not a sufficient amount of manganese ore that could be worked profitably to last more than three or four or five or six years; no matter whether you say it is a couple of years or three years or five years, it was estimated that it was of very short duration. I am not passing judgment upon whether the members of the committee who took that view were right or wrong. I simply say that they were supported by the Tariff Commission and also by the Geological Survey, all holding that there is not a sufficient amount in the United States to last more than a few years. Nor do I pass judgment upon whether their survey was full and adequate or otherwise. I am simply saying that the majority of the committee were led to believe that that was the fact.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Montana?

Mr. McCUMBER. I yield.

Mr. WALSH of Montana. The first reason the Senator gave as a reason actuating the committee was that a rate of 1 cent a pound on the manganese content would be equivalent to a 100 per cent ad valorem rate. What was the limit fixed by the committee?

Mr. McCUMBER. I stated, first, that anything less than 1 cent a pound was not sufficient protection, if we were going to have protection; that if we were going to have protection at all it would be necessary to have at least 1 cent per pound. I stated in addition to that—and that is my information—that the rate on the ore as imported amounts to putting 1 cent per pound on the manganese content; therefore, that 1 cent per pound was equivalent, of course, to 100 per cent duty. That is my information from the experts.

Mr. WALSH of Montana. That is just the point. The committee would not go above 100 per cent ad valorem upon this particular commodity.

Mr. McCUMBER. I hope the Senator will not say that, because I did not say anything of the kind. I am simply stating some of the things the committee considered.

Mr. WALSH of Montana. I understand perfectly well that the committee found that a rate of 100 per cent ad valorem would not be a protective rate, and accordingly that was the consideration which induced them to drop the idea of fixing a protective rate. What I want to know from the Senator, Did the committee have some limit of ad valorem rates above which it would not go?

Mr. McCUMBER. No, Mr. President, it did not consider at all either how high it would go or how high it would not go. There are a number of items in the bill the rates on which are very much above 100 per cent.

That was not the governing matter, but I thought it was worth considering by the Senate; that is, that it might take into consideration whether, with the 100 per cent that was necessary, taking into further consideration the fact, or at least that which was believed to be the fact, that the supply could not last more than a few years, they were justified in placing either so high a duty or any duty that would be necessary.

The next thing that was taken into consideration was the question of the preservation of the present supply. Assuming, of course, that there was only sufficient to last for a few

years, remembering how the price soared to the very skies when war came on, there was a feeling on the part of many that it would be better to retain the supply which seemed to be in sight to meet any emergency. I am not giving my view or giving the view of any particular Senator, but simply trying, in a straightforward way, to indicate to the Senate the thoughts which came to the minds of the majority of the committee.

It must be remembered, as indicated, that prior to 1914 we produced in this country only 4,000 tons. In 1918, with a content running as high as $450 a ton, we could use any kind of ore, of course, to profit, and we produced 305,000 tons in 1918. That was more than half of what was necessary to supply the American market, I think.

The American ore, according to the report of the Tariff Commission, averages from 35 to 45 per cent manganese content. The foreign averages from 45 per cent to 55 per cent manganese content, and I am informed that if it is less than 50 per cent manganese content, it comes in at a very much reduced rate, owing to the fact that it costs much more to extract the manganese content.

I do not know whether we have enough to supply the country for a good many years or whether we have not. I do not know whether the reports are correct which are given us by the Tariff Commission and by the Geological Survey, but I am simply presenting the facts upon which the majority of the committee acted, and it is for the Senate to decide whether or not, with those facts in view, and with what evidence they have since received from those Senators who are speaking as experts upon this subject, they feel that they are justified in taking this matter off of the free list and disagreeing with the committee amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the committee.

Mr. WALSH of Montana. May the amendment be stated by the Secretary, Mr. President?

Mr. UNDERWOOD. I think we had better have a quorum before we have a vote on this question. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	Lenroot	Shortridge
Ball	Gooding	McCumber	Smith
Brandegee	Hale	McKinley	Smoot
Broussard	Harris	McLean	Spencer
Bursum	Harrison	McNary	Stanley
Cameron	Heflin	Myers	Townsend
Capper	Johnson	Nicholson	Underwood
Colt	Jones, Wash.	Oddie	Walsh, Mass.
Cummins	Kellogg	Pepper	Walsh, Mont.
Curtis	Kendrick	Poindexter	Warren
Dial	Keyes	Pomerene	Watson, Ind.
du Pont	King	Ransdell	Willis
Edge	Ladd	Rawson	
France	La Follette	Sheppard	

The VICE PRESIDENT. Fifty-four Senators have answered to their names. A quorum is present. The question is on the adoption of the committee amendment, which will be stated.

The ASSISTANT SECRETARY. On page 48, paragraph 302, the committee proposes to strike out "manganese ore or concentrates containing in excess of 30 per cent of metallic manganese, 1 cent per pound on the metallic manganese contained therein; molybdenum" and insert in lieu thereof "Molybdenum," so as to read:

Molybdenum ore or concentrates, 75 cents per pound on the metallic molybdenum contained therein.

Mr. NICHOLSON. Mr. President, I ask that the Senate disagree to the amendment of the committee, and I ask for the yeas and nays on the question.

Mr. WALSH of Montana. I inquire whether the amendment to be voted upon should not be considered as being concluded with the word "therein," at the end of line 22, instead of including the two succeeding words?

Mr. McCUMBER. Of course, one provision is to strike out and the other provision is to place the product on the free list. The one would have to follow the other, and I assume the Senator has the right to ask for a division, there being practically two amendments.

Mr. SMOOT. I will say to the chairman of the committee that there ought to be two votes. The amendment ought to be divided, because there are two entirely different subjects. One is molybdenum ore and the other is manganese ore. The first amendment down to the word "therein" ought to be disagreed to or agreed to.

Mr. McCUMBER. The first amendment would be to strike out lines 20, 21, and 22, ending with the word "therein."

Mr. WALSH of Montana. I ask unanimous consent that the question be divided and that the Senate first vote upon that part of the amendment concluding with the word "therein."

Mr. SMOOT. Or that part which pertains to manganese ore?

Mr. WALSH of Montana. Exactly, that which pertains exclusively to manganese ore.

Mr. McCUMBER. That is satisfactory to me.

Mr. NICHOLSON. Mr. President, I want to understand the question clearly. Agreeing to the committee amendment means the placing of manganese ore on the free list, does it not?

Mr. SMOOT. That is right.

Mr. WALSH of Montana. It does not affect the situation at all, only that by reason of the construction of the sentence molybdenum is combined with manganese, and the purpose of my suggestion is to exclude that part of the amendment which refers not to manganese but to molybdenum, leaving the language we are voting on that which refers to manganese alone.

Mr. McCUMBER. That is perfectly satisfactory.

Mr. NICHOLSON. I wish to have a statement from the Chair if it is not a fact that by voting for the committee amendment we vote to place manganese upon the free list.

The VICE PRESIDENT. That is the understanding of the Chair.

Mr. NICHOLSON. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. POINDEXTER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. POINDEXTER. What has been done with regard to the request of the Senator from Montana to divide the question?

The VICE PRESIDENT. Without objection it is so ordered, and the Secretary will state the first part of the amendment.

The ASSISTANT SECRETARY. The first part of the amendment is on page 48, in paragraph 302, to strike out the words "manganese ore or concentrates containing in excess of 30 per cent of metallic manganese, 1 cent per pound on the metallic manganese contained therein."

Mr. POINDEXTER. So this part of the amendment does not involve molybdenum in any way, but restricts it entirely to manganese ore.

The VICE PRESIDENT. That is the understanding of the Chair. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. BALL (when his name was called). I transfer my general pair with the senior Senator from Florida [Mr. FLETCHER] to the junior Senator from Oklahoma [Mr. HARRELD] and vote "nay."

Mr. COLT (when his name was called). I transfer my pair with the junior Senator from Florida [Mr. TRAMMELL] to the senior Senator from New York [Mr. WADSWORTH] and vote "yea."

Mr. EDGE (when his name was called). Transferring my pair with the senior Senator from Oklahoma [Mr. OWEN] to the Senator from West Virginia [Mr. ELKINS], I vote "yea."

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from New York [Mr. CALDER] and vote "yea."

Mr. HARRIS (when his name was called). On this question I have a pair with the Senator from South Dakota [Mr. NORBECK]. In his absence I withhold my vote.

Mr. HARRISON (when his name was called). On this vote I am paired with the senior Senator from Idaho [Mr. BORAH]. I understand that if present he would vote "nay." If I were at liberty to vote, I would vote "yea." I ask to be noted as "present."

Mr. JONES of Washington (when his name was called). The Senator from Virginia [Mr. SWANSON] is necessarily absent. I have agreed to take care of him with a pair for the day. However, I find that I can transfer that pair to the junior Senator from Oregon [Mr. STANFIELD], which I do, and vote "nay."

Mr. KENDRICK (when his name was called). I transfer my pair with the senior Senator from Illinois [Mr. McCORMICK] to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. SMITH (when his name was called). I have a general pair with the Senator from South Dakota [Mr. STERLING]. In his absence I transfer that pair to the junior Senator from Georgia [Mr. WATSON] and vote "yea."

Mr. STANLEY (when his name was called). I transfer my general pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. SUTHERLAND (when his name was called). I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. UNDERWOOD (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WARREN (when his name was called). I transfer my general pair with the junior Senator from North Carolina [Mr. OVERMAN] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

The roll call was concluded.

Mr. KELLOGG (after having voted in the negative). I transfer my pair with the Senator from North Carolina [Mr. SIMMONS] to the senior Senator from Minnesota [Mr. NELSON] and let my vote stand.

Mr. DIAL (after having voted in the affirmative). I have a pair with the Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the Senator from Nebraska [Mr. HITCHCOCK] and allow my vote to stand.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 19, nays 35, as follows:

YEAS—19.

Brandegee	Frelinghuysen	Pepper	Sutherland
Colt	Hale	Pomerene	Underwood
Curtis	King	Smith	Walsh, Mass.
Dial	McCumber	Smoot	Willis
Edge	McLean	Stanley	

NAYS—35.

Ashurst	France	Ladd	Ransdell
Ball	Gooding	La Follette	Rawson
Broussard	Heflin	Lenroot	Sheppard
Bursum	Johnson	McKinley	Shortridge
Cameron	Jones, N. Mex.	McNary	Spencer
Capper	Jones, Wash.	Myers	Townsend
Caraway	Kellogg	Nicholson	Walsh, Mont.
Cummins	Kendrick	Oddie	Warren
du Pont	Keyes	Poindexter	

NOT VOTING—42.

Borah	Harreld	Norbeck	Stanfield
Calder	Harris	Norris	Sterling
Crow	Harrison	Overman	Swanson
Culberson	Hitchcock	Owen	Trammell
Dillingham	Lodge	Page	Wadsworth
Elkins	McCormick	Phipps	Watson, Ga.
Ernst	McKellar	Pittman	Watson, Ind.
Fernald	Moses	Reed	Weller
Fletcher	Nelson	Robinson	Williams
Gerry	New	Shields	
Glass	Newberry	Simmons	

So the committee amendment was rejected.

Mr. McCUMBER. The action just taken necessitates a disagreement to the amendment on line 23, and I ask that that amendment may be disagreed to.

The PRESIDING OFFICER (Mr. EDGE in the chair). The question is upon agreeing to the amendment indicated by the Senator from North Dakota.

The amendment was rejected.

Mr. McCUMBER. Mr. President, I have not carefully made the estimate of what the duty on ferromanganese should be, but I think we should disagree to the amendment on lines 2, 3, and 4 on page 49; and unless it is desired to make a change, I ask that we disagree to that amendment. If we ascertain afterwards that it is necessary to offer some other amendment in order to meet the differential, the committee can report it.

Mr. KING. I should like to inquire of the Senator from North Dakota whether the proper relation will exist, if the course which the Senator has just suggested be taken, between the duty on manganese ore and the duty on ferromanganese, in view of the action of the Senate a moment ago?

Mr. McCUMBER. I think, as we have gone back to the House rate at the beginning of paragraph 302, of 1 cent per pound upon the metallic manganese content in the ore, that it would be equivalent to about 2½ cents per pound on the metallic manganese content in the ferromanganese.

Mr. KING. I think the Senator will find that the percentage is too high; but with the understanding that the experts will figure that out and that the chairman will report back to the Senate, I have no objection.

Mr. SMOOT. I, myself, think that the differential is a little too high.

Mr. UNDERWOOD. What was the request which the Senator from North Dakota made?

Mr. SMOOT. To disagree to the amendment, and if it is found that 2½ cents is too high the Senator from North Dakota will ask to have a change made in the rate.

Mr. UNDERWOOD. I should like to say to the Senator from North Dakota that if he prefers to go on to-night, of course, I am satisfied to discuss the question. I think the rates on the ferro-alloys are entirely too high, and I think an amendment to change them should be made; but a part of them can not be reached by amendment of the Senate committee amendment. I think it would be better to let the whole paragraph go over until the other items of the bill are finished, when we can offer amendments to the whole paragraph.

Mr. McCUMBER. I think the Senator's suggestion is a good one, especially as we have got to consider other amendments, although I think the first amendment is about correct. In this connection I should like to put into the RECORD a brief statement.

It takes 110 pounds of manganese in the ore to produce 80 pounds of manganese in ferromanganese. At 1 cent per pound the duty on the ore sufficient to make 1 ton of ferromanganese will amount to $24.64, whereas the duty on 80 per cent of ferromanganese at 2½ cents per pound of manganese equals $39.42 per ton. Hence the duty is not only compensatory, but also $14.78 on a ton of 80 per cent ferromanganese, or about eight-tenths of a cent per pound on the manganese content in the ferromanganese.

That, of course, may not be very clear without reading it over carefully. However, Mr. President, I think we had better pass over the remainder of that paragraph and try between now and our meeting to-morrow to get the proper differential that should be made with the duty on the manganese content of the ore at 1 cent per pound.

Mr. KING. In figuring the differential the Senator does not intend, I take it, to add anything in the way of compensation for profits?

Mr. McCUMBER. Will the Senator kindly repeat his question?

Mr. KING. In determining the compensatory duty to be given to ferromanganese, the Senator does not intend to add anything by way of profit, but just a fair allowance to cover the difference?

Mr. McCUMBER. It is merely proposed to fix the proper rate in view of the 1 cent which is given to the manganese content.

Mr. UNDERWOOD. The Senator from North Dakota made some suggestion about taking this matter up to-morrow. If the Senator is going to pass it over, I should much prefer to go on with it to-night, unless the Senator is going to pass it over for some time. I asked that the paragraph be passed over until we finish the remainder of the bill, for when the consideration of the bill is concluded I should like to offer an amendment which will go to the whole paragraph. We are not permitted now to amend the whole paragraph, and I had rather make one argument than to make two or three.

Mr. McCUMBER. The great difficulty is that there will be so many requests to have matters go over until we get to the end of the bill that I am afraid we shall get lost.

Mr. UNDERWOOD. Very well; then we will go on with it to-night.

Mr. McCUMBER. I stated the reason why I thought we ought not to go on with it to-night. Inasmuch as we have now imposed a duty of 1 cent per pound on the manganese content of the ore, it will take some time to figure exactly the compensatory duty. It is difficult to figure it on the floor of the Senate without sitting down with pencil and paper.

Mr. UNDERWOOD. I realize that. Therefore I think it would suit the Senator's convenience that it should go over, but to suit my convenience I do not desire that it go over merely for a day or for two days. I want to compromise and have it go over until the end of the bill shall have been reached.

Mr. McCUMBER. I can see the Senator's point, but let us pass it over at least for to-night, because we can not possibly dispose of it to-night.

Mr. UNDERWOOD. I hope the Senate will take no action on the matter unless I am notified.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over.

ORDER FOR RECESS.

Mr. McCUMBER. Mr. President, I ask unanimous consent that when the Senate concludes its session on this calendar day that it take a recess until to-morrow at 11 o'clock a. m.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

Mr. HEFLIN. Mr. President, is it the purpose of the Senator from North Dakota to take a recess about 10 o'clock to-night?

Mr. McCUMBER. It is my purpose to take a recess just as soon as the Senator from Wisconsin [Mr. LA FOLLETTE] presents a matter which he desires to bring before the Senate.

Mr. CURTIS. Mr. President, we desire to have a short executive session, I will say to the Senator from North Dakota.

Mr. McCUMBER. I understand that.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota, that when the Senate concludes its session this evening it shall recess until 11 o'clock to-morrow morning? The Chair hears none, and such order will be entered.

MUSCLE SHOALS DEVELOPMENT.

Mr. LA FOLLETTE obtained the floor.

Mr. UNDERWOOD. Mr. President, I ask the Senator from Wisconsin to yield to me for a moment.

Mr. LA FOLLETTE. I yield to the Senator from Alabama.

Mr. UNDERWOOD. I ask unanimous consent that a memorial passed by the Southern Commercial Congress at its meeting at Muscle Shoals in May last in reference to the Muscle Shoals be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the order will be entered.

The memorial referred to is as follows:

MEMORIAL TO THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES.

Believing that the great industrial project, Muscle Shoals, should be so developed as to secure the greatest good to the Nation, and affirming our confidence in the ability and purpose of the President and the Members of Congress who bear the responsibility for the future of this great national asset, we, the authorized delegates to the national conference on Muscle Shoals, in session under the auspices of the Southern Commercial Congress at Muscle Shoals, May 22–24, 1922, having carefully considered the features of this undertaking and after inspection of this property and the serious study of the several proposals therefor, offer the following memorial in testimony of our unanimous convictions:

National progress and national existence itself depends upon the maintenance of our soil's fertility, together with adequate provision for our national defense.

No single human endeavor in the United States affords such promise of advancing the national welfare in both of these ways as does the uncompleted Muscle Shoals project.

To abandon and scrap this project would be an economic crime.

The real usefulness of Muscle Shoals can be realized only by a comprehensive development that calls for vast capital and organizing ability of a high order, available to but a few private citizens, and to the Government itself.

This country has attained a foremost place in wealth and industry not by governmental engagement in business but by the enterprise and ability of its private citizens, among whom none commands a greater degree of confidence based upon achievements than does Henry Ford.

The Ford proposal is the only offer pending which provides—

For full development of all of the power possibilities of the Tennessee River;

For utilizing the great resources of the Tennessee Valley;

For the adequate improvement of navigation;

For a guaranty of cheap fertilizers on a scale which offers substantial encouragement to millions of American farmers; and

For the maintenance for 100 years of the nitrate plant, assuring at all times a domestic supply of explosives in time of war.

Detailed congressional investigations have confirmed our view of the situation and have disclosed the opposition as that of selfish interests, who, disregarding the national welfare, seek to prevent that which they themselves when offered the opportunity declined to undertake.

The problem has been under consideration by the people of this country for more than a year; the facts are now well known; the issue is clearly defined and the time for action is at hand.

Therefore we do earnestly urge upon the President and the Congress to end the delay and suspense by early and decisive action accepting the offer of Mr. Ford.

In pursuance of the foregoing declarations to the President and the Congress of the United States and to the American people: Be it further

Resolved, That a legislative committee be, and is hereby, appointed to present this memorial to the President and the Congress and to use every proper effort to further the legislative program adopted at this conference, and that the said committee shall consist of Hoke Smith, of Georgia; Thomas R. Preston, of Tennessee; and Clarence J. Owens, director general of the Southern Commercial Congress, Washington, D. C., with the power and authority to increase this committee in their discretion to the number of 11.

PROPOSED MERGER OF STEEL COMPANIES.

Mr. LA FOLLETTE. Mr. President, in response to Senate Resolution 286, passed by the Senate on the 12th of May, the Federal Trade Commission addressed a communication to the Senate which was received this morning and handed down by the Vice President. I was unable at that time to have it read to the Senate for the reason that the Senator from Indiana [Mr. WATSON] had the floor and declined to yield for that purpose. The communication consists of four pages of typewritten matter and will take perhaps 10 minutes to read. I ask to have it read at this time, and that it be printed in the RECORD in 8-point type.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin that the communication shall be read and printed in the RECORD in 8-point type? The Chair hears none. The Secretary will read as requested.

The Assistant Secretary read as follows:

FEDERAL TRADE COMMISSION,
Washington.

To the PRESIDENT OF THE UNITED STATES SENATE.

SIR: By Resolution No. 286, agreed to on May 12, 1922, the Attorney General of the United States and the Federal Trade Commission were requested to inform the Senate what steps had been taken, or they proposed to take, to ascertain the purpose and probable effects of the proposed merger of certain steel companies therein named; to inform the Senate as to results of any investigations which they may have conducted; and what actions they have instituted to protect the public interest.

In so far as this resolution is directed to the Federal Trade Commission, that commission presents the following report:

In the early part of December, 1921, the attention of the Federal Trade Commission was attracted by reports and rumors of proposed and impending mergers of considerable importance in many lines of industry. The commission thereupon, by resolution, directed its proper officials to seek all possible information with reference to these proposed mergers and to keep the commission advised as to their progress. Prior to the adoption of Senate Resolution 286, the proposed merger among the steel companies was under observation by the commission, and it was collecting information with reference thereto.

Up to the time of this resolution, however, none of these proposed mergers had reached a sufficiently definite or concrete stage to warrant the commission in reaching a conclusion with reference to the legality of such proposed mergers.

Subsequent to the adoption of the resolution in question it became apparent that the movement toward a merger in the steel industry had taken on the form of a combination of the Bethlehem Steel Corporation and its subsidiaries with the Lackawanna Steel Co. and its subsidiaries on the one hand and a like combination of the properties of the Midvale Steel & Ordnance Co., the Republic Iron & Steel Co., and the Inland Steel Co., these three latter companies proposing to form a new corporation to be known as North American Steel Co.

The Bethlehem-Lackawanna merger has advanced to a stage where it is practically complete except for the necessary ratification by the stockholders of the two companies, and we are informed that this remaining detail will be completed as soon as possible.

The Federal Trade Commission had considerable information already at hand with reference to the position of the Bethlehem Steel Corporation and its subsidiaries and the Lackawanna Steel Co. and its subsidiaries in the steel industry and the relation of each to each other and to competitive conditions in the steel market generally. This information has been supplemented by inquiry and research with the result that the Federal Trade Commission upon the information before it has reason to believe, in the language of its constituent act, that the proposed Bethlehem-Lackawanna merger when consummated will constitute an unfair method of competition in that it contains a dangerous tendency unduly to hinder competition and to restrain trade and commerce, and that a proceeding by the commission in this respect is in the public interest.

In this aspect under its constituent act it becomes the duty of the Federal Trade Commission to issue its complaint and to state its charges in that behalf. The Federal Trade Commission therefore issued its complaint directed to the Bethlehem and Lackawanna companies on Saturday, June 3, and for the further information of the Senate attaches a copy of this complaint hereto.

Of course, the issue of the complaint is merely the institution of formal proceedings to test the legality of the proposed merger. In the ordinary course answer will be filed to this complaint and testimony will be taken both on behalf of the Government and of the two steel companies. At the conclusion of this testimony and after argument the commission will determine the facts and apply the law thereto. And only if such a conclusion is justified by the facts will an order to cease and desist from the proposed merger be issued. Otherwise the complaint will be dismissed. In other words, in the issue of the complaint the Federal Trade Commission expresses no final judgment as to the legality of the proposed merger.

If an order to cease and desist from the proposed merger is issued, it is, of course, subject to review by the United States Circuit Court of Appeals.

THE MIDVALE-REPUBLIC-INLAND MERGER.

With reference to the proposed Midvale-Republic-Inland merger and the formation of the North American Steel Co., we are advised that tentative arrangements entered into between the executive officers of these three companies have been settled upon and agreed to on behalf of the board of directors of the companies, and tentative arrangement has been made with Kuhn, Loeb & Co. for the financing of the proposed merger. The actions of these three companies have not so far advanced toward completion as to reveal the essential facts with the same precision and comprehensiveness as in the Bethlehem-Lackawanna case, and the Federal Trade Commission therefore has not yet been able to reach a reason to believe either that the proposed three-company merger will or will not carry the same tendency and capacity as in the case of the Bethlehem-Lacka-

wanna merger above referred to. The details of this plan are, however, being carefully followed, and so soon as the commission is in possession of sufficient information it will make further report to the Senate as to the second of these proposed mergers.

By the commission.

Respectfully submitted.

NELSON B. GASKILL, *Chairman.*

Mr. LA FOLLETTE. Mr. President, attached to the communication addressed to the Senate, which has just been read, is a complaint which was served on the new Bethlehem and Lackawanna steel merger, on the 3d day of June, which was last Saturday. The whole subject is of such interest to the people of this country that I also ask to have the complaint printed in the RECORD in 8-point type, but not read at this time.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and the order will be made.

The complaint referred to is as follows:

United States of America, before Federal Trade Commission, in the matter of the Bethlehem Steel Corporation and the Lackawanna Steel Co. Docket No. 891.

COMPLAINT.

Acting in the public interest pursuant to the provisions of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," the Federal Trade Commission charges that the Bethlehem Steel Corporation and the Lackawanna Steel Co., hereinafter referred to as respondents, have been and are using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of said act, and states its charges in that respect as follows:

PARAGRAPH 1. Respondent, Bethlehem Steel Corporation, is a corporation organized under the laws of the State of New Jersey. The outstanding capital stock of respondent amounts to $104,770,000 par value. The funded debt, consisting of obligations of various issues, chiefly of bonds issued by Bethlehem Steel Corporation and bonds issued or assumed by the Bethlehem Steel Co. or their subsidiaries, amounts to $146,432,896.52. It is what is commonly known as a holding corporation, owning a controlling interest in the capital stock of a number of other corporations, the organization and business of which are described in paragraphs 2 to 11 of this complaint.

PAR. 2. The Bethlehem Steel Co. is a corporation organized under the laws of the State of Pennsylvania, and owns and operates plants for the manufacture of crude and semifinished and finished iron and steel products located at Bethlehem, Steelton, Lebanon, and Reading, Pa. The Bethlehem Steel Co. also owns a controlling interest in the capital stock of the Beth-Mary Steel Corporation, which owns and operates a plant for the manufacture of crude and semifinished steel products at Sparrows Point, Md., said plant being operated by the Bethlehem Steel Co. under a lease.

PAR. 3. Bethlehem Steel Bridge Corporation is a corporation organized under the laws of the State of Delaware, which manufactures and sells bridge materials and structural steel for buildings and erects bridges in various parts of the United States.

PAR. 4. Bethlehem-Cuba Iron Mines Co. is a corporation organized under the laws of the State of West Virginia, owning and operating iron-ore mines in Cuba and operating under lease the mines of Juragua Iron Co., Cuba.

PAR. 5. The Juragua Iron Co. is a Pennsylvania corporation owning iron-ore mines in Cuba, the same being leased to the Bethlehem-Cuba Iron Mines Co.

PAR. 6. Bethlehem-Chile Iron Mines Co. is a corporation organized under the laws of Delaware, and operates under lease the Tofo iron-ore mines located at Cruz Grande in the Province of Coquimbo, Chile.

PAR. 7. Cornwall Ore Banks Corporation is a corporation organized under the laws of the State of Pennsylvania. It owns iron-ore mines in Cornwall and Lebanon townships in Lebanon County, Pa., the said mines being operated by the Cornwall Ore Bank Co., an unincorporated association controlled by the Bethlehem Steel Co.

PAR. 8. The Bethlehem Iron Mines Co. is a corporation organized under the laws of the State of New York, owning ore-mining properties in Cuba.

PAR. 9. Finch Run Coal Co. is a corporation organized under the laws of the State of Delaware, owning coal-mining properties in Marion County, W. Va.

PAR. 10. The Penn-Mary Coal Co. is a corporation organized under the laws of the State of Pennsylvania, owning coal-mining properties in Pennsylvania and West Virginia.

PAR. 11. The Bethlehem Mines Corporation is a corporation organized under the laws of the State of Delaware, and owning and operating limestone quarries at Bethlehem, Steelton, Lebanon, and Hanover, Pa., and McAfee, N. J.; and operating under lease the coal mines of Finch Run and Penn-Mary coal companies.

PAR. 12. Respondent, Bethlehem Steel Corporation, also owns a controlling interest in the stock of various other corporations engaged in shipbuilding and in transportation by rail and by water.

PAR. 13. Respondent, Bethlehem Steel Corporation, through its stock ownership in the corporations described in paragraphs 2 to 11, inclusive, of this complaint, is engaged in the business of managing, controlling, and directing the operations and businesses of said subsidiaries, including the sale of their products throughout the United States. Through its subsidiary, the Bethlehem Steel Co., it manufactures and sells large quantities of iron and steel commodities, including, among others, the following: Steel blooms, billets, slabs and sheet bars; rail joints, splice bars, tie plates, and other rail accessories; structural steel shapes; plates; forging ingots; steel bridges, viaducts, buildings, and pier caissons; railroad spikes, truck bolts, and nuts. Said respondent also manufactures and sells through its subsidiaries other iron and steel commodities. It manufactures and sells approximately 7 per cent of all the steel rails and approximately 16 per cent of all the long-angle splice bars and other rail accessories made in the United States. Its production of steel rails amounts to approximately 10 per cent of all such rails manufactured in that portion of the United States which embraces the State of Ohio and the territory north of the Potomac River and to the east of the said State, and its production of long-angle splice bars and other rail accessories amounts to 22 per cent of all these commodities manufactured in the said territory. It manufactures and sells in interstate commerce, as described in paragraph 14 herein, a substantial percentage of the other commodities named in this paragraph made in the United States, and manufactures a large percentage of such commodities made in the State of Ohio and in the territory north of the Potomac River and east of the said State. Respondent, Bethlehem Steel Corporation, and its subsidiaries, and respondent, Lackawanna Steel Co., and its subsidiaries, are important factors in making the market prices of the commodities named in this paragraph sold in interstate commerce in the New England States, New York, New Jersey, and eastern Pennsylvania, and practically control the market in such commodities in those States.

PAR. 14. The respondent, Bethlehem Steel Corporation, through its subsidiaries, taken as a whole, is engaged in the mining of iron ore, the mining of coal, the quarrying of limestone, the production therefrom of iron and semifinished and finished steel commodities, and is thus an integrated enterprise owning and controlling all stages of the production of the commodities sold by it from the raw materials to the semifinished and finished commodities. Said respondent and its subsidiaries sell products and commodities made by said subsidiary corporations to persons in various States of the United States, and cause such commodities, when so sold, to be transported from the points of production or manufacture into and through other States to purchasers at points in States other than the States where such products are manufactured and at points in foreign countries and pursuant to contracts of sale theretofore entered into by respondent or its subsidiaries. In the sale of such products and commodities in interstate commerce as herein described said respondent, of itself and through its subsidiaries, is in direct competition with respondent, Lackawanna Steel Co. and its subsidiaries, and with other individuals, partnerships, and corporations engaged in the manufacture and in the sale in interstate commerce of iron and steel commodities of the same kind and character as those sold by the Bethlehem Steel Corporation and its subsidiaries as set out in paragraph 13 of this complaint.

PAR. 15. Respondent, Lackawanna Steel Co., is a corporation organized under the laws of the State of New York, with its principal place of business in said State. It is both a holding and operating company and either directly or through its subsidiaries is engaged in the mining of iron ore and of coal, quarrying of limestone, and in the manufacture therefrom and sale of iron and steel commodities, and is thus an integrated enterprise owning and controlling all stages of the production of the commodities sold by it from the raw materials to the semifinished and finished commodities. Its capital stock (all common) issued and outstanding is $35,108,500, and it has bonds outstanding to the value of $21,236,000.

The respondent, Lackawanna Steel Co., manufactures, among other things, steel blooms, billets, slabs, and sheet bars; rails, rail joints, splice bars, tie-plates, and other rail accessories; steel shapes; plates forging ingots, railroad spikes, track bolts and nuts; and a number of other iron and steel com-

modities. It manufactures and sells in excess of 15 per cent of all the steel rails made in the United States, or approximately 23 per cent of all such rails manufactured in that portion of the United States which includes the State of Ohio and the territory north of the Potomac River and to the east of said State. It manufactures approximately 11 per cent of all the long-angle splice bars and other railroad accessories made in the United States, or approximately 17 per cent of all these commodities made in the territory above described. It owns an interest in the capital stock of numerous subsidiaries, the names, organization, and businesses of the principal of which are set out in paragraphs 16 to 25 of this complaint, together with the percentage of stock held or owned in each.

PAR. 16. The Lackawanna Bridge Works Corporation is a corporation organized and existing under the laws of the State of New York, and is engaged in the manufacture and sale, in interstate commerce, as described in paragraph 29, of steel bridges and steel for the fabrication of other structures, and in the erection in various parts of the United States of the structures for which said materials are sold. Its entire capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 17. The Sunday Lake Iron Co. is a corporation organized and existing under the laws of the State of Michigan, operating leased iron-mining properties. Its entire capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 18. The Brotherton Iron Mining Co. is a corporation organized and existing under the laws of the State of Michigan, operating leased iron-mining properties. Practically its entire capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 19. Witherbee, Sherman & Co. is a corporation organized and existing under the laws of the State of New York, owning and operating iron-mining properties, and manufacturing pig iron. One-third of its capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 20. Hobart Iron Co. is a corporation organized and existing under the laws of the State of Minnesota, operating iron-mining properties in Minnesota. Two-thirds of its capital stock is owned by Lackawanna Bridge Works Corporation.

PAR. 21. Corsica Iron Co. is a corporation organized and existing under the laws of the State of Minnesota, operating leased iron-mining properties in the State of Minnesota. Approximately two-thirds of its capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 22. The Varona Mining Co. is a corporation organized and existing under the laws of the State of Michigan, operating leased iron-mining properties in Michigan. One-half of its capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 23. Odanah Iron Co. is a corporation organized and existing under the laws of the State of Wisconsin, operating leased iron-mining properties in Wisconsin. Approximately 27 per cent of its capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 24. Hoyt Mining Co. is a corporation organized and existing under the laws of the State of Minnesota, operating leased iron-mining properties in Minnesota. Approximately 30 per cent of its capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 25. The Negaunee Mine Co. is a corporation organized and existing under the laws of the State of Ohio, operating leased iron-mining properties in Michigan. One-half of its capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 26. The Lackawanna Coal & Coke Co. is a corporation organized and existing under the laws of the State of Pennsylvania, owning and operating coal-mining properties in Pennsylvania. Its entire capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 27. The Ellsworth Collieries Co. is a corporation organized and existing under the laws of the State of Pennsylvania, owning and operating coal-mining properties in Pennsylvania. Its entire capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 28. The Lackawanna Steel Co. (of New Jersey) is a corporation organized and existing under the laws of the State of New Jersey and acts as selling agent of the Lackawanna Steel Co. in Illinois and Missouri. Its entire capital stock is owned by respondent, Lackawanna Steel Co.

PAR. 29. Respondent, Lackawanna Steel Co., itself or through its subsidiaries herein described, sells the commodities made and produced by them and named herein to persons in the various States of the United States, and causes such products and commodities, when so sold, to be transported from the points of production or manufacture into and through other States to purchasers at points in States other than those in which such products or commodities are produced or manufactured, pursuant to contracts of sale theretofore entered into by the said respondent or its subsidiaries, in competition with other persons or corporations similarly engaged in the manufacture and in the sale in interstate commerce of such commodities.

PAR. 30. Respondent, Bethlehem Steel Corporation and its subsidiaries on the one hand, and respondent, Lackawanna Steel Co. and its subsidiaries on the other, were, before the doing of the things hereinafter alleged, in competition with each other in the manufacture and in the sale, in interstate commerce, as set out in paragraphs 14 and 29 hereof, of the commodities enumerated in paragraph 15 of this complaint, and were, and are, in competition in the sale, in interstate commerce, of such commodities with other individuals, partnerships, and corporations similarly engaged, in the production and in the sale of such commodities in interstate commerce.

PAR. 31. That on or about April 1, 1922, respondents entered into an agreement to combine or consolidate their respective properties, businesses, and interests into a common enterprise, whereby the properties, assets, and business of respondent, Lackawanna Steel Co., as well as that of its subsidiary, the Lackawanna Bridge Works Corporation, and the capital stocks in the subsidiaries of the respondent, Lackawanna Steel Co., set out in paragraphs 16 to 28, inclusive, of this complaint, held and owned by said respondent, Lackawanna Steel Co., all are to be acquired by said Bethlehem Steel Corporation. Pursuant to said agreement, respondent, Bethlehem Steel Corporation, is now acquiring or has acquired, and respondent, Lackawanna Steel Co. is selling, conveying, assigning, or transferring, or has sold, conveyed, assigned, and transferred to respondent, Bethlehem Steel Corporation, all the physical properties, business, and assets of the respondent, Lackawanna Steel Co., and of its subsidiary, the Lackawanna Bridge Works Corporation, and the capital stocks of the subsidiary corporations of the respondent, Lackawanna Steel Co., described in paragraphs 4 to 11, inclusive, of this complaint.

PAR. 32. That said combination of the respondents, Bethlehem Steel Corporation and Lackawanna Steel Co., by purchase of the physical properties and stocks of various corporations owned by the Lackawanna Steel Co., will when the transfers herein described are consummated, control in excess of 22 per cent of all the steel rails produced in the United States and in excess of 33⅓ per cent of all steel rails produced in the State of Ohio and all territory north of the Potomac River and east of the said State; combination will also control in excess of 26 per cent of the long-angled splice bars and other rail accessories manufactured in the United States and in excess of 39 per cent of these commodities produced in the State of Ohio and all territory north of the Potomac River and east of the said State; that said combination will control very substantial percentages of other crude, semifinished, and finished iron and steel commodities made in the United States, and a substantially larger percentage of these commodities made in the State of Ohio and all territory north of the Potomac River and east of the said State.

PAR. 33. That said acquisition by respondent, Bethlehem Steel Corporation, of the physical properties of the Lackawanna Steel Co. and of the Lackawanna Bridge Co. and of the capital stock of the subsidiary corporations of the Lackawanna Steel Co. described in paragraphs 16 to 28, inclusive, of this complaint will suppress and eliminate all competition which has hitherto existed between Bethlehem Steel Corporation and its subsidiaries, or each or any of such subsidiaries, and the Lackawanna Steel Co. and its subsidiaries, or each or any of such subsidiaries. The said merger or consolidation of properties, business, and interests of the respondent, Bethlehem Steel Corporation, and its subsidiaries, and of the Lackawanna Steel Co. and its subsidiaries as set out herein, has a dangerous tendency unduly to hinder competition in interstate commerce as herein described, or to hinder and lessen competition unduly in interstate commerce, as herein described, in the steel and iron commodities named in this complaint, in certain sections and communities of the United States, and particularly in the New England States, New York, New Jersey, and eastern Pennsylvania.

PAR. 34. That said acquisition by respondent, Bethlehem Steel Corporation, of the physical properties of the Lackawanna Steel Co. and of the Lackawanna Bridge Works Corporation, and of a controlling interest in the capital stock of the subsidiary corporations of the Lackawanna Steel Co., as set out herein, has a dangerous tendency unduly to restrain trade and commerce, as described herein, among the several States in the iron and steel commodities named in paragraphs 13, 15, and 16 of this complaint, and if and when accomplished will unduly restrain such trade and commerce in such commodities, and constitutes an attempt to monopolize and will monopolize such

interstate trade and commerce in certain sections and communities, and particularly in the New England States, New York, New Jersey, and eastern Pennsylvania.

PAR. 35. The acquisition by respondent, Bethlehem Steel Corporation, of the physical properties of respondent, Lackawanna Steel Co., and of its subsidiary, the Lackawanna Bridge Works Corporation, and of the capital stocks of the various subsidiaries of respondent, Lackawanna Steel Co., herein described, and the merger of the respondent corporations in the manner described herein with the tendencies, capacities, or effects charged in this complaint, constitute unfair methods of competition in interstate commerce within the intent and meaning of section 5 of an act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914.

Wherefore, the premises considered, the Federal Trade Commission, on this 3d day of June, A. D. 1922, now here issues this its complaint against said respondents.

NOTICE.

Notice is hereby given you, Bethlehem Steel Corporation and Lackawanna Steel Co., respondents herein, that on the 24th day of July, 1922, at 10.30 o'clock in the forenoon, is hereby fixed as the time, and the offices of the Federal Trade Commission in the city of Washington, D. C., as the place, when and where a hearing will be had on the charges set forth in this complaint, at which time and place you shall have the right under said act to appear and show cause why an order should not be entered by said commission requiring you to cease and desist from the violation of the law charged in this complaint.

In witness whereof the Federal Trade Commission has caused this complaint to be signed by its secretary, and its official seal to be hereto affixed, at Washington, D. C., this 3d day of June, 1922.

By the commission.

[SEAL.] J. P. YODER, *Secretary.*

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA.

Mr. POMERENE. I ask unanimous consent to introduce a bill and have it referred to the Committee on Claims. I also have here a letter giving the history of this claim. I think Senators may be interested in it, and I ask that it be incorporated in the RECORD.

The bill (S. 3678) for the relief of the International Manufacturers' Sales Co. of America (Inc.) was read twice by its title and referred to the Committee on Claims.

The letter was referred to the Committee on Claims and ordered to be printed in the RECORD, as follows:

THURMAN, BULKLEY & QUIGLEY,
Washington, D. C., May 29, 1922.

HON. ATLEE POMERENE,
United States Senate, Washington, D. C.

MY DEAR SENATOR POMERENE: In accordance with your request I herewith submit the following in connection with the proposed bill for the relief of the International Manufacturers' Sales Co. of America which you so kindly consented to introduce in the Senate.

The International Manufacturers' Sales Co. of America was originally incorporated in Illinois in 1910, having its office and principal place of business in Chicago. In 1916 it was reincorporated in New York, and at the times hereinafter mentioned had its office and principal place of business in that city. It was organized for the purpose of carrying on a general sales business in Russia and other European countries. The capital stock was owned exclusively by member manufacturers. The company did not function as an agency for these manufacturers but as a subsidiary sales organization, or, in other words, as the direct branch of these manufacturers in Europe under a cooperative plan.

Under this plan the profits of middlemen were eliminated and prices quoted and goods delivered direct from the factories to the buyer. The company was thus able to reduce operating expenses, lessen overhead charges, minimize advertising costs, etc., and thereby enabled to quote to the buyers on behalf of the member manufacturers prices lower than could have been quoted through agents.

After the organization of the company the directors elected as president and general manager Mr. A. S. Postnikoff, an American citizen and a man of many years experience in the foreign field, where he represented the International Harvester Co. Headquarters were then opened in Russia and other European countries. The first years of the operation of the company proved so successful that additional branches were opened in other parts of the world.

As before stated, the company was reincorporated in New York in 1916. At the times hereinafter mentioned the officers of the company were as follows:

A. S. Postnikoff, president; L. K. Liggett, president United Drug Co., Boston, Mass., first vice president; M. D. Jeffrey, export manager, Jeffrey Manufacturing Co., Columbus, Ohio, second vice president; B. T. Leuzarder, treasurer, Chicago Belting Co., Chicago, Ill., treasurer; L. N. Burns, secretary, J. I. Case Plow Works, Racine, Wis., secretary; A. S. Postnikoff, general manager; and R. H. Morris, assistant secretary.

The board of directors was composed of the following: L. H. Treadway, president, Peck, Stow & Wilcox Co., Cleveland, Ohio; Shiras Morris, president, Hart & Hegeman Manufacturing Co., Hartford, Conn.; F. R. Briggs, chairman of board, Thomas G. Plant Co., Boston, Mass.; J. K. Rodgers, director of sales, Du Pont Fabrikoid Co., Wilmington, Del.; L. K. Liggett, president, United Drug Co., Boston, Mass.; B. T. Leuzarder, treasurer, Chicago Belting Co., Chicago, Ill.; M. D. Jeffrey, export manager, Jeffrey Manufacturing Co., Columbus, Ohio; L. N. Burns, secretary, J. I. Case Plow Works, Racine, Wis.; W. O. Washburn, managing partner, American Hoist & Derrick Co., St. Paul, Minn.; H. F. Hering, vice president, New York Rubber Co., New York; and A. S. Postnikoff, president, International Manufacturers' Sales Co. of America.

The following is a list of the stockholders: J. D. Adams & Co., Indianapolis, Ind.; American Hoist & Derrick Co., St. Paul, Minn.; American Steam Gauge & Valve Manufacturing Co., Boston, Mass.; Ames Shovel & Tool Co., Boston, Mass.; Ann Arbor Machine Co., Ann Arbor, Mich.; Arlington Co., New York, N. Y.; Avery Co., Peoria, Ill.; Burroughs Adding Machine Co., Detroit, Mich.; Cadillac Motor Car Co., Detroit, Mich.; J. I. Case Plow Works, Racine, Wis.; Central Ohio Paper Co., Columbus, Ohio; J. G. Cherry Co., Cedar Rapids, Iowa; Chicago Belting Co., Chicago, Ill.; Chicago Bridge & Iron Works, Chicago, Ill.; Diamond Chain & Manufacturing Co., Indianapolis, Ind.; Du Pont Fabrikoid Co., Wilmington, Del.; Elyria Iron & Steel Co., Cleveland, Ohio; Hart Manufacturing Co., Cleveland, Ohio; Hart & Hegeman Manufacturing Co., Hartford, Conn.; Hilliard & Merrill (Inc.), Lynn, Mass.; Jeffrey Manufacturing Co., Columbus, Ohio; Kelly Axe Manufacturing Co., Charleston, W. Va.; Mrs. A. R. King (Inc.), Philadelphia, Pa.; Koehring Machine Co., Milwaukee, Wis.; Lawrence & Co., Boston, Mass.; A. Y. McDonald Manufacturing Co., Dubuque, Iowa; National Roofing Co., Tonawanda, N. Y.; New York Rubber Co., New York, N. Y.; M. A. Packard Co., Brockton, Mass.; Thomas G. Plant Co., Boston, Mass.; Peck, Stow & Wilcox Co., Cleveland, Ohio; Peoria Drill & Seeder Co., Peoria, Ill.; Pfister & Vogel Leather Co., Milwaukee, Wis.; Quaker Manufacturing Co., Chicago, Ill.; Saxon Motor Car Co., Detroit, Mich.; Scovill Manufacturing Co., Waterbury, Conn.; Sprout, Waldron & Co., Muncy, Pa.; Stromberg Motor Devices Co., Chicago, Ill.; Twentieth Century Machinery Co., Milwaukee, Wis.; United Drug Co., Boston, Mass.; Upson Nut Co., Cleveland, Ohio; White Sewing Machine Co., Cleveland, Ohio.

As before stated, the company enjoyed during the first years of its existence a prosperous business, especially in Russia, but through the Bolshevist uprising later lost a large amount of money in that country.

Early in the fall of 1918, with the approval of the President, a provisional plan was formulated by the Department of State for the purpose of extending economic aid to the Siberian population in Russia. The War Trade Board was intrusted with carrying out this plan and was placed in control of the distribution of supplies licensed for export to Vladivostok, a Mr. August Heid, being appointed as chief of the bureau of the War Trade Board in that city.

The sources of supply of goods to be shipped were arranged by the Department of State and were as follows: (1) Private capital, and (2) a revolving fund of $5,000,000, which, I am advised, was set aside by the President out of the fund appropriated to him for the national security and defense. I may state here that this $5,000,000 was not used, as the time in which this plan was in existence only lasted three or four months, and the International Manufacturers' Sales Co. of America was the only American company to participate in it.

In order to encourage private capital to assist in this plan for the relief of the Siberian population, the Department of State, through press statements and otherwise, urged and invited American merchants and manufacturers to sell goods in Siberia as a relief measure and announced that such merchants and manufacturers could obtain information as to the method of selling goods from the Vladivostok Bureau of the War Trade Board.

In October, 1918, this plan was cabled by the Department of State, through Mr. Morris, ambassador at Japan, who was then in Vladivostok, to Mr. August Heid, Chief of the Bureau of the War Trade Board in that city. It is very clear from the contents of this cable that it was the intention of the department in promoting this plan to encourage private capital to supply articles of prime necessity to the Siberian population.

In the fall of 1918 Mr. Postnikoff was in Vladivostok on business connected with his company and while there was interviewed by Mr. Heid, who explained in detail the plan for the relief of the Siberian population, and asked Mr. Postnikoff to get in touch with the directors of his company and urge them to arrange for the company to send supplies to Siberia in compliance with the request of the Department of State. Mr. Heid, as an official of the United States Government, urged that the company do this, saying that inasmuch as the proposed relief was in reality a call of our Government it was the right thing to comply with it, and further stated that all necessary assistance in distributing the goods and collecting the proceeds from the sales would be given the company by the Government.

Mr. Postnikoff thereupon took up the matter by cable with the directors of the company, with the result that the proposed plan was finally agreed to. The goods—all shoes—were sent to Vladivostok in December, 1918, and January and February, 1919, distributed throughout Siberia as far as Ekaterinburg, and sold at a price which only covered actual estimated expenses and was not intended to furnish any profit.

Profiteering by middlemen in Siberia was avoided, as the goods were sold only to municipalities, cooperative societies, and Zemstvos. In this way the consumer was able to obtain the shoes at the lowest possible price.

As promised by Mr. Heid, every possible assistance was given the company in distributing the goods. The American Red Cross, which at that time was doing extensive relief work in Siberia, assisted the company by supplying railroad cars and attaching them to its special relief trains. General Graves, who was then in command of the American Forces in Siberia, ordered special guards to protect the goods, and the War Trade Board took control of the sale of them.

As previously stated, deliveries were made in December, 1918, and January and February, 1919, and were paid for in March, April, and May of 1919 by the deposit of Russian rubles in several Siberian banks. The total payments amounted to 7,271,202.55 rubles. At the time of these payments the Russian ruble was worth approximately 18 cents of American money. With interest to the 1st of January, 1922, payments for the shoes in American money amounted to $1,308,816.46.

On February 14, 1919, under and in pursuance of an Executive order dated January 26, 1918, the Federal Reserve Board issued the following regulation:

"Until otherwise instructed, the exportation or importation of Russian rubles or the transfer of funds for their purchase by 'persons' and 'dealers' in the United States as described under the Executive order of the President of January 26, 1918, is prohibited."

While nothing was stated in the Executive order or the regulation issued by the Federal Reserve Board as to the reason for the latter, it is well known that it was intended to prevent dealing in Russian gold rubles and Russian gold by persons in the United States, and to prevent the importation of Russian gold to be used in furtherance of Bolshevist

propaganda and also to insure the United States from any future difficulties arising from such importation, the source of the gold being unknown.

It is indeed exceedingly questionable whether it was intended to prevent the completion of business transactions which had been entered into by American firms in Russia prior to the issuance of the order in perfect good faith, and especially so when the transaction had been urged by representatives of the Government and companies had entered into transactions because thereof.

Upon receipt of the notice of deposit of the purchase price of the goods in Siberian banks the company requested those banks to exchange the rubles into United States dollars, but because of the order of the Federal Reserve Board of February 14, 1919, the Siberian banks were unable to buy American dollars for the company. The company then endeavored to sell at least some of these rubles to American institutions in Siberia, such as the Red Cross, the Y. M. C. A., and Army headquarters, but without success, as these institutions dealt with American banks exclusively. The National City Bank of New York and the Guaranty Trust Co. of New York, both of which had branches in Vladivostok, were eager to dispose of as many rubles as possible after the exchange was closed.

There was no way for the company to convert the rubles into dollars by purchasing Siberian products and selling them in America, as the Siberian Government had placed severe restrictions on exports of raw materials. Even had these restrictions not been placed it would have been next to impossible to concentrate the raw materials at seaports, as transportation facilities were impossible to obtain owing to the demoralization and disorganization of the Siberian railroads.

In addition to this, the Siberian government, which was friendly to the United States Government and desired to assist it in every way possible, issued a restriction, following the ruling of the Federal Reserve Board prohibiting ruble exchange, which allowed withdrawals from the banks only in the amount of 1,000 rubles per week.

Every legitimate effort was made by the company at this time to transfer the rubles into dollars, but it was unable to do so. The result was that the rubles had to remain and still remain in Russian banks, and in the meantime the depreciation in the value of rubles has reduced the amount to practically nothing, meaning a total loss to the company. The facts above recited clearly establish the fact that the company was not responsible for allowing the rubles to remain in Siberia.

After the efforts to exchange the rubles, as above set forth, proved futile the matter was presented by the company to the Federal Reserve Board and to the Department of State, both of which held the transaction was within the purview of the order of February 14, 1919, and that no relief could be granted the company.

You will observe that neither the Russian nor the Siberian Government had anything to do with the sale of these goods. They were sold directly to the Siberian population and paid for in full in rubles. It follows, therefore, that the company has no claim against the Russian Government. The goods were sold upon the special request and encouragement of the United States Government and through its agencies, but because of the regulations issued by the Federal Reserve Board later on the company was unable to obtain the proceeds of the sales in American dollars.

I am also advised that Mr. Postnikoff took up with Mr. Heid the matter of reimbursing the company out of the $5,000,000 above referred to, but was informed by Mr. Heid that the fund was not available, having been transferred for the improvement of the Eastern Chinese Railroad Co. and was being used for that purpose.

The International Manufacturers' Sales Co. of America was the only American concern which had time, owing to the short duration of the plan inaugurated by the Department of State, to comply with it and the invitation of the United States Government to aid the Siberian population and was the only American company that actually did so. The transaction was entered into wholly as a humanitarian one at the request of the United States Government. As before stated, the company arranged to and did sell the goods at a price which only covered expenses and was not intended to furnish it any profit. The Government assisted in the distribution of the goods and, therefore, under all the circumstances, the company naturally expected that the Government would assist in obtaining reimbursement if it was found necessary. There was, however, no contractual relation between the company and the United States Government by which the latter could be held to reimburse the company for the losses sustained. The obligation, therefore, is purely a moral one, and such relief as the company may obtain can only be had through an act of Congress.

As a result of its loss in this transaction the company was compelled to liquidate its indebtedness and to temporarily, at least, go out of business. Mr. Postnikoff has corresponded with the Department of State and the Federal Reserve Board in reference to the matter, and both branches of the Government have written him that while the spirit in which the company entered into and conducted the transaction was fully appreciated and sympathy expressed for the losses sustained, stated that they could not adjust the matter, as there was no legal liability on the part of the United States Government.

I have personally interviewed representatives of the Department of State and of the Federal Reserve Board, who were intimately connected with the matter, and have been assured by both that the facts as herein set forth are correct in every detail. In addition to this I have letters, affidavits, and other documents substantiating the facts, which I shall be very glad to present at the hearing before the committee on the bill, if such hearing is granted.

There is a wide scope of activity for a company such as the International Manufacturers' Sales Co. of America, and a great deal of benefit to the foreign trade of the United States might be derived from the resumption of its activities in foreign fields, greatly to be desired at this time. An adjustment of this claim would not only make good a wrong done to the company, but would put it on a sound financial basis again, where it would be able to resume the useful activities it enjoyed before the war and, through such activities, increase the output of something over a hundred factories which are owned by members of the company and which employ many thousands of people.

Thanking you very much for your consideration in this matter, and with personal regards, I remain,

Yours very sincerely,

A. L. THURMAN.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened, and (at 9 o'clock and 42 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Tuesday, June 6, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 5 (legislative day of April 20), 1922.

FEDERAL TRADE COMMISSION.

Vernon W. Van Fleet, of Indiana, to be a member of the Federal Trade Commission, vice John Garland Pollard, term expired September 25, 1921.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

ORDNANCE DEPARTMENT.

First Lieut. Allen Ferdinand Grum, Coast Artillery Corps, with rank from August 20, 1919.

SIGNAL CORPS.

Capt. Haskell Allison, Infantry, with rank from July 1, 1920.

AIR SERVICE.

First Lieut. John Kenneth Cannon, Infantry, with rank from July 1, 1920.

PROMOTIONS IN THE NAVY.

MARINE CORPS.

The below-named midshipman of the class of 1922, United States Naval Academy, to be a second lieutenant in the Marine Corps from the 3d day of June, 1922:

James Austin Stuart.

POSTMASTERS.

ARKANSAS.

Walter G. Baker to be postmaster at Peach Orchard, Ark. Office became presidential April 1, 1921.

Alice R. Beard to be postmaster at Gentry, Ark., in place of N. H. Mitchell. Incumbent's commission expired May 26, 1917.

ARIZONA.

William A. Fowler to be postmaster at Tombstone, Ariz., in place of P. A. Smith. Incumbent's commission expired January 24, 1922.

CONNECTICUT.

Paul N. Shailer to be postmaster at Chester, Conn., in place of E. W. Lewis, deceased.

FLORIDA.

Gillian A. Sandifer to be postmaster at Lake Helen, Fla., in place of E. M. Luffman, resigned.

ILLINOIS.

Ancel R. Dion to be postmaster at Clifton, Ill., in place of E. J. Berger, declined.

Susan Gilman to be postmaster at La Harpe, Ill., in place of J. V. Sperry. Incumbent's commission expired February 4, 1922.

LOUISIANA.

Edward J. Sowar to be postmaster at Norwood, La. Office became presidential January 1, 1921.

Cherie Cazes to be postmaster at Port Allen, La. Office became presidential October 1, 1920.

MAINE.

Carroll H. Clark to be postmaster at Ogunquit, Me., in place of F. R. Brewster. Incumbent's commission expired March 16, 1921.

MISSISSIPPI.

Benson L. Myers to be postmaster at West Point, Miss., in place of B. Y. Rhodes. Incumbent's commission expired January 24, 1922.

MISSOURI.

Eros S. Bradley to be postmaster at Frankford, Mo., in place of Edgar Jones, removed.

Robert W. Evens to be postmaster at Herculaneum, Mo., in place of J. J. W. Donnegan. Incumbent's commission expired April 6, 1922.

MONTANA.

Cornelius T. Hansen to be postmaster at Big Sandy, Mont., in place of C. H. Baker. Incumbent's commission expired April 30, 1922.

NEBRASKA.

Virgil E. Barker to be postmaster at Newport, Nebr. Office became presidential January 1, 1921.

Verne W. Langford to be postmaster at Laurel, Nebr., in place of J. R. Durrie, resigned.

Floyd Buchanan to be postmaster at Silver Creek, Nebr., in place of E. M. Guthrie. Incumbent's commission expired May 25, 1922.

NEW YORK.

Vernon E. Taylor to be postmaster at Lima, N. Y., in place of M. J. Lockington, resigned.

Arthur E. Brundage to be postmaster at Newburgh, N. Y., in place of J. J. Peake. Incumbent's commission expired March 22, 1920.

Augustus P. Altemeier to be postmaster at Port Jervis, N. Y., in place of J. P. Gillen. Incumbent's commission expired March 22, 1920.

NORTH CAROLINA.

Ira L. McGill to be postmaster at Lumberton, N. C., in place of D. D. French, resigned.

OKLAHOMA.

Earl T. Hall to be postmaster at Fargo, Okla. Office became presidential October 1, 1920.

Wilson W. Howe to be postmaster at Pershing, Okla., in place of A. C. Whitaker, resigned.

OREGON.

James D. Fay, to be postmaster at Gold Beach, Oreg. Office became presidential April 1, 1921.

PENNSYLVANIA.

Herbert H. Park to be postmaster at Gibsonia, Pa. Office became presidential April 1, 1920.

J. Richard Duncan to be postmaster at Heilwood, Pa. Office became presidential October 1, 1920.

John Itzel to be postmaster at Salina, Pa. Office became presidential January 1, 1921.

Mary E. Healy to be postmaster at Drexel Hill, Pa., in place of E. C. Eichholtz, declined.

J. Howard Gawthrop to be postmaster at Kennett Square, Pa., in place of E. S. Taylor. Incumbent's commission expired February 4, 1922.

PORTO RICO.

Leonidas M. Lopez to be postmaster at Camuy, Porto Rico. Office became presidential July 1, 1921.

Gaspar Ferran to be postmaster at Barceloneta, Porto Rico, in place of P. M. Rivera, resigned.

SOUTH DAKOTA.

Frank C. Clegg to be postmaster at St. Lawrence, S. Dak., in place of G. A. Frederickson, declined.

TENNESSEE.

Thomas E. Tipler to be postmaster at Grand Junction, Tenn., in place of R. H. Hurst, deceased.

TEXAS.

James H. Loyd to be postmaster at Alba, Tex., in place of H. J. Caldwell, resigned.

William A. White to be postmaster at Cleveland, Tex., in place of R. E. Cherry, resigned.

Mayo McBride to be postmaster at Woodville, Tex., in place of A. H. Hughes, resigned.

UTAH.

Stephen F. Stephensen to be postmaster at Riverton, Utah. Office became presidential January 1, 1922.

VIRGINIA.

William P. Moorman to be postmaster at New Canton, Va. Office became presidential April 1, 1921.

William B. Dew to be postmaster at Sweet Briar, Va., in place of W. B. Dew. Incumbent's commission expired January 18, 1921.

WASHINGTON.

Walter J. Hunziker to be postmaster at Langley, Wash. Office became presidential January 1, 1921.

Alfred R. Bramer to be postmaster at Marlin, Wash. Office became presidential April 1, 1921.

WISCONSIN.

William H. Zuehlke to be postmaster at Appleton, Wis., in place of Gustave Keller. Incumbent's commission expired January 24, 1922.

WYOMING.

David Miller to be postmaster at Cumberland, Wyo. Office became presidential October 1, 1921.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 5 (legislative day of April 20), 1922.

UNITED STATES MARSHAL.

Frank T. Newton to be United States marshal, eastern district of Michigan.

PROMOTIONS IN THE ARMY.

OFFICERS' RESERVE CORPS.

To be brigadier generals.

Henry Lewis Stimson.
Edward Caswell Shannon.

ADJUTANT GENERAL'S DEPARTMENT.

To be colonels.

Joseph Wheeler, jr.
Charles Higbee Bridges.
Ralph Brewster Parrott.

To be lieutenant colonels.

George Luther Hicks.
David Yulee Beckham.
John Fleming Clapham.

To be majors.

Stuart Ainslee Howard.
Hugh Lawson Walthall.
John Buchanan Richardson.
Clarence Andrew Mitchell.
William Torbert MacMillan.
Henry Newbold Sumner.
James Sylvester Mooney.
Walter Cyrus Gullion.
Frank Cornelius Reilly.

To be captain.

Charles Clement Quigley.

POSTMASTERS.

ARIZONA.

Elfreda M. McIntyre, Gila Bend.
Samuel Simpson, Sonora.

ARKANSAS.

James H. Johnson, Atkins.
Perry W. Hampton, Glenwood.
Charlie C. Cherry, Hoxie.
Robert E. Love, Hughes.
Maie Pierce, Manila.
Isaac J. Morris, Mountain Home.
Herschel Neely, Paragould.
Hubert C. Hallowell, Pocahontas.

CALIFORNIA.

Frances L. Musgrove, Arbuckle.
Fred A. Lindley, Pismo.

MINNESOTA.

Arthur L. Hamilton, Aitkin.
Asa R. Woodbeck, Brookpark.
Marie D. Anderson, Carlos.
Emil Kukkola, Finlayson.
Lawrence J. Nasett, Robbinsdale.
Harry M. Logan, Royalton.
Irving J. Jandro, Waverly.

NEW YORK.

William J. Pike, Sanborn.

OREGON.

Henry Scott, Jordan Valley.

PENNSYLVANIA.

Emery E. Thompson, Elizabeth.
William H. Scholl, Hellertown.
Albert D. Karstetter, Loganton.
Leon M. Cobb, Mount Pocono.

SOUTH CAROLINA.

Ralph W. Wall, Campobello.

TEXAS.

Claud C. Morris, Rosebud.
Clinton J. Farrell, Vernon.

VIRGINIA.

Miriam S. Yates, Brookneal.
Rufus P. Custis, Eastville.
Annie G. Davey, Evington.
Missouri S. Harmon, Melfa.
Mollie H. Gettle, Rustburg.
Ethel V. Vaughan, Timberville.

HOUSE OF REPRESENTATIVES.

MONDAY, *June 5, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, Thou hast withheld no good thing from us. We thank Thee for Thy love, which is with us at the break of day and remains with us through the dark of night. Surely Thou dost remember us according to the multitude of Thy memories; they explain the divine estimate of man. Whatever the day's tasks, duties, or privileges may be, remove our imperfect views of them. O let us get our wisdom and strength from behind the veils of force and sense. Help us to spend nobly, wisely, and well the hours that await us. In Thy name. Amen.

The Journal of the proceedings of Saturday was read and approved.

UNANIMOUS CONSENT CALENDAR.

The SPEAKER. The business on the Unanimous Consent Calendar is in order, and the Clerk will call the calendar.

AMENDING SECTIONS 5549–5550, REVISED STATUTES.

The first business in order on the Unanimous Consent Calendar was the bill (S. 1010) to amend sections 5549 and 5550 of the Revised Statutes of the United States.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. WALSH. Mr. Speaker, reserving the right to object, I ask that this may be passed without prejudice.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent that this bill be passed without prejudice. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, can the gentleman give any assurance when this bill will be considered on the Unanimous Consent Calendar otherwise?

Mr. WALSH. It is on the calendar a little farther down. There is no objection to its being stricken off, but there are some amendments, I understand, and the gentleman from Georgia is very much interested in the measure and is absent on account of illness, and I think out of courtesy to him we might permit the matter to be passed without prejudice.

The SPEAKER. Is there objection to passing the bill without prejudice? [After a pause.] The Chair hears none.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 241. An act to authorize the Secretary of War to grant a perpetual easement for railroad right of way and a right of way for a public highway over and upon a portion of the military reservation of Fort Sheridan, in the State of Illinois;

H. R. 10925. An act to authorize the Secretary of War to sell real property known as the Pittsburgh storage supply depot, at Pittsburgh, Pa.;

H. R. 11408. An act granting the consent of Congress to the county of Winnebago, and the town of Rockton, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River, in said town of Rockton; and

H. R. 11409. An act granting the consent of Congress to the city of Ottawa and the county of La Salle, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Fox River.

FORT SABINE MILITARY RESERVATION, LA.

The next business in order on the Unanimous Consent Calendar was the bill (H. R. 10517) confirming and validating the title of certain purchasers from the State of Louisiana of certain lands formerly included in the Fort Sabine Military Reservation, in Cameron Parish, La., now abandoned.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, this is a rather important bill, especially important in view of the decision of the Supreme Court, which held that the State of Louisiana had no right whatsoever to the land on this abandoned military reservation which this bill seeks to validate in the hands of private landholders, and I think it should be objected to unless a very full explanation can be made.

Mr. LAZARO. Mr. Speaker, I ask the gentleman to reserve his objection until the gentleman from Texas [Mr. BOX], who is thoroughly familiar with this measure, can explain it, and if the explanation is not satisfactory to the gentleman, then he will see what we can do. I feel this is a clear bill and a meritorious measure, and I hope the gentleman will not object after he has heard the explanation.

Mr. BOX. Is there any particular feature which the gentleman desires to hear about? Is there any question he has in mind?

Mr. STAFFORD. I have read the report, particularly the explanation contained in the detailed review by the Secretary of the Interior as to the rights of these persons to this land. It is clear from the statements in this report that the State of Louisiana at no time ever had title to any land on the Fort Sabine Military Reservation. Certain persons entered upon it and obtained some title through the State perhaps, others did not obtain any title whatsoever, and now it is sought to validate the title. Why should we surrender valuable lands to private persons under those circumstances?

Mr. BOX. Is there any special feature of the title which the gentleman from Wisconsin does not understand or finds objectionable? The gentleman will understand that this is a Louisiana land matter. The bill as presented to the House was written by the Secretary of the Interior as an amendment to the measure offered by the gentleman from Louisiana [Mr. LAZARO]. My understanding of the record and of the entire title is not as complete as I would like to have it.

I have gone through the record a number of times and the case presented itself to me as one of merit. It seems the grant of these lands made by the Government in 1849 would have included the Fort Sabine Military Reservation but for the fact the lands were then within a military reservation.

Mr. STAFFORD. Permit me to take issue with the gentleman's position in that regard, because the Supreme Court——

Mr. BOX. The gentleman from Texas said that under the act of Congress passed in 1849 the title to these lands would have passed but for the fact that they were within the Sabine Military Reservation. When that reservation was abandoned they were listed by the Commissioner of the General Land Office as belonging to the State of Louisiana. Patents were issued by the State of Louisiana to many of the lands on the theory that the title had in fact passed to the State, making good the title granted by her. The Secretary of the Interior, the State of Louisiana, and the purchasers of the lands for many years treated the title as valid. Taxes were paid on the lands or many of them, and all, or nearly all, concerned assumed that the title issued by the State of Louisiana was in all respects valid. This view was held and acted upon for many decades, and the reversal of it by the Secretary of the Interior in 1904 came more than a generation after the origin of the title. I think the chairman of the Committee on Public Lands is fully familiar with the details of the title. The committee unanimously agreed that the bill was one of merit and that, as recommended by the Secretary of the Interior, it ought to pass.

Mr. SINNOTT. Mr. Speaker, if the gentleman will yield, the matter is a very simple one. When Louisiana first applied for this land in list No. 4, back in the fifties, the department held that the State had no right to the land because the land was embraced in the Fort Sabine Military Reservation. Then in 1871 Fort Sabine Military Reservation was abandoned by an act of Congress. Then the State of Louisiana claimed the land on the theory that the swamp land act attached after the abandonment of the military reservation. The Department of the Interior held with the contention of the State of Louisiana and approved list No. 26 and list No. 51, embracing all these lands.

Now, that approval remained undisturbed for nearly 10 years. In the meantime these additional people purchased the land. Some of the purchases had been made prior to 1895 and some since, these people paying the taxes upon the land during all this time. Then, in 1905, the Secretary of the Interior reversed the ruling in favor of the State. The State of Louisiana appealed the case to the United States Supreme Court, and in 1908 that court decided that the approval of lists 26 and 51, embracing all of this land, was invalid. However, the Supreme Court did not decide another question in the case. If this matter were in court the State of Louisiana could plead the statute of limitations, on the theory that the approval in 1894 and 1895 of these two lists by the Secretary of the Interior was tantamount to a patent to the State. Now, we have this situation——

Mr. STAFFORD. There would not be very much strength to that contention, because the statute does not run to any Government property.

Mr. SINNOTT. It does.

Mr. STAFFORD. It does not in the State of Wisconsin.

Mr. SINNOTT. It does in Wisconsin and in every other State, so far as setting aside a patent is concerned. What the Supreme Court had to say is on page 4 of the report. It says:

The only doubt is raised by the statute limiting suits by the United States to vacate patents to five years.

Now, I do not know how the United States would fare if it endeavored to oust these people. They could plead the statute of limitation. However, they can not commence an action against the United States.

Mr. STAFFORD. The United States did not grant any patent whatsoever to these lands.

Mr. SINNOTT. They granted what the Supreme Court has repeatedly held to be tantamount to a patent, the approval by the proper officials of a certified list to the land. But apart from that, as to the equities——

Mr. STAFFORD. Will the gentleman permit as to the equities? There may be considerable equity as to the land sold by the State of Louisiana prior to the ruling by the Department of the Interior of June 6, 1904, reversing its earlier decision. As to the amount of land entered or sold or squatted upon since 1904, when the Department of the Interior determined that these lands were not swamp lands, is another matter. How much acreage is involved in such later transaction?

Mr. SINNOTT. The report of the Secretary of the Interior states that Louisiana appears to have patented a portion of these lands as late as May 19, 1904. We have not the definite data upon that.

Mr. STAFFORD. Prior to June 6, 1904, the total acreage of lands affected by this act was 6,910 acres. At the present time it runs into many thousands more.

Mr. SINNOTT. From where is the gentleman reading?

Mr. LARSEN of Georgia. I do not think there have been any lands squatted on since that date, but I think the land has been transferred from one party that held the land to another.

Mr. SINNOTT. No squatter can obtain any rights under this bill. The only one who can obtain any rights is some one, or his assigns, who has obtained a title from the State of Louisiana.

Mr. STAFFORD. Mr. Speaker, I had some question as to the rights of the persons who had taken land since the Secretary of the Interior reversed the decision of the Land Commissioner in 1905. If the act does not apply to any entries or sales since that date, I withdraw my reservation of objection.

Mr. WILSON. The gentleman will notice what the Secretary says, that if this had been made before the decision was known it would be on the same basis. The Secretary says that.

Mr. STAFFORD. That is what I wish to have the assurance on, because I do not think they would have any equity at all if they had taken it with notice after the decision was made.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the title of all persons, their heirs or assigns, who have heretofore purchased from the State of Lousiana any lands formerly included in what was known as the Fort Sabine Military Reservation, in Cameron Parish, in the State of Louisiana, established by Executive order of December 20, 1838, and abandoned March 25, 1871, pursuant to the act of Congress of February 24, 1871, and who claim or hold under patents, awards, entries, or other character of title from the State of Louisiana, be, and the same is hereby, confirmed and made valid as against any claim or right of the United States therein or thereto; except that fractional section 32 in township 15 south, range 15 west, used by the United States for lighthouse purposes, is excluded from the provisions hereof.

Also the following committee amendment was read:

Strike out all after the enacting clause and insert:

"That subject to the provisions of this act the title of all persons who prior to January 1, 1909, purchased from the State of Louisiana any lands formerly included in what was known as the Fort Sabine Military Reservation, in Cameron Parish, in the State of Lousiana, established by Executive order of December 20, 1838, and abandoned March 25, 1871, pursuant to the act of Congress of February 24, 1871 (16 Stat. L., p. 430), shall be confirmed and validated against any claim or interest of the United States: *Provided*, That satisfactory evidence of such purchase, with description of the lands claimed by each applicant, in accordance with the system of United States public-land surveys, be submitted to the Secretary of the Interior within six months from and after the approval of this act: *Provided further*, That patents shall issue to such purchasers and shall inure to the benefit of their heirs, assigns, or devisees, to the same extent and as if such purchasers had secured full title from the State of Louisiana through such purchasers: *And provided further*, That section 32, in township 15 south, range 15 west, Louisiana meridian, used by the United States for lighthouse purposes, shall be excepted from the provisions hereof.

"SEC. 2. That the lands within the limits of such abandoned military reservation not affected by the foregoing provisions of this act shall be disposed of under the provisions of the act approved July 5, 1884 (23 Stat. L., p. 103)."

The SPEAKER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read as follows: "A bill providing for the confirmation of title of certain purchasers from the State of Louisiana of lands formerly included in the Fort Sabine Military Reservation, in Cameron Parish, La., now abandoned."

On motion of Mr. LAZARO, a motion to reconsider the vote by which the bill was passed was laid on the table.

MAILS FOR THE BLIND.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 10496) to provide for the free transmission through the mails of certain publications for the blind.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. WALSH. Mr. Speaker, I ask unanimous consent that the bill be passed without prejudice.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

HOSPITAL SERVICES AND SUPPLIES, WORLD WAR VETERANS.

The next business in order on the Calendar for Unanimous Consent was House Joint Resolution 313, providing for the disposal of articles produced by patients in the United States Veterans' Bureau.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, when this bill was last under consideration I suggested an amendment to have it extend to all governmental institutions. I was speaking with the chairman of the committee since the bill was last considered, and he said he could not see that there would be any objection to the amendment I suggested. Has the gentleman, since the consideration of this bill, obtained any further information as to the merits of the proposition I suggested?

Mr. PARKER of New York. I wish to state to the gentleman that I had this matter up with the Veterans' Bureau, and they thought that the bill was broad enough to cover every one of the patients that were being treated by the Veterans' Bureau in any hospital. That was the interpretation put upon the bill by the department.

Mr. STAFFORD. May I inquire who gave the gentleman that information?

Mr. PARKER of New York. Yes. It came from Colonel Forbes's office.

Mr. STAFFORD. I wish to say to the gentleman that from my acquaintance with the supervision of veterans in the hospitals under the jurisdiction of the Board of Managers of the National Home for Disabled Volunteer Soldiers the board has exclusive jurisdiction as to their care and maintenance. They receive an allotment of funds from the Veterans' Bureau, and then the care and control are entirely under the jurisdiction of the Board of Managers.

Mr. PARKER of New York. Mr. Speaker, I think if the gentleman will read that bill carefully he will find that this covers every single patient under the control of the Veterans' Bureau. Let me say to the gentleman that this power is held by a statute to be conferred upon the Public Health Department.

Mr. STAFFORD. I am fully acquainted with that. That was all gone over the last time.

Mr. PARKER of New York. These boys are principally mental cases.

Mr. STAFFORD. Mr. Speaker, with the statement of the gentleman in charge that in the opinion of some one in the Veterans' Bureau this applies to all veterans, whether they are under the direction of the Veterans' Bureau or supervision of the Board of Managers of Soldiers' Homes, I will withdraw my reservation.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, etc., That the Director of the United States Veterans' Bureau is authorized to make regulations governing the disposal of articles produced by patients of such bureau in the course of their curative treatment, either by allowing the patients to retain the same

or by selling the articles and depositing the money received to the credit of the appropriation from which materials for making the articles were purchased.

The SPEAKER. The question is on the engrossment and third reading of the House joint resolution.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. PARKER of New York, a motion to reconsider the vote whereby the joint resolution was passed was laid on the table.

The SPEAKER. The Clerk will report the next bill.

RURAL DELIVERY SERVICE.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 7544) authorizing the Postmaster General to temporarily reduce the pay of rural carriers for disciplinary purposes instead of suspending them without pay.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized in his discretion, whenever for disciplinary purposes he deems it advisable to do so, to reduce temporarily the pay of rural carriers: *Provided*, That in no case shall such a reduction in pay be of more than one grade as fixed by the act of June 5, 1920, nor extend over a greater period of time than one year.

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. WALSH. Mr. Speaker, I desire to ask the gentleman in charge of the measure a question. In just what way is this to be a substitute for discipline now imposed by the Post Office Department?

Mr. STEENERSON. The only remedy now in the case of a carrier who is negligent is to suspend him without pay; but in many instances the fault is not conceded to justify that, and by reducing his pay it is believed he will remember it the next time. It was thought advisable to have this substitute.

Mr. WALSH. It would still leave the discretion to suspend him without pay, and this is an additional remedial measure?

Mr. STEENERSON. Yes.

Mr. WATSON. Mr. Speaker, will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. WATSON. When a carrier is suspended without pay is there difficulty in obtaining a substitute temporarily?

Mr. STEENERSON. In many cases there is.

Mr. WATSON. Then this is intended to rectify that?

Mr. STEENERSON. Yes. This is an additional reason. Nobody has objected to it from any source.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. STEENERSON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

SESQUICENTENNIAL EXHIBITION IN PHILADELPHIA.

Mr. BLAND of Indiana. Mr. Speaker, I move to suspend the rules and pass House Joint Resolution 170, with amendments thereto, together with an amendment of the title.

The SPEAKER. The gentleman from Indiana moves to suspend the rules and pass the resolution which the Clerk will report.

The Clerk read as follows:

Joint resolution (H. J. Res. 170) to approve the holding of a national and international exhibition in the city of Philadelphia in 1926 as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence.

Whereas preliminary steps have been taken by the mayor and council and a citizens' committee of Philadelphia to celebrate in that city in 1926 the one hundred and fiftieth anniversary of the signing of the Declaration of Independence by holding an exhibition in which it is expected that the various States of the Union, the Federal Government, and all the nations of the world will be represented; and

Whereas the Legislature of the Commonwealth of Pennsylvania unanimously passed a resolution April 28, 1921, that the Commonwealth should prepare for and participate in such sesquicentennial celebration by making a suitable exhibit therein on the part of the Commonwealth, and requested that the Federal Government should approve the holding of such an exhibition in Philadelphia in 1926 and that appropriate steps should be taken to invite the participation and cooperation of the States of the Union and the nations of the world; and

Whereas the Governor of the Commonwealth of Pennsylvania, in the name and by the authority of that Commonwealth, has issued letters patent incorporating the Sesquicentennial Exhibition Association, May 9, 1921, for the purpose of educating the public by exhibiting artistic, mechanical, agricultural, and horticultural products and providing public instruction in the arts and sciences, thereby celebrating the one hundred and fiftieth anniversary of the signing of the Declaration of Independence by holding in the city of Philadelphia, in the State of Pennsylvania, an exhibition of the progress of the United States in art, science, and industry, in trade and commerce, and in the development of the products of the air, the soil, the mine, the forest, and the seas, to which exhibition the people of all other nations shall be invited to contribute evidences of their own progress to the end that better international understanding and more intimate commercial relationships may hasten the coming of universal peace: Therefore be it

Resolved, etc., That the holding of a national and international exhibition in the city of Philadelphia in 1926 upon the Fairmount Park and parkway site selected by the Sesquicentennial Exhibition Association and lands contiguous thereto which may be acquired for that purpose be approved as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence, and that such steps be taken as the President may deem proper to invite the participation and cooperation of the States of the Union and the nations of the world.

SEC. 2. That a copy of this resolution be forwarded to all the States of the Union requesting cooperation upon their part.

Mr. WALSH. Mr. Speaker, I ask unanimous consent that the amended title be read in lieu of the one reported.

The SPEAKER. The gentleman from Massachusetts asks that the amended title be read in lieu of the one reported. Is there objection?

There was no objection.

The Clerk read as follows:

Joint resolution to approve the holding of a national and international exhibition in the city of Philadelphia in 1926 upon the Fairmount Park and parkway site selected by the Sesquicentennial Exhibition Association, and lands contiguous thereto that may be acquired for that purpose, as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence.

The SPEAKER. Is a second demanded?

Mr. LANHAM. I demand a second.

Mr. WALSH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WALSH. Is the gentleman from Texas opposed to the bill?

Mr. LANHAM. I am not.

Mr. WALSH. I was wondering if there is no opposition why it is necessary to consume time on it.

Mr. LANHAM. I will say to the gentleman that I do not propose to take the 20 minutes to delay the passage of the resolution, but simply to make an explanation of it if it becomes necessary.

The SPEAKER. The gentleman from Texas demands a second.

Mr. BLAND of Indiana. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. The gentleman from Indiana asks unanimous consent that a second be considered as ordered. Is there objection?

There was no objection.

Mr. BLAND of Indiana. Mr. Speaker, I do not think it is necessary to make a detailed explanation of the details of the resolution.

Mr. HICKS. Mr. Speaker, will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. HICKS. I could not hear from the reading of the resolution any of the detailed items. It carries no appropriation?

Mr. BLAND of Indiana. This bill merely sanctions the holding of a sesquicentennial exhibition at Philadelphia, in Fairmount Park, in 1926.

I will state to the House that this Fairmount Park site was the site where the first national exposition was held in the United States in 1876. The one hundred and fiftieth anniversary of the signing of the Declaration of Independence is certainly a great date in American history, and it is entirely fitting, in view of our habit of celebrating these great events, that on this occasion the Federal Government give its sanction to a national and international celebration of this event in that State.

Of course, there is no controversy as to the place to hold the exhibition because Philadelphia is the place where the Declaration of Independence was signed; it was there where this the greatest Government man ever devised first was conceived and put into existence to bless the world. The city of Philadelphia has appropriated $5,000,000 and as much more as may be necessary to pay the expenses of this exhibition; also the State Legislature of Pennsylvania has approved it and passed memorials favoring it, and there is no doubt but that the great State of Pennsylvania will come forward with any finances that are necessary to take care of the exhibition. I am not saying it will not be necessary, possibly sometime in the future, for the Federal Government to spend some money in order that it may make a showing on this great occasion. I believe it will be necessary to do so, and I would not want the House to understand me as saying that there will not be a demand at some time for the expenditure of some money. But I do not believe there will be a demand for any great amount of money, like the sums expended on some expositions in the years gone, because I do feel that this exposition is going to be

financed splendidly by the great city of Philadelphia and the State of Pennsylvania.

Mr. WALSH. Will the gentleman yield?

Mr. BLAND of Indiana. I yield to the gentleman from Massachusetts.

Mr. WALSH. Is not the purpose of this resolution to furnish the basis for authorizing an appropriation by the Federal Government to participate in the exposition later on?

Mr. BLAND of Indiana. Of course, the purpose of this resolution is to authorize the President to invite the nations of the world to attend, and to invite the States of the Nation to participate. It is to give a national approval to an international exposition. If the United States did not sanction the Philadelphia sesquicentennial we could not expect the nations of the world outside of the United States to take much part in it, and it is certainly proper and wise that we give our consent. I will say in answer to the gentleman's question that this, of course, commits us to the proposition that we are behind this sesquicentennial exposition to make it a success; but that does not mean that we pledge any great appropriation. In the hearings on this bill it was definitely understood that this resolution should not obligate the Committee on Industrial Arts and Expositions or the Congress to stand for any appropriation at all in the future, although it is my personal opinion that we should have an appropriation, and no doubt will have one, for exposition purposes.

Mr. GARRETT of Tennessee. The gentleman will agree, of course, that if this resolution passes, the next Congress will appropriate money in any reasonable sum that may be demanded.

Mr. BLAND of Indiana. I am of the opinion that this Congress may be asked for some appropriation.

Mr. GARRETT of Tennessee. And, therefore, I do not think we ought to pass this bill at this time.

Mr. BLAND of Indiana. For instance, if the minority leader will permit, it is essential in my judgment for the United States to have there exhibits of its mining and agriculture, and of its great inventions and marvelous industrial progress. If the gentleman will recall, the Bell telephone came out of the centennial of 1876. The gentleman will recall that since 1776 the steamboat, the railroad, and all modern means of transportation and communication have been invented and developed.

Some of the greatest developments of industry in the world came from the Centennial Exposition in 1876. It is certainly appropriate that this great Government should take a prominent part, and we may not hope to escape paying something for the part which we take. I want to be frank with the House.

Mr. KING. Will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. KING. What will be the features of internationalism that will be celebrated at this exposition?

Mr. BLAND of Indiana. I take it that the gentleman is fairly familiar with most of the international expositions which have been held, and is also fairly familiar with the different things which they have exhibited at those places.

Mr. KING. Does the gentleman think it will be the means of propagating the further development of the League of Nations?

Mr. BLAND of Indiana. I do not think so and certainly do not hope so.

Mr. KING. I am asking in good faith whether the gentleman has any information about that.

Mr. BLAND of Indiana. Oh, no; it is to celebrate the industrial and historical achievements of the nations of the world. The holding of expositions, if properly and wisely held, can be defended from a financial standpoint. It is a good investment, and certainly in this instance it can be defended from a sentimental standpoint. We need a little more of the spirit of '76 in these troublesome days. We have not had a national celebration for many years. In my judgment there is no better way to promote peace and encourage progress after the devastation of the Great War than to gather together the nations of the world to compare in friendly rivalry the achievements of the world in the arts of peace. [Applause.]

Mr. FESS. Will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. FESS. I notice on page 4 of the report, quoting from the president of this exposition association, he says—

> In 1776 there were 10,000,000 people in this country that spoke the English language.

There were only 3,000,000 all told. What does that statement mean?

Mr. BLAND of Indiana. I do not know. The president of the exposition association made a very eloquent speech, and is a well-informed gentleman, but I will not answer for the accuracy of his figures.

Mr. MONDELL. Perhaps he meant 10,000,000 English-speaking people in the whole world.

Mr. FESS. That may be true.

Mr. BLAND of Indiana. That is evidently what he meant, and he may have been reported erroneously.

Mr. MONDELL. Although I think that was an understatement.

Mr. LEHLBACH. May he not have meant, although there were only 3,000,000 white settlers in this country at the time of the Declaration of Independence, to have included the Indians as well?

Mr. FESS. No; he did not mean that, either.

Mr. MONDELL. Will the gentleman yield?

Mr. BLAND of Indiana. I will gladly yield to the majority leader.

Mr. MONDELL. I assume that we all understand that by giving national sanction to this exposition we shall be expected at the proper time to make whatever appropriations may be necessary for a Government exhibit at this exposition.

I think we all realize that that will be the outcome. The Government will certainly desire to make an exhibition at this very splendid exposition to be. At the same time the passage of the resolution, I am sure, does not bind the Government or this Congress or anyone to vote for any appropriation of expenditure for buildings or for a cash contribution to the exposition. The last great exposition in San Francisco, the only contribution that the Government made, as I recall, was a contribution for the exhibition. The people of San Francisco and California furnished the buildings and we did furnish the exhibits and cared for them. That certainly would be within reason by the passage of this resolution pledging that far. I hope and trust that the resolution pledges us no further, and I feel confident that the great State of Pennsylvania and the great city of Philadelphia will not ask the Government to do more than in every way encouraging the exhibition, giving it a national standing in the world, and making a first-class exhibition there, and making it a success.

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. JOHNSON of Mississippi. How much has the Legislature of Pennsylvania appropriated?

Mr. BLAND of Indiana. They have not been called upon to appropriate anything yet. They have passed a strong memorial, and I have had assurance from some of the leading men of Pennsylvania stating that the legislature, when it meets, would be glad to contribute anything necessary to make it a success. Philadelphia is one of the richest cities in the world. They have the most beautiful spot on earth in which to hold the exhibition, and there is great enthusiasm for it there, and I have no doubt that this great city can finance it themselves. They did finance the other centennial, and that was the only one that was a financial success in the history of exhibitions. I am sure that this one will be a success and will be the greatest thing of the kind in all history. I do not mean to say by that that we should not spend any money. If I had my way, I would build a permanent building there which would be used to house the Government activities after the exhibition is over. It is to be held in the heart of the city where, to my mind, such a plan is practicable. But that is my individual idea only.

Mr. JOHNSON of Mississippi. I do not know anything about this except what I gather from some Philadelphians who talked to me at the hotel. They have told me that it was a land scheme; that certain gentlemen in Philadelphia have bought a lot of marsh land, filled it up with ashes, and so forth, and were promoting this as a land scheme.

Mr. BLAND of Indiana. I will answer the gentleman. I will say that Fairmount Park is owned by the city, every foot of it, and there could not be any land scheme in it. There are 4,000 acres in the park. There are places in the city where it is possible that it might have been held and where they would have to condemn private property, but this resolution makes it definite that it shall be held in Fairmount Park. Mr. Speaker, I reserve the balance of my time.

Mr. LANHAM. Mr. Speaker, this resolution turns our thoughts from war and the aftermath of war to a consideration of the pursuits of peace. Of course, it is natural that the people of Philadelphia should desire to celebrate in their city the one hundred and fiftieth anniversary of the signing of the Declaration of Independence. This desire on their part, I take it, is prompted by more than the mere wish that the people of this country should return the visit of the Liberty Bell.

Naturally such an exposition as that contemplated will arouse also a patriotic interest throughout our land. American reminiscence will properly be centered at that time in the City of Brotherly Love. The exposition will even take on an international aspect. It is this feature of it which calls specially for action by the Congress at this time, because certain preliminary steps must be taken in the matter of extending properly the invitation to the nations of the world. The resolution which is here presented makes proper provision in this regard.

The gentleman from Mississippi [Mr. JOHNSON] inquired of the gentleman from Indiana [Mr. BLAND], chairman of the Committee of the House on Industrial Arts and Expositions, whether or not this measure represented in essence some local land scheme designed to promote the sale of real property which otherwise could not find a profitable market. This is a natural solicitude and a pertinent inquiry. I wish to say in this connection that this measure as originally introduced was amended by the committee largely, if not primarily, to prevent any such contingency as that. The resolution provides in terms that this exposition be held upon the Fairmount Park and Parkway site selected by the Sesquicentennial Exposition Commission, and lands contiguous thereto which may be acquired for that purpose. All the lands which will be used belong to the city and may be utilized without the usual expense of purchase and without enhancing the value of any private property further than would be naturally incidental to the holding in that city of an exposition of this character. We have the assurance to this effect of prominent citizens and officers of the city of Philadelphia who appeared in person before the committee at the hearings.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. LANHAM. I will.

Mr. GRAHAM of Illinois. Was similar action taken by Congress in the case of the Buffalo, Omaha, and San Francisco Expositions?

Mr. LANHAM. I was not a Member of Congress at those times, and I can not speak definitely.

Mr. BLAND of Indiana. Substantially this action was taken by the Federal Government in all of those cases.

Mr. GRAHAM of Illinois. Did they participate in the expositions?

Mr. BLAND of Indiana. Yes; and contributed $10,000,000.

Mr. LANHAM. I thought the gentleman's question had reference to the designation of a site.

Mr. GRAHAM of Illinois. No. I want to know if Congress passed a similar resolution in the other cases. Does the gentleman from Tennessee know?

Mr. GARRETT of Tennessee. I do not, but I do not think that in any of those cases the Congress was called upon to give its approval to the site.

Mr. LANHAM. I will say to the distinguished gentleman from Tennessee that this site had already been selected by this commission upon land which the city owns, and, inasmuch as that fact precluded the possibility of any private exploitation of property, the committee thought it advisable to incorporate in the resolution the provision that the exposition be held upon that site.

Mr. GARRETT of Tennessee. I do not mean that it is a bad site, but in case of former expositions I do not know that the Congress was ever called upon to approve the site.

Mr. LANHAM. Originally it seems that many sites were proposed and their relative merits were considered by those in charge. A decision was reached and this Fairmount Park and Parkway site chosen. The mayor of the city of Philadelphia and many other leading and distinguished Philadelphians and Pennsylvanians attended the hearings and testified concerning its adequacy and availability. They stressed the fact that it is city-owned territory and that its use will involve no exploitation of private property.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. Yes.

Mr. BUTLER. My friend from Texas is very familiar with the history of the expositions approved by Congress and which have been held within the last 50 years. I think I have voted for resolutions somewhat similar to this in 8 or 10 instances—Charleston, I remember, and then the one at Norfolk, the Jamestown Exposition, Buffalo, San Francisco, St. Louis, Omaha, Chicago, and I think each resolution gave the affair a national character and international character as well. I know of a time when Congress withheld its approval. I hope for the success of the coming exposition, and I believe it is a good time for all the nations to meet in a common place and that place America, forgetting past differences. Come pay us a visit and leave their guns at home.

Mr. LANHAM. Mr. Speaker, I know that appropriations have been made for these various expositions and assume that those appropriations have been preceded by some such action as this on the part of Congress.

Mr. KING. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. Yes.

Mr. KING. I think the gentleman ought to clear up the matter in regard to the contiguous territory adjoining Fairmount Park. What is the nature of that, and where is it?

Mr. LANHAM. The contiguous territory referred to is already owned by the city and is a part of Fairmount Park. In other words, the total area of Fairmount Park seems not to be required for the exposition. They want to get it within limits that will permit a spectator in a day's walk to get around reasonably well over the exposition territory.

Mr. WINGO. Mr. Speaker, if the gentleman will yield, I think the gentleman from Texas has forgotten that there is a strip of land across the river from Fairmount Park that is really part of it which the city is going to condemn and take anyway for public purposes.

Mr. BLAND of Indiana. They are condemning it now.

Mr. WINGO. They are condemning it at the present time, and they intend to use it as a park.

Mr. KING. The gentleman from Arkansas has no information that there will be any money made from that.

Mr. WINGO. Not any more than is possible, regardless of whether we passed this resolution or not. The city is paying for it and the proceedings have been started.

Mr. LANHAM. The city is going to acquire that property, regardless of whether we pass this resolution or not.

Mr. LAYTON. Then, as a matter of fact, the Congress does not have to appropriate a penny unless the city of Philadelphia and the State of Pennsylvania show that they come across adequately.

Mr. LANHAM. I will say to the gentleman that, in addition to the $5,000,000 which the city of Philadelphia has set apart for this purpose, their expenditures for a number of years have been in anticipation of this exposition. The city has put up many buildings and has improved and beautified the grounds in order that they might be adapted to this temporary purpose as well as to the permanent purpose for which they were constructed. But, in so far as a congressional expenditure is concerned, it was expressly stated by the members of this committee and understood by the gentlemen from Pennsylvania who appeared at the hearings that the favorable report and passage of this resolution would not be considered as entailing a moral obligation upon the part of Congress to authorize an appropriation for this exposition. An appropriation may be the natural and logical result, but it seems quite likely that a reasonable expenditure for an exposition which will attract the nations of the world may be expected to yield a very gratifying return. That, of course, is a matter for our future determination.

Mr. WATSON. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I will.

Mr. WATSON. As I understand this resolution, it is only asking Congress to give moral support.

Mr. LANHAM. That is all.

Mr. WATSON. Therefore, if any appropriations are made, they must be made by a future Congress.

Mr. LANHAM. Yes.

Mr. WATSON. I would say that while I am not from Philadelphia, I come from Pennsylvania, and I am quite sure that the Commonwealth of Pennsylvania will do its part. I am very anxious that the resolution should be agreed to.

Mr. LANHAM. Mr. Speaker, we have been given assurance by the gentlemen from Philadelphia and other parts of Pennsylvania that the Commonwealth of Pennsylvania will do its part. It has already sanctioned the exposition. Even if we should be called upon later to make some reasonable appropriation, though we do not regard this resolution as a moral obligation along that line, and so stated very frankly to the gentlemen who appeared before us, I think it would probably be returned manyfold to this country in the helpful association with peoples of other lands, in studying their exhibits and in fostering markets for our products in the other countries of the world. It seems to me that some international awakening now along the lines of the activities of peace may tend to revive our drooping foreign trade and prove very beneficial to this country and to the world. That subject has been in the minds and hearts of many of the most eminent statesmen of our Nation. It may be that through such promotion of friendly international relations and the display and encouragement of the arts and pur-

suits of peace we may come to some solution of the problems and difficulties which confront us in our foreign commerce.

Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has seven minutes.

Mr. LANHAM. I yield five minutes to the gentleman from Arkansas [Mr. WINGO].

Mr. WINGO. Mr. Speaker, this is the customary resolution authorizing the State Department to take formal steps to invite foreign nations to participate in this great exposition. Whether Congress wishes it or not the people of Philadelphia and Pennsylvania are going to celebrate the sesquicentennial of the Declaration of Independence. The city of Philadelphia has already appropriated $5,000,000, and pledged more. The fact that confronted the committee is that you are going to have a great exposition. Now, shall we follow the customary course or shall we say no, we will not do so in the case of Philadelphia? Now, something has been said about the House joint resolution as now printed, which carries with it the committee amendment definitely locating the site. Now, just let us be frank about it. The gentleman from Mississippi [Mr. JOHNSON] has called attention to a rumor that he has heard around here, that came to members of the committee. In exposition matters it is always charged that there is some kind or some sort of graft or something else about it. Now, the city of Philadelphia owns this Fairmount Park; that is, it is a public park while not technically owned by the city. It has contiguous territory for public purposes, and the committee to forestall any question of land speculation definitely located the fair on that site. It lies right at the heart of Philadelphia. The opening of the exposition grounds will be within a short distance from the heart of Philadelphia and its railroad stations. Now, there, right in the throat of that entrance, the people of Philadelphia are erecting an art museum that will be a permanent structure and one of the greatest buildings in the world. It will contain more concrete than the Panama Canal. Now, I think it is proper for us to authorize the Secretary of State to invite the other nations of the earth to come in and participate. While, of course, it is understood that we are under no moral obligation to make an appropriation there is no question whatever that we will at the right time make an appropriation. Now, that appropriation, of course, has to have the restrictions that have been placed on them heretofore. But nobody needs deceive themselves. We are going to make some appropriation, of course.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. GARRETT of Tennessee. The gentleman refers to the Secretary of State. I do not think the Secretary of State is mentioned in this joint resolution.

Mr. WINGO. Well, I had in mind——

Mr. GARRETT of Tennessee. "And that such steps be taken as the President may deem proper."

Mr. WINGO. That is the customary form, as I understand it, of such a resolution.

Mr. GARRETT of Tennessee. Well, may I ask the gentleman who is going to detail——

Mr. WINGO. Before we get away from the other, let me answer that. Of course, the language runs in the name of the President, but the Secretary of State is the proper person through whom the President acts in dealing with foreign nations.

Mr. GARRETT of Tennessee. Let me direct the attention of the gentleman to the last two lines of that section, page 3.

> Such steps be taken as the President may deem proper to invite the participation and cooperation of the States of the Union and the nations of the world.

That would seem to indicate the President is to invite the States.

Mr. WINGO. Yes.

Mr. GARRETT of Tennessee. Now, section 3, page 3, line 7, says:

> That a copy of this resolution be forwarded to all the States of the Union asking cooperation on their part.

Does that mean the Clerk of the House is to forward it or the President?

Mr. WINGO. No. I think the Secretary of State will forward it.

Mr. GARRETT of Tennessee. To the States?

Mr. WINGO. Secretary of State Hughes, I presume, will forward them to the governors of the different States. That would be the customary procedure to give each State notice officially of the resolution. That is in forwarding to them copies.

The SPEAKER. The time of the gentleman has expired.

Mr. WINGO. Will the gentleman yield me one minute?

Mr. LANHAM. I yield the gentleman two minutes.

Mr. WINGO. That is all there is to it. Gentlemen, of course, may be opposed to this and say that it is time for economy. These people are going to have this sesquicentennial. It was essentially the proper place for this particular character of celebration—the one hundred and fiftieth anniversary of the signing of the Declaration of Independence—and now shall we say that we will step out and let these people privately celebrate that great event in American history, or shall we take the customary steps and notify the nations of the earth and the States of the Union to participate and at the right time the United States will make an exhibition commensurate with the event as it has always done? That is the practical proposition that confronts us.

Mr. BUTLER. Will the gentleman yield?

Mr. WINGO. I yield.

Mr. BUTLER. Suppose that Congress should decline to approve this, then it would lose the great character that we desire to give it?

Mr. WINGO. I will say to my friend I do not think there is any possibility of that.

Mr. BUTLER. In order to make it a feature of our national life, of course Congress ought to approve it.

Mr. WINGO. Of course, when the appropriation comes in you are going to have your difficulties.

Mr. BUTLER. I want to say to my friend that I have voted for every appropriation of this kind, so far as I know.

Mr. McLAUGHLIN of Pennsylvania. Is it not a fact that in 1876 the money the Government loaned was repaid by the committee?

Mr. WINGO. I think it was. My opinion is that it stands out as a rare event in that regard.

Mr. DARROW. Mr. Speaker, I believe that no further argument is necessary to convince every Member of the House that this resolution should pass. In 1876 Philadelphia planned and carried through to a successful conclusion the first great exposition in the United States. Philadelphia set a world standard then which has been copied by other American cities. She now proposes to set a new standard and fittingly celebrate the one hundred and fiftieth anniversary of the signing of the Declaration of Independence. There is no question or dispute about the time and place. The Nation was born in Philadelphia. The declaration was signed there, and the old Liberty Bell that proclaimed the news still rests in Independence Hall. The First Congress met there. There is no other plan to hold the sesquicentennial.

The Centennial Exposition in 1876 was a financial success. It was also a great asset for the entire Nation. We propose to make the sesquicentennial to be held in 1926 the greatest international exposition the world has ever known. All that we are asking now is that you grant us the necessary recognition by the passage of this resolution.

There has been some discussion about the site. This resolution fixes the Fairmount Park and parkway site. Fairmount Park is one of the largest and most beautiful parks in the world. It covers over 4,000 acres and brings the fair to the very center of the city. This is all owned by the city of Philadelphia. The only additional ground to be used is a very small strip on the banks of the Schuylkill River, which is now being condemned for park purposes and to further beautify this wonderful site.

We do not ask for money now, but the time will come when Congress will be glad to avail itself of this great opportunity and make a liberal appropriation. We may have to restrain your generosity rather than beg for funds.

Nineteen hundred and twenty-six is far enough from the war to have healed many of the wounds of the war, but near enough to it to make the nations want to get together in amity and good will. It is proposed to make the fair educational and show the wonderful advancement in human endeavor during the past 50 years; in short, to make it the most attractive and greatest exposition the world has ever seen.

I hope the resolution will pass unanimously. [Applause.]

Mr. CONNOLLY of Pennsylvania. Will the gentleman yield for a question?

Mr. DARROW. I will.

Mr. CONNOLLY of Pennsylvania. Reference has been made to the State of Pennsylvania not offering any aid as yet. Is it not true that the legislature does not meet until next January?

Mr. DARROW. Yes; and the last legislature did approve and created a State commission to cooperate with a commission appointed by the city.

Mr. BLAND of Indiana. Mr. Speaker, I yield three minutes to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Speaker, the sentiments just expressed by the gentleman from Indiana [Mr. FAIRFIELD] are my senti-

ments, and I wish to publicly indorse the proposal to assist in the celebration of this historic event.

I now wish to call attention to an item in the committee's report that I mentioned a moment ago as to the growth of the English-speaking population. The item states that in 1776 there were in the Colonies 10,000,000 people that spoke the English language. That, of course, is an error. I have read somewhere that when "Bobbie" Burns wrote there were 10,000,000 people who spoke the English language. I think that is a correct statement. The reports in 1801 show considerably less than that number in England and Wales. That was five years before the adoption of the Declaration of Independence. The remarkable fact is the growth of this language since that day, especially when compared with other languages. There are more than 150,000,000 people throughout the world who are to-day speaking the English language. It is heard in every civilized country in the world, including the islands of the sea. It is difficult to accurately state the number with any degree of exactness. One of the most remarkable observations to be made is in the Orient, where in various centers you can not only hear the English language spoken to-day, but you can read publications printed in English for perusal by the inhabitants, some of whom do not read the ancient language of their native country, while many of the educated natives have learned to both read and speak English.

The time is already here when English has not only become the commercial language of the world, but it is rapidly becoming the diplomatic language, and will continue to be more so as the days come and go.

Mr. BLAND of Indiana. Will the gentleman yield?

Mr. FESS. I yield.

Mr. BLAND of Indiana. I was interested in the gentleman's statement that there are only 150,000,000 people speaking the English language. It is fair to assume that there are 100,000,000 in the United States who speak it. Now, there are English-speaking people all over the world.

Mr. FESS. The gentleman's statement that there are 100,000,000 people in the United States speaking the English language is not correct.

Mr. BLAND of Indiana. If you mean speaking it correctly, of course that is true.

Mr. FESS. No; I do not mean speaking it correctly. There are many people in the United States who do not speak it in any form. That is one of the problems of the country which will ultimately be solved.

Mr. BLAND of Indiana. I have been told by the gentleman from Indiana [Mr. FAIRFIELD] that there are 10,000,000 of those.

Mr. FESS. However, the time will come, I will say to my friend, when there will not be many, if any, people in the United States who will not speak it. That result is assured through our common-school system. The growth of this language is one of the most phenomenal things, not only in the history of ethnology but in the history of civilization.

An ethnological map of the world will show English as the vernacular language in the British Isles, in all North America, Australia, New Zealand, and Southern Africa. It is the leading foreign language, or what might be styled as the second language in western Europe outside of the British Isles, Mexico, southern South America, portions of south and eastern Africa, and the oriental countries, including China and Japan. It is spoken to some extent, but not as a second language, in Russia, the Near East countries, India, west coast of South America, and the islands of the sea. It has really reached the "Seven Seas" of classical history. Its comparative growth compels admiration.

Reports by scholars show that in 1900 there were from 150,000,000 to 160,000,000 people speaking English. A conservative statement made not long ago asserts that more than 150,000,000 people speak the English, 120,000,000 the German, 90,000,000 the Russian, 60,000,000 the French, 55,000,000 the Spanish, and 40,000,000 of each Italian and Portuguese. When considered in percentage of growth, the English has surpassed all other languages. If the rate of growth since the year 1800 is continued, it is estimated that by the end of the present century there will be 1,100,000,000 people speaking the language.

In view of this expansion the question is at once raised whether English is to become a world language. Dr. Brander Matthews, one of the best authorities on the subject, believes that a world language may be possible. He also believes that it will not be either the French or the German. With him most of the scholars of the day agree. The French has had its chance and has failed. The German, although a very vigorous tongue, as shown by its growth, is not a contender for the place. The English more than doubles the French and is far beyond the German; its expansion in the last century is quite remarkable.

It is supported by two of the most energetic, determined, and enterprising nationalities of history; nations best designed for linguistic growth. It possesses elements of growth not possessed by other languages. It is a combination of Romance and Teutonic tongues. These go to the people who speak rather than the language spoken.

The Anglo-Saxons are less tied to the soil. Like the Hebrew, he is more given to enterprise which seeks new lands. As a world trader his wares are found in every port of the world. Modern industrialism by aid of the agencies of communication are making the world but a neighborhood. The application of electricity permits the resident of Hongkong to read at his breakfast table the latest news of his American neighbor's activities on the other side of the world, while both in common observe the doings of the balance of the world. This relationship invites, if it does not demand, an international language, which is believed by more and more to be the English. Recent spasms for a newly constructed language are recalled. No artificial language is likely to ever develop to supply such necessity. On the other hand, English is supported for such position, first, by ease with which it is learned; second, the literature which appeals to the educated of all the world; third, character of the Anglo-Saxon people in trade ability, which compels intercommunication; and, fourth, the spread of this language through the agencies of commerce, which has already made it the vernacular in two great nationalities and the second language in much of the world.

Our own country has long been known as the greatest training field for the spread of this tongue. At a very early period we adopted the common-school system, and later made public education compulsory. To our land come almost every nationality of the earth, bringing with them their own vernacular. At an early period many of these vernaculars were the only language spoken by them. But through the agency of the public schools English entered these homes, and in many if not most cases in time entirely supplanted the native tongue. One by one the language of the immigrant gave way to the language of the country of adoption. In this way this country has become a great training place for the spread of English in other lands.

For some years there has been growing up a strong sentiment not only to make English the language taught in the public schools, but to refuse the use of public funds to teach any other. This sentiment is grounded upon the growing belief that by immigration dangerous dogmas are being imported into the country and promulgated through a foreign tongue.

During the World War this fear was greatly augmented and gave a new impetus to a demand for English as the one language to be taught. There is a cultural value in the study of other languages which will not be underestimated.

The position of the United States before the world, linked with the power and influence of the British Empire in all matters international, will generate a new impetus for making English the diplomatic language as it has long ago become the commercial language of the world. The recent arms conference in Washington is a comment upon this statement.

With the inevitable cumulative importance of economic America to the world, her far-reaching influence on the spread of popular government among other peoples which demands a greater regard for popular education, the language spoken by the citizens of the Republic, representing almost every nation of the earth, will be further stimulated through self-interest of the nations associated with us.

International trade is an established accomplishment. Such trade is most largely under the direction of the nations who speak English. As this commerce expands throughout the world so will the language of commerce grow, until it may become the world language. Its growth is one of the phenomena of modern civilization.

Mr. BLAND of Indiana. Mr. Speaker, I ask unanimous consent that all who have spoken on the House joint resolution be entitled to revise and extend their remarks.

The SPEAKER. The gentleman from Indiana asks unanimous consent that all who have spoken on the House joint resolution be granted unanimous consent to revise and extend their remarks. Is there objection? [After a pause.] The Chair hears none.

The question is on the motion of the gentleman from Indiana to suspend the rules and pass the resolution.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the resolution was passed.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 539. An act to further amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

Mr. GRAHAM of Illinois. Mr. Speaker, I do not know whether it is too late now or not, but I want to call the attention of the House and that of the chairman to the fact that there is a misspelled word in this bill—the word "anniversary"—that ought to be corrected, in line 2 of page 3. I intended to call attention to it before, Mr. Speaker, but I did not do so.

The SPEAKER. That can be corrected in the Senate.

Mr. GRAHAM of Illinois. Very well.

The SPEAKER. The Clerk will report the next bill.

ESTABLISHMENT OF MOTOR VEHICLE RURAL ROUTES.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 8927) authorizing establishment of rural routes of from 36 to 75 miles in length.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. WALSH. I ask that the bill be reported, Mr. Speaker.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That hereafter the Postmaster General is authorized, in his discretion, to establish motor vehicle rural routes of not less than 36 miles nor of more than 75 miles in length, carriers serving such routes who furnish and maintain their own motor vehicles to receive compensation of not less than $2,160 and not more than $2,600 per annum, to be based upon the length of the routes, in accordance with a schedule of compensation to be fixed by the Postmaster General.

Mr. WALSH. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman from Minnesota how much of an increase this would be for a carrier who now has a 50-mile route if it were extended beyond the limit?

Mr. STEENERSON. Beyond the maximum it would be so much per mile. They are authorized for 36 miles. The compensation is substantially the same per mile as it is now, only when the rate is lengthened I think it is $10 less than it would be to pay the same rate. I have the figures and tables over in my office, but I did not bring them with me. My recollection is that for a maximum route, 75 miles, the rate per mile is just the same as it is now.

The table is as follows:

Motor-vehicle routes are from 50 to 75 miles in length, and this bill does not propose to change that. The maximum compensation is $2,600. The maximum horse-drawn vehicle route is 36 miles, and if this bill becomes a law the authority will be given to lengthen this kind of a route up to 49 miles. The pay for a standard horse-drawn route, so called, is $1,800 and $30 for each additional mile. If it should be extended to 49 miles, or 25 miles additional to the 24 miles, the compensation would be $2,550 and $30 for each additional mile above 24.

In any case this will enable the department to serve parties who are now denied service. The compensation for horse-drawn routes is fixed by statute, but the motor-vehicle route carrier's pay is left to the department, except that a maximum of $2,600 is prescribed.

Mr. WALSH. Is the gentleman satisfied that we are going to get efficient mail service on a route of 75 miles in length with motor equipment?

Mr. STEENERSON. Yes. This is a departmental bill which was sent down, and we held hearings on it, and we are unanimous in the opinion that there are such routes in the country where that would be practicable.

Mr. WALSH. This would permit the rearrangement of all existing routes if this bill passes, would it not?

Mr. STEENERSON. No. The maximum is 75 miles now.

Mr. WALSH. I understand the maximum is 50 miles.

Mr. STEENERSON. No. That is the minimum. This is to bridge the gap between 36 miles and 50 miles. They want to arrange it so that the route that is now 36 miles can be extended to 50 miles.

Mr. GRAHAM of Illinois. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman a question. Is this going to disturb the existing routes?

Mr. STEENERSON. No; but it will allow them to rearrange routes.

Mr. GRAHAM of Illinois. Let us see about that. Let us suppose some particular town where there are six routes running out of it now. Is it proposed, if it is possible to do so, to extend some of those routes and take in more territory and abolish some of them, or how do you expect to make these routes?

Mr. STEENERSON. There are places where the space between the maximum of what is called the horse-drawn route of 36 miles and 50 miles as the minimum of a motor route can not very well be bridged without a rearrangement.

Mr. GRAHAM of Illinois. What I want to know is whether you are going to abolish some rural routes by this bill?

Mr. STEENERSON. I do not know that we will abolish them, but we will rearrange some of them.

Mr. GRAHAM of Illinois. Then you may get the service all bungled up as it was in the last administration.

Mr. ROACH. Mr. Speaker, will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. ROACH. Does this involve a readjustment of the salaries?

Mr. STEENERSON. No. They will get the same.

Mr. WALSH. The language of the bill is that hereafter "the Postmaster General is authorized to establish in his discretion motor-vehicle rural routes of not less than 36 miles or more than 75 miles in length." Now it is just a matter of discretion with the Postmaster General as to where he will establish those routes, whether he will consolidate existing routes or establish new routes. It is left to the Postmaster General.

Mr. ROACH. He has that discretion now.

Mr. WALSH. The discretion now is that he can not have a motor-vehicle route of less than 50 miles in length. Now he may have 36 miles.

Mr. STEENERSON. I will say to the gentleman that the service of the people along the route is not changed.

Mr. HULL. Mr. Speaker, will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. HULL. This gives practical discretion to the Postmaster General to change the number of routes, and he could change six routes into three, if he desires, by this bill, could he not?

Mr. STEENERSON. I could not say whether he could or not.

Mr. HULL. I object.

The SPEAKER. Objection is heard. The Clerk will report the next bill.

LAC DU FLAMBEAU BAND OF LAKE SUPERIOR CHIPPEWAS, WISCONSIN.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 6428) for the enrollment and allotment of the members of the Lac du Flambeau Band of Lake Superior Chippewas, in the State of Wisconsin, and for other purposes.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. WALSH. Mr. Speaker, I am going to object; but if the gentleman from Missouri [Mr. ROACH] desires to make a statement I will reserve it.

Mr. ROACH. I will ask the gentleman to reserve it.

Mr. WALSH. I reserve the right to object.

The SPEAKER. The gentleman from Massachusetts reserves the right to object.

Mr. ROACH. Mr. Speaker, I do not know just what objection the gentleman may have in mind against this bill, but for the information of the gentleman and of the committee I wish to state that this bill came to the Committee on Indian Affairs as one of what might be called "clean-up bills" of the affairs of the Lac du Flambeau Band of Lake Superior Chippewas.

In 1903 there were about 45,000 acres of land allotted to members of that band, and there is remaining about 24,400 acres which is unallotted. It is proposed to allot this remaining 24,000 acres of land that is unallotted to the remaining members of the tribe who have not had lands allotted to them. In other words, the principal number of those to whom this land will be allotted are the new-born Indians, born since the allotment was made in 1903. It is furthermore proposed to make a sale of the timber on these unallotted lands; the proceeds of the sale of this timber will be prorated and divided among these new-born Indians.

Mr. WALSH. Did the committee have a hearing on this bill?

Mr. ROACH. Yes; and we had the Assistant Commissioner of Indian Affairs before our subcommittee, of which I was chairman. He stated the facts in relation to the bill substantially as I have just been stating them to the gentleman. The legislation meets with the approval of the Commissioner of Indian Affairs, with the amendment proposed by the committee, and has the approval of the committee.

Mr. WALSH. This imposes duties and responsibilities upon the Commissioner of Indian Affairs and the Indian Office, does it not?

Mr. ROACH. Yes.

Mr. WALSH. The Bureau of Indian Affairs have not submitted any written report. I understand the gentleman that the assistant commissioner appeared before the committee and in response to inquiries stated that he favored the bill?

Mr. ROACH. There were two letters written by the commissioner to Chairman SNYDER. The first letter, in my opinion,

did not amount to a recommendation one way or the other, and when the bill was referred to the subcommittee of which I was chairman, I called upon the Commissioner of Indian Affairs to make a direct recommendation upon this legislation. While his second letter to me might easily have been construed to be a recommendation, yet it was not a recommendation in so many words, and I therefore called upon Mr. Meritt to come before our committee and state to the committee in plain terms whether the Commissioner of Indian Affairs did or did not approve and recommend this legislation. He thereupon stated that he had intended to make it clear in his second letter to the committee that he did approve it and recommend it, and so testified before the subcommittee.

Mr. STAFFORD. Will the gentleman yield?

Mr. ROACH. I yield to the gentleman from Wisconsin.

Mr. STAFFORD. What were the objections raised by the Commissioner of Indian Affairs originally to this bill?

Mr. ROACH. As I recall it, there never have been any objections to the legislation on the part of the Commissioner of Indian Affairs.

Mr. STAFFORD. Then do I understand that the Commissioner of Indian Affairs had difficulty in expressing himself in the two letters which he wrote and in stating whether he did or did not approve of the legislation?

Mr. ROACH. He did not appear to have any difficulty, and it is possible that I may have been overcritical in the matter. It is a bill in which I have no personal interest, but I did not want to report the legislation to the House unless I knew it had the approval of the Commissioner of Indian Affairs.

Mr. WALSH. Forty-five thousand seven hundred and twenty-six acres have already been allotted, and it is proposed to allot 24,000 acres more to 450 Indians?

Mr. ROACH. Yes.

Mr. WALSH. What will become of the Indians who are born after this allotment is made?

Mr. LAYTON. That is the question that I was about to ask.

Mr. ROACH. This will complete the roll of that band of Indians and close up the affairs of that particular tribe, and it is in accordance with the policy of the Indian Bureau to do that.

Mr. WALSH. Have these Indians reached a fair stage of civilization, or do they still maintain tribal relations?

Mr. ROACH. The condition of this particular tribe of Indians is more clearly set forth in the report which I filed than I can state personally to the gentleman.

Mr. WALSH. I have read the report, and there is nothing said in it about the degree of their civilization. I reserve the right to object, Mr. Speaker.

Mr. LAYTON. Will the gentleman yield?

Mr. ROACH. I yield to the gentleman from Delaware.

Mr. LAYTON. I assume that this Lac du Flambeau Band of Indians had certain lands given them by Federal enactment and that these lands belong to them. Is that true?

Mr. ROACH. Yes. It is my information that there were originally in this reservation 45,000 acres which were allotted, in addition to the 24,000 acres which it is now intended to allot.

Mr. LAYTON. They got this land by Federal enactment?

Mr. ROACH. Yes; but the allotments have never been completed to the individual Indians, except the 45,000 acres already allotted.

Mr. LAYTON. By law there were so many thousand acres of land given to this band.

Mr. ROACH. Yes.

Mr. LAYTON. Why was it that when they began to allot the land they did not make a complete allotment?

Mr. ROACH. I presume the allotment was complete at that date.

Mr. LAYTON. If it was complete, what is the meaning of this bill? Have some of them died?

Mr. ROACH. No; there have been a large number of Indians born in the tribe since that date, and it is proposed by this legislation to take care of those new-born Indians by the allotment of the remainder of this tract of land.

Mr. LAYTON. Do I understand that when land has been allotted to an Indian and he dies his children do not succeed to the title of the property allotted to him? Is that what the gentleman means?

Mr. ROACH. No; I did not mean to convey that impression.

Mr. LAYTON. If it was allotted, why do not the children inherit?

Mr. ROACH. I presume as a matter of fact they would in that sort of a case.

Mr. LAYTON. I do not understand the object of this legislation.

Mr. WALSH. I notice that the bill carries a provision to sell at the current market value the merchantable timber on the lands allotted and distribute it per capita to the members of the band enrolled under the provisions of the act, provided the Secretary of the Interior finds them competent to manage their own affairs, and that of the amount now on deposit derived from the sale of tribal timber $50,000 shall be distributed among the members enrolled as early as practicable after the approval of the roll as herein provided. Are not these Indians being properly taken care of by the Indian Bureau under existing law?

Mr. ROACH. I presume they are; but just what particular bearing that would have on closing up their affairs in the manner provided in this bill I am unable to see. Here are 24,000 acres of land unallotted, with a certain amount of timber, which is to be sold and the proceeds divided and allotted to the allottees entitled to the money; in order to make the distribution equitable with that made to the other Indians it is proposed to add to it the $50,000.

Mr. LAYTON. If the money is distributed to the Indians they can spend it.

Mr. ROACH. It is not proposed to pay the money over to the Indians; the Secretary of the Interior is authorized to do that when they are competent to manage their own affairs. It permits the Indian agency to close up the affairs of the Lac du Flambeau Indians in the manner suggested by the terms of this legislation.

Mr. STAFFORD. Will the gentleman yield?

Mr. WALSH. I yield.

Mr. STAFFORD. This is the most valuable timberland in the State of Wisconsin. If this bill passes it provides for the denuding of those forest lands around the Flambeau Lake and Reservation, and pay the money out to the Indians, and who knows how soon these Indians will have need of assistance by the Government?

Mr. WALSH. They always are in need, and the more you do for them the more you have to.

Mr. STAFFORD. Why is it necessary, when these Indians have $24,000 in the Treasury to their credit, to authorize these lands to be cut over and sell the timber?

Mr. ROACH. That is an inquiry the gentleman should address to the Secretary of the Interior. It seems to be the policy of the department, but whether it is a good or a bad policy I am not familiar enough with the matter to answer. That has been determined by the department to be its policy and to be in the interest of the Indians to do it.

Mr. STAFFORD. But the Secretary of the Interior is authorized to cut down mature timber and sell it for the Indians, and why should not that policy be continued?

Mr. LAYTON. Will the gentleman yield?

Mr. WALSH. I yield.

Mr. LAYTON. Is the committee in possession of any information that these 450 Indians need the passage of this bill in order to provide them food and clothing, sustenance or housing, or anything of that sort at this time?

Mr. ROACH. No; we have no information of that character, but we have information that the Commissioner of Indian Affairs desires to close up the affairs of the Lac du Flambeau Band of Indians and complete and make final the roll, and it is necessary to have this legislation in order to do it. That is the theory upon which the legislation was reported from the committee.

Mr. CARTER. Will the gentleman yield?

Mr. WALSH. I yield.

Mr. CARTER. In reply to the gentleman from Delaware I want to say a word. I have looked at this bill hurriedly and can not make any comments as to how tightly it is drawn. The purpose is to allot the Lac du Flambeau Indians. That is the policy of the Indian Bureau in working out the Indian problem. The Indian problem can not be solved and worked out until the land is allotted to the Indian and he becomes the individual owner. I take it that the principle of the bill is to allot the land in order that they be individualized and the department freed from the community or tribal ownership and the title going to the individual.

Mr. LAYTON. Why was not this land all allotted; why was it allotted in part at one time and then come here with a proposition for another allotment?

Mr. CARTER. I do not know why in this case, but that is quite often done. There are good reasons for it. For instance, the department does not know in making the roll just how many Indians they are going to find. They begin the allotment, and before they finish making the roll, or when they finish, they find they have not so many on the roll as they expected, and they

have land left over. They do not enroll as many Indians as they thought they would, and they have land left over, but whether that was the case here I do not know.

In a great many instances lands are reserved for timber purposes and mineral purposes, and afterwards it is found that they are not valuable for timber or mineral purposes, and then there is an additional allotment.

Mr. LAYTON. Does the gentleman mean to say that after the operations of the Indian Bureau all these years there is no very accurate census as to how many Indians there are in these tribes?

Mr. CARTER. In a great many instances rolls have been completed and in others they have not. The gentleman will see in a moment that that could not be done with some tribes until you get to the point where you begin the allotment of land. Every year a great number are born and a great number die. You commenced to make the allotment of land in 1910 and you do not allot the land until 1915. In the meantime a lot of them that were placed on the rolls in 1910 have died, and there have been others born, so the roll has to be remade for a new allotment.

Mr. LAYTON. It seems to me if that is the case you would have to have a new allotment every year.

Mr. WALSH. Mr. Speaker, I do not think the necessity for the completing of these rolls and making a new allotment as proposed in this bill is such as to require us to pass this legislation now, and I object.

TO ADJUST ACCOUNTS OF CERTAIN DIPLOMATIC AND CONSULAR OFFICERS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 7764) authorizing the accounting officers of the Treasury to adjust certain accounts of certain diplomatic and consular officers.

The SPEAKER pro tempore (Mr. GRAHAM of Illinois). Is there objection to the present consideration of the bill?

Mr. WALSH. Mr. Speaker, reserving the right to object, I want a little information as to the necessity for the legislation. The report simply states that the committee has considered the matter and reported it back.

Mr. ACKERMAN. Mr. Speaker, if there is no objection I would like to have the bill passed over without prejudice.

The SPEAKER pro tempore. Is there objection to passing the bill over without prejudice?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, will the gentleman in the meantime have incorporated in the RECORD or presented as a sort of supplementary report some real reasons why the bill should be considered, so that the Members of the House may have them before them when the bill is next considered?

Mr. ACKERMAN. I have asked the Treasury officials to give me that information. They have not as yet furnished it, but when they do, I shall be very glad to do that.

The SPEAKER pro tempore. Is there objection to passing the bill over without prejudice?

There was no objection.

RETIREMENT OF CERTAIN CIVIL SERVICE EMPLOYEES.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11407) to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I notice in reading the report that these employees are to be excepted under a proposed Executive order.

Mr. LEHLBACH. Yes; they are. They are to be excepted from the proposed Executive order. They are not to be included within the Executive order which will be issued shortly.

Mr. STAFFORD. The report says that practically all of the employees who may receive the benefits of the legislation are specifically excluded under the terms of a proposed Executive order now under consideration by the President.

Mr. LEHLBACH. Yes; and for this reason: The retirement law provides for classes running from A to F, with maximum and minimum annuities, and provides for the method of computing the annuity of each person entitled to an annuity falling within the class. People having less than $600 would, if they were included within the terms of the retirement law by the Executive order, receive an annuity in excess of what they are entitled to, and in some cases even in excess of their present pay. Therefore, in justice and in reasonableness they could not be included within the Executive order. For instance, take the case of a charwoman in the Bureau of Pensions who has been working there for 22 years and who is now 83 years of age. She gets $240 a year. If she got the minimum in the class to which she belongs, she would get $252 a year annuity, thereby getting more money as annuity than she does when working. Manifestly that is impracticable. This bill merely provides that they are included within the terms of the retirement law, but that in no case shall they get in excess of what a computation of their pay would entitle them to exclusive of the minimum. In other words, this woman would get $100 a year instead of $252 a year.

Mr. STAFFORD. Mr. Speaker, will the gentleman inform the House why this class of employees was not included in the bill the gentleman reported?

Mr. LEHLBACH. Because the bill when originally passed contemplated the permanent employees of the Government, and those in the main are under the civil service. The original law provides that those in civil service and certain other employees, specifying them, shall be within the terms of the act, but it did not take in laborers who may be permanent, but who are not under civil service. The laborers who are permanent are to be included in the Executive order, provided it will not throw them out of line in the annuity that they will receive; in other words, those who receive over $600 a year. This bill will take care of the few scrub women and similar employees who are about to lose their positions, particularly in the Department of the Interior, and probably in other public buildings in the city of Washington, who ought to get something like $8 or $10 a month after 20 or 30 or 40 years' service after reaching the age of 70 or 80.

Mr. STAFFORD. Mr. Speaker, I rose largely because of the statement in the report which the gentleman has explained satisfactorily. I withdraw the reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk reported the bill, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, is hereby amended by inserting after the seventh paragraph the following:

"Class G shall include charwomen, laborers, and other employees, whether classified or unclassified, who are employed on a regular annual basis and whose basic salary, pay, or compensation is at a rate less than $600 per annum. The annuity to any retired employee shall be determined according to the method prescribed in the foregoing schedules, except that no annuity shall hereafter be granted to exceed the per cent nor the maximum provided for the respective period of service. It is provided that this class of employees shall otherwise be subject to the provisions of the act of May 22, 1920."

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. LEHLBACH, a motion to reconsider the vote by which the bill was passed was laid on the table.

DRAINAGE SYSTEM FOR PIUTE INDIAN LANDS, NEVADA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10211) authorizing an appropriation to meet proportionate expenses of providing a drainage system for Piute Indian lands in the State of Nevada, within the Newlands reclamation project of the Reclamation Service.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WALSH. Reserving the right to object, I would like to have some explanation of that.

Mr. LEATHERWOOD. Mr. Speaker, I see that neither of the gentlemen in charge of the bill whose names are on the calendar are here to-day.

Mr. WALSH. Does the gentleman have any objection to passing this over without prejudice?

Mr. LEATHERWOOD. I understand that it is quite important that action be had on the matter.

Mr. WALSH. This authorizes an appropriation of some $40,000 for drainage in connection with certain Piute Indian lands. What are they going to utilize the land for?

Mr. LEATHERWOOD. The Indian lands in question lie contiguous to certain lands included within the Newlands reclamation project in the State of Nevada. In fact, a portion of the land is almost surrounded by the project lands—I mean a portion of the Indian lands. It was shown in the hearings before the committee that a considerable area of the Newlands project has become waterlogged and it is necessary to organize a drainage district and drain those lands if they are to be of any value.

Mr. WALSH. This is that bill where the repayment is to be made, the Government is to be reimbursed in accordance with the existing law?

Mr. LEATHERWOOD. Exactly. The original construction charge amounted to something like $20 an acre. This would increase the charge to the Indians about $10.15. They are amply able to meet that additional assessment as provided by law upon the acreage which will be included under this act. It is further important for this reason—that if you leave out the Indian lands they would be getting the benefit of something to which they ought to contribute; that is, their lands ought to contribute their proportionate share. Neither is it possible to carry through the drainage district without practically draining this Indian land.

Mr. WALSH. I did not recall the bill at first, Mr. Speaker, and I am very glad the gentleman made the explanation, and I withdraw my reservation.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $49,603.05, payable in 20 annual installments of $2,500 each, except the last, which shall be the amount remaining unpaid, for the purpose of meeting the proportionate expense of providing a drainage system for 4,887 acres of Piute Indian lands in the State of Nevada, within the Newlands project of the Reclamation Service.

The money herein appropriated shall be reimbursed in accordance with the provisions of law applicable to said Indian lands.

The committee amendments were read as follows:

Page 1, line 5, strike out "$49,603.05" and insert in lieu thereof "$41,077.05."

Page 1, line 13, strike out "$2,500" and insert in lieu thereof "$2,100."

Page 1, line 9, strike out "4,887" and insert in lieu thereof "4,047."

The question was taken, and the amendments were agreed to.

Mr. BRIGGS. Mr. Speaker, I move to strike out the last word. I just want to ask the gentleman having the bill in charge if the words "authorized to be" ought not to be included after the word "herein," page 2, line 3, so as to make it consistent with the first section, which is an authorization for an appropriation?

Mr. LEATHERWOOD. To what line does the gentleman refer?

Mr. BRIGGS. Line 3, page 2, after the word "herein" insert the words "authorized to be," so it will read, "the money herein authorized to be appropriated."

Mr. LEATHERWOOD. I think that would add to it.

Mr. BRIGGS. I offer that amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BRIGGS: Page 2, line 3, after the word "herein" insert the words "authorized to be."

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. LEATHERWOOD, a motion to reconsider the vote by which the bill was passed was laid on the table.

SALE OF SURPLUS POWER, SALT RIVER RECLAMATION PROJECT, ARIZ.

The next business in order on the Unanimous Consent Calendar was the bill (H. R. 10248) to amend the act of April 16, 1906, and the act of February 24, 1911, relative to the lease of surplus electric power on Federal irrigation projects.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. HAYDEN. Mr. Speaker, I hope that I can convince the gentleman from Wisconsin that the bill ought to pass to-day if the gentleman will permit me to briefly explain the merits of the measure.

Mr. STAFFORD. I do not wish to deprive the gentleman of an explanation of the bill. I have considered it and think it is rather an important bill to be considered on the Unanimous Consent Calendar, and further, I question the policy of going into leaseholds for 50 years for water-power purposes as provided by this bill.

Mr. HAYDEN. Under existing law leases of power privileges or for the sale of surplus power may be made on any Federal reclamation project for a period of 10 years except upon the Rio Grande project, where the law authorizes leases for not to exceed 50 years.

Mr. STAFFORD. I am well aware of that fact.

Mr. HAYDEN. This bill merely places the Salt River project on a parity with the reclamation project in Texas and New Mexico that I have mentioned. Fifty-year leases are also authorized by the Federal water power act.

Mr. STAFFORD. I have difficulty in bringing myself over to a position of voting for a policy of allowing other persons to develop water power to be reimbursed from the use of the power for a period of 50 years.

Mr. HAYDEN. The report on this bill shows that certain mining companies, in order to obtain surplus hydroelectric power from the Salt River project, advanced $430,000 for the construction of transmission lines. Under a contract approved by the Secretary of the Interior the companies will be reimbursed for this outlay within a period of 10 years by taking their pay in power. The development of other power units is now planned but the expense will be so great that a much longer period of time is necessary in which to repay the cost by this method.

Mr. STAFFORD. I doubt whether any Congress should tie itself up to a 50-year lease. I know we have done it in one instance, and then we are to do it in two, and then a third, and so on.

Mr. HAYDEN. The National Government, as a matter of fact, now has nothing to do with the operation of the Salt River project. It has been completed, the total cost has been fixed, and the water users under the project have entered into a contract to repay the amount agreed upon within a period of 20 years. All that this legislation would do will be to allow four million and a half or five million dollars to be expended on power plants and transmission lines, the title to which will remain in the Government as additional security for the $9,000,000, which the water users have promised to pay to the United States. The Federal Government has everything to gain and nothing to lose by the enactment of this bill into law.

Mr. STAFFORD. I think, if I sleep over this two weeks, perhaps I may be able to bring myself around to the frame of mind of the author of the bill. In the meantime I am not willing to give my consent to it now.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin? [After a pause.] The Chair hears none.

SMALL CLAIMS ON UNSURVEYED LAND, NEW MEXICO.

The next business in order on the Calendar for Unanimous Consent was the bill (S. 2014) to provide for the settlement of small holding claims on unsurveyed land in the State of New Mexico.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like to inquire of the gentleman reporting it what additional privilege is granted by the present bill to that found in existing law, in section 16 of the act of March 3, 1891?

Mr. MONTOYA. Simply an extension of the time in which to make the survey and the proof.

Mr. STAFFORD. I call the gentleman's attention to the fact that under section 16, to which I have just referred, the provision of that law except the applicability to any city lot, town lot, village lot, farm lot, and the like, which this bill does not. Now, the gentleman states as his reason that it extends it two years. As I read this section, there is nothing that limits the right of the Interior Department to provide surveys in consonance with granting a patent to those who have occupied the land for 20 years in proscriptive right.

Mr. MONTOYA. The opinion is that it does not affect the enactment of the act of May 16, 1921.

Mr. STAFFORD. I think it would in this enactment, in view of the enactment of March 3, 1891.

Mr. MONTOYA. We had important land claims that were closed up in 1895, I believe, and the law gave authority to the board of private land claims to pass upon Mexican land grants that were acquired by the Mexican Government, and also small possessions of land under the same title as grants that settlers have had there from time immemorial, before the American occupation. The court did not reach all of these claims, and since that court closed enactments have been made extending the time, so that these, what we call "small holdings," which we have only in the State of New Mexico, shall have the time in which to make full proof and have the land surveyed.

Mr. STAFFORD. As I read section 16, there is no limit of time as to the effect of that section, nor does the court of private land claims have any applicability to it.

Mr. MONTOYA. The Secretary of the Interior told me that the section should be reenacted for the purpose of giving the people time.

Mr. STAFFORD. Would the gentleman have any objection to passing it over for two weeks?

Mr. MONTOYA. I would like to have it arranged now, inasmuch as I may not be here in two weeks. That would be the only objection.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to have the bill passed over for two weeks.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to have the bill passed without prejudice. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the next bill.

POLLUTION OF NAVIGABLE WATERS.

The next business in order on the Calendar for Unanimous Consent was House Joint Resolution 297, authorizing and requesting the President of the United States to call a conference of maritime nations with a view to the adoption of effective means for the prevention of pollution of navigable waters by oil-burning and oil-carrying steamers by the dumping into such waters of oil waste, fuel oil, oil sludge, oil slop, tar residue, and water ballast.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the enacting phraseology is much broader than the preamble. I have a doubt in my mind whether or not the phraseology in the preamble would limit the full scope of the activities of this proposed commission to pass upon the question of preventing pollution of navigable waters of all character, by any means whatsoever.

Mr. APPLEBY. I think I can answer the gentleman. This resolution was drawn after numerous hearings before the Committee on Foreign Affairs. The original resolution was referred to the State Department, and that department after making some minor changes in phraseology approved the resolution as it now stands.

Mr. STAFFORD. I have in mind, not so much what the gentleman has in mind in preventing the depositing of refuse oil so as to impair the bathing facilities on the New Jersey coast as the health provisions on the Great Lakes. The steamers on the Great Lakes deposit their spoils in the lake, affecting the water that is used for drinking purposes. I am quite in earnest in having this commission consider not only the effect along the beaches of the New Jersey shore by reason of the deposit of oil refuse from fuel-burning steamers but also the deposit of spoil on the Great Lakes that prevents the water being fit for drinking purposes.

Mr. LAYTON. Will the gentleman yield?

Mr. STAFFORD. I will.

Mr. LAYTON. The gentleman has a partial comprehension of the purposes of this bill. While this depositing of oil, and so forth, does interfere materially with the health of the people and their pleasure during the summer time all down the Atlantic coast and down as far as Sussex County, Del., where I live, that is not all; it has seriously destroyed more and more the fish and the crabs, and all the piscatorial products of the water.

Mr. STAFFORD. I do not wish it to apply only on the high seas but to the Great Lakes, where we have the menace of having the spoils from steamers, both Canadian and American, deposited in the waters of the lakes.

Mr. LAYTON. Does not the gentleman think the Great Lakes would be included in this?

Mr. APPLEBY. The condition referred to no doubt exists in the Great Lakes. That would be a matter of a treaty with Canada, taking the question up under a separate resolution.

Mr. STAFFORD. Canada is a part of the British Empire, from last reports, and should be brought within the purview of this conference, notwithstanding the Canadian Government has declined the overtures of our Government for building that great waterway, the St. Lawrence Canal.

Mr. APPLEBY. Mr. Speaker, my objection to that proposition is this. The matter of oil pollution has been before the Committee on Rivers and Harbors since last June. This resolution is the outcome of information brought out before that committee to the effect that any legislation enacted by Congress would have jurisdiction for 3 miles out at sea only, and the suggestion was made that an international conference be called upon this subject. The chairman of the Committee on Foreign Affairs, Mr. PORTER, will state to you that this resolution was duly considered for three days by that committee, and that the resolution as presented is the outcome of the deliberate hearings upon the subject. Personally, I would not want any more delay in the matter if it can be avoided.

I think the gentleman [Mr. STAFFORD], if he has a resolution on pollution pertaining to other parts of the country, viz, the Great Lakes, he should introduce it and let it take the usual course.

Mr. STAFFORD. If the gentleman will permit, the enacting phraseology of the resolution that the gentleman is sponsoring is broad enough to include the pressing case that I have called to his attention and to the attention of the House. It is not broad enough under the seashore feature of the resolution, as embodied in the preamble, about which the gentleman is so much concerned, and which is the real cause for the gentleman having introduced this resolution.

Mr. APPLEBY. I am not only interested in the seashore feature of the resolution but also in the fishing and lumbering industries of the country.

Mr. STAFFORD. Oh, we all know that this resolution had its genesis by reason of the fact that some four or five years ago the bathing beaches on the Jersey coast were impaired by oil and coal-tar products in the water. I withdraw my objection to the consideration of the resolution, but I think the phraseology of the preamble ought also to cover the Great Lakes, whose waters are contaminated by deposits of oil waste and human spoils from steamers plying on the Lakes.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (H. J. Res. 297) authorizing and requesting the President of the United States to call a conference of maritime nations with a view to the adoption of effective means for the prevention of pollution of navigable waters by oil-burning and oil-carrying steamers by the dumping into such waters of oil waste, fuel oil, oil sludge, oil slop, tar residue, and water ballast.

Whereas the careless casting of oil refuse into the sea from oil-burning and oil-carrying steamers has become a serious menace to the maritime and the fishing industries of the United States and other countries; and

Whereas the fire hazard created by the accumulation of floating oil on the piles of piers and bulkheads into harbor waters is a growing source of alarm; and

Whereas most serious is the destruction of ocean fisheries resulting from the constant discharge into territorial waters of the waste products of the oil used for fuel on many steamers in place of coal, which threatens to exterminate the food fish, oysters, clams, crabs, and lobsters, which are a vital part of our various national food supplies; and

Whereas the dumping of this oil refuse is not only ruining the bathing beaches situate on the territorial waters of the various countries, which during the summer attract hundreds of thousands of people to the seashore resorts, but the depreciation in value of millions of dollars of sea shore property is most alarming; and

Whereas this pollution takes place on the high seas as well as within territorial waters: Now, therefore, be it

Resolved, etc., That the President is authorized and requested to call a conference of maritime nations with a view to the adoption of effective means for the prevention of pollution of navigable waters.

With a committee amendment:

On page 2, line 3, strike out the words "authorized and."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the House joint resolution.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "Joint resolution requesting the President of the United States to call a conference of maritime nations with a view to the adoption of effective means for the prevention of pollution of navigable waters by oil-burning and oil-carrying steamers by the dumping into such waters of oil waste, fuel oil, oil sludge, oil slop, tar residue, and water ballast."

On motion of Mr. APPLEBY, a motion to reconsider the vote whereby the resolution was passed was laid on the table.

The SPEAKER. The Clerk will report the next bill.

SUPERINTENDENT OF LIBRARY BUILDING AND GROUNDS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11393) to abolish the office of Superintendent of Library Building and Grounds and to transfer the duties thereof to the Architect of the Capitol and the Librarian of Congress.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LARSEN of Georgia. Mr. Speaker, reserving the right to object, my colleague, Judge PARK, is interested in this matter, and he is unavoidably detained from attendance here to-day on account of sickness in his family. He requested that I make known that condition in the House and ask that this measure be passed over without prejudice for two weeks.

The SPEAKER. The Chair has undertaken to recognize a gentleman to make a motion to suspend the rules on this bill.

Mr. LARSEN of Georgia. I was desiring not to object, but merely reserved the right to object pending the making of the statement.

Mr. FESS. Mr. Speaker, I move to suspend the rules and pass the bill H. R. 11393.

The SPEAKER. The gentleman from Ohio moves to suspend the rules and pass the bill H. R. 11393, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That the office of Superintendent of the Library Building and Grounds is abolished on and after July 1, 1922. Thereafter the Architect of the Capitol shall have charge of all structural work at the Library Building and on the grounds, including all necessary repairs, the operation, maintenance, and repair of the mechanical plant and elevators, the care and maintenance of the grounds, and the purchasing and supplying of all furniture and equipment for the building. The employees required for the performance of the foregoing duties shall be appointed by the Architect of the Capitol. All other duties required to be performed by the Superintendent of the Library Building and Grounds shall be performed thereafter under the direction of the Librarian of Congress, who shall appoint the employees necessary therefor. The position of administrative assistant and disbursing officer is hereby created in the Library of Congress, effective on July 1, 1922. The salary of such position shall be at the rate of $3,000 per annum, and appointments thereto shall be made by the librarian. The administrative assistant and disbursing officer shall disburse the appropriations for the Library of Congress and the Botanic Garden and shall perform such services in connection with the duties hereby imposed upon the librarian as he may direct, and shall give bond payable to the United States in the sum of $30,000, with sureties approved by the Secretary of the Treasury for the faithful discharge of his duties.

SEC. 2. That all books, documents, papers, furniture, and equipment of the office of Superintendent of the Library Building and Grounds shall be divided between and transferred to the Architect of the Capitol and the Library of Congress on the basis of duties transferred.

SEC. 3. That the appropriation of $3,600 for the fiscal year 1923 for the salary of the Superintendent of the Library Building and Grounds is made available for the payment of the salary of the administrative assistant and disbursing officer at the rate of $3,000 per annum during such fiscal year. All appropriations for the fiscal year 1923 for the Library Building and Grounds shall be apportioned between, transferred to, and made available for the Architect of the Capitol and the Library of Congress on the basis of duties transferred. The appropriation for the fiscal year 1923 for printing and binding for the Library of Congress shall be apportioned between the Library of Congress and the Architect of the Capitol and that portion allotted to the building and grounds shall be transferred to and made available for the Architect of the Capitol. The appropriations and portions of appropriations herein transferred to the Architect of the Capitol, and all appropriations hereafter made to him on account of the Library Building and Grounds shall be disbursed for that purpose in the same manner as other appropriations under his control.

The SPEAKER. Is a second demanded?

Mr. LARSEN of Georgia. I demand a second.

Mr. FESS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. The gentleman from Ohio asks unanimous consent that a second be considered as ordered. Is there objection?

There was no objection.

Mr. FESS. Mr. Speaker, this bill is very simple in its terms. It transfers the duties of the superintendent of the Library Building to the Architect of the Capitol. It abolishes the office of the superintendent of the Library Building and also permits the continuance of his duties under the control of the Librarian of Congress.

I think the Members of the House will recall that this office, that of the superintendent of the Library Building, was created at the time this Library Building was finished in 1897, and the office was given to a very distinguished gentleman who had long been identified with the construction of the building. But since that time the office of the Architect of the Capitol has been created and this position is no longer required, since the same work that would be done by the architect, if he had the authority, is being done by another person, although the work could very easily be done by the Architect of the Capitol. He was asked to come before the committee to ascertain if he could accept these duties without embarrassment to himself, or whether it is possible for him to administer this work, and he stated frankly that it could be done. The Librarian of Congress was asked to come before the committee to ascertain his judgment as to whether he could get along without the office of the superintendent of the library, and he stated that it could be very easily done, and that it might be more efficiently done. So that as a matter of concentration of duty, we thought it well to abolish the office and transfer the work over to the Architect of the Capitol.

Mr. WATSON. Mr. Speaker, will the gentleman yield?

Mr. FESS. Yes.

Mr. WATSON. How many places will be dispensed with, probably, if this bill is passed?

Mr. FESS. The head of the office has already resigned. He resigned in December. There is a vacancy there, but the duty will be performed now under the Librarian through an assistant who will be appointed.

Mr. WATSON. There will still be a superintendent?

Mr. FESS. There will be an assistant under the Librarian.

Mr. WATSON. Will the Government save by this bill?

Mr. FESS. I doubt whether the Government will save except in efficiency.

Mr. MADDEN. Yes; the Government will save. In the first place the salary of the assistant to the librarian will be reduced by $600 a year, and there are many people employed there now in the physical and mechanical work that will not be necessary under Mr. Woods's jurisdiction, because he already has people who do that work for him.

Mr. FESS. I was not aware that these men could do that work in addition, although I recall that the architect said that office would be very glad to take it over.

Mr. GARNER. Will the gentleman yield?

Mr. LUCE. I yield to the gentleman from Texas.

Mr. GARNER. Who is filling the office of Superintendent of the Library at the present time?

Mr. LUCE. I think the office has recently been filled by the promotion of one of the assistants in the Library. That was done about two weeks ago.

Mr. GARNER. What is the name of the person appointed?

Mr. LUCE. I do not remember.

Mr. SISSON. A woman, is it not?

Mr. LUCE. A woman.

Mr. GARNER. And you are going to discontinue this office and put its duties in the hands of some one else?

Mr. MADDEN. It is proposed to discontinue the office and put the duties in the hands of Mr. Elliott Woods, the Architect of the Capitol.

Mr. GARNER. I will say that you could not put those duties in better hands; but I want to find out if you are displacing some one who is now filling the place.

Mr. MADDEN. Yes.

Mr. GARNER. And what job are you going to give her?

Mr. MADDEN. We have not in mind any job for anybody.

Mr. GARNER. The administration seemed to be very much interested in her in making this appointment, and I thought maybe you had some other place in view for her, in view of the fact that you are not saving any money.

Mr. MADDEN. As far as we are concerned we have no job in mind for anybody.

Mr. CRISP. Will the gentleman yield?

Mr. FESS. I yield to the gentleman from Georgia.

Mr. CRISP. I know nothing about this bill except that one of my colleagues, Judge PARK, told me about it this morning. As I understand, this bill abolishes the office of Superintendent of the Library?

Mr. FESS. It does.

Mr. CRISP. And transfers the duties formerly exercised by the Superintendent of the Library to the Architect of the Capitol, Mr. Elliott Woods?

Mr. FESS. Yes.

Mr. CRISP. Is it the intention to give Mr. Woods additional employees to perform the duties that are now being performed by the Superintendent of the Library, whose office is to be abolished?

Mr. FESS. I assume that there will be some one to do this work. The author of the bill, the chairman of the Committee on Appropriations [Mr. MADDEN], has all the details in his mind, and I yield to him.

Mr. MADDEN. What this bill does is to transfer the office of the present superintendent of the Library over to the jurisdiction of Mr. Elliott Woods, Architect of the Capitol, and to transfer with that authority the subordinate employees who may be on the pay roll over there now to do the physical work that they are required to do, but it does not transfer anybody in the position of superintendent. Mr. Woods assumes that responsibility and takes the place and performs the functions, and whatever places are taken over will be simply the subordinate places that must be continued in any event.

Mr. CRISP. I will say that I do not think there is a more capable man than Mr. Woods to perform the duties that may be intrusted to him.

Mr. LUCE. Will the gentleman yield?

Mr. FESS. I yield to the gentleman from Massachusetts.

Mr. LUCE. Mr. Woods said this before the committee:

The question of taking on the work does not cut much figure. It could be done without any difficulty and without any additional employment so far as I can see, except in case of any special construction, where we would require a larger force in any event. Our forces are such at present that we are able to take care of the buildings on the bill.

Mr. LARSEN of Georgia. Will the gentleman yield?

Mr. FESS. I yield to the gentleman from Georgia.

Mr. LARSEN of Georgia. You have given what Mr. Woods said. Did you have any hearings from the person actually in charge of the Library?

Mr. LUCE. We had.

Mr. LARSEN of Georgia. What was the statement of that party, the superintendent, or whoever it is?

Mr. LUCE. If the gentleman will proceed, I will try to find the statement of Mr. Putnam, the Librarian.

Mr. LARSEN of Georgia. What saving, if any, in expense will this proposed legislation result in?

Mr. FESS. The chairman of the Committee on Appropriations thinks there will be a saving.

Mr. LARSEN of Georgia. How much?

Mr. FESS. I can not answer that.

Mr. MADDEN. It is hard to tell that, but what it does is to systematize the work. It puts the jurisdiction of the mechanical and construction and building work in the hands of an experienced man, who has the knowledge of what is to be done and how to do it and when to do it, and he knows when a man is needed and when he is not needed, and he will not have a man there if it is not necessary to have him there, and he will be able to reduce the force by a considerable number if he is given jurisdiction. Besides that, it coordinates the work. It puts it in systematic, businesslike order, and takes away the friction that has existed in the Public Library by reason of one man having control over one thing and another man having control of another, and no coordination in either case.

Mr. LARSEN of Georgia. In point of fact, it is to get rid of some one who is not wanted?

Mr. FESS. This office was created in 1897. Since then another office has been created and work is being duplicated, and it is proposed to consolidate the work under one head.

I reserve the remainder of my time.

Mr. LARSEN of Georgia. Mr. Speaker, I am frank to say that I know very little about the provisions in this bill. It seems to me it is a matter of enough importance that we should ascertain what the object of the bill is. Judging from the answers that have been given by the gentlemen who sponsor the measure I am led to the conclusion that the prime object is to get rid of somebody that is not wanted in the management of the Library. It looks to me as if that were true.

Mr. MADDEN. Will the gentleman yield?

Mr. LARSEN of Georgia. Yes.

Mr. MADDEN. I will say that that is the farthest thing from the object of the bill. The object is to put the affairs under the Superintendent of the Library on a business basis, clean up any friction that may be existing, and put the construction work on the building, all the mechanical work in connection with the building, and all things that ought to be done, under a man of experience. That is what this bill proposes to do.

It systematizes the work, cleans up the situation, places a man in whom every man in the country has confidence in charge of the work, and gives to this great building the services and experience of Mr. Woods. It has been 25 years since this building was built, and it needs more or less repairs. There is no time when the experience of a man like Mr. Woods is so essential as now. They have had no such man in connection with the building since 1897. Now, more than ever before, is that experience needed. I want to say further that this bill is not intended to put anybody out of a job. It is not being passed with that purpose in view. The bill does abolish the office of superintendent of the building and transfers that authority to the superintendent of the Capitol, Mr. Woods.

Mr. LARSEN of Georgia. How much additional salary will he get?

Mr. MADDEN. Not one cent.

Mr. LARSEN of Georgia. Now, gentlemen of the House, I admit that Mr. Woods is a good man, but why should we take a good man and pile more work on him than he is able to perform? I see no reason for it. Mr. Woods is a good man, but he is not the only good man in this country. There are a lot of good people. We are too prone to believe that we or our clique are the only ones that can do things. There are just as good men at home in every district as are sent here to represent the district. Mr. Woods is as good a man as there is about the Capitol, but there are just as good men who can be gotten to perform those services. In making the proposed change you run the risk of adding too much to the duties of Mr. Woods. He has duties to perform, and he is performing them well, but if we put adtional duties on him he will probably neglect some of them, and in place of having an efficient man we will have an inefficient one. I see that the gentleman from Illinois [Mr. MADDEN] shakes his head. He is undoubtedly sincere, but there is such a thing as overloading any man. You say the man who was in there has been removed; yes, but there is a lady in charge. What is the matter with the lady? Why not give her an opportunity to make good? The women all over the country are being called into public life; they are making good, and I for one am opposed to putting them out.

Mr. FESS. Will the gentleman yield?

Mr. LARSEN of Georgia. Yes.

Mr. FESS. What is the object of keeping two persons in the employ of the Government, one the architect of the building and another the superintendent, both doing similar work, except the architect has a good deal more to do? What rational reason is there that we should continue the two when it can be concentrated in one?

Mr. LARSEN of Georgia. Ordinarily I would say we ought to concentrate as much as possible, provided that in doing so we reduce the expenditures of the Government. I asked how much expenditure you propose to save, and up to this good moment I have failed to receive a response from any Member who can give me an estimate.

Mr. FESS. The only responsible person I have heard from is the chairman of the Committee on Appropriations, who says that there will be a saving; but assuming that there will be no saving, there will be much less friction and more efficiency.

Mr. LARSEN of Georgia. There will be less efficiency because you are heaping too many burdens upon one man.

Mr. FESS. I think my friend will agree that in order to center responsibility and eliminate friction it is wise to concentrate these duties. Where you have a divided counsel you will have lack of decision and have friction. When you do not have divided counsel you have a unit of decision.

Mr. LARSEN of Georgia. May I ask the gentleman a question?

Mr. FESS. Certainly.

Mr. LARSEN of Georgia. In what way has the present incumbent caused friction, in what way has she failed to meet every emergency?

Mr. FESS. I can not say that she has created any friction.

Mr. LARSEN of Georgia. Then, if she is doing satisfactory work, why make a change?

Mr. FESS. Because we get more efficiency.

Mr. LARSEN of Georgia. When the gentleman says more efficiency that implies that she has not been efficient.

Mr. FESS. And economy also.

Mr. LARSEN of Georgia. The gentleman talks about economy, but he has failed to show where there is any economy in it from a business standpoint. He also talks about more efficiency, and he fails to show wherein the present incumbent is not efficient. What is it that this lady has done or has failed to do?

Mr. LUCE. Mr. Speaker, will the gentleman yield?

Mr. LARSEN of Georgia. Yes.

Mr. LUCE. May I call the gentleman's attention to the fact that the appointment of which he is speaking was made since the report of the Committee on the Library in this matter, and it is fair to assume that the appointment was made and was accepted with the expectation that this rearrangement of the work would come about.

Mr. LARSEN of Georgia. Does the gentleman state that as a fact or is it an assumption on the part of the gentleman?

Mr. LUCE. I think it is a reasonable deduction from the fact that it was well understood by all persons taking an interest in the matter that the technical work previously carried on by the superintendent was to be transferred to Mr. Woods.

Mr. LARSEN of Georgia. That is beautiful language, but it really fails to convey to me the information that I was in hopes of being able to obtain by the question asked. I want to know what the present incumbent understood about it, not what she may have inferred or what deductions may have been drawn from certain circumstances. What does she know about it?

Mr. LUCE. I think I am warranted in saying that the whole program of this bill was perfectly understood at the time of the appointment.

Mr. LARSEN of Georgia. Does the gentleman state that as a fact?

Mr. LUCE. I know that all persons concerned were acquainted with what was proposed in the matter.

Mr. LARSEN of Georgia. The gentleman fails to answer, just as his colleagues did. They have all evaded the question.

Mr. BEGG. Mr. Speaker, will the gentleman yield?

Mr. LARSEN of Georgia. Yes; if the gentleman can shed any light upon the question.

Mr. BEGG. I can not; but I want a little light. The gentleman has repeatedly asked the question whether or not the present incumbent, who, I understand, is a woman, can not or has not discharged the duties of the office satisfactorily. Does the gentleman think that any woman can supervise repair work and construction work and a gang of workmen as efficiently and as satisfactorily as a man, regardless of who the man is?

Mr. LARSEN of Georgia. Yes; I think there are women who can do that, and I assume that she is one of them or she would not have been put into so responsible a position. Inasmuch as

the gentleman has propounded a question to me, may I ask the gentleman if he believes any woman could fill the position?

Mr. BEGG. I believe unhesitatingly that not 1 out of 20 or 1 out of 100 could do the work necessary for a supervisor of a building.

Mr. LARSEN of Georgia. I am asking if there is just one in the United States.

Mr. BEGG. I do not believe she could.

Mr. LARSEN of Georgia. Not even one that could be selected by the present administration?

Mr. BEGG. I do not believe that she would be one, two, three with a man like Elliott Woods.

Mr. LARSEN of Georgia. Does the gentleman believe the administration would select a woman for such a position who was not capable of doing the work?

Mr. BEGG. Oh, temporarily.

Mr. LARSEN of Georgia. Not temporarily at all.

Mr. FESS. Mr. Speaker, will the gentleman yield?

Mr. LARSEN of Georgia. Yes; I would like to have the gentleman from Ohio, Doctor FESS, answer the question. You have all evaded it.

Mr. FESS. Does the gentleman think we can get the same service from a $3,000 official that we can get from a $6,000 man like Mr. Woods?

Mr. LARSEN of Georgia. I think I have made myself plain on that proposition. Mr. Woods has about as much as he can look after efficiently now. I am opposed to putting further burdens upon him unless we are going to save money for the Government.

Mr. FESS. Mr. Woods does not agree with the gentleman on that. He states that he can take over the duties of this office.

Mr. LARSEN of Georgia. Oh, Mr. Woods is like the gentleman from Ohio, who thinks that he can represent a whole State as well as he can represent one district. Probably he can; but the question as to Mr. Woods is one that deserves our serious consideration. It is a matter that concerns many.

Mr. DUPRÉ. Mr. Speaker, will the gentleman yield to me to ask the gentleman from Ohio a question?

Mr. LARSEN of Georgia. Yes.

Mr. DUPRÉ. Can the gentleman from Ohio say how long the former superintendent occupied this position before the lady was appointed?

Mr. FESS. I think six years.

Mr. DUPRÉ. Oh, the gentleman is very ill informed, I think. I think it was more than 26 or 30 years.

Mr. FESS. Oh, no. Mr. Green occupied that position, and it was created for him in 1897. I do not recall the exact date of his death.

Mr. DUPRÉ. Who was the superintendent previous to the lady who was recently appointed from Illinois and confirmed?

Mr. FESS. I think the name is Averill.

Mr. DUPRÉ. How long had he been connected with the Library?

Mr. FESS. I can not recall; but a good many years.

Mr. DUPRÉ. Does the gentleman know anything about his politics?

Mr. FESS. I do not.

Mr. DUPRÉ. The gentleman did not inquire as to that?

Mr. FESS. I did not.

Mr. CANNON. Does the gentleman from Louisiana know anything about his politics?

Mr. DUPRÉ. I am reliably informed that he is a Democrat from the State of New York.

Mr. CANNON. And he has resigned?

Mr. DUPRÉ. At the request of somebody. He did not do it voluntarily.

Mr. CANNON. Then we can indict that man if he made such a request?

Mr. DUPRÉ. I do not believe the gentleman from Illinois made the request, but a lady from the State of Illinois succeeded this man when his resignation was turned in.

Mr. CANNON. Is that the lady who now has the place?

Mr. DUPRÉ. The lady who now has the place is from Illinois.

Mr. CANNON. I am not acquainted with her.

Mr. LARSEN of Georgia. Mr. Speaker, I assume, inasmuch as the lady comes from Illinois, that she will be acceptable to some of the gentlemen from that section of the country, and I object to railroading a lady out of a position simply to accommodate some man who has an ambition to fill many places of importance at once. I believe that the women of this country are as efficient as the men. I believe that they have just as much gray matter, that they are entitled to the same consideration, and I am willing to stand on that proposition. They are citizens of this country and are entitled to all of the rights that you and I enjoy. I am opposed to gentlemen getting together in the committee room and legislating against a woman and then coming upon the floor of the House and saying that she understood this and that when she accepted the position; that she had a right to infer that she would hold the position but a few days. When I call on them for proof they fail to make one single answer that would indicate to any reasonable man that she had such knowledge, or right of inference.

For all we know the little lady, the present incumbent, is at her desk honestly believing that she is quite secure in her position. She believes, just as the gentleman intimated, that when you have gotten rid of an objectionable Democrat, and when you have put in a good Republican lady, that gentlemen would be generous enough and big hearted and big minded enough to let her hold the position without molestation. She believes that her position is safe and secure.

Mr. FESS. Will the gentleman yield?

Mr. LARSEN of Georgia. I do.

Mr. FESS. If the man was removed because of his politics the gentleman——

Mr. LARSEN of Georgia. Well, I do not know.

Mr. FESS. And if our committee reports a bill removing a woman who happens to be a Republican, and I did not know that, does he complain of it?

Mr. LARSEN of Georgia. Oh, the gentleman is dodging the question and the real facts in the case. He says that this bill was reported to get rid of a man. It was reported when the man was in office——

Mr. FESS. The man was out of office; he had resigned.

Mr. LARSEN of Georgia. It was stated a moment ago that when she accepted the position she understood those circumstances. What proof have you of that fact?

Mr. FESS. My understanding is that when the committee made its report there was a vacancy.

Mr. LARSEN of Georgia. I went to one gentleman this morning who has spoken on the bill, and told him that my colleague, the gentleman from Georgia [Mr. PARK] requested that I look after this matter for him to-day and have it passed over until such time as he could present it in person. I was told that the gentleman in whom Mr. PARK was interested had already resigned, so I took the statement to mean that the proposed legislation was put on foot to get rid of him.

Mr. FESS. Will the gentleman yield?

Mr. LARSEN of Georgia. Yes.

Mr. FESS. If the gentleman will take time to read the report of the hearings he will find that the gentleman in whose behalf he is now pleading stated in his statement that he had resigned.

Mr. LARSEN of Georgia. Well, I want to ask the gentleman whether or not his views coincide with those of the gentleman from Ohio [Mr. BEGG], who says that women have not the capacity to look after such matters. I desire to know if that is the reason the gentleman from Ohio is now seeking to get rid of this lady? Does the gentleman believe the women of the country are not capable of looking after such positions?

Mr. FESS. The gentleman from Ohio now on his feet is trying to concentrate the responsibility here in the interest of the public service and on behalf of no individual.

Mr. LARSEN of Georgia. Will the gentleman from Ohio concentrate his thoughts on the question I have asked him and be so fair and frank as to tell me whether he is trying to put this lady out because she is not attending to her duty and can not do it?

Mr. FESS. The gentleman from Ohio [Mr. BEGG] is capable of taking care of himself——

Mr. LARSEN of Georgia. I have got him on record, and I would like to have the other gentleman from Ohio on record. Now, will the gentleman answer? Oh, gentlemen, it is a plain, clear-cut case. It is evident that you are just trying to railroad a little woman out of office who is unprotected and undefended and who perhaps is unaware of the assault that is being made upon her position at this time.

Mr. CANNON. Is the gentleman acquainted with her?

Mr. LARSEN of Georgia. I regret very much that I am not; but, inasmuch as she comes from the good State of Illinois, we may assume she is all right, even though she be a Republican.

Mr. CANNON. Does the gentleman know her politics?

Mr. LARSEN of Georgia. I understand she is a Republican.

Mr. CANNON. I am not acquainted with the lady.

Mr. LARSEN of Georgia. It is very unfortunate.

Mr. CANNON. If I may be allowed a minute, I am not acquainted with the lady; but I want to say——

Mr. LARSEN of Georgia. I will admit all the good things the gentleman may desire to say about her.

Mr. CANNON. I know Elliott Woods, and with all his other duties he says he is competent for this additional duty. Why, Elliott Woods has charge of the Capitol, Elliott Woods has charge of the heating apparatus down here some distance from us, Elliott Woods has charge of the heating of the Government Printing Office, and he has charge of the heating of the Botanic Garden. I want to say that I reported the bill——

Mr. LARSEN of Georgia. May I ask the gentleman if he does not think Mr. Elliott Woods is performing a man's duty at this time without taking a little lady's position away from her?

Mr. CANNON. I have no doubt that Elliott Woods performs his duties about the Capitol and about the various Government buildings adjacent to the Capitol, and is doing amply good work, and that if you add similar duties he could do twice as much.

Mr. LARSEN of Georgia. But the question is this, Is the lady failing to perform her duty?

Mr. CANNON. Good God, I do not know the woman.

Mr. LARSEN of Georgia. Has she failed in anything? If she has not, why should you remove her from office? Elliott Woods is doing his duty and performs his services efficiently, but I want to know if the lady is not doing the same thing? If she is not, put her out; but if she is I am opposed to legislating her out in such manner as you propose.

Mr. CANNON. There has been so much statement about the lady, the lady, the lady. The gentleman is not acquainted with her. I am not acquainted with her. Does the gentleman know her politics?

Mr. LARSEN of Georgia. She is well recommended, and I assume she must be all right. If not, why did the present administration appoint her to so responsible a position?

Mr. CANNON. Very well; but the gentleman attacks these men and says that they have——

The SPEAKER. The time of the gentleman has expired.

Mr. LARSEN of Georgia. Mr. Speaker, I yield the balance of my time to the gentleman from Illinois [Mr. CANNON].

Mr. FESS. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. There is no occasion to add to the argument that has been presented to the House on this matter, but I would take this opportunity to call the attention of the House to the fact that the suggestion of this change was made by the chairman of the Committee on Appropriations. There has been a great deal in the newspapers in the last few months in praise of the success of the executive department in accomplishing economies. I do not desire to detract one whit therefrom, but simply to emphasize the facts in the present case in order that we may set ourselves right so far as the record goes, as to the performance of duties in this respect through the active leadership and energetic skill of the chairman of the Committee on Appropriations [Mr. MADDEN].

In dollars and cents this is a trifling matter, involving the direct saving of only $600 a year. It perfects, however, an administrative process. The hearings upon it disclosed two far more important instances of economy that I had not myself seen brought to public attention, showing what the chairman of the Committee on Appropriations had accomplished on a much larger scale.

One of them related to the Bureau of Engraving and Printing, where, in the consideration of the problems affecting that bureau, the Committee on Appropriations ascertained that in the operation of the rotary presses it was costing $1,369,000 a year to do what could be done for $610,000, thus indicating that $760,000 more a year was being expended for a certain activity than should be expended. The chairman of this committee thereupon prepared a bill which went to the Committee on Printing and met its approval. I understand that this bill will be presented soon, if it is not already on the calendar, and there is every reason to hope that as a result the saving will be accomplished.

In another instance, concerning the Treasury Department, the Committee on Appropriations discovered that every distillery in the United States, whether obsolete or active, was a bonded warehouse. If there were more than 5,000 gallons of spirits in any distillery it was necessary to employ gaugers and storekeepers, and so on. In that case the chairman of the committee was able to correct the trouble in the appropriation bill, because he had the cooperation of the Senate, and was able to reduce the cost about $900,000 a year.

Those were two big illustrations of the fact that the legislative department of the Government has not failed in its duty to search for economy. Here is a small illustration of the same thing before you now. So we have the extremes, the big and the little, both looked after by our Committee on Appropriations, with its able chairman constantly on watch. [Applause.] It seems to me that this credit should be publicly given to that committee and its chairman. It seems to me that the House itself may ask the attention of the public long enough to realize that by our legislative work the Budget system is being supplemented to the public advantage. [Applause.]

Mr. LARSEN of Georgia. I believe that the gentleman from Massachusetts has always opposed everything in this House that tended to liberate the women, or anything along that line.

Mr. LUCE. I have not been conscious of pursuing such a course.

Mr. LARSEN of Georgia. I take it that the gentleman was opposed to woman suffrage, and inasmuch as the gentleman from Ohio admitted awhile ago that a lady might represent the State of Ohio, if elected to the Senate in his stead, does not the gentleman from Massachusetts think in view of that admission of the gentleman from Ohio, the gentleman from Massachusetts might trust this little library down here to a little lady that has been connected with its administration?

Mr. LUCE. The gentleman's use of the word "little" in connection with the library as well as the lady shows that he may be much more familiar with his subject than I am.

Mr. LARSEN of Georgia. The "gentleman from Georgia" admits that he is much more familiar with the situation than is the gentleman from Massachusetts, otherwise the latter would have agreed with him.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had insisted upon its amendments to the bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations so as to provide succession thereof until dissolved and to apply said section to all national banking associations, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon and had appointed Mr. CALDER, Mr. SHORTRIDGE, and Mr. GLASS as the conferees on the part of the Senate.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 10972. An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

H. R. 9344. An act providing for the appropriation of funds for acquiring additional water rights for Indians on the Crow Reservation, in Montana, whose lands are irrigable under the Two Leggins Irrigation Canal.

SMALL CLAIMS ON UNSURVEYED LANDS, NEW MEXICO.

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent that the House return to the bill S. 2014, that was passed without prejudice a moment ago. It is No. 280 on the calendar.

The SPEAKER. Has the gentleman consulted with the gentleman who objected?

Mr. SINNOTT. I have spoken to the gentleman from Wisconsin [Mr. STAFFORD] on the matter. I have been able to answer his question.

The SPEAKER. Is there objection?

Mr. WALSH. Reserving the right to object, what kind of an amendment was the gentleman intending to offer? Was he to try to overcome the objection of the gentleman from Wisconsin [Mr. STAFFORD]?

Mr. SINNOTT. It will overcome one objection made by him, and the other objection is overcome by the original act itself. The gentleman from Wisconsin was under the impression that the original act might be in vogue to-day, and he read from section 16, but section 18 of the original act shows that it expired within two years after its passage.

The other question the gentleman from Wisconsin [Mr. STAFFORD] had in mind was that this bill did not except the town lots as the original act did, and I will offer the identical language that is in the original act, excepting the town lots.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That in township surveys hereafter to be made in the State of New Mexico, if it shall be made to appear to the satisfaction of the deputy surveyor making such survey that any person has, through himself, his ancestors, grantors, or their lawful successors in title or possession, been in the continuous adverse actual bona fide possession, residing thereon as his home, of any tract of land or in connection therewith of other lands, all together not exceeding 160 acres, in such township for 20 years next preceding the time of making such survey, the deputy surveyor shall recognize and establish the lines of such possession and make the subdivision of the adjoining lands in accordance therewith. Such possession shall be accurately defined in the field notes of the survey and delineated on the township plat, with the boundaries and area of the tract as a separate legal subdivision. The deputy surveyor shall return with his survey the name or names of all persons so found to be in possession, with a proper description of the tract in the possession of each as shown by the survey, and the proofs furnished to him of such possession.

Upon receipt of such survey and proofs the Commissioner of the General Land Office shall cause careful investigation to be made in such manner as he shall deem necessary for the ascertainment of the truth in respect of such claim and occupation, and if satisfied upon such investigation that the claimant comes within the provisions of this section, he shall cause patents to be issued to the parties so found to be in possession for the tracts respectively claimed by them: *Provided, however*, That no person shall be entitled to confirmation of, or to patent for, more than 160 acres in his own right by virtue of this section.

All claims arising under this act shall be filed with the surveyor general of New Mexico within two years next after the passage of this act, and no claim not so filed shall be valid. No tract of such land shall be subject to entry under the land laws of the United States.

Mr. SINNOTT. Mr. Speaker, I offer the following amendment.

The SPEAKER. The gentleman from Oregon offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SINNOTT: On page 3, at the end of line 3, add the following: "*And provided further*, That this act shall not apply to any city lot, town lot, village lot, farm lot, or pasture lot held under a grant of any corporation or town the claim to which may fall within the provisions of this act."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

LAC DU FLAMBEAU BAND OF LAKE SUPERIOR CHIPPEWAS, WIS.

Mr. A. P. NELSON. Mr. Speaker, I ask unanimous consent that the bill H. R. 6428 be restored to its place on the calendar in order that the matter to which reference and objection were made might be cleared up. I have explained it to the gentleman from Massachusetts [Mr. WALSH], and he is agreeable.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that the bill H. R. 6428 may resume its place on the calendar. Who objected to its consideration?

Mr. A. P. NELSON. The gentleman from Massachusetts [Mr. WALSH].

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

SESSION OF THE UNITED STATES DISTRICT COURT IN THE COUNTY OF SCHENECTADY, N. Y.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 6110) amending section 97 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That section 97 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, be, and it is, amended so as to read as follows:

"SEC. 97. The State of New York is divided into four judicial districts, to be known as the northern, eastern, southern, and western districts of New York. The northern district shall include the territory embraced on the 1st day of July, 1910, in the counties of Albany, Broome, Cayuga, Chenango, Clinton, Cortland, Delaware, Essex, Franklin, Fulton, Hamilton, Herkimer, Jefferson, Lewis, Madison, Montgomery, Oneida, Onondaga, Oswego, Otsego, Rensselaer, St. Lawrence, Saratoga, Schenectady, Schoharie, Tioga, Tompkins, Warren, and Washington, with the waters thereof. Terms of the district court for said district shall be held at Albany on the second Tuesday in February; at Utica on the first Tuesday in December; at Binghamton on the second Tuesday in June; at Auburn on the first Tuesday in October; at Syracuse on the first Tuesday in April; and, in the discretion of the judge of the court, one term annually at such time and place within the counties of Schenectady, Rensselaer, Saratoga, Onondaga, St. Lawrence, Clinton, Jefferson, Oswego, and Franklin, as he may from time to time appoint. Such appointment shall be made by notice of at least 20 days, published in a newspaper published at the place where said court is to be held. The eastern district shall include the territory embraced on the 1st day of July, 1910, in the counties of Richmond, Kings, Queens, Nassau, and Suffolk, with the waters thereof. Terms of the district court for said district shall be held at Brooklyn on the first Wednesday in every month. The southern district shall include the territory embraced on the 1st day of July, 1910, in the counties of Columbia, Dutchess, Greene, New York, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester, with the waters thereof. Terms of the district court for said district shall be held at New York City on the first Tuesday in each month. The district courts of the southern and eastern districts shall have concurrent jurisdiction over the waters within the counties of New York, Kings, Queens, Nassau, Richmond, and Suffolk, and over all seizures made and all matters done in such waters; all processes or orders issued within either of said courts or by any judge thereof shall run and be executed in any part of said waters. The western district shall include the territory embraced on the 1st day of July, 1910, in the counties of Allegany, Cattaraugus, Chautauqua, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Schuyler, Seneca, Steuben, Wayne, Wyoming, and Yates, with the waters thereof. Terms of the district court for said district shall be held at Elmira on the second Tuesday in January; at Buffalo on the second Tuesdays in March and November; at Rochester on the second Tuesday in May; at Jamestown on the second Tuesday in July; at Lockport on the second Tuesday in October; and at Canandaigua on the second Tuesday in September. The regular sessions of the district court for the western district for the hearing of motions and for proceedings in bankruptcy and the trial of causes in admiralty shall be held at Buffalo at least two weeks in each month of the year, except August, unless the business is sooner disposed of. The time for holding the same and such other special sessions as the court shall deem necessary shall be fixed by rules of the court. All process in admiralty causes and proceedings shall be made returnable at Buffalo. The judge of any district in the State of New York may perform the duties of the judge of any other district in such State upon the request of any resident judge entered in the minutes of his court; and in such cases such judge shall have the same powers as are vested in the resident judge."

With a committee amendment:

On page 2, line 16, after the word "appoint," insert: "*Provided*, That suitable accommodations for holding court at such appointed place be furnished free of expense to the United States.

The SPEAKER. The question is on agreeing to the committee amendment.

Mr. GARRETT of Tennessee. Mr. Speaker, has the objection stage been passed?

The SPEAKER. Yes. The bill has been read.

Mr. GARRETT of Tennessee. I ask for recognition.

The SPEAKER. The Chair recognizes the gentleman from Tennessee.

Mr. GARRETT of Tennessee. May I ask the gentleman from Massachusetts [Mr. WALSH] or the gentleman from New York [Mr. CROWTHER] a question? This seems to go much further than changing terms of court. It seems to change the practice. I have not the bill before me.

Mr. WALSH. This is a reenactment of section 97 of the Judicial Code, and the only change is made by inserting the word "Schenectady" as one of the places where the court may be held by the judge, and by adding the usual proviso that suitable accommodations shall be furnished free of expense. It is a reenactment. As the gentleman will recall, in providing for judicial sittings of the district courts the Judiciary Committee has followed the practice of amending the section by restating the entire section in which changes are desired, and the only change in this section is by putting in the word "Schenectady" and by providing that it shall be free of expense to the United States. Otherwise, it is the same as existing law. The reason for putting in "Schenectady" is that that is the home of a district judge who has been appointed within three or four years, and it was felt that this should be done for his accommodation, as well as for the accommodation of parties litigant who might desire that a term of court should be held in that county at that place, if accommodations could be arranged.

Mr. GARRETT of Tennessee. It does not change the present law?

Mr. WALSH. No. The gentleman from New York [Mr. CROWTHER] introduced the bill.

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. CROWTHER, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, will the passage of this bill cause the gentleman from New York to cease his attacks on the Senate for not passing the tariff bill earlier? [Laughter.]

Mr. CROWTHER. I would not like to make a promise of that kind at this time. [Laughter.]

Mr. GARRETT of Tennessee. Mr. Speaker, I withdraw my reservation of the right to object.

The SPEAKER. The Clerk will report the next bill.

COMPENSATION TO INJURED UNITED STATES EMPLOYEES.

The next business on the Calendar for Unanimous Consent was the bill (S. 1911) to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, be amended as follows:

"SEC. 20. That all original claims for compensation for disability shall be made within 60 days after the injury. All original claims for compensation for death shall be made within one year after the death. For any reasonable cause shown the commission may allow original claims for compensation for disability to be made at any time within one year. If the disability or death was the result of an injury sustained during the period of the Great War, and arising out of conditions due to the war, the commission may for any reasonable cause shown allow original claims of civilian employees of the Expeditionary Forces of the United States serving outside of the territory of the United States to be made at any time within one year after the passage of this act."

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

The SPEAKER. The Clerk will report the next bill.

BRIDGE ACROSS LAKE ST. CROIX, WIS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10330) to extend the time for the construction of a bridge across Lake St. Croix at or near the city of Prescott, in the State of Wisconsin.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge and approaches thereto authorized by the act entitled "An act authorizing the Prescott Bridge Co. to construct a bridge across Lake St. Croix at or near the city of Prescott, in the State of Wisconsin," approved February 15, 1921, to be built by the Prescott Bridge Co., a corporation organized under the laws of the State of Wisconsin, or its successors or assigns, across Lake St. Croix at a point suitable to the interests of navigation, at or near the city of Prescott, in the county of Pierce and State of Wisconsin, are hereby extended one and three years, respectively, from the date of the passage of this act.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

Page 1, line 4, after the word "by," strike out the word "the" and insert the word "an."

Page 1, line 5, after the word "act," strike out "An act authorizing the Prescott Bridge Co. to construct a bridge across Lake St. Croix at or near the city of Prescott, in the State of Wisconsin," and insert the words "of Congress."

Page 1, line 9, after the word "company," strike out "a corporation organized under the laws of the State of Wisconsin, or its successors or assigns."

Page 2, line 1, after the word "Croix," strike out "at a point suitable to the interests of navigation."

Page 2, line 5, strike out the words "the passage of this act," and insert in lieu thereof the words "approval hereof."

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

IMPORTATION OF THE ADULT HONEYBEE.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11396) to regulate foreign commerce in the importation into the United States of the adult honeybee (Apis mellifica).

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. WINGO. Mr. Speaker, reserving the right to object, what is wrong with this adult honeybee?

Mr. HAUGEN. This is to prevent the importation of diseased bees.

Mr. WINGO. When was the disease discovered?

Mr. HAUGEN. It was discovered in the Isle of Wight in 1904. Investigations have been made in this country, and it is found that the disease has not reached the United States yet. The proposed legislation is to prevent the importation of diseased bees.

Mr. WINGO. Is this a case where the female of the species is not more deadly than the male?

Mr. KINCHELOE. If the gentleman will yield, there is nothing facetious about the bill, if the gentleman understands it.

Mr. WINGO. My friend from Kentucky has drunk so much of the Dawson Springs water that he is not facetious. No man who drinks that water is facetious. [Laughter.]

Mr. KINCHELOE. If the gentleman himself was thoroughly purged once, I do not think he would be quite so facetious. [Laughter.]

Mr. WINGO. The trouble is that I happen to be able to stand more than one purging.

Mr. KINCHELOE. The gentleman has never had an opportunity to be sufficiently purged. That is the trouble.

Mr. WINGO. Perhaps that is true. I used to think that Kentuckians took their liquor straight until I went to Dawson Springs once.

Here by this bill you propose to prohibit absolutely the entrance into the United States of the adult honeybee.

Mr. HAUGEN. Yes; from countries where diseases dangerous to honeybees exist.

Mr. WINGO. And you put all the machinery of the Federal Government, including the Secretary of Agriculture, in pursuit of one honeybee. Is that the object of the bill?

Mr. HAUGEN. Hardly.

Mr. WINGO. Has the honeybee brought any disease into this country now?

Mr. HAUGEN. No; there is none found here now, but there is in other countries, and we want to prevent diseased bees coming here.

Mr. WINGO. How long has this been known?

Mr. HAUGEN. Several years; about 18 years. Investigations have been made in this country during the last two years.

Mr. WINGO. Some one suggested that you took care of this in the tariff bill. Are you afraid this disease will spread over the country before you get the tariff bill passed?

Mr. HAUGEN. I have not had much to do with the framing of the tariff bill.

Mr. WINGO. The gentleman is right about that. The gentleman did not have anything to do with the framing of the tariff bill. He just took what they handed him. But why should the honeybee be barred out? Why can you not inspect him like you inspect any foreign plant that comes in?

Mr. HAUGEN. Because there is no way of telling if the bee is diseased without killing it and examining its respiratory tract in which the mite is found. There is no law now to prevent their importation. There is a law on the statute books to prevent the importation of diseased plants and trees.

Mr. WINGO. Do you want to prevent bees being imported?

Mr. HAUGEN. Yes; from countries where the disease exists. The Post Office Department now prevents the importation of bees through the mails by regulation of the department, but there is no law on the statute books to prevent the importation of these bees in other ways than through the mails.

Mr. WINGO. Is there a statute barring bees from the mails?

Mr. HAUGEN. There is a regulation of the department. The Post Office Department has authority to make rules and regulations governing that.

Mr. WINGO. But what I want to get at is this: You permit bees to come in for experimental or scientific purposes. The gentleman knows what I am driving at. Why is it not possible to regulate the admission of bees? Why not simply bar the admission of diseased adult honeybees?

Mr. HAUGEN. I presume that is exactly what is going to be done. I propose to offer an amendment, on the second page of the bill, giving the Secretary of Agriculture the right to lift the embargo from countries where the disease does not exist.

Mr. WINGO. In other words, you are going to have Congress put on an embargo and then give the Secretary of Agriculture the power to lift it if he wants to?

Mr. HAUGEN. Yes; from countries where the disease does not exist. It must be left to some one to determine where it does not exist.

Mr. WINGO. Why not regulate the admission so as to bar the diseased ones and let the healthy ones come in?

Mr. HAUGEN. It is necessary to kill the bee to detect the disease. I think it would be quite a task to undertake to make the necessary investigations.

Mr. TINCHER. Will the gentleman yield?
Mr. HAUGEN. I yield to the gentleman from Kansas.
Mr. TINCHER. Was not the testimony before the Agricultural Committee that there is no way of telling whether a bee is infected or not without destroying the life of the bee, and that the only way to prevent the disease coming to this country was to stop the importation?
Mr. HAUGEN. We propose to stop the importation from the sections which are infected.
Mr. WINGO. Will the gentleman tell us who testified to what the gentleman from Kansas has stated?
Mr. HAUGEN. Several witnesses.
Mr. TINCHER. A representative of the Department of Agriculture, who had made a careful investigation of the subject, backed up by all of the bee people of the United States.
Mr. WINGO. Where did they make this investigation, in this country or in foreign countries?
Mr. TINCHER. In both this country and foreign countries. They made investigations to determine whether the disease had invaded this country, and they made investigations to determine whether they could tell if a bee was infected or not without destroying the life of the bee, and decided that they could not.
Mr. WINGO. The gentleman from Iowa says they have not this disease in this country now.
Mr. TINCHER. No; they say we have not the disease now, but they have it in other countries from which there is an importation of queen bees. Let me state to the gentleman that the Department of Agriculture proposes by this measure to prevent the disease from coming to this country. Heretofore we have waited until the disease got here, and then had to appropriate money out of the Treasury to wipe out the disease. This bill does not call for any appropriation.
Mr. WINGO. That brings me to the second branch of my inquiry; how much is it estimated that it will cost for bee inspectors and quarantine officers?
Mr. HAUGEN. We have no estimate and this carries no appropriation. I take it that it will be done in conjunction with other work.
Mr. TINCHER. If we prevent the importation of bees, it will not cost anything.
Mr. WINGO. But the gentleman from Iowa said he was going to offer an amendment so that the Secretary of Agriculture could let in good female bees, bees without any disease.
Mr. GARRETT of Tennessee. Will the gentleman yield?
Mr. TINCHER. Yes; if I have the floor.
Mr. GARRETT of Tennessee. Is it determined that only adult bees carry this disease? I see this only prevents the importation of adult honeybees. I am speaking seriously—do not the young bees carry the disease that is found prevalent in the Island of Wight and in Switzerland?
Mr. TINCHER. I think some one asked such a question of the representative of the Department of Agriculture, and I think the only answer made was that there was no importation except of adult bees.
Mr. WINGO. I will state that my understanding of the amendment that is going to be offered is that it not only covers the question of embargo, but the gentleman is going to insert the word "male." Is there any reason for that, or was there any reason given in the hearings?
Mr. TINCHER. I do not understand that male bees are imported. The principal importation of bees is the queen bee; practically all of the imports are the queen bees.
Mr. WINGO. Oh, very well; I understood they were going to restrict it to the male bees and I withdraw my objection. [Laughter.]
Mr. GRAHAM of Illinois. Will the gentleman yield?
Mr. HAUGEN. Yes.
Mr. GRAHAM of Illinois. Why restrict it to the adult? I observe that the letter of the Secretary of Agriculture says the disease is caused by a mite which affects the respiratory organs of the bee and of course can only be told by a microscopical examination. But the disease would affect the young as well as the adult.
Mr. HAUGEN. Only the adult bees are imported.
Mr. GRAHAM of Illinois. This is a bill to keep out the disease; that is the idea, to keep the disease out of the country. Would it not be better to strike out the word "adult" and leave it honeybee?
Mr. BUTLER. Why did you put in the word "adult"?
Mr. HAUGEN. The bill came to the committee prepared by the Department of Agriculture. It was thought that it would fully take care of the situation.
Mr. BUTLER. Can not the young bee have the disease?
Mr. GRAHAM of Illinois. Yes; as far as the report goes.
Mr. WATSON. Will the gentleman yield?
Mr. HAUGEN. Yes.
Mr. WATSON. Is the honey made by the infected bee deleterious to human beings?
Mr. HAUGEN. I can not answer that question. We want to keep the disease out of the country. That is the object of the proposed legislation.
Mr. CHINDBLOM. The gentleman did not sample the honey.
Mr. HAUGEN. No.
Mr. GARRETT of Tennessee. Will the gentleman yield?
Mr. HAUGEN. Yes.
Mr. GARRETT of Tennessee. Have the importations of honey bees been very large?
Mr. HAUGEN. They have been quite heavy. I have not the exact figures.
Mr. GARRETT of Tennessee. But none that are imported have been diseased?
Mr. HAUGEN. Not to the knowledge of the department, except those imported for scientific purposes and for the purpose of investigating this disease. The income from the bee industry in this country amounts to about $75,000,000.
Mr. GARRETT of Tennessee. That is, the industry in this country. Can the gentleman state about how many have been imported?
Mr. HAUGEN. I can not.
Mr. GARRETT of Tennessee. Is there a business of importing honey bees?
Mr. HAUGEN. There is a business of importing them for breeding and selling the new breeds. Various breeds have been imported. The testimony is that there is no urgent need of further importation. I understand that the beekeepers of the country are in favor of this bill.
Mr. GARRETT of Tennessee. I want to say that I am dealing with the matter seriously and I am trying to obtain information about it. Do the breeders of bees in this country import bees from Switzerland or Italy?
Mr. HAUGEN. Yes; I think mostly from Italy. They are developing certain types from various countries. Some make a business of importing for breeding.
The SPEAKER. Is there objection to the consideration of the bill?
There was no objection.
The Clerk read the bill, as follows:

Be it enacted, etc., That, in order to prevent the introduction and spread of diseases dangerous to the adult honeybee, the importation into the United States of the honeybee (Apis mellifica) in its adult stage is hereby prohibited, and all adult honeybees offered for import into the United States shall be destroyed if not immediately exported: *Provided*, That such adult honeybees may be imported into the United States for experimental or scientific purposes by the United States Department of Agriculture: *And provided further*, That such adult honeybees may be imported into the United States from countries where no diseases dangerous to adult honeybees exist, under rules and regulations prescribed by the Secretary of the Treasury and the Secretary of Agriculture.

SEC. 2. That any person who shall violate any of the provisions of this act shall be deemed guilty of a misdemeanor and shall, upon conviction thereof, be punished by a fine not exceeding $500 or by imprisonment not exceeding one year, or both such fine and imprisonment, in the discretion of the court.

The following committee amendment was read:

Page 2, line 1, strike out the word "where" and insert in lieu thereof "in which the Secretary of Agriculture shall determine that."

The committee amendment was agreed to.
Mr. GRAHAM of Illinois. Mr. Speaker, I desire to offer a series of amendments. The first one is to strike out the word "adult" on line 4, page 1.
The Clerk read as follows:

Amendment by Mr. GRAHAM of Illinois: Page 1, line 4, strike out the word "adult."

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?
Mr. GRAHAM of Illinois. Yes.
Mr. GARRETT of Tennessee. Why does the gentleman offer that amendment?
Mr. GRAHAM of Illinois. This is a disease that is spread by mites, which are found in the respiratory organs of the bee, according to the letter of the Secretary of Agriculture. It is extremely desirable, inasmuch as this industry represents an annual profit to us of $75,000,000 to $100,000,000, that we keep this disease out, if we can. It may come in on bees that are not adult. I confess I do not know anything about the bee business, but am simply taking the report for the facts.
Mr. GARNER. Mr. Speaker, will the gentleman yield?
Mr. GRAHAM of Illinois. Yes.
Mr. GARNER. Did the gentleman ever have any dealing with bees?
Mr. GRAHAM of Illinois. I have; but not as a bee culturist.
Mr. GARNER. Has the gentleman ever seen an infant bee?
Mr. GRAHAM of Illinois. If there is no such thing as an infant bee, why say adult?

Mr. GARNER. I merely wondered who it was who had ever seen an infant bee.

Mr. GRAHAM of Illinois. There are doubtless bees not considered adult, because they have to get into the adult stage at some time.

Mr. BUTLER. How can you tell an adult bee? How do you know when it is grown up?

Mr. CHINDBLOM. By its sting.

Mr. GRAHAM of Illinois. I see no necessity for having this language in here. I am for the passage of the bill. I think it is a very useful bill; but why put language in the bill so that the man who passes upon the things will have to determine whether the bees are adult or not?

Mr. GARNER. I presume this bill was drawn at the Agricultural Department, and that somebody drew it who is familiar with the subject. He probably had some object in putting that word in. The gentleman from Illinois knows nothing about the business, and yet he wants to change the language, although he says that he is in favor of the bill. I would leave it as it is and let the Agricultural Department language stand.

Mr. GRAHAM of Illinois. I am not so sure but that somebody's judgment on the outside is just as good as some of these department heads who draw these bills. They put in language here which apparently has no purpose. Nobody here seems to know anything about the purpose of it.

Mr. CHINDBLOM. The letter from the Secretary of Agriculture says that the cause of the disease is a mite which invades the respiratory tract of the adult honey bee. Evidently the Department of Agriculture has determined that this mite affects only adult honey bees, and I suppose that is why the proposed law is confined to adult bees.

Mr. MOORE of Virginia. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. MOORE of Virginia. How does one determine what is an adult bee from a scientific or practical standpoint?

Mr. GRAHAM of Illinois. I do not know that anybody can tell. I know one thing surely, that if this law restricts the importation of honeybees you will accomplish your purpose, because the whole will include any part. It seems to me it is safer to strike out the word "adult." Then you will not have to have some one who will pass upon the question of whether the bee is adult or not.

The SPEAKER. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

The Clerk read as follows:

SEC. 2. That any person who shall violate any of the provisions of this act shall be deemed guilty of a misdemeanor and shall, upon conviction thereof, be punished by a fine not exceeding $500 or by imprisonment not exceeding one year, or both such fine and imprisonment, in the discretion of the court.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. HAUGEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS.

Mr. CRISP. Mr. Speaker, my colleague, Mr. LARSEN, has asked me to request for him leave to extend his remarks which he made on the floor this afternoon on the bill abolishing the office of Superintendent of the Library?

The SPEAKER. Is there objection?

There was no objection.

BRIDGE ACROSS WHITE RIVER, ARK.

The next bill on the Calendar for Unanimous Consent was the bill H. R. 11244, authorizing the construction of a bridge across White River, in the State of Arkansas.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WALSH. Mr. Speaker, reserving the right to object, I notice that the county of Independence is authorized to construct a bridge across White River. Is it not usual to locate these counties by the State in which they are?

Mr. HOCH. I think so, and I intend to offer such an amendment.

Mr. WALSH. I have no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the county of Independence is hereby authorized to construct a bridge across White River at or in the immediate vicinity of Batesville, Ark., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

Line 4, after the word "construct" insert the words "maintain and operate," and after the words "bridge" insert the words "and approaches thereto."

Line 5, after the word "river" insert the words "at a point suitable to the interests of navigation."

The SPEAKER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. HOCH. Mr. Speaker, I move to amend, on line 3, by inserting after the word "independence" a comma and the words "State of Arkansas."

The SPEAKER. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HOCH: Page 1, line 3, after the word "independence" insert a comma and the words "State of Arkansas."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. OLDFIELD, a motion to reconsider the vote by which the bill was passed was laid on the table.

PONTOON BRIDGE ACROSS THE MISSOURI RIVER.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 8785) granting the consent of Congress to the Mobridge Co., of Mobridge, S. Dak., to construct a pontoon bridge across the Missouri River.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Mobridge Bridge Co., of Mobridge, S. Dak., and its successors and assigns, to construct, maintain, and operate a pontoon bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation, at or near Mobridge, in the county of Walworth, in the State of South Dakota, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. JOHNSON of South Dakota, a motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS THE PEND OREILLE RIVER.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 11265) to authorize the maintenance of a bridge constructed across the Pend Oreille River at the town of Usk, in the State of Washington.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. WALSH. I ask to have the bill reported, Mr. Speaker.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the bridge specified in an act approved August 7, 1919, entitled "An act to authorize the construction of a bridge across the Pend Oreille River at the town of Usk, in the State of Washington," having been constructed without approval of the plans by the Chief of Engineers and the Secretary of War be, and is hereby, declared a lawful structure to be maintained and operated subject to the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906: *Provided*, That unless plans of the said bridge shall have been submitted to the Chief of Engineers and the Secretary of War for their approval and shall have been approved by them within six months after the date of the approval of this act this authority shall then cease and be null and void.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. WEBSTER, a motion to reconsider the vote by which the bill was passed was laid upon the table.

EXTENSION OF REMARKS.

Mr. APPLEBY. Mr. Speaker, I ask unanimous consent to extend my remarks on House Joint Resolution 297.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The extension of remarks referred to are here printed in full as follows:

Mr. APPLEBY. Mr. Speaker and colleagues, the time for the discussion of House Joint Resolution 297 being far too limited for the importance of the subject, and as the resolution was introduced by me and is of vital interest to my district, as well as to practically all other States having coast lines of any moment, I desire a brief extension of my remarks in the RECORD, that I may call your attention to a few of the more important details connected with the proposed legislation. A brief history of the circumstances leading up to the necessity of calling an international conference on the subject of oil pollution might be of interest.

The problem is one that has arisen largely within the last 5 or 10 years. Up to that time there was no great overseas transportation of crude oil. Prior to this the overseas movement of oil was largely in refined oils. The residue left in the tanks of tank steamers carrying refined oils does very little damage, because they are able to thoroughly clean the tanks; but in the handling of crude oil they never clean the tanks effectively, and then they are filled with water ballast for the return voyage, and when they are nearing harbor they no longer need the ballast and it is pumped overboard, carrying this refuse oil with it. Much of the same thing happens in regard to the oil-burning steamers. And this is again a development of the last few years. These steamers carry oil in their tanks on the outward voyage and fill the tanks with water when the oil is used up, and dump that oily water into the sea when they get near shore. There is also a considerable amount of oil discharged from bilge water in cleaning out the bilge on all ships. A survey of New York Harbor indicates the conditions which is responsible for this rapidly growing evil at this point alone. In a report submitted to the State commissioner of health, Albany, N. Y., by Chief Engineer Theodore Horton on September 26, 1919, he stated:

> From conferences with the officials of the different oil companies whose plants are located on the shores of New York Harbor and its tributaries in Greater New York and New Jersey it was learned that these companies own and operate some 140 tankers, having capacities from 20,000 to 100,000 barrels each, nearly all of which ply between the port of New York and foreign and other domestic ports. This does not include 41 oil tankers owned by the United States Shipping Board, which are used for the transportation of crude and fuel oil to and from New York Harbor and for the bunkering of United States naval vessels and merchant vessels, and merchant vessels of the United States Shipping Board. By December 1 of this year it is expected that the United States Shipping Board will have 70 oil tankers in operation. There are also some 45 or 50 smaller tankers or lighters, having capacity of from 2,000 to 15,000 barrels of oil each, used for the transportation of oil to and from various parts of New York Harbor by the various oil companies. It was also learned that the movement of oil to and from New York Harbor has increased from 300 to 400 per cent within the last five years. During July and August of this year about 60 tankers owned by private oil companies arrived in New York Harbor either with oil or ballast, and some 45 tankers departed from New York Harbor carrying oil or ballast, not including the arrival and departure of tankers owned by the United States Shipping Board.

The careless casting of refuse oil into the sea from oil-burning and oil-carrying steamers has become a serious menace to the fishing industries of the United States; the fire hazard created by the accumulation of floating oil on the piles of piers and bulkheads in our harbors is a growing source of alarm; most serious is the destruction of ocean fisheries from this pollution which threatens to exterminate the food fish, oysters, clams, crabs, and lobsters that are a very material part of our national food supply, in addition to which the dumping of this oil refuse is absolutely ruining the bathing beaches which during the summer attract hundreds of thousands of people to the various seashore resorts along the Atlantic as well as the Pacific coast and the Gulf of Mexico, and the depreciation in value of millions of dollars of seashore property because of this condition is most serious and alarming.

I introduced this resolution in connection with my bill, H. R. 10596, for the prevention of the pollution of the navigable waters of the United States by refuse oil, which is now pending before the Committee on Rivers and Harbors. But any legislation enacted by Congress could only remedy the evil so far as it pertains to territorial waters, and in the testimony both before the Committee on Foreign Affairs and the Committee on Rivers and Harbors it developed through numerous witnesses that much of the pollution took place beyond the three-mile limit. During the hearings on this resolution Secretary Hoover appeared before the committee in support of the resolution, and right here I would like to quote a part of his statement. The Secretary said:

> Early last spring at the request of the various fishermen's associations I called a conference on the problem of oil pollution as it affected the fishermen from all the different coasts and harbors, and they were unanimous in their opinion that there was the greatest menace to their industry from oil pollution. * * * It also developed in the course of the inquiries of the Department of Commerce that the various bathing beaches were seriously affected by this nuisance. Congressman APPLEBY, I think, was the first to raise the question in regard to the bathing beaches on the New Jersey coast. Bathing at many of the points has practically had to be abandoned. When we came to examine into this problem, as the result of bills introduced by Congressman APPLEBY to remedy the evil, the question came up: How are you going to control ships outside of the three-mile limit? It does not seem possible to develop any device of our own for the control of foreign shipping. We then found that foreign governments were equally interested in the problem, and that they have been considering legislation; they have established port control of one sort or another, and particularly in the case of British fisheries they have made fairly extensive studies of the damage being done. The problem here is one which we can no doubt control by legislation, so far as it comes within the three-mile limit. But when we get beyond that, especially in the control of foreign ships, we will have difficulty unless we can make some sort of common arrangement with other governments by which those ships can be controlled; and it is thought that the most effective method of handling that problem was by some sort of conference of the different countries, to see whether we could have some unity of action in control of these problems on the high seas. We would have to agree upon some basis of actual ship control; in other words, legislation which would prevent ships from discharging refuse on the high seas, in the form of oil or bilge water. We do not believe it would seriously interfere with the movements of ships; and we believe that if there were some arrangement made for taking care of this oil refuse in the ports and harbors and treating it, the recovery value of the oil would equalize the cost of removing it.

During Secretary Hoover's testimony the gentleman from New York, the Hon. BOURKE COCHRAN, a member of the Committee on Foreign Affairs, said:

> I should think that the Italian Government and the French Government and the Spanish Government, all of which are deeply interested in this problem, and whose fisheries are deeply affected by this damage, would be glad to come to some kind of an agreement by which this damage could be prevented.

The problem of oil pollution is not a national one; it is international, and foreign governments are equally interested with the United States. It seems to me that, in view of the fact that other nations are interested in this same question and are undertaking to prevent the pollution of waters in their own harbors and along their own shores, a conference called for the purpose of making the question international would be the better way of undertaking to handle matters that might occur outside of the territorial waters of any one of the nations. I believe the leading maritime nations of the world would welcome a conference to discuss ways and means of correcting this oil pollution, and the evidence submitted indicates the importance and urgency of action without undue delay.

TO REBUILD ASSEMBLY HALL, INDIAN SCHOOL, NEAR TOMAH, WIS.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 10957) to rebuild the assembly hall of the Indian School, at Tomah, Wis.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WALSH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman having this matter in charge if he has any objection to striking out, in line 4, page 1, the words "and directed," simply authorizing the rebuilding of the hall, rather than directing it to be built before the appropriation is made?

Mr. BROWN. I have no objection.

Mr. WALSH. I assume the gentleman from New Mexico would accept that amendment?

Mr. MONTOYA. I would.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. WALSH. I withdraw the reservation.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

> *Be it enacted, etc.*, That the Secretary of the Interior be, and he is hereby, authorized and directed to cause the assembly hall of the Indian school, recently destroyed by fire, near Tomah, Wis., to be rebuilt upon the ground and site now owned in that city by the Government, and refurnished in such manner as to meet the present needs of the said school as well as such needs as may reasonably arise in the future, at a cost not to exceed $50,000, including heating, ventilating, plumbing, etc., which may be incident to said rebuilding.
>
> SEC. 2. That the sum of $50,000 is hereby appropriated out of any money in the Treasury not otherwise appropriated for the purposes aforesaid.
>
> SEC. 3. That this act shall be in force from its passage.

The committee amendments were read as follows:

> Page 1, line 4, strike out the words "assembly hall" and insert "school building."
>
> Page 1, line 7, strike out the words "in that city."
>
> Page 2, line 1, after the word "hereby," insert "authorized to be."
>
> Page 2, strike out section 3.

The question was taken, and the amendments were agreed to.

Mr. WALSH. Mr. Speaker, I offer an amendment. Page 1, line 4, after the word "authorized," strike out the words "and directed."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 4, after the word "authorized," strike out the words "and directed."

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. BROWN, a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended so as to read: "A bill to rebuild the school building of the Indian school near Tomah, Wis."

SECOND ASSISTANT SECRETARY AND PRIVATE SECRETARY IN THE DEPARTMENT OF LABOR.

The next bill in order on the Calendar for Unanimous Consent was the bill (H. R. 11155) creating the positions of Second Assistant Secretary and private secretary in the Department of Labor.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. GARRETT of Texas. Mr. Speaker, reserving the right to object, this bill is one of considerable importance. Directly and indirectly it involves some very important questions, as, for instance, the question of immigration, the administration of the immigration laws, and it does not seem to me it ought to come up at this time by unanimous consent. If the gentleman wishes to have it passed without losing its place upon the calendar, I shall not object to it, but I shall object to its being considered by unanimous consent.

Mr. JOHNSON of Washington. If the gentleman will yield, I would like to say to the gentleman this administration and the previous administration have been most insistent of the need of a little more executive help down there. It must be apparent to all gentlemen that a great department of the Government with not to exceed six appointive positions has not too much executive head. Since the last administration we have had a new form of immigration restriction that greatly increases the work of the Secretary, the Assistant Secretary, and the Commissioner of Labor, and their assistants. If there is a place in the whole Government where we need additional executives to act in the name of the Secretary himself, this is the place.

Mr. ZIHLMAN. I will say to the gentleman from Texas the department, under the law, or the Secretary, or the Assistant Secretary, must review all cases of appeal from the immigration laws by an alien demanding or asking admission to our ports, and there are 30——

Mr. JOHNSON of Washington. And Congress has put upon them this labor by giving them the right of review.

Mr. ZIHLMAN. I will say further this small appropriation carried was requested by the Director of the Budget and the members of the Appropriations Committee who handled the appropriations for the Department of Labor have stated that they think this is a very worthy bill and a meritorious bill, and would have granted this appropriation but could not do so as it was legislation on an appropriation bill.

Mr. GARRETT of Tennessee. This involves a question, and the very broad policy, in my opinion—I will leave it to the gentleman if he desires to have it passed over without objection?

Mr. ZIHLMAN. I want to say to the gentleman that a similar bill has passed the Senate, and this comes from our committee with a unanimous report.

Mr. GARRETT of Tennessee. This particular bill has passed the Senate?

Mr. ZIHLMAN. In the form of a Senate bill; this House bill has already passed the Senate and was unanimously reported by our committee.

Mr. GARRETT of Tennessee. In recent days the action of the Senate has gotten to be so it does not appeal to me——

Mr. ZIHLMAN. I say, it is a unanimous report from the House committee.

Mr. RAKER. I would like to say to the gentleman that it appears to me from the hearings that we have had before the Committee on Immigration that this is absolutely an added expense and entirely unnecessary.

The work is getting less, and in the last two months it ought to have been considerably less, and has been, according to the report. There used to be a million and a half immigrants coming in, but now the only ones that are liable to come in will amount to about 200,000.

Mr. JOHNSON of Washington. Now there is a restricted number, but with very important questions involved, whereas formerly there were about a million without appeal.

Mr. RAKER. I know. With the laws in force there will be but little extra labor, if any, in the department, and you are simply adding an assistant secretary when the labor is getting less. This bill should not pass.

Mr. ZIHLMAN. Mr. Speaker, I hope the gentleman from Tennessee will not object.

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. I object, Mr. Speaker.

Mr. ZIHLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3396).

Mr. GARRETT of Tennessee. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Maryland moves to suspend the rules and the gentleman from Tennessee makes the point of order there is no quorum present.

Mr. ZIHLMAN. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors and the Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Andrew, Mass.	Faust	Kunz	Riordan
Andrews, Nebr.	Fenn	Lampert	Robertson
Ansorge	Fields	Lankford	Robsion
Arentz	Fitzgerald	Larson, Minn.	Rodenberg
Bankhead	Focht	Lea, Calif.	Rose
Barkley	Fordney	Lee, Ga.	Rosenbloom
Beck	Foster	Lee, N. Y.	Rossdale
Bell	Frear	Lehlbach	Rouse
Black	Freeman	Lineberger	Sabath
Blakeney	French	Little	Sanders, Ind.
Blanton	Fuller	Longworth	Sanders, N. Y.
Boies	Funk	Lyon	Schall
Bowers	Gallivan	McClintic	Scott, Mich.
Brennan	Glynn	McFadden	Sears
Britten	Goldsborough	McKenzie	Shreve
Brooks, Pa.	Goodykoontz	McLaughlin, Pa.	Siegel
Brown, Tenn.	Gould	McPherson	Slemp
Burke	Graham, Pa.	McSwain	Smith, Mich.
Burtness	Green, Iowa	Maloney	Smithwick
Byrnes, S. C.	Griffin	Mann	Stedman
Campbell, Kans.	Hardy, Tex.	Mansfield	Steenerson
Cantrill	Harrison	Martin	Stiness
Chandler, N. Y.	Haugen	Michaelson	Stoll
Chandler, Okla.	Hawes	Mills	Strong, Kans.
Clark, Fla.	Hawley	Montague	Sullivan
Classon	Henry	Montoya	Swank
Cockran	Himes	Moore, Ill.	Sweet
Codd	Hooker	Moore, Ohio	Tague
Cole, Iowa	Hudspeth	Morin	Taylor, Ark.
Collins	Hukriede	Mudd	Taylor, Tenn.
Colton	Husted	Nelson, J. M.	Temple
Connell	Hutchinson	Newton, Mo.	Thomas
Connolly, Pa.	Ireland	Nolan	Tilson
Cooper, Ohio	James	O'Brien	Towner
Cooper, Wis.	Jefferis, Nebr.	Oliver	Treadway
Copley	Johnson, S. Dak.	Olpp	Tucker
Coughlin	Jones, Pa.	Osborne	Tyson
Crago	Kahn	Padgett	Upshaw
Cullen	Kearns	Paige	Vare
Dale	Kelley, Mich.	Parks, Ark.	Vestal
Davis, Minn	Kendall	Patterson, Mo.	Vinson
Dempsey	Kennedy	Perkins	Voigt
Dickinson	Ketcham	Perlman	Volk
Doughton	Kiess	Petersen	Walters
Drane	Kindred	Porter	Wason
Driver	Kinkaid	Pou	Weaver
Dunn	Kirkpatrick	Pringey	White, Me.
Echols	Kitchin	Rainey, Ala.	Williams, Ill.
Edmonds	Kleczka	Ransley	Winslow
Elliott	Kline, N. Y.	Rayburn	Wood, Ind.
Evans	Knight	Reber	Woodruff
Fairchild	Knutson	Reed, N. Y.	Woodyard
Fairfield	Kreider	Riddick	Yates

The SPEAKER. Two hundred and eighteen Members have answered to their names, a quorum.

Mr. WALSH. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The gentleman from Maryland [Mr. ZIHLMAN] moves to suspend the rules.

Mr. GARRETT of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. GARRETT of Tennessee. Division, Mr. Speaker.

The House divided, and there were—ayes 44, noes 102.

Mr. GARRETT of Tennessee. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 66, nays 156, not voting 208, as follows:

YEAS—66.

Almon	Bulwinkle	Davis, Tenn.	Garrett, Tenn.
Aswell	Byrnes, S. C.	Dominick	Hammer
Bland, Va.	Byrns, Tenn.	Drewry	Hayden
Bowling	Carew	Dupré	Huddleston
Box	Carter	Favrot	Humphreys
Brand	Collier	Fisher	Jeffers, Ala.
Briggs	Connally, Tex.	Fulmer	Johnson, Ky.
Buchanan	Crisp	Garner	Johnson, Miss.

Jones, Tex.	Mead	Rankin	Ward, N. C.
Kincheloe	Moore, Va.	Rucker	Williams, Tex.
Lanham	O'Connor	Sanders, Tex.	Wilson
Lankford	Oldfield	Sandlin	Wingo
Lazaro	Overstreet	Steagall	Wise
Linthicum	Park, Ga.	Stevenson	Woods, Va.
Logan	Quin	Sumners, Tex.	Wright
Lowrey	Rainey, Ill.	Ten Eyck	
McDuffie	Raker	Tillman	

NAYS—156.

Ackerman	Ellis	Langley	Rhodes
Anderson	Fenn	Larsen, Ga.	Ricketts
Appleby	Fess	Lawrence	Roach
Atkeson	Fish	Layton	Rogers
Bacharach	Free	Leatherwood	Ryan
Barbour	French	London	Scott, Tenn.
Beedy	Frothingham	Luce	Shaw
Begg	Gahn	Luhring	Shelton
Benham	Gensman	McArthur	Sinclair
Bird	Gernerd	McCormick	Sinnott
Bixler	Gilbert	McFadden	Smith, Idaho
Bland, Ind.	Gorman	McLaughlin, Mich	Snell
Bond	Graham, Ill.	McLaughlin, Nebr.	Snyder
Brooks, Ill.	Green, Iowa	McLaughlin, Pa.	Speaks
Browne, Wis.	Greene, Mass.	MacGregor	Steenerson
Burdick	Greene, Vt.	Madden	Stephens
Burroughs	Griest	Magee	Strong, Kans.
Burton	Hadley	Mapes	Strong, Pa.
Butler	Hardy, Colo.	Merritt	Summers, Wash.
Cable	Hays	Michener	Swing
Campbell, Pa.	Herrick	Miller	Taylor, N. J.
Cannon	Hersey	Millspaugh	Thompson
Chalmers	Hickey	Mondell	Timberlake
Chindblom	Hicks	Morgan	Tincher
Christopherson.	Hill	Murphy	Tinkham
Clague	Hoch	Nelson, Me.	Underhill
Clarke, N. Y.	Hogan	Nelson, A. P.	Vaile
Clouse	Jacoway	Newton, Minn.	Volstead
Cole, Ohio	James	Norton	Walsh
Cramton	Johnson, Wash.	Ogden	Ward, N. Y.
Crowther	Keller	Parker, N. J.	Watson
Curry	Kelly, Pa.	Parker, N. Y.	Webster
Dallinger	King	Patterson, N. J.	Wheeler
Darrow	Kissel	Porter	White, Kans.
Davis, Minn.	Kleczka	Purnell	Williamson
Denison	Kline, Pa.	Radcliffe	Wurzbach
Dowell	Kopp	Ramseyer	Wyant
Dunbar	Kraus	Reece	Young
Dyer	Lampert	Reed, W. Va.	Zihlman

NOT VOTING—208.

Andrew, Mass.	Fairfield	Larson, Minn.	Rodenberg
Andrews, Nebr.	Faust	Lea, Calif.	Rose
Ansorge	Fields	Lee, Ga.	Rosenbloom
Anthony	Fitzgerald	Lee, N. Y.	Rossdale
Arentz	Focht	Lehlbach	Rouse
Bankhead	Fordney	Lineberger	Sabath
Barkley	Foster	Little	Sanders, Ind.
Beck	Frear	Longworth	Sanders, N. Y.
Bell	Freeman	Lyon	Schall
Black	Fuller	McClintic	Scott, Mich.
Blakeney	Funk	McKenzie	Sears
Blanton	Gallivan	McPherson	Shreve
Boies	Garrett, Tex.	McSwain	Siegel
Bowers	Glynn	Maloney	Sisson
Brennan	Goldsborough	Mann	Slemp
Britten	Goodykoontz	Mansfield	Smith, Mich.
Brooks, Pa.	Gould	Martin	Smithwick
Brown, Tenn.	Graham, Pa.	Michaelson	Sproul
Burke	Griffin	Mills	Stafford
Burtness	Hardy, Tex.	Montague	Stedman
Campbell, Kans.	Harrison	Montoya	Stiness
Cantrill	Haugen	Moore, Ill.	Stoll
Chandler, N. Y.	Hawes	Moore, Ohio	Sullivan
Chandler, Okla.	Hawley	Moores, Ind.	Swank
Clark, Fla.	Henry	Morin	Sweet
Classon	Himes	Mott	Tague
Cockran	Hooker	Mudd	Taylor, Ark.
Codd	Hudspeth	Nelson, J. M.	Taylor, Colo.
Cole, Iowa	Hukriede	Newton, Mo.	Taylor, Tenn.
Collins	Hull	Nolan	Temple
Colton	Husted	O'Brien	Thomas
Connell	Hutchinson	Oliver	Tilson
Connolly, Pa.	Ireland	Olpp	Towner
Cooper, Ohio	Jefferis, Nebr.	Osborne	Treadway
Cooper, Wis.	Johnson, S. Dak.	Padgett	Tucker
Copley	Jones, Pa.	Paige	Tyson
Coughlin	Kahn	Parks, Ark.	Upshaw
Crago	Kearns	Patterson, Mo.	Vare
Cullen	Kelley, Mich.	Perkins	Vestal
Dale	Kendall	Perlman	Vinson
Deal	Kennedy	Petersen	Voigt
Dempsey	Ketcham	Pou	Volk
Dickinson	Kiess	Pringey	Walters
Doughton	Kindred	Rainey, Ala.	Wason
Drane	Kinkaid	Ransley	Weaver
Driver	Kirkpatrick	Rayburn	White, Me.
Dunn	Kitchin	Reber	Williams, Ill.
Echols	Kline, N. Y.	Reed, N. Y.	Winslow
Edmonds	Knight	Riddick	Wood, Ind.
Elliott	Knutson	Riordan	Woodruff
Evans	Kreider	Robertson	Woodyard
Fairchild	Kunz	Robsion	Yates

So the motion to adjourn was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. Treadway with Mr. Cockran.

Mr. Paige with Mr. Sullivan.

Mr. Kahn with Mr. Cantrill.

Mr. Sanders of Indiana with Mr. McClintic.

Mr. Evans with Mr. Bell.

Mr. Funk with Mr. Lee of Georgia.

Mr. Kline of New York with Mr. Bankhead.

Mr. Larson of Minnesota with Mr. Padgett.

Mr. Codd with Mr. Hawes.

Mr. Fitzgerald with Mr. Kuntz.

Mr. McPherson with Mr. Smithwick.

Mr. Glynn with Mr. Tyson.

Mr. Vestal with Mr. Driver.

Mr. Goodykoontz with Mr. Collins.

Mr. Graham of Pennsylvania with Mr. McSwain.

Mr. Newton of Missouri with Mr. Fields.

Mr. Rose with Mr. Oliver.

Mr. Morin with Mr. Upshaw.

Mr. Fairfield with Mr. Clark of Florida.

Mr. Cole of Iowa with Mr. Lyon.

Mr. Dunn with Mr. Swank.

Mr. Campbell of Pennsylvania with Mr. Goldsborough.

Mr. Fordney with Mr. Parks of Arkansas.

Mr. Haugen with Mr. Weaver.

Mr. Hukriede with Mr. Vinson.

Mr. Kelley of Michigan with Mr. Tague.

Mr. Lineberger with Mr. Barkley.

Mr Kiess with Mr. Kindred.

Mr. Nolan with Mr. Sisson.

Mr. Maloney with Mr. Stedman.

Mr. Ansorge with Mr. Thomas.

Mr. Robsion with Mr. Taylor of Arkansas.

Mr. Yates with Mr. Hudspeth.

Mr. Davis of Minnesota with Mr. Sears.

Mr. Winslow with Mr. Cullen.

Mr. Henry with Mr. Deal.

Mr. Reed of New York with Mr. Black.

Mr. Coughlin with Mr. Kitchin.

Mr. Kendall with Mr. Sisson.

Mr. Dickinson with Mr. Lea of California.

Mr. Michaelson with Mr. Stoll.

Mr. Beck with Mr. Drane.

Mr. Knutson with Mr. Montague.

Mr. Stiness with Mr. O'Brien.

Mr. Frear with Mr. Thomas.

Mr. Burtness with Mr. Taylor of Colorado.

Mr. Volk with Mr. Pou.

Mr. Burke with Mr. Griffin.

Mr. Connolly of Pennsylvania with Mr. Harrison.

Mr. Lee of New York with Mr. Rayburn.

Mr. Fuller with Mr. Gallivan.

Mr. Chandler of Oklahoma with Mr. Martin.

Mr. Bowers with Mr. Hardy of Texas.

Mr. Brennan with Mr. Mansfield.

Mr. Hutchinson with Mr. Riordan.

Mr. Perkins with Mr. Blanton.

Mr. Patterson of Missouri with Mr. Sabath.

Mr. Kennedy with Mr. Hooker.

Mr. Olpp with Mr. Rainey of Alabama.

The result of the vote was announced as above recorded.

Mr. ZIHLMAN. Mr. Speaker, I wish to withdraw my motion that the rules be suspended.

The SPEAKER. The gentleman from Maryland withdraws his motion to suspend the rules. The Clerk will report the next bill on the Unanimous Consent Calendar.

A CERTAIN INDEMNITY SCHOOL-LAND SELECTION, FLORIDA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 8763) validating and confirming a certain indemnity school-land selection of the State of Florida.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. WALSH. Mr. Speaker, I was unable to hear the title of the bill read.

The SPEAKER. The Clerk will again report the title of the bill.

The title of the bill was again read.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the following Florida indemnity school-land selection be, and the same is hereby, validated and confirmed, notwithstanding its inclusion within an abandoned military reservation, and the Secretary of the Interior is authorized to approve the same to the State of Florida, if the selection list is in all respects regular and accompanied by the necessary fees: Gainesville, 016649, filed May 1, 1920, covering the southwest quarter of the northwest quarter of section 28, township 54 south of range 42 east, Tampa meridian, Florida, 40 acres.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. LARSEN of Georgia, a motion to reconsider the vote whereby the bill was passed was laid on the table.

The SPEAKER. The Clerk will report the next bill.

SPECIAL MISSION TO THE BRAZIL CENTENNIAL CELEBRATION.

The next business on the Calendar for Unanimous Consent was the resolution (S. J. Res. 173) authorizing the President to appoint a commission to represent the Government of the United States at the centennial celebration of the independence of Brazil, to be held at Rio de Janeiro in September next.

The title of the resolution was read.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The Clerk read as follows:

Joint resolution (S. J. Res. 173) authorizing the President to appoint a commission to represent the Government of the United States at the centennial celebration of the independence of Brazil, to be held at Rio de Janeiro in September next.

Whereas the Government of Brazil has invited the Government of the United States to be represented at the centennial celebration of the independence of Brazil, to be held in September next at Rio de Janeiro: Be it

Resolved, etc., That the President is hereby authorized to appoint and send to Brazil a commission not to exceed five members to represent the Government of the United States at the said celebration.

SEC. 2. That the expenses of the said commission shall be paid, under the direction and subject to the approval of the Secretary of State, from the appropriation of $1,000,000 for the expenses of taking part in an international exposition to be held at Rio de Janeiro, Brazil, provided for in the act of Congress approved December 15, 1921, entitled "An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1922, and prior fiscal years, supplemental appropriations for the fiscal year ending June 30, 1922, and subsequent fiscal years, and for other purposes."

With a committee amendment, as follows:

Strike out all after the resolving clause and insert:

"That the President is hereby authorized to appoint and send to Brazil a special mission of friendship, good will, and congratulation not to exceed five members to represent the Government and people of the United States at the celebration of the independence of Brazil, to be held in September, 1922, at Rio de Janeiro.

"SEC. 2. That the expenses of the said special mission shall be paid, under the direction and subject to the approval of the Secretary of State, from the appropriation for the expenses of taking part in said international exposition as provided for in the deficiency appropriation act of Congress approved December 15, 1921, and subject to all the provisions thereof."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

By unanimous consent, the title was amended so as to read: "Joint resolution authorizing the President to appoint a special mission of friendship, good will, and congratulation to represent the Government and people of the United States at the centennial celebration of the independence of Brazil."

Mr. WALSH. Mr. Speaker, was the amendment to the preamble agreed to?

The SPEAKER. No. Without objection, the amendment to the preamble will be agreed to.

The preamble was amended so as to read:

Whereas the Government of Brazil has invited the Government of the United States to be represented at the centennial celebration of the independence of Brazil, to be held in September, 1922, at Rio de Janeiro.

On motion of Mr. LANHAM, a motion to reconsider the vote whereby the resolution was agreed to was laid on the table.

The SPEAKER. The Clerk will report the next bill.

DETENTION HOSPITAL AT NOME, ALASKA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 9528) providing for the retention by the Government of the property in Nome, Alaska, known as the Detention Hospital Building and its use by the Bureau of Education, Department of the Interior.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. CRAMTON. Mr. Speaker, I have made some effort to get information as to what the repair and furnishing of this building will cost the Department of the Interior. Not having been able to get satisfactory information as to that, I ask unanimous consent that the bill be passed over to-day without prejudice.

Mr. SUTHERLAND. Mr. Speaker, I hope the gentleman will withdraw his objection. I will try to give him the information he desires.

Mr. CRAMTON. If the gentleman can state definitely how much it will cost to repair the building and furnish it for the purposes desired, I shall be interested in hearing it, and for that purpose I will reserve the right to object.

Mr. SUTHERLAND. I can not give the gentleman definite figures. It simply means the transfer of the building originally constructed as a detention hospital at Nome to be used as a residence for the teachers employed in the Bureau of Education at Nome.

Mr. CRAMTON. I made some effort to get information before my statement here. I asked the Bureau of Education in the Department of the Interior, and they said it would cost nothing for the repair of the building, which manifestly could not be correct. They could not say how much it would cost for the furniture.

They said they had the money available for furniture in the appropriation bill that we have just passed. An examination of the estimates furnished and of the hearings develops that there appears to be no fund available for buying furniture, but their estimate was at least $1,000 for repairs. That, of course, is a vague statement. The transfer of the building may be a good thing, but I think for the present, until we know something about what the department expect to pay, and until they can give us direct information that does not conflict with other facts and figures which they have presented, I shall have to object, but I am willing to have the bill go over without prejudice.

Mr. SUTHERLAND. Mr. Speaker, I want to state that up in that section of the country the teachers of the Bureau of Education have no elaborate furniture or elaborate houses to live in. In fact, they live under almost primitive conditions. This is a well-constructed, warm building, divided, as I understand, into rooms suitable for their occupancy, and they would like to be able to repair it this summer so that they can occupy it this winter.

Mr. LANGLEY. Will the gentleman yield?

Mr. SUTHERLAND. I yield to the gentleman from Kentucky.

Mr. LANGLEY. For the information of the gentleman from Michigan I wish to say that while we did not know exactly how much would be involved we did know that it would not be a large amount, and the main purpose of the bill met with the hearty approval of every member of the committee, so that we had no hesitancy in unanimously reporting the bill. I hope the gentleman from Michigan will not object.

Mr. CRAMTON. As far as the main purpose of the bill is concerned I probably agree with the gentleman; but if the department has gone into the matter they should have some estimate of cost available, which they apparently have not as yet. This is a House bill. After it passes the House it will have to pass the other body, and there is reason to believe that there is legislation before the other body that will occupy its attention for some time; so I do not think any damage will be done if this bill goes over for a week or two. I therefore ask unanimous consent that the bill go over without prejudice.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the bill go over without prejudice. Is there objection?

There was no objection.

MONUMENT TO FRANCIS SCOTT KEY.

The SPEAKER. The Chair by virtue of the authority vested in him appoints as the committee to attend the dedication of the monument to Francis Scott Key in Baltimore next week Mr. MUDD, Mr. BLAKENEY, Mr. HILL, Mr. LINTHICUM, and Mr. GOLDSBOROUGH.

BRIDGE ACROSS OHIO RIVER NEAR STEUBENVILLE, OHIO.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11646) authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The bill was read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Steubenville & Pittsburgh Bridge Co. and their successors and assigns to construct, maintain, and operate a bridge and approaches thereto across the Ohio River, at or near the north city limits of the city of Steubenville, Ohio, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That this act shall be null and void unless the construction of said bridge is commenced within two years and completed within five years from the date of the approval hereof.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. GRAHAM of Illinois a motion to reconsider the vote by which the bill was passed was laid on the table.

DAWSONSPRINGS (KY.) SANATORIUM.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11588) to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines."

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WALSH. Reserving the right to object, Mr. Speaker, this is a rather important matter, and I doubt whether it should be taken up by unanimous consent.

Mr. KINCHELOE. I feel sure that if the gentleman knows the facts he will not object. The gentleman will remember that when the original act was passed providing for the sanatorium at Dawsonsprings, Ky., it provided that the land should be deeded to the Government free of charge by the people. While the bill was pending the citizens down there began to get options on this land. The Treasury Department afterwards demanded 5,000 acres. Before the bill finally became a law some of these options had expired.

The money was raised and the State legislature supplemented the amount by an appropriation of $40,000. The balance of the money is now in the bank ready to be paid to the balance of the landowners. The hospital has been completed, but there are a few landowners since the option expired who are trying to hold up the citizens and get fabulous prices for the land. Under the original act the Secretary of the Treasury had not the right to institute condemnation proceedings. I have a letter from the United States district attorney there saying that he will have to institute proceedings, but can not do it until the original act is amended. I took the matter up with the Department of Justice and submitted this amendment to them and they approved it, as did also the Treasury Department. The money is now in the bank, and it is only a question of giving the Secretary of the Treasury the right to call on the Department of Justice to exercise the right of eminent domain. It will all be done without any expense to the Government, because the money is awaiting final action.

Mr. WALSH. That is the intention, of course.

Mr. KINCHELOE. That is what the bill provides, and the money is in the bank.

Mr. WALSH. Assuming that the condemnation proceedings, which no one can tell what the jury may assess, condemns it at a price greater than the money available for the payment of the 5,000 acres. How is the situation going to result?

Mr. KINCHELOE. They will have to raise more money.

Mr. WALSH. Why not raise the money and buy the land?

Mr. KINCHELOE. The money has been raised and is available to buy the land.

Mr. WALSH. I doubt whether the Government ought to establish a precedent of condemning land for the purpose of letting some one else pay for it.

Mr. KINCHELOE. I will say to the gentleman that under the section 9881, volume 10, of the compiled statutes, is where I got the authority for my amendment. I will be glad to show it to the gentleman. It was in connection with rivers and harbors.

Mr. WALSH. Does the gentleman feel assured that the condemnation proceedings which would be instituted and the award that would be made will be within the amount of money available under the act of the State legislature?

Mr. KINCHELOE. I will say that I think it will not only be sufficient, but I think there will be an ample amount left when it is done.

Mr. WALSH. How many tracts of land does this affect?

Mr. KINCHELOE. But very few, as I understand. It is nearly all settled up. After the citizens donated all they were able to, they then went to the legislature and asked for an appropriation sufficient to take care of all emergencies. It is a question for the Treasury Department and the Department of Justice in order to clear this up. The hospital is completed.

Mr. LANGLEY. I want to say to the gentleman that the sentiment is so strongly in favor of the institution, and they are so anxious to make it a great success, that it will act as a deterrent to any tendency to give too high an award.

Mr. WALSH. Yes; but the jury will not come from Dawsonsprings. This will be in the United States court.

Mr. KINCHELOE. Yes.

Mr. LANGLEY. Let me say that I was at Frankfort the other day and there was no question about that. This matter was under consideration by the State legislature. Governor Morrow investigated the matter, and there was no question by anybody as to the award coming within the appropriation.

Mr. WALSH. How much land have they acquired?

Mr. KINCHELOE. I can not say; there are only a few tracts left. In reference to the statement that it will be tried in the Federal court I want to say that it will be tried at Owensboro, Ky.

Mr. GREEN of Iowa. The Government will be made liable.

Mr. KINCHELOE. No; the Government will not be made liable.

Mr. WALSH. Not unless the Legislature of Kentucky should repeal the act.

Mr. KINCHELOE. The Legislature of Kentucky has adjourned, and it has biennial sessions.

Mr. BURTON. I want to say that there is a precedent for this. I believe I drew the act to which the gentleman from Kentucky has made reference. There may be cases come up in the future in which the owners will charge exorbitant prices, and it will be utterly impossible to obtain the land for public improvement within the bounds of reason unless by such a method as this. I remember the case arose in reference to rivers and harbors.

Mr. KINCHELOE. It was a river and harbor statute.

Mr. WALSH. Mr. Speaker, in view of the explanation and the precedent, I withdraw the reservation of objection.

The SPEAKER pro tempore (Mr. DOWELL). Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk reported the bill as follows:

Be it enacted, etc., That subsection C of section 7 of the act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines," approved March 3, 1919, be amended by adding at the end thereof a new sentence to read as follows: "*Provided*, That whenever any person, company, or corporation, municipal or private, shall undertake or shall have undertaken to secure any land or easement therein, which in the opinion of the Secretary of the Treasury is needed for the site of or in connection with the proper and convenient construction, maintenace, and operation of such sanatorium for the purpose of conveying the same to the United States free of cost and shall be unable for any reason to obtain the same by purchase and acquire a valid title thereto, the Secretary of the Treasury may, in his discretion, cause proceedings to be instituted in the name of the United States for the acquirement by condemnation of said land or easement, and it shall be the duty of the Attorney General of the United States to institute and conduct such proceedings upon the request of the Secretary of the Treasury: *Provided further*, That all expenses of said proceedings and any award that may be made thereunder shall be paid by the said person, company, or corporation, to secure which payment the Secretary of the Treasury may require the said person, company, or corporation to execute a proper bond in such amount as he may deem necessary before said proceedings are commenced."

With the following committee amendments:

Page 2, line 4, strike out the word "sanatorim" and insert the word "sanatorium."

Page 2, line 8, strike out the words "in the name of the United States for the acquirement" and insert in lieu thereof the words "to acquire such land or easement for the United States."

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The SPEAKER pro tempore. Without objection, the Clerk will correct the spelling of the word "approved," in line 6, page 1.

There was no objection.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. KINCHELOE, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVES OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. GOODYKOONTZ, for one week, on account of important business.

To Mr. MONTAGUE, for two days, on account of important business.

To Mr. DOUGHTON (at the request of Mr. BULWINKLE) for five days, on account of important business.

To Mr. TAYLOR of Tennessee, for two weeks, on account of important business.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until to-morrow, Tuesday, June 6, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. CAMPBELL of Kansas: Committee on Rules. S. Con. Res. 23. A concurrent resolution creating a joint committee to determine the indebtedness of the United States to the District of Columbia or of the District of Columbia to the United States growing out of relations existing since the organic act of 1878; without amendment (Rept. No. 1066). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 10191) granting a pension to Anna P. McCroskey, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MURPHY: A bill (H. R. 11901) authorizing the construction of a bridge across the Ohio River to connect the city of Benwood, W. Va., and the city of Bellaire, Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. KISSEL: A bill (H. R. 11902) designating the daisy as the national flower of the United States; to the Committee on the Library.

By Mr. McKENZIE: A bill (H. R. 11903) to authorize and direct the Secretary of War to sell to Henry Ford nitrate plant No. 1 at Sheffield, Ala.; nitrate plant No. 2 at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; and to lease to the corporation to be incorporated by him Dam No. 2 and Dam No. 3 (as designated in H. Doc. 1262, 64th Cong., 1st sess.), including power stations, when constructed, as provided herein, and for other purposes; to the Committee on Military Affairs.

By Mr. ALMON: A bill (H. R. 11904) authorizing the acceptance of the proposal of Henry Ford for the completion and leasing of the dams and hydroelectric plants at Muscle Shoals, and for the purchase of nitrate plant No. 1, nitrate plant No. 2, the Waco Quarry, and the interest of the Government in the Gorgas Warrior River steam plant, all in the State of Alabama, dated May 31, 1922; to the Committee on Military Affairs.

By Mr. SUTHERLAND: A bill (H. R. 11905) to provide for the establishment of the Supreme Court for the Territory of Alaska, imposing additional duties on the district judges; to the Committee on the Judiciary.

By Mr. JAMES: Joint resolution (H. J. Res. 343) authorizing the Secretary of War to loan cots, mattresses, and blankets for the use of the American Legion at the State encampment to be held in Iron Mountain, Mich., in July, 1922; to the Committee on Military Affairs.

By Mr. MADDEN: Joint resolution (H. J. Res. 344) to authorize the Secretary of the Treasury to detail four persons paid from the appropriation for the collection of customs; to the Committee on Ways and Means.

By Mr. HOGAN: Concurrent resolution (H. Con. Res. 60) providing for the compiling, printing, and binding of 1,000,000 copies of the official records of the United States in the war with Germany; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWNE of Wisconsin: A bill (H. R. 11906) granting a pension to Spencer E. Graves; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11907) granting a pension to Barbara Bever; to the Committee on Invalid Pensions.

By Mr. CONNOLLY of Pennsylvania: A bill (H. R. 11908) granting a pension to Frederick C. Oulahan; to the Committee on Pensions.

Also, a bill (H. R. 11909) authorizing the reinstatement of Frank C. Meade as first lieutenant in the Regular Army; to the Committee on Military Affairs.

By Mr. KNUTSON: A bill (H. R. 11910) granting a pension to Joseph D. Thompson; to the Committee on Invalid Pensions.

By Mr. MICHAELSON: A bill (H. R. 11911) for the relief of John C. Carlson; to the Committee on Claims.

Also, a bill (H. R. 11912) for the relief of E. A. Bergstrom; to the Committee on Claims.

By Mr. MICHENER: A bill (H. R. 11913) granting a pension to Lucy Ann Parker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11914) granting a pension to Nellie Pettit; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 11915) for the relief of Harrison Nysewander; to the Committee on Military Affairs.

By Mr. PATTERSON of Missouri: A bill (H. R. 11916) granting a pension to Hanna C. Seward; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11917) granting a pension to Elizabeth Jones; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 11918) granting an increase of pension to Celesta Lamme; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 11919) granting a pension to William E. Johnson; to the Committee on Pensions.

By Mr. REECE: A bill (H. R. 11920) granting a pension to James R. Daniel; to the Committee on Pensions.

Also, a bill (H. R. 11921) granting a pension to Henry Garfield Clemons; to the Committee on Invalid Pensions.

By Mr. RICKETTS: A bill (H. R. 11922) granting a pension to William H. Poindexter; to the Committee on Pensions.

By Mr. SANDERS of Indiana: A bill (H. R. 11923) for the relief of Earl Mankin; to the Committee on Naval Affairs.

By Mr. THOMAS: A bill (H. R. 11924) granting an increase of pension to Tillie Wester; to the Committee on Pensions.

By Mr. TREADWAY: A bill (H. R. 11925) granting a pension to Mary L. Dill; to the Committee on Invalid Pensions.

By Mr. UNDERHILL: A bill (H. R. 11926) for the relief of the Staples Transportation Co., of Fall River, Mass.; to the Committee on Claims.

By Mr. YOUNG: A bill (H. R. 11927) for the relief of Anna Volker; to the Committee on Claims.

By Mr. MacGREGOR: Resolution (H. Res. 361) to pay Harry J. Hunt for additional services; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5902. By the SPEAKER (by request): Resolutions adopted by the Union Evangelical Church of Three Rivers, Mass., urging the United States to assure protection to the Armenians; to the Committee on Foreign Affairs.

5903. By Mr. CULLEN: Petition of Henry Ford, for the completion and leasing of Muscle Shoals; to the Committee on Military Affairs.

5904. Also, resolution adopted by the members of Group VIII, New York State Bankers' Association, urging the reappointment of Mr. Harding to the position of governor of the Federal Reserve Board; to the Committee on Banking and Currency.

5905. By Mr. GALLIVAN: Petition of Private Soldiers and Sailors' Legion of the United States of America, urging that the Muscle Shoals plant be leased to Henry Ford; to the Committee on Military Affairs.

5906. By Mr. KAHN: Resolution by the Native Sons of the Golden West, San Francisco, Calif., petitioning that all regulations permitting concessions to be granted for educational, religious, or charitable purposes include patriotic purposes; to the Committee on the Judiciary.

5907. Also, resolution by the Native Sons of the Golden West, San Francisco, Calif., opposing the immigration and colonization by Japanese and other Asiatics in California; to the Committee on Immigration and Naturalization.

5908. By Mr. KISSEL: Petition of the United Chemical Works, New York City, relative to the pending tariff bill; to the Committee on Ways and Means.

5909. Also, petition of Aspegren & Co. (Inc.), New York City, relative to the pending tariff bill; to the Committee on Ways and Means.

5910. By Mr. LEA of California: Petition signed by 185 citizens of Healdsburg, Calif., protesting against the passage of Sunday legislation bills; to the Committee on the District of Columbia.

5911. By Mr. RYAN: Petition of citizens of New York City in mass meeting assembled in Madison Square Garden, pledging their moral and financial support to maintain the republic of Ireland and urging the United States to take certain steps relative thereto; to the Committee on Foreign Affairs.

5912. By Mr. SINCLAIR: Petitions of the Business and Professional Women's Club and Kiwanis Club of Devils Lake, N. Dak., protesting against the repeal of section 416 of the transportation act of 1920 and against other adverse railroad legislation; to the Committee on Interstate and Foreign Commerce.

5913. By Mr. SPEAKS: Papers to accompany House bill 11809; to the Committee on Invalid Pensions.

SENATE.

TUESDAY, *June 6, 1922.*

(Legislative day of Thursday, April 20, 1922).

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Frelinghuysen	McKinley	Sheppard
Broussard	Gooding	McLean	Simmons
Calder	Hale	McNary	Smith
Cameron	Harris	Myers	Smoot
Capper	Harrison	Nelson	Spencer
Caraway	Heflin	Newberry	Sterling
Colt	Johnson	Nicholson	Sutherland
Culberson	Jones, N. Mex.	Norris	Swanson
Cummins	Jones, Wash.	Oddie	Townsend
Curtis	Kellogg	Overman	Underwood
Dial	Kendrick	Page	Walsh, Mass.
Dillingham	Keyes	Phipps	Walsh, Mont.
du Pont	Ladd	Pitman	Watson, Ga.
Edge	La Follette	Poindexter	Watson, Ind.
Fernald	McCormick	Ransdell	Williams
France	McCumber	Rawson	Willis

The PRESIDENT pro tempore. Sixty-four Senators have answered to their names. There is a quorum present.

CENTENNIAL CELEBRATION AT RIO DE JANEIRO.

Mr. McCUMBER. Mr. President, some time ago the Senate passed a joint resolution (S. J. Res. 173), which went to the House, and some slight changes were made in the phraseology in the House. It is a joint resolution authorizing the President to appoint a commission to represent the Government of the United States at the centennial celebration of the independence of Brazil to be held at Rio de Janeiro in September next. The State Department is anxious that the matter be passed upon. I understand that the joint resolution has passed the House and has been returned to the Senate.

The PRESIDENT pro tempore. The Chair is advised that the joint resolution has not been returned from the House.

Mr. McCUMBER. Very well. I shall have to wait until it comes over.

PETITIONS AND MEMORIALS.

Mr. NELSON presented a resolution adopted by the officers of the Ladies' Aid Society, Presbyterian Church, of Elbow Lake, Minn., favoring the granting of relief to the suffering peoples of Armenia, which was referred to the Committee on Foreign Relations.

Mr. CAPPER presented a resolution adopted by Farmers' Union, Local No. 492, of Tipton, Kans., protesting against the passage of the so-called Jones-Greene ship subsidy bill, which was referred to the Committee on Commerce.

Mr. JONES of Washington presented a petition of sundry citizens of Dalkena and Newport, Wash., praying for the enactment of legislation reviving the United States Grain Corporation so as to stabilize prices of certain farm products, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the Central Washington Presbytery, at Naches, Wash., favoring the enactment of legislation providing for Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented resolutions adopted by the Seattle Presbytery, Presbyterian Church at Seattle, Wash., and the Central Washington Presbytery at Naches, Wash., favoring amendments to the Constitution providing for uniform marriage and divorce laws and prohibiting polygamy, which were referred to the Committee on the Judiciary.

PUBLICATION OF SUPREME COURT REPORTS.

Mr. NELSON. Mr. President, I report back from the Committee on the Judiciary with amendments the bill (H. R. 11450) to provide for the printing and distribution of the Supreme Court Reports and amending sections 225, 226, 227, and 228 of the Judicial Code. On account of the urgency and importance of the matter I ask for the immediate consideration of the bill. I will make a brief statement, so that the Senate may understand what is involved.

Mr. UNDERWOOD. Will the Senator allow the bill to be read first for information?

Mr. NELSON. Certainly.

The PRESIDENT pro tempore. The Secretary will read the bill for the information of the Senate.

The Assistant Secretary read the bill by title.

Mr. UNDERWOOD. I do not care to have the bill read at length.

Mr. NELSON. I can briefly explain the substance of the bill. Heretofore decisions of the Supreme Court have been printed under contract with a private publishing company. I think the last contract was with Banks & Co. That contract expired last October. There is as yet no provision for publishing the decisions of the court which have been rendered during this session of the court. The object of the bill is to provide for that publication.

The Judiciary Committee of the Senate unanimously amended the bill as it came from the House so as to provide that the reports shall be printed and distributed by the Government Printing Office. Heretofore the reporter of the Supreme Court has had partly a salary and partly some perquisites through the publisher. Last year under that arrangement his compensation amounted to $9,700 net. Under the bill as we have amended it we propose to abolish all perquisites and to give him a salary of $8,500 a year, equal to the salary of a circuit judge. He is also given an allowance of $3,500 a year for clerk hire and assistance in the work.

The work of the reporter is very important. He has to prepare all syllabi of cases, because they are not prepared by the court. He has to revise and verify all citations of authorities. He has to make abstracts of the briefs of counsel in order to put them into the reports. His work is very important. Under the bill as we have amended it he will be given a compensation of about $1,200 less than he received during the past year.

The reports are to be printed at the Government Printing Office and furnished to the public at cost, whatever the cost may be. The bill as it came from the House provided that the Supreme Court should let the publication of the reports on contract. We eliminated that part of the bill and provided that the reports should be published at the Government Printing Office. We had an estimate made during the hearings by the Government Printing Office, and they think the reports can be published, if I recall correctly, at an average price of about $1.65 or $1.75 per volume.

In view of the fact that no provision exists for the publication of the reports now it is very urgent that the bill should be passed. I am unwilling to take the time of the Senate further in explanation of the measure unless some Senator desires to ask a question.

Mr. OVERMAN. Mr. President, I think this will prove to be a great saving of money to the Government. The Judiciary Committee was asked to allow $3 for every copy of a report and that the reports be printed by contract. We sent down and got an estimate from the Public Printer as to the probable cost of the publication of the reports. He said he could publish them at $1.65 per volume. It will save money to the lawyers and to the Government. Instead of buying them from the publisher they can be obtained from the Public Printer at the actual cost. Not only that, but the printing of the reports will give employment to those persons at the Printing Office who have to give up their jobs in summer time and keep these employed on this work. I have been trying to get this action taken for years. I am glad that the House has passed the bill, and it ought to be passed by the Senate without any objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 11450) to provide for the printing and distribution of the Supreme Court Reports and amending sections 225, 226, 227, and 228 of the Judicial Code, which had been reported from the Committee on the Judiciary with amendments.

The PRESIDENT pro tempore. The Secretary will state the committee amendments.

The amendments of the Committee on the Judiciary were, on page 1, line 7, before the word "and," to insert "as"; in line 8, after the words "Chief Justice," to strike out "he shall" and to insert a comma and the words "and when so directed to"; in line 9, after the word "published," to strike out "preliminary" and to insert "advance"; on page 2, line 3, after the words "Government Printing Office," to strike out: "or he may, when so directed by the court or the Chief Justice, enter into a contract or contracts in the name of the United States with private printing establishments for said printing and binding, but no such contracts shall cover a longer period than three years, and no contract shall be awarded except where sealed proposals shall have been submitted in accordance with duly advertised request for bids, with a reservation of the right to reject any or all such bids. Whenever bids are received under the provisions hereof, and before any award shall be made, the reporter shall secure an estimate from the Public Printer of the cost of doing the work in the Government Printing Office, and no contract shall be awarded where such work can be done for less in said Government Printing Office unless the court shall determine it to be in the public interest.

"Any contract awarded hereunder shall be secured by a bond with surety for the faithful performance of same and adequate provision for liquidated damages in case of a breach thereof"; on page 3, line 2, after the word "for," to strike out "furnishing estimates and"; on page 3, after line 3, to strike out "Whenever said printing and binding are done under contract, all volumes, pamphlets, copies, proofs, and plates shall be the property of the United States, and said contract shall contain provisions for the delivery thereof to the Public Printer"; on page 3, line 12, before the words "per annum," to strike out "$7,500" and to insert "$8,500"; in line 14, after the word "law," to strike out the semicolon and the following words "and neither the reporter nor any assistants shall receive further or additional compensation by reason of any contract entered into under the provisions of section 225 of the Judicial Code as amended by this act"; on page 5, line 21, before the word "for," to strike out "General"; on page 7, line 25, after the word "installments," to insert "to be sold by the Public Printer"; on page 8, line 2, after the words "cost of," to strike out "composition, plating, printing, and binding, and such additional amount as shall equal as nearly as may be, one-half," and in lieu thereof to insert "production, including in such cost"; in line 12, after the word "any," to strike out "contract or"; and in line 24, to strike out "the appropriation for the salary and expenses of the reporter" and to insert "miscellaneous receipts," so as to make the bill read:

Be it enacted, etc., That section 225 of the Judicial Code is hereby amended to read as follows:

"SEC. 225. It shall be the duty of the reporter to prepare the decisions of the Supreme Court for printing and publication in bound volumes, as and when directed by the court or the Chief Justice; and when so directed to cause to be printed and published advance copies of said decisions in pamphlet installments.

"The reporter, by requisition upon the Public Printer, shall have the printing and binding herein required done at the Government Printing Office.

"The quality and size of the paper, type, format, proofs, and binding shall be determined by the reporter subject to approval of the court or the Chief Justice.

"Authority is hereby conferred upon the Public Printer for doing the printing and binding specified herein."

SEC. 2. That section 226 of the Judicial Code is hereby amended to read as follows:

"SEC. 226. The salary of the reporter shall be $8,500 per annum, payable out of the Treasury in monthly installments, which shall be in full compensation for the services required by law. He shall also be allowed for professional and clerical assistance and stationery not to exceed $3,500 per annum, to be paid upon vouchers signed by him and approved by the Chief Justice. He shall be furnished a room in the Capitol, with suitable furniture, convenient to the space occupied by the Supreme Court and the law library thereof."

SEC. 3. That section 227 of the Judicial Code is hereby amended to read as follows:

"SEC. 227. The reports provided for in section 225 shall be printed, bound, and issued within eight months after said decisions have been rendered by the Supreme Court, and within said period the Attorney General shall distribute copies of said Supreme Court reports as follows: To the President, the Justices of the Supreme Court, the judges of the Court of Customs Appeals, the judges of the Circuit Courts of Appeal, the judges of the district courts, the judges of the Court of Claims, the judges of the Court of Appeals and of the Supreme Court of the District of Columbia, the judges of the several Territorial courts, the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Postmaster General, the Attorney General, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Solicitor General, the Assistant to the Attorney General, each Assistant Attorney General, each United States district attorney, each Assistant Secretary of each of the executive departments, the Assistant Postmaster General, the Secretary of the Senate for use of the Senate, the Clerk of the House of Representatives for the use of the House of Representatives, the governors of the Territories, the Solicitor for the Department of State, the Treasurer of the United States, the Solicitor of the Treasury, the Comptroller General of the United States, the Assistant Comptroller General, the Comptroller of the Currency, the Director of the Budget, the Assistant Director of the Budget, the Commissioner of Internal Revenue, the Director of the Mint, the solicitor of the General Accounting Office, each of the chiefs of divisions in the General Accounting Office, the counsel of the Bureau of the Budget, the Judge Advocate General, War Department; the Chief of Finance, War Department; the Judge Advocate General, Navy Department; the Paymaster General, Navy Department; the Commissioner of Indian Affairs, the Commissioner of General Land Office, the Commissioner of Pensions, the Commissioner of Patents, the Commissioner of Education, the Commissioner of Navigation, the Commissioner General of Immigration, the Director of Geological Survey, the Director of the Census, the Forester and Chief of Forest Service, Department of Agriculture; the purchasing agent, Post Office Department; the Interstate Commerce Commission, the Federal Trade Commission, the Clerk of the Supreme Court of the United States, the marshal of the Supreme Court of the United States, the United States Attorney for the District of Columbia, the chairman, United States Shipping Board; the Naval Academy at Annapolis, Md.; the Military Academy at West Point, N. Y.; and the heads of such other executive offices as may be provided by law of equal grade with any of said offices, each one copy; to the law library of the Supreme Court, 25 copies; to the law library of the Department of the Interior, 2 copies; to the law library of the Department of Justice, 5 copies; to the Secretary of the Senate for the use of committees of the Senate, 30 copies; to the Clerk of the House of Representatives for use of the committees of the House, 35 copies; to the marshal of the Supreme Court as custodian of the public property used by the court for the use of the justices thereof in the conference room, robing room, and court room, 3 copies; to the Secretary of War for the use of the proper courts and officers of the Philippine Islands, and for the headquarters of military departments in the United States, 12 copies; and to each of the places where district courts of the United States are now holden, including Hawaii and Porto Rico, 1 copy.

"The Attorney General shall distribute one complete set of said reports and one set of the digests thereof to such executive officers as are entitled to receive said reports under this section and have not already received them; to each United States judge and to each United States district attorney who has not received a set; to each of the places where district courts are now held to which reports have not been distributed and to each of the places at which a district court may hereafter be held, the edition of said reports and digests to be selected by the judge or officer receiving them.

"No distribution of reports and digests under this section shall be made to any place where the court is held in a building not owned by the United States unless there be at such place a United States officer to whose responsible custody they can be committed.

"The clerks of courts (except the Supreme Court) shall in all cases keep the said reports and digests for the use of the courts and of the officers thereof. Said reports and digests shall remain the property of the United States and shall be preserved by the officers above named and by them turned over to their successors in office.

"The Public Printer shall turn over to the Attorney General, upon request, such reports as he may require in order to make the distribution authorized to be made by the Attorney General hereunder."

SEC. 4. Section 228 of the Judicial Code is hereby amended to read as follows:

"SEC. 228. The number of bound volumes and advance pamphlet installments, to be printed under the provisions of section 225, shall be determined by the reporter from estimates furnished by the Attorney General and the Superintendent of Documents, and the prices for said bound volumes and pamphlet installments to be sold by the Public Printer shall be fixed by the reporter with the approval of the Attorney General and shall equal the cost of production, including in such cost the sums appropriated for the salary and expenses of the reporter under the provisions of section 226.

"Receipts from the sale of said reports and pamphlet installments shall be covered into the Treasury to the credit of miscellaneous receipts.

"Whenever the supply of bound copies of any volume produced under any requisition pursuant to section 1 of this act shall have been disposed of, reprints from the original plates shall be made at the Government Printing Office from time to time in sufficient numbers to meet current demands. Such reprints shall equal, as nearly as possible, in quality of presswork, paper, and binding the original editions, and shall be sold at the price fixed for the latest volume published when the reprints are made; so much of the money thus derived as equals the cost of making and distributing the reprints sold shall be credited to the appropriation for printing and binding, the remainder thereof shall be deposited in the Treasury to the credit of miscellaneous receipts."

SEC. 5. That the provisions of this act shall be effective as of November 1, 1921: *Provided, however*, That there shall be deducted from the salary and allowances fixed by section 226 of the Judicial Code, as amended hereby, such sums as may have been paid or allowed out of the Treasury to the reporter for work done by him in the preparation for printing and binding of reports of decisions rendered since the opening of the October, 1921, term of the Supreme Court.

Such sums as may be necessary to carry into effect the provisions of sections 225, 226, 227, and 228 of the Judicial Code as amended by this act are hereby authorized to be appropriated annually out of any money in the Treasury not otherwise appropriated.

The amendments were agreed to.

The bill was reported to the Senate as amended and the amendments were concurred in.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CUMMINS:

A bill (S. 3679) to amend the act of June 30, 1906, entitled "An act creating a United States court for China and prescrib-

ing the jurisdiction thereof"; to the Committee on the Judiciary.

By Mr. CALDER:

A bill (S. 3680) for the relief of Charles R. Tice; to the Committee on Civil Service.

By Mr. BALL:

A bill (S. 3681) to incorporate the Washington Rapid Transit Co.; to the Committee on the District of Columbia.

By Mr. SMITH:

A bill (S. 3682) for the relief of Sullivans Island, S. C.; to the Committee on Claims.

By Mr. HEFLIN:

A bill (S. 3683) authorizing the Secretary of the Interior to sell and patent to George M. Bailey certain lands; to the Committee on Public Lands and Surveys.

By Mr. NICHOLSON:

A bill (S. 3684) authorizing the Secretary of the Interior to lease to certain persons and corporations certain lands in Tillman and Cotton Counties, Okla., belonging to the United States, that were, prior to February 25, 1920, claimed in good faith under the placer mining laws of the United States, and for other purposes; to the Committee on Public Lands and Surveys.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed the bill (S. 1911) to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916.

The message also announced that the House had passed the bill (S. 2014) to provide for the settlement of small holding claims on unsurveyed land in the State of New Mexico, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the joint resolution (S. J. Res. 173) authorizing the President to appoint a commission to represent the Government of the United States at the centennial celebration of the independence of Brazil, to be held at Rio de Janeiro in September next, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 6110. An act amending section 97 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911;

H. R. 7544. An act authorizing the Postmaster General to temporarily reduce the pay of rural carriers for disciplinary purposes instead of suspending them without pay;

H. R. 8763. An act validating and confirming a certain indemnity school-land selection of the State of Florida;

H. R. 8785. An act granting the consent of Congress to the Mobridge Bridge Co., of Mobridge, S. Dak., to construct a pontoon bridge across the Missouri River;

H. R. 10211. An act authorizing an appropriation to meet proportionate expenses of providing a drainage system for Piute Indian lands in the State of Nevada within the Newlands reclamation project of the Reclamation Service;

H. R. 10330. An act to extend the time for the construction of a bridge across Lake St. Croix at or near the city of Prescott, in the State of Wisconsin;

H. R. 10517. An act providing for the confirmation of title of certain purchasers from the State of Louisiana of lands formerly included in the Fort Sabine Military Reservation, in Cameron Parish, La., now abandoned;

H. R. 10957. An act to rebuild the school building of the Indian school near Tomah, Wis.;

H. R. 11244. An act authorizing the construction of a bridge across White River in the State of Arkansas;

H. R. 11265. An act to authorize the maintenance of a bridge constructed across the Pend Oreille River at the town of Usk, in the State of Washington;

H. R. 11393. An act to abolish the office of the Superintendent of the Library Building and Grounds and to transfer the duties thereof to the Architect of the Capitol and the Librarian of Congress;

H. R. 11396. An act to regulate foreign commerce in the importation into the United States of the adult honeybee (Apis mellifica);

H. R. 11407. An act to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920;

H. R. 11646. An act authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio;

H. R. 11588. An act to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines";

H. J. Res. 170. Joint resolution to approve the holding of a national and international exhibition in the city of Philadelphia in 1926 upon the Fairmount Park and parkway site selected by the Sesquicentennial Exhibition Association, and lands contiguous thereto that may be acquired for that purpose, as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence;

H. J. Res. 297. Joint resolution requesting the President of the United States to call a conference of maritime nations with a view to the adoption of effective means for the prevention of pollution of navigable waters by oil-burning and oil-carrying steamers by the dumping into such waters of oil waste, fuel oil, oil sludge, oil slop, tar residue, and water ballast; and

H. J. Res. 313. Joint resolution providing for the disposal of articles produced by patients in the United States Veterans' Bureau.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the President pro tempore:

S. 539. An act to further amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended;

H. R. 9344. An act providing for the appropriation of funds for acquiring additional water rights for Indians on the Crow Reservation, in Montana, whose lands are irrigable under the Two Leggins Irrigation Canal; and

H. R. 10972. An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

CENTENNIAL CELEBRATION AT RIO DE JANEIRO.

Mr. McCUMBER. Mr. President, in the absence of the chairman of the Committee on Foreign Relations, I ask the Chair to lay before the Senate the amendments of the House to Senate Joint Resolution 173.

The PRESIDING OFFICER (Mr. LADD in the chair) laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 173) authorizing the President to appoint a commission to represent the Government of the United States at the centennial celebration of the independence of Brazil, to be held at Rio de Janeiro in September next, which were to strike out all after the resolving clause and insert:

That the President is hereby authorized to appoint and send to Brazil a special mission of friendship, good will, and congratulation not to exceed five members to represent the Government and people of the United States at the celebration of the independence of Brazil, to be held in September, 1922, at Rio de Janeiro.

SEC. 2. That the expenses of the said special mission shall be paid, under the direction and subject to the approval of the Secretary of State, from the appropriation for the expenses of taking part in said international exposition as provided for in the deficiency appropriation act of Congress approved December 15, 1921, and subject to all the provisions thereof.

Amend the title so as to read: "Joint resolution authorizing the President to appoint a special mission of friendship, good will, and congratulation to represent the Government and people of the United States at the centennial celebration of the independence of Brazil."

And to amend the preamble so as to read: "Whereas the Government of Brazil has invited the Government of the United States to be represented at the centennial celebration of the independence of Brazil, to be held in September, 1922, at Rio de Janeiro: Be it."

Mr. McCUMBER. Mr. President, the amendments are only slight changes in the form of the words, and are not at all material. I therefore move that the Senate agree to the House amendments.

Mr. KING. There is no change in the number of persons appointed or the amount or anything of that kind?

Mr. McCUMBER. No; "not to exceed five" is the way it reads.

Mr. KING. Upon the representation of the Senator I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the House.

The amendments were agreed to.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED.

The following bills and joint resolutions were severally read twice by title and referred as indicated below:

H. R. 6110. An act amending section 97 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

H. R. 7544. An act authorizing the Postmaster General to temporarily reduce the pay of rural carriers for disciplinary purposes instead of suspending them without pay; to the Committee on Post Offices and Post Roads.

H. R. 8763. An act validating and confirming a certain indemnity school-land selection of the State of Florida; and

H. R. 10517. An act providing for the confirmation of title of certain purchasers from the State of Louisiana of lands formerly included in the Fort Sabine Military Reservation, in Cameron Parish, La., now abandoned; to the Committee on Public Lands and Surveys.

H. R. 11393. An act to abolish the office of Superintendent of the Library Building and Grounds and to transfer the duties thereof to the Architect of the Capitol and the Librarian of Congress; to the Committee on the Library.

H. R. 11396. An act to regulate foreign commerce in the importation into the United States of the adult honeybee (Apis mellifica); to the Committee on Agriculture and Forestry.

H. R. 11407. An act to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920; to the Committee on Civil Service.

H. R. 11588. An act to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines"; to the Committee on Public Buildings and Grounds.

H. R. 10211. An act authorizing an appropriation to meet proportionate expenses of providing a drainage system for Piute Indian lands in the State of Nevada within the Newlands reclamation project of the Reclamation Service; and

H. R. 10057. An act to rebuild the school building of the Indian school near Tomah, Wis.; to the Committee on Indian Affairs.

H. R. 8785. An act granting the consent of Congress to the Mobridge Bridge Co., of Mobridge, S. Dak., to construct a pontoon bridge across the Missouri River;

H. R. 10330. An act to extend the time for the construction of a bridge across Lake St. Croix at or near the city of Prescott, in the State of Wisconsin;

H. R. 11244. An act authorizing the construction of a bridge across White River in the State of Arkansas;

H. R. 11265. An act to authorize the maintenance of a bridge constructed across the Pend Oreille River at the town of Usk, in the State of Washington;

H. R. 11646. An act authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio; and

H. J. Res. 170. Joint resolution to approve the holding of a national and international exhibition in the city of Philadelphia, in 1926, upon the Fairmount Park and parkway site selected by the Sesquicentennial Exhibition Association, and lands contiguous thereto that may be acquired for that purpose, as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence; to the Committee on Commerce.

H. J. Res. 297. Joint resolution requesting the President of the United States to call a conference of maritime nations with a view to the adoption of effective means for the prevention of pollution of navigable waters by oil-burning and oil-carrying steamers by the dumping into such waters of oil waste, fuel oil, oil sludge, oil slop, tar residue, and water ballast; to the Committee on Foreign Relations.

H. J. Res. 313. Joint resolution providing for the disposal of articles produced by patients in the United States Veterans' Bureau; to the Committee on Finance.

MARKHAM'S LINCOLN MEMORIAL DEDICATION POEM.

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD the poem and the introductory remarks of Edwin Markham, delivered at the dedication of the Lincoln Memorial on the 30th day of May last.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

THE DEDICATION POEM.

Read by Edwin Markham at the dedication of the Lincoln Memorial at Washington, D. C., May 30, 1922. Before reading, he said:

"No oration, no poem, can rise to the high level of this historic hour. Nevertheless, I venture to inscribe this revised version of my Lincoln poem to this stupendous Lincoln Memorial, to this far-shining monument of remembrance, erected in immortal marble to the honor of our deathless martyr—the consecrated statesman, the ideal American, the ever-beloved friend of humanity."

LINCOLN, THE MAN OF THE PEOPLE.

When the Norn mother saw the whirlwind hour
Greatening and darkening as it hurried on,
She left the Heaven of Heroes and came down
To make a man to meet the mortal need.
She took the tried clay of the common road—
Clay warm yet with the genial heat of earth,
Dasht through it all a strain of prophecy;
Tempered the heap with thrill of human tears;
Then mixt a laughter with the serious stuff.
Into the shape she breathed a flame to light
That tender, tragic, ever-changing face;
And laid on him a sense of the mystic powers,
Moving—all husht—behind the mortal veil.
Here was a man to hold against the world,
A man to match the mountains and the sea.

The color of the ground was in him, the red earth;
The smack and tang of elemental things;
The rectitude and patience of the cliff;
The good-will of the rain that loves all leaves;
The friendly welcome of the wayside well;
The courage of the bird that dares the sea;
The gladness of the wind that shakes the corn;
The pity of the snow that hides all scars;
The secrecy of streams that make their way
Under the mountain to the rifted rock;
The tolerance and equity of light
That gives as freely to the shrinking flower
As to the great oak flaring to the wind—
To the grave's low hill as to the Matterhorn
That shoulders out the sky. Sprung from the West,
He drank the valorous youth of a new world.
The strength of virgin forests braced his mind,
The hush of spacious prairies stilled his soul.
His words were oaks in acorns; and his thoughts
Were roots that firmly gript the granite truth.

Up from log cabin to the Capitol,
One fire was on his spirit, one resolve—
To send the keen ax to the root of wrong,
Clearing a free way for the feet of God,
The eyes of conscience testing every stroke,
To make his deed the measure of a man.
He built the rail pile as he built the State,
Pouring his splendid strength through every blow:
The grip that swung the ax in Illinois
Was on the pen that set a people free.

So came the captain with the mighty heart;
And when the judgment thunders split the house,
Wrenching the rafters from their ancient rest,
He held the ridgepole up, and spikt again
The rafters of the home. He held his place—
Held the long purpose like a glowing tree—
Held on through blame and faltered not at praise.
And when he fell in whirlwind, he went down
As when a lordly cedar, green with boughs,
Goes down with a great shout upon the hills,
And leaves a lonesome place against the sky.

RED RIVER BRIDGE, N. DAK.

Mr. CALDER. By the direction of the Committee on Commerce, I ask unanimous consent for permission to report favorably from the Committee on Commerce Senate bill 3580 and Senate bill 3610, which are bridge bills, and I shall ask unanimous consent for their present consideration.

Mr. UNDERWOOD. Are the bills in the usual form?

Mr. CALDER. Yes; and their passage is recommended by the War Department.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none.

Mr. CALDER. From the Committee on Commerce I report back favorably without amendment the bill (S. 3580) to extend the time for the construction of a bridge across the Red River of the North, at or near the city of Pembina, N. Dak., and I submit a report (No. 750) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

Be it enacted, etc., That the time for commencing and completing the construction of a bridge and approaches thereto authorized by the act of Congress approved June 5, 1920, to be constructed by the counties of Pembina, N. Dak., and Kittson, Minn., across the Red River of the North at a point suitable to the interests of navigation at or near the city of Pembina, N. Dak., are hereby extended two and three years, respectively, from the date of approval hereof.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

OHIO BRIDGE NEAR STEUBENVILLE, OHIO.

Mr. CALDER. From the Committee on Commerce I report back favorably without amendment the bill (S. 3610) authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio, and I submit a report (No. 751) thereon. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Steubenville & Pittsburgh Bridge Co., and their successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Ohio River at or near the north city limits of the city of Steubenville, Ohio, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That this act shall be null and void unless the construction of said bridge is commenced within two years and completed within five years from the date of the approval hereof.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. HARRISON. Mr. President, on yesterday the Senate listened to a very eloquent speech by the distinguished senior Senator from Indiana [Mr. WATSON]. On that occasion the Senator from Indiana maintained the high reputation that he has won as an orator. I sometimes wonder what the Republican Party would do if it were not for the eloquence of the distinguished Senator from Indiana. Whenever the Republicans in convention assembled or elsewhere need to be inspired they always send for him, and from a Republican viewpoint he always measures up to every expectation. Very recently, when discouragement had spread throughout Indiana and despair filled the heart of every Republican in that State, the Republicans appealed to him to attend their State convention and to give them some of his eloquence, that they might thereby gain encouragement and their hopes revive. From all the reports which have been received from that convention the Senator from Indiana measured up full stature to all of his past performances.

Those who were present tell of an apparent harmonious meeting; they state that the lion and the lamb "lay down together" in that convention. They say that the tribute paid by the distinguished senior Senator from Indiana—whether sincere or forced—to the recent nominee of the Republican Party in that State for the United States Senate was very fulsome; that he proclaimed him as the great Progressive leader of the Nation, and although he did not commit himself to Albert J. Beveridge, should he be selected as the next Senator from that State, as the next Republican nominee for the Presidency, his eulogy on that occasion will be used by the friends of Mr. Beveridge throughout the country in his coming campaign for the Presidency.

It is also stated that the eulogy delivered by Mr. Beveridge in that convention on the senior Senator from Indiana was just as eloquent and just as fulsome as that which the Senator from Indiana had made of him. He practiced reciprocity. He was kind—whether sincere or forced—and proclaimed the Senator from Indiana as the greatest keynoter the world had ever seen.

I understand that he said that his keynote speech in that convention in Indianapolis was to him by far the most attractive as well as welcome he had ever heard the distinguished Senator from Indiana deliver. Evidently it sounded very beautiful to the recent Republican nominee from that State for the senatorship. Apparently to all intents and purposes the senior Senator from Indiana and the recent nominee are now in thorough accord.

So the tariff bill has worked great wonders in this Chamber. The onslaughts made by the distinguished Senator from North Carolina [Mr. SIMMONS], the Senator from New Mexico [Mr. JONES], and the junior Senator from Utah [Mr. KING], and others on this side have caused consternation in the ranks of the majority. Day by day we have seen accretions to our ranks and more votes have been constantly gathering against the outrageous provisions of the pending bill. Before the Senator from Indiana on yesterday made his speech the morale across the aisle was broken; Senators were deserting the lines; divisions were being formed; and it is little wonder that the leadership over there at their meeting the other day resolved on a plan to revive the drooping spirits of certain Republican Senators and give them renewed hope to combat the minority as we fight against the provisions of this tariff bill carrying rates higher than any heretofore framed. So they called the eloquent Senator back from Indiana into that conference; and I can hear the Senator from Massachusetts [Mr. LODGE] and the senior Senator from North Dakota [Mr. MCCUMBER] and the senior Senator from Kansas [Mr. CURTIS] say, "Jim, something must be done; our lines are being broken; we are not able to answer the attacks of Democratic Senators; the country is waking up and finding us out; our boys are in turmoil; they are frightened—running helter-skelter—and something must be done to stem the tide and hold the line."

If anything in the world could accomplish the result of keeping the boys in line, they knew what might do it; they knew that a speech from the distinguished senior Senator from Indiana, if anything could, would turn the trick. So again I imagine I can hear them say, "Now, Jim, we can not stand another week of these onslaughts; the desertions are too great; they are getting in their work; and so on Monday morning the first thing when the Senate meets you must be there ready to go on; we will see the Vice President and arrange that no one else gets the floor, and we will see that the boys are in their seats, and we will hold them there, even though you speak two hours and a half; but you must speak in your old-time fashion and inspire us anew with some of the Republican protective theories." They said, "It doesn't matter if it is old stuff—some of them will know no better—give it to them." So that plan was adopted, and yesterday all of the colleagues of the Senator from Indiana were here; they were listening with bated breath; and he certainly did speak. After it was over it was all arranged that each one in turn, led by the "elder statesmen," should go up and shake his hand and tell him what a great speech he had made, and that would give inspiration to the newer crowd to come in, and they would fall in step, and the lines would be held.

There was a part of that eloquent speech that was good, that was fine, that could not have been improved upon. If he had studied even harder than he did he could not have added to it, because those splendid passages which he quoted from Democratic orators of the past in their attacks against Republican tariff bills were certainly gems, and were—I am sure all will agree—the very best part of his address. It is a pity he did not go further and quote more. As to those of us on this side whom he condemns as following the same tactics as those distinguished statesmen who made their assaults upon prior Republican tariff bills, and in whose footsteps he says we are following, we feel that we are in pretty good company if we are pursuing the same line of argument that they did. But I am wondering why the Senator from Indiana in this eloquent speech did not get some other authorities that were accessible to him and easy to find; why in his recent visit to Indiana, where he hobnobbed with and whispered into the ear of Beveridge, and they walked arm in arm down the aisle of the convention together and sat by each other on the rostrum of that great convention hall, he did not say to Beveridge, "I am going to make a tariff speech. The fellows back at Washington say I must do it to revive their dissipated hopes and give them renewed inspiration. I want to get a copy of a speech that you made on the tariff, because it was full of information, and at the time it was made it expressed the sentiments of the American people. It was a splendid speech. It was a speech against the Payne-Aldrich tariff law." But he did not do that; and I am wondering, during September and October, in Indiana, how the two speeches as they are printed side by side and circulated throughout that State on the tariff question, one of Senator JIM WATSON over here and the other of the would-be Senator Albert J. Beveridge over there, will look to the people of that State.

Surely it will reveal one of them traveling this way and the other that way. Maybe you think that you can catch them coming and going with such a policy as that. Surely the Senator from Indiana has not forgotten the great speech of Beveridge on the Payne-Aldrich tariff law, and he should have quoted it yesterday as he quoted other distinguished Senators against that law.

I will not read much. I may put more in the RECORD. The Senator says "read it all." No; I will not do that, because it would show up the Senator from Indiana in too bad a light if I should read it all.

Senator Beveridge said——

Mr. POMERENE. When?

Mr. HARRISON. This was in 1913.

What then? Does anybody imagine that people who have thus been so fooled and wronged will not strike down the party which has promised all this and not made good? Of course they will.

Mr. WATSON of Indiana. Mr. President, will the Senator permit an interruption?

Mr. HARRISON. Yes.

Mr. WATSON of Indiana. I think the Senator is mistaken in the date.

Mr. HARRISON. No; this was 1913. It was just when the Payne-Aldrich law was a live issue in the country.

Mr. WATSON of Indiana. That was 1909.

Mr. HARRISON. I understand; but this statement of Senator Beveridge was in 1913, after the Payne-Aldrich law had been tried out and had proven a failure, and he saw the sentiment of the country was against it. That is when he wrote this.

Mr. WATSON of Indiana. Is it an article that he wrote?

Mr. HARRISON. It is an article that he wrote in his study, when he could deliberate.

Mr. WATSON of Indiana. He left the Senate in 1910.

Mr. HARRISON. Yes; this article was in the Saturday Evening Post of June 28, 1913. It was some time after the enactment of the Payne-Aldrich tariff law. You see, he held the same opinion for a long time. He had it in 1909, and held it for a long time afterwards. I do not know whether he still holds it or not. We will know in the coming campaign, but there is this about it: Either the senior Senator from Indiana [Mr. WATSON] must repudiate the views of Beveridge, or Beveridge must repudiate the views of the Senator. That remains to be seen; but it ought to be easy for the Senator to repudiate his views or Beveridge's views, either, because since this administration came in on the 4th of March last year he has repudiated so many things that he ought to be in the habit of it now, and it should not be very difficult for him.

But the Senator was about to get me away from what I was reading.

What will the people then do?—

Says Beveridge—

If they turn to the Republican Party, that party will say that at last the people have indorsed the Payne-Aldrich tariff bill; at last Mr. Taft's statement at Winona that the Payne-Aldrich bill was the best ever passed has been proved to be true. That is what the Republican Party will say, and that party will have a right to say just those things. Its leaders are saying just those things right now by way of prophecy. So if the people in their disappointment and despair turn to the Republicans, the latter will give us another dose out of the same bottle from which they dosed us with the Payne-Aldrich tariff bill.

You have given us a worse dose than you gave us in the Payne-Aldrich bill, because the rates throughout this bill are much higher than those carried in the Payne-Aldrich tariff law; and so, if Mr. Beveridge would repudiate the rates carried in the Payne-Aldrich law, certainly he could not stomach this bill at all.

We should have—

Says Mr. Beveridge—

again the same one-sided and worthless hearings.

Here he is picturing you fellows if you could get into control again. He was a prophet. He knew what was going to happen. He was thoroughly accustomed to the way in which you did things. He knew how you got into dark rooms, behind closed doors, and made up your tariff bills. He had been here. He had seen your nefarious work in the preparation of tariff bills before, and so here is what he said:

We should have again the same one-sided and worthless hearings.

Well, you had. You chose your witnesses. The people did not have any witnesses to come before you. You had only the representatives of those interests that had grown fat through your legislation that permitted them to rob many in order to benefit themselves. You heard their views, and over in the House the chairman of the Ways and Means Committee, I understand, as they came in the committee room, would just ask them: "What rate do you want?" And they generally got what they answered him that they desired. So he says further:

The same star-chamber caucus methods.

Yes; you pursued the same star-chamber caucus methods.

The same framing of a bill by a few men, with the unjustly favored interests in the background; the same slugging of the bill through Congress.

He knew that you would use a gag rule, if possible—if you could get enough votes to do it and slug it through here. The Senator from Indiana is a past master at steam rolling—at slugging things through—whether in this Chamber, committee room, or convention.

The same outrages and injustices in the end. The only difference would be that the Republican Party will feel licensed to be more extreme than ever, for it will reason that the people, tired and exhausted with this endless tearing down and building up of tariffs, will stand for anything rather than see it continue.

And a little further in this article he says:

You see, Americans are the only people on earth who can afford a government by politicians.

I do not think he had the distinguished senior Senator from Indiana in mind when he wrote this article, but he could not have more beautifully pictured him than when he used that expression.

We are so few in numbers and so wealthy in resources that we can manage to get along with politician-made tariffs and dark-lantern tariff methods. But ought we to go on with such tariffs and such methods just because our wealth is so great and our numbers so few that we still can live in spite of such tariffs and such methods? * * *

And we are at relentless war with the present-day Republican doctrine of a guaranty of profit to manufacturers.

That is the indictment that he made against the Payne-Aldrich tariff law. What will be the indictment on the hustings that he will make against this makeshift of a bill in the coming senatorial campaign?

Such an idea never was heard of before the Taft-Aldrich-Root-Lodge combine forced it into the Republican platform.

Oh, if the senior Senator from Indiana had been a Member of Congress at that time! I believe it was just about two years before the Payne-Aldrich law was framed that he went out of the House of Representatives.

Mr. WATSON of Indiana. Mr. President, in order that I may have all the credit to which I am entitled, I will say to my genial friend from Mississippi that I was a member of the Ways and Means Committee for several years and helped to formulate the Payne-Aldrich tariff bill in part, having left the House on the 4th of March, 1909, and having sat as a member of the committee largely through the formulation of the bill. Therefore, I want the Senator to give me all the credit to which I am entitled for helping to frame that tariff bill.

Mr. HARRISON. Yes; so the Senator was not in the House, as I understand, when it was voted on?

Mr. WATSON of Indiana. No.

Mr. HARRISON. But before, when the hearings were held and it was being considered, he was on the Ways and Means Committee. So, then, for just a part of the offense that he committed in drafting this bill, not for actual participation in its consideration on the floor afterwards or in voting for it, the people repudiated the Senator; so it is little wonder, since the people of Indiana took it out on the Senator merely for sitting and asking questions of the witnesses as they appeared before the Ways and Means Committee, that they turned your whole party out at the first opportunity following that. They knew you stacked the cards on them then—they will know you have run in a cold deck, worse stacked, this time.

If the Senator had been in the House at the time the Payne-Aldrich bill was voted upon he probably would have been placed in this combine, and the names would not only have been "Taft, Aldrich, Root, and LODGE," but they would have been Taft, Aldrich, Root, LODGE, and WATSON.

I can not understand, it is a miracle to me, how the distinguished nominee for the Senate on the Republican ticket in Indiana left out the name of the Senator from Utah [Mr. SMOOT] in naming this combine, for certainly none was closer to the interests than he, and none displayed his Italian hand more effectively than he in helping to frame that bill. I see now upon his face a disconsolate look for having been slighted.

Why not—

Said Senator Beveridge—

Why not guarantee profits to farmers and barbers and doctors and lawyers?

I shall not read further, although it is very interesting. It may be that the Senator from Indiana can tell us now whether Mr. Beveridge has repudiated the views that he then held, or whether Mr. Beveridge and he now agree in their views touching tariff legislation.

The Senator remains silent, so I suppose we will have to wait until the campaign waxes a little warmer in the State of Indiana. I have no doubt, though, that the present Senator from Indiana and the would-be Senator from Indiana will still, as heretofore, find themselves at disagreement on the tariff.

There is another distinguished authority the Senator could have read on yesterday, but he did not.

Mr. WATSON of Indiana. Did I understand that my friend from Mississippi asked me a question which he expected me to answer now?

Mr. HARRISON. I just made an observation. I took it that the Senator could not answer.

Mr. WATSON of Indiana. Oh, yes; I can answer that. There will be no trouble about it at all.

Mr. HARRISON. I will be very glad if the Senator will answer it. I yield for him to answer.

Mr. WATSON of Indiana. In the first place, I will say to my friend that Senator Beveridge is amply able to speak for himself.

Mr. HARRISON. That is a very good answer.

Mr. WATSON of Indiana. In the second place, there will be no difference between Senator Beveridge and myself in standing together on a Republican platform and alike supporting Republican candidates.

Mr. HARRISON. I understood you stood together on a platform recently in Indiana, but I do not think you can stand together, entertaining these views I have read to the Senate on the tariff question. I know that the Senator is a political acrobat, and it remains to be seen whether the nominee on his ticket for the Senate can display as much agility as he can in changing positions. But certainly the Senator knows that if they get together on the tariff proposition, one or the other must turn a political somersault.

Mr. WATSON of Indiana. If it will not interrupt my friend——

Mr. HARRISON. Not a bit——

Mr. WATSON of Indiana. When he spoke of a political acrobat, did he refer to me?

Mr. HARRISON. If the Senator takes offense at the expression, of course, I will withdraw it, because I would not wound the feelings of the Senator for anything in the world.

Mr. WATSON of Indiana. I take no offense; but the Senator from Mississippi spoke of "the Senator," and I did not know to which Senator he referred. I am wondering whether the Senator thinks I have changed my views on the tariff at any time, so far as the doctrine of protection is concerned, from the time when I was a boy up to the present hour.

Mr. HARRISON. No; I do not think the Senator has ever changed his views.

Mr. WATSON of Indiana. Not at all on that question.

Mr. HARRISON. I think he was married to the special interests a long time ago, and he has remained loyal, aye, faithful to them up to this good hour.

Mr. WATSON of Indiana. As I do in all my marital relations, whatever they be; if I am married to a proposition, I stay with it. I shall not take the time of my friend to go into these personal matters, delightful as they are.

Mr. HARRISON. The Senator talks so well that I shall be glad to yield to him to talk more.

Mr. WATSON of Indiana. My views on the tariff have not changed at any time since I was a young man, and for just about 40 years, now, I have been campaigning, first in my own district, then in my own State, and then in the country, on behalf of the doctrine of protection, in which I believe as profoundly as I ever believed in anything. So, if the Senator wants to charge anybody with being a political acrobat he must not charge that to me, so far as the tariff question is concerned.

Mr. HARRISON. The Senator certainly does not think that I was charging Mr. Beveridge, the candidate for the Senate, his erstwhile political friend, with being a political acrobat?

Mr. WATSON of Indiana. The Senator can draw his own inference.

Mr. HARRISON. The Senator is not charging him with it?

Mr. WATSON of Indiana. I am not. The Senator will recall that in 1912 there were a great many things which entered into the situation and split the Republican Party besides the tariff question, and that the tariff question was really among the very least of the causes of our difficulty. I am not going into all that. We are over that chasm, and those scars are all healed, so far as I know. I happened to be the Taft floor leader in the Republican convention in 1912. My friend on my left [Mr. SMOOT] was one of the very foremost leaders in that convention, and I feel quite sure that he and I alike would agree that our differences are all healed, and that we are all together now as one party, as our friends on the other side will find out when the ides of November shall have come and gone.

Mr. HARRISON. I know that the Senator is very adroit in harmonizing differences. He has many very splendid qualities, qualities which I admire very, very much. I think he is about as thick-skinned as any man I ever saw. At times he takes a lashing, even, to protect his friends. We all saw that clearly demonstrated here very recently. The Senator, of course, can charge frontward just as fast as he can go backwards. I saw him the other day suffer in his own heart, when he expressed to the Senate something which the Attorney General of the United States had told him, and what he said here in defense of Mr. Daugherty had come from Mr. Daugherty. I do not suppose there was a Senator who heard that expression but believed the distinguished Senator from Indiana. When Mr. Daugherty said that the Senator just misunderstood him in order to protect the Attorney General, living up to a very splendid quality, he was so thick-skinned that he just said, "Maybe I was mistaken, and the Attorney General was right." He always goes out of his way to harmonize differences in his party, or protect those who are in trouble. So I am quite sure that if there is anyone in the world who could get the forces in Indiana together, even though they are very much divided, especially on the tariff question, the senior Senator from Indiana can. He is adroit, he is smart, and that is why he was selected to make that memorable speech yesterday, so that he could remove the impression which has gone out to the country that there was any division within the ranks of the Republican Party, and in order that he might sound the keynote, and the boys would all gather around him and again carry the flag.

But whatever sins he may have been guilty of, he has never been inconsistent on the tariff question. The country has always known how he stands upon it. The interests that needed protection have known how he felt about the tariff. I do not know whether he would go as high in placing rates upon imported articles as the distinguished new Senator from Idaho [Mr. GOODING], because I think he goes further than any representative of the Republican Party I have seen in either branch of Congress; but the Senator has always been found in committee room, upon the floor of the House, in the Chamber of the United States Senate, aye, even when he was defeated because of the small part he played in hearing witnesses on the Payne-Aldrich tariff bill, but he has worked as assiduously and unremittingly outside of the Chambers—but in Washington—in carrying out his protective principles as he did as a Member of the House or a Member of the United States Senate. So he has been consistent in his position on these questions.

I do not know that that had anything to do with it, but not long ago I read to the Senate a letter written by the distinguished Senator from Indiana. But it was perhaps because of his consistency, his faithfulness to the special interests of the country which needed protection, that a few months ago, when the exchequer of the Republican Party was almost depleted, when they needed money to carry on their nefarious propaganda in order to poison the minds of the people, he was designated to write the letter which I read:

Mr. J. A. MCDONNELL,
New York City.

DEAR MR. MCDONNELL: Republican Party leaders in conference with National Chairman John T. Adams are convinced that suitable publicity work must be carried on now in order to meet the misrepresentations of the opposition and the radical and socialistic propaganda which is being carried on with unusual force in certain sections of the country.

Funds are necessary to insure the success of this work and to aid in the election of a Republican Congress next year to support the Harding administration, which is now getting well under way in carrying out its platform pledges to the people.

The recent great Republican victory must not lull us into a feeling of false security. This is not alone a matter of partisan politics but of the maintenance of a sound Government based upon fundamental principles.

As you doubtless know, reactionary forces are very active and very aggressive in this country and confiscatory policies are being advocated which, if they can be enacted into law, will undoubtedly overturn our cherished institutions.

The work of Republican publicity can be carried on to the extent that its friends would like to see if men like you will help furnish the funds for that purpose, and therefore I am taking the liberty of writing you to ask for your assistance with a check for any sum from $100 up as you may be able to contribute.

No one realizes more than I do that this is an inopportune time to raise money for any purpose, but the immediate urgency of this matter justifies this request at this time. I shall be glad, therefore, if you will mail a chack in any amount you see fit to bestow to the national Republican publicity fund and send in the inclosed envelope at your earliest convenience.

I have no personal or pecuniary interest whatever in any publicity enterprise, my sole desire in writing you being to further the interests of the Republican Party and to safeguard the institutions of our Government.

Sincerely yours, JAMES E. WATSON.

They knew, too, that he was close to the President; that when the President gets up against a real proposition he calls for the Senator from Indiana to come into conference. He wrote the letter to the special interests asking them to contribute liberally to the depleted treasury of the Republican Party, in order that party hopes might be revived throughout the country. So it is because of his consistency and faithfulness to these interests that he was so designated, and that he is now so close to the present administration.

I could read from the speeches made by the distinguished Senator who now presides over this body [Mr. CUMMINS]. No Senator in this generation has expressed himself so forcefully and employed so much eloquence against high and exorbitant rates being imposed in tariff legislation as has the senior Senator from Iowa. It was under his leadership and that of his colleague, who was one of the most courageous men and ablest statesmen this country has produced, Senator Dolliver, aided by some few other progressives in this body and in the other Chamber, that the forces on the other side were led against the high and exorbitant and unreasonable and inexcusable rates carried in the Payne-Aldrich tariff bill. I dare say that the distinguished Senator who presides over this Chamber now looks back on those days with the greatest pleasure, and he would desire no greater compliment than that reference be made to those magnificent speeches he delivered at that time against certain provisions of the Payne-Aldrich tariff bill.

Why did not the senior Senator from Indiana read some of those speeches on yesterday? I am going to put into the RECORD some of the utterances of the distinguished Dolliver when he fought certain rates, which were not as high as the rates carried in the pending bill. Among other things, Dolliver said:

If those of us who found it inconsistent with our sense of duty to make the Republican support of the tariff act of 1909 unanimous have made any mistake, it is that we have remained silent too long while an organized defamation of our political character has been set on foot, proceeding from the highest public officers of the Government, executive and legislative, and from a congressional campaign committee presided over by a multimillionaire promoter of street-car franchises, with a treasury filled with rotten money, out of which is flowing a choice assortment of vest-pocket literature, much of it bearing the mark of the Bureau of Engraving and Printing, and a muddy stream of parasitic eloquence.

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The President is in error. It is not necessary for men to swallow down every tariff law that is set before them or "in conscience abandon the party." It is going to be a very difficult thing to get me out of the old Republican Party. It can not be done by lying about me, as those have done who said that I held a brief for foreign importers. It can not be done by calling me names, like free trader, Democrat, or whatever names may be selected to prejudice me in a Republican community. There never was an hour since I entered public life when an American industry, making a fight against foreign competition, coming to Congress asking for a reasonable measure of protection to the wages of its labor or to the investment of its capital, found anything but help and sympathy in me, and I believe such an hour will never come. Least of all can it be done by taking from about my neck the millstone of political patronage, through which even Presidents of the United States have more than once been drowned in the midst of the sea.

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Now, only a slight glance at these statistics, imperfect and misleading as they are, would have indicated that these reductions were in most cases so small as to have no value to the public, that a full third of the number were yarns and threads of cotton jute, and linen ready for weaving into cloth, and that nearly all of the five billions of consumption is made up either of food products which we export or raw materials like coal, iron ore, petroleum, and the hides of cattle, or partly manufactured materials like pig iron, scrap iron, tonnage steel, and sawed lumber ready for the planing mill. The public has asked, and asked in vain, for anybody to point out a reduction in any article ready to enter into consumption which has any commercial significance of any sort. Even in the iron and steel schedule, where reductions were most numerous, we are exporters of the articles affected, which, according to the statement of Mr. Carnegie, need little or no protection, while the duty was surreptitiously raised on structural frames, in order that the trust may be able to penalize building contractors who have sometimes shown a restless spirit by turning to foreign markets rather than submit to unreasonable delay in the delivery of their orders.

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If the committee does not have a care the public will get the impression that the tariff was revised by its most intimate friends, and the defense of the performance left to a total stranger. It is probable that those who engineered the tariff bill through the two Houses indulged the expectation that the exact nature of the transaction, while it was going on, could be hidden by the intricate movements of the machinery. But it may well be doubted whether the most buoyant lobbyist about the Capitol expected that the bungling work of Congress—

In that particular he was speaking of the Payne-Aldrich tariff law—

when known and read by all men, could be surrounded by such an array of bogus statistics and high official sanction, disseminated in speeches, in private letters, and by personal telegraphic messages throughout the country, as to very long conceal its actual operation from the American public.

Now I read from what the late nominee for governor in Pennsylvania, Mr. Roosevelt's right-arm man, Gifford Pinchot, said in talking of the Payne-Aldrich tariff law. I am wondering why the Senator from Indiana on yesterday failed to quote from this distinguished Republican, who has recently again come into the light. In speaking of the Payne-Aldrich law he said:

The tariff under the policy of protection was originally a means to raise the rate of wages. It has been made a tool to increase the cost of living. The wool schedule, professing to protect the woolgrower, is found to result in sacrificing grower and consumer alike to one of the most rapacious of trusts.

The cotton-cloth schedule was increased in the face of the uncontradicted public testimony of the manufacturers themselves that it ought to remain unchanged.

The Steel Trust interest by a trick secured an indefensible increase in the tariff on structural steel.

The Sugar Trust stole from the Government like a petty thief, yet Congress by means of a dishonest schedule continues to protect it in bleeding the public.

Now, let me read what the leader of the Republican Party of this body, the Senator from Massachusetts [Mr. LODGE], said in discussing protection. Of course, he was writing as a historian, and his views as here expressed were to be taught little children from his History of the United States. He said:

Two days after the inauguration he issued a proclamation summoning Congress to meet in special session on March 15 for the purpose of revising the tariff, an act made necessary on account of the inadequacy of the revenues under the Wilson bill. Shortly after the meeting of Congress in extraordinary session Nelson Dingley, of Maine, chairman of the Ways and Means Committee, brought in a tariff bill which was rushed through the House in the face of the Democratic demand for more time in which to examine and discuss the measure. In the Senate, however, the bill made slower progress and was amended in some 800 particulars. Most of the Senate amendments were accepted by the conference committee appointed to harmonize the two Houses, and before the end of July the bill had become a law. As finally passed the Dingley bill restored the high rates of the McKinley bill, and on many articles of necessary consumption even much higher duties were imposed. A prominent feature of the Dingley Act was the reciprocity provision, which authorized the negotiation of treaties allowing a reduction of duties on certain commodities when imported from countries which were willing to grant to the United States reciprocal and equivalent concessions. In pursuance of this provision 11 reciprocity treaties were negotiated, but all failed of ratification by the Senate, mainly because the diversity of interests in the country aroused the opposition of some States to each measure. The Republicans therefore hardly lived up to the declaration in their national platform of 1896 that protection and reciprocity were "twin measures" of Republican policy, for while one of the "twins" was nourished and allowed to grow strong and lusty the other was neglected and allowed to languish and die.

Now, let me read what ex-Speaker CANNON, one of the stalwarts of reactionism, said on the question of Republican tariff legislation and especially of the Dingley tariff bill:

If some fellow did introduce a tariff bill, and it was argued and argued, and at the end of 12 months its advocates could gather together enough votes to pass it, the country being held up by the tail in the meantime, I think you would find that the new law would have just as many outrageous things in it as are found in the Dingley Tariff Act.

On yesterday the Senator from Indiana, in his eloquent speech, charged this side with filibustering, and he said that he would not have spoken, and his side would not take up any time in the debate, if it were not for the arranged plans of this side to allow the bill to be passed just about a month before the coming election. I am wondering if the Senator really believed that. The Senator knows that this side has remained here day and night, with no recess for dinner, in order to assist his side in keeping a quorum to get this bill off the calendar. Only six weeks has it been considered here, but for three years it was considered either in the committee rooms of the House or the Senate or in the House of Representatives. It is no little wonder that you would stifle debate and seek to strangle those on this side who would reveal its nefarious provisions. The Senator is smart; he is adroit. I would say that he is cunning, if it were not for the crudeness of the expression.

But he knows that with the country rising en masse against the high rates carried in the bill, something must be done to divert the blame from his side and accuse us of something. So he charges, in order that it can go to the country, that the Democratic minority are filibustering against the bill, when he knows that at the time the Payne-Aldrich tariff law was considered in the Senate it took months before it was passed. It is the old game of trying to distract the attention of the people. The pirate in his little barque, when threatened by the whale, throws a tub overboard to distract his attention so that he may escape danger. The mother bear, when pursued by the hunter, will drop her little cub to distract the attention of her pursuer and permit her to escape.

The thief with stolen goods, when pursued, throws the least costly down to fool the officers, that he may get away with his prize.

So you political marauders, you political pirates, you political buccaneers, in order to get away with these high taxes that you are about to impose on the American people, and take care of your friends and benefactors, the special interests, in order to keep the people from reading what is happening here day by day, in order to divert their attention from these revelations—which have not all come yet, because we are just beginning—are trying to distract their attention, and so you say "we are filibustering."

I charge, and I believe it to be absolutely true, that you do not want to pass this tariff bill. You are sorry it ever came upon the floor of the Senate; you now see that you made a mistake; you now realize it is no time to frame tariff legislation; and what you intend to do—the Senator from Indiana let it out yesterday—is to begin a series of speeches each day to answer the Democratic assault, when yesterday five-sixths of the entire day was taken up in debate by members on the other side of the Chamber. The Senator from Indiana [Mr. WATSON] talked for two and one-half hours. The Senator from Colorado [Mr. NICHOLSON] talked a great deal about his amendment. The Senator from Ohio [Mr. WILLIS] spoke and other Senators over there spoke, and yet we are charged "with filibustering" against the tariff bill.

Mr. WATSON of Indiana. Mr. President——

Mr. HARRISON. I yield to the Senator from Indiana.

Mr. WATSON of Indiana. As the leading political orator on the other side of the Chamber——

Mr. HARRISON. I thank the Senator.

Mr. WATSON of Indiana. And as one who is always on the inside of what is going on, and ought to be——

Mr. HARRISON. Not on the inside of the Senator's side.

Mr. WATSON of Indiana. No; not on this side. We always shut the door against my friend when he comes up on our side. He said that we do not want to pass the bill. Will he confer with the Senator from North Carolina within the next 15 minutes and agree to fix a time to vote on the bill?

Mr. HARRISON. The Senator knows——

Mr. WATSON of Indiana. Any time. Will he agree to vote on it at any time?

Mr. HARRISON. The Senator knows that we could not agree to vote on this bill until all of the provisions are explained and the dire consequences revealed. Now, yesterday he said that we desired to take up as much time in arguing the case as we took up in having the testimony submitted. The Senator knows the Democratic members of the committee were not permitted to come into the conference room when the bill was considered or framed. You would not listen to them, you would not allow them to offer suggestions or make comment. You brought the witnesses whom you desired before the committee, and there for months and months you made up your case. You acted as counsel, judge, and jury. You could be convicted in any court for procuring fixed witnesses. Nobody was there, except one Senator [Mr. LA FOLLETTE], to take care of the interests of the people in hearing the evidence of the representatives of the special interests, and yet you say, "Here is the bill; take it with all its nefarious provisions. You can not discuss it, amend it, or reject it. It is our concoction and you must bear it." Certainly, you do not want the people to know what is in the bill.

I am not surprised at you wanting to place a gag rule on us. Personally, if the bill is to be passed, I want to see it passed within a reasonable time. I do not want to see it stay here until August or September or October. I want you to try it out, if such is to be your policy, because I know what the people will say to you, as well as do to you, when it is tried out on them. What the Senator desires, and what his colleagues want to do, is to fool the people by having them believe that we are filibustering when you yourselves are taking up the time of the Senate in filibustering against your own bill. Then in a couple of months perhaps you will let it pass.

You will then send it to conference, and here is what will happen; the Senator knows it, too. He will not admit it, of course; I do not ask him; but here is what will happen: In conference the bill will stay until after the election in November. Those people in the country who are against these high rates will be told by your spellbinders, Senators here who are seeking reelection, and Members of the House who want to return, that those rates will be lowered in conference.

The special interests to whom the Senator has appealed for contributions and to whom more appeals will go out in the coming campaign will be told just to "remain quiet. Give us the contributions, help us to reelect a Republican Senate and a Republican House, and we will see that in conference these high rates are maintained and a bill to your liking will be placed upon the statute books." That is your plan, and yet you will not reveal it to the American people.

Mr. WATSON of Indiana. Will my friend from Mississippi permit me?

Mr. HARRISON. Certainly.

Mr. WATSON of Indiana. I make the challenge now to my friend to go with the Senator from North Carolina [Mr. SIMMONS], who is in charge of the measure upon that side of the Chamber, and meet with the Senator from North Dakota [Mr. MCCUMBER] and the Senator from Utah [Mr. SMOOT] and the Senator from Kansas [Mr. CURTIS] and agree upon a time to vote on the bill. We will take it as it is here.

Mr. HARRISON. Of course they will. That is what they want.

Mr. WATSON of Indiana. We will agree to vote on the bill, and then we will give as much of the guaranty as is possible for men to give that in three weeks it will be out of conference and back here, ready to be voted on.

Mr. SIMMONS. We would have to give ample opportunity for the Republican members of the committee to make these daily morning reductions of rates.

Mr. WATSON of Indiana. My friend says we do not want to pass the bill. I accept the challenge. We are ready to pass it right now.

Mr. HARRISON. Of course, the Senator does not desire us to discuss the bill. If the Senator wants to, and has the votes, he can pass it.

Mr. WATSON of Indiana. Not only that, but we are going to pass it.

Mr. HARRISON. Yes; I think if the Senator will make a few more speeches and put a little more "pep" in Members on his side of the aisle, they will probably pass it.

Mr. WATSON of Indiana. We are going to pass it.

Mr. HARRISON. But the Senator will have to stay here to do it. He can not leave the Chamber and not make those fiery speeches and appeal to his colleagues, and then think the bill is going to pass, because they will break away over there constantly. They get disheartened quickly. The worst things have not yet been told about the bill. We expect before it is passed, if we have to get out a legislative mandamus, to get the Senator from Utah [Mr. SMOOT] to produce the letter that is in his possession or that he knows about which was given to General Crowder to go as a representative of this Government and try to restrict little, poor, innocent, defenseless Cuba from raising more than two and a half million tons of sugar annually. There is much to come out in this discussion that will, as the days roll by, be unfolded to the people. The Senator from Indiana knows it and the Senator from Utah knows it, and that is why they would get unanimous consent to pass this bill now if they could. Just as soon as we can make these revelations and inform the people, then your bill, if you have the votes, can be passed and not until then.

Mr. SMOOT. Mr. President——

Mr. HARRISON. I yield to the Senator from Utah.

Mr. SMOOT. The Senator was speaking about a breaking away on this side of the aisle because of the duties imposed in the bill. Last night there happened to be a breaking away, such, as I suppose, he had reference to. I noticed that the highest rate which has been voted upon up to the present time was then voted, the rate on manganese. It was carried by the votes of nine Democratic Senators. Without those votes that high rate could not have been put in force. Yet they voted on the Senator's side of the Chamber for that high rate.

It is true that as to a particular item there may be enough Senators on this side of the Chamber, together with a number of Senators on the other side, to change the rate proposed by the committee, but that is not breaking away from the principle of the bill, I will say to the Senator.

Mr. HARRISON. Of course, the Senator does not know what is going on over there on his side of the Chamber. He stays in his office or seat so much he does not know what is taking place in the cloakrooms and corridors. However, there is a breaking away over there. We can hear it. The rumblings fairly resound throughout the Capitol. Senators over there are denouncing the bill. They are finding fault with the leadership and there is disruption everywhere. You have my sympathy.

Mr. STANLEY. Mr. President——

Mr. HARRISON. I yield to the Senator from Kentucky.

Mr. STANLEY. I do not hesitate to heartily and unequivocally concur with the Senator from Utah that there never will be in this bill, bad as it is, and you can not get into it, mean as it is, a more indefensible duty than a 100 per cent ad valorem duty on a raw constituent of steel.

Mr. SMOOT. I did not go that far. The Senator has even gone further than I said. I simply referred to the fact that there was a breaking away last night by nine Democratic Senators who voted for the high tariff on manganese.

Mr. STANLEY. I will go that far.

Mr. SMOOT. I note the names as they appear in the RECORD, and without those Democratic votes from the Senator's side of the Chamber that amendment would not have been agreed to.

Mr. STANLEY. I do not hesitate to go the Senator one better so far as that is concerned on that matter. I am at a loss to see how anybody can defend it on the other side. But the Senator from Utah can not go before the public Adamlike and say "The woman tempted me and I did eat." With an overwhelming majority, with a Republican House and a Republican Senate, the Senator from Utah will hardly go before the American public and say, "This is a bad bill, but nine Democrats voted for it." It is true that we can not always keep all the Democrats away from the filthy fleshpots of Egypt, but that is not going to relieve the Republican Party when the stern hour of judgment comes for this legislative abomination.

Mr. SMOOT. I want to say to the Senator that there is no one on this side of the Chamber asking to be relieved. We are perfectly willing to take the responsibility and we are perfectly willing to go before the people when the bill passes as the work of the Republican Party.

Mr. WATSON of Indiana. Mr. President, will the Senator from Mississippi yield to me again?

Mr. HARRISON. Why, Mr. President, I did not say anything in reference to what the Senator from Utah is talking about. I mentioned sugar to the Senator, but he did not answer me anything about sugar.

I gladly yield to the Senator from Indiana.

Mr. WATSON of Indiana. My friend has said that Senators will break away over on this side of the Chamber. Of course, we have some independence of thought over here about the individual schedules.

Mr. HARRISON. Not very much; only upon the part of a few.

Mr. WATSON of Indiana. The committee can not always control everybody, because with 60 men in the Senate representing different parts of the country, with somewhat diverse interests, we have many men of many minds, not all agreeing exactly on a rate, but all agreeing on the principle of protection and wanting to apply it in a given rate as each individual Senator thinks it should apply.

But I want to call the attention of the Senator to the fact that there was a little breaking away on his side of the Chamber, and I cite the vote taken yesterday, which shows that 10 Democrats voted for the high rate on manganese and but 7 of the faithful voted against it.

Mr. HARRISON. The Senator can not "shake his gory locks at me." I was not one of the 10.

Mr. CARAWAY. Mr. President, will the Senator yield to me?

Mr. HARRISON. Yes.

Mr. CARAWAY. There is this difference between the attitude of the Democratic Senators and the Republican Senators—and the Senator from Indiana and the Senator from Utah both know it—that the Republicans want to give an exorbitant protection to steel and to spell it both ways. If the raw product did not come from a Republican State they wanted not only to give the steel company protection but to put the raw product for this monopoly on the free list. I voted to impose a duty on the raw product, but I shall vote against the bill as a whole because it is indefensible, it is rotten from beginning to end. What you want to do is to protect the monopolies and trusts and combines and rob the American people who are furnishing the raw material. That is exactly what the Senator from Indiana and the Senator from Utah wanted to do.

Mr. WATSON of Indiana. Now, I will ask the Senator from Mississippi if I may reply to that?

Mr. HARRISON. Certainly.

Mr. WATSON of Indiana. In the first place, there is no compensatory duty whatever upon any finished steel having reference to the tariff on manganese. We left manganese on the free list——

Mr. HARRISON. The Senator refers to steel; he spells it s-t-e-e-l, does he?

Mr. WATSON of Indiana. Yes; s-t-e-e-l. I will say to my friend, inasmuch as reference has been made to the subject, that the steel people did not come before the Committee on Finance to demand rates on any of their products; they were quite content to take their chances with other manufacturing industries in the United States, and yet we have added very greatly—and more so by the vote last night—to the cost of their raw material, so that it will run, if my figures are entirely correct, to something over $20,000,000.

Mr. SMOOT. As a result of the duty on manganese I think the additional cost will be $10,000,000.

Mr. WATSON of Indiana. The Senator from Utah corrects me and says it will not be so much as I have indicated, but including the duties on magnesite, ferrosilicon, manganese, and other raw materials over $20,000,000 will be added to the cost, without compensatory duties being asked for or imposed. So that when my friend from Arkansas undertakes to justify a vote in favor of a duty on the raw material, manganese, because he wants to put something on the steel trust, let me remind him that we would put compensatory duties on the finished product if we put them on the raw material, as a matter of course.

Mr. STANLEY. Mr. President, has not that schedule been passed for that very purpose?

Mr. WATSON of Indiana. My friend from Arkansas says that he voted for a tariff on manganese to punish the Steel Trust.

Mr. CARAWAY. No; the Senator from Arkansas did not say that.

Mr. WATSON of Indiana. I understood the Senator from Arkansas to say that.

Mr. CARAWAY. The Senator ought not to have understood me to say that; it was not a telephone conversation.

Mr. WATSON of Indiana. That is what I understood the Senator to say.

Mr. CARAWAY. No; I said that the desire seemed to be to give protection to the Steel Trust and yet to put raw materials on the free list.

Mr. WATSON of Indiana. Therefore the Senator votes for a tariff on the raw material which is produced in Arkansas, so that, even if the bill is passed against his vote and over his protest, the raw material in Arkansas will still be protected by the infamous system of protection, for which he has voted so far as it affects a product of his own State.

Mr. CARAWAY. This bill is infamous; but perhaps it is a bit less infamous when it does justice to one item. The system on which this bill is framed as a whole, however, is infamous, and I can not conceive how any man who really loves the people will vote for it. That will not keep the Senator from Indiana from voting for it; but it is wrong. But what I wanted to say was that if you are going to impose a robber tariff in order to give the Steel Trust an ungodly profit, you ought not at the same time give them their raw material free.

Mr. STANLEY and Mr. LENROOT addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Mississippi yield, and if so, to whom?

Mr. HARRISON. I yield, first, to the Senator from Kentucky.

Mr. STANLEY. The Senator from Indiana has kindly told us how many Democrats voted for this indefensible duty on ferromanganese. Now, will he be good enough to tell us whether a majority of the Republicans were guilty of the same sin or not?

Mr. WATSON of Indiana. I have not counted them up, and I do not know how many voted for it.

Mr. SMOOT. Twenty-six.

Mr. WATSON of Indiana. Twenty-six Republicans voted for it.

Mr. STANLEY. If it was a good duty you should not have complained; if it was a bad duty where do you get when it appears that you are just as unwise as the Democrats? You are as deep in the mud as we are in the mire. The only difference between us is that over here a few of us occasionally, once, perhaps, in fifty times, act the fool, but you always do it over there.

Mr. WATSON of Indiana. But on this side we believe in the principle of protection and you profess not to; that is the difference; you are acting contrary to your whole theory and your whole doctrine of free trade. On this side we believe in protection, and therefore we thought it ought to be done.

Mr. STANLEY. Does the Senator from Indiana mean to stand up and tell me that he would defend a duty of 100 per cent on ferromanganese?

Mr. WATSON of Indiana. If 100 per cent were necessary, of course, I would.

Mr. STANLEY. Did not the Senator vote against it? Certainly he did.

Mr. WATSON of Indiana. I did not vote at all last night, because I was not here.

Mr. STANLEY. If the Senator had been here, how would he have voted?

Mr. WATSON of Indiana. I would have voted for the tariff unhesitatingly.

Mr. STANLEY. Of 100 per cent on ferromanganese?

Mr. WATSON of Indiana. Certainly.

Mr. STANLEY. The Senator from Indiana is hopeless.

Mr. WATSON of Indiana. I hope I am from the Senator's viewpoint.

Mr. HARRISON. Mr. President, the Senator does not mean to say that his side always acts the fool.

Mr. WATSON of Indiana. I mean to say you profess never to be foolish, and yet you come over and vote with us. On our side we believe in protection.

Mr. LENROOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Wisconsin?

Mr. HARRISON. I yield.

Mr. LENROOT. I should like to ask the Senator from Mississippi to state whether he believes the Steel Trust passes on to the consumer all of its costs plus a profit.

Mr. HARRISON. I said nothing in the world about the Steel Trust—I mean s-t-e-e-l. I referred to sugar, and I tried to draw an expression from my friend from Utah, but he turned it off to ferromanganese.

Mr. LENROOT. I should like to ask the Senator if he will not be kind enough to answer the question I asked him in regard to steel?

Mr. HARRISON. If the Senator will ask the question again I will try to answer it.

Mr. LENROOT. I want to ask the Senator if he believes that the so-called Steel Trust passes on to the consumer all its costs plus a profit?

Mr. HARRISON. Oh, I think as the tariff is piled up—placed on the raw material or any of the ingredient parts, it

goes into the finished product, and the ultimate consumer pays it. That is my idea about the proposition.

Mr. LENROOT. So that the Senator does think that a tariff upon manganese is passed on to and paid by the consumer?

Mr. HARRISON. I think as the tariff is piled up, of course, it adds greatly to the burdens of the consumer.

Mr. LENROOT. The Senator from Arkansas seemed to imply that he voted for the tariff on manganese because it would come out of the Steel Trust. I am glad the Senator from Mississippi admits that it will not come out of the Steel Trust.

Mr. HARRISON. What does the Senator from Wisconsin think about it?

Mr. LENROOT. I think it is passed on, of course.

Mr. HARRISON. Then, I assume, that the Senator voted for it.

Mr. LENROOT. I am a protectionist; I am not voting for high protective tariffs in one breath and denouncing a protective-tariff policy in the next breath.

Mr. HARRISON. The Senator voted for a tariff tax on ferromanganese.

Mr. LENROOT. I did.

Mr. HARRISON. Does he think that that will add greatly to the burdens of the consumer?

Mr. LENROOT. I think it is passed on to the consumer in this case.

Mr. HARRISON. So the Senator yesterday voted to add greatly to the burdens of the consumer?

Now, Mr. President, if I may proceed.

Mr. LENROOT. I should like to ask the Senator another question.

Mr. HARRISON. I am through with the Senator.

Mr. LENROOT. I am not through with the Senator from Mississippi.

Mr. HARRISON. Very well.

Mr. LENROOT. Would the Senator vote for any tariff rate at all?

Mr. HARRISON. Of course, I would vote for some tariff rates; I have voted for some of them—my whole record shows that—but, so far as I know, I have never voted for protection in my life, and I shall never do so. I believe in a tariff for revenue only; and where an article brings no revenue, why place a tariff on it? The Senator knows when the effort was made to place a tariff on long-staple cotton, a commodity that is produced quite largely in my State, one county in my State producing more than any other county in the United States, I would not vote for it because I thought it wrong in principle. I might cite other instances. Those are my views briefly on the tariff question. I voted for a 1-cent duty on sugar, for instance, at one time because it brought revenue. I voted for a revenue tariff on wool. I am not in favor, however, of a duty of 2 cents a pound on sugar nor a protective tariff on wool. I wish we could take all the duty off of sugar, but I know that we have got to raise some revenue as we go along. I am, however, against anything that smells like protection.

Mr. LENROOT. When the Senator votes for a tariff for revenue, then, he votes to increase the price of the commodity to the consumer, does he not?

Mr. HARRISON. Oh, well, of course the tariff on sugar, for instance, does increase the price to the consumer. It is for that reason I want the tariff on sugar as low as possible. I will admit that in the case of a tariff on wool, and on some other articles which are imported into this country, the duty is passed over to the consumer.

Now, if the Senator has gotten the answer he wants, I hope he will allow me to proceed.

Mr. LENROOT. I want to ask just one further question. I agree with the Senator; but last night there were 10 Democrats who left the Democratic fold and only 6 remained faithful. I wonder if the Senator from Mississippi was then so in doubt about the question that he did not know how to vote upon it and so refrained from voting.

Mr. HARRISON. The Senator knows that I was paired with the Senator from Idaho [Mr. BORAH], who was for the tariff on ferromanganese, while I was against it, and the RECORD will show that I was paired against the proposal to impose a duty. I answered "present," but the Senator knows the RECORD speaks accurately my position, and I accommodated one of his colleagues who was unable to be here.

Mr. LENROOT. Then I wish to apologize to the Senator from Mississippi, because that does make his record clear, and at least he was as consistent as the other six.

Mr. HARRISON. The Senator has never found me inconsistent on the tariff question, and never will. I will say, however, that if I were a protectionist and believed in protecting a few interests at the expense of the many and robbing the great masses in order to add to the coffers of a few I would go down the line on protection; and, in order to be consistent as a protectionist, the Senator would have to vote for a tariff on ferromanganese. I do not know whether the Senator agrees with me in that statement.

Mr. LENROOT. As to a tariff robbing the many for the benefit of the few?

Mr. HARRISON. No.

Mr. LENROOT. Of course, I do not agree to any such idea.

Mr. HARRISON. The Senator did not understand me. However, I will not repeat the statement, for it is immaterial.

Returning to my theme, on yesterday the very eloquent senior Senator from Indiana said—and I am sorry he has gone; I wish he had remained with me a while longer, for I will be through in a few seconds—he said:

> Under the stimulating effect of these successive protective tariff measures—
>
> Praising the Dingley law and the Payne-Aldrich law—
>
> we had brought our people to that high place among the nations of the world in 1917 where we were absolutely essential to their salvation.

Protective measures up to 1917! The Underwood-Simmons law went into effect in 1913, and the greatest prosperity that this country has ever seen was brought about under that law.

Mr. SMOOT. It was brought on by the war.

Mr. HARRISON. On yesterday the distinguished Senator from Indiana talked about exports, and, replying to Democratic arguments that high-tariff duties would injure the Nation's foreign trade, he said the history of the operation of protective-tariff laws showed that they had little effect on the normal flow of commerce. He quoted official figures to demonstrate that under the Dingley Tariff Act, described as carrying the highest rates ever enacted in this country, exports had increased $600,000,000 during a period of some 8 or 10 years.

I do not know just how long the Dingley law was in operation; but it was passed, as I recall, in 1897, and I think was in operation about 12 years. Exports, said the Senator in lauding the Republican principle of protection under that tariff law, increased $600,000,000 and imports $800,000,000. In other words, the imports were $200,000,000 more than the exports under the operation of this great Dingley protective tariff law. What are the facts about the operations of the Underwood law?

Here are the exports; here are the imports:

Under the Payne-Aldrich law in 1910 the imports were $1,547,000,000; the exports were $1,744,000,000.

In 1911 the imports were $1,527,000,000; the exports were $2,049,000,000.

Let us see what they were. Let us go down the line in 1913, the year the Underwood tariff law went into effect. The imports were $1,766,000,000; the exports were $2,465,000,000.

What were they in 1915? Imports, $1,648,000,000; exports, $2,768,000,000. You will see our balance of trade constantly growing larger.

In 1916, under the Underwood-Simmons law, the imports were $2,179,000,000; the exports were $4,333,000,000.

Mr. SMOOT. The Senator is not going——

Mr. HARRISON. Now, just wait a minute, if the Senator will. I shall be glad to finish my figures, and then I will yield for an interruption.

Mr. SMOOT. Why, certainly.

Mr. HARRISON. There was an increase from 1910 to 1916 of practically $3,000,000,000 in exports, working under the Underwood-Simmons tariff law; and yet on yesterday this spellbinder, the close friend of the President, the orator of the Republican Party, the mouthpiece of the leadership over there to revive drooping spirits, said that under the Dingley law the exports had increased $600,000,000 in 10 or 12 years, and we hand back to you the fact that under the Underwood-Simmons tariff law the exports had increased over $3,000,000,000 up to 1916.

Oh, the Senator rises—what he wants to say is that in 1917 the war came on, and naturally we exported a lot of munitions, and so on, and that is the reason for the increase. I left out that year. I am going to give the Senator that year now.

Mr. SMOOT. But the war began in 1914.

Mr. HARRISON. Oh, so far as we were concerned, it did not begin until 1917.

Mr. SMOOT. That is when the war began, when everything in the world was changed; and the Senator knows it, too.

Mr. HARRISON. Mr. President, that is the great trouble with the Senators on the other side of the Chamber. Here their champion, the one selected to present this tariff argument, on yesterday said that the measure is the amount of increase under the Dingley law, and portrayed it as a great accomplishment of protective principles when it showed in 12 years an increase in exports of $600,000,000. We accept that standard, we go by that

measure, and then we are told by the Senators on the other side: "Do not use that. That is unfair." Well, if it is all right for the Senator from Indiana to use it, why is it not just as proper for us to use it? What is there unfair about it? We found no fault with its use yesterday, nor did you. You thought it then fine.

Mr. SMOOT. I do not claim that it is unfair to use it.

Mr. HARRISON. No; the Senator wants to present an excuse, and the only excuse he can present is to say that there was a war on the horizon that came on in 1917.

Mr. SMOOT. I know that the Senator is a fair enough man to acknowledge that there was a war, beginning in 1914.

Mr. HARRISON. Of course, some countries began to war in 1914. Everybody knows that.

Mr. SMOOT. And the Senator knows that without the war those exportations would not have been what they were. We were furnishing the Allies with all of the goods that it was possible to get ships to ship abroad, and even then we could not furnish all that they wanted.

Mr. HARIRSON. Mr. President, the trouble is that the same argument that was used, the measure of relief that was to be invoked as used by the other side, is denied those of us on this side. Of course the war came on in 1917 and increased exports, but I have not read those figures. In 1917 the imports were $2,667,000,000, and the exports were $6,290,000,000.

Mr. KELLOGG. Mr. President——

Mr. HARRISON. I have read you the figures of 1916, long before the war came on; I have read you the figures of 1915; I have read you the figures of 1914; and the Senator will not have any of them, because they do not suit him. They disprove his case.

Mr. SMOOT. The war began in 1914. That is when the war began, and that is when we began to furnish goods to Europe.

Mr. KELLOGG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Minnesota?

Mr. HARRISON. I yield to the Senator from Minnesota.

Mr. KELLOGG. Does the Senator say that the Underwood law was the cause of the large exports during the war?

Mr. HARRISON. I think it unshackled business in this country.

Mr. KELLOGG. Does the Senator claim——

Mr. HARRISON. Wait a minute; the Senator has asked me a question, and he certainly will be patient enough to let me answer it.

Mr. KELLOGG. Surely.

Mr. HARRISON. I say that I think it unshackled honest business in this country; it opened up the markets of the world; it was a great boon to business; it gave to our business people implements with which to work at trade and commerce with all peoples throughout the world; and the facts that are undeniable, as shown by the record, show that exports increased marvelously under the Underwood-Simmons tariff law. The tariff was not an issue in the last campaign. The people were contented with the present order of things so far as the tariff was concerned.

Of course, I make an exception of those special interests that are always grabbing, and have their friends here at court to produce whenever the call comes or the demand is made.

Mr. KELLOGG. The Senator has not answered my question, but I will ask him another.

Mr. HARRISON. The Senator does not want it answered.

Mr. KELLOGG. Yes; I should like to know if the Senator attributes our large exports during the war to the Underwood tariff law?

Mr. HARRISON. I told the Senator what I thought about the Underwood tariff law. I think that exports under it were increased, and I think that under this bill the exports will fall off, because, what will be done? You will erect the wall of protection at all the customs ports of this land so high that other countries can not ship their goods here, and naturally they will retaliate and follow the same policy against us that we by this bill are inaugurating against them.

Mr. KELLOGG. As the Underwood tariff law is now in force, does the Senator attribute the decrease in exports since the war to the Underwood tariff law?

Mr. HARRISON. The exports now are about $3,000,000,000 higher than they were under the Payne-Aldrich tariff law.

Mr. KELLOGG. And about five billions less than they were during the war.

Mr. HARRISON. Oh, now the Senator selects as the standard the exports during the war. He disagrees with the Senator from Utah, who admonished me against that. Of course, the exports now are lower than they were during the war, because in war times they rose to $8,228,000,000. They are down now to a little less than $5,000,000,000, but——

Mr. SMOOT. Oh, Mr. President——

Mr. HARRISON. Well, I have them for 1921 from the Tariff Commission. Of course, if the Senator has more information than the Tariff Commission, and knows more about it than the experts up there, then there is no use in my making an assertion.

I ask unanimous consent to have the table to which I have referred, together with the accompanying letter, printed in full in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Imports and exports—Values only.

Fiscal years.	Imports entered for consumption.	Exports.	Excess exports (merchandise only).
1910	$1,547,109,137	$1,744,984,720	$188,037,290
1911	1,527,945,652	2,049,320,199	522,094,094
1912	1,640,722,902	2,204,322,409	551,057,475
1913	1,766,689,411	2,465,884,149	652,875,915
1914	1,903,400,394	2,384,579,148	470,653,491
1915	1,648,386,280	2,768,589,340	1,094,419,600
1916	2,179,034,601	4,333,482,885	2,135,590,375
1917	2,667,220,021	6,290,048,394	3,630,693,209
1918	2,864,893,987	5,919,711,371	2,974,055,968
1919	3,827,683,431	7,920,425,990	4,016,061,058
1920	5,101,823,393	8,228,016,307	2,949,534,817
1921	2,556,658,139	4,485,122,696	1,976,097,293
Total	29,234,567,348	50,774,487,608	21,161,179,585

Mr. SMOOT. Mr. President, I want the Senator from Mississippi to understand that I frankly admit that whenever there is a war in Europe, when all Europe is involved in war and drawing upon the United States for supplies, I would not care whether the law in force was an Underwood tariff law or any other tariff law; there would be prosperity in the United States. In other words, the only time that a Democratic tariff law can be a success is in war time.

Mr. HARRISON. Mr. President, the facts do not show that at all. The Senator from Utah and the Senator from Minnesota will have to get together on the questions that they propound and on the facts that they believe in.

Mr. SMOOT. In other words, I will say to the Senator, if there had not been any war there would not have been the exports that there were under the Underwood tariff law, nor would there have been the imports, and there would have been chaos in this country instead of prosperity.

Mr. HARRISON. Oh, yes; that is like the statements generally of Republican Senators. I will tell you what your protective bill will do. It will mother the monopolies of this country, just like it did when you passed the Dingley bill. The Senator from Indiana yesterday talked about the wholesome features of that act.

Between January 1, 1898, and January 1, 1900, 149 trusts were formed to suppress competition and control prices.

That was the beginning. The passage of the Dingley tariff law was the beginning of the formation of trusts in this country; and from that good hour up until the time that the last administration came into power, in 1913, they have held a stranglehold upon this country.

From January 1, 1900, to January 1, 1904, 8,664 great plants were combined, with a total capitalization of $20,379,162,511.

From January 1, 1904, to January 1, 1908, trust consolidation made mighty strides, and the total capitalization reached the astounding sum of $31,672,160,754.

So that was the period, under the Republican protective tariff bill, when trusts first formed and the rights of honest and legitimate business was first challenged. Under this bill they will breed like oysters.

Mr. President, I have said all I desire to say; but I hope that the plan that you have over there of filibustering on this bill and delaying it, and then in conference permitting it to sleep until you can extract huge contributions from the special interests of the country in the coming election, will be thwarted, and that after a reasonable discussion of the provisions of this bill, if you have enough votes, you can pass it.

Mr. WILLIS. Mr. President, the Senate met this morning at 11 o'clock. It is now 20 minutes to 1. About an hour and a half of that time has been occupied most delightfully by my distinguished and eloquent friend, the able Senator from Mississippi. I rise merely to observe that this is an illustration of the method proposed by him of "facilitating" the passage of the tariff bill.

On April 26 the Senator from Mississippi said:

We on this side of the aisle expect to facilitate the passage of the bill in every way we can.

On April 21 he said:

There is no desire on the part of any Senator on this side of the aisle unnecessarily to delay the consideration of the bill at all. On the contrary, it is the desire on this side of the Chamber to cooperate with Senators on the other side of the aisle and to get the bill out of the way as soon as we can.

Before I take my seat, I desire to place in the RECORD some statements that have been made by Senators on the other side of the aisle, stating their position with reference to the passage of this bill. I desire also to call attention to the amount of time that has been consumed in the discussion of this and other tariff bills; but before I do that, inasmuch as the present distinguished and able occupant of the chair [Mr. CUMMINS] has been referred to and has been quoted from by my friend from Mississippi, I think it might be helpful to quote further from the remarks made by the distinguished senior Senator from Iowa, the present occupant of the chair, giving an account of what took place when the present tariff law was under consideration.

The Senator from Mississippi complained, and others on the other side of the aisle have complained, because, they say, in the consideration of this bill the minority has been excluded.

Fortunately, the Senator from Iowa on July 19, 1913, gave a most accurate description of the method that was followed when this original, dyed-in-the-wool, blown-in-the-bottle Democratic tariff law was enacted. Here is what he said about it. No doubt the Senator from Mississippi intended to read this, but in his desire to expedite business and economize time and facilitate the passage of the bill he simply omitted to read the portion which I now read. Here is what the Senator from Iowa then said, at page 2556 of the RECORD, talking about the Democratic tariff law of 1913. He says, speaking of the Finance Committee:

They gave hearings to those who were immediately interested, and I have no doubt devoted all the time they could to the subject; but the country did not know what was happening before them, and the other Members of the Senate have no information of their proceedings.

Note this:

The whole process was secret and intended to be secret, save as to those of the majority party to whom the work was committed.

Senators, we might just as well be perfectly frank about this. The fact is that this tariff bill was framed as every other tariff bill has been framed in the history of the country, and as they ought to be framed, as party measures.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Utah?

Mr. WILLIS. I yield.

Mr. SMOOT. I want the Senator to mention one exception. In framing this bill any Member of the House or any Senator, whether he was a Republican or a Democrat, was admitted to the committee, and his views could be expressed upon any subject which was then under discussion, or, if it was not under discussion, the committee would take it up for him, while when the Underwood bill was under consideration, no Republican Senator was allowed even to go before the committee, no Republican Senator was allowed even to express to the committee an opinion as to what rate should be adopted in that bill, and when the bill came in on the floor of the Senate, no Republican Senator knew what the rates were until it was reported.

Mr. HEFLIN. Mr. President——

Mr. WILLIS. I yield, although I desire to proceed.

Mr. HEFLIN. What Democratic members of the Finance Committee were present when you framed the pending tariff bill?

Mr. SMOOT. At the beginning of the hearings they were all present who wanted to be there, but when the rates were marked up they were not there, and the members of the minority party have never been present, since the first tariff bill was ever framed, when the rates were decided upon.

Mr. HEFLIN. The charge being made here is that no Democrat was present when you framed this bill, and therefore they did not know what was in the bill until you had finished. Is not that true?

Mr. SMOOT. That is not all the truth. That was true when the Underwood bill was framed and brought into this body, that was true when the Wilson-Gorman bill was framed and brought into this body, and that has been the plan in the framing of every tariff bill. If it were not so, I will say to the Senator we never would get a bill out of the committee, and the next Democratic bill, if there ever is another one, will be framed in exactly the same way.

Mr. HEFLIN. It would have been better if you never had brought this one out.

Mr. SMOOT. That is the Senator's opinion. Perhaps it would have been better if the committee had fixed some rates so low that the Senator would have been willing to vote to raise them.

Mr. WILLIS. Mr. President, I desire now to finish reading the statement made by the Senator from Iowa on July 19, relative to the present tariff law, the Underwood-Simmons bill. The Senator said—and he told the truth, as he always does:

The whole process was secret and intended to be secret, save as to those of the majority party to whom the work was committed. When these subcommittees had finished their assignments the bill came before a body made up of all the Democratic members of the Finance Committee. Again the Republican members of the committee were not admitted, and again the public was excluded.

That is the way the present law was framed. I continue reading from his statement:

For something like three weeks this fragment of the committee considered the bill, and it finally reached a conclusion. It was then reported to a closed caucus made up of all the Democratic Members of the Senate, and for two weeks the caucus debated it, offered amendments to it, and voted upon it both in detail and as a whole. Again the public was forbidden the opportunity to know what was being done or what arguments and influences in the end prevailed.

Then, finishing that paragraph, he said:

When all this had been done the bill was then brought before the full Finance Committee and was before the committee less than two hours.

That is the way the present law was framed, according to the description given by the present distinguished occupant of the chair. But it is only fair, as bringing out in bold relief the difference between the attitude of Republicans when Democrats are framing a tariff bill and the attitude of Democrats when Republicans are framing the tariff bill, to read what the same Senator said, on that same day, July 19, 1913. The senior Senator from Iowa said:

Mr. President, may I ask the Senator from Missouri [Mr. Stone] if the chairman of the Finance Committee is ready to proceed with the tariff bill? It seems to me that we ought to go ahead as rapidly as possible with this very important measure, and that unless it be very inconvenient to Senators upon the other side we ought to take it up now.

The attitude of the Republican Senators was that this legislation should be speeded and not impeded, and that is quite in contradistinction from the attitude which obtains here; at any rate, in action, if not in statement.

But I wanted to put into the RECORD statements which have been made by distinguished Senators on the other side of the aisle.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from North Carolina?

Mr. WILLIS. I yield.

Mr. SIMMONS. There ought to be no misunderstanding with reference to the practice of the committee in making up tariff bills. It has been the uniform policy of both parties that tariff bills, being political measures, should be written by the majority members of the committee, and that has always been done in executive session. That was done with reference to the present law, it was done with reference to the Payne-Aldrich bill, with reference to the emergency tariff, and all other tariff measures about which I know anything.

Mr. WILLIS. The Senator admits, then, that the description given by the Senator from Iowa was substantially correct?

Mr. SIMMONS. In part it is. The difference between the manner in which the present bill was framed and the manner in which other tariff bills have been framed, especially the present law, does not consist in the fact that they were both framed by the majority in executive session, but it consists in the fact that the pending bill was framed not only in executive session, but in strictly secret executive session, and that the result of their deliberations and their actions while the bill was in framing was not announced as the schedules and paragraphs were agreed upon, either to the public or to Senators and Members of Congress, but the information was withheld until the bill was finally framed and given to the public immediately before its presentation to the Senate.

With reference to the framing of the Underwood bill by the committee, each day at the end of the day on which the majority members were in session the members of the press were either invited into the room or were seen on the outside and given a statement of the results of all the action by the committee on that day, so that the public was informed and the Congress was informed from day to day what the action of the committee had been on the particular day. I want to say to the Senator that, so far as I was personally concerned, I was unable to get the result of the action of the majority members of the Finance Committee in framing this bill until the bill was finally ready to be presented to the full committee. I could have gotten it if I had been willing to receive information in violation of confidence, as I was informed. I was told

by certain gentlemen who were working with the committee in an official capacity, when I asked for information, that they were pledged to secrecy, and upon learning that, I said: "I do not desire any information from you with reference to it, because I do not wish to have you violate any confidence." Occasionally I asked a member of the committee what had been done about certain particular items, and as a rule I was told, "We have not decided anything," and that was kept up until the bill was finally laid down on the table in full committee, and we were asked to vote upon it, without discussion, and without opportunity of amendment. That is the sole ground of my complaint, and I want to be perfectly fair about it.

Mr. SMOOT. I want to say to the Senator from North Carolina that the Senator from Utah was never informed as to the rates in the Underwood bill. I asked many times what certain rates were, and I was not informed. The press has been treated exactly the same while this bill has been under consideration as it was treated when the Underwood bill was under consideration. I want to be perfectly fair, and I say now to the Senator that whenever a Democratic bill is up for consideration, I think it is the duty of the majority, if the Democrats are in the majority, to mark up the bill, and the Senator knows that if that responsibility were not put upon the majority, the minority could hold up bills in the committee for months and months, and it would not be right.

Mr. SIMMONS. I trust the Senator does not understand that I am objecting to the method of framing this bill. I do not know to what extent the Senator took the press into his confidence. I do know that the papers of the country gave us practically no information.

Mr. WILLIS. Mr. President, I am furnishing the time for this, and I would like to hear it. Will not the Senator speak a little louder?

Mr. SIMMONS. I say that I do not know to what extent, following out the idea of the Senator from Utah, the press was taken into the confidence of the committee from day to day, but I do know that the papers of the country gave us very little information as to what was done in the committee, and on some occasions, when data was published by the press, upon inquiry I was informed that the information was obtained through certain parties who were interested in the legislation, and not from the committee.

The Senator from Utah can make his statement as to the extent to which they took the press into their confidence; but I say that, so far as the Underwood bill was concerned, every newspaper in Washington knew that at the end of our daily sessions whatever action was taken each day would be fully and freely given to the press, and it was fully and freely given to the press, and our action was not kept from the public.

Mr. SMOOT. I can take the Senator over to my office and show him hundreds and thousands of telegrams which have come to me objecting to or approving of rates which were passed upon by the committee as published in the press; and I want to say to the Senator that during that whole time if he or any other Senator asked me whether a rate had been agreed upon I cheerfully gave the information.

Mr. SIMMONS. Mr. President, I do not believe I ever asked the Senator for information about a rate and was refused; but the Senator, like most of the members of the committee, when I asked him said that they had not agreed upon anything; and for a long time it was said that they would not agree upon anything until after they had settled the basis of the valuation, and until they had decided that question they had nothing to give out.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from North Dakota?

Mr. WILLIS. I yield to the Senator from North Dakota.

Mr. McCUMBER. It seems to me that we ought to get through with our quibbling about this matter——

Mr. SIMMONS. I think so. I think we ought to get down to the bill.

Mr. McCUMBER. Quibbling about how a Republican majority or a Democratic majority frame a tariff bill. This bill was framed in accordance with a custom we have always followed. I think, on the whole, it is a good custom to follow. Those who have had charge of Democratic measures have agreed with us upon that proposition and have followed the same system.

The Senator from North Carolina complains because he did not get the rates from day to day, as he said. When the Senator was framing his bill it was a revenue bill only; it was not a tariff for protection. All he had to ascertain was the amount of imports, what duty the article would stand, and to fix his ad valorem duty.

We had to take up, as the Senator from Ohio knows and everyone else knows, the question of imports, American wages, and a thousand other things that enter into the matter of making a protective tariff. We had to take it up at a time when there were constant changes in the selling prices of articles, when everything was unstable. It was impossible to make a rate and be certain that we could stand by that rate when we reported the bill, and it was improper to say, "We are going to give this rate," when some additional information or change in the cost price of an article abroad might necessitate a change in the tariff rate which we would place upon it.

We have handled this exactly as the Democratic Party has always handled any tariff bill, with one exception, and that exception is a simple one. We considered that the committee was a creature of the Senate, and that the creature was not superior to its creator, and, therefore, as to any Senator who wanted to come into the committee room at any time the doors swung inward for him to come if he so desired. It made no difference whether he was of Democratic proclivities or Republican, each had the same opportunity. I will say for the Democratic members of the committee that they recognized the propriety of the bill being made by the Republicans and did not ask, of course, to be present; but some of them came in to see us on some schedules in which they were interested.

Mr. WILLIS. Mr. President, I do not desire to consume any more time on this historic matter, but in the interest of accuracy and to keep the record straight. I ask permission to insert in the RECORD at this point a portion of the address of the senior Senator from Iowa [Mr. CUMMINS], as it appears in the RECORD of July 19, 1913, at page 2556. I want that statement in the RECORD so that clear judgment may be formed as to the processes which were followed when the present law was made.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

When it came here from the House it was referred to the Committee on Finance. It was at once parceled out among so-called subcommittees made up entirely of members of the majority party. For many weeks these misnamed subcommittees worked over their respective allotments, excluding not only the minority members of the Committee on Finance but the public as well. They gave hearings to those who were immediately interested, and I have no doubt devoted all the time they could to the subject; but the country did not know what was happening before them, and the other Members of the Senate have no information of their proceedings. The whole process was secret and intended to be secret, save as to those of the majority party to whom the work was committed. When these subcommittees had finished their assignments the bill came before a body made up of all the Democratic members of the Finance Committee. Again the Republican members of the committee were not admitted, and again the public was excluded. For something like three weeks this fragment of the committee considered the bill, and it finally reached a conclusion. It was then reported to a closed caucus made up of all the Democratic Members of the Senate, and for two weeks the caucus debated it, offered amendments to it, and voted upon it both in detail and as a whole. Again the public was forbidden the opportunity to know what was being done or what arguments and influences in the end prevailed. I do not know just what occurred, but it is commonly understood that in some fashion or other an obligation grew up by the force of which nearly all of the majority Members of the Senate will feel compelled to abide by the action of the majority of the caucus.

When all this had been done the bill was then brought before the full Finance Committee, and was before the committee less than two hours, which, of course, means no consideration whatever. It was then reported to the Senate, and it is here with the strength not only of the Democratic members of the Finance Committee behind it but with the seal of the secret caucus upon it.

Mr. WILLIS. Mr. President, now I have very strong hopes that we are going to vote on the tariff bill at an early date. I know Senators will be delighted to be assured of that. I will tell why I am confident of that. I have been searching the records, I have talked with Senators, and I find no one on this side of the aisle but who is anxious to have a vote upon the bill. I find some statements in the RECORD, which I accept at their face value, of course—statements from leading Senators on the other side of the aisle that they are proposing to cooperate to bring the bill to an early vote. For example, I read from page 6362 of the RECORD this language from the distinguished Senator from North Carolina [Mr. SIMMONS], the leading member of the minority on the Finance Committee:

I have assured the Senator, not once but twice, that there was no purpose on this side of the Chamber unnecessarily to prolong discussion or in any way delay speedy action on his bill. I have said to him frequently, and I meant it, that if this bill must pass, as soon as we have had time to discuss it sufficiently to inform the people as to its provisions and to inform Senators as to what it means, so they may vote intelligently, we will do nothing to delay action; but, on the other hand, we will cooperate with him in securing just as speedy action as is consistent within these limitations. It is not the purpose of this side

to demand discussion on every item of the bill. * * * I will cooperate with the Senator in every time-saving device he may suggest that is consistent with reasonable debate.

Again, the Senator from North Carolina said on April 20:

I assure the majority that I shall not obstruct, but shall do everything we can to facilitate the speediest possible final determination of this very important measure.

I have already quoted from the Senator from Mississippi [Mr. HARRISON], who said that he desired to facilitate the passage of the bill in every way possible, and to cooperate with Senators on this side of the aisle to get the bill out of the way as soon as it could possibly be done.

My distinguished and eloquent friend, the junior Senator from Alabama [Mr. HEFLIN] said on May 4:

I do not think that there is any disposition over here to filibuster at all; certainly there is none on my part. I should like to see the tariff bill passed on within a month's time, and probably that may be done.

That was on May 4, and it is now June 6. The month is almost up.

Again, on May 5 his colleague, the distinguished leader of the Democracy, the senior Senator from Alabama [Mr. UNDERWOOD], said in part at page 6359 of the RECORD:

I am sure there is no effort on this side of the Chamber to filibuster or unduly delay the bill. * * * It seems that Senators on both sides of the Chamber are perfectly willing to go to the country and face the issues in the country on the bill, and neither side cares for a delay on that account. * * * I am opposed to his bill; I hope it will be defeated; I think the passage of his bill will defeat his party in the coming election; but nevertheless his party is in power; they are proposing this legislation, and they are entitled, after due consideration, to have an opportunity to vote on it.

Again, the leader of the minority said on May 5:

I have no desire whatever to delay its consideration. I am willing to cooperate in reaching an early disposition of the bill.

The distinguished Senator from New Mexico [Mr. JONES] said on May 10:

I want to disclaim any thought of unnecessarily delaying the passage of this bill. I have no such intention as that in my mind.

Again, he said on May 17:

I do not intend to do anything to delay this bill.

There are many other leading Senators who might be quoted, but I have quoted enough to establish, first, the fact that the leaders on the other side do not desire to filibuster, will not filibuster, will cooperate in every possible reasonable way in facilitating the passage of this bill, or, at any rate, the bringing of the bill to a vote. They have frankly said, of course, that they are opposed to the bill. I rather suspect from what I have heard them say some of them will vote against the bill on its final passage. But we are led to believe from what they say that they are perfectly willing to come to a vote. So we have that fact established. They do not propose to filibuster, to impede, to delay, but to cooperate in every reasonable way in bringing the measure to a vote.

Secondly, I feel that everybody on this side wants to bring the bill to a vote, and consequently I expect at a very early date the bill will be voted on. At any rate, it ought to be, because in view of the history of tariff debates in the country and the progress that has been made on this bill, the time consumed in the discussion or alleged discussion of the measure is out of all proportion to anything that has ever taken place in the history of the country with reference to tariff legislation.

We were interested in the address of the eloquent Senator from Indiana [Mr. WATSON] yesterday, in which he told us of certain tariff bills and tariff legislation. It occurred to me that Members of the Senate might be interested in knowing the amount of time that has been taken in the consideration of other measures. Since we have it established now that Senators on both sides are willing to cooperate after reasonable debate, let us seek to establish, if we can, what is reasonable debate as determined by the history of the country.

The first tariff law was that of 1790 and was taken up on the 8th day of April and was passed on the 11th day of June, about two months. Those of us who have read the rather meager reports of debates have a right to assume that that great measure was discussed with great ability, and yet in two months from the time it was taken up it was passed.

I may say in passing that, though it would seem that the command of vituperative epithets had been completely exhausted in describing the pending bill, what has been said about this bill up to date was not anything at all compared with what was said about the tariff bill of 1828, the famous bill of abomination. There were able men in the Chamber in those days. Great questions were discussed by men certainly the peer of any of those of our time, and yet the tariff bill of 1828 was debated only from May 5 to May 13, a little over a week. The bill now under consideration, as I recall, was reported April 11, 10 days given for study—and properly given—and the bill was then taken up on April 20. It is now June 6; and yet that great bill of 1828 was debated for only eight days.

Let me pass on now to another tariff measure. The compromise measure of 1833 is next. Senators are all familiar with history and know of the tremendous importance of the tariff legislation in the years 1832 and 1833, particularly the tariff bill of 1833, amending the bill of 1828, which had brought the Nation almost to the verge of disunion, when the great pacificator, the great compromiser from Kentucky, came to the front in the compromise tariff of 1833. It was a great bill. It saved the country—at any rate postponed the crisis until the country was strong enough to stand it—and yet that bill, so tremendously important in the history of the Republic, was debated only from February 19 to February 27, again about one week. Yet the bill before us has been debated already more than 42 days, and 24 of those days in sessions beginning at 11 o'clock in the morning and running until 10 o'clock at night.

The tariff bill of 1842 passed the House of Representatives on July 16 and passed the Senate on August 5, so it could not have been pending in the Senate much more than two weeks.

The tariff bill of 1846, to which reference has been made as a great law, was reported July 13. Everybody knows that law, which has been referred to here as perhaps the best illustration of a law framed. The act of 1846 was reported on July 13 and was passed on July 28, after only 15 days of discussion, and yet we have now had 42 days of debate on the pending bill. The act of 1846, as I recall it, remained on the statute books perhaps as long as any other tariff act that was ever written.

I now come to the tariff bill of 1857. How much time was consumed in debating that? Here is what the record shows, and all that I was able to find. It was reported February 24. This was a great tariff law, that remained on the statute books until the Morrill Act went into effect. The bill was reported February 24, and the record shows that it was discussed, amended, and passed in a single session, which was prolonged for the purpose until after midnight. We have had here for weeks sessions running until 10 and 11 o'clock at night, and yet Senators say they have not had sufficient time to discuss the bill.

The tariff act of 1860 was reported February 1 and passed February 20, being under consideration 19 days.

Mr. CARAWAY. Mr. President——

Mr. WILLIS. I yield to the Senator from Arkansas.

Mr. CARAWAY. If the Senator had been a member of that Senate, they could not have passed through it in that time, because he has taken more time than that on this bill, has he not?

Mr. WILLIS. I accept that in perfect good humor, but the Senator, of course, knows that he makes an unfair statement because I leave it to him and his colleagues as to whether I have consumed very much time in the Senate in a discussion of the tariff bill or any other measure.

Mr. CARAWAY. If the Senator will pardon me, I do not think he was discussing the bill just now, but he was talking about it.

Mr. WILLIS. When I have consumed one-tenth of the time that the Senator from Arkansas has consumed, it will be time for him and others to question my right to speak on the floor of the Senate.

Mr. CARAWAY. I am not questioning the Senator's right.

Mr. WILLIS. The Senator stated that I had been occupying a good deal of time.

Mr. CARAWAY. I am not questioning the Senator's right. He has the right and he is exercising it. I am congratulating him. He is delaying the passage of a very bad bill.

Mr. WILLIS. I accept that in perfect good humor, but it is entirely without justification, because my colleagues on both sides here know that I am not in the habit of consuming the time of the Senate unnecessarily, and I trust it is a habit I shall not learn from my good friend from Arkansas.

In 1864 the tariff bill was reported on June 14 and passed on June 17, after three days' debate.

Coming on down I pass to the tariff act of 1875, which was reported February 26 and passed on March 2, and it was not by any means a foregone conclusion as to whether it could pass. It was a very close vote. It finally passed by a vote of 30 to 29, bitterly contested, and yet the men of those days were able to and did discuss that great measure in a period of less than a week, from February 26 to March 2.

In the revision of the tariff of 1883 the report on the bill was made January 10 and the bill was passed on February 20, after a debate of five weeks. The revision of 1883 was one of

very great importance; and yet we have consumed on the pending bill more time than was required to pass that great bill, and there are many sections of this bill which we have not yet considered at all.

The McKinley bill was taken up on July 23, 1890, and passed on September 10, after a discussion lasting seven weeks; whereas the pending bill, as I have pointed out, was reported on April 11 of this year, and, although nearly a week of the month of June has passed, not very much progress has been made with it. However, we have the assurance of our friends on the other side of the Chamber that they are going to cooperate; that there will be no filibuster; that they will aid in every possible way in securing an early vote.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Ohio yield to the Senator from North Caroline?

Mr. WILLIS. I yield to the Senator.

Mr. SIMMONS. I wish to ask the Senator from Ohio if in his investigations as to the length of time occupied in the consideration of the various bills to which he has referred it has occurred to him to ascertain how many amendments those bills carried? I presume the Senator did not make that investigation; otherwise he would have given the Senate the benefit of the information. I wish to suggest to the Senator, and make the suggestion in perfect good faith and not in any way to embarrass the point which the Senator is trying to make, that if he would make such an investigation as I have suggested he would find that this particular bill carries very nearly as many, if not as many, amendments as all the tariff bills to which he has referred, including the Payne-Aldrich bill and the Underwood bill to which the Senator has not referred.

Mr. WILLIS. Mr. President, I think the question of the Senator from North Carolina is perfectly proper and that there is some merit in it. There are many amendments to this bill, but I wish the Senator to remember——

Mr. SIMMONS. If the Senator will please, let me add, in order to show the situation, that on yesterday afternoon we had under consideration the relatively small item of manganese. There was a disagreement on the other side of the Chamber with reference to that item.

Mr. WILLIS. There was also a disagreement on the Senator's side of the Chamber relative to it.

Mr. SIMMONS. There was a disagreement on both sides of the Chamber, if the Senator desires to have it put in that way, but I think the contest was probably led by some Members on the majority side of the Chamber. I was not present while the item was being discussed and do not know who objected to the committee amendment. That one item, however, I think consumed the time of the Senate from some time between 4 and 5 o'clock until the recess was taken at 10 o'clock.

There was another item in the bill, that of cyanide, as to which there was a controversy, which was led by the junior Senator from Nevada [Mr. ODDIE] against the committee. I think the total discussion incident to that controversy, which was largely on the Republican side of the Chamber, consumed nearly two days, including all the discussion that took place upon it. I think, however, to be fair about the matter, we all realize that the pending bill is framed upon an entirely new principle; that it is not framed upon any of the principles which have heretofore governed the framing of tariff bills. Senators on the other side of the Chamber have practically admitted that to be so. They have stated that the economic and financial conditions of the world would not permit them strictly to apply any of the old tariff theories, and that they, therefore, had to fix the rates as best they could, dealing with the subject in the only way that was available to them. That being so, of course the schedules of the bill and the items in the various paragraphs naturally provoke more discussion than if the bill were framed in strict compliance with some well settled and established principle on the part of the majority party which is responsible for the legislation.

I make this suggestion to the Senator from Ohio because I think in the discussion of these pure matters of procedure we ought at least to be fair with each other.

Mr. WILLIS. I certainly desire to be fair. In reference to the Senator's suggestion, let me observe that, while a large number of amendments have been reported to the pending bill, many of those amendments are of a somewhat formal nature. Senators will recall that the bill which passed the House was framed upon one theory of valuation, but that the bill reported by the Senate Committee on Finance is based upon another theory of valuation. That, of course, necessitated very many changes of the rates. There was no change in principle; there is no conflict of principle at all on the part of those who have framed this bill. That accounts for very many of the amendments.

Mr. McCUMBER. I will say to the Senator from Ohio, if he will allow me, that the change of valuation accounts for about 50 per cent of the amendments which have been reported to the bill.

Mr. WILLIS. I may say that, while I bow to the very superior wisdom of the committee as to the procedure, I had hoped that a substitute bill would be reported embodying all the amendments. I hoped that would be done, but, I understand, the committee considered that method and found it impracticable. So I do not criticize them.

Mr. GOODING. Mr. President——

Mr. WILLIS. I yield to my friend from Idaho.

Mr. GOODING. The discussion has not centered around the amendments, as I understand; time is not being consumed because a change has been made in the basis of the bill making amendments necessary, but the question of rates is being discussed.

I venture the assertion that if the rates provided by the House had been accepted, just as much of our time would have been wasted in discussing the rates on salt, on vinegar, on graphite, and on every other paragraph as has been taken up in the seven weeks during which the bill has been discussed. It is the rates which are being discussed here and not amendments. The fact that the bill is a little different from other tariff bills presented to the Senate, to my mind, has had but little to do with the amount of time occupied.

Mr. WILLIS. Mr. President, I wish now to complete the brief statement of facts which I have collected with reference to the debate on various tariff bills. The Wilson bill, which was enacted in 1894, was taken up in the Senate on the 2d day of April, and was passed on the 3d day of July, consuming about three months. As I now recall, the debate upon that bill was the longest ever had upon a tariff bill, considering that full period of time; but it should be said in fairness that the reason for that was that our Democratic friends, who were then in control of Congress, were so mixed and muddled up about their legislation that the bill was reported to the Senate and sent back to the committee, rereported to the Senate, and again sent back to the committee, so that the bill really was not before the Senate for the full period indicated; but even at that, the time which elapsed between the date when the bill was first taken up and when it was passed was only from April 2 to July 2.

The Dingley Act of 1897 was not passed without a terrific contest, but it only occupied the time of the Senate for approximately six or seven weeks, from May 25 to July 7, and was passed by the close vote of 38 to 28. The Payne-Aldrich law, upon which there was the longest debate ever conducted upon any tariff legislation, occupied the attention of the Senate from the 21st day of April, 1909, up until the 8th day of July in that year, a period of 11 weeks; and yet, Mr. President, if we should agree at this hour to take the final vote on the passage of the pending bill on the 8th day of July, at that time we should have occupied very much more time than was occupied in the discussion of the Payne-Aldrich bill. If we could reach a unanimous-consent agreement to fix the time for a vote just a little over a month ahead, even then we should have exceeded all previous records of the time consumed in considering and disposing of tariff legislation.

The Underwood-Simmons law, the present law, was taken up in the Senate on July 19 and was passed on September 9, after nine weeks of debate. Already the debate that has occurred on this bill exceeds more than 2,000,000 words, and if the discussions as printed in the CONGRESSIONAL RECORD were placed line by line, the debate that has been had on the bill would reach 10 miles; and the end apparently is not in sight. Yet, Mr. President, because of the statements that I have read from the leaders upon the other side that they are going to cooperate and that they do not desire in any way to impede the progress of the bill, and, in view of the fact that we have already occupied more time than has ever been occupied before in the consideration of a tariff bill, I am very confident our friends are going to carry out their promise to us, made in good faith, and that at an early day when the chairman of the committee asks unanimous consent to fix a time for a vote there will be no objection on the other side of the aisle.

Mr. McCUMBER. I should like to return now to paragraph 309, page 55, line 25, "thermostatic metal."

The PRESIDING OFFICER. The amendment of the committee will be stated.

The READING CLERK. On page 55, line 25, after the words "ad valorem" and the semicolon, it is proposed to insert:

Thermostatic metal in sheets, plates, or other forms, 50 per cent ad valorem.

Mr. KING. Mr. President, I came into the Chamber as the Senator from Ohio [Mr. WILLIS] was closing his speech. I am not entirely certain whether he was delivering a lecture to the opponents of this bill or was indulging in a species of Ohio humor. If the Senator's purpose was to terrorize Democrats, or progressive Republicans who are dissatisfied with the inequalities and obliquities of the pending bill, then I beg to assure him he will fail in his purpose. Threats and denunciations will not avail nor deter a full discussion of the schedules of this bill and a searching examination of its provisions, many of which are intricate, confusing, and, may I add, misleading and deceptive.

The time has not yet arrived in the history of this Republic when fearless criticism of policies and measures will be interdicted in the Senate of the United States. This is one place where there is free discussion and where neither gag rule nor Executive authority can prevent the fullest discussion of public questions. The welfare of this Republic will be promoted by free speech and a searching examination of bills presented for consideration. The "previous question," which forecloses debate, possesses some advantages, but it often hides iniquities and prevents the exposure of evil which if not corrected may prove injurious to the Republic.

The beginning of liberty is found in the assertion of freedom of speech and the right to criticize rulers and public officials and governmental policies. No despot or bureaucrat has favored unlimited debate or full opportunity for discussion of their conduct and their policies. The fathers of this Republic knew how important it was that there should be free speech and free thought and those personal guaranties which constitute the crown and glory of this Republic.

Dark and devious governmental policies are, by their promoters, hidden, if it is humanly possible, from the public, and every possible obstacle is interposed to their discussion. It is important that every public measure and every policy, economic, political, or otherwise, which affects the public weal should be brought to the bar of public opinion. It is vital to the welfare of this Republic that there should be the fullest opportunity to criticize, examine, and analyze every matter affecting the interests of the Nation.

Democracy is a school, the efficacy and success of which depend upon the degree of participation therein by the people of the land. Undoubtedly there will be in the discussion of all important questions and in every forum many foolish words, ill-considered suggestions, and unwise and indeed unfair criticism.

It requires much work and effort and hammering and labor to take the raw ore from the ground and fashion it into beautiful ornaments or vessels of the highest utility. Much dross and waste material are eliminated in the various processes through which the ore passes. No political truth or sound national policy, whether economic, industrial, or civil, was ever adopted except as the result of years, and perhaps centuries, of contest and bitter struggle. Battles are often fought to secure the triumph of an idea, and polemical discussions, often bitter, intemperate, and heated, are frequently engaged in for indefinite periods before the truth is separated from the error and the right is crowned with success.

In the discussion of public questions in the Senate and elsewhere there have been in the past, and there will be in the future, many unwise and wholly futile words, and doubtless an unnecessary consumption of time. It is inevitable that such should be the case; but the gains that may be obtained by stifling debate and preventing free discussion will be negligible measured by the irreparable loss that will result to the political and industrial welfare and life of the people.

We often become impatient because others do not view questions in the same light that we do. We become imbued with our own ideas and can not concede that others may be right. We become intolerant of opposition and seek by force or undue pressure to compel the acceptation of our own views. The only progress which is enduring is that which rests upon solid foundations. It were better to build slowly than to build insecurely. Hothouse plants do not fare well in the mutable clime which the struggles of the people create.

Our Republican friends and others who were opposed to the Versailles treaty, or at least to the provisions therein dealing with the League of Nations, debated the questions involved for weeks and months. Some of us who believed that the treaty should be promptly ratified regarded much of the discussion as irrelevant and unenlightening. There were those who regarded the protracted debate as evincing a purpose to filibuster and prevent a vote upon the treaty. Undoubtedly long debate, whether it was germane or immaterial to the issue involved, brought reactions and undoubtedly influenced in a very profound way public opinion in the United States.

I have always opposed cloture or any rule that will deny this body the fullest discussion of every question. I have always contended that the Senate was not only a legislative body but it was a forum in which sovereign States were represented. Here Senators speak for their sovereign and independent States. They are more than legislative representatives. They are ambassadors of States. As such they must be bound by no technical parliamentary rules which obtain in other bodies.

Senators had the right, in discussing the League of Nations, to press their views, to challenge attention to what they conceived to be the dangers which would result, from their viewpoint, if the United States became a member of the league. I did not complain during the weary weeks of the apparently never-ending discussion because Senators debated the Versailles treaty and the multitudinous questions involved in the consideration of the league.

The bill before us is a most important one. It affects the economic and industrial welfare not only of the people of the United States but the people of other nations. It deals not only with domestic concerns but it affects our international relations. At a time when there is industrial chaos throughout the world and when the peoples of most countries are looking to the United States, if not for aid, at least for guidance and for stabilizing policies, we propose a measure which in the view of many increases the world's troubles, multiplies its problems, and adds to the confusion and economic, industrial, and political perils. We propose by this bill not only to give no aid to the world but to place impediments in their pathway, and at the same time to add to our own difficulties. When we might by aiding others aid ourselves we declare by this bill that we will neither aid others nor aid ourselves.

Never before in the history of this Republic was a tariff bill so important. There never was a period in the history of this Republic when the enactment of a tariff bill was so impolitic and unwise. The economic convulsions following the war have left the world in an unstable and unsettled condition. The violent fluctuations in exchange react upon the industrial and economic life of the people. Conditions in the economic world to-day will change upon the morrow. The inflation policy of many of the European countries has been arrested and a policy of deflation will in the future be pursued. This fact makes for financial incertitude and industrial change. The prices of commodities will change with the day and with the hour. The paper issues circulating as money have variable values, so violent and so sudden as to disarrange all commercial plans and prevent the adoption of any permanent business or commercial policy. Yet in the light of this unparalleled situation we propose to enact a tariff bill upon the basis of the hysterical situation existing in the world to-day. It is designed by this bill to project into the future the high prices which the war produced and which combinations and various conditions have perpetuated since the armistice. Conditions and prices, particularly the cost of labor, alleged to have existed in September of last year, have been suggested as the basis for some of the rates written into this bill. The discussion has revealed that most of these rates have no justification and are demanded by special interests, favored business enterprises, and grasping and greedy monopolistic organizations.

It can be said that there is scarcely a commodity or article that enters into the lives of the people that is not comprised within this bill. Undoubtedly its provisions affect in a profound and material way the welfare of all the people in our land.

The food and clothing and homes of the people are not alone affected by this measure. Everything that we eat and drink and wear; everything that ministers to our physical and intellectual wants are touched and influenced and affected by the bill before us. It seems to have been designed to reach everything from the cradle to the grave—every matter that touches our lives or that affects our well-being. And yet, with a bill so far-reaching in its consequences, it is suggested that it be passed with but a few general observations and under the whip and spur of cloture rule.

None of the tariff bills of the past have been so pregnant with evil consequences as this. None has been so universal in application and in effect as this. The conditions existing when the early tariff bills were passed were not such as we find in the world to-day. When the Dingley bill was passed and the Payne-Aldrich law was enacted, the economic and industrial, and, indeed, the political conditions in the world were entirely different.

Bad as the bills last referred to were, they were models of virtue compared to the present one. They did not so seriously affect the world and our relations to the world as does this bill. Europe was not owing, when those bills were passed, hundreds

of billions of dollars, nor were the industrial and the political foundations of Europe undermined as they have been undermined by the World War and by conditions following the same.

We were not then a creditor nation, but a debtor nation. Europe did not then owe the United States Government $11,000,000,000 and the American people from six to eight billions of dollars. We had not then developed a foreign trade of from ten to thirteen billions of dollars annually, such as the United States enjoyed in 1918, 1919, and 1920. We did not then have hundreds of ships, at a cost to the Government of $4,000,000,000. We did not occupy then the position of leadership in the world that came to this Nation during the eight years of Democratic administration and when Woodrow Wilson was President.

In many of the discussions attending the consideration of tariff bills of the past much of the discussion was limited to a consideration of the relative merits of free trade and protection. The writings of political economists, such as Adam Smith, Saye, and John Stuart Mills, were the basis of many discussions. Learned arguments were submitted as to the constitutionality of measures which were confessedly for protection and not for revenue. The discussions were more general, perhaps more learned, than those which the present bill has provoked. It is sought apparently by some of those upon the other side of the aisle to preclude an examination and discussion of the various schedules and of the multitudinous items in the schedules. They desire that the opponents of the bill shall content themselves with a general discussion of the measure but not engage in an examination of the items which are found within the various schedules.

This bill, as I have indicated, because of its far-reaching effects upon our own industrial life and upon our relations with all the world, calls for the minutest consideration and the fullest discussion.

Senators recall that before the days of the Civil War, when Calhoun, Webster, and Clay, and Benton, and other great Americans occupied seats in the Senate, constitutional questions were discussed; not alone for weeks, but for years. The relation of the States to the Federal Government was an issue vital and irrepressible. Who shall assert that the free and unlimited debate of the great constitutional questions involved was not of the highest importance and benefit to the Republic?

Weeks and months were given to the discussion of the Philippine question and to the policy which our Government entered upon when it took from Spain the latter's possessions in the Caribbean Sea and in the Pacific Ocean.

Where shall the line be drawn, Mr. President? Shall we content ourselves with a general reference to each schedule, denying to Senators the right to examine each item and show its relation to the people and the reasons for or against the rates given to such item in the pending bill? If the views of the opponents of this bill are correct, then no more iniquitous measure relating to the economic and industrial welfare of the people was ever enacted. It is conceded by all political economists that tariff rates do affect prices. It is conceded even by the proponents of this bill that its object is to keep out imports and to that degree prevent competition.

The design, manifestly, of the proponents of the bill is to give to the domestic manufacturers and producers a market from which foreign competition will be driven. Obviously this means the maintenance of prices at higher levels, which in turn carries to the people heavier burdens in all commodities which they are compelled to purchase. Undoubtedly this bill will place upon the people annual burdens of billions of dollars. Who shall say that a measure fraught with such consequences shall not be examined and criticized and discussed regardless of the time consumed in such examination?

Of course, the beneficiaries of these high schedules do not want discussion. The Dye Trust would be glad to keep from the public view the fact that it is charging extortionate prices for its products. The Cement Trust and the Carbide Trust and the Steel Trust, and the multitude of monopolistic organizations that are plundering the people, would be glad if their profiteering activities could be hidden and they permitted to continue unscathed in their predatory careers.

It has been charged upon this side of the Chamber that this bill is in the interest of trusts and monopolies and that the rates have been largely, if not wholly, framed by special interests and the beneficiaries of tariff schedules. It is averred that there are giant monopolies in the United States which will be benefited by this measure, and that they intend to continue their monopolistic course to the injury and oppression of the people. If they can prevent competition from abroad they have a freer field for exploiting the people.

The evidences are overwhelming that in many of the industries and business enterprises of the country monopolies exist and organizations and combinations have been formed and are now being formed in order to fix prices and to control the domestic market.

The Sherman antitrust law is not being enforced, and giant trusts and monopolies continue, apparently unafraid of action being taken by the Department of Justice or the Government, to compel them to respect the law of supply and demand and the competitive theory which many of us insist must be preserved in the industrial life of the people. Associations have been formed and are being formed embracing most of the industries of the United States, and many of them violate the law and have been formed in order that competition might be strangled and monopoly intrenched. The Hardwood Lumber Co. case exposes the evils of these associations. Since that decision there has been some little consternation upon the part of some corporations who know that they have violated the law and that the associations with which they have affiliated are within the denouncement of the Sherman antitrust law.

Mr. President, we propose to discuss this bill, not for delay but that its inequities may be shown to the people and with the hope that some of its evils may be mitigated. We could not believe that the Republicans were so indurated, so devoted to trusts and monopolies as to support all of the iniquitous schedules in this bill when their hideous deformities were exposed to view and when their oppressive and burdensome character, burdensome to the people and oppressive to the great American public, were brought to their attention.

We still have hopes that our Republican friends will repent and join with us in rectifying many of the evils found in this bill. I can assure my friend from Ohio that we will in every legitimate way join in expediting the consideration of this bill. We regret that it is receiving such unanimous support upon the other side of the aisle, but we propose to continue this discussion directing attention to the items in the bill and to the lack of justification for the high rates which have been written into the various schedules.

If this bill were passed with but perfunctory discussion the American people could with justice charge the minority with having been a party to its passage and to the betrayal of the people. The minority have a duty to perform, no less important than that of the majority. While the majority may be responsible for the policies of the Government and the legislation enacted, upon the minority rest the responsibility of being faithful watchers of proposed legislation and vigilant defenders of the Republic and the people. It is their duty to scrutinize every bill, to discuss every policy, to point out the defects in measures suggested, and to warn against evils which will flow from the triumph of the policies of the party in power.

The history of enlightened nations shows that the liberties of the people have been preserved by the vigilance, the patriotism, the vitality of minorities. We assure our Republican friends that we shall scrutinize every measure they submit. We shall examine the policies which they propose, not in a captious way, not merely for the purpose of criticism, but with a view to the public welfare and to the protection of the liberties of the people and the safeguarding of their rights.

Mr. SIMMONS. Mr. President, I do not desire to consume much time in discussing this particular amendment. I notice that in the same paragraph with this amendment, and immediately preceding it, there is a tax levied upon "sheets or plates composed of iron, steel, copper, nickel, or other metal with layers of other metal or metals imposed thereon by forging, hammering, rolling, or welding, 30 per cent ad valorem." Then follows this amendment, "thermostatic metal in sheets, plates, or other forms, 50 per cent ad valorem."

There seems to be no information whatsoever in the tariff hearings upon this subject. It is a new item in the bill, put in by the Senate committee, but I am utterly unable to see, and I am advised that many others who are familiar with this subject are unable to see, any difference between thermostatic metal in sheets, plates, and other forms and the sheets of iron, steel, copper, nickel, or other metal with layers of other metal or metals imposed thereon by forging, which in the part of the paragraph immediately preceding the amendment are taxed at 30 per cent.

It is only a difference in name, so far as it appears to me and to others who have studied this question, and there would seem to be no justification whatever for placing a higher duty upon so-called thermostatic metal in sheets and plates than upon the sheets and plates in the portion of the bill which immediately precedes it.

I have here a statement with reference to this matter, which has been sent to me, signed by H. Boker & Co., 101 Duane Street, New York, which I will read, as it is the only information I have been able to get, except from a controversy which arose

in the hearings between two companies who are in some way or other connected with this particular metal. This is what this gentleman says:

This is a metal composed of a layer of nickel steel being welded on a layer of brass to the extent of half and half in thickness.

It is, therefore, substantially the same and prepared in exactly the same manner as the nickel-plated or brass-plated steel sheets of the preceding part of the same paragraph—page 55, lines 22–25—the only difference being that one refers to steel sheets plated with other metal, such as brass, whereas thermostatic metal is nickel steel sheets containing 35 per cent nickel plated with brass. The brass-plated steel sheets have been assessed with 30 per cent duty, and there is an inconsistency to assess the brass-plated nickel steel sheets with 50 per cent duty by calling them thermostatic metal. That means that if brass-plated nickel steel sheets should not be used for thermostatic purposes they should pay 30 per cent duty, and if used for thermostats they pay 50 per cent duty. With other words, it is the purpose of the sheets which is taxed and not the value of the article.

There are two makers of thermostatic metal in the United States and one in Germany, who originated the use of brass-plated nickel steel sheets in 1910.

Excessive waste is claimed by the American manufacturers as compelling a high duty of 50 per cent or more.

That seems to be the only reason why they say the product of the welding together of these two metals to make the thermostatic metal should be taxed at a higher duty than the metals themselves are taxed at, as I gather from reading this statement and the testimony before the committee. Let me repeat that.

Excessive waste is claimed by the American manufacturers as compelling a high duty of 50 per cent or more. Why should the American maker have more waste than the German manufacturer? Ingenuity is as high in the United States as in Germany. The component material of chief value of the metal is nickel and brass, and both the nickel and the copper in the brass the Germans import from the United States.

There are about 20 consumers of this metal in the United States—

Meaning large consumers, evidently—

and two makers. The thermostats made of this metal are used in heat regulators in every cooking range used by every American housewife and also in heat regulators in automobiles. The consumption is estimated at about 100,000 pounds per year. Fifty per cent duty means about 50 cents per pound, and why should this $50,000 go from 20 thermostat makers, with the large number of ultimate consumers, into the hands of the two metal makers in the United States.

Large users are:

The Stewart Warner Speedometer Co., Chicago.

The Connecticut Telephone & Telegraphic, Meriden, Conn.

All other names of users can be supplied.

It is conceded that the metal is difficult to make, but we also hear that the one only German manufacturer could not begin to supply all of American market.

As it is proven that only the purpose or use of the metal is protected by this 50 per cent by the name of thermostatic metal, what situation is liable to arise if a totally different metal of different composition but suitable for thermostat should ever be invented, a metal which these two American manufacturers are not even making? By virtue of such a new metal being suitable for thermostat it would have to pay 50 per cent duty.

On the other hand, by defining now exactly what thermostatic metal is composed of, namely, half brass and half 35 per cent nickel steel welded together and then rolled out, it will be shown that there is no logic in a 30 per cent duty in one and a 50 per cent duty in the other, especially as nickel is imported from the United States to Germany.

It seems to be an article in pretty general use in this country. It seems to be composed of two metals welded together, which are taxed at 30 per cent, and taxed at that not only when they are separate but taxed at 30 per cent when they are rolled together, just as these metals are to make a thermostat. A thermostat is nothing in the world but two of these metals welded together. If you weld them together and call them anything but a thermostat, they pay 30 per cent. If you weld them together and make a thermostat, they pay 50 per cent. The justification is that in the process of welding for the purpose of making this index to temperature, as I understand it, there is likely to be considerable waste, and because of that waste there ought to be a differentiation in these taxes between 30 and 50 per cent on identically the same material.

This gentleman from whom I have read makes the statement that there is no reason why there should be any greater waste in the American factory than in the German factory, and he makes the further statement that all of the materials out of which this instrument is made by the sole German producer of it have to be imported from the United States. Is not that a very remarkable situation? They are asking a duty of 50 per cent upon an instrument made by the welding of two metals, which are taxed in the section before, when they are welded, at 30 per cent, because, and only because, it is alleged that the American producer is liable to great waste without any evidence to show that the German producer—there are two factories in this country and one in Germany—is not liable to the same waste and even a greater waste. Then to that we add the fact that the American producer has his material right at hand. The American produces both of the metals that make this product, while the German has neither and he must buy his raw materials in this country.

I do not desire to say anything more about it. Senators on the other side may desire under the circumstances to put this duty upon it. Of course, if these arguments and these facts do not appeal to them, I feel that no argument and no facts would deter them from carrying out their purpose to impose this duty for the special benefit and profit of two American producers, ignoring the interests and the rights of the millions of people in this country who use the product.

Mr. FRELINGHUYSEN. Mr. President, it is perfectly true that this tariff is not imposed for the benefit of H. Boker & Co., importers of these goods, who have written the brief from which the Senator has just been reading. It was imposed to protect a war industry created during the war.

The Senator from North Carolina has said that there was no information concerning this metal that he was able to find. In the tariff hearings on page 1795——

Mr. SIMMONS. Mr. President, I hope the Senator will not put those words in my mouth. I said there was no information in the Tariff Summary. I said there were, however, statements about it in the hearings.

Mr. FRELINGHUYSEN. I am reading from the tariff hearings.

Mr. SIMMONS. I meant the Tariff Commission Summary of Information.

Mr. FRELINGHUYSEN. Very well; I apologize to the Senator from North Carolina. If he had read the tariff hearings, he would have found that Mr. George F. Hurd, representing the H. A. Wilson Co., testified in regard to this matter as follows:

This metal is a scientific instrument and it goes into finished products which are scientific instruments. The metal must be very carefully selected so as to be of uniform consistency; it must be of uniform thickness; and the welding must be uniform throughout the entire surfaces in contact. If not, this metal, which comes out in a sheet approximately 6 feet long and several inches wide, will not be suitable for the purposes for which it is intended. From it are made, for example, several hundred of these little parts there [indicating] and they must all operate exactly alike under the same temperature conditions.

Some very fine and delicate instruments are made from this metal, and a variation in distortion of one sixty-fourth of an inch will result in a difference in temperature of an oven of 50°. It must be made with extreme exactness.

Now, may I call the attention of the Senator from North Carolina to this statement. The Senator spoke of the similarity of this metal to the other metals in the schedule. This statement is made by a manufacturer:

Neither in the method of manufacture nor in the materials used nor in the function of the product is our product in any way similar to those metals described in section 309.

In the brief filed by Mr. Hurd, representing this manufacturing concern in Newark, he gave this explanation of thermostatic metal:

Thermostatic metal is a combination of two metals in the form of either a sheet or strip, the metals used having widely different coefficients of expansion; that is to say, one of the metals must have the property of expanding to a great degree when heated and the other metal of expanding when heated only slightly if at all.

* * * * * * *

Thermostatic metal is used as an oven indicator. The thermostatic metal used in this device was in the form of a coil which when heated over a burning match changes its form with uniform action so as to register upon the dial of the instrument the temperature thus produced in the metal. The second of the devices shown to the committee was a desk thermometer operated also by a coil of thermostatic metal for the same purpose and with the same result. The third device exhibited to the committee was a Westinghouse apparatus used to cut off the current from an electric oven at any desired temperature in the oven.

Mr. President, the committee ascertained that the manufacturing processes of this metal are extremely difficult, demanding the closest attention of the artisan, and that they are very intricate. Prior to the war all the thermostatic metal which was used in this country was manufactured in Germany. I now read further from the brief of the H. A. Wilson Co., who, during the war, manufactured this metal:

In 1914 the people of the United States were subjected to real inconvenience, even hardship, because of the loss of the sole source of supply of a material essential in the operation of necessities of living in ordinary use. The H. A. Wilson Co. undertook the study of the art of manufacture of this material. For more than five years this study was pursued with diligence and at great expense. The company has mastered the art of production of thermostatic metal of highest quality and in commercial quantities and has become an established and known source of supply with a capacity to fulfill American requirements of the metal. Costs of manufacture in the United States are approximately two and one-half times the costs of manufacture in Germany, and the German manufacturer will forthwith lay down his product in American ports at a price which will reflect this relation of comparative costs. The American manufacturer can not survive such competition, and unless the American manufacturer is given substantially the protection requested by the Wilson Co. the industry of the manufacturer of thermostatic metal in the United States must die.

The committee sent one of the Tariff Commission experts to the Wilson factory, and I have here the report, which clearly shows that 50 per cent ad valorem duty will only protect the difference in cost of this article as between Germany and here. I shall not read the entire brief. The cost in Germany is $1.40. The manufactured costs here are $3.58. .I ask that the Tariff Commission's report may be printed in the RECORD without reading.

This is not a large industry, but thermostatic metal is a distinct product. It is an intricate process. It requires great skill. If it is to be protected at all it is entitled to a separate classification. The uses of the metal the Senator from North Carolina knows. It is used as a thermostat to register heat, changes of heat, varying temperatures. If the industry is to be maintained, if it is worth maintaining and keeping alive in this country, this duty is a proper one. If it is not, of course the Senate can reject the amendment.

The Wilson Co. undertook to manufacture this product during the war. They are an old and reputable concern. Not only did they give the country the product which they needed, but they threw open their laboratories for experimentation on this and other metals in an effort to establish the industry in this country.

Mr. SIMMONS. Mr. President, the Senator stated the cost of production was three dollars and some cents a pound.

Mr. FRELINGHUYSEN. Three dollars and fifty-eight cents.

Mr. SIMMONS. What is the price at which this product is sold by the Wilson Co.?

Mr. FRELINGHUYSEN. The Wilson Co. sold it at $3.50 a pound and in smaller lots at $6.50 a pound, but I think the brief states it was $3.50.

Mr. SIMMONS. Does the Senator know whether the Wilson Co. retail the product or sell to jobbers at $6 a pound?

Mr. FRELINGHUYSEN. I will just read the brief to the Senator.

Mr. SIMMONS. I do not care to have that done.

Mr. UNDERWOOD. Will not the Senator from New Jersey have the brief read at the desk? If he is going to put it in the RECORD, let us have it read.

Mr. SIMMONS. I do not care to take up the time if the Senator will just answer my inquiry.

Mr. UNDERWOOD. I would like to have it read, if the Senator does not object.

Mr. SIMMONS. Very well.

The PRESIDING OFFICER. The Secretary will read as requested.

The reading clerk read as follows:

FEBRUARY 16, 1922.

PERSONAL MEMORANDUM FOR HON. JOSEPH S. FRELINGHUYSEN IN RE THERMOSTATIC METAL.

An engineer of the United States Tariff Commission visited the factory as well as the laboratories and offices of the H. A. Wilson Co., in Newark, N. J., last fall. While it is extremely difficult to make any positive statements as regards actual costs of production the commission's engineer was convinced of the substantial accuracy of the Wilson Co.'s estimate of $3.78 per pound as the actual cost of producing their metal during the first six months of 1921. This seemingly high cost includes about 90 cents engineering and technical supervision which, on the basis of a necessarily small production, does not seem excessive. Selling expense to the amount of $0.34 is also included in this estimate. The matter of waste of raw material was investigated with some care, and in view of the nature of the processes, considerable losses may be considered as absolutely necessary. Among the chief items may be mentioned the planing of faces of each of the dissimilar metals so as to prepare an absolutely perfect joint. The waste from these operations is recoverable and may be remelted. A more serious item inherent to the process is the loss of the short ends of strips. These are practically valueless, as they consist of varying proportions of the constituent metals. In any event the total raw material cost, including all waste, normally amounts to only about 80 cents per pound of finished metal. This figure includes a certain amount of wasteage owing to accidents, etc.

The salaries and wages paid by the Wilson Co. were not excessive as compared to those received by similarly qualified employees in other Newark industries. The labor cost is naturally unusually high in view of the comparatively small quantities of material produced.

The equipment is ample for the production of several times the probable American requirements of this metal, but it is doubtful if a plant could have been designed for economical operation on a much smaller scale. It is possible that later some sort of by-product or joint product might be developed whose manufacture in the same plant would reduce the overhead and supervision and also permit the employment of workmen on the same job day after day rather than have them change from one job to another as the material is carried through the various stages of production.

The character of Wilson Co.'s material is apparently better than that imported, and at every stage great care is taken to insure uniformity, thereby materially adding to the cost of the material but unquestionably resulting in a better product and one which does not require excessive calibration and adjustment when put to its final use.

Owing to suspicion found in certain quarters as to the prices charged by the Wilson Co., a careful study was made of the sales books. The evidence is practically conclusive that the Wilson Co. has charged $3.50 a pound on all lots of 100 pounds or less, in some cases on very small lots receiving as much as $6.50 per pound. Under new orders on lots of 100 pounds or more discounts of 5 per cent and 5 per cent are allowed, making the net price $3.10. Large deliveries, however, have been made under contracts entered into some time ago, especially with the Stewart Warner Co. and General Motors and its subsidiaries at lower prices. Several of these contracts were taken over by the Wilson Co. from the General Electric when the latter company ceased to manufacture the metal. Among the records investigated the minimum price was apparently $2.77 per pound net, and based on sales records amounting to 25,297 pounds of metal. The average net price received by the Wilson Co. was $2.91 per pound.

Investigation of the invoices and books of H. Bocker & Co., the sole importer of competing metal, showed the importation of only one small lot of thermostatic metal since the war. The landed cost of this small lot was $1.26 without adding the duty of 15 per cent under the act of 1913, which brings the cost to $1.44 per pound. The imported metal was held tentatively at $2.50, but no sales had been made up to last October.

Another feature that might be taken into consideration, although not bearing directly upon the tariff problem, is the large amount of research work carried on by the Wilson Co. in the development and standardization of heat regulators and other equipment in which their metal may be employed. While some of the largest concerns are able to maintain extensive laboratories, many of the smaller firms receive a great deal of help improving their product from the research laboratories maintained by the Wilson Co. These laboratories, however, are of service more in developing new devices and can not be considered as service laboratories which would guarantee the use of the Wilson Co.'s metal, after the manufacture of any special article has become standardized, if cheaper metal were easily obtainable.

Respectfully submitted.

WM. BURGESS.

The PRESIDING OFFICER. The question is on the amendment of the committee.

Mr. UNDERWOOD. Mr. President, I merely wish to say a word in reference to this amendment. I hesitate to say anything on the subject, because I am not familiar with the manufacture of this particular metal, and my information about it is very slight. Therefore I hesitate to discuss the question at all.

The feature that strikes me in this case—and it has come to my attention in the case of many of the increases of duty on metals—is that the information that comes to Congress about this particular matter comes from the man who is interested. I do not make that statement in any way to reflect upon the man who is interested; I have no doubt that the gentlemen engaged in the manufacture of this metal are honorable, high-class men; but we know that the human equation affects us all. A man who belongs to that faith of economics which believes in a protective tariff has but one step to take to believe that he is entitled to the American market against all competition. When he reaches that viewpoint, his only idea is to have the tariff high enough to prevent competition from any source.

This metal is a very important item in American economics. Its use will grow and develop in the homes and the factories in the future. It is of vital importance. As I heard read the statement coming from the Tariff Commission, it clearly indicates that this is practically an experimental plant, although it is engaged in actual business and is now producing for the market. The report states that it is the smallest possible plant that could be worked. The report also says that one of the great items of cost involved is the overhead.

The report also states that there have been practically no importations except of one small lot. I think this is very slight testimony on which to impose a tax on the American people of 50 per cent on the import price. The report indicated that the cost of production is $3.78, but included in that are large engineer charges, for which apology is made in view of the small size of the plant, and also a great overhead charge, which, of course, will be eliminated in the event of the growth of the plant; but the report showed the present average price to be in the neighborhood of $2.91. We are going to have a 50 per cent tax on that imposed on the American people; and it is going to be done solely on the say so or on information that comes to this committee from the producers of this metal. The men who are engaged in the business want this tax for their benefit, and they are going to get it because they want it.

Mr. President, I am not in favor of levying taxes in that way. This is a new commodity. I do not mean to say at all that a tax at the customhouse may not be justified, provided it is so levied that it does not destroy competition and foster monopoly behind the tariff wall; but I do say that we are very reckless in our treatment of the American people when we propose to say to gentlemen, no matter how honest or how high they may stand as business men, that they may come to Congress and tell us what tax they are entitled for their benefit to levy on the American people.

The report which has been submitted indicates that this operation has been going on for five years. Five years carries us back to the time just before the entry of the United States into the war. Mr. President, against the figures that are given here I wish to call attention to the fact that these gentlemen invested their money, their time, their patience, their brains, and their energies in the production of this material under a 15 per cent tax five years ago, when they had no assurance whatever that a Republican Congress was going to be elected or that

a Republican Congress was going to give them a duty of 50 per cent. One statement may be balanced against the other; but that is the fact. They felt that they were capable of entering upon the manufacture of this product and of manufacturing it successfully for themselves and the country under a tariff duty of 15 per cent, or they would not have put their money, their time, and their energies into the enterprise. So far as they knew five years ago they would continue to operate under a tariff of 15 per cent, and yet they were willing to risk their future under that condition. I say that that is a pretty good indication that they were not in any danger of being wiped off of the map as producers if they, on their own judgment, were willing to take that risk at that time.

Of course, I realize that the disturbed conditions of the exchange market at the present time may make conditions fluctuate to some extent; but that will not last forever; in fact, it is being rapidly improved to-day, and the ink will not be dry on this bill before the German mark will probably become stabilized at some price and then reflect itself in the markets of the world on the basis of its gold value, whatever that may be. So I can not understand why, merely on the statement of one interested firm, the committee should propose to put a tax of 50 per cent on the American people. That is the case as it stands before the Senate. If we are going to put a tax on, I think we ought to have more information not only as to what it costs here but what the actual cost is abroad, or we ought to let the duty remain where it is and try it out. That is not the destruction of the American manufacturer.

I only say this much at this time to show the reckless manner in which this bill has been manufactured, for it is a manufactured bill; it is a bill that has been written, to a large extent, on information furnished by interested parties who desire to use the power of taxation that belongs to the American people in their own interest.

Mr. ASHURST. Mr. President, it will be remembered that on June 2 there was an article in the New York World which dealt with the cotton schedule, especially with manufacture of cotton. That article went on to say that our former colleague, Mr. Lippitt, had been here in the guise of a lobbyist—the World designated him as a superlobbyist—with a view of securing the highest possible duties on the manufactures of cotton. Mr. President, we know that our former colleague, ex-Senator Lippitt, is engaged in the manufacture of cotton goods; indeed, he is one of the most if not the most extensively engaged in the manufactures of cotton of anybody I know at this time; of that I make no complaint; but while our former colleague was here urging the highest possible rate on the manufactures of cotton, which would directly benefit his pocketbook—I doubt the propriety and I doubt the ethics of a man coming here, having once been a Senator, and having entrée to the Chamber; I do not assert that he came into the Chamber, though it would not be offensive to me if he did, because our personal relations were always pleasant—but I call attention to the circumstance that he was here interviewing Members with a view of increasing schedules and that he himself would directly, financially, profit by an increase of those schedules; and at the same time, Mr. President, at the same hour, at the same place, with the patience of and the industry of a bee, he was working with his by no means small ability to put long-staple cotton on the free list.

Think of that, Senators! I may have something later to say as to my views of a protectionist who will come here and labor zealously to put the manufacturers of cotton under a high duty and at the same time seek to put the raw material which he uses on the free list. Mark you now, Mr. Lippitt is engaged in the manufacture of what we call luxurious cloth, and he justifies in an article in the papers this morning, or attempts to justify, his attitude on the ground that he is largely engaged in the manufacture of luxurious cloth, which can stand a high duty. But, Mr. President, the long-staple Pima cotton is the cotton which makes the luxurious cloth; and if there be anything, according to the protective theory, that could stand a high tariff, it would be that long-staple cotton which makes the luxurious cloth.

So here we have an ex-Senator coming here and working patiently to increase the tariff schedules on the article which he is manufacturing, and at the same time, with a like industry and a like patience, he is working with his knowledge and skill to place his raw material upon the free list. It is that against which I inveigh. It can not be defended as a policy of government.

I am told, but I do not believe it—I do not believe that the Finance Committee would do such a thing—that Mr. Lippitt was permitted to come before that committee, that the door was closed, that no invitation was given or extended to the growers of long-staple cotton, but that the manufacturers, the ones engaged in the manufacture of long-staple cotton, were permitted to come before that committee. I do not believe any such story.

Mr. SMOOT. Mr. President, the Senator knows that it is not true, does he not?

Mr. ASHURST. I can not believe that that is true.

Mr. SMOOT. The Senator knows that it is not true, does he not?

Mr. ASHURST. I am not a member of the committee.

Mr. SMOOT. Yes; the Senator does know it, because the Senator knows that the representatives of the long-staple cotton growers in Arizona appeared before the committee, and were given all the time that they wanted, and put in a brief after the hearings, and the Senator himself came before the committee and the committee listened to what the Senator said in relation to a duty on long-staple cotton, and the committee gave a duty upon long-staple cotton.

Mr. ASHURST. I am not quarreling about that. I now thank the Senator from Utah and each and every member of that committee for extending an opportunity and giving all the time they wished to the growers of cotton to present their case; and it was well presented. The governor of the State and the editor of one of our largest journals made excellent arguments, and in the best way that I could I presented my view; but the story is going the rounds that after the hearings were closed, some days later, that ex-Senator Lippitt was permitted to go in, after the bill had been ordered reported, and make an argument before the committee. Now, I do not believe that.

Mr. SMOOT. It is not true.

Mr. ASHURST. I am glad to hear that. I could not have believed it.

Mr. SMOOT. Not only that, but if the Senator will take up the bill and study the bill he must then finally conclude that, no matter how often ex-Senator Lippitt appeared before the committee, he did not have very much influence upon the committee in changing the rates.

Mr. ASHURST. I will say that that is true. I know that Mr. Lippitt tried to influence the committee, and I think the Senator—I will not ask him to say, because the Senator need not submit to anybody's cross-examination—but I assert that Mr. Lippitt attempted, in a proper way, of course, to influence the committee and try to get this cotton on the free list, and at the same time was arguing with the committee that his product—this luxurious cloth that he is manufacturing—ought to have the highest possible duty.

Mr. SMOOT. In justice to ex-Senator Lippitt, I simply want to say that he did say that if the long-staple cotton had a duty upon it, then he insisted that a compensatory duty should be placed upon the cotton goods made from it; and I know the Senator from Arizona will say that is right.

Mr. ASHURST. I am not arguing that side of the question. I object to any man's ethics who argues in one breath for a high duty on his manufactured goods and for free trade on his raw material in the same breath.

Mr. McCUMBER. Mr. President, notwithstanding the fact of the great influence of former Senator Lippitt, notwithstanding the fact that he insisted before the committee that the long-staple cotton, or Pima cotton, produced in Arizona could not be used at all for the purposes for which they used a certain quality of the long-staple cotton from Egypt, nevertheless the committee did give a duty of 7 cents per pound upon the long-staple cotton for the purpose at least of partially protecting the industry of Arizona.

Now, Mr. President, I want to return for a moment to the particular amendment under consideration.

The Senator from Alabama [Mr. UNDERWOOD] states that this new industry sprang into existence during the operation of a tariff law that gave a duty of only 15 per cent. The Senator is mistaken there. This industry sprang into existence when there was practically an embargo, due to the war. That is bigger than any duty that the committee has ever thought of imposing. It has grown and developed under an embargo during the war. The only question now is, What rate of duty ought to be sufficient to sustain that industry in the United States? I agree with the Senator from Alabama that there was not a great deal of testimony on this subject, and not very much information to guide us as to just what rate would be protective; but, taking all matters into consideration, the committee came to the conclusion that a protection of 50 per cent would be about right.

The Senator from Alabama placed a duty upon this metal in the Underwood bill, and I think he had about as much information about it then as he has now, and that neither of us has a great deal of information about the exact cost, either abroad or at home. I think that, taking into consideration the limited use of the product, taking into consideration the difference in the cost of labor in the two countries in which it is produced, taking into consideration the fact that the raw material can be purchased abroad as cheaply as it can be purchased here, and that it can be manufactured with labor the cost of which ranges from one-sixth to one-tenth of the cost on this side of the water, a 50 per cent duty is not excessive.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

Mr. SIMMONS. Mr. President, I move to strike out "50" and insert "30," so as to read "30 per cent."

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The READING CLERK. On page 56, line 1, it is proposed to strike out "50," and in lieu thereof to insert "30."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the Senator from North Carolina to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is upon the amendment proposed by the committee.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, I should like to return now to paragraph 331, page 65. There are two amendments which I will propose as committee amendments to the committee amendments.

On line 16, page 65, on behalf of the committee I move to strike out "30" and in lieu thereof to insert "15."

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from North Dakota to the amendment of the committee.

The READING CLERK. On page 65, line 16, in lieu of the amount proposed by the committee, it is proposed to insert "15," so that it will read:

Cut tacks and brads, hobnails and cut nails, of iron or steel, not exceeding 2 inches in length, 15 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, of course I realize that this is a considerable reduction, but I just want to call attention to the fact that at the present time these nails and spikes are on the free list, and there is no indication, as far as I can learn, that the industry is being injured by any importations. The exports very greatly exceed the imports. In 1914 the domestic production was 740,436 kegs of 100 pounds each, and the imports were only 1,428 kegs. The exports were 101,360 kegs. We were exporting about one hundred times as much as was being imported, and we were producing about seven hundred times as much as was being imported. Since the war it has kept up in relative proportion. In 1921 we imported only 923 kegs, and we exported 24,512 kegs.

I really can not see why there should be any duty on these nails. I just wanted to present the situation. Yesterday we heard a good deal about the determination on the part of the proponents of this bill to explain the bill and defend it. I should like to know whether there is any defense to this. I presume that I could not move to put this item on the free list at this time, where it has been. With it on the free list, the industry has prospered; it has grown great and strong without any duty, and I do not know of anyone who proffers any defense for putting it upon the dutiable list at this time.

I think I shall not offer an amendment, but when the bill gets into the Senate, out of the Committee of the Whole, or when we come to reconsider this, I shall move to put it on the free list.

Mr. McCUMBER. Mr. President, if the committee believed for a single moment that the importations would not increase if this were left upon the free list but would remain as they are now it would do as it would have done in a great many instances—leave it on the free list. There are reasons why there are very little importations at the present time; but, as has been stated, this bill has to be formulated as nearly as possible with a view of what we may reasonably expect in the near future.

We have increased the duty on Swedish iron in the bill nearly a cent a pound, and that would add somewhat to the cost of nails. The conditions may change very materially when we make even the little difference in the duty of nearly a cent a pound upon the material out of which they are made and then allow the nail itself to come in free in the form of a nail; but it is cut down here to a very low figure, 15 per cent ad valorem.

Mr. JONES of New Mexico. May I inquire if the Senator believes that these nails are made out of imported Swedish iron?

Mr. McCUMBER. The tacks themselves are not; but we have in this same paragraph horseshoe nails and other matters bearing practically the same duty, and I did not have that particularly in mind; but we have duties upon the steel of which all of these articles are manufactured.

I am not looking for any importations of the ordinary steel; but taking into consideration, as I have stated, the difference between the wages at home and abroad and making allowance for the fact that the raw material costs about the same in one country as it does in another, I think we can foresee a condition, if there is no protection, in which there will be a vast increase in the importations.

Mr. JONES of New Mexico. May I inquire of the Senator from what country he is anticipating the imports might come?

Mr. McCUMBER. From every country which can make these nails, from every country which produces iron and steel.

Mr. JONES of New Mexico. The Senator does not believe that they are producing iron and steel more cheaply in any other country now than in the United States?

Mr. McCUMBER. I think they can produce it for these purposes about as cheaply as we can in the United States, and when they come to convert it into these little articles, they can convert it much more cheaply than we can in the United States.

Mr. JONES of New Mexico. Of course, the Senator from North Dakota can express his thoughts on the subject, but all of the evidence, so far as I have been able to ascertain, is to the effect that we not only produce these things in this country as cheaply as they do anywhere else in the world, but we are producing them more cheaply than they are anywhere else in the world. We are exporting large quantities. The imports are merely nominal. Doubtless some particular nail to which somebody somewhere took a fancy is brought in, but when you begin to consider the industry, it is childish, it seems to me, to talk about any fear of competition from any country in such items and to refer to Swedish ore going into the nuts and bolts and rivets and things of that sort is wholly beside the fact.

Swedish ore is imported, and Swedish steel is imported, only for the very finest grades of tool steel, and none of it goes into such common commodities as this. We are shipping these things all over the world, competing with everybody. But, of course, Senators may think that some time in the future some country may spring up somewhere, or be discovered, probably near the North Pole, where they will find a lot of these nails already manufactured and bring them in as ballast. They may conjure up such fears as that, but, so far as the facts are known, there is no reason for fear.

I believe I shall ask for the yeas and nays on the pending amendment.

Mr. UNDERWOOD. Mr. President, I desire to say a few words before the vote is taken. I dislike to delay the Senator on questions of this kind, but I know of no other way in which the American people can find out what is being done to them by this bill except by the explanation of those who are opposed to it.

I fear very much that the country is about to suffer at the hands of the committee, which has a case of nervous prostration over foreign importations. We find no facts to justify these enormous raises of rates on ordinary commodities we know all about. We find no statement of facts on which to base the change, but the chairman of the committee, in his kindly and persuasive voice, repeatedly says to us that, of course, he realizes that if he had to depend on the extent of the commerce in the commodities in the past he would in many cases leave them on the free list, where they are now, but he has reason to expect, and the committee has reason to expect, that great importations in the immediate future are going to flow into America, and American industry is going to be overwhelmed; and that is all we can get out of him.

This particular item is not one of the American production which has grown out of war conditions. Its status has existed for the last 25 years or more. In 1912, when the present law was originally drafted, although it did not become a law until 1913, the matter of these nails was very carefully investigated, and it was shown beyond any question of a doubt that the American manufacturer of nails was more than able to compete with any competitor whatever along all lines of competition.

In the first place, both of these nails are machinemade. They are made by throwing a piece of steel into a machine and letting the machine do all the rest, even putting them into the keg ready for shipment. The element of human labor is at the very minimum. The wage cost amounts practically to nothing, and everybody knows that the American production, through American machines, is unequaled in all the world.

The Senator has spoken about Swedish iron. Not enough Swedish iron comes into this country to enter into the manufacture of 10 per cent of the nails made in America. More than that, it is not used for this purpose. These nails are made out of ordinary American iron and steel, and always have been. Further than that, as I have repeatedly said, they are the part of the product which build the American home.

Eight or nine years ago the Congress made an effort to reduce the cost of the building of American homes, so far as the customs costs were concerned; but this committee step by step is wiping out whatever advantages were gained. It is true they have not taken rough lumber off the free list, but they have increased the rates on other lumber. Pretty nearly everything that went into the home they have raised the taxes on, and now nails, which must build the houses, mend the fences, erect the barns, shoe the horses of the American farmer, are to be put back on the tax list, without any justification at all except a case of nervous prostration, political or otherwise, where the patient imagines that something is going to happen that has never happened and could not happen, because there is no labor cost in this country. The raw material cost is no different, but if it were different it would be infinitesimal in the final cost, and the ocean transportation affords so much protection on these articles that practically none come in.

I think the Senator from New Mexico is correct in his statement that there is no reason why we should offer amendments to reduce the rates now fixed. Under the rule of the Senate we can not make the proposal which ought to be made, that these nails should go back on the free list, where they are under the present law. So I do not intend to resist these rates now, except to vote against them; but I hope, when the opportunity comes for this side of the Chamber to propose its amendments, that the Senator from New Mexico will follow the suggestion he has just made and move to put this entire bracket on the free list, where it belongs.

In the meanwhile, as we have it up, I want the RECORD to disclose the recent history regarding this article. The record for 1921 is only for 9 months, but in the average it does not materially differ from 1920; and I will take 1920, as the figures are for the whole year.

In 1920 the production of cut nails and spikes was 844,583 kegs, of 100 pounds each. The imports were 13,316 kegs, of 100 pounds each. There were 13,000 kegs imported, as against 844,583 produced.

Mr. President, that is conclusive. It did not amount even to an interesting competition. At the same time, as the Senator from New Mexico has pointed out, the exports for 1920 amounted to 8,642,668 pounds or to 86,426 kegs which were exported into the open market of the world. When we come down to horseshoe nails I can not give the production because the figures are not here. In wire staples in 1920 the census figures were separated from those of wire tacks and brads, and the 1919 output was shown as 68,221,300 pounds. The imports for that year amounted to 6,830 pounds, the next year to 129,000 pounds, and for 9 months of 1921 to 105 pounds. This clearly shows that there were no importations which at all threatened or endangered American production.

Mr. McLEAN. Mr. President, as the Senator knows, the best quality of horseshoe nails are made of Swedish iron, which is imported, and which bears a tax of 0.6 of a cent per pound.

Mr. UNDERWOOD. The Senator means under this bill?

Mr. McLEAN. Yes. It places the horseshoe nail on a different plane from the cut nail.

Mr. UNDERWOOD. The fact that they are made out of imported iron—there may be a few of them—does not apply to the great bulk of the horseshoe nails used in America.

Mr. McLEAN. The best nails are made of imported iron. They are all included in this paragraph.

Mr. UNDERWOOD. Those are for people who have high-class horses, but I am talking about the thing the common man in America pays for.

Mr. McLEAN. There is some competition.

Mr. UNDERWOOD. I think it is absolutely a joke, a positive joke, for the Republican Party to go before the country and say that we tax the raw material coming from abroad and therefore we have to take articles off the free list and put a tax on them for the American people to pay. An argument of that kind does not stand in reason.

Mr. McLEAN. With reference to horseshoe nails, I will say to the Senator that there are some importations. Canada puts an ad valorem duty of 35 per cent and a specific duty of 2½ cents on horseshoe nails. That would make about 7 cents a pound that the American would have to pay to get his horseshoe nails into Canada.

Mr. UNDERWOOD. And that clearly demonstrates that we are making them cheaper than Canada, and that Canada is afraid of our products, because Canada has put a duty on our products to keep them from coming in there. I can not follow the logic of that argument.

Mr. McLEAN. If we can sell them so much cheaper than Canada, then we ought to be able to sell good nails that much cheaper, which, of course, we can not do. They come free into this country. They do import some into this country, and there is no question about that. If it be true that we manufacture such enormous quantities in this country and there is such an undue and keen competition in these nails, the Senator must admit that the tariff can not affect the price, that the price is entirely controlled by the domestic competition, and if anybody wants to import those nails into this country he must fix his price to meet the domestic price, so that no harm is done to anyone. However, there are some importations.

Mr. UNDERWOOD. Certainly, and we might say, "Very well, we will put a tariff on water. No water can be imported into this country and therefore we will tax water." I think the argument would be unnecessary to the American people to say that it is necessary to protect water.

The Senator admits himself that none of these nails can come in, so therefore we will tax them. I will tell you why I do not want the tax——

Mr. McLEAN. I do not admit that. There are importations.

Mr. UNDERWOOD. I assume the Senator's argument meant that.

Mr. McLEAN. There are importations. They are imported from Canada and the importations will increase. There are some importations from Norway and some fram Sweden in recent months, so I am informed.

Mr. UNDERWOOD. Of course, there are a few.

Mr. McLEAN. All I say is that the importations which do come in must meet the domestic price.

Mr. UNDERWOOD. There are some importations, no doubt. In 1920 there were 129,000 pounds.

Mr. McLEAN. The suggestion that we might as well put a tariff on water is hardly analogous to the situation.

Mr. UNDERWOOD. Well, let us look at it. I want to be fair with the Senator. I do not mean to reflect on the committee or say anything that would be offensive to them or hurt their feelings, but I do think this proposition is just as absurd as to levy a tax on water. There were 68,000 pounds of wire staples, under the paragraph in which horseshoe nails come, produced in 1919. In that year there were only 6,830 pounds imported. In nine months of 1921 there were only 105 pounds imported, and those came in somewhere along the border.

They can not import horseshoe nails. There may be a few of them made out of Swedish iron for high-class horses. The great bulk of horseshoe nails in America are made out of American iron and have been from the very beginning. But for the Senator to come in here now and say, "This iron can come in free and untaxed, but we concluded we would put a tax on it, and therefore we must tax everything else that might possibly be made out of Swedish iron," is carrying the argument, I say, to the point of absurdity.

Mr. McLEAN. That is the very reason why these special nails should pay a tax. If we do not import any other variety than those which are used on the valuable horses, is there any reason why they should not pay a duty of 1½ cents a pound?

Mr. UNDERWOOD. If you will say that all nails imported into this country which are made out of Swedish iron shall bear this tax, I shall not object, because, although I think it is wrong in principle, the American people would be saved from the hands of the committee to such a great extent that I think we could make the sacrifice of allowing you to protect Swedish iron. But you do not do that. In order to keep out a few horseshoe nails made out of Swedish iron, which you say may compete with high-class nails made here, you levy this tax on all nails.

Of course you say that it can not hurt anybody and will not raise the price, but here is where the difficulty comes: I do not

say that there is competition or that there is going to be any amount of competition, because I think it will never come, but I know the men who appeared before your committee and asked for this tax came there for a purpose. I sat on the committee many, many years and have had them come before me. They do not come there just to be pleasant. They come there because they have a purpose to accomplish, and that purpose is to fix a wall around America so they can control the market. Even where there is no competition they want to have the unrestricted right, in their trade agreements with each other and their understandings, to fix the market price and have no competition.

That was done time and time again, just exactly like it was done on steel rails. The present law puts billets, where there was some competition, on the tax list, and yet we put steel rails on the free list. That seemed anomalous, but why was it done? It was because of the fact that it was clearly demonstrated at that time that there was an understanding between the producers of steel rails in America and in Europe that the European rails should not invade the American market, and the American rails should not invade the European market. They divided up the balance of the world between themselves to exploit the price of steel rails, and they had reached an understanding as to the control of prices.

That is the purpose of these tariffs. There can not be any other purpose, because these gentlemen are men of ability, men who understand their business. They understand as well as you and I do that they are in no serious danger of active competition as long as this item is on the free list. We have had it on the free list for 8 or 10 years, and they know the situation as well as you and I do before they come and ask your committee to put a tax on these commodities, which are untaxed now, for a purpose of their own.

There has not been a word said or a line produced in reference to these matters to justify taking these commodities off the free list and putting them on the tax list, except that the chairman of the committee says that he expects something might come out of the heavens like a bolt of lightning out of a clear sky and overwhelm somebody in theory, but not in fact.

The able Senator from Connecticut thinks we should leave this tax on all nails because possibly some horseshoe nails are made out of Swedish iron and the committee has been hardhearted enough to put iron back on the tax list instead of letting the Swedish iron come in free. I can not follow that reasoning or logic, and I can not understand why any committee of the American Congress, regardless of their political faith and regardless of whether they are protectionists or revenue men or free traders or what not, should continually come with proposals of this kind in the bill unless they want to see that nothing in the bill shall be on the free list except those articles that the American manufacturer himself asked to have put on the free list.

Mr. McLEAN. Mr. President, with regard to horseshoe nails, I will say to the Senator from Alabama that the statement of interested parties which was presented to the committee clearly indicates that a tariff of 4 cents a pound is necessary if they are to be expected to hold their American trade on horseshoe nails.

I state this because I want the Senator from Alabama to understand that in very few instances did the rates given by the committee come anywhere near the rates asked for by interested parties in many lines. On this particular item it seemed to me that inasmuch as there were some importations of these high-priced nails and they were selling at prices that clearly warranted 4 cents a pound duty, we were quite justified in 1½ cents a pound, including the compensatory duty of one-eighth of 1 cent a pound, which would leave the protection less than 1 cent a pound, as a revenue duty, if for nothing else, to be paid on these highly priced Swedish nails which came into this country to be used for racehorses and by people who will not use any other kind of nails on their animals.

It did not seem to me if there were no other importations that the tariff would in any way affect the price to the consumer of the common or cheap nails. I am not particularly interested in the cut nails, but I confess that I can not see how the duty is going to affect the price to the consumer of nails in this country. That being so, there is no occasion for any more concern over the matter.

Mr. McCUMBER. Mr. President, I shall not stop now to compute the awful misery that will be suffered by the American people if they are to pay 1 mill upon the 10-cent cost of a package of tacks. I think tacks come in the ordinary package at about 1 penny a package, and are to-day sold at the 10-cent stores at 10 cents a package. That is only 900 per cent increase, of course, in the cost, and I have assumed that possibly the trade would absorb this one mill and a half without putting it upon the public. However, if it really is imposed upon the people, I believe that the little added amount on tacks, and so forth, will not cause a revolution in this country.

However, I want to call attention to the fact, as stated in the report of the Tariff Commission—

> Cut tacks, brads, and sprigs were admitted free under the act of 1913. Under prior acts, except that of 1894, there was a specific duty ranging from three-fourths to 3 cents per pound.

In other words, duties were imposed upon these articles both in Republican and in Democratic tariff acts with the exception of the act of 1913.

Canada imposes a duty of from 25 to 42½ per cent ad valorem upon these articles. A glance at the late statistics will show that, while before the war most of the imported tacks and articles of this kind came in from Germany, since the war most of them are coming in from Canada and are used especially in Detroit and other great manufacturing centers in the construction of automobiles, and so forth. I do not think it is a heavy tax; and if Canada can impose a tax of from 25 to 42½ per cent—and she is the chief exporter of these articles to the United States—it seems to me she ought not seriously to complain of a 15 per cent duty levied by the United States on what she exports to the United States. I think that the whole matter is hardly worth the time that we are taking in the consideration of it as a specific proposition.

Mr. UNDERWOOD. Mr. President, I know the chairman of the Committee on Finance does not think this is worth the time.

Mr. McCUMBER. I was referring particularly to tacks, not nails; nails are a little more important.

Mr. UNDERWOOD. I understand that tacks are included in this paragraph as well as nails. I happen to be discussing nails and the Senator from North Dakota answers me in tacks, and says that the tax on tacks is very slight, if it is distributed to each individual consumer. That is not the proposition. The American people have got to pay taxes. I admit that. If they are paying to the Government taxes which are justly levied, I have no objection; but if they are paying taxes indirectly behind a tariff wall to other American citizens, I do object. It is not the amount of money I am talking about, though that is not so infinitesimal as the Senator says, but in comparison to the principle involved it is infinitesimal. When Senators admit in their entire argument that the American manufacturers are in no danger from competition, they admit their protective argument out of the window, for then there is no ground for levying a tax of this kind for protection. I never have justified a tax for protection, and by their own standard Senators on the other side can not justify it for protection on what has just been stated. If it can not be justified for protection, for what purpose are they building this wall? For what are these interested parties asking us to build this wall? For their own benefit, of necessity. They are not fools; they are not idlers; they came here for some purpose. They know, as you and I do, that their business is in no danger from foreign competition, but they want a tariff wall built around the United States that will exclude imports from other countries.

What Canada does is not material. Every man who understands the iron and steel trade knows that the furnaces and mills of Canada are not capable of competing with the mills of America on an even basis; and every man who knows anything about this schedule knows that the English irons and steels go into Canada at a third less tariff rate than the American product, and yet the American product along all lines goes into the Canadian market and competes with the Canadian product after paying freight, and with the English product after it receives a third off in tariff duties.

I am not so much concerned, Mr. President, with the rate; but I say that the principle is wrong, and the American people must realize sooner or later that the principle is wrong and defeat it and its advocates, because it is a false principle to give the power of taxation into the hands of special interests in America because they ask for it.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. JONES of New Mexico. Mr. President, I merely wish to call attention to some information we have regarding cut nails and spikes. Perhaps it may make some impression. The history of this industry is brief, but very significant, as stated by the Tariff Commission:

The manufacture of cut nails is a declining industry in the United States. In 1904 1,311,549 kegs of 100 pounds each, valued at $2,394,180, were made in the rolling mills of the country. The production in 1909 was approximately 300,000 kegs less, and in 1914 it had declined to 740,436 kegs, valued at $1,469,780. To this may be added the value of the product of establishments other than rolling mills, $1,752,394, making a total of $3,222,174. The decline in the production of the cut nail represents the decline in its use, due to the increasing use of the wire nail.

After giving the processes of manufacture showing that they are made altogether by machinery, we find the statement regarding the American production and the percentage of the American production used in consumption. Here is what is said regarding exports:

Exports: The percentage of the production exported has varied from 21.3 per cent in 1912 to 12.2 per cent in 1915. The bulk of this export normally goes to North and South America. In the fiscal year 1913 Europe took only 279 kegs, while in 1916 it imported from the United States 12,805 kegs, 13 per cent of the total export. In 1919 the amount was 3,356 kegs, or 5 per cent of the total export.

Here is what is said about imports:

Imports have been small, varying from 51 to 1,428 kegs, 1909–1916, and never amounting to over 0.2 of the production. The revenue under the act of 1909 averaged slightly over $100 per year, collected on a specific duty equivalent to 14.7 per cent on the total import under the act.

In 1910 the price of cut nails per 100-pound keg at Philadelphia was $2.10. The following years show a lower price, the lowest being $1.90, reached in 1914. Prices increased after this year until adjusted by the Government at $4 per keg. For the last quarter of 1918 this price was raised to $5.

The exports are given here by years. In 1910 we exported nearly 20,000,000 pounds; in 1911, 23,000,000 pounds; in 1912, 27,000,000 pounds; in 1913, 11,000,000 pounds; in 1914 about the same. Of course, during the war the exportations decreased, but since the war they have reached a considerable volume.

Mr. President, I do not see any excuse for this duty. So far as I am advised, cut nails are not made of Swedish steel; they have nothing to do with Swedish steel. Swedish steel comes under the next item, horseshoe nails, and when we reach that I shall have just a word to say regarding it. The first item, on which we are now to vote, however, is a declining industry. The cut nails are being supplanted by the wire nails. The imports amount to nothing worth considering. Our exports are large.

We offer no objection, of course, to the first motion of the Senator, to amend the committee amendment by reducing the figures from "30" to "15."

SECRETARY HOOVER AND ATTORNEY GENERAL DAUGHERTY.

Mr. WATSON of Georgia. Mr. President, one day last week the Senator from Kentucky [Mr. STANLEY] addressed the Senate on the subject of an article which had appeared in a Philadelphia paper. In that article the President of the United States was represented as having referred apparently to certain Members of the Senate and of the House of Representatives as blackguards and rascals.

I have the highest respect for the office of Chief Executive, and I have had nothing but high regard for the present occupant of the White House. I am prepared to believe, and do believe, that if the President was correctly understood, and even if he used language of this sort, it was due to one of those sudden gusts of temper which overcome all of us now and then. I pass that by.

Particular objection was found it would seem to criticism leveled at Herbert Hoover, or rather Mr. Hoover was asked some questions. He was asked if it were true, as was stated in a New York magazine, that he allowed 2,000 tons of flour to rot upon the wharves of Trieste within a few miles of Vienna, for which city the food was destined, when the railroad transportation facilities were good and when the Viennese were dropping from starvation upon the streets of that city. It was a fair question. The statement was made in a New York magazine. I think I addressed a question to Mr. Hoover about it here last December. Nobody has ever answered the question. One of the reporters of a great syndicate of American newspapers told me in my office that it was currently reported and commonly believed that even out of the Russian relief expedition for which we provided $20,000,000, there were shiploads of American grain, American food intended for the relief of the Russians in the interior, which stayed on board the ships on the Sea of Azof because Mr. Hoover and his agents had provided vessels which drew too much water to pass over the bar at the mouth of the river, so that they could get up into the interior and distribute the food.

But, Mr. President, I should like to know upon what theory Mr. Herbert Hoover—who was a good Democrat during the Wilson administration, and is a good Republican now during the Harding administration—is above criticism. Why does he claim immunity from being questioned about his public acts and his disposal of the money of the American people? He has had the money of individuals of every State in the Union, of very nearly if not quite all of the charitable associations of America. He has had the money of the Government. He has had in his hands larger sums of money than any human being ever did have before since the dawn of time, and all I said about him was that he has not published any itemized statement, and he has not published any vouchers. That statement remains.

Before going into a matter which may be something of a sensation, and which appears to be backed up by proof, I should like to call attention to some of the vast sums that Mr. Hoover has handled; and I ask again, What is the mystery that shrouds this man? What is the mystery of his power? He suddenly appeared on the horizon of American public life shortly before we entered the war, and almost immediately there was a nation-wide propaganda in favor of Hoover, and the whole country was hypnotized by the name of Hoover, and the whole country apparently is to be again hypnotized with the magic name of Hoover.

Who is Hoover, anyway? He is the man who stretched the rod of tyranny over every storehouse, over every granary, over every boarding house, over every hotel in America. On certain days you could not eat meat, on certain days you could not have flour, on certain days you could not have more than a handful of sugar, on certain days you could not have more than a certain amount of meat; and storehouses were broken open and searched without warrant, and smokehouses were broken open and searched, and larders were broken open and searched, and men and women persecuted if they were found to have or thought to have more than the amount of food that Hoover said they should have. Such a thing was never known before in the history of the world. Nero never thought of such a thing. Tiberius never did. No Russian Czar ever did. Why, the waistcoat of Hoover grew suddenly as big as the overcoat of the Kaiser.

Listen to this:

SUMMARY OF TOTAL CHILDREN'S RELIEF DELIVERIES PAID FOR FROM THE CONGRESSIONAL FUND FOR RELIEF (METRIC TONS).

Breadstuffs, rice, beans and peas, meats and fats, milk, cocoa and sugar, clothing and shoes:

For Poland, 16,000,000 tons.
For Czechoslovakia, nearly 7,000,000 tons.
For Serbia, 3,500,000 tons. I am using round numbers.
For Finland, 2,272,000 tons.
For Latvia, nearly 2,000,000 tons.

And so on; the total being 36,000,000 tons, at a time when there was hunger from the Canadian border to Miami, and from the Great Lakes to the Gulf, from sea to sea.

Here are some expense accounts for relief in Belgium:

London office:
Accountants' charges, $81,000. I am using round numbers.
Printing and stationery, $78,000.
Cables and postage, $77,000.
Office rent, $38,597.
Traveling expenses—in London, now, mind you—in round numbers, $27,000.
General expenses, $56,500. General expenses! No itemized statement, no voucher.
Press salaries and expenses, over $3,000.
Salaries and wages, in round numbers, $294,000.

Who got those salaries? Give us the names of the men. Give us the names of the women. Tell us what they did and where they did it.

Then the Bradford office expenses were, in round numbers, $7,000, and clothing expenses, $2,000; that is, these men who were engaged in this charity work bought clothing for themselves, apparently, from this report. By what right? Could not they have paid for their clothing out of their salaries? They had to charge it up to the children's fund.

Then the amount for automobiles is something amazing. Who used those automobiles, and for what purpose?

Mr. President, without taking up more of the time of the Senate, I ask unanimous consent that I may insert in the RECORD as a part of my remarks some of these remarkable tables.

The PRESIDING OFFICER (Mr. CALDER in the chair). Is there any objection to inserting in the RECORD the matter referred to by the Senator from Georgia? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

TABLE A.—*Summary of deliveries to European Governments under the congressional fund, for which obligations of repayment were taken.*

[Metric tons.]

Country.	Breadstuffs.	Rice.	Beans and peas.	Meats and fats.	Milk.	Cocoa and sugar.	Cotton.	Miscellaneous.	Total.
Poland	213,666.237	7,986.844	9,415.879	21,315.085	1,993.713	49.146	5,775.363	.....	260,202.267
Finland	64,851.294	.....	121.576	1,432.694	38.845	.....	.....	.....	66,444.409
Armenia	37,097.987	1,022.327	2,661.768	.....	3,099.154	999.755	.....	431.484	45,312.475
Czechoslovakia	52,285.215	.....	.....	.....	.....	.....	.....	.....	52,285.215
Northwest Russia	14,248.491	.....	379.785	2,266.609	1,055.272	.....	.....	.....	17,950.157
Latvia	11,244.575	233.516	564.388	761.289	500.257	.....	.....	.....	13,304.005
Esthonia	8,116.011	91.633	.....	725.168	127.523	54.976	.....	14.136	9,129.447
Lithuania	2,565.892	84.233	185.150	424.939	97.095	.....	.....	.....	3,357.309
South Russia	394.000	.....	.....	.....	.....	.....	.....	.....	394.000
Total	404,469.702	9,418.553	13,328.546	26,925.764	6,911.859	1,103.877	5,775.363	445.620	468,379.284

TABLE B.—*Summary of total children's relief deliveries paid for from the congressional fund for relief.*

[Metric tons.]

Country.	Breadstuffs.	Rice.	Beans and peas.	Meats and fats.	Milk.	Cocoa and sugar.	Clothing and shoes.	Miscellaneous.	Total.
Poland	858.183	2,077.285	2,898.170	765.000	6,293.787	2,433.606	826.714	466.124	16,618.869
Czechoslovakia	700.000	318.916	271.271	454.501	4,020.033	741.978	163.503	161.232	6,831.434
Serbia	.....	477.263	287.876	30.000	1,900.048	681.007	.....	69.150	3,445.344
Finland	760.000	221.998	253.894	103.951	687.242	244.978	.....	.....	2,272.063
Latvia	260.192	160.049	341.117	43.168	710.828	206.105	.....	41.672	1,763.131
Rumania	250.000	170.000	130.000	70.046	184.594	627.411	.....	.....	1,432.051
Northwest Russia	60.387	306.910	204.456	20.000	576.227	73.041	.....	20.836	1,261.857
Esthonia	207.000	273.211	151.902	52.934	443.795	295.030	.....	20.836	1,444.708
Lithuania	351.000	83.000	77.826	27.959	307.509	153.011	.....	.....	1,000.305
Total	3,446.762	4,088.632	4,616.512	1,567.559	15,124.063	5,456.167	990.217	779.850	36,069.762

Children's relief handled under congressional fund for relief.

Country:	Total value.
Czechoslovakia	$2,291,724.52
Esthonia	376,621.73
Finland	560,275.75
Latvia	497,730.16
Lithuania	280,452.34
Poland	4,800,180.94
Rumania	414,286.43
Russia	373,873.72
Serbia (S. H. S.)	1,041,569.60
Total children's relief handled under congressional fund	10,636,715.19

Statement of foodstuffs, clothing, etc., distributed in children's relief for the period from August, 1919, to June 30, 1920.

Country.	Amount statement "B."	Dollar funds contributed per statement "B-IV."
Armenia in Caucasus	$618,696.14	$750,000.00
Czechoslovakia	1,563,505.12	963,231.65
Esthonia	222,422.43	1,361.98
Finland	199,527.19	105,369.63
German-Austria	2,113,299.91	531,585.95
Hungary	783,523.84	670,400.17
Latvia	349,086.97	618.78
Lithuania	68,006.93	1,223.91
Poland	9,167,807.44	3,046,568.78
Rumania	.....	5,135.50
Russia	343.10	.....
Serbia (S. H. S.)	463,099.76	583,317.22
Friends' Service Committee	2,554,545.29	831,828.05
General relief	.....	25,001.40
Total	18,103,864.12	7,515,643.02

Administrative and general expense.

London office	$665,460.28
New York office	1,778,460.69
Rotterdam office	553,223.35
Brussels office	524,376.28
National committee (British)	211,539.28

Administration and general expenses—London.

Accountants' charges	$81,274.78
Printing and stationery	78,313.56
Cables, postages, etc	77,426.75
Office rent	38,597.96
Traveling expenses	26,988.90
General expenses	56,470.13
Press salaries and expenses	$3,291.75
Salaries and wages	293,978.99
Bradford office expenses	6,985.64
Clothing expenses	2,131.82
As per working account	665,460.28

Administration and general expenses—New York.

Clothing-campaign expenses	$882,572.20
Salaries and wages	490,878.60
General expenses	139,513.22
Cables, telegrams, postages, etc	74,609.75
Press expenses	48,783.24
Accountants' and auditors' fees	35,256.21
Rent, coal, etc	33,830.10
Traveling expenses	35,127.64
Stationery and printing	20,689.15
American Red Cross	774.81
Needlework	422.15
Expenses per American relief administration	16,003.62
As per working account	1,778,460.69

Administration and general expense—Rotterdam.

Salaries and wages	$287,722.01
Clothing department	76,434.81
Traveling expenses	44,552.36
General expenses	35,696.20
Rent, coal, etc	26,623.92
Cables, etc	17,738.63
Accountants and auditors	24,345.77
Stationery and printing	14,582.96
Maastricht office expenses	14,999.70
Motor-car expenses	9,515.60
Press expenses	1,011.39
As per working account	553,223.35

Brussels office expenses, including personnel.

	Sundry accounts.	Brussels office expenses, London.	Total.
Delegates' expenses	$161,604.88	$58,331.91	$219,936.79
Motor-car expenses	148,457.43	4,859.21	153,316.64
Salaries	62,767.69	633.15	63,400.84
Traveling and hotel expenses	24,664.53	30.24	24,694.77
Branch office expenses	28,034.09	.....	28,034.09
General expenses	10,506.84	453.09	10,959.93
Printing and stationery	10,529.52	.....	10,529.52
Insurance	.....	10,239.97	10,239.97
Telegrams, papers, etc	895.90	.....	895.90
Total	447,460.88	74,547.57	522,008.45

General expenses—Paris.

Office rent and salaries	$17,548.05
American delegates' expenses	6,236.39
Sundry expenses	5,337.28
Traveling expenses	4,324.04
Printing, stationery, and telegrams	2,676.13
As per working account	36,121.89

General expenses—Buenos Aires.

Postage, cables, and telephones	$1,496.33
Agency fees	558.86
Rents, etc	165.12
Stationery and general expenses	122.97
As per working account	2,343.28

National Committee for Relief in Belgium—Expenses (British).

Circulars, stationery, and printing	$93,434.08
Secretary's salary to May 31, 1919	23,377.00
Secretary's traveling expenses	3,847.48
Clerical assistance	7,597.69
Rent	7,740.94
Flags, etc	2,760.07
Accountants' charges	1,781.77
Cables, etc	1,470.40
Sundries	1,257.18
Telephones	1,019.35
Press cuttings	904.75
Total	145,190.71

Lille office working account.

Delegates	$6,176.62
Motor car	6,066.04
Wages	5,636.99
Traveling and hotel	3,277.17
Staff house	2,177.60
Office expenses, London and Lille	1,365.23
Total	24,799.65

Antwerp office expenses.

Salaries	$34,431.08
Clothing department expenses	22,706.48
Auto expenses	7,907.30
Delegates' allowances	5,686.38
Stationery and printing	5,109.62
General expenses	5,359.78
Traveling expenses	1,430.59
Total	82,631.23

Mr. WATSON of Georgia. Mr. President, in the Children's Relief Fund, to June 30, 1920, after mentioning Czechoslovakia, two and a quarter million dollars, we come to Poland, which gets in round numbers $5,000,000—and Poland was aggressively making war upon Russia, or had just been doing so—Serbia, over $1,000,000.

It is charged, and apparently the charge is well founded, that Mr. Hoover supplied the army of Youdenitch, one of those generals who tried to reinstate the Government of the Czar and to overturn the Government of the Soviets.

As Senators will remember, there were the armies of Admiral Kolchak, of Baron Wrangel, of the Cossack Denikin, and also of Youdenitch. Now, let me show the Senate what apparently proves that Mr. Hoover took this charity fund, contributed by big-hearted Americans, and supplied an army that was endeavoring to overturn the Government of Russia, and in that connection let me briefly remind the Senate that we took part in blockading Russia. With France and England we threw a cordon of steel around her and kept the whole world's commerce from her ports and kept hers from the ports of the world. Inflicting hardships upon innocent men, women, and children, who had taken no part in the war and who had nothing to do with the revolution and who had never given provocation to France, Great Britain, or the United States, we blockaded that coast, and we brought famine upon millions of the Russian people, who have always been our friends. Not only that, we took part in sending four different armies to invade her best producing Provinces, and one of these armies was that of Youdenitch.

On July 24, 1919, which was long after the armistice, the ship *Lake Fray*, of the United States Shipping Board, with Capt. James B. Martin in command, was at Bordeaux, France, loading a cargo for return to the United States, when the captain's orders were canceled and he was instructed to reload his ship with army trucks and supplies, which were sent by the American Relief Administration to General Youdenitch, commander in chief of the Russian forces at the northwest front, for use in the offensive against Petrograd.

Think of it! The money was asked for in the name of charity, and these golden streams pour out of America's resources in the belief that they will relieve the suffering in Russia and in various other European countries; and the captain who was in charge of the vessel is ordered to take Army trucks and supplies for the use of one of the armies which is trying to overthrow the Soviet government and to restore the régime of the Czar, under which 49,000,000 Russian peasants were whipped with the scourge if they did not pay their taxes in labor, in money, or in kind.

How will the great American public feel when they realize that Herbert Hoover was trying to restore in Russia a system in which a few grand dukes and vast landed estate owners were ruling the peasants and grinding the faces of the poor?

It now appears that England, France, and the United States entered into a secret agreement at the peace conference in Paris to support a revolution in Russia by equipping Kolchak, Youdenitch, and others with the necessary arms, equipment, and supplies. It appears that Mr. Herbert Hoover, as head of the American Relief Administration, was an active member in these intrigues and that the child's fund, contributed by Americans for the relief of the starving children of Europe, was at least in part converted to this purpose.

It also appears that after the captain of this vessel had carried out his orders and had been decorated by General Youdenitch for his timely arrival officials of the American Relief Administration feared that it would be unsafe for him to return to London to give evidence, and thereupon, using the official cablegrams of the United States, proceeded to frame him up to discredit him.

On false charges, the captain was relieved of the command of his ship and sent back to the United States officially disgraced. After his return to the United States he demanded an investigation and was completely exonerated. Because of the false charges filed against him, he was also discharged from the United States Naval Reserve Force, and, although the Shipping Board has officially declared that the charges against him were unfounded, he is still unable to have removed the stigma of his discharge from the United States Naval Reserve Force, brought about by the unfounded charges of the American Relief Administration.

There follow what appear to be correct copies of these official cablegrams directed from London to Bordeaux, France, changing the assignment of this vessel and the cargo which it had on board.

There also appear photostatic copies of the bill of lading, showing that the vessel did change its course and went to the relief of Youdenitch. There appears a photostatic copy of a letter or dispatch from General Youdenitch to the commander, dated September 4, 1919, from Reval, as follows:

SIR: I have the honor of decorating you herewith by the ensigns of the order of St. Stanislaus, 3d class, as a sign of deep appreciation of the work you have rendered to the Russian Northwestern Army.

N. YOUDENITCH,
General and Commander in Chief of the Russian Forces of the Northwestern Front.

There appears on this copy the Russian insignia. Apparently the whole thing is genuine. There are others of the same character, bearing out the general statement I have made, that this officer was examined, that a thorough investigation was had, and that he was completely exonerated from the charges which had been made against him by Hoover's board in London. Those papers are at the service of any of the reporters, or of any of my colleagues on the floor.

Last week a young man who had been in the habit of coming to Washington two or three days every week for the last year or so, and whose wife, he said, is related to the chief of police of Washington City, was arrested within 15 minutes after he left my office. He had been shadowed, and the belief was that he was the man who told me about corrupt doings of Felder and Daugherty. The charges against him are from 6 to 18 months old. They involve small amounts of money. One of them was regarding a check for $30. It was a check drawn on a bank in Ohio, of which his own brother is vice president. I have no doubt in the world that he thought that his brother would protect him in a small matter like $30, as you would protect yours, and I would protect mine.

Another case was pending here in the District, and had been pending here over six months, and the amount was trivial. The young man said he had made satisfactory arrangements with the proprietors of the hotel. I do not vouch for that. But this I know, that they had never arrested him until after I had repeated here on the floor of the Senate, in very carefully chosen words, what he said definitely about the doings of Felder and Daugherty. Then they nabbed him, and the strange thing about it is that nobody in Ohio seemed to know that there were any extradition proceedings pending until after the newspapers of this city and of Pennsylvania carried the news. The whole thing was a frame-up, and the father of the boy, who holds a very high, responsible position in Ohio, telegraphed to his lawyer, so the papers say, to go to the limit in defending him. In other words, he came to the relief of his son when he saw he was being persecuted in Washington City.

I will not repeat the various charges he laid at the door of the Attorney General, which the Attorney General ignores. They relate to the dismissal of proceedings against men who have been run down by dry agents, found violating the law of the land. In one case a British ship—the *J. M. Young*—comes into New York Harbor laden with liquor, is seized, and the cargo discharged and the men liberated on a telegram from Attorney General Daugherty, after he has had an interview with Mr. Felder. How can that be explained? How can it be ignored? It has to be met, and the longer it is put off the harder it will be to meet it.

Another case was one involving $200,000 worth of wine, which was liberated under like circumstances. Another case was that of 2,000,000 gallons of whisky liberated under like

circumstances. What are the relations between Felder and Daugherty? The country is entitled to know.

The other case I will now state with some particularity, and do so in words as delicate as the case admits of. It is the case of a very rich Ohio business man, 50 years old, with a wife and daughter, but who is a sexual pervert. The story is that he approached two girls coming out of a department store in Ohio. He spoke to the younger in a way that made the elder know what he meant, and she said, "Is it not enough that you have ruined me? Do you want to ruin my little sister also?" The child was only 15 years old, and her braided hair was hanging between her shoulders and down her back.

But that appeal to this man made by the elder sister, a previous victim of his, made no impression upon his heart, and he laid his plans, and finally the occasion offered, when he extended a box of candy to the child and asked her where she was going. She told him, in her artlessness, and he said, "I know a shorter way and will go with you." He took her by a side street, and when he reached a certain house, with whose occupant he had evidently made previous arrangements, he knocked upon the door. It was opened by a negro woman, and she said to him in a tone of indignation, "I thought you were going to bring a woman. I didn't know you were going to bring a child." He pushed on by her. He spent the night in the house, as did the girl also.

In due time a criminal operation was performed on the girl, and after an interval another, and he wanted a third performed, but he made the mistake of sending her to a firm of doctors, father and son, both of whom were honest. They said to her, "Let nature take its course or you will lose your life." She was young and did not want to die. A child came into the world, and it is now being supported and educated in a Catholic institution in Ohio. The girl herself took up shorthand, wanting to reform herself, and is employed as stenographer in the office of a lawyer of good character and practice in Ohio.

Not content to let her earn an honest living in an honest way, and still intent upon dragging her down, the man went to her with a splendid ring in his hand, showing it to her and making her a proposal which I can not repeat on the floor of the Senate. She spurned him. He said, "If you give me any trouble about this case I will hire the best lawyer in Ohio, and he will break you down on the witness stand."

She nevertheless brought the case, and he did employ the lawyer who enjoys just that reputation in Ohio. On the stand he went at her in the old-fashioned hammer-and-tongs way which we no longer permit in Georgia, and which ought not to be permitted in any State. After fierce volleys of questions, coming one after another with all the terrors of the third degree, she said, "Mr. So-and-So," calling his name, "the man who ruined me and my sister, said he would hire the best lawyer in Ohio to break me down on the witness stand, and that is what you are trying to do." The evident earnestness and innocence of the girl sent a wave of sympathy over the courtroom, as can well be imagined it would. The jury convicted the man. The judge sentenced him to several years in the penitentiary, and he was sent to Atlanta to serve out his term.

Attorney General Daugherty prevailed upon the President of the United States to grant that man a pardon—upon what grounds? The crime was one of premeditation and of the deepest moral turpitude.

Upon what grounds did Attorney General Daugherty act? I am asking him the question in the interest of pure womanhood throughout the Union, and in the interest of the proper administration of our laws.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, recognizing the eloquence and strength and force of the argument of the Senator from Georgia upon the subject which he was discussing and of which I have no knowledge in the world, I know that the Senator will forgive me if I call his attention and the attention of the Senate to the fact that the only point and the real point is this tax, and I wish we could return to it and vote on it.

The PRESIDING OFFICER (Mr. LADD in the chair). The question is on agreeing to the committee amendment as modified.

Mr. JONES of New Mexico. On the committee amendment as modified I ask for the yeas and nays.

The yeas and nays were ordered and the reading clerk proceeded to call the roll.

Mr. ASHURST responded to his name.

Mr. JONES of New Mexico. Mr. President, may we have the amendment stated?

The PRESIDING OFFICER. Without objection, the pending amendment will be stated.

The READING CLERK. The amendment now being voted upon is on page 68, line 16, where the committee proposes to strike out "30" as inserted by the committee and insert "15," so as to read:

Lithographic plates of stone or other material engraved, drawn, or prepared, 15 per cent ad valorem.

Mr. JONES of New Mexico. The committee amendment, of course, accepts the rate proposed by the House and I will withdraw the request for the yeas and nays.

Mr. WALSH of Montana. Mr. President, before that is done——

The PRESIDING OFFICER. There has been a response and the roll is being called.

Mr. SWANSON. I ask unanimous consent that the roll call be dispensed with.

Mr. McCUMBER. I think we had better go on with the roll call. We have not had a quorum call this afternoon and we might as well have it now.

The PRESIDING OFFICER. The Secretary will proceed with the roll call.

The reading clerk resumed the calling of the roll.

Mr. HARRISON (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. ELKINS]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. POMERENE (when his name was called). I arranged a temporary pair with my colleague [Mr. WILLIS] for to-day and to-morrow, but I am advised that if he were present he would vote as I intend to vote on this question. Under the circumstances, therefore, I vote "yea."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. CURTIS. I wish to announce that the senior Senator from Massachusetts [Mr. LODGE], if present, would vote "yea."

The roll call was concluded.

Mr. McCUMBER (after having voted in the affirmative). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Oregon [Mr. STANFIELD] and allow my vote to stand.

Mr. SUTHERLAND. I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "yea."

Mr. COLT. I transfer my general pair with the junior Senator from Florida [Mr. TRAMMELL] to the junior Senator from Oklahoma [Mr. HARRELD] and vote "yea."

Mr. JONES of New Mexico (after having voted in the affirmative). I have a general pair with the Senator from Maine [Mr. FERNALD], who, I believe, has not voted. I understand, however, that on this question he would vote as I have voted, and therefore I permit my vote to stand.

Mr. CURTIS. I wish to announce the following general pairs of Senators who are necessarily detained:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR].

The result was announced—yeas 55, nays 1, as follows:

YEAS—55.

Ashurst	Glass	McNary	Smoot
Borah	Harris	Nelson	Spencer
Brandegee	Harrison	Nicholson	Sterling
Broussard	Heflin	Norris	Sutherland
Calder	Jones, N. Mex.	Oddie	Swanson
Cameron	Jones, Wash.	Overman	Townsend
Capper	Kendrick	Page	Underwood
Caraway	Ladd	Phipps	Walsh, Mass.
Colt	La Follette	Pomerene	Walsh, Mont.
Curtis	Lenroot	Rawson	Warren
Dial	McCormick	Sheppard	Watson, Ga.
Dillingham	McCumber	Shortridge	Watson, Ind.
France	McKinley	Simmons	Williams
Frelinghuysen	McLean	Smith	

NAYS—1.

Wadsworth

NOT VOTING—40.

Ball	Elkins	Harreld	McKellar
Bursum	Ernst	Hitchcock	Moses
Crow	Fernald	Johnson	Myers
Culberson	Fletcher	Kellogg	New
Cummins	Gerry	Keyes	Newberry
du Pont	Gooding	King	Norbeck
Edge	Hale	Lodge	Owen

Pepper	Ransdell	Shields	Trammell
Pittman	Reed	Stanfield	Weller
Poindexter	Robinson	Stanley	Willis

So the committee amendment as modified was agreed to.

The amendment of the committee as amended was agreed to.

The PRESIDING OFFICER. The next amendment will be reported.

The READING CLERK. On page 65, line 18, the committee proposes to strike out "2" and insert "2½," so as to read:

Horseshoe nails, and other iron or steel nails, not specially provided for, 2½ cents per pound.

Mr. McCUMBER. On line 18 I move, on behalf of the committee, to strike out the figures "2½" and insert in lieu thereof the figures "1½."

Mr. JONES of New Mexico. Mr. President——

Mr. McCUMBER. The subject has already been discussed.

Mr. JONES of New Mexico. Yes; the subject has been discussed, but I just want to say a few words further.

This item covers horseshoe nails. Horseshoe nails at the present time are on the free list. I merely want to say a word regarding the production and the competitive conditions. We have been producing a very large quantity of horseshoe nails, and it will be observed that the clause reads:

Horseshoe nails, and other iron or steel nails, not specially provided for—

And under that item the Tariff Commission says:

Quantity: Prior to 1914 there was a continuous import of "horseshoe, hob, and all other wrought-iron and steel nails not specially provided for" of approximately $3,000 per year.

It is stated here that there are six concerns making horseshoe nails. One of them has imported some Swedish iron. From the manner in which the circumstance is referred to it is a merely isolated case, but of the six concerns manufacturing horseshoe nails one of them has imported Swedish iron. Of course, the other concerns are making nails altogether out of soft steel, and I presume this one concern is making them out of soft steel as well. These nails are made out of both kinds of steel.

Now, in regard to competitive conditions the Tariff Commission states:

During the war there was a very large demand for horseshoe nails both for the Army and home consumption here and for shipment abroad. Under war conditions, markets in Mexico, the West Indies, and South and Central America, formerly to a large extent in foreign hands, were opened to the American product. Prior to the war one great difficulty to be met here was that the import business in these countries was largely in German hands.

The American manufacturers were able to satisfy only a small part of this demand, because of the needs of our Army and the allied Governments, and the shortage of raw material. Enough was sent, however, so that the importers are familiar with the American product, and it is felt that there are large opportunities for the American manufacturer in these markets.

The raw material for horseshoe nails is either Swedish iron or soft steel. The former is imported to some extent, and is used for high quality nails.

The import of foreign nails has increased since they were put upon the free list, but still it does not represent a large amount in relation to the total production. In 1916 the imports seem to have been abnormal, and a manufacturer has called attention to this import as a case of the dumping of a foreign product on the American market.

After the war the American manufacturers may expect severe foreign competition in the new export markets they have found. In this country the manufacture of horseshoe nails is an independent industry, and manufacturers feel that this may prove a disadvantage if their competitors are large firms manufacturing horseshoe nails only as a by-product. This is generally not the case, but one German firm is known to operate in this manner.

The last appearance of the horseshoe-nail manufacturers before the Ways and Means Committee was in 1893. No protest was made in 1913 against placing horseshoe nails on the free list.

Since 1893 there has been nobody interested in the manufacture of horseshoe nails who has cared enough about the matter to appear before the Ways and Means Committee in the preparation of tariff bills which have been framed since that time. I understand, of course, that the Senator from Connecticut [Mr. McLEAN] has a communication from a manufacturer of such nails who wants a duty of 4 cents a pound. The price of these nails before the war was about one-half that amount, at one time being less than 3 cents a pound.

Mr. McLEAN. Not of horseshoe nails.

Mr. JONES of New Mexico. That was the price of horseshoe nails.

Mr. McLEAN. It is not the price now.

Mr. JONES of New Mexico. In 1914 the price was 2.8 cents a pound.

Mr. McLEAN. What is the price now?

Mr. JONES of New Mexico. The present price is 5.3 cents a pound. The manufacturer wants a duty of 4 cents a pound; he says that he has got to have it or he can not get along in his business. The Senator from Connecticut did not believe that; the committee does not believe it, as is evidenced by their reporting in favor of a duty of 1½ cents per pound. If you are not going to believe a man as to a matter of that kind, why take any cognizance of what he says? Unless you are going to give him what he says he must have, why give him anything, unless there is some other evidence which can justify this duty?

Mr. President, horseshoe nails are now on the free list, and, except the one person who has written a letter to the Senator from Connecticut, so far as I know, there is nobody complaining about horseshoe nails remaining on the free list.

Mr. POMERENE. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Ohio.

Mr. POMERENE. I desire to ask the Senator a question. During the last six months what have been the importations of these nails?

Mr. JONES of New Mexico. The importations have not amounted to much. Horseshoe nails are not separated, I may say, from the other items, but the figures show that prior to 1914 of horseshoe nails, hobnails, and other nails not specially provided for the importations amounted to about $3,000 a year.

Mr. POMERENE. What are the particular circumstances which seem to justify the manufacturer making this demand?

Mr. JONES of New Mexico. The only circumstance of which I know is a letter which the Senator from Connecticut has from somebody who says he must have a duty of 4 cents a pound on these nails or he can not do business.

Mr. SMITH. Did not the nails referred to formerly sell for less than 4 cents a pound?

Mr. JONES of New Mexico. The unit value of the nails in 1914 was 2.4 cents a pound; in 1916, 5.7 cents a pound; in 1918, 12.7 cents. They have been coming down ever since, in 1921 the value being 5.3 cents a pound. That is all they sell for; but the committee now proposes to impose a duty of a cent and a half a pound on horseshoe nails, which in 1914 were selling at 2.4 cents a pound.

The PRESIDING OFFICER. The question is on the amendment proposed by the Committee on Finance.

Mr. POMERENE. I ask that the amendment be stated.

The ASSISTANT SECRETARY. The Senator from North Dakota proposes to modify the committee amendment on page 65, line 18. The first proposal of the committee was to strike out "2 cents," the House rate, and insert "2½ cents." The Senator from North Dakota now proposes to strike out "2½ cents" and insert "1½ cents," so that, if amended, it will read:

Horseshoe nails, and other iron or steel nails, not specially provided for, 1½ cents per pound.

Mr. KING. Mr. President, may I inquire of the Senator from New Mexico whether the 30 per cent ad valorem found in line 16, page 65, on nails, spikes, and so forth, has been accepted by the Senate?

Mr. JONES of New Mexico. That rate was reduced by the committee to 15 per cent, and that has been accepted.

Mr. KING. I was called from the Chamber. Is there any reason for a rate upon these products which we make in such great abundance here and the importations of which are negligible?

Mr. JONES of New Mexico. I gave notice at the time that under the parliamentary situation we could not do more than to accept the lower rate proposed by the committee, but when we come back to review the bill and pass finally upon the paragraphs as amended I propose to offer a motion putting all the commodities embraced in the paragraph on the free list.

Mr. KING. I should like to inquire of the Senator while I have the floor if there could not logically be some distinction between horseshoe nails and other iron or steel nails not specially provided for. I imagine that horseshoe nails perhaps require a little more work than the other kinds of nails referred to in the same line and on which the same tax is levied.

Mr. JONES of New Mexico. Horseshoe nails are all made by machinery. They are cut out by machinery. The soft steel is fed in at one end of the machine and the horseshoe nails come out at the other; that is all there is to the process.

Mr. KING. Are they made by the Steel Trust or other big steel corporations or their allied concerns?

Mr. JONES of New Mexico. No; I do not think so; I think they are made by concerns which do nothing else but manufacture horseshoe nails. There are six of them, as I understand.

Mr. KING. And there is no competition?

Mr. JONES of New Mexico. Well, there are six concerns.

Mr. KING. I mean no foreign competition?

Mr. JONES of New Mexico. There is no foreign competition of any consequence.

Mr. KING. Does the Senator think that we ought by this legislation to give an opportunity for the six concerns to form a combination, if they have not formed one already, so that they will have a domestic market to themselves without any fear of competition from abroad?

Mr. JONES of New Mexico. I certainly do not; and I have expressed my dissent from putting any duty upon these nails.

Mr. KING. Has the Senator from Connecticut or any other Senator indicated the cost of producing horseshoe nails in Great Britain or Germany or Canada or other countries?

Mr. JONES of New Mexico. Not at all; there has been no testimony on the subject. The Senator from Connecticut had a letter from some man who said that he would have to have 4 cents a pound duty on these nails in order to remain in business.

Mr. KING. Is there anything to indicate that the iron-ore deposits in other countries are larger and more easily worked than the Mesabi Range deposits and other deposits in the United States?

Mr. JONES of New Mexico. To the contrary, every indication is that as to commodities of this kind we can manufacture them cheaper than any country on earth.

Mr. KING. Then, I should like to ask the Senator what excuse is given for a duty on these commodities?

Mr. JONES of New Mexico. None, except the letter which the Senator from Connecticut has received.

Mr. KING. Did we have a chance to cross-examine the man who wrote the letter to find out what the facts were?

Mr. JONES of New Mexico. The letter was not put in the hearings; there was nothing in the hearings so far as I know about it. The letter has come in since the hearings were concluded, and, I presume, is a private letter to the Senator from Connecticut.

Mr. KING. A sort of nebulous demand from some man who did not have the courage to come before the committee and subject himself to cross-examination?

Mr. JONES of New Mexico. I imagine he has considerable courage. Any man who could say that it would take a duty of 4 cents to enable him to manufacture horseshoe nails in this country must have a good deal of courage of some sort.

Mr. KING. It might be denominated audacity, perhaps, instead of courage. Is there any other argument adduced than the mere fact that the Senator from Connecticut says he has a letter from some man who wants 4 cents a pound duty?

Mr. JONES of New Mexico. That is all that has been offered here.

Mr. McLEAN. If the Senator from Utah will read the RECORD to-morrow he will ascertain the reasons which I gave for this duty. I do not care to repeat them now.

Mr. KING. I presume, Mr. President, the reason is that some person engaged in the production of this commodity wants an opportunity further to exploit the people; he wants an opportunity to charge higher prices, and he does not want to have any possible foreign competition. That is the reason back of the demand for most of the rates to be found in this bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as modified.

The amendment as modified was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. The amendment in the next paragraph has been agreed to after having been modified.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 9981) making appropriations for the Executive and for sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1923, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 9859) making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes.

The message further announced that pursuant to the provisions of the sundry civil appropriation act approved March 4, 1921, the Speaker had appointed Mr. MUDD, Mr. BLAKENEY, Mr. HILL, Mr. LINTHICUM, and Mr. GOLDSBOROUGH members of the committee on the part of the House to attend the dedication of the monument to Francis Scott Key at Fort McHenry, Baltimore, Md., on the afternoon of Wednesday, June 14, 1922.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (S. 2775) to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921, and it was subsequently signed by the President pro tempore.

INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT.

Mr. WARREN. Mr. President, I have here a conference report which disposes of a matter that has been at issue a long time—the independent offices appropriation bill.

The PRESIDING OFFICER. The Secretary will read the conference report.

The Assistant Secretary read as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 9981) making appropriations for the Executive and for sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1923, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 31.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Salaries: Comptroller General, $10,000; Assistant Comptroller General, $7,500; assistants to Comptroller General—4 at $6,000 each; chief clerk, $3,000; chiefs of divisions—7 at $3,000 each; chief of appointment division, $2,500; assistants to chiefs of divisions—3 at $2,750 each, 4 at $2,500 each; chiefs of sections—10 at $2,500 each, 13 at $2,250 each, 2 at $2,000 each; assistant chiefs of sections—11 at $2,000 each, 1 at $1,900; chiefs of subsections—3 at $2,000 each; disbursing officer, $3,000; deputy disbursing officer, $1,800; private secretary, $1,800; attorneys—1 $5,000, 4 at $4,000 each, 4 at $3,600 each, 1 $3,100; 5 at $3,000 each, 1 $2,750; law clerks—1 $2,500; 4 at $2,400 each, 4 at $2,250 each, 2 at $2,200 each, 9 at $2,000 each, 4 at $1,800 each, 1 $1,600; accountants—1 $2,500, 2 at $2,400 each, 3 at $2,100 each, 3 at $2,000 each; investigators—1 $4,000, 1 $3,000, 20 at $2,000 each; reviewers—8 at $2,100 each; principal clerks—17 at $2,000 each; clerks—164 of class 4, 218 of class 3, 255 of class 2, 267 of class 1, 56 at $1,000 each, 70 at $900 each; check assorters—4 at $1,000 each; duplicating machine operator, $900; carpenter, $1,400; foreman of messengers and laborers, $1,400; chief messenger, $1,000; messengers—1 $1,000, 15 at $840 each; assistant messengers—29 at $720 each; laborers—1 $720, 21 at $660 each; messenger boys—14 at $480 each, 1 $420; forewoman of charwomen, $660; charwomen—22 at $240 each; and temporary clerks, stenographers, typists, and other assistants, to be paid at a rate not exceeding $1,800 per annum, $375,000; in all, $2,293,190.

"Contingent expenses: For traveling expenses, rent, telephone service, purchase and exchange of books, office supplies (including stationery) and equipment, repairs and maintenance, and miscellaneous items, $175,261."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "No officer or employee of the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation shall be paid a salary or compensation at a rate per annum in excess of $11,000 except the following: Six at not to exceed $25,000 each, and two at not to exceed $20,000 each"; and the Senate agree to the same.

F. E. WARREN,
REED SMOOT,
W. L. JONES,
LEE S. OVERMAN,
Managers on the part of the Senate.

WILL R. WOOD,
EDWARD H. WASON,
T. W. HARRISON,
Managers on the part of the House.

Mr. WARREN. I move the adoption of the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

POST OFFICE DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT.

Mr. TOWNSEND. Mr. President, I present the conference report on the Post Office appropriation bill.

The PRESIDING OFFICER. The report will be read.

The Assistant Secretary read as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 9859) making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 52.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,903,380"; and the Senate agree to the same.

Amendment No. 58: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In lieu of the matter inserted by the amendment of the House, insert the following:

"SEC. 4. That for the purpose of carrying out the provisions of the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,' approved June 11, 1916, and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following additional sums, all such sums to be expended in accordance with the provisions of such act:

"The sum of $50,000,000 for the fiscal year ending June 30, 1923.

"The sum of $65,000,000 for the fiscal year ending June 30, 1924.

"The sum of $75,000,000 for the fiscal year ending June 30, 1925.

"The Secretary of Agriculture is hereby authorized, immediately upon the passage of this act, to apportion the $50,000,000 herein authorized to be appropriated for the fiscal year ending June 30, 1923, among the several States, as provided in section 21 of the Federal highway act approved November 9, 1921: *Provided*, That the Secretary of Agriculture shall act upon projects submitted to him under his apportionment of this authorization and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto.

"PAR. 2. For the purpose of carrying out the provisions of section 23 of the Federal highway act, approved November 9, 1921, there is hereby authorized to be appropriated for forest roads and trails, out of any money in the Treasury not otherwise appropriated, the following additional sums, to be available until expended, in accordance with the provisions of said section 23:

"The sum of $6,500,000 for the fiscal year ending June 30, 1924.

"The sum of $6,500,000 for the fiscal year ending June 30, 1925.

"PAR. 3. For the purposes of this section and of the acts heretofore making appropriations to aid the States in the construction of rural post roads the term 'bridges' includes railroad grade separations, whether by means of overhead or underpass crossings.

"PAR. 4. The provision of section 5 of the act entitled 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes,' approved February 28, 1919, fixing the limitation of $20,000 per mile which the Secretary of Agriculture may make, is hereby amended to read as follows:

"'That the payments which the Secretary of Agriculture may make from sums appropriated under this act or any act amendatory thereof or supplementary thereto for the fiscal year ending June 30, 1923, shall not exceed $16,250 per mile exclusive of the cost of bridges of more than 20 feet of clear span; and that the payments which the Secretary of Agriculture may make from any sum appropriated under the provisions of this act or any act amendatory thereof or supplementary thereto, after the fiscal year ending June 30, 1923, shall not exceed $15,000 per mile exclusive of the cost of bridges of more than 20 feet of clear span: *Provided*, That the limitation of payments herein provided shall apply to the public-land States, except that the same is hereby increased in proportion to the increased percentage of Federal aid authorized by section 11 of the act entitled "An act to amend the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,'" approved November 9, 1921.'"

PAR. 5. Section 24 of the act entitled "An act to amend the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,'" approved November 9, 1921, is amended to read as follows: "That in any State where the existing constitution or laws will not permit the State to provide revenues for the construction, reconstruction, or maintenance of highways, the Secretary of Agriculture shall continue to approve projects for said State until five years after November 9, 1921, if he shall find that said State has complied with the provisions of this act in so far as its existing constitution and laws will permit."

PAR. 6. If any officer, agent, or employee of the United States, or any officer, agent, or employee of any State or Territory, or any person, association, firm, or corporation, or any officer or agent of any person, association, firm, or corporation shall knowingly make any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the costs thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction of any project submitted for approval to the Secretary of Agriculture under the provisions of the Federal highway act, or shall knowingly make any false statement, false representation, or false report or claim for work or materials for the construction of any project approved by the Secretary of Agriculture under said Federal highway act and all amendments thereto, or shall knowingly make any false statement or false representation in any report required to be made under said Federal highway act or acts supplementary thereto with the intent to defraud the United States shall, upon conviction thereof, be punished by imprisonment not to exceed five years or by a fine not to exceed $10,000, or by both fine and imprisonment within said limits.

PAR. 7. If any provision of this section, or the application thereof to any person or circumstances, shall be held invalid, the validity of the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby.

PAR. 8. All acts or parts of acts in any way inconsistent with the provisions of this section are hereby repealed.

And the House agree to the same.

CHAS. E. TOWNSEND,
THOMAS STERLING,
GEO. H. MOSES,
E. S. BROUSSARD,
Managers on the part of the Senate.

C. B. SLEMP,
MARTIN B. MADDEN,
THOMAS U. SISSON,
Managers on the part of the House.

Mr. TOWNSEND. I move the adoption of the report.

Mr. KING. Mr. President, the report just read, as I understand, contains some very important legislation. To what extent it modifies existing law I am unable to state without some little time for comparison. I ask the Senator from Michigan if he will not let the matter go over until to-morrow, have it printed, and give us an opportunity to examine it?

Mr. TOWNSEND. I have no objection, although it has been before the Senate since the House passed its bill, and it was referred to our committee as it came to the Senate, and we adopted some amendments which I am very certain the Senator will approve, and there is no objection from any source that I have heard as to the changes we made in that law. It carries out our three-year program as adopted by the Senate in its bill and exactly the same amount that was carried in it, except the amount per mile, which we reduced. Our bill carried $20,000 per mile. The House bill provided for $12,500 and $10,000. We compromised on $16,250 and $15,000. There is no change in the law to which the Senator will object, I am certain.

Mr. KING. I have no doubt the Senator states the situation accurately; but the matter is very important, and I have a number of letters, one from the road commission of my State, which I have not had time to examine, and I am not sure whether any of the other communications which I have received relate to this bill or not.

Mr. TOWNSEND. All the communications the Senator has received, I am sure, are the same as I have received and all

other Senators have received, protesting against the House provision reducing the amount per mile.

We had to reduce it as a compromise. The House, however, provided for $12,500, available next year, and $10,000 thereafter. We compromised on $16,250 and $15,000, which was the best we could get. I am very certain that the Senator would not object to the House provision reducing it to $12,500, but practically all of the highway commissions of the country, I think, thought that it was a mistake to reduce it below the $20,000. We had to do it if we were to get an agreement on the bill.

Mr. KING. I appreciate the courtesy of the Senator in permitting it to go over until to-morrow.

Mr. McCUMBER. Mr. President, I should like to ask the Senator from Michigan if he will just give me in round numbers what the appropriation for these roads is for the year ending June 30, 1923.

Mr. TOWNSEND. There is no appropriation made in this bill for 1923.

Mr. McCUMBER. What is the amount that is to be used?

Mr. TOWNSEND. $125,000,000 to the 30th of June, 1923.

Mr. McCUMBER. And how much the next year?

Mr. TOWNSEND. It is calculated that there will be a continuing program of about $125,000,000 a year.

Mr. McCUMBER. Am I right in assuming that no provision is carried for levying an extra tax to meet this $125,000,000 a year?

Mr. TOWNSEND. There is no special provision made for such a tax.

Mr. McCUMBER. I am glad to know it.

PUBLICITY FUND OF FEDERAL RESERVE BOARD.

Mr. HEFLIN. Mr. President, I ask unanimous consent for the present consideration of a resolution which I send to the desk and ask to have read.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 302) was read, as follows:

Whereas it has been charged on the floor of the Senate that the Federal Reserve Board has a publicity fund of several thousand dollars which it uses, from time to time, to carry on a newspaper propaganda in support of the acts and policies of the Federal Reserve Board; and

Whereas it has been charged that a portion of said publicity fund has been used to induce certain newspapers to praise and defend the acts and policies of said Federal Reserve Board, and to attack and condemn Senators who have criticized the deflation policy of said board: Therefore, be it

Resolved, That the Federal Reserve Board be, and it is hereby, requested to furnish to the Senate, at its earliest convenience, in writing, all the information in its possession touching the matters specifically set out in the following questions:

(1) Has the Federal Reserve Board a publicity fund; if so, how much or what amount is provided per annum, and from what source is such a fund derived?

(2) For what purpose is said fund now used, and for what purpose has it been used since May 15, 1920, to June 1, 1922?

(3) To what person, or persons, and in what amounts and for what service performed, has money been paid from said publicity fund since May 15, 1920, to June 1, 1922?

(4) How is such fund disbursed—upon whose order is it paid out?

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

Mr. McLEAN. My attention was diverted while the resolution was being read, and I would like to ask the Senator from Alabama to explain what it is.

Mr. HEFLIN. This is a resolution calling upon the Federal Reserve Board to give to the Senate such information as it may have touching the charges that have been made here from time to time that it had a publicity fund for the purpose of carrying on newspaper propaganda, to defend and praise its policies and its acts, and to condemn Senators who disagreed with them. This calls on them to state whether they have such a fund or not; and if so, from what sources it is derived, how it is raised, and so forth.

Mr. McLEAN. Does the Senator object to its going over until to-morrow? I would like to read it.

Mr. HEFLIN. I do not see any reason why it should go over. It is a very simple resolution. I had a resolution put through here some time ago calling on them to send information about the new $26,000,000 bank building in New York, the bids, and so forth. They sent certain information with regard to that.

Mr. McLEAN. There have been a good many resolutions passed, and considerable information has been received from the Federal Reserve Board, and I shall probably not object to the passage of the resolution.

Mr. HEFLIN. I will say to the Senator that this information has never been received, and it has not been asked for directly by the Senate, but this resolution calls upon the board to give to the Senate such information as it has touching the charges that they have a publicity fund, and calls on them to tell the Senate, if they have such a fund, where they get such a fund and how they disburse it.

Mr. McLEAN. I shall object to its consideration to-day. I do not want the Senator to infer that I shall object to-morrow if upon looking at the resolution it seems to me to be proper.

Mr. HEFLIN. Very well; if the Senator objects, it will have to go over.

Mr. SMOOT. May I ask the Senator if he has written a letter to the board asking for this information?

Mr. HEFLIN. I have not.

Mr. SMOOT. I do not think there would be any question but that the Senator would get it by writing a letter to the board.

Mr. HEFLIN. I would rather write to them through a Senate resolution. We have a right to ask for this information.

Mr. SMOOT. I know that; that is why it is offered. The Senator can get that information by writing, I am quite sure.

Mr. HEFLIN. The Senator from Connecticut, I understand, objects to consideration of the resolution to-day, and I will call it up to-morrow.

The PRESIDING OFFICER. There being objection, the resolution will go over.

PRIMARY ELECTION EXPENSES OF HON. ALBERT J. BEVERIDGE.

Mr. HARRISON. Mr. President, some days ago in speaking to the Senate of the primary expenses of Gifford Pinchot in Pennsylvania, which showed up very large, I made the statement that in Indiana, where Mr. Beveridge won, he did not file any expense account showing the expenditures by him in that senatorial primary. Of course, I was alluding to the fact that he filed no report with the Secretary of the Senate.

I want to do no one an injustice, so I desire to read a letter which I have just received from Mr. Beveridge, touching the matter. The letter is as follows:

INDIANAPOLIS, *June 3, 1922.*

Hon. PAT HARRISON,
United States Senator, Washington, D. C.

DEAR SENATOR: My attention has just been called to your statement in the Senate May 30, as reported in the public press as follows:

"Out in Indiana, where Mr. Beveridge won, he did not file any account at all. Nobody knows how much Beveridge, the so-called Progressive, spent in Indiana."

This is entirely untrue. My statement, under oath, as to my total expenditures, was published as required by law. The sworn statement of Charles N. Williams, president of the Farmers Trust Co. and treasurer of my committee, as to all other expenditures made in my behalf, was also filed according to law. Both of these statements were published in the newspapers. I inclose them.

As you will observe, they show that the entire expenditure, both of the committee and of myself, for the entire State, and the whole campaign, was slightly in excess of $10,000.

Moreover, each week during the campaign Mr. Williams and myself published separately our affidavits of the total itemized expenditures made by myself and by the committee during the preceding seven days. Mr. Williams and myself did this voluntarily, and without legal requirement. The statements inclosed are summaries of these previously published affidavits.

Evidently you were misinformed; since, of course, you would not knowingly make an inaccurate statement, or willfully do any man an injustice, I am therefore placing the data in your hands.

Yours truly,

ALBERT J. BEVERIDGE.

I also desire to incorporate as a part of my remarks an item which appeared in the Indianapolis Star showing the itemized statement of Mr. Beveridge's expenses in that primary. There was no statement filed with the Secretary of the Senate by either Senator NEW or Mr. Beveridge, due to the decision, however, in the Newberry case, but this shows that Mr. Beveridge did file a statement of expenditures with the officials of the State of Indiana.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the Indianapolis Star, Saturday, May 13, 1922.]

PRIMARY EXPENSES TOTALING $8,747.99 FILED BY BEVERIDGE—ITEMIZED STATEMENT IS EXCLUSIVE OF NOMINEE'S PERSONAL ACCOUNT.

Primary campaign expenditures of Albert J. Beveridge, Republican nominee for United States Senator, exclusive of his personal expense account, a schedule of which will soon be filed, amounted to $8,747.99, according to an itemized statement filed yesterday in the office of County Clerk George V. Coffin.

Charles N. Williams, treasurer of the Marion County Beveridge-for-Senator Club who filed the account, received contributions totaling $9,115.87, according to the statement. Included in the contributions were $1,000 from Mr. Beveridge, $5,000 from Mrs. Katherine Beveridge, Mr. Beveridge's wife, $1,000 from Charles W. Miller, $200 from Larz A. Whitcomb, $200 from E. R. Lilly, $200 from Mr. Williams, and $100 from Charles Kirkpatrick, of New Richmond, Ind.

$367.88 IS RETURNED.

According to the record, $367.88 was returned to Mrs. Beveridge. Expenditures were distributed as follows: Clerical, $2,169; postage, $716; organization, $3,588.75; headquarters, $927.48; and Beveridge buttons, $622.99.

Other Republican candidates who filed expense accounts were: Judge James A. Collins of criminal court, candidate for renomination on the Republican ticket, $71.25; State representative—Walter Lieber, $26; Herman L. Traub, $27; Ferdinand J. Montani, $96.55; William Gruner,

$46.75; Charles Mendenhall, $20.25; John H. Murray, $16.25; Robert H. Henry, jr., $26.50; Elizabeth Rainey, $33.55. Harry Dunn, county auditor, $272.50; Ralph E. Jones, county clerk, $152.25; justice of the peace for Center Township—Isidor Wulfson, $245.50; Willa J. McCoy, $9; Rutherford B. H. Smith, $149.78; and Edward L. Dietz, $51.

PUBLIC HIGHWAY IN SKAGIT COUNTY, WASH.

Mr. JONES of Washington. Mr. President, from the Committee on Commerce I report back favorably without amendment the bill (H. R. 6313) authorizing the Secretary of Commerce to grant a right of way for a public highway to the county of Skagit, Wash., and I submit a report (No. 752) thereon. It is purely a local matter, and I ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. SMOOT. Let it be read first.

The PRESIDING OFFICER. The Secretary will read the bill.

The Assistant Secretary read the bill, as follows:

Be it enacted, etc., That the Secretary of Commerce is authorized to convey to the county of Skagit, Wash., a right of way for a public highway, not more than 50 feet wide, through the property of the United States in Skagit County, Wash., used as a fish-cultural station and hatchery, such right of way being more particularly described as follows: All that portion of the northeast quarter of the southeast quarter of section 15, township 35 north, range 7 east of the Willamette meridian, lying and being within lines 25 feet on each side of the following-described center line, to wit: Beginning at a point on the east and west center line of said section 15, south 88° 59′ west 730 feet, more or less, west of the east quarter corner of the above said section 15, township 35 north, range 7 east, Willamette meridian; thence south 88° 59′ west along the east and west center line of the above said section 15, 75 feet; thence south 57° 49′ west 340 feet; thence south 88° .07′ west 250 feet, more or less, to the west line of the northwest quarter of the northeast quarter of the southeast quarter of said section 15, township 35 north, range 7 east, Willamette meridian, containing seventy-one one-hundredths acres, more or less: *Provided*, That such conveyance of right of way shall not be construed as affecting the right or title of the United States in said property or as in violation of any stipulation or condition in the conveyance of the same to the United States, and on the further condition that the land or right of way authorized to be conveyed hereunder shall be constructed and maintained as a highway free of any expense to the United States, and all work thereon shall be such as not to interfere with the operations and efficiency of said fish-cultural station, and in a manner satisfactory to the Secretary of Commerce: *Provided further*, That the right is hereby reserved to alter, amend, or repeal the provisions of this act.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

RESTRICTION OF ORIENTAL IMMIGRATION.

Mr. SHORTRIDGE. Mr. President, I have been furnished with a certified copy of resolutions adopted by the Grand Parlor, Native Sons of the Golden West, a patriotic association or order made up of native sons of California. The resolutions express the enlightened opinion and the mature judgment of this American order concerning oriental immigration. To the end that the Congress and the American people may know the deliberate views of California, voiced by these resolutions, I ask unanimous consent that they be printed in the RECORD in the regular RECORD type and referred to the Committee on Immigration.

There being no objection, the resolutions were referred to the Committee on Immigration and ordered to be printed in the RECORD in 8-point type, as follows:

GRAND PARLOR,
NATIVE SONS OF THE GOLDEN WEST.

Whereas the Order of the Native Sons of the Golden West has at all times opposed immigration and colonization by Japanese and other Asiatics, and has viewed with alarm the rapid increase of Japanese in California; and

Whereas we regard such penetration a serious menace not only to California but to our country as well: Be it

Resolved, That the Grand Parlor of the Native Sons of the Golden West, represented by delegates from all parts of California, in forty-fifth session assembled, again places itself on record as in favor of and indorses the following declaration of principles:

First. Absolute exclusion for the future of all Japanese immigration, not only male but female, and not only laborers, skilled and unskilled, but "farmers" and men of small trades and professions, as recommended by Theodore Roosevelt.

Permission for temporary residence only for tourists, students, artists, and commercial men, teachers, etc.

Second. Such exclusion to be enforced by United States officials, under United States laws and regulations, as done with immigration, admitted or excluded, from all other countries, and not, as at present, under an agreement whereby control and regulation is surrendered by us to Japan.

Third. Compliance on the part of all departments of the Federal Government with the Constitution, and the abandonment of the threat or attempt to take advantage of certain phrasing of that document as to treaties, which it is claimed gives the treaty-making power authority to violate plain provisions of the Constitution in the following matters:

(a) To nullify State rights and State laws for control of lands and other matters plainly within the State's jurisdiction.

(b) To grant American citizenship to races of yellow color, which are made ineligible for such citizenship.

Fourth. For the Japanese legally entitled to residence in California fair treatment, protection in property rights legally acquired, and the privilege of engaging in any business desired, except such as may be now or hereafter denied by law to all aliens or to aliens ineligible to citizenship, and provided, particularly, they may not hereafter buy or lease agricultural lands: Now therefore be it

Resolved, That the Native Sons of the Golden West, in Grand Parlor assembled, hereby indorse said declaration of principles and urge that the President, Department of State, and the Congress of the United States adopt and observe the policy therein stated; and be it further

Resolved, That the secretary of this body be, and he is hereby, directed to transmit copies of these resolutions to the President and Secretary of State of the United States and to each of California's Senators and Representatives in Congress.

FLETCHER A. CUTLER, *Grand Trustee.*
H. C. LICHTENBERGER, *Past Grand President.*
EDWIN A. MESERVE, *Board of Appeals.*

I hereby certify that the foregoing resolution was duly adopted at the forty-fifth session of the Grand Parlor of the Native Sons of the Golden West, held in Oakland April 17 to 21, 1922.

[SEAL.] JOHN T. REGAN,
Grand Secretary N. S. G. W.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. In paragraph 333, on page 66, line 6, on behalf of the committee I propose to strike out "six-tenths" and insert in lieu thereof "one-fifth"; and in line 10 to strike out "2 cents" and to insert in lieu thereof "1 cent."

The PRESIDING OFFICER. There is an amendment in line 5 in that paragraph which has not been acted on.

Mr. McCUMBER. Let that be acted on first.

The PRESIDING OFFICER. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 66, line 5, the committee proposes to strike out "Horse" and to insert in lieu thereof "Common horse," so as to read "Common horse, mule, or ox shoes."

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the amendment proposed by the Senator from North Dakota to the committee amendment.

The ASSISTANT SECRETARY. In the House text, in line 6, page 66, strike out "six-tenths" and insert in lieu thereof "one-fifth," so that if amended it will read:

Common horse, mule, or ox shoes, of wrought iron or steel, one-fifth of 1 cent per pound.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment offered by the Senator from North Dakota.

The ASSISTANT SECRETARY. On page 66, line 10, in the committee amendment, strike out "2 cents" and insert in lieu thereof "1 cent," so as to make the paragraph read:

PAR. 333. Common horse, mule, or ox shoes, of wrought iron or steel, one-fifth of 1 cent per pound; horse, mule, or ox shoes, punched, drilled, or tapped, of wrought iron or steel, for use with adjustable wrought-iron or steel skid calks, and solid drop-forged calked shoes of wrought iron or steel, 1 cent per pound.

Mr. JONES of New Mexico. Of course, I am glad that the committee has proposed to lower a rate they previously offered, but I expect later to move to put all the articles in this paragraph on the free list, and I presume there is no question but that that can be done. I do not care to delay action upon the paragraph, but when the bill gets into the Senate I shall move to put the articles in the paragraph on the free list.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on the amendment as amended.

The amendment as amended was agreed to.

Mr. SMOOT. Mr. President, on page 66, lines 24 and 25, I move to strike out "tempered or untempered round iron or steel wire" and insert in lieu thereof the following:

Round iron or untempered round steel wire, 20 per cent ad valorem, when manufactured with tempered round steel wire.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 66, lines 24 and 25, strike out the words "tempered or untempered round iron or steel wire" and in lieu thereof insert:

Round iron or untempered round steel wire, 20 per cent ad valorem, when manufactured with tempered round steel wire.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Utah.

Mr. WALSH of Montana rose.

Mr. SMOOT. Perhaps I had better explain just what the amendment is, because, I think, perhaps the Senator has not the wording.

Mr. WALSH of Montana. I would be glad if the Senator would do that.

Mr. SMOOT. The amendment classifies card clothing, just as it is classified in the existing law. It provides, however, on round iron or untempered round steel wire, 20 per cent ad valorem. As the House sent the paragraph to the Senate, there was only one rate upon the untempered and the tempered steel. There ought to be different rates on the two classes of card clothing, and the amendment I have offered makes the same classification which was made in the act of 1909, and which is also found in the existing law, and reduces the rate from 45 per cent to 20 per cent on the untempered round steel wire.

Mr. WALSH of Montana. I think I understand. Instead of a rate of 45 per cent on all classes, the rate is 20 per cent on the untempered round steel wire.

Mr. SMOOT. And 45 per cent on the tempered, as well as the plated wire, or other than round iron or steel wire, or with felt face, wool face, or rubber-face cloth containing wool. That will take the higher rate. But all the untempered steel that is made into card clothing on leather—and all the ordinary clothing is made on leather—will bear a rate of 20 per cent. With felt face, wool face, or rubber-face cloth containing wool, the duty is 45 per cent ad valorem.

Mr. WALSH of Montana. I will come to that directly. The very able, adroit, and shrewd Senator from Connecticut, who I notice is on the floor, has on a number of occasions, when some particularly indefensible rate was under consideration, attempted to divert attention from it by precipitating a discussion, or attempting to precipitate a discussion, concerning the record or the attitude of the Democratic Party with reference to tariff measures, and the relative value of the policies of free trade and protection. It has been responded usually, when these efforts are made, that we must as a matter of course, in a general discussion, canvass the rate upon the basis of the protective principle. We admit that for the purpose of discussion. Accordingly, a discussion of the records of the parties in the past is only remotely applicable.

It has been charged, and charged again and again, with reference to these matters, that these rates are not protective at all, that there is no occasion for them, so far as the protective principle is concerned. As I understand it, that principle means, if it has been correctly announced in the platforms and on the floor, that the rate should be one which would equalize the cost of production here and abroad, thus putting the domestic producer upon an equal footing with the foreign producer. That contemplates, as a matter of course, that there would be some importations, and competition existing between the domestic producer and the foreign producer. Accordingly, when we come to articles which are not imported at all, or are imported in inconsequential quantities, a proposition to raise the rate can not be defended under the principle of protection, or at least as I understand it. That is the condition with reference to the rates prescribed in the paragraph before us and in succeeding paragraphs, to which I have devoted some little attention.

Take the product that is before us—card clothing. Under the existing law, when manufactured from untempered iron or steel it bears a rate of 10 per cent. When made of tempered steel it bears a rate of 35 per cent. It is proposed to raise that 10 per cent rate to 20 per cent and the 35 per cent rate to 45 per cent.

There are no importations whatever of any consequence at all of the commodity the rate upon which it is proposed to raise from 10 to 20 per cent; and with reference to the other, the importations are just such an amount as produces a healthy state of competition. It is proposed to raise the rate on that so that a monopoly will be granted and the foreign product entirely excluded from this market.

What are the facts? Of card clothing, manufactured with untempered round iron or steel, in 1918 there was imported $448 worth; and I ask Senators to bear in mind that that was under a 10 per cent duty; in 1919, $3,495 worth; in 1920, $11,000 worth; and in the nine months of 1921, $4,299 worth.

We had no information whatever upon production in this country, but obviously from the meager reports the production must be very considerable. The imports of the other class are not inconsiderable, but they amounted in 1918 only to $344,520; in 1919, $356,546; in 1920, $490,405; and in 1921, $394,189.

I have not discovered from an examination of the record that anyone has even asked for an increase in these rates. The Tariff Commission, in its report upon the particular commodity, tells us that there are no competitive conditions that require the raising of these rates by one penny.

Mr. President, I content myself with what has been said upon the matter. The fact is that the Tariff Commission reports that there is nothing in the competitive conditions that requires any change in the rates at all.

Accordingly, I move to amend the amendment by substituting "10" for "20" as the rate applicable to card clothing manufactured from untempered round iron or steel.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. The Senator from Montana [Mr. WALSH] moves to strike out "20" in the amendment submitted by the Senator from Utah [Mr. SMOOT] and to insert in lieu thereof "10."

Mr. SMOOT. Mr. President, just a word for the record. As to the manufacture of tempered wire, I want to call attention to the fact that in 1921 for nine months the value was $394,189, as the Senator stated, but during the remaining three months the large part of it came into the country. It increased from 208,153 square feet to 263,599 square feet under a 35 per cent rate, and that we propose to raise to 45 per cent. Steel, both tempered and untempered, used in the manufacture of card clothing, has a duty now imposed upon it which would require some compensatory duty, and it was for that reason the we raised it from 35 to 45 per cent. The House gave 35 per cent on the American valuation, and the Senate committee made it 45 per cent on the foreign valuation.

Going back to the year 1909 the equivalent ad valorem, when its price was 20 cents per square foot, was 20.75 per cent upon untempered steel clothing. If the price were exactly the same now as at that time, the ad valorem duty proposed would be the same as in the year 1908.

I do not know that there is anything more to say on this subject with the exception that as to card clothing, when manufactured with plated wire, in 1921 in nine months there were 43,689 square feet, valued at $84,943, imported, but for the remaining three months of the year there was imported an amount that would be equal to 52,204 square feet. Of course the importations have increased during the first three months of this year, and necessarily would. The committee thought, under conditions existing, that 20 per cent instead of 45 per cent on the untempered and 45 per cent on the tempered necessary in order to protect the industry of the United States.

Mr. WALSH of Montana. I have before me the figures with respect to the card clothing manufactured of untempered wire. There were imported during the first nine months of 1921 only 984 square feet.

Mr. SMOOT. And the remaining three months of that year brought it up to 2,120 square feet.

Mr. WALSH of Montana. Assuming that it did, that is only one-half of what it was the year before.

Mr. SMOOT. That may be true.

Mr. WALSH of Montana. That is, there was only one-half as much imported in 1921 as there was in 1920.

Mr. SMOOT. That is true.

Mr. WALSH of Montana. I want to submit a further word with respect to this matter. There was, as I said, no request, so far as I can learn, from any source for an increase of this duty. On the other hand, there was a protest against it made naturally by the people who want to buy card clothing for use in the manufacture of textiles.

Mr. Joseph F. Lockett, of Boston, testified before the committee, and very naturally he was in favor of a protective tariff. He said:

We desire to go on record in favor of a protective tariff which will represent accurately, as far as can be estimated, the actual difference between the cost of production here and abroad.

He states that the imposition of this additional duty will place an unjustifiable burden upon the manufacture of textiles which, of course, will be reflected in the price of dress goods and other articles of clothing. He quotes a Mr. Harris, president of the Exposition Cotton Mills, at Atlanta, Ga., who said:

Should a prohibitive tariff eliminate English-made clothing the American mills unquestionably would suffer and our progress be seriously retarded. The quality of American-made card clothing has been held up by reason of the high quality of imported clothing. Without the very best card clothing American mills can not compete in the world's markets, especially in the finer grades of cotton goods. To remove this competition in the manufacture of card clothing would result in the lowering of the quality of the immense product of American cotton mills and would work a serious hardship on this industry for the benefit of a very few comparatively small manufacturers of card clothing and the revenue obtained from such a tariff would be infinitesimal.

I do not know by whom the committee was moved to change this rate even as it was prescribed by the House from 35 to 45 per cent but a brief submitted by Mr. Lockett, who seems to have been the only witness upon this particular item before the Finance Committee, after reciting the conditions of the trade, states that—

It is at once apparent that the rate of 35 per cent under the Underwood law did not result in the importation of large quantities of card clothing, to the detriment of the American manufacturer, prior to 1917 and has not since that time.

It is difficult to understand the reason which actuated the Ways and Means Committee in providing a rate of 35 per cent in said paragraph 337 of this bill.

This rate was not apparently worked out on any mathematical formula. We hope the Finance Committee will carefully consider the fact that the rate now in the Fordney bill is an increase of nearly 100 per cent over the Payne-Aldrich rate.

I hope that will be perfectly understood.

Mr. SMOOT. But that is not the amendment the Senator from Utah has offered and that statement would not cover the situation as presented by the amendment I have just offered.

Mr. WALSH of Montana. He concludes:

We believe even to-day the Underwood bill, providing as it does a rate of 35 per cent on card clothing based upon the foreign value, gives to the American manufacturer of card clothing to-day much more protection than he is reasonably and justly entitled to.

This is a good protective man who tells us that.

Mr. SMOOT. Yes; but the rate to-day is 35 per cent instead of 25 per cent, and the statement he made was untrue about the 100 per cent. It is not true, and it can not be sustained. If the Senator wanted the other side of the question he could turn to page 823, where George L. Hamilton, card-clothing manufacturer of North Hanover, Mass., testified before the House Committee on Ways and Means.

Mr. WALSH of Montana. I was speaking about the Senate Finance Committee.

Mr. SMOOT. I know the Senator said the Senate Finance Committee; but I am calling his attention to the testimony which was before the committee, as all the House hearings were before the committee. The Senator will remember that the then chairman of the Finance Committee gave notice that where a person had testified before the House Committee on Ways and Means the time of the Finance Committee should not be taken up by hearing him again. It was stated that it would be an expense and a waste of time, and that notice was given by the then chairman of the Finance Committee.

Mr. Hamilton said he requested 60 per cent. I do not believe it is necessary nor did the committee believe it was necessary. I will say to the Senator also that when the Payne-Aldrich law was first enacted the woolen manufacturers of this country and the cotton manufacturers did not use the untempered steel. There was very little of tempered-steel clothing known, not only in this country but in the world. The tempered-steel clothing was exceedingly high at that time, but now the tempered-steel clothing is being used because of the fact that it is cheaper than the untempered. Not only that, but I agree with the man who stated that to use the tempered steel on the very finest work sometimes does not give the desired results. My experience before I left the woolen business induced me to begin to purchase tempered-steel instead of untempered-steel clothing.

Another thing, tempered steel is a steel of sufficient strength to last years. They put it upon a rubber base, sometimes a wool base—that is, an article made partially out of wool—and the grease which goes through the cards falls out of the wool and passes through, falling upon the face of the clothing itself. If it is rubber it lasts four or five times longer than if it were leather. Therefore the manufacturers of the country now have learned by experience in the past that tempered steel clothing, no matter if it does cost twice as much as the untempered, is cheaper in the end. That is the reason why the importations are so much greater than of the untempered steel.

Mr. WALSH of Montana. I merely wish to submit the conclusion of the Tariff Commission upon this matter and then I am perfectly willing that the Senate shall vote on it. This is what the Tariff Commission say concerning the necessity of an increased rate upon this article:

COMPETITIVE CONDITIONS.

Raw materials, cloth foundation and wire, used in the manufacture of card clothing are produced in the United States in sufficient quantities to meet the needs of domestic card clothing manufacturers, the foreign manufacturer having no particular advantage in this respect.

The most important foreign manufacturing countries of card clothing are England and Germany. These countries import cotton and wool for use in the manufacture of cloth foundation, whereas the United States produces its own cotton and much of its wool. Linen yarn, used in cloth foundation, is produced from domestic flax in both Great Britain and Germany, whereas the United States receives this material from foreign countries.

The lack of increase in amounts annually imported by the United States apparently indicates that the import duty of 35 per cent ad valorem has offset, at least in large measure, the difference in costs between foreign and domestic production of card clothing. Production costs abroad, however, are proportionately lowered by the depreciation of British and especially German currency and their greater purchasing power of the money within the borders of those countries as compared with the international exchange value.

That is the situation of affairs upon which the proposed increase of duty is based.

Mr. SMOOT. Mr. President, I am not going to take the time to go into all the reasons given by Mr. Hamilton, but I am going to quote an extract from his statement because of the fact that he is engaged in the industry himself, and I know personally that at least the part of his statement which I shall now read is absolutely correct:

First. The cost of labor in this country at the present time is over 100 per cent higher than it is in England. Card machine operators in England are paid 52 cents per hour. Card machine operators in United States are paid 106 cents per hour.

I recognize the fact that the wage of $1.06 per hour has got to be decreased; there is no doubt about it. If the conditions as stated as existing to-day should continue in the future, then I doubt very much whether the rates here proposed would be sufficient to protect the industry in this country; but I look for these wages to fall from $1.06 per hour, and so did the committee. Mr. Hamilton further stated:

Second. The principal materials used are hardened and tempered steel wire, cotton cloth, woolen cloth, linen cloth, rubber face cloth, felt and wool faced cloths, and leather, all of which are subject to different rates of duty. We request the privilege of filing an amended brief when we ascertain what the proposed rates of duty are to be on these materials.

The Senator from Montana knows what rates of duty are proposed in the bill. The fact was referred to by Mr. Hamilton that the rates had not been definitely arranged when the bill was before the other House.

I will say to the Senator that 45 per cent on the foreign valuation is a less rate than the House rate of 35 per cent on all kinds of tempered and untempered iron or steel wire.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Montana [Mr. WALSH] to the amendment of the Senator from Utah [Mr. SMOOT]. [Putting the question.] The Chair is in doubt.

Mr. SMOOT. We had better have the yeas and nays, Mr. President.

Mr. HEFLIN. Let us have the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). Transferring my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER], I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the Senator from Massachusetts [Mr. LODGE] to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

The roll call was concluded.

Mr. BALL. Transferring my pair with the senior Senator from Florida [Mr. FLETCHER] to my colleague the junior Senator from Delaware [Mr. DU PONT], I vote "nay."

Mr. EDGE. I transfer my pair with the senior Senator from Oklahoma [Mr. OWEN] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. COLT. Making the same statement as heretofore with reference to my pair and its transfer, I vote "nay."

Mr. GLASS. I transfer my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. DIAL. I desire to announce that the Senator from New Mexico [Mr. JONES] is detained from the Senate on official business. He is paired with the Senator from Maine [Mr. FERNALD].

Mr. HARRISON. Making the same announcement as heretofore with reference to my pair and its transfer, I vote "yea."

Mr. JONES of Washington. The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I promised to pair with him for the day. I find, however, that I can transfer that pair to the junior Senator from Oregon [Mr. STANFIELD]. I do so, and vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

The result was announced—yeas 19, nays 38, as follows:

YEAS—19.

Borah	Harrison	Overman	Underwood
Caraway	Heflin	Ransdell	Walsh, Mass.
Dial	Kendrick	Sheppard	Walsh, Mont.
Glass	King	Simmons	Williams
Harris	La Follette	Smith	

NAYS—38.

Ball	France	McLean	Smoot
Brandegee	Hale	McNary	Spencer
Bursum	Johnson	Nelson	Sterling
Calder	Jones, Wash.	Newberry	Sutherland
Cameron	Kellogg	Oddie	Townsend
Capper	Ladd	Page	Wadsworth
Colt	Lenroot	Phipps	Warren
Cummins	McCormick	Poindexter	Watson, Ind.
Curtis	McCumber	Rawson	
Edge	McKinley	Shortridge	

NOT VOTING—39.

Ashurst	Frelinghuysen	Myers	Robinson
Broussard	Gerry	New	Shields
Crow	Gooding	Nicholson	Stanfield
Culberson	Harreld	Norbeck	Stanley
Dillingham	Hitchcock	Norris	Swanson
du Pont	Jones, N. Mex.	Owen	Trammell
Elkins	Keyes	Pepper	Watson, Ga.
Ernst	Lodge	Pittman	Weller
Fernald	McKellar	Pomerene	Willis
Fletcher	Moses	Reed	

So the amendment of Mr. WALSH of Montana to the amendment proposed by Mr. SMOOT was rejected.

The PRESIDENT pro tempore. The question now is upon agreeing to the amendment proposed by the Senator from Utah.

The amendment was agreed to.

Mr. SMOOT. There is one other amendment to this paragraph.

The READING CLERK. On page 67, line 2, the committee proposes to strike out "35" and insert "45."

Mr. WALSH of Montana. Mr. President, I ask that the amendment be rejected. Thirty-five per cent is the rate of the present law, and, as shown, there is no occasion whatever for any change. Competitive conditions, as reported by the Tariff Commission, are exceedingly healthy. The importations, my recollection is, amount to about one-third of the entire consumption; so that there is a healthy competition under the existing rate between the domestic producer and the foreigner.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. MCCUMBER. Mr. President, in paragraph 338, page 67, line 5, on behalf of the committee I move to strike out after the word "steel," on said line, down to and including the word "marked," on line 15, and to insert in lieu thereof "25 per cent ad valorem," so that it will read:

Screws, commonly called wood screws, of iron or steel, 25 per cent ad valorem.

I will say that this is reinstating the present law.

The PRESIDENT pro tempore. The Chair understands that this is a committee amendment.

Mr. MCCUMBER. Yes.

The PRESIDENT pro tempore. The committee withdraws the amendment as printed in the bill. The question is upon agreeing to the amendment proposed by the committee.

Mr. WALSH of Montana. Mr. President, I congratulate the Senator from North Dakota on this wise change. I can not refrain, however, from expressing my astonishment that the House should have proposed the high rate which it did, or the Senate Finance Committee the amendment which it tendered.

Wood screws are manufactured in this country in enormous quantities. We export wood screws in enormous quantities, while the imports under the existing law, imposing a duty of 25 per cent, are negligible.

I do not desire, however, to offer any amendment. I am very glad to commend the amendment proposed now by the committee.

Mr. MCCUMBER. I am equally surprised, Mr. President, that the Democratic tariff bill gave a duty of 25 per cent upon these articles.

Mr. WALSH of Montana. Mr. President, I retort by saying that I should be very glad if it would be agreeable to the Senator to put these articles on the free list.

Mr. MCCUMBER. No; I think the Underwoad law was not far from right and sufficiently protective of screws.

Mr. WALSH of Montana. It seems to have excluded all imports, so that the present rate is a prohibitive rate. The distinguished Senator from Ohio [Mr. WILLIS] this morning told us with much vigor that although he was profoundly attached to the principle of protection, he never would vote for a prohibitive rate. That is what this is that is now being proposed by the Senator.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the committee.

The amendment was agreed to.

Mr. MCCUMBER. Mr. President, I ask to turn now to page 68, paragraph 340.

Mr. WALSH of Montana. What disposition does the Senator desire to make of paragraph 339?

Mr. MCCUMBER. I am asking that paragraph 339 may be passed over.

Mr. WALSH of Montana. Very well.

The PRESIDENT pro tempore. The amendment of the committee will be stated.

The READING CLERK. On page 68, line 6, it is proposed to strike out "15" and insert "30," so as to make the paragraph read:

PAR. 340. Crosscut saws, mill saws, pit and drag saws, circular saws, steel band saws, finished or further advanced than tempered and polished, hand, back, and all other saws, not specially provided for, 30 per cent ad valorem; jewelers' or piercing saws, 40 cents per gross.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

Mr. WALSH of Montana. Mr. President, this is another paragraph in connection with which the Senator from Ohio [Mr. WILLIS], following the principle he announced this morning, would be obliged to dissent from the proposed rate. This paragraph deals with crosscut saws, mill saws, pit and drag saws, circular saws, steel band saws, finished or further advanced than tempered and polished, hand, back, and all other saws not specially provided for. The House proposed a duty of 15 per cent ad valorem; the Senate proposes a duty of 30 per cent ad valorem, and on jewelers' or piercing saws, a duty of 40 cents per gross.

I am not particularly interested in the jewelers' or piercing saws, but the imposition of a duty of 30 per cent on handsaws and crosscut saws and mill saws and this product generally is as unjustifiable as one can imagine. The present law carries a duty of 12 per cent upon these articles. The production in this country is tremendous. The exports are very large and the imports negligible under a 12 per cent rate.

Let me give you the figures. I read from the report submitted by the Tariff Commission:

Crosscut saws of the hand-manufactured type vary greatly in character. They are used in logging and in sawing wood for fuel.

Of course, every farm in the country has to have a crosscut saw, a handsaw, and, quite frequently, a wood saw.

Drag-saws are similar to crosscut saws, but are operated by machinery, and are usually used in mills for cutting defective logs or for cutting logs into shorter lengths. Pit saws are handsaws used for sawing boards directly from the log. Mill saws are upright saws operated by machinery and used for rift sawing. The circular saw of disk shape is commonly used in sawmills and for sawing wood for fuel. Band saws are continuous bands run over pulleys and used in sawmills; they require the highest grade of steel and the greatest care in manufacture of any of the saws mentioned. A backsaw is a small variety of handsaw. It is used for very fine cutting requiring a straight or even saw cut. The blade is so thin that a strip of metal, usually steel or brass, is necessary along the back to prevent its buckling. Handsaws, broadly speaking, include such saws as buck, hack, keyhole, plumbers', back, pruning saws, and many others for special purposes. The most common is the familiar handsaw used by carpenters and other woodworkers. A jeweler's saw has a very thin blade, tempered hard throughout, for cutting metal, and is used in a frame. Metal-splitting saws, whether of carbon or high-speed tool steel, are classed as saws, although they more closely resemble thin milling cutters.

Production: In 1914 there were 100 establishments manufacturing saws in the United States. Wage earners numbered 4,560; capital was $15,860,000; wages paid, $3,019,000; cost of materials, $4,714,000; and value of product, $12,517,000. In 1919 there were 112 establishments, and the value of the product was $31,473,000. The States leading in production in 1914 were Illinois, New York, Ohio, and Pennsylvania.

Imports of saws embraced in this paragraph were valued at $63,570 in 1914.

Bear in mind, in 1914 we produced in this country $15,860,000 worth, and the imports were only $63,570.

In later years the imports were as follows:

1918	$18,473
1919	51,645
1920	126,906
1921 (nine months)	78,075

Against a domestic production of $15,860,000.

But, Mr. President, we are exporting these saws in enormous quantities, as I stated.

Exports in 1914 were valued at $1,474,077, more than half of which went to Canada, Australia, England, and Germany—

We actually exported saws to Germany!—

the rest being widely distributed. Later exports by calendar year have been valued as follows: 1918, $3,790,416; 1919, $4,851,791; 1920, $4,455,639; 1921 (nine months), $2,020,723.

Let us make a comparison. The imports in 1920 were $126,906, and the exports $4,455,639.

Mr. President, what earthly excuse can there be for increasing this duty? The only one I can conceive is that the duty was asked for by Disston & Sons, the manufacturers of this kind of ware; and the firm was represented by Mr. Atkins, who appeared before the Senate Finance Committee, and practically told nothing whatever concerning the industry except that he wanted this increased duty.

I read as follows:

Mr. ATKINS. Mr. Chairman, following the suggestion made by the chairman of this committee this morning to be brief and concise, I have conferred with the representatives of Henry Disston & Sons, of Philadelphia, and the Simonds Manufacturing Co., of Fitchburg, Mass., who are both here, and speaking for my own company I hurriedly prepared a statement for your committee.

Senator WATSON. Representing all of you?

Mr. ATKINS. Yes; representing all three of us.

Senator SMOOT. Give me the names, please.

Mr. ATKINS. Henry Disston & Sons, of Philadelphia.

Senator SMOOT. And the names of the other companies?

Mr. ATKINS. I do not think their names are down on to-day's list.

Senator WALSH. Who is representing the Simonds Manufacturing Co.?

Mr. ATKINS. Mr. Fox.

Senator SMOOT. Proceed, Mr. Atkins.

Mr. ATKINS. We ask that all saws carry an ad valorem rate based on the American valuation of 25 per cent, except band saws, which should carry at least 35 per cent ad valorem, and steel strips, tempered only or tempered and polished, a specific duty of 10 cents per pound and 20 per cent ad valorem.

He tells something about the difference in wages in Germany, and that is practically the substance of the testimony upon which this raise has been made. I move to amend the committee amendment by substituting "12" for "30" in line 6 on page 68.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The READING CLERK. On page 68, line 6, in lieu of the rate proposed by the committee, strike out "30" and insert in lieu thereof "12."

Mr. McCUMBER. Mr. President, with 112 manufacturers of saws in the United States, I assume there will be reasonable competition, and I do not think the duty, whatever it may be, will raise the price in the United States, unless there would be serious competition from importations, and I am not looking for serious importations. Considering the prices of the importations which have come in, even though they may be small in number at the present time, I believe that we are justified in imposing this duty of 30 per cent.

I call attention to the items mentioned in the Reynolds report. Let us take band saws just discussed by the Senator from Montana. There were six different invoices of those examined. The saws were imported from France.

Without going through the figures, the rate required to equalize, allowing a profit of 25 per cent, would have been 71 per cent; even allowing that profit to the importer it would require 71 per cent in order to equalize the two prices. We gave them 30 per cent. I will take the next one, two invoices of butcher saw blades. The amount necessary to equalize the landed cost, after allowing 25 per cent profit, would have been 254 per cent. The importer made 259 per cent upon his selling price of that article, and we ask him when he makes 259 per cent to pay 30 per cent of it in duty.

I think that is not an unreasonable request with such an enormous profit, and I do not believe it will affect in any way the price of the American article.

The next is metal slitting saws. We have two invoices of those. I find that it would take 150 per cent to equalize the foreign with the domestic cost. We have allowed 30 per cent. The importer makes 88 per cent, and if, after allowing them the 25 per cent profit, he makes an additional 88 per cent, I think he can stand the imposition of the 30 per cent.

I do not know whether there is danger of any great amount coming in, but these are the prices at which they have been imported, and getting those prices the importer at least can well afford to pay 30 per cent ad valorem duty to the Government.

Mr. WALSH of Montana. Mr. President, I have not the slightest doubt in the world that the importers can pay anything, of course, but there is not enough profit in it to have any imports at all. What is the use talking about the difference in price? If there was a difference in price of any substance, imports would come in; but they do not come in; they have not come in; and there is no prospect of their coming in, so far as anybody can conceive.

Mr. McCUMBER. These items came in. There is no question about that. The figures are taken from the records. There is no use saying they will not come in. They did come in, and these are what came in, and if these could come in I assume they can continue to come in at somewhere about the same price.

Mr. WALSH of Montana. How much came in?

Mr. McCUMBER. Only a little came in. I think the Senator read the figures, and he is correct. I am not challenging the figures. I am admitting that the importations are very light, but the importations now coming in, or those which were coming in at the time this report was made, give us the prices, the profits they are making, and show that 30 per cent is anything but excessive.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Montana to the amendment of the committee.

Mr. WALSH of Montana. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and transfer, I vote "nay."

Mr. McKINLEY (when his name was called). I transfer my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from South Dakota [Mr. NORBECK] and vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the previous vote with reference to my pair and transfer, I vote "nay."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

The roll call was concluded.

Mr. FERNALD (after having voted in the negative). I have a general pair with the senior Senator from New Mexico [Mr. JONES]. I find he is absent, and I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and allow my vote to stand.

Mr. DIAL. The Senator from New Mexico [Mr. JONES] is detained on official business. He is paired on this vote with the senior Senator from New York [Mr. WADSWORTH]. If present, the Senator from New Mexico would vote "yea."

Mr. HARRISON. Making the same announcement as before, I vote "yea."

Mr. POMERENE. As I announced before, I have a pair with my colleague the junior Senator from Ohio [Mr. WILLIS]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. KELLOGG. I transfer my pair with the senior Senator from North Carolina [Mr. SIMMONS] to the senior Senator from Minnesota [Mr. NELSON] and vote "nay."

Mr. WALSH of Montana (after having voted in the affirmative). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the junior Senator from Georgia [Mr. WATSON] and let my vote stand.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR].

The result was announced—yeas 16, nays 34, as follows:

YEAS—16.

Borah	Harrison	Myers	Smith
Cummins	Heflin	Overman	Underwood
Dial	King	Pomerene	Walsh, Mont.
Harris	La Follette	Sheppard	Williams

NAYS—34.

Brandegee	France	McCumber	Smoot
Bursum	Gooding	McKinley	Spencer
Calder	Hale	McLean	Sterling
Cameron	Jones, Wash.	McNary	Sutherland
Capper	Kellogg	Newberry	Townsend
Colt	Kendrick	Oddie	Warren
Curtis	Ladd	Page	Watson, Ind.
du Pont	Lenroot	Phipps	
Fernald	McCormick	Shortridge	

NOT VOTING—46.

Ashurst	Gerry	Nicholson	Simmons
Ball	Glass	Norbeck	Stanfield
Broussard	Harreld	Norris	Stanley
Caraway	Hitchcock	Owen	Swanson
Crow	Johnson	Pepper	Trammell
Culberson	Jones, N. Mex.	Pittman	Wadsworth
Dillingham	Keyes	Poindexter	Walsh, Mass.
Edge	Lodge	Ransdell	Watson, Ga.
Elkins	McKellar	Rawson	Weller
Ernst	Moses	Reed	Willis
Fletcher	Nelson	Robinson	
Frelinghuysen	New	Shields	

So the amendment of Mr. WALSH of Montana to the amendment of the committee was rejected.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

Mr. LENROOT. I move to amend the committee amendment by striking out "30" and in lieu thereof inserting "20."

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Wisconsin to the amendment of the committee.

Mr. LENROOT. Mr. President, I wish to say just a word in reference to the amendment. I voted against the amendment offered by the Senator from Montana [Mr. WALSH], but I think the amendment proposed by the committee is higher than the facts warrant. It is double the rate fixed by the House, and the amendment offered by the Senator from Montana was 12 per cent, which is the present rate.

There are no imports to speak of and, as the Senator from Montana has said, the exports are very, very large. I appreciate the fact that as Germany and France are getting upon their feet more and more, we may look for greater imports than we ever had. But when we consider that during nine months of 1921 there were imported only $78,000 in value of saws and during 1921 there were exported $4,555,000 in value of saws, it does not seem to me that a rate of 30 per cent ad valorem can possibly be justified. It is for that reason that I have offered the amendment reducing the rate to 20 per cent, but that would be an increase of 8 per cent over the present law and an increase of 5 per cent over the House bill.

I have read all the testimony which was produced before the committee. The chief testimony was that of Mr. Atkins, of the E. C. Atkins Co., and it consists of general statements that are not very convincing as to the need for any additional duty. It is to be remembered that the market for saws in this country is based very largely upon the reputation of the maker. There is competition, but there are well-recognized makes, and they have a very great advantage in the market because of the reputation of the makers.

Mr. WALSH of Montana. Mr. President, I believe that it will be quite generally admitted that neither France nor Germany will be able to recover, within at least a few years, the position they occupied industrially in 1914. It is scarcely to be expected that they will be able to invade our market within the next few years any more successfully than they were able to encroach upon the trade of our domestic producers in the year 1914, when they were able to get only $63,570 worth of their product into this country.

Mr. WATSON of Indiana. Mr. President, I am well aware of the fact that so far as imports and exports are concerned, the figures do not warrant a higher rate than that advocated by my distinguished friend from Wisconsin. But we are making a tariff bill under peculiar conditions. We do not know what the future holds. The Senator from Wisconsin does not know that 20 per cent will be adequately protective of American wages two years from now, nor do I. We did not know definitely in the committee just what rates were necessary adequately to measure the difference in the cost of production at home and abroad. In making the tariff bill we have been very much like a man who was trying to build a dam in a flood, not always sure of the foundation. We have been compelled to shift from time to time, but it has been the thought all the while that we should give the benefit of every doubt to the American producer and not to his foreign competitor.

I have not believed that this is any time to get out apothecary's scales and weigh nicely the extreme differences in the cost of production here and abroad, to "divide a hair twixt nor' and nor'west side." In adjusting rates to production costs we do not know what the future holds. I want to be sure that whatever it holds, American industry will be protected and that American labor will be saved from ruthless competition. If the figures are true—and they are, as my friend from Wisconsin has given them, and there is no doubt about the truth—would the other 10 per cent make any difference in the cost of a saw in the United States? My theory is that it would not.

There are 112 producers of saws in the United States. There is keen competition all along the line. Nobody has ever dreamed that there would be a saw monopoly. Nobody has ever thought of organizing any saw trust in the United States. I do not think, under existing conditions, if there is 30 per cent put on, that any tariff wall so-called would be so high as to foster monopoly or produce a trust. Therefore, from my viewpoint as a protectionist, 30 per cent is not a rate too high to be placed on this product.

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from New Mexico?

Mr. WATSON of Indiana. Certainly.

Mr. JONES of New Mexico. It is a general rule of law that in the construction of a tariff law we should first inquire as to the conditions which prevail prior to the passage of the statute. Presumably every law is passed for the purpose of meeting an unsatisfactory condition. Does not the Senator believe that, before we impose taxes upon the American people or increase the taxes, we should at first be certain that it is necessary to do it, and not increase taxes simply because of some theoretical or visionary idea that it may be necessary to increase the tax for the future. In other words——

Mr. WATSON of Indiana. I have the question; the Senator need not tell it "in other words."

Mr. JONES of New Mexico. In a case of this kind, is it not better to give the consumer the benefit of the doubt than the producer?

Mr. WATSON of Indiana. That involves one question that I shall not answer, because I have not the time to do it, and that is that the tariff is a tax. The Senator refers to it as a "tax." The tariff is not a tax. I am not going into that proposition at all. If men would study history instead of studying theories, if they would study facts instead of fancies, they would know that the tariff is not a tax unless it is a revenue tariff, which is a tax added to the cost, and which the consumer does pay. I am not going into that. My friend from New Mexico refers to it as a tax. I only mention it because I do not want to be understood as acquiescing and agreeing to the proposition that a tariff is a tax.

As to the other part of the question, which is legitimate to the purposes of the inquiry, I do know that wages in Germany are one-tenth to one-fifth what they are in the United States. I do know that wages in Germany are lower now than they ever have been. I do know that wages in the United States are higher than they have ever been before.

I do know that we can not adequately measure the difference in the cost of production here and in Germany by the old rate, and I am not willing to wait until the flood comes before I undertake to build the dam. So far as I am concerned, I want in fixing any of these rates to resolve all doubt in favor of the American producer as against his foreign competitor and his foreign rival. My view is that this is no time to quarrel amongst ourselves and haggle here as to whether the tariff shall be one rate or another rate when we are intending to be absolutely sure that American labor is protected and that American industry is enabled to operate free from excessive competition.

I will say to my good friend from Wisconsin [Mr. LENROOT] that if I could put my finger on the exact difference in the cost of production here and abroad, I should be willing to fix the tariff rate accordingly. I do not know what that difference is, and the committee in many respects could not definitely ascertain it. So far as I was concerned, in advocating this tariff on saws I was willing to make it high enough to be sure to protect the American industry.

Mr. KELLOGG. Will the Senator from Indiana yield to me?

Mr. WATSON of Indiana. Yes.

Mr. KELLOGG. I have been informed—and I should like to have the Senator's opinion, because he is on the Committee on Finance——

Mr. WATSON of Indiana. That does not mean anything, I will say to my friend from Minnesota.

Mr. KELLOGG. That so far as the manufacture of saws is concerned, the manufacturers in the United States make the best saws, and really very few countries compete with us in the making of saws, and that while it is true that there is no possibility of American labor competing with German labor or Aus-

trian labor or Polish labor or the labor of some other countries, yet the manufacturers in foreign countries do not particularly compete with us in the manufacture of saws, and that 20 per cent is a perfectly safe rate. That is the information which comes to me. Whether it is more reliable than the information which the committee has I do not know, but it would seem to me that under the circumstances 20 per cent is a fair rate.

Mr. WATSON of Indiana. If my friend from Minnesota thinks that, of course he ought to vote accordingly. My own judgment, however, is that, to make absolutely sure the protection of the industry in this country, 30 per cent is sufficient. I know that; I do not know whether 20 per cent would be adequate; but I know that 30 per cent is, if I know anything about the matter.

Mr. WALSH of Montana. Mr. President——

Mr. WATSON of Indiana. I yield to the Senator from Montana.

Mr. WALSH of Montana. I suppose there are a great many people in this country who do not know that a duty of 60 per cent would be sufficient.

Mr. WATSON of Indiana. But they are not here to vote. They are out somewhere.

Mr. WALSH of Montana. But the fact that the Senator from Indiana says he does not know that a 20 per cent duty would be sufficient really is not a very persuasive argument——

Mr. WATSON of Indiana. It is persuasive to me.

Mr. WALSH of Montana. Because I think a great many other people do not know that a rate of 100 per cent would be sufficient.

Mr. WATSON of Indiana. Does my friend from Montana know that 20 per cent will measure the difference in the cost of production here and abroad?

Mr. WALSH of Montana. I know that under the 12 per cent rate there are no imports.

Mr. WATSON of Indiana. Will my friend then be kind enough to state the wages paid by saw establishments in Germany and in the United States so as to prove to me that a duty of 20 per cent would be sufficient?

Mr. WALSH of Montana. It would be a matter of no consequence whatever what wages are paid in Germany——

Mr. WATSON of Indiana. Oh, no; that is a matter of no consequence, of course!

Mr. WALSH of Montana. That is to say, it would be but one element entering into the cost. Fortunately this country does not have to pay in war indemnities alone $32,000,000,000, such as is placed upon the industry of Germany, entering into the cost of everything that is produced there, in addition to the wages. The Senator from Indiana, of course, will recognize that there are other considerations besides difference in wages. There was a difference in the wages in 1914; the wages were lower in Germany in 1914 than they were here, and yet the Germans were able and the whole world was able to get into this country only $67,000 worth of saws.

Mr. WATSON of Indiana. Of course, Mr. President, when the Senator from Montana says that it does not make any difference whether the wages paid in Germany are very low or very high, that the difference in wages which are paid in the competing countries is not to be considered, he and I can not even start to discuss the tariff quesion.

Mr. WALSH of Montana. The Senator from Indiana did not understand me. Of course wages are one element in the cost of production, but the Senator from North Carolina [Mr. SIMMONS] showed here the other day that as to a multitude of articles which bear rates from 25 to 50 per cent the total labor cost does not exceed 10 per cent.

Mr. WATSON of Indiana. I disagree entirely with the figures stated by the Senator from North Carolina, and I undertook yesterday to prove that many of them were fallacious and erroneous. I have not any doubt in the world about that.

Mr. WALSH of Montana. The Senator from North Carolina obtained his figures from official sources.

Mr. POMERENE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Ohio?

Mr. WATSON of Indiana. I yield.

Mr. POMERENE. I think my good friend from Indiana has not been quite as frank in this discussion as he ordinarily is. Everybody wants the present standard of wages to be maintained here, but let us see if we can analyze these facts very briefly for a minute.

The Senator from Indiana has stated that the wages in Germany are perhaps one-fifth or one-tenth of what they are in this country. For the sake of the argument, I am going to accept that statement as correct. It was demonstrated here on the floor the other day, however, that during the months of January and February last there was an advance in the wages in Germany in one month of 20 per cent plus, and in the other month of 24 per cent plus, as I now recall. Notwithstanding the very low wages in Germany, the Senator from Wisconsin has shown that the imports into this country are negligible, while the exports out of this country were very substantial. If that were true under these very low wages, and the wages are increasing over there, as indicated by the statements which have been made on the floor of the Senate within the last week, pray tell me, under the circumstances, what is the need for the additional tariff duty?

Mr. WATSON of Indiana. Does the Senator believe in any protective tariff on any article?

Mr. POMERENE. Mr President, I do believe in a tariff

Mr. WATSON of Indiana. Does the Senator believe in a protective tariff?

Mr. POMERENE. If the Senator will distinguish between a protective tariff and a revenue tariff, then, perhaps, I can answer him. I am somewhat moderate in my view. I am willing to take into consideration present conditions abroad in determining what the rate shall be.

Mr. WATSON of Indiana. Then, does the Senator want purely a revenue rate or a protective rate, as he understands protection just as well as I do?

Mr. POMERENE. I would meet the Senator from Indiana upon a fair basis. I think in a matter of this kind I would be willing somewhat to increase the rates under the circumstances, but that is discussing a theoretical question.

Mr. WATSON of Indiana. No; it is a practical question.

Mr. POMERENE. It is a very theoretical question, while the question in which I am now interested is a practical one. Is there such a situation in view of the imports and exports as would justify the increase in the duty on the particular article?

Mr. WATSON of Indiana. That is the point exactly. For what purpose? If the Senator believes wholly in a revenue tariff and I believe in a protective tariff, we can not talk about rates because we approach the subject from an entirely different and antagonistic standpoint. I believe in a protective tariff; I believe that a protective tariff means covering the difference in the cost of production here and abroad, which is practically a matter of wages. That is the principal difference, for capital does not need to be protected; capital is never weak; capital needs to be protected only in order that it may pay American wages. It is the wage earner that needs to be protected, and it is that difference in wages which I seek to cover.

Can the Senator say to me on his honor as a Senator, as I know he will tell me on his honor, if he tells me at all, for he is always an honorable gentleman, what the wages paid in the saw establishments of Germany are and what the wages paid here are, and why 20 per cent measures the difference?

Mr. POMERENE. If I knew exactly what the wage was in Europe and exactly what the wage was here, I would certainly tell the Senator; but before I could determine the question of a tariff to measure the difference in wage costs I would want to know what the cost of the unit of production was. There ought not to be any question about that. If the Senator would limit the protective theory to the difference in the wage cost, then I think that he and I could get more nearly together than we can on this bill; but under this bill he is not content with that; he wants to cover the difference not only in wage costs but the difference in overhead expenses and the difference in the profit to capital itself, as is evidenced by the use of the term "competitive prices."

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from New Mexico?

Mr. WATSON of Indiana. I yield.

Mr. JONES of New Mexico. May I ask the Senator if he is in favor of an embargo tariff?

Mr. WATSON of Indiana. No.

Mr. JONES of New Mexico. Then, may I ask what is the purpose of increasing this rate if it is not to create an embargo?

Mr. WATSON of Indiana. Simply because, as I have stated, I do not know that 20 per cent proposed by my good friend from Wisconsin is sufficient. I am inclined to think that it will not protect the American manufacturer.

The rise in German wages which my friend from Ohio speaks of is not a rise in the gold value of the wage, but on a mark basis; and wages in Germany have not substantially increased, and it will be a long time before they do substantially increase. However, as my friend from Wisconsin intimated, when Germany begins to be resuscitated, when the laboring men begin to work full time, when her factories are all open, they are bound to sell at a lower price and a less profit

in order to help resuscitate themselves than they ever have before. They must conquer markets; they must find a place for the sale of their surplus products; they will come into this, the greatest and the richest market in the world. We are bound to be confronted with those conditions in the future, and I want, so far as I am concerned, to know that our people are going to be protected. If I am not sure that 20 per cent is enough, I am willing to vote for 25 or 30 per cent, even though it may be a matter of doubt. I speak only for myself as a protectionist, and that is all I have to say about it. I am sure that 30 per cent is high enough.

Mr. JONES of New Mexico. Is the Senator sure that the rate proposed by the committee will not amount to an embargo?

Mr. WATSON of Indiana. I am just as sure of that as I am of anything.

Mr. JONES of New Mexico. Will the Senator give us some reason for so believing?

Mr. LENROOT. Mr. President, will the Senator from Indiana yield at that point?

Mr. WATSON of Indiana. Certainly.

Mr. LENROOT. Does the Senator think that Mr. Atkins asked for a higher duty than was necessary?

Mr. WATSON of Indiana. I do not know what he asked for.

Mr. LENROOT. He asked for 25 per cent on one class and 35 per cent upon another, based on American valuation.

Mr. WATSON of Indiana. That would be a very much higher rate than is here proposed, of course.

Mr. LENROOT. So that he was asking for much more than 30 per cent?

Mr. WATSON of Indiana. He was asking for much more than 30 per cent. I remember that.

Mr. LENROOT. Where does the Senator from Indiana get his knowledge, then, that 30 per cent is enough, and he knows it is enough?

Mr. WATSON of Indiana. I get that from figures that have been adduced here and from my own knowledge of the general situation relating to the condition of these industries in this country and Germany. We went over the saw question very thoroughly; I do not at present have the facts in mind, I will say to my friend from Wisconsin, but——

Mr. WALSH of Montana. Mr. President, the Senator inquired of me if I knew the difference in the wages of labor in the saw industry in this country and in Germany. Does the Senator know what the percentage of the cost of producing saws is labor?

Mr. WATSON of Indiana. I quote from the information furnished by the Tariff Commission:

> As the result of the cessation of imports of jewelers' saws from Germany, the manufacture of these small saws is established in the United States.
>
> * * * * * * *
>
> According to a cost analysis * * * (Tariff Hearings, 1913) cost of material constituted 29.80 per cent of selling price of saws and factory supplies 5.74 per cent, as against 32.88 per cent for shop labor.

Mr. WALSH of Montana. So that the labor is only 32 per cent of the total cost; yet the Senator believes it will take 30 per cent to cover the difference in the cost of labor.

Mr. WATSON of Indiana. I will say to the Senator that it would cost a great deal more than that under these figures. The cost of material constituted 29.80 per cent of the selling price of saws——

Mr. LENROOT. In Germany?

Mr. WATSON of Indiana. Here; and factory supplies 5.74 per cent as against 32.88 per cent for shop labor.

Mr. WALSH of Montana. Let me inquire of the Senator now, having apprised himself concerning the total labor cost, whether he still thinks that the total labor cost being 32 per cent of the price, it takes a tariff of 30 per cent to cover the difference between the cost of labor in this country and Germany?

Mr. WATSON of Indiana. In the tariff hearings of 1913—this goes back to 1913—E. C. Atkins & Co. presented figures to show that English and Swedish saw manufacturers could sell their product at the regular prices, pay the duty, and still compete with United States manufacturers on a price basis. It should be noted, however, that imports were small, despite these alleged differences.

Atkins & Co. at present assert that wages in Europe are at the rate of 33⅓ cents per hour for sawsmiths, as against our rate of 60 to 80 cents, and that other trades are in proportion, and that foreign-made saws are offered at 20 per cent less than prices in the United States. This statement then gives the value of saws, the production, and so forth.

I will say to my friend from Montana that I can not accurately recall these figures in my own mind, but I have the general impression that when we were discussing this matter in the committee some Senator made a motion that the duty be reduced to 20 per cent, and I came to the conclusion that that was not enough, and insisted on the 30 per cent, and then had the figures, and we put in the 30 per cent. I do not know whether the Senator from Utah or the Senator from North Dakota has all these figures in mind or not; but I remember that I was absolutely sure that 30 per cent was enough to protect, and that I was not sure that 20 per cent was enough to protect.

Mr. WALSH of Montana. The Senator did not answer the last question I addressed to him. I shall be very glad to get his views in regard to it. I ask the Senator, being now advised that the total labor cost which goes into the manufacture of saws is about 32 per cent of the price, does the Senator still contend that it will take 30 per cent to cover the difference in the labor cost in this country and Germany?

Mr. WATSON of Indiana. I have not any doubt about it.

Mr. WALSH of Montana. That is to say, that the labor cost would be 2 per cent in Germany as against 32 per cent in this country?

Mr. SMOOT. Oh, well, that is not the way it works. That is the wrong way to put it, if the Senator wants to get the facts in the case.

Mr. SHORTRIDGE. Mr. President, I should like to ask a question of the Senator from Indiana. I understood him to say that there were some hundred and odd independent manufacturers of saws in the United States.

Mr. WATSON of Indiana. One hundred and twelve.

Mr. SHORTRIDGE. Is there competition among them?

Mr. WATSON of Indiana. There is.

Mr. SHORTRIDGE. They do not form a trust or combination in violation of the Sherman law?

Mr. WATSON of Indiana. They do not.

Mr. SHORTRIDGE. Is it, in the Senator's opinion, a fact that the higher rate would or might tend to keep out the foreign product; and, if so—that is to say, if it would keep out the foreign product—would not that to that extent increase the market for the home producer, and thereby give added employment to American workmen?

Mr. WATSON of Indiana. Of course, that is a part of the general theory of protection, always.

Mr. SHORTRIDGE. It is correct, is it not?

Mr. WATSON of Indiana. I think it is, beyond any doubt in the world.

Mr. SHORTRIDGE. I do, too. I say, with deference to Senators who hear me, that where there is legitimate, active, bona fide competition in America amongst manufacturers they are entitled, and those engaged in those industries are entitled, to the market of America; and just to the extent that the foreigner invades this market that market is taken away from the American producer, which includes the workmen in every shop, in every field, and I venture to say, agreeing with the Senator from Indiana, that if there is any doubt as to the adequacy of a 20 per cent rate we ought to give the benefit of the doubt to the American producer.

While I am on my feet for a moment, I beg leave to observe that I am astonished at the language used and the views entertained by Senators on the Democratic side of the Chamber. They hold forth in a tone which indicates that they think our people are made up into hostile classes; that the producers are the enemies of America; that the manufacturers are hostile to the best interests of America; that the producers of America, whether they be in the factory or on the farm, are enemies in fact, in purpose, to the consumers of the products of the factory or the farm.

Mr. JONES of New Mexico. Mr. President——

Mr. SHORTRIDGE. Pardon me a moment. We are all producers in America, except a few dudes and worthless tramps, and we are all consumers in America; and I therefore am astonished at the philosophy, at the language of Democratic speakers here in this Chamber and elsewhere, who seem to think—their language expresses the thought—that the producers of America are necessarily or in fact hostile to the consumers.

What does my learned friend from New Mexico [Mr. JONES] say when the products of his State are directly affected by this tariff question, or my learned friend from Alabama [Mr. HEFLIN], or my good and scholarly friend from Montana [Mr. WALSH]? There may be other Senators here who are interested in the producers—the farmers, the miners, the woodmen, the craftsmen. What do they say then? What happens then? Why, they vote wisely—they vote in favor of protecting that industry, not for the producer alone, though it were enough if that were the extent of their purpose. They know——

Mr. HEFLIN. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. Let me finish that thought. They know, for they are intelligent gentlemen, that to develop any

one great industry in any State develops and assists many other industries. No industry stands alone. They are interdependent. Let a great mine flourish in a given town in Montana or Nevada or Colorado or Wyoming, or in any great mining State, and that one great mine will support a whole village, a whole county, and contribute to the prosperity of the State.

So I wish to be understood as dissenting radically from the philosophy of my Democratic friends here, who seem to look upon the producers as in some way necessarily or in fact hostile to the consumers of this country; and as to this immediate question, why should we hesitate? If we are Republicans, if we are protective-tariff Republicans, if we have the true faith of our principles, why not stand up with the committee now and give adequate protection? I do not say high protection, though everything is relative. But what is "high" protection?

Mr. JONES of New Mexico. Mr. President——

Mr. SHORTRIDGE. Pardon me and I will yield in a moment.

I have read recently, in a journal whose editor I know and for whom I entertain great intellectual respect, that the Republican Party has never favored "high" protection—that it has always stood for "adequate" protection. That is a mere play upon words. Those who wish to play upon words can find abundant cause for quarrel. "Adequate" protection may be, in one sense, by comparison, "high" protection. If it is necessary to protect, I am not concerned with the percentage or the rate. The question is, Can the American producer—whether he be in the factory—the owner along with his employees—or whether he be a farmer—the owner of the farm and his employees—or whether he be the lumberman—the individual, the company, or the corporation and his or its employees—or whether he be the miner—the owner and his employees—the question is whether they or any of them can compete with the cheap products of the cheaper labor of other lands. Call it "high," call it "low," what I want and what the American people want is "adequate" protection for each and every and all American industries.

My own State is deeply interested in this problem. It is not a theory with us. It is a fact that stares us in the face like a white monument. No argument, no eloquence, no flights of fancy, no declamation, no vociferation, no accusation, can remove that white monument of fact before us. We know—Democratic fathers and mothers as well as Republican fathers and mothers—we know that we can not compete with the cheap, the servile labor of the Orient. We know this. The Pacific Ocean was once regarded as a barrier of protection. It is now an avenue of easy approach. It now invites invasion, and we know we can not compete with many, many of the products of the Orient, and that unless we are guarded by the Government, not by battleships but by tariff laws, the products of the Orient will come across that peaceful ocean and, taking the place of our products, destroy industries which, when protected, give work and wages and prosperity and happiness to Californians. Inadequately protected, these industries will utterly perish. This we know. This invasion and consequent and inevitable ruin we would avert, and hence we are protectionists.

We are producers in California of many things of the forest, of the mine, of the workshop, of the field.

We have a fertile soil and a salubrious climate. God has been very good to us, and the Government has been very good to us, but those industries, I say to you, can not compete with the Orient. Well, you may say, "Let them perish." But do you want them to perish? Do I want any industry in Alabama or in Ohio or in any State to perish? No. If I were to be governed by selfishness, I know that the prosperity of New Mexico will run over into California. I know that the prosperity of Utah or of South Carolina or of Louisiana will be beneficial to my great State. We are producers and you consume our products. We in turn consume your products, but we are friends commercially, not hostile enemies.

But I forget myself and consume too much time. I merely rose to ask my friend from Indiana whether the manufacturers of saws in this country were engaged in bona fide competition; and if so, I want them to continue to have the market of America. I do not wish to surrender that market to any foreign country. Very briefly stated this is my view.

Mr. JONES of New Mexico. Mr. President, I want to disclaim any hostility toward the producers of this country. I rose awhile ago for the purpose of asking the Senator what kind of a protective tariff he believed in. I am inclined to think that his last remark, that he would not allow any foreign product to come in here if it was being produced in the United States, answers my question; in other words, the Senator is in favor of an embargo tariff, and I should like to know if I correctly interpret his language.

Mr. SHORTRIDGE. As to many things, I am in favor of an embargo. I think during the late war an embargo developed great industries in America, which are now threatened. I believe there are times in a nation's history when it is wise to establish an embargo, and if my learned friend is familiar with the tariff history of Germany, if he is acquainted with the tariff history in France, he knows that both Germany and France at different periods of their careers have established embargoes in order to develop great home industries.

Mr. WALSH of Montana. The Senator might go further and say that every country in Europe at one time or another imposed embargoes, and their wiser statesmen in later days have laughed at them.

Mr. SHORTRIDGE. There has been no wiser statesman than Napoleon Bonaparte, the greatest modern military genius and a great civil administrator. He established embargoes, and nobody has laughed at him or questioned the wisdom of his conduct for France when he did it.

Let me remind gentlemen of something. We are all familiar with the fact that Germany was the great forerunner in the production of beet sugar. It was a Californian who was the forerunner of that great industry in our country. It was a poor German lad, Claus Spreckels, who came from Germany, and lived in Charleston, S. C., where his noble son, John D. Spreckels, was born. Claus Spreckels knew what Germany had done in the way of developing the sugar industry of Germany, and he went over there and bought the beet seed of Germany, planted it in the fertile soil of California, and started there the great sugar-beet industry.

Although Germany had grown great in the production of sugar, I am sure my learned friend has not forgotten that before the late war Germany became fearful of Russia, was fearful of Russia in the production of sugar; and not many years before the Great War broke out a convention of German sugar manufacturers was held to consider and devise a way to avert the danger. Their purpose was to insist, and they did insist, upon the German Empire raising the tariff on the importation of Russian sugar to a point which amounted, as of then, almost to an embargo. In other words, Germany saw the fertile soil of Russia and the cheap labor of Russia; and her assembled sugar-beet growers, farmers as well as manufacturers, called upon the German Government for protection, and to the extent which I have suggested.

So, answering the Senator from New Mexico, I want him to know that I think there are times in a nation's history when it is wise not only for national defense but wise in order to develop a given industry to put a complete embargo upon a foreign product.

Mr. JONES of New Mexico. But in the production of saws we have had quite an experience in this country. That industry has had a wonderful opportunity to develop. It has been successful in that development, and it has developed to the point where we not only compete with the world in the American market under a duty, but we ship a lot of those saws and compete with the world.

Mr. SHORTRIDGE. Is not that satisfactory?

Mr. JONES of New Mexico. Does the Senator undertake to apply his infant-industry idea to this saw industry?

Mr. SHORTRIDGE. Oh, no; it is not an infant industry.

Mr. JONES of New Mexico. Then, what kind of a protective tariff would the Senator put upon saws?

Mr. SHORTRIDGE. I certainly would put a rate which would equalize the difference in the costs of production, including labor. There are other elements than the mere cost of labor; there is the cost of all the materials which go into the finished product. So, at least, I would make the rate equal to and, I say, a little in excess of the difference between the cost of production in the one country and in the other.

I may be an extremist on this subject, but with great deference I hold myself ready to defend my position, from the Father of his Country down, and one of these days, for the edification of both of the Senators from Tennessee, where some people of my name and my blood happen to live, I propose, if it has not been done sufficiently already, to invite their attention once more to the sentiments, the matured judgment, of a fairly well-known American, a fairly reputable Democrat, a great American, a great patriot—Andrew Jackson, the protectionist. If I had lived then I might possibly have been a Jacksonite, but I must ask Senators to forgive me for saying that; I would have been for Henry Clay.

Mr. McCUMBER. Mr. President, it is very difficult to discuss any one of these items if three-fourths of the Senators

come in from the outside, look for a moment at the figures of importation upon any particular item, find that the importations are only a small percentage of the production, and then immediately decide that it is not necessary to have any protection because at the present time there is no particular amount of importation into the United States. If the committee were to report a bill based upon that reasoning, in less than two years two-thirds of the American factories would be closed.

Senators ought to realize that Europe has been devastated for four and one-half years, that it has been in an unsettled condition for the years after the war, that production has not become normal in a single one of those countries, and the world is hungry for products. That is one of the reasons why but very few importations are coming in, coupled with the fact that in this country we are very far from a normal condition, and our ability to purchase has been very greatly decreased.

I say, if we are to make our tariffs upon the assumption that we are to base our judgment on the percentage of importations as compared with production, and stop there, then we will say it is not necessary to have any protection whatever. I think we have to go a little further, and we have to determine the possibility of importations next year, and year after next, after making every due allowance for decreasing costs in this country and increasing costs in the other country, if you so desire.

I think we paid about $150,000 to have a commission, headed by Mr. Reynolds, investigate the question of foreign costs, as far as he could get at them, and the comparable American costs, and then give us something on which we could base our judgment as to what the future held in store for us in the matter of foreign importations. What we have certainly bears out the necessity for more than 30 per cent on this item.

Let me call the attention of the Senator from Wisconsin, and I would have liked to have had the attention of the Senator from Minnesota, to this Reynolds report. We will take band saws. There were six separate invoices examined. I assume they tried to get, as nearly as they could, articles that come in competition with the articles manufactured in the United States. These saws come from France. They are sold by the foot. The foreign price was 3.8 cents per foot. The landing cost was 0.003 of a cent. The selling price of the imported article, the little band saws, was 6.8 cents per foot. The selling price of the comparable American article was 8.5 cents per foot. Allowing the foreigner 25 per cent profit upon his landing cost, it would require 71 per cent to bring the French band saw up to the cost of the American saw.

Now, I take the next one. There were only two invoices in that, but I assume they were fair invoices, of articles that are generally imported. These were butcher's saw blades. They come from France. They are sold by the foot, at 52 cents a foot. The landing charges in the United States amounted to 3.5 cents. Those are sold in the United States for $2.23. The comparable American article is sold for $2.35. On the basis of what it costs to produce and import that article into the United States it would require 254 per cent to equalize the two. We have given them 30 per cent.

We take now metal slitting saws. There were two invoices of those, and they were sold for $1.19 each; 2 cents landing cost. The selling price of the imported article in the United States was $2.53. The selling price of the comparable American article—and we tried to get comparable American articles—was $3.79. It would take 153 per cent to equalize that, but I appreciate the fact that the importer made 88 per cent upon those importations.

So we might go over others. I do not for a single moment assume that all the importations that come into the United States would come in at these low prices as compared with our higher prices, but it does indicate to a fair degree what they can make these saws for in Germany or in France and import them into the United States. I candidly believe that when they get on their feet and when there is a sufficient demand outside to enlarge and command all that they can produce, they could produce enough to swamp the American market, and that 20 per cent ad valorem would not be sufficient. We took into consideration the very slight imports, but we could not eliminate from our minds the figures that are made in this report and draw some kind of a conclusion from it that we were justified in our 30 per cent ad valorem.

Mr. WATSON of Indiana. What rate does Canada impose on this article?

Mr. McCUMBER. Canada imposes 30 per cent ad valorem.

Mr. WATSON of Indiana. On our saws?

Mr. McCUMBER. Yes.

Mr. WALSH of Montana. Mr. President, I wish to say just a word in reply to the Senator from North Dakota, because he has referred to the Reynolds report. I want to bring out a few facts with reference to the matter. I find by the Reynolds report that there is no comparison at all so far as cost of saws are concerned, so far as handsaws are concerned, so far as any saws mentioned here are concerned, except band and butcher saws.

Mr. McCUMBER. All right. We will suppose that to be the case.

Mr. WALSH of Montana. That is the case, is it not?

Mr. McCUMBER. All right. That does not mean, however, that none of them are imported.

Mr. WALSH of Montana. Let us take band saws, which is the only one there is. Of course, the band saw is used, as is well known, in doing rather delicate work. The ordinary saw is the cross-cut saw or the circular saw, but let us take the band saw. I find from the Reynolds report, according to invoices they have, that the selling price of a certain gauge of the foreign article is 5.63 cents per point. The selling price of the domestic market is 7.28 cents per point, a difference of about 30 per cent. But can the Senator tell us how much of that 7.28 cents is profit?

Mr. McCUMBER. No. I have said many times over that the experts, those who have made as careful examination as they can, have reported to us that the percentage of profit of the foreign manufacturer is about the same as the percentage of profit by the American manufacturer, and, therefore, I am assuming in making these differences that the proportion of the one to the other as evidenced by their selling price would be equivalent to the proportion of the one to the other in the cost of production.

Mr. WALSH of Montana. Let me inquire of the Senator from what source the committee got the information that the profit to the domestic producer is substantially the same as the profit of the foreign producer?

Mr. McCUMBER. I only have it from the experts of the Tariff Commission——

Mr. WALSH of Montana. Some personal communication?

Mr. McCUMBER. Just a moment—and from those who are making the appraisements year after year in the customs-houses.

Mr. WALSH of Montana. Where can I get the information?

Mr. McCUMBER. Just where they got their information. Just to what extent they have investigated it I do not know, but I think they are in a position to give us as accurate information as we can secure from any source except the verified statement of the manufacturer.

Mr. WALSH of Montana. Can the Senator tell me where I can get the information?

Mr. McCUMBER. The Senator can get it from the same persons. I can give the name, if he wishes, of one of the experts who gave us that information.

Mr. WALSH of Montana. Is there no published information of any kind to which the Senator can direct me?

Mr. McCUMBER. Except such as given to the Finance Committee.

Mr. WALSH of Montana. Was information of that kind given the Finance Committee?

Mr. McCUMBER. Yes; to the members of the Finance Committee, and I have asked the different ones several times what their opinion was in reference to it, and that is the general view that I get of it.

Mr. WALSH of Montana. I may be wrong about it, but I had a general idea that the Tariff Commission never made any investigation into the cost, for instance, of the production of saws in this country so as to be able to form any judgment whatever as to whether the 7 cents includes 50 per cent profit or 20 per cent profit or 5 per cent profit. Can the Senator correct me if I am in error?

Mr. McCUMBER. I can not correct the Senator upon that point.

Mr. WALSH of Montana. There is just one other point I desire to submit before the matter is closed, so far as I am concerned.

The Senator from Indiana [Mr. WATSON] is exceedingly apprehensive that because of the low rate of wage in Germany—and apparently his apprehensions are shared by the chairman of the committee, the distinguished Senator from North Dakota—the 20 per cent now proposed by the Senator from Wisconsin will not be adequate to protect the manufacturer, and that the German manufacturer will come in here and appropriate and absorb the entire market.

That would be most unfortunate, because, Mr. President, in 1920 we produced about $12,000,000 worth of this product, and we exported $4,000,000 worth of it; that is to say, our product to the extent of $4,000,000, one-third of our entire production,

went abroad, where we entered into competition with Germany and with all the world. Now, if Germany by reason of her lower wage rates can come in here and get the American market away from us, of course, our foreign market is gone, too. No tariff that we can possibly impose will protect us in the foreign market, and the industry, if it loses one-third of its entire product, is gone. It will be impossible to sustain it, because there is no industry that can live, that is carried on in any commercial way, that has one-third of its entire production absolutely swept away from it and its markets absorbed by competitors to that extent. So if there is any chance at all of those people coming in and taking the American market, our industry is gone, no matter what tariff is put on the product.

Mr. LENROOT. Mr. President, this comparatively minor amendment which I have offered has given rise to one or two novel theories from the standpoint of Republican protection.

The distinguished Senator from California [Mr. SHORTRIDGE] expresses the view that if there be not a trust or monopoly in this country, that if there be competition in this country, it is immaterial how high the tariff rates are. If that should be the theory, what is the use of spending time on 20 per cent or 30 per cent? Why did not the committee bring in 100 per cent or 500 per cent upon all articles as to which there is manufacture and competition within the United States?

The Senator from California expresses the view that the American manufacturer is entitled to the complete market here in America. That, too, is entirely a new doctrine in the Republican Party. I have never before heard it claimed that the American manufacturers are entitled to a monopoly of the American market. The Republican theory has always been, and it is mine now, that the American manufacturer is entitled to protection so as to give him a fair chance and a fair opportunity to compete in the American market, and that he shall not be discriminated against by undue competition from abroad. But in equalizing conditions it has never been the theory of the Republican Party that they should enact prohibitive tariff rates and embargoes upon the matters of common production in the country.

Then the Senator from Indiana [Mr. WATSON] urges that because we do not know what the future may hold, it ought to be a proper policy to make the tariff rate so high as to cover every possible doubt so far as the future is concerned. Mr. President, to that I can not subscribe.

I have voted for a great many of the committee amendments in the bill with which I have not been satisfied as to their correctness, but I have resolved every reasonable doubt in favor of the American manufacturer. However, I am not willing to go along with the committee and give the American manufacturer the benefit of every possible doubt which under present conditions is sure to create an embargo and give a prohibitive tariff upon articles in common use here in the United States. What is the situation here?

The Senator from North Dakota may read figures from the Reynolds report from now until next month as to costs and as to wages, but the test is what are the imports under present conditions. If the quality was similar and the imports were so much less, as indicated in the Reynolds report, will some one tell the Senate why the imports are not coming in and flooding the country to-day? I think the answer is very simple. I hold in my hand a knife which perhaps costs a dollar. I have no question but that knives might be imported for a cent apiece, but they might not be of the same quality, yet I would not think it fair to compare an article imported from abroad of one quality with an article manufactured here of a higher quality.

When we come to the question of saws, America does produce the highest quality of saws that are manufactured in the world. That is why the American manufacturers are getting the world's markets, and in 1920 exported one-third of their entire production, although they had no tariff, so far as the foreign market was concerned, but they had to compete with the world.

If I were not to resolve any doubts in favor of the American manufacturer, I should have voted for the amendment of the Senator from Montana [Mr. WALSH] to keep the rate at 12 per cent. In proposing the amendment providing for a 20 per cent rate I am giving the manufacturer the benefit of all doubt, but I am not willing to subscribe to the doctrine proposed here upon this floor to-night that we shall in this bill impose tariff rates to cover every possible contingency that may occur in the future.

Mr. President, there is a provision in the pending bill which has been reported by the Committee on Finance manifestly and expressly for the very purpose of taking care of future contingencies; but, if the committee is to go upon the theory that because we do not know what the conditions may be two years from now, that we must make rates so high as to cover every possibility which may then exist, why the necessity of the provision later in the bill for a flexible rate and for an increase or a decrease to the extent of 50 per cent?

Mr. President, as a Republican, I am not willing to vote for tariff rates based wholly upon possibilities occurring in the future. In this item and in other items I propose to base my vote upon actual facts, giving the benefit to the American manufacturer of reasonable doubts, but I am not willing to vote for rates that can not be defended and are not defended from the standpoint of actual competition from abroad.

Mr. SHORTRIDGE. May I ask my friend a question?

Mr. LENROOT. I yield.

Mr. SHORTRIDGE. Does the Senator think that more saws will be imported under a 20 per cent than under a 30 per cent rate?

Mr. LENROOT. Well, I should hope so. If I did not think so, I should not propose it.

Mr. SHORTRIDGE. Then the Senator thinks it is desirable to increase the importation of saws?

Mr. LENROOT. Yes. I think when we are exporting $4,000,000 worth of saws a year and importing only $78,000 worth we may, without any danger to the American manufacturer, look forward to some increase in the importation of saws.

Mr. SHORTRIDGE. But why should we desire it?

Mr. LENROOT. I will tell the Senator why we ought to desire it. To-day the commodities of the farmers of this country are down to pre-war prices, but as to everything the farmers in the State of California and all other States have to buy, including saws, if you please, to-day they are compelled to pay prices very much higher than the pre-war prices. Why? Because agricultural products have been deflated; the farmer's prices have been cut down. We can not expect permanent prosperity in this country until there shall be a level secured between what the agriculturist receives for his products and what he pays for what he must buy; and we are not going to reach that level if, by prohibitive rates, we protect the present high prices of the manufacturers. So I come to the point that a reasonable amount of importations compelling manufacturers to bring their prices somewhere near the level of the farmers' prices will be a good thing for everybody in the United States.

Mr. SHORTRIDGE. I assume that the Senator from Wisconsin thinks that an increase of importations would bring about the result which he says is so much to be desired. That is the theory, is it not?

Mr. LENROOT. I think it would be so, because if we are going to keep up an embargo what is the incentive for them to decrease and deflate their prices, while, on the other hand, if the manufacturers must meet a reasonable competition—and they can meet it by proper economies—why should not the American people get the benefit of it?

Mr. SHORTRIDGE. I do not wish to pursue the matter, Mr. President, but does the Senator from Wisconsin contend now that the manufacturers of saws in America are making exorbitant profits?

Mr. LENROOT. I do say that the manufacturers of saws in America are compelling the American people to pay for that particular product a price very much higher in proportion than the price which the farmer receives for the product of his farm.

Mr. SHORTRIDGE. Of course, I admit all that to be true; but I do not reach the conclusion the Senator apparently reaches that this rate would have anything whatever to do with the price of the farm products to which he refers.

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). The question is on the amendment offered by the Senator from Wisconsin [Mr. LENROOT] to the amendment reported by the Committee on Finance.

Mr. LENROOT. I ask for the yeas and nays.

The yeas and nays were ordered and the Assistant Secretary proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as heretofore concerning the transfer of my pair, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before relative to my pair and its transfer, I vote "nay."

Mr. KELLOGG (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. SIMMONS], which I transfer to the senior Senator from Minnesota [Mr. NELSON], and vote "yea."

Mr. MCCUMBER (when his name was called). I transfer my pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Delaware [Mr. DU PONT], and vote "nay."

Mr. POMERENE (when his name was called). I have a pair with my colleague, the junior Senator from Ohio [Mr. WILLIS], for the day. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK], and will vote. I vote "yea."

Mr. STANLEY (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. ERNST]. I transfer that pair to the senior Senator from Missouri [Mr. REED] and will vote. I vote "yea."

Mr. SUTHERLAND (when his name was called). I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the senior Senator from New Hampshire [Mr. MOSES] and will vote. I vote "nay."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from New York [Mr. WADSWORTH] and will vote. I vote "nay."

The roll call was concluded.

Mr. JONES of Washington. Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Georgia [Mr. WATSON] and will vote. I vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Massachusetts [Mr. LODGE] with the Senator from Alabama [Mr. UNDERWOOD];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 22, nays 27, as follows:

YEAS—22.

Borah	Heflin	La Follette	Stanley
Capper	Jones, N. Mex.	Lenroot	Sterling
Caraway	Jones, Wash.	Overman	Townsend
Cummins	Kellogg	Pomerene	Walsh, Mont.
Dial	Kendrick	Sheppard	
Harris	Ladd	Smith	

NAYS—27.

Brandegee	Frelinghuysen	McLean	Shortridge
Bursum	Gooding	McNary	Smoot
Calder	Hale	Newberry	Spencer
Cameron	Johnson	Oddie	Sutherland
Curtis	McCormick	Page	Warren
Edge	McCumber	Pepper	Watson, Ind.
France	McKinley	Phipps	

NOT VOTING—47.

Ashurst	Gerry	New	Simmons
Ball	Glass	Nicholson	Stanfield
Broussard	Harreld	Norbeck	Swanson
Colt	Harrison	Norris	Trammell
Crow	Hitchcock	Owen	Underwood
Culberson	Keyes	Pittman	Wadsworth
Dillingham	King	Poindexter	Walsh, Mass.
du Pont	Lodge	Ransdell	Watson, Ga.
Elkins	McKellar	Rawson	Weller
Ernst	Moses	Reed	Williams
Fernald	Myers	Robinson	Willis
Fletcher	Nelson	Shields	

So Mr. LENROOT's amendment to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

The amendment was agreed to.

Mr. MCCUMBER. I ask unanimous consent that when the Senate closes its session for this calendar day it recess until to-morrow at 11 o'clock.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On page 68, paragraph 341, line 10, after the word "engraved," the committee proposes to insert the words "or otherwise prepared," so as to read:

Steel plates, stereotype plates, electrotype plates, halftone plates, photogravure plates, photo-engraved plates, and plates of other materials, engraved or otherwise prepared for printing—

And so forth.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 14, page 68, the committee proposes to strike out "15" and insert "25," so as to read:

And plates of iron or steel engraved or fashioned for use in the production of designs, patterns, or impressions on glass in the process of manufacturing plate or other glass, 25 per cent ad valorem.

Mr. WALSH of Montana. Mr. President, this is another increase that seems to have no justification whatever. It proposes to increase the tax on intelligence.

The item under consideration deals with steel plates, stereotype plates, electrotype plates, halftone plates, photogravure plates, photo-engraved plates, and plates of other materials, engraved or otherwise prepared for printing, and plates of iron or steel engraved or fashioned for use in the production of designs, patterns, or impressions on glass in the process of manufacturing plate or other glass, 25 per cent ad valorem; lithographic plates of stone or other material engraved, drawn, or prepared, 30 per cent ad valorem. These particular articles are used almost exclusively in the printing business. The production of these articles in this country is enormous; the imports are negligible; yet it is proposed to tax the printers of newspapers and periodicals and the makers of books an additional amount for these plates needed for purposes of illustration.

I content myself with giving the figures as compiled by the Tariff Commission, as follows:

In 1914 the country's output of engraved steel and copper plate, including plate printing, amounted to $13,786,000; photo-engraved plates not done in printing establishments, to $15,359,000; and stereotype and electrotype plates, to $8,154,000.

That is about $46,000,000 worth of these various articles produced in this country.

I continue reading from the report:

The figures for the output of lithographic plates include so much other material as to be valueless in this connection. England and Germany are large producers of the several articles embraced in this paragraph.

Bear in mind, Mr. President, the total production being in the neighborhood of forty-five to fifty million dollars. The imports in 1914 approximated $50,000, under a tariff of 15 per cent on the steel plates and 25 per cent on the lithographic plates. Since that time the importations are as follows:

Engraved steel plates:

In 1918	$5,139
In 1919	587
In 1920	600
In 1921 (9 months)	255

In the case of engraved plates of iron or steel, engraved or fashioned for use in the production of designs, patterns, or impressions on glass, and so forth, the importations were as follows:

In 1918	$44
In 1919	58
In 1920	900
In 1921 (9 months)	280

Bear in mind, that was at a rate of duty of 15 per cent, which it is proposed to increase to 25 per cent.

In the case of engraved steel plates, dies, and rolls, for use in engraving or printing bonds, stock certificates, and so forth, the importations were as follows:

In 1918 (with a duty of 15 per cent)	$15,946
In 1919	18,920
In 1920	28,761
In 1921 (9 months)	44,010

I inquire of the Senator, am I right in the assumption that these plates for the printing of bonds are on the free list?

Mr. SMOOT. Yes; they are on the free list.

Mr. WALSH of Montana. In the case of plates, electrotype, stereotype, half tone, photogravure, photograved, and plates of other material than steel, engraved for printing, the importations were as follows:

In 1918	$15,369
In 1919	32,312
In 1920	72,585
In 1921 (9 months)	26,546

The total production in this country in 1914, even, being $8,000,000. These plates, of course, are used now by every metropolitan paper. It gets out a Sunday sheet with photogravure pictures, and the plates thus come into use everywhere.

Finally, Mr. President, in the case of lithographic plates of stone or other material, engraved, and so forth, it is proposed to put a duty of 30 per cent ad valorem on that kind of material. The importations were as follows:

In 1918	$979
In 1919	482
In 1920	16,474
In 1921 (9 months)	1,903

Not only that, but we exported in 1914, of these commodities, $72,000 worth; in 1918, $181,000; in 1919, $389,000; in 1920, $535,597; and in the nine months of 1921, $299,431. We export these products to Canada, the United Kingdom, Cuba, Brazil, and the Argentine.

I content myself with this bare statement of facts, which shows, as I think, that this is a prohibitive duty, that it is an embargo which would simply exclude plates that are pro-

duced abroad and that are desired for use in this country by the newspapers and publishers of documents and periodicals.

Mr. SMOOT. Mr. President, I am quite sure the Senator does not understand the use of the articles in paragraph 341, or why this duty is imposed.

Mr. WALSH of Montana. The Senator is quite right in stating that I do not understand why the duty is imposed, but I think he is in error when he thinks that I do not know what they are used for.

Mr. SMOOT. I judged so from what the Senator said in relation to photogravures. That is why I made the statement. I expected the Senator from Montana to get up here and offer an amendment increasing the rates that we propose here in the Senate. There is not an iota of protection in these rates. We do not offer them here as protective rates at all. There is no necessity of it. It is a pure, simple revenue measure, and if it were 35 per cent or 45 per cent or 50 per cent it would make no difference.

The same articles would come in that are coming in under the rates to-day. If there is any real complaint to offer, it is because these rates were not made higher in order to get revenue into the Treasury of the United States.

Most of this work is done to special order; delivery is an important factor in the situation, and American firms will rarely place an order in a foreign country. Imports have consisted mainly of cuts for catalogs sent by a foreign firm to its agents in the United States and electrotypes shipped to American book and music publishers from their foreign establishments. Stereotype plates, it may be said, are almost never imported, since they are made from a papier-mâché matrix, and it is much cheaper to import the matrix. A few engraved steel plates come in from time to time, but these are specialties, the value often depending on their artistic merit. They never would come in otherwise. There is no necessity of it. They never would come in here unless they were of particular scientific or artistic merit.

That is all there is to this. We think we might just as well get that money as not, and as far as newspapers having any work done in a foreign country, or purchasing from a foreign country the photogravures which go into the newspapers on Sunday, is concerned, it is out of the question. The news would be so out of date, the pictures so out of the thought of the general reading public that it never could happen. So I will content myself by saying that these rates are imposed in order, wherever these specialties come over to this country, to make them pay into the Treasury of the United States a little more money than they do under the existing law. Under the existing law the rate is 15 per cent and 25 per cent. The committee reports 25 and 30. We think we can get a little more money, and that is all there is to it.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 68, line 16, before the words "per centum," to strike out "20" and insert "30," so as to make the paragraph read:

PAR. 341. Steel plates, stereotype plates, electrotype plates, halftone plates, photogravure plates, photo-engraved plates, and plates of other materials, engraved or otherwise prepared for printing, and plates of iron or steel engraved or fashioned for use in the production of designs, patterns, or impressions on glass in the process of manufacturing plate or other glass, 25 per cent ad valorem; lithographic plates of stone or other material engraved, drawn, or prepared, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 68, line 20, before the words "per centum," to strike out the figures "35" and to insert "60," so as to make the paragraph read:

PAR. 342. Umbrella and parasol ribs and stretchers, composed wholly or in chief value of iron, steel, or other metal, in frames or otherwise, and tubes for umbrellas, wholly or partly finished, 60 per cent ad valorem.

Mr. SMOOT. The committee desires to amend the amendment proposed by the committee by striking out "60" and inserting in lieu thereof "50."

Mr. WALSH of Montana. Mr. President, I shall content myself with making no opposition to the amendment proposed by the Senator, but I shall ask the Senate to disagree to the amendment offered by the committee, so that the rate shall remain as fixed in the bill as it passed the House, at 35 per cent ad valorem, the rate in the present law. This is another article which seems to require no further protection at all. Of course, it is rather unimportant, and I shall not take much of the time of the Senate in the discussion of it.

The American production is estimated at from $1,250,000 to $2,000,000, the item being umbrella and parasol ribs and stretchers. I read from the Tariff Commission Summary:

In the calendar year 1918 the imports of metallic ribs, stretchers, and tubes for umbrellas and parasols were valued at $14, the smallest annual importation on record since 1884. In the fiscal year 1914 the amount was $28,985.

That, it will be observed, was a little over 1 per cent of the American production, or about 1⅛ per cent.

After the year 1914 the imports steadily decreased until the year 1918.

Statistics for the years 1919 to 1921 are as follows:

Calendar year.	Value.	Duty.	Ad valorem rate.
			Per cent.
1919	$7,809	$2,733	35
1920	18,063	6,322	35
1921 (9 months)	26,539	.....	.....

Mr. SMOOT. And the balance of the year made the amount $38,285.

Mr. WALSH of Montana. Suppose it did; suppose it went up to $40,000. That would be 2 per cent of $2,000,000, the American production, and it is proposed to shut out even 2 per cent foreign production. I might say that jumping the rates from 35 to 60 per cent, or even to 50 per cent, can not be considered as anything but imposing a prohibitive embargo rate.

Mr. SMOOT. No, Mr. President; it is not an embargo rate, and I am a little doubtful whether, considering the quotations existing to-day, it is going to save the industry. The whole cost of these umbrella and parasol ribs and stretchers is labor, with the exception of what little steel is in the rib or the stretcher, which would not cost 2 cents. The whole of it is labor, outside of that little steel. I will say to the Senator from Montana that I have seen the orders which have been given, and also the invoices, and the quotations being made to-day and the orders that have been given are what led the committee in the first place to give 60 per cent. But the committee took into consideration the fact that perhaps in the near future there will be a lowering of the difference in the cost of producing goods in this country and Germany, from which all of the competition comes, and the committee thought that when conditions were normal 50 per cent would be sufficient protection. It is a very little industry, established just before the Payne-Aldrich law was passed.

I remember when the manufacturers of these goods came before the committee at that time, in 1909, and placed before the committee a picture of the conditions existing at that time, when 50 per cent was given by way of protection in the manufacture of these articles. Conditions are even worse to-day than they were then; but, as I have already said, the committee believed that, considering the fact that the wage scale in Germany may increase and the wage scale in the United States may decrease, the 50 per cent will be sufficient. That is why we ask that the Senate support the committee in the 50 per cent rate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, in paragraph 343, on page 68, line 24, before the words "per centum," to strike out the figures "25" and insert "40"; in line 25, before the words "per cent," to strike out the figures "35" and insert "50"; and on page 69, line 4, before the words "per cent," to strike out "30" and insert "45."

Mr. WALSH of Montana. Mr. President, this is an exceedingly important paragraph. As proposed to be amended by the committee it reads:

PAR. 343. Spring-beard needles, and other needles for knitting, sewing, shoe, or embroidery machines of every description, not specially provided for, and crochet needles, $1.15 per thousand and 40 per cent ad valorem; latch needles, $2 per thousand and 50 per cent ad valorem; tape, knitting, and all other needles, not specially provided for, bodkins of metal, and needlecases or needlebooks furnished with assortments of needles or combinations of needles and other articles, 45 per cent ad valorem.

That includes not only needles used in industry generally, but, as I take it, the household article. They bear at the present time, under the existing law, a rate of 20 per cent.

Mr. SMOOT. I want to say to the Senator that the household needles are on the free list. All the sewing-machine needles are on the free list. These are crocheting needles on large machines and on knitting machines of all kinds.

Mr. WALSH of Montana. I did not know that the others were specially provided for.

Mr. SMOOT. They are; they are on the free list.

Mr. WALSH of Montana. There does not seem to be any reason for distinguishing at all, so far as I can observe. The Tariff Commission reports that—

> The two principal classes of knitting-machine needles involve so many differences in construction—chiefly in labor and factory equipment—that they are distinct industries. In 1914 the domestic production of latch needles amounted to 46,165,000, valued at $492,387, while spring-beard needles amounted to 47,934,000, valued at $129,397; in 1919 latch needles amounted to 121,000,000, valued at $3,845,000, and spring-beard needles amounted to 43,000,000, valued at $341,000. Reports of manufacturers of spring-beard needles show production for 1919 to have been over 80,000,000 needles, valued at more than $600,000.

The importations of needles of all kinds in 1918 amounted to $388,432, considerably less than the production of any one class of needles in this country. In 1919 the imports amounted to $507,301; in 1920 they were $538,057; and in 1921 they amounted to $276,803. The figures are given in the table here for each particular kind.

We export these commodities in very large quantities.

> It is estimated that somewhat less than one-half of the domestic sewing-machine needles are exported; other classes of needles exported are insignificant. Some domestic shoe-machine needles are exported, but the extent is unknown.
>
> Exports for the calendar years 1918 to 1921 are valued as follows: 1918, $321,651; 1919, $535,656; 1920, $548,783; 1921 (9 months), $270,749. Principal countries of destination were, in 1918, Canada, Brazil, Argentina; in 1919, Canada, Brazil, Mexico; in 1920, Canada, Argentina, Brazil.

I submit that upon this record there is no justification whatever for an increase in the rate of duty upon any of these needles, particularly as the needles for domestic use, as we are advised by the Senator from Utah, have been placed upon the free list, it being apparently not feared that the industry, so far as the domestic production is concerned, is in any peril whatever from foreign production, which appears to be the case with reference to the other classes of needles.

Accordingly, Mr. President, I move to amend the rate fixed in the paragraph by striking out 40, before "per cent" in line 24, and inserting in lieu thereof 5, so that it will read, "$1.15 per thousand and 5 per cent ad valorem," which I take it will still be higher than the present rate.

Mr. SMOOT. Mr. President, the sewing-machine needle is quite different from the latch needle or the spring-beard needle. So important are those to certain industries in France and England that both France and England have designated them as a key industry. Take the latch needle. It is not that the material in the latch needle costs any more than it does in the common sewing needle. If it were made the same, there would be no need of any duty, any more than there is on the common sewing needle that is made and finished mostly by machinery. But on the latch needle, used for knitting purposes on large machines, there is a little beard, and that has to be fashioned exactly right and shaped exactly right and put upon the needle exactly in the same position as the beards on the other needles are. Unless it is, there would be trouble as soon as they undertook to operate a machine by power. The little beard that goes upon the latch needle costs more than 50 per cent of the total cost of the needles themselves, and the labor upon it alone makes the labor upon the latch needle the greater part of the cost of the article itself when completed.

What does the Reynolds report show as to common machine needles? It shows there is no need of any duty at all, and therefore they are put upon the free list. But when it comes to the spring-beard needles it would require a rate of 83 per cent to equalize the cost in the United States and in the foreign country—Germany.

Then take the embroidery needles. The rates in the bill, as reported by the committee, are sufficient to equalize that difference as shown by the Reynolds report.

Mr. POMERENE. What is the source of the information which the Senator is stating?

Mr. SMOOT. I am quoting from the Reynolds report as figured out by the Tariff Commission and handed to the committee.

The shoe-machine needle would require 83 per cent to equalize differences.

On the crochet needle it would require 164 per cent to equalize conditions. But, as I said with reference to umbrella and parasol ribs and stretchers, provided for in the preceding paragraph and just voted upon by the Senate, I expect to see a reduction in the wage in this country somewhat, and I expect to see an increase in the wage in Germany, and therefore I am not going to insist upon the rate that is shown by the Reynolds report to be necessary to equalize conditions in the two countries. I feel, however, that under normal conditions the rates named in the bill are no more than sufficient to protect the industry in the United States. Therefore I hope that the Senate will agree to the amendments that have been offered by the committee.

Mr. WALSH of Montana. Before disposing of this matter I want to call attention particularly to the duties upon shoe needles——

Mr. SMOOT. Shoe-machine needles.

Mr. WALSH of Montana. It reads "shoe or embroidery machine needles." It really reads, "needles for shoe or embroidery machines." Those are free under the present law, and it is proposed to put a duty upon them of $1.15 per thousand and 40 per cent ad valorem. Bear in mind they are absolutely free now, and yet the importations of this particular class of needles for 1920 were only $6,184 worth and for the nine months of 1921 were only $4,727, coming in free. I think it is protection gone mad to think of imposing a duty of $1.15 a thousand and 40 per cent ad valorem upon shoe-machine needles.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Montana [Mr. WALSH] to the amendment of the committee.

Mr. SMOOT. Just a moment, Mr. President, I am not going to take the time to read it, but if the Senator from Montana will turn to page 866 of the hearings before the House Committee on Ways and means, part 2——

Mr. WALSH of Montana. I have it right before me.

Mr. SMOOT. And note why the rates are believed to be necessary, I think more than likely he will agree that the rate is not a high rate upon these articles.

Let me call the Senator's attention to what the Tariff Commission reports on these very items to-day. Take shoe machine needles, which come from Germany. One hundred of them cost in Germany 83 cents, and the landing charges are 8 cents. The selling price of the German article is $2.19 in this country. The selling price of the domestic article is $2.15, just about the same. The actual profit and overhead or landed cost of the foreign article was 140 per cent; that is, over and above what it cost them to land here they sold at a profit of 140 per cent. To equalize the difference in the cost in this country and Germany would require 82 per cent, and the Senator can see what we have given. That is the condition existing to-day, I will say to the Senator.

Mr. WALSH of Montana. Of course, I understand perfectly well. The Senator is giving us this information from the brief of the Torrington Co., of Torrington, Conn. That is a significant fact. They are manufacturers of shoe-machinery needles.

Mr. SMOOT. Not only in this country, but in Germany as well.

Mr. WALSH of Montana. Exactly. In this country they are one company, as shown by the brief filed by them, producing sewing-machine needles in 1920 of a value of $1,000,000. There were imported during that year only $6,184 worth of shoe-machine needles to come into competition with products of $1,000,000 worth.

Mr. SMOOT. The Senator was wrong when he said that the Senator from Utah was quoting figures from this witness. I called the attention of the Senator to the witness's statement. The statement I made to-day was from the Tariff Commission, based upon the report of the Reynolds Commission.

Mr. WALSH of Montana. The situation is just exactly as pointed out by the Senator from Wisconsin [Mr. LENROOT] in discussing the subject of saws. Of what consequence is it to be shown by the Reynolds report that they can produce these commodities in Germany or in England at a cost less than we can produce here? The fact is they do not come here, which is a refutation of any statement to the effect that they can be produced at a less cost abroad and laid down here at a less cost than they can be produced for here. Of what avail is it that this man gives extensive figures about the difference in cost of labor in the production of this article in Germany and in the United States, when Germany is not able to lay down the product in the United States, as shown by the test of the imports to this country?

I think this is an outrageous thing. I believe that if the American people had any kind of idea about it they would rise in insurrection against a rate of $1.15 a thousand and 40 per cent on these needles.

Mr. POMERENE. Mr. President, the Senator from Montana perhaps forgets that we were told that during the war Germany had stored up mountains of dyes of all sorts that were to be dumped in here. It may be that while they were carrying on the war they manufactured mountains of needles to be brought in here, too.

Mr. WALSH of Montana. That may be.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana to the amendment of the committee.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. On page 68, line 25, the committee proposes to strike out "35" and insert "50," so as to read:

Latch needles, $2 per thousand and 50 per cent ad valorem.

Mr. WALSH of Montana. I move to amend the committee amendment by striking out "50" and inserting "5."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana to the amendment of the committee.

The amendment to the amendment was rejected.

The committee amendment was agreed to.

The ASSISTANT SECRETARY. The next amendment is, on page 69, line 4, where the committee proposes to strike out "40" and insert "45," so as to read:

tape, knitting, and all other needles, not specially provided for, bodkins of metal, and needle cases or needle books furnished with assortments of needles or combinations of needles and other articles, 45 per cent ad valorem.

Mr. WALSH of Montana. These, I take it, are the household articles?

Mr. SMOOT. They are all luxuries.

Mr. WALSH of Montana. How are they luxuries? "Needle cases and needle books furnished with assortments of needles or combinations of needles and other articles." I have kept house myself. We do not indulge in very many luxuries in my home—at least, some years ago we did not, when I was familiar with this matter of needle cases and combinations of needles and packages. I move to amend in line 4, page 69, by striking out "45" and inserting "20."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On line 4, page 69, the Senator from Montana moves to strike out "45," as proposed by the committee, and to insert in lieu thereof "20."

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

The PRESIDING OFFICER. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. In paragraph 344, page 69, on line 7, before the word "baskets," the committee proposes to insert the word "fishing," so as to read:

Fishing baskets.

The amendment was agreed to.

The next amendment of the committee was, on page 69, line 9, to strike out "35" and insert "45," so as to read:

PAR. 344. Fishhooks, fishing rods and reels, artificial flies, artificial baits, snelled hooks, leaders or casts, and all other fishing tackle and parts thereof, fly books, fly boxes, fishing baskets or creels, finished or unfinished, not specially provided for, except fishing lines, fishing nets, and seines, 45 per cent ad valorem.

Mr. WALSH of Montana. Mr. President, I am some fisherman myself, but if anybody wants to buy foreign fishing rods and flies he is perfectly welcome to do it. The rate is satisfactory to me.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, in paragraph 345, page 69, line 17, to strike out "35" and insert "55," so as to read:

PAR. 345. Saddlery and harness hardware: Buckles, rings, snaps, bits, swivels, and all other articles of iron, steel, brass, composition, or other metal, commonly or commercially known as saddlery or harness hardware, 55 per cent ad valorem.

Mr. WALSH of Montana. I should like to ask the Senator from Utah [Mr. SMOOT], or possibly the Senator from Connecticut [Mr. MCLEAN], who is also a member of the Committee on Finance, to tell us just exactly why the farmers of this country should be charged 55 per cent ad valorem on the hardware going into the manufacture of harness?

Mr. SMOOT. Mr. President, before I answer the Senator's question, I wish to offer certain amendments to this paragraph in order to clarify the paragraph and make it conform to another paragraph in the bill.

On page 69, line 17, I move to strike out the words "saddlery or."

Mr. POMERENE. What is the reason for that amendment?

Mr. SMOOT. Perhaps I had better first state the other amendments in order that Senators may know exactly what they are.

Then, on page 69, line 17, I ask that the Senate disagree to the amendment increasing the rate to 55 per cent and allow it to remain at 35 per cent, as it has been fixed by the other House.

Mr. POMERENE. Before the question is put on the amendment I should like to have an explanation of it.

Mr. SMOOT. I wish to present further amendments to the paragraph in order that the Senator may understand them all.

On page 69, line 18, after the words "ad valorem," I move to insert a semicolon and the following:

All articles of iron, steel, brass, composition, or other metal commonly or commercially known as saddlery or riding-bridle hardware, 50 per cent ad valorem.

In other words, harness hardware will then carry a rate of duty of 35 per cent, and saddlery or riding-bridle hardware will carry a rate of 50 per cent ad valorem.

I will suggest to the Senator from Ohio that the bit and the buckles of such bridles as are used by the very wealthy in this country cost five, six, and sometimes twenty times more than all the remainder of the bridle put together. Those are luxuries pure and simple, and there ought to be a different rate provided for them than for harness hardware which is used not only for carriage harness, but for the farmers' harness and harness of all kinds.

Mr. POMERENE. Mr. President, may not the same thing be said of harness hardware? There is harness hardware that is used on the farm, and there is other harness hardware of such a luxurious character that only the very rich can afford it. I fail to see the distinction which the Senator from Utah seeks to draw.

Mr. SMOOT. There is, however, quite a distinction, I will say to the Senator. Imported saddlery, for instance—and the Finance Committee had samples of it before them at the hearings, which, I think, were attended by the minority members—is a luxury which can not be said, of course, of the ordinary harness used throughout the country.

Mr. POMERENE. Do I understand that under this principle it is proposed to make one rate for saddlery hardware and another rate for gold-mounted harness?

Mr. SMOOT. I do not know that I could say that, Mr. President.

Mr. POMERENE. But would not that be the effect under the amendment as it is now proposed?

Mr. WALSH of Montana. If the Senator from Utah will pardon me, I am in entire sympathy with the idea he has in mind of imposing a higher rate of duty upon what might be considered as luxuries, either in the way of harness or in the way of saddlery, but it does not seem to me that the amendment proposed by the Senator will accomplish the desired result, because, of course, the cowboy out West, whose livelihood is immediately connected with his saddle, would be obliged to pay, according to the division proposed by the Senator from Utah, the same high rate as the idle rich who ride for pleasure or for the reduction of obesity.

Mr. SMOOT. That is true, I will say to the Senator, and I shall now offer an amendment so as to take care of that situation. I will frankly say to the Senator from Ohio [Mr. POMERENE] that I had not thought of the point now suggested. I will propose a change so as to cover the suggestion. I shall offer an amendment to insert after the word "metal," in line 16, the words "not plated with gold or silver." Then it will be plain that common harness hardware will bear the lower rate.

Mr. POMERENE. How would the remainder of the amendment read, then, if that amendment be adopted?

Mr. SMOOT. Then it would read:

All articles of iron, steel, brass, composition, or other metal commonly or commercially known as saddlery or riding-bridle hardware, 50 per cent ad valorem.

Mr. POMERENE. No; the Senator is excepting from the first bracket all silver or gold plated harness. How are those going to be taxed?

Mr. SMOOT. If the harness is plated with gold or silver, then it will fall in the basket clause, which carries a rate of 50 per cent. So it will be exactly the same rate as we have it here.

Mr. POMERENE. I ask the Senator from Utah to read the amendment as it should be perfected.

Mr. WALSH of Montana. I suggest to the Senator from Utah that he insert the qualifying clause after the word "hardware," in line 17.

Mr. SMOOT. I am reminded that the hardware plated with gold or silver carries a duty of 60 per cent; so it would then fall in the higher bracket.

I move to strike out, on page 69, line 17, the words "saddlery or"; then the clause would read:

Saddlery and harness hardware: Buckles, rings, snaps, bits, swivels, and all other articles of iron, steel, brass, composition, or other metal not plated with gold or silver, commonly or commercially known as harness hardware, 35 per cent ad valorem.

Mr. WALSH of Montana. Let me inquire of the Senator——

Mr. SMOOT. Then, following that will be the clause—

All articles of iron, steel, brass, composition, or other metal, commonly or commercially known as saddlery or riding-bridle hardware, 50 per cent ad valorem.

Mr. WALSH of Montana. I do not think the Senator wants it in that way.

Mr. SMOOT. Certainly; that is correct.

Mr. WALSH of Montana. It seems to me that if the qualifying clause be put after the word "hardware" it will be complete, so that it would read thus:

Saddlery and harness hardware: Buckles, rings, snaps, bits, swivels, and all other articles of iron, steel, brass, composition, or other metal, commonly or commercially known as saddlery or harness hardware, not plated with gold or silver.

Mr. SMOOT. The words "not plated with gold or silver" ought to come in after the words "or other metal," so as to read "composition, or other metal, not plated with gold or silver." We want it to include all other metal not plated with gold or silver.

Mr. WALSH of Montana. I shall find no fault with that, except I remark that the other hardware which is plated with gold or silver is also known as saddlery or harness hardware. It is my purpose to strike out the words "saddlery or."

Mr. SMOOT. I am going to move to strike out the words "saddlery or."

Mr. WALSH of Montana. That would improve it.

Mr. SMOOT. So that the first bracket will then only apply to harness. Then, the next bracket will read:

All articles of iron or steel, brass, composition, or other metal, commonly or commercially known as saddlery or riding-bridle hardware, 50 per cent ad valorem.

Mr. WALSH of Montana. I do not think that will accomplish what the Senator desires. I think it should read exactly as it is except for the insertion after the word "metal," in line 16, or after the word "hardware," in line 17—and I think the latter is the more appropriate place for it—the words "not plated." Then it will be complete.

Mr. SMOOT. "Not plated with gold or silver."

Mr. WALSH of Montana. "Not plated with gold or silver"; yes.

Mr. SMOOT. That is what my amendment provides.

Mr. WALSH of Montana. I would not strike out anything; I would make that applicable to it all.

Mr. SMOOT. That would be all right if we covered it in the next paragraph.

Mr. WALSH of Montana. To which paragraph does the Senator refer?

Mr. SMOOT. I refer to the amendment that I am going to offer, to insert a semicolon and the following:

All articles of iron, steel, brass, composition, or other metal, not plated with gold or silver, commonly or commercially known as saddlery or riding-bridle hardware, 50 per cent ad valorem.

That will reach it.

Mr. WALSH of Montana. I do not see why the Senator wants to do that. It seems to me perfectly plain and simple that all we want to do is to put in the qualifying clause "not plated with gold or silver."

Mr. SMOOT. No; there have got to be two brackets.

Mr. WALSH of Montana. So there will be.

Mr. SMOOT. One will provide a duty of 35 per cent and the other of 50 per cent. The 50 per cent duty will be on what is commercially known as saddlery or riding-bridle hardware.

Mr. WALSH of Montana. Why not put it in this way?

Saddlery and harness hardware: Buckles, rings, snaps, bits, swivels, and all other articles of iron, steel, brass, composition, or other metal, commonly or commercially known as saddlery and harness hardware, not plated with gold or silver, 35 per cent ad valorem, and all articles in this paragraph named which are plated with gold or silver, 50 per cent.

Mr. SMOOT. We want another amendment to that, I will say to the Senator. We want to impose a duty of 50 per cent on "all articles of iron, steel, brass, composition, or other metal, not plated with gold or silver, commonly or commercially known as saddlery or riding-bridle hardware"; then insert a semicolon and the words:

all the foregoing, if plated with gold or silver, 60 per cent ad valorem.

Mr. WALSH of Montana. That is what I suggest; that is all right.

Mr. SMOOT. Now, I will read it to the Senator just as it will appear when all of the amendments are offered:

PAR. 345. Saddlery and harness hardware: Buckles, rings, snaps, bits, swivels, and all other articles of iron, steel, brass, composition or other metal, not plated with gold or silver, commonly or commercially known as saddlery or harness hardware, 35 per cent ad valorem.

Then follows:

All articles of iron, steel, brass, composition, or other metal, not plated with gold or silver, commonly or commercially known as saddlery, or riding bridle hardware, 50 per cent ad valorem.

Then follow that with the next bracket:

All the foregoing, if plated with gold or silver, 60 per cent ad valorem.

Mr. WALSH of Massachusetts. In other words, if a steel bit is to be used for harness it is to be taxed 35 per cent ad valorem, while if it is to be used for saddlery it is to be taxed 50 per cent ad valorem.

Mr. SMOOT. Yes.

Mr. WALSH of Massachusetts. Why does the Senator propose such a distinction?

Mr. SMOOT. Because the two are not the same.

Mr. WALSH of Massachusetts. It has been pointed out by a Senator from the West that the cowboy has as much use for a steel bit as the millionaire. Why should he pay more for the steel bit used for a saddle horse than for a steel bit that is used with harness?

Mr. SMOOT. There is quite a difference, I will say to the Senator, and it is just that kind of ware that we think can stand a higher rate of duty.

Mr. WALSH of Massachusetts. I am unable to see the difference between iron and steel bits that are used for saddlery and iron and steel bits that are used for harness.

Mr. SMOOT. I will say to the Senator that there is a great difference.

Mr. WALSH of Massachusetts. I wish the Senator would tell us what the difference is.

Mr. WALSH of Montana. I should like to hear from the Senator from Wyoming [Mr. KENDRICK] on that matter. He ought to be able to advise us quite definitely.

Mr. WALSH of Massachusetts. I should like to hear from him, too.

Mr. WALSH of Montana. I must confess that I can not see any reason. Here is one man. He is engaged in agriculture. He has a team of horses plowing, and he buys a harness, including a bridle. On that bridle there is a duty of 35 per cent. Another man is engaged in the stock business. He has to have a bridle that goes with a saddle, and he has to have a saddle, which, of course, would imply the use of some hardware. He pays 50 per cent.

Mr. SMOOT. Of course, the two bits are entirely different. One is the commonest kind of a bit; the other is a very costly one.

Mr. POMERENE. It may or may not be.

Mr. SMOOT. But it is.

Mr. KENDRICK. Mr. President, as I understand the Senator from Utah, the difference is in the type of the bit that is used, is it not?

Mr. SMOOT. It is.

Mr. KENDRICK. The Senator from Utah has attempted to show that the harness bit is what is known in the language of the harness man as a snaffle bit, and the bit that is used for horseback riding is what is known as a curb bit. Is that the distinction that the Senator draws?

Mr. SMOOT. That would be the distinction in the main, but, of course, the Senator knows that there is a great distinction in the quality of the bit.

Mr. SMITH. Mr. President, does not every riding bridle have the snaffle bit and the curb bit on the same bridle?

Mr. KENDRICK. According to my experience it is not customary to use both kinds of a bit on the same bridle.

Mr. SMOOT. I think the Senator would know, under this description, what kind of a bit it is:

Commonly or commercially known as saddlery or riding-bridle hardware—

"Riding-bridle hardware" is quite different from the bit that is upon the bridle of an ordinary farmer's harness.

Mr. SMITH. Mr. President, if the Senator from Utah will allow me, I do not think there is a man who is familiar with harness at all but that knows that the kind of bit that is used is dependent largely upon the nature of the animal you are going to drive.

On every farm, if you have a refractory animal, you have a curb bit. If you have one that is gentle, you would want a snaffle bit or a smooth bit. I do not believe there is a man in America who knows the kind of bit the individual uses by any terminology or any classification.

Mr. SMOOT. I can say to the Senator that we have had riding bridles before the committee where the bit would cost eight or ten times—yes; more than that—more than all the rest of the bridle put together.

Mr. SMITH. That would depend entirely upon the quality of material that the bit is made out of. You can get as cheap a curb bit as you can a snaffle bit or you can get a snaffle bit that is made out of ductile steel, that will cost you more than a curb bit will cost; and so far as the ter-

minology of a riding bridle is concerned, even that does not admit of strict classification.

Mr. KENDRICK. I think the Senator from South Carolina is quite right about that. As every horseman knows, the riding bit is sometimes used from necessity on driving horses, while the driving bit is occasionally used on riding horses; but the two are distinctly different in make and in type, and are readily differentiated because of the generally accepted and well-known employment of each.

Mr. SMOOT. Let us consider the practical side of it, and just what we are up against, and see if this is not the best wording that could be suggested. This is what the experts of the Tariff Commission tell us, and also the men who impose the duty upon these articles.

The only importations of this character of goods that amount to anything at all come from England. They are all a high type and class of goods. The Senator knows what the English saddle is. Generally, I think, they call them jockey saddles, do they not?

Mr. KENDRICK. They are known as English saddles.

Mr. SMOOT. They constitute the majority of those that come into this country. The bridles are of the highest type of workmanship, and they come in here and are purchased mostly by men who have not anything else to do but to spend their time in pleasure and riding around the polo grounds, I suppose, or going upon hikes to some summer resort, or around the city in the morning and through the parks; and the higher price they can pay for their saddles and for their bridles the better it will please them.

Mr. SMITH. Mr. President, if the Senator will allow me, that pertains entirely to the covering. So far as this is the metal schedule, the covering is what distinguishes between the English and the American make, and that pertains entirely to the upholstery and to the leather that is in the saddle.

Mr. SMOOT. These are the buckles that are on them, and the stirrups that are on them.

Mr. SMITH. Yes; I have had a good deal of experience along that line.

Mr. SMOOT. The only thing that we get in under this schedule is the buckles and the stirrups and the bits that come into this country, and they are imported mostly from England, and I think they can afford to pay 50 per cent.

Mr. SMITH. When it comes to the raw material, such as the stirrups and the buckles and the metal, I think the Senator from Utah would cover the matter entirely if he made the distinction between the plated and the unplated or just the simple metal; and, as the Senator from Montana intimated a moment ago, if he would put in that paragraph—

other metal commonly or commercially known as saddlery or harness hardware, not plated—

I think he would do justice all around, and then put in whatever per cent, in his judgment, is necessary for that plated ware.

Mr. SMOOT. That is just exactly what I am trying to do.

Mr. SMITH. No.

Mr. SMOOT. Yes.

Mr. SMITH. You had three; I think two are sufficient.

Mr. SMOOT. Let the Senator follow it, and then I will read it just exactly the way it will be when it is amended, if the Senate agrees to the amendment:

Saddlery and harness hardware: Buckles, rings, snaps, bits, swivels, and all other articles of iron, steel, brass, composition, or other metal not plated with gold or silver, commonly or commercially known as saddlery or harness ware, 35 per cent ad valorem.

Then:

All articles of iron, steel, brass, composition, or other metal not plated with gold or silver, commonly or commercially known as saddlery or riding-bridle hardware, 50 per cent ad valorem; all the foregoing, if plated with gold or silver, 60 per cent ad valorem.

Mr. SMITH. The second or the middle proposed amendment is the one that I do not believe the Senator can differentiate from the first; and you then have vitiated or made inoperative the first, for the reason that the higher duty will be put on because you can not differentiate between the articles. If the Senator wants to have a tax laid upon the idle rich, or those who desire to have these extra fine or plated-ware articles, if he will strike out that middle paragraph, where he tries to differentiate the saddle and riding-bridle buckles and metal parts, and make the distinction between the paragraph as it now stands at 35 per cent and plated ware at 50 per cent, he will cover all that he wants; or, if he desires—of course I do not—to put on a duty of 50 per cent, he would have a differentiation that would be practicable and workable; but to try to differentiate between a riding-bridle bit or a riding-bridle buckle and a working-bridle bit or a working-bridle buckle is something that not a man in the world can do.

Mr. KENDRICK. I am rather inclined to believe that the Senator from Utah has drawn the distinction as fine as it can be drawn by his amendment, because anyone passing upon it, such as the customs officer, I think would have no difficulty in determining from the general character of the bit what it was intended for.

Mr. SMOOT. Absolutely; and I want to impose 50 per cent duty upon that kind of merchandise. This is commonly or commercially known as saddlery or riding bridle hardware, and any examiner of the port of entry will know just as soon as he sees it that it is not for ordinary, common harness.

Mr. SMITH. How would you tell the difference?

Mr. KENDRICK. The Senator from South Carolina asks how you could tell the difference. I think the designation commonly used would govern.

Mr. SMITH. Mr. President, I do not like to sit here, since I have gotten into this, and do violence to ordinary intelligence, sit here and stultify myself, by an explanation that does not explain a thing to me, and I do not believe it does to the Senator from Wyoming either.

Here is a snaffle bit made in a certain style. You know that every completely equipped riding bridle has a snaffle bit and a curb bit. You use your snaffle on certain gaits of your horse and your curb on other gaits. Now, here come imported into this country a lot of snaffle bits. Can you tell whether the party that buys those snaffle bits is going to use them in the combination riding bridle or in the plow bridle? You know you can not do anything of the kind.

Mr. KENDRICK. The answer to the question is that not all of the bits are combination bits, as the Senator has suggested; not very many of them include both kinds of bits.

Mr. SMITH. But the Senator understands that when these bits come in they are not mounted. Of course, if they were on a riding bridle, with all the features of a riding bridle and already mounted, I would know that the snaffle bit was on a riding bridle; but when they come in unmounted, how do you know that they are going to be put on a plow bridle for a mule in the South or as a snaffle bit for somebody to use in conjunction with a curb bit in a riding bridle? You know you could not make the distinction.

Mr. KENDRICK. The Senator could very easily determine himself the one that is in most common use.

Mr. SMITH. Why, my dear sir, I will guarantee that 60 per cent of the ordinary commercial workaday bridles are snaffle bits, with all the marks of a snaffle bit of the style that you would use on a high-priced riding bridle.

Mr. KENDRICK. That means simply that the snaffle or smooth bit would be classed as a driving bit, and it would be passed upon by the customs officer in that way.

Mr. SMITH. On the other hand, a large per cent of them use the curb bit.

Mr. KENDRICK. That would be designated as a riding bridle without any question, and where both of them were employed you would assume, naturally—I would—that it was for riding purposes. It is sometimes necessary to use the riding or curb bit in driving unusually spirited horses.

Mr. SMITH. Very well. The Senator has admitted that the character of the bit largely depends on the character of the animal the man is using. Therefore you would tax the man who had to use a bit in the ordinary, workaday world the same as the man who rides the spirited horse for purposes of pleasure.

Mr. WALSH of Massachusetts. The first bracket deals with saddlery and harness hardware. The second bracket, which the Senator from Utah proposes to amend, deals with saddlery or riding hardware. I would like to ask if there is any difference between saddlery hardware in the first bracket and saddlery hardware in the second bracket?

Mr. SMITH. None at all.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Utah to the committee amendment, which the Secretary will state.

The ASSISTANT SECRETARY. The first amendment is, after the word "metal," on line 16, to insert the words "not plated with gold or silver."

The amendment was agreed to.

The ASSISTANT SECRETARY. The next amendment is, on page 69, at the end of line 18, after the words "ad valorem," to insert a semicolon and the following language:

All articles of iron, steel, brass, composition, or other metal, not plated with gold or silver, commonly or commercially known as saddlery or riding-bridle hardware, 50 per cent ad valorem; all the foregoing, if plated with gold or silver, 60 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment as read by the Secretary.

The amendment was agreed to.

The PRESIDENT pro tempore. The next eight paragraphs have been considered, and the committee amendments have been agreed to.

Mr. McCUMBER. Paragraph 361, page 77, should be the next matter to be considered. That covers pliers, pincers, and nippers of all kinds.

Mr. JONES of New Mexico. Do I understand that the Senator from North Dakota desires to pass over paragraph 354?

Mr. McCUMBER. Yes; I am trying to get some information from the New York customhouse upon that subject which will be a little more up to date than the data we have now.

Mr. JONES of New Mexico. I shall not insist upon going ahead with those paragraphs, but it had been planned on our side to take them up to-night. I see no particular objection, however, to taking up the paragraph dealing with pliers and pincers and nippers if the Senator desires to do it. It is a comparatively simple proposition.

The PRESIDENT pro tempore. The Secretary will state the first amendment in paragraph 361.

The ASSISTANT SECRETARY. In paragraph 361, page 77, line 19, the committee proposes to strike out "25" and insert in lieu thereof "50," so as to read:

Pliers, pincers, and nippers of all kinds, finished or unfinished, 4 inches in length and under, 8 cents each; over 4 and not over 6 inches in length, 10 cents each; over 6 inches in length, 12 cents each; and in addition thereto on all of the foregoing 50 per cent ad valorem.

Mr. McCUMBER. I ask that that committee amendment be disagreed to, and then I will offer another amendment, which will strike out most of this paragraph.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment.

The amendment was rejected.

Mr. McCUMBER. On behalf of the committee, I move the following amendment: On page 77, line 16, strike out all the matter after the word "unfinished" and the comma, down to and including the numerals "25," in line 19, and insert in lieu thereof "60."

Mr. JONES of New Mexico. So that it will read:

Plier, pincers, and nippers of all kinds, finished or unfinished, 60 per cent ad valorem.

Mr. McCUMBER. That is right.

Mr. POMERENE. May I ask the chairman of the committee a question? There are certain specific duties here.

Mr. McCUMBER. Those are included in the part I have asked to be stricken out.

Mr. POMERENE. I understand that; but converted into ad valorem duties, what percentages would they amount to?

Mr. McCUMBER. I could not tell offhand, but it would be considerably more than 60 per cent.

Mr. SMOOT. Some of them over 100 per cent.

Mr. McCUMBER. They amounted in some cases, as shown by the Reynolds report, to 146 per cent; others to 79 per cent.

Mr. JONES of New Mexico. Mr. President, I do not believe that we ought to take it for granted that because the committee now recommends much lower duties we should accept the rate which is now proposed. The proposed rate is 100 per cent higher than the rate in the present law. These articles are tools used on every farm and around practically every home in the land. There is not a man who owns an automobile or a bicycle or a tricycle or a wheelbarrow or who has a wire fence but uses these tools. They are universal in their use; and while the committee does propose to make a considerable reduction from the rate they originally presented, yet the modified rate, as I have said, is 100 per cent higher than the rate in the existing law, and the facts surrounding the industry, to my mind, do not seem to warrant any duty, so far as competition is concerned.

Just listen to the facts of the case. These tools, of course, are made by machinery. They are made out of steel, and the steel industry of the United States is able to cope with the steel industry of the world on equal terms, and the report of the industry certainly demonstrates that.

Regarding production, according to the official report, there are 32 firms manufacturing pliers and 16 firms making pincers, but no official figures of output are available. The value of the domestic production has been estimated at from two million to three million dollars for 1914 and eight million to ten million dollars for 1918. As to the imports, in 1914 the imports of nippers and pliers of all kinds amounted to $144,818.

Mr. POMERENE. What was the rate at that time?

Mr. JONES of New Mexico. Thirty per cent. The rate in the present law is 30 per cent ad valorem. As compared with a domestic production of two or three million dollars worth, the imports were only $144,818 in the year 1914. The committee now proposes to increase the duty 100 per cent without further facts.

This is certainly a reckless procedure. How can it be justified? Thirty per cent ad valorem is a heavy tax. When you realize that that 30 per cent includes every element of labor, every element of material, and all of the profits and expenses of the foreign producer, and then that the article comes into the United States, the duty is added and the importer adds his overhead and profits based upon the landing costs, including the duty. Unless some industry suffers, it seems to me that this can not be excused.

Mr. SMITH. If the Senator will allow me, in view of the fact that under the 30 per cent rate there was still a negligible importation; in view of the further statistics given here of the vast amount produced in this country, how can this be justified? I call the attention of Senators to the fact that with the additional use of machinery on the farms of this country, to say nothing of the automobiles, and the rapid increase of their use amongst both the rural and the urban population, these little instruments are of universal use. There is not a farmer to-day in America but who, for the proper care of his fences, which, now that our timber has become so scarce, are mostly of wire, needs them. He needs them for his ordinary farm machinery.

There is not a common, humble little instrument that is more needed by him than these pliers, with the cutting jaws, and the pincers that are provided for here. I do not believe there is a single instrument that is as universally needed by every class of people; and with the showing found here, that with a 30 per cent duty there were practically no importations, what is the reason now why it should be raised to 60 per cent? It is beyond my comprehension. I could understand why, if there was some industry jeopardized, and it were struggling for development, and this was not a universally, imperatively necessary article, that such a duty from the standpoint of the Republicans might be justified; but there is not a man to-day in farm, field, forest, or factory but must have these humble instruments. You can not manipulate the wire and the machinery necessary for your work without these instruments. Yet, in the face of the fact that there were no importations under the 30 per cent rate, and a marvelous increase of production in this country, we now raise it 100 per cent, or to 60 per cent.

Mr. McLEAN. Mr. President, I think perhaps Senators on the other side of the Chamber would like to listen to some of the reasons that I think may legitimately be urged in favor of the rate.

Mr. JONES of New Mexico. I shall be very glad to hear them.

Mr. McLEAN. There are more than 20 concerns in the country which manufacture these articles and they are located in Pennsylvania, Connecticut, Missouri, Illinois, New York, New Jersey, and Massachusetts. They filed a statement which was presented to the Ways and Means Committee of the House.

Mr. SMITH. How many concerns did the Senator say?

Mr. McLEAN. I think there are upward of 20.

Mr. SMITH. The tariff summary of information says there are 32.

Mr. McLEAN. Then I did not exaggerate with regard to the number. The competition is very keen. The statement says that—

Pliers are being laid down in New York from Sweden and offered for sale, the 6-inch button pliers at $4.82½ per dozen, duty paid. We submit an itemized sworn statement of our cost of production on our corresponding style, 6-inch, of $9.88 per dozen. The long chain nose type of pliers are being offered for sale in the 5½-inch size at $6.12½ per dozen, duty paid. We submit a sworn statement of our cost of production on the corresponding style, 5½-inch, $10.57 per dozen. These are merely a few of the items we have been able to check and verify satisfactorily.

They also submit a statement with regard to importations recently received from Germany in which they say that—

These are samples of goods offered for sale in the United States, duty paid, f. o. b. New York City, including packing charges, by Paul Adolph, importer, 400 West Twenty-third Street, New York City, on dates of January 26, 1921, and February 2, 1921. Plier marked "A" was quoted by above concern on above terms at $1.20 per dozen. Plier marked "B" was quoted by above concern on above terms at $3 per dozen.

Mr. Fichthorn, president of Peck, Stow & Wilcox Co., of Southington, Conn., testified before the committee as follows:

I have carefully studied pliers to be submitted to the Ways and Means Committee, marked "A" and "B." I wish to state that a plier similar to the imported plier marked "A" made in our factory marked "P. A." costs us to make $3.21 per dozen, without any addition for profit. We also submit sample marked "P. B.," which is the nearest style we make to imported plier "B" and which costs us to make on the above basis $6.05 per dozen.

There is given on that same page a statement of the cost price of these articles in this country and the imported selling price at New York. German plier A is $1.20 per dozen f. o. b. New York, and in this country the production costs are $3.21 per dozen. On the next plier the imported cost is $1.20 per dozen

f. o. b. New York and $3.46 in this country. The next is $1.20 in New York, imported price, and the domestic price is $3.61. The next is $1.20 imported price, while the domestic price is $6.05. The next is $3 imported price, and the domestic price is $5.79. The next is $3 imported price and the American price is $6.88.

Mr. President, of course, if this statement is correct, the manufacturers of these articles are entitled to much more than 50 per cent ad valorem. They are also entitled to a specific duty which we have not given them, and I think it is a mistake to refuse it. I think they are clearly entitled to it. I think the Reynolds report will sustain my contention that the manufacturers of these articles are entitled to a specific duty in addition to the 50 per cent ad valorem. The House gave a specific duty in addition to the ad valorem duty.

Mr. SMITH. I do not know, of course, just what may be the condition, or what were the samples submitted, but under all the previous manufactures in this country and importations there has been no appreciable importation into the country of these articles, as read by the Senator. I can not understand why we want to add 100 per cent to a duty which, up to the present time, has amply protected, or at least has caused the development of the article and an expansion of the business.

The Senator said there were some 28 or 30 concerns, and that there is the keenest kind of competition. I doubt very much if there is in America any standardized article of manufacture that has any competition to speak of at all. Some time ago I had occasion to price a reaper and binder. There were three classes of those reapers and binders. I asked the dealer the price of the particular kind I wanted. He quoted the price, and I said, "All right, I will take it." He said, "Oh, I can not sell you that reaper and binder." I asked him why. He said, "Your farm is in the territory of another man." I asked him, "Does the same concern make these?" He said, "I do not think they do, but that territory belongs to another man."

In making up a tariff bill it might appear that we have a dozen firms making reapers and binders, but when we get under the surface it will be found that they have an understanding as to price and the parceling out of territory so that the man who purchases is going to pay an agreed price. They have no written agreement, and there is no overt act that would make them liable to the operation of the Sherman antitrust law; but they have a gentlemen's agreement among themselves as binding and effective as though entered into through articles of incorporation.

The Senator from Connecticut knows that with all the numerous and varied shoe manufacturers in the country it is rather a remarkable fact that on a certain given quality and style of shoe the price is practically uniform. We have divided our territory and standardized the manufacturing processes so that in America we have practically no competition. On an article such as this, to say that we have 30 or 35 firms making it, is to say that we have 30 or 35 firms with an understanding, and the territory parceled out and the prices uniform and under one control. I will gurantee that we can take these nippers and pliers, and I do not care what firm makes them, we will find the price to the consumer is uniform, and that one character of pliers dominates a given territory and we can not buy another kind of another quality from any factory within that territory.

If the evidence such as this presented to-night has proven that under a living rate of duty, 30 per cent, the business has prospered, and has prospered because of the unprecedented demand for this little humble implement that every man must use in every kind of business, I do not think that a duty such as is contemplated is justifiable. If it were an article that might be taken or left, it would be a different proposition; but I really think that the committee, rather than take the testimony of those who produced the articles, should consult those who are bound, under the conditions existing, to use them.

Mr. McCUMBER. Mr. President, I do not pretend to know anything about whether all these 32 companies sell their product for the same price; neither do I know whether they are all producing the same kind of pliers. I have an idea that they produce very many different kinds and sell them at very many different prices. I simply know that so far as I could tell in buying at retail there is a vast difference in the price at which one retail store will sell an article and the price at which some other retail store will sell the same article.

I think the statistics themselves will show the necessity of the duty that is requested in the bill. Prior to 1913 we had a duty which amounted to about 60 per cent. It was a compound duty, but in 1910 it was 60.63; in 1911 it was 59.74 per cent; the next year 56.65; the next year 56.77.

The equivalent was about 60 per cent. Then came nine months of the present Underwood tariff law before the war broke out, and, while under the 60 per cent we were importing between $67,000, the lowest, and $81,000, the highest, we immediately jumped in nine months from $76,000 to $144,000 worth. Then came the war and this immense growth was suddenly checked, but when the war ceased those countries again began making pliers. While Germany is probably the most expert of all the nations in making them cheaply, they are nevertheless imported from a great many different countries into the United States.

I call attention to the fact that in 1918, which, of course, was a year of the war, we only imported $10,000 worth. In 1919, after the war closed, we imported $40,000. In 1920 the imports jumped to $194,000, and for the first nine months of 1921 to $226,000, and at that rate the imports in a year would amount to $266,000. That shows the very rapid increase and shows that all of those countries can produce and now supply the American market. We have perhaps more information and more definite information upon this subject than any other of those covered in the metal schedule.

I wish to take a few of the items from the Reynolds report. Here is one invoice of 4-inch pliers. They come from Germany and are sold there at $1 per dozen—not the little 10-cent plier which is bought in a 10-cent store and which breaks the first time it is used, but a good plier and of excellent value. It is produced and sold in Germany for $1 a dozen. It costs 13 cents a dozen to land it. It is sold in this country for $3.60 a dozen. The comparable American article, which is sold for $10.05 a dozen wholesale, is certainly a good article and probably retails in the stores for not less than from $1.50 to $2 apiece. Now, if we were to impose a compensatory duty to measure the difference between the selling price of the two, it would require over 600 per cent duty.

I will take an invoice from France. Here is a 4 to 6 inch plier from France. The regular price in France is $2.18 a dozen. It costs 43 cents to land it. It is sold for $9.70 a dozen as against the American product which is sold for $9.85 a dozen. It would take more than 150 per cent to equalize the difference between the French article and the American article, while in this case we have given but 60 per cent.

Here are two invoices of pliers from 4 to 6 inches imported from Sweden. They come in at $4.33 per dozen invoice price; there is a 43-cent landing charge. They are sold for $9.70 a dozen, as against $9.84 for the comparable American article. Fifty-four per cent duty is necessary in that case.

Next I take four invoices of pliers, measuring from 6 to 8 inches, coming from Germany. They come in at $2.60 a dozen, with a 28-cent landing cost, and are sold at $7.01, as against $8.69 for the comparable American product. It would require 140 per cent to equalize the two.

In the next a plier from 6 to 8 inches, manufactured in France, comes in at $4.96; the landing charges are 25 cents per dozen; it is sold for $10.50, as against the American article, which is sold for $11.75. It would take 73 per cent to equalize those two.

In every one of these instances with the exception of one item—and I think there are seven or eight of them that are reported—it will require more than 60 per cent ad valorem to equalize the difference. That, taken in connection with the fact that importations are now enormously increased, justifies the committee in recommending a duty of at last 60 per cent ad valorem. This is less than one-half, I think, of what the House recommended.

Mr. JONES of New Mexico. Mr. President, I understand that the statistics which the Senator from North Dakota has just read are based upon the Reynolds report?

Mr. McCUMBER. The last figures which I read were based upon the Reynolds report, while some of the figures quoted by me as to the importations, and so forth, were taken from other reports.

Mr. JONES of New Mexico. Mr. President, the Senator from Connecticut [Mr. McLEAN], in presenting to us the evidence which was taken before the Ways and Means Committee of the other House, disclosed a situation which, without more careful examination, would lead the mind to reach the conclusion that the rate suggested here by the committee is very moderate. That is likewise true of the statistics just read to us by the Senator from North Dakota. I call attention to the fact that all of the estimates made in the evidence taken before the Ways and Means Committee are based upon certain importations from Germany in January and February, 1921.

The statistics given us by the Senator from North Dakota are based upon prices of August, 1921. I have not, of course, had an opportunity to examine the Reynolds report as to the comparability of the items embraced in that report. The gatherers of that information frequently made allowances either in cost or in the prices which, in their judgment, would make the articles comparable. I do not mean to state with assurance that that is the case regarding pliers, but anybody who has used pliers knows that "there are pliers and pliers." They may have precisely the same appearance; they may be of the same size, but one article may be worth two, three, or more times as much as the other, and from the mere fact of size only we can not determine the worth. However, even in that case we find that the great discrepancies are based upon some purchases from Germany.

I do not intend at this hour to take up the question of the situation in Germany, but I do purpose to do so when we come to a discussion of the paragraphs passed over to-night. I want to call attention, however, to the fact that the situation in Germany to-day is almost as different from the situation there 12 months ago as day is from night. There are considerable data and information upon the subject, but I am simply going to call attention to a commerce report compiled by the United States Department of Commerce, dated June 5, 1922, the latest publication from that department.

I wish to call attention to sufficient data to indicate the remarkable change in conditions in Germany and the rapidity of those changes. For instance, the pre-war price of steel ingots, which are used in making pliers, nippers, and pincers, was 82.5 marks, while on October 20, 1921, the price of those ingots was 2,435 marks, and from October 20, 1921, to April, 1922, those ingots had increased in price, expressed in marks, from 2,435 to 7,170. Taking the current exchange rate to-day, ingots in Germany are selling 30 per cent higher than they were in 1913. Not only has the purchasing power of the mark kept pace with the depreciation in exchange, but it has gone beyond, until in marks, at the existing low rate of exchange, steel ingots in Germany were selling in April of this year at 30 per cent higher than in 1913; and, mind you, almost two-thirds of that increase has been added since October, 1921, the prices quoted by the Senator from North Dakota being those of August, 1921.

Blooms: The pre-war price was 87½ marks; October 20, 1921, 2,655 marks; April 1, 1922, 7,775 marks, or 33 per cent higher than in 1913, after allowing for this enormous and precipitous decrease in the rate of exchange.

Likewise, sheet bars have increased from a pre-war price of 97½ marks to 2,725 marks October 20, 1921, to 8,200 marks April 1, 1922, an increase in sheet bars of 26 per cent above the pre-war price after making all allowances for exchange.

The same thing may be said of billets, shapes, merchant bars, hoop iron, wire rods, thin sheets, medium sheets, heavy sheets, these last having increased, the medium sheets 65 per cent above the pre-war price and the heavy sheets 52 per cent.

Not only that, Mr. President, that being one of the principal materials, in fact, the only material, entering into the production of these articles, except fuel, let us examine the fuel situation.

At the end of 1913 pit coal, bituminous coal, was selling at 12 marks per ton; in February, 1922, for 468 marks. This statement gives the quotations of coal up to September, 1922, sales for the future; and from February, 1922, from 468 marks, it is selling for September delivery at 907½ marks. That is coal which cost 12 marks in 1913, and so on with the various grades of coal. Moreover, the difficulty in getting coal and the quality of the coal all make for expensive product in the steel industry.

Mr. President, I do not know what comparisons were actually made, but I do know that since August, 1921, the entire situation has changed. Moreover, when those sales were made the contracts may have been made some months prior; exchange may have been purchased at the higher prices; but when the delivery came around, under the law they had to give the price of the exchange as of that date, which had decreased enormously.

In the face of these facts, which must have been known, to-night when we take up this paragraph we are solemnly confronted with testimony based upon German prices in January and February, 1921, and then again, in a still more solemn manner, with more exhaustive figures based upon prices in August, 1921, when everything has changed; and upon such a basis as that we undertake to legislate.

When the Tariff Commission itself says that we make this extraordinary production in value, it further adds that while the exports are not known with exactitude, yet we have been exporting for a number of years these very articles, and it estimates them to amount to 2½ per cent of the American production.

Mr. McLEAN. Mr. President——

Mr. JONES of New Mexico. I gladly yield to the Senator from Connecticut.

Mr. McLEAN. I simply wish to call the Senator's attention to the fact that the labor costs in these articles run from 60 to 90 per cent. I notice that the Senator, in discussing the price of the steel and coal, did not mention that fact in connection with the cost of these articles.

Mr. JONES of New Mexico. What did the Senator say was the labor cost?

Mr. McLEAN. Sixty to ninety per cent.

Mr. JONES of New Mexico. Of these pliers?

Mr. McLEAN. That is my information.

Mr. JONES of New Mexico. I think the Senator must be mistaken. They are made by machinery.

Mr. McCUMBER. Mr. President, will the Senator let me read just a small paragraph from the Tariff Information Surveys?

Mr. JONES of New Mexico. I shall be glad to listen to it.

Mr. McCUMBER (reading):

> In the manufacture of drop-forged nippers, pliers, and pincers, labor costs are relatively important, and raw material costs relatively unimportant. Labor-saving machinery is used, but the operations are not automatic, many of them requiring handling by skilled mechanics. The steel used in making an ordinary drop-forged 8-inch plier represents less than 10 per cent of the total cost of the tool.

Mr. JONES of New Mexico. Of course, we know that labor cost does amount to a considerable proportion of it.

Mr. McCUMBER. Ninety per cent, there.

Mr. JONES of New Mexico. Now, just let me read to the Senator the change in regard to the labor cost in Germany.

We have at different times presented to the Senate statements regarding increases in wages, and I do not propose to repeat those figures to-night; but we have presented here at different times the statements of increases amounting to 20 and 30 per per cent a month, one month following another, and I just want to present some figures which will show the increased cost of living in Germany, how rapidly that is increasing, and it is forcing wages higher and higher.

Using the index figures, taking 100 as the base in 1920, we find that in October, 1921, that had risen to 184; in November to 249; in December to 303; in January, 1922, to 320; in February, 352; in March, 435; in April, 525. So in those short months during the year 1921, and four months in 1922, the cost of living in Germany had increased more than five times over the average cost of living in 1920, and it is increasing by leaps and bounds every month; and that is all based upon the varying rates of exchange. Mr. President, it seems to me that this is no time to raise taxes 100 per cent to cover such a situation as that.

Something has been said as to the amount of importations. Granting the very largest figures which have been given, they are negligible compared with the production of this country. This situation in Germany at the present time is temporary. If you are going to legislate regarding the conditions indicated by the figures presented here by the Senator from Connecticut and the Senator from North Dakota, you do not begin to touch the problem. As business men, I ask you if this is the way to solve this problem? If you were meeting it as business men, would you apply this sort of a remedy? By imposing these duties upon pliers and pincers you apply the duty not only to Germany but to France, to England, to Sweden, and to all countries alike. Their costs of production, according to the statement, are wide apart. If you want to deal with that problem why not use your intellect and see if you can not find some remedy that better meets the situation than raising this tax rate?

I might suggest something for you to consider. If it is the purpose to try to fix prices in this country, to maintain present prices, or to maintain prices at a fixed standard above the pre-war prices, why not say so? Why not say that the tariff, this tax, shall be the difference between the present prices in this country and the prices of the foreign articles? Why not say that? If you want to establish some stable price, why not say that we will take the pre-war price, increased 25 or 50 per cent, and make the duty the difference between that and the selling price of the foreign article? In other words, why apply a remedy which does not meet the situation?

Is it possible that in the confused state of mind you simply do this thing because you do not know what else to do? In all seriousness, I ask that you consider some other plan. Do not apply this remedy, which does not meet the situation. Do not give this dose of medicine, because it is not called for by the diagnosis of the case.

I move to strike out "60" and insert "30," and upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before, I vote "nay."

Mr. EDGE (when his name was called). Making the same announcement as to my pair and its transfer, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Georgia [Mr. WATSON] and vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. KELLOGG (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. POMERENE (when his name was called). I have announced my temporary pair with my colleague [Mr. WILLIS]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "nay."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the last roll call, I vote "nay."

The roll call was concluded.

Mr. BALL. Transferring my general pair with the senior Senator from Florida [Mr. FLETCHER] to the junior Senator from South Dakota [Mr. NORBECK], I vote "nay."

Mr. GLASS. I transfer my general pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. HARRISON. Making the same announcement as before, I vote "yea."

Mr. STANLEY. I transfer my general pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Missouri [Mr. REED] and vote "yea."

Mr. FRELINGHUYSEN (after having voted in the negative). I observe the absence of my general pair [Mr. WALSH of Montana] from the Chamber. I therefore transfer my pair to the junior Senator from New Hampshire [Mr. KEYES] and allow my vote to stand.

Mr. CURTIS. I desire to announce that the Senator from Indiana [Mr. NEW] is paired with the Senator from Tennessee [Mr. MCKELLAR].

The result was announced—yeas 17, nays 37, as follows:

YEAS—17.

Caraway	Heflin	Pomerene	Underwood
Dial	Jones, N. Mex.	Ransdell	Walsh, Mass.
Glass	King	Sheppard	
Harris	La Follette	Smith	
Harrison	Overman	Stanley	

NAYS—37.

Ball	France	McLean	Smoot
Brandegee	Frelinghuysen	McNary	Spencer
Bursum	Gooding	Newberry	Sterling
Calder	Hale	Nicholson	Sutherland
Cameron	Jones, Wash.	Oddie	Townsend
Capper	Kellogg	Pepper	Warren
Colt	Ladd	Phipps	Watson, Ind.
Cummins	Lenroot	Poindexter	
Curtis	McCormick	Rawson	
Edge	McCumber	Shortridge	

NOT VOTING—42.

Ashurst	Gerry	Nelson	Stanfield
Borah	Harreld	New	Swanson
Broussard	Hitchcock	Norbeck	Trammell
Crow	Johnson	Norris	Wadsworth
Culberson	Kendrick	Owen	Walsh, Mont.
Dillingham	Keyes	Page	Watson, Ga.
du Pont	Lodge	Pittman	Weller
Elkins	McKellar	Reed	Williams
Ernst	McKinley	Robinson	Willis
Fernald	Moses	Shields	
Fletcher	Myers	Simmons	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

The PRESIDENT pro tempore. The question is now upon agreeing to the amendment proposed by the committee.

Mr. JONES of Mexico. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before, I vote "yea."

Mr. EDGE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "yea."

Mr. GLASS (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on the previous vote regarding my pair and its transfer, I vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. KELLOGG (when his name was called). Making the same announcement as before with reference to my pair and transfer, I vote "yea."

Mr. POMERENE (when his name was called). I transfer my pair with my colleague [Mr. WILLIS] to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "nay."

Mr. STANLEY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and transfer, I vote "yea."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the last roll call, I vote "yea."

The roll call was concluded.

Mr. CARAWAY (after having voted in the negative). I transfer my pair with the junior Senator from Illinois [Mr. MCKINLEY] to the senior Senator from Arizona [Mr. ASHURST] and allow my vote to stand.

Mr. BALL. I transfer my general pair with the senior Senator from Florida [Mr. FLETCHER] to my colleague [Mr. DU PONT] and vote "yea."

Mr. WARREN (after having voted in the affirmative). I learn that my standing pair, the Senator from North Carolina [Mr. OVERMAN], has not voted. I transfer my pair with that Senator to the junior Senator from New Hampshire [Mr. KEYES] and allow my vote to stand.

Mr. CURTIS. I desire to announce that the Senator from Indiana [Mr. NEW] is paired with the Senator from Tennessee [Mr. MCKELLAR].

The result was announced—yeas 36, nays 16, as follows:

YEAS—36.

Ball	Edge	McCumber	Rawson
Brandegee	France	McLean	Shortridge
Bursum	Frelinghuysen	McNary	Smoot
Calder	Gooding	Newberry	Spencer
Cameron	Hale	Nicholson	Sterling
Capper	Jones, Wash.	Oddie	Sutherland
Colt	Kellogg	Pepper	Townsend
Cummins	Lenroot	Phipps	Warren
Curtis	McCormick	Poindexter	Watson, Ind.

NAYS—16.

Caraway	Harrison	La Follette	Smith
Dial	Heflin	Pomerene	Stanley
Glass	Jones, N. Mex.	Ransdell	Underwood
Harris	King	Sheppard	Walsh, Mass.

NOT VOTING—44.

Ashurst	Gerry	Myers	Shields
Borah	Harreld	Nelson	Simmons
Broussard	Hitchcock	New	Stanfield
Crow	Johnson	Norbeck	Swanson
Culberson	Kendrick	Norris	Trammell
Dillingham	Keyes	Overman	Wadsworth
du Pont	Ladd	Owen	Walsh, Mont.
Elkins	Lodge	Page	Watson, Ga.
Ernst	McKellar	Pittman	Weller
Fernald	McKinley	Reed	Williams
Fletcher	Moses	Robinson	Willis

So the amendment of the committee was agreed to.

Mr. MCCUMBER. On line 22 there is a little amendment of the committee which I wish to have acted on.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On line 22, page 77, after the word "maker," insert the words "or purchaser."

The amendment was agreed to.

Mr. SMOOT. Mr. President, I desire to return to page 69, paragraph 345. I am informed by the Secretary that the

amendment in line 17, which I asked be disagreed to, was not acted upon by the Senate.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On page 69, line 17, the committee proposes to strike out "35" and insert "55" before the words "per centum ad valorem."

The amendment was rejected.

Mr. SMOOT. I wish to ask also whether the amendment in line 17, to strike out the words "saddlery or," was acted on?

The PRESIDENT pro tempore. The Chair is informed that it was not.

Mr. SMOOT. I ask that it may be agreed to.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On page 69, line 17, it is proposed to strike out the words "saddlery or" as printed in the House text.

The amendment was agreed to.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened, and (at 10 o'clock and 10 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Wednesday, June 7, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 6 (legislative day of April 20), 1922.

COLLECTOR OF INTERNAL REVENUE.

David C. Bennington, of Oklahoma City, Okla., to be collector of internal revenue for the district of Oklahoma in place of Acel C. Alexander, resigned.

UNITED STATES MARSHAL.

Joseph W. Tolbert, of South Carolina, to be United States marshal, western district of South Carolina, vice C. J. Lyon, removed.

APPOINTMENT IN THE REGULAR ARMY.

GENERAL OFFICER.

Col. Samson Lane Faison, Infantry, to be brigadier general from June 5, 1922, vice Brig. Gen. William Hampden Sage, who died June 4, 1922.

PROMOTIONS IN THE REGULAR ARMY.

MEDICAL CORPS.

To be captains.

First Lieut. Henry Stevens Blesse, Medical Corps, from May 25, 1922.

First Lieut. Alberto Garcia de Quevedo, Medical Corps, from May 27, 1922.

CHAPLAIN.

Chaplain Albert Kingsbury Mathews to be chaplain, with the rank of captain, from May 28, 1922.

APPOINTMENT BY TRANSFER IN THE REGULAR ARMY.

CAVALRY.

Capt. Milton Humes Patton, Infantry, with rank from July 1, 1920.

PROMOTIONS IN THE NAVY.

The following-named midshipmen to be ensigns in the Navy from the 3d day of June, 1922:

Chauncey Moore.
Edwin E. Woods.
Robert McC. Peacher.
Halstead S. Covington.
Henry E. Eccles.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 6 (legislative day of April 20), 1922.

COLLECTOR OF CUSTOMS.

Jennie P. Musser to be collector of customs, district No. 48, Salt Lake City, Utah.

APPRAISER OF MERCHANDISE.

W. O. Jackson to be appraiser of merchandise, district No. 41, Cincinnati, Ohio.

UNITED STATES ATTORNEY.

Lewis P. Summers to be United States attorney, western district of Virginia.

UNITED STATES MARSHALS.

Thomas J. Kennamer to be United States marshal, northern district of Alabama.

George L. Mallory to be United States marshal, eastern district of Arkansas.

POSTMASTERS.

COLORADO.

Thomas E. Downey, Ordway.

CONNECTICUT.

Francis W. Chaffee, jr., Eagleville.
Walfred C. Carlson, Washington Depot.

INDIANA.

George H. Thomas, Fortville.

IOWA.

Gust A. Hall, Colo.
Henry L. Shaffer, Crawfordsville.
John Geiger, Minden.

NEBRASKA.

William H. Willis, Bridgeport.
Marie A. Lybolt, Brunswick.
Herbert M. Hanson, Clay Center.

UTAH.

Clark Allred, Delta.

HOUSE OF REPRESENTATIVES.

TUESDAY, *June 6, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Holy Spirit, every day is the Lord's day, for mercy is the eternal pursuit of the Father of us all. Therefore in the spirit of humility and expectation we approach Thee, and may we utter our supreme desires. Give us the support of Thy hand that can crush a mountain and yet would not hurt a little child. Regard our fraternal interest in one another. We commend unto Thee those who lead our thought, our national affairs, and sit in authority. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had agreed to the amendment of the House of Representatives to the bill (S. 2775) to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921.

The message also announced that pursuant to the provisions of the sundry civil act, approved March 4, 1921, the Vice President had appointed Mr. FRANCE, Mr. PEPPER, and Mr. PITTMAN as members of a committee on the part of the Senate to attend the dedication of the monument to Francis Scott Key at Fort McHenry, Baltimore, Md., on the afternoon of Wednesday, June 14, 1922.

THE AMERICAN FLAG.

Mr. HICKS. Mr. Speaker, I ask unanimous consent to address the House for four minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for four minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. HICKS. Mr. Speaker, on June 14, Flag Day, five years ago, the House was very generous in granting me an hour during which time I spoke of the history of the American flag. I had a number of copies of that speech printed in pamphlet form, and since then there has been quite a demand for this speech from various parts of the country, from Members of the Senate and Members of the House, averaging perhaps four or five a week. My own supply has now become exhausted, and realizing there is this demand for this speech, which covers the history of the flag in a somewhat complete way, it has occurred to several Members of the House that perhaps this speech should be made into a House document, and therefore in order that this may be accomplished and that Members of the House be given an opportunity to procure a copy of this flag speech on Flag Day I ask unanimous consent, Mr. Speaker,

that the speech on the American flag, delivered by myself on June 14, 1917, be published as a House document.

The SPEAKER. The gentleman from New York asks unanimous consent that the speech referred to be printed as a House document. Is there objection? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a Memorial Day speech delivered by an ex-Member of this House, General Hollingsworth, an ex-Union soldier.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

MEMORIAL DAY SPEECH OF GENERAL HOLLINGSWORTH.

Mr. MURPHY. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an address delivered at Alliance, Ohio, on Memorial Day, 1922, by my predecessor, former Representative David Adams Hollingsworth, of Cadiz, Ohio.

The address is as follows:

[From Alliance Review, May 31, 1922.]

Soldiers, young and old, sons of veterans, and friends, comrades all: I am very glad to be with you on this occasion; glad of the opportunity of joining as a comrade with the soldiers and citizens of Alliance in the holy duties of this hour.

This is the day of all days in the patriotic calendar of America, and as the years go by its sacredness and significance are more and more manifest; its hold on the hearts and affections of the American people more and more fixed.

It is the common heritage of liberty-loving Americans, sacred to the memory of all true soldiers of the Republic, all who have by service or sacrifice in defense of Old Glory, now the proudest and most honored national emblem on earth, one never unfurled except as an inspiration to freedom and progress.

Memorial Day, as a day of remembrance and gratitude to the soldiery of the Republic, was appropriately instituted in a time of profound peace when the people felt secure in their liberties, after American armies had won imperishable honors on foreign and domestic battlefields, and after the final triumph of the Union cause at Appomattox in 1865, when the Confederate flag was furled forever, ending the greatest civil war in history.

The immortal words of General Grant, "Let us have peace," when as idol and hero of the victorious hosts at Appomattox he received the surrender of the Confederate Army, were most significant, and the words of his great rival, General Lee, idol of the Southland, added much to this significance when he at once turned to his devoted followers and said to them: "Boys, the war is over," and straightway advised them to disband peacefully and return to their homes and repair as speedily as possible the wastes of the war.

And when General Grant, out of the goodness of his heart, added to this suggestion, "Take your horses with you; you will need them in planting your crops," the war was effectually ended.

The words of each, admittedly sincere, betokened permanent peace for our beloved land and Nation. They were Americans, and there was no thought of guerilla warfare among the vanquished. Nor was there any need of a Versailles conference to discuss terms. The peace pact of Grant and Lee was an all-sufficient controlling force, North and South.

The time and the occasion were historic and a liberty-loving world felt that the effects would be world-wide and lasting. The future was roseate with hope and a just expectation of long years of peace, stilling forever, if possible, the wild warlike passions of men.

Humanity itself seemed to start anew on the upgrade.

But, unfortunately for civilization, the horoscope of the future was then, as it is now, to finite minds, an unsolved mystery. The dove of peace persists in soaring afar in the realms of uncertainty.

Many years of peace, however, followed Appomattox Day before Armistice Day, following the World War with its frightful record of death and devastation, came, bringing new promises of peace to a suffering world; and yet, despite the victory and the flight of the Kaiser, expected results at the Versailles peace conference were sadly disappointing, and the world to-day stands aghast at the possibilities of the future.

Unsolved world problems multiply, and notwithstanding the success of President Harding's recent peace conference at Washington doubt, uncertainty, and gloom seem to stagger our most experienced statesmen. They seem only to know with certainty that man proposes and God disposes. Justice and truth move slowly and with uncertain tread, which all men and nations must recognize in attempting any forward movements. Tragedy often marks the initiative of good results.

It required the firing on Fort Sumter in 1861 to thoroughly arouse the loyal Northland; Spanish inhumanity and cruelty in Cuba, notwithstanding American restiveness, continued until the blowing up of the *Maine;* and the fiendish sinking of the *Lusitania* was overlooked for a time before the United States entered the World War on the side of civilization and decency. Patient, thoughtful reasoning is a virtue of the strong, not of the weak.

High officials of the Government differed in the matter of preparedness for national defense before the President and Congress acted on the call to arms; educated military and naval experts differed on vital questions of public policy; and the people themselves were divided in sentiment as to whether or not the tragedy of the *Lusitania* called for an immediate declaration of war or justified further diplomatic letter writing; and even yet the question is discussed by would-be statesmen and military critics whether or not the President and Congress failed in duty when they chose to follow the examples set by the patient God-fearing Lincoln and McKinley in not rushing their fellow citizens into war under hasty proffered advice of hot-headed military enthusiasts, regardless of the actual preparedness of the Government to at once strike effectually the great blows it did soon afterwards for civilization and the peace of the world. Such war enthusiasts, if given leadership, might have wrecked American efficiency.

Doubts and misgivings exist even yet among the people as to results when they contemplate the uncertain results of the Versailles conference.

Many things for which our troops fought overseas seem blurred in the public mind or lost to sight in the mad saternalia of modern greed and profiteering. Many ideals of government for which American armies fought in the past seem to-day to be forgotten; distinctions between those who wore the blue and those who wore the gray have faded in fact; the blue and the khaki blend as age and youth mingle in patriotic endeavor to secure abiding world peace, and even the Hun and the Bolsheviki, judging from conditions and results at the Genoa conference, seem disposed to hide their identity as the monster terrors of the human race.

But, happily, the memorial exercises of to-day all over our broad land, in memory of the soldier dead of the Republic of all our wars, attest the fact that the great, loyal heart of America is still as steady and true in its appreciation of American ideals and the valor and sacrifices of those whose lives have been freely offered on its sacrificial altars, from Bunker Hill to Flanders Field, especially when, under the immortal Lincoln, hydra-headed treason first reared its horrid front in 1861, or in later years when the world's civilization was challenged by the autocracy of power and military rule.

There is no mistaking the intense, abiding, patriotic sentiment of real Americans. The immortal truths of liberty and justice, vindicated in every war of the Republic, are the sacred heritage of freemen and are as fixed and eternal as the stars.

God Himself has certainly had the American continent in His keeping for some wise purpose; an unseen hand so far seems to have guided our destiny just as we recently escaped the nets of foreign entanglement set at Versailles and Genoa, against which Washington warned his countrymen in his Farewell Address; and which same unseen guidance has since made of free America the polar star of hope for the burden bearers of the world.

But, comrades, soldiers and sons of soldiers, young and old, let us to-day attune our thoughts in harmony with the tender memories we hold sacred, of those who no longer answer to our annual roll calls.

The blue line wavers, and soon taps must be sounded for the last survivor of the Civil War.

Even those of later wars have no certainty of life; the white horse and his rider come unexpectedly.

A modern writer, apparently of some note for present-day political literature, recently expressed the thought, a fact which must be admitted, that the boys in blue are rapidly vanishing, and soon will have crossed the great divide; but he went on to suggest a fact, disputed and properly resented, that they will then be forgotten or their memories submerged and lost sight of in the sentiment and applause naturally given to a younger generation of American soldiers whose very numbers and more recent victories entitle them to great consideration, entitle them to the love and gratitude of every true-hearted American.

We of the older armies may and do doff our hats to the young khaki-clad lads of the World War, and join in welcoming them with applause to the just honors and fame they have won. It is nature's own order; the sire gives way to the son, but this good old world moves on in its destined course.

But a public writer, man or woman, who for political or less worthy purpose undertakes to discredit, or pretends to have forgotten, or is, in fact, ignorant of the history of Bunker Hill and Yorktown, of Jackson's victory at New Orleans, of Scott's and Taylor's triumphs in Mexico, and of the boys in blue from Fort Sumter to Appomattox, on nearly 2,000 battle fields of the Civil War, or of the Roosevelt heroes of San Juan Hill in the Spanish-American War, shows a density of ignorance wholly inexcusable of his country's history and of the loyal hearts and grateful memories of the American people.

The boys in blue are not forgotten, nor will they be so long as the Government they saved endures among men.

The battle of life for them is not ended. In reality, unlike our young comrades of the World War, they face to-day more dangerous conditions from age and natural causes than in the most critical hours of their army life, when health and youth and hope were with them.

Death as suddenly as from a cannon ball is not uncommon, and the stealthy age grip of 70 years, now on all, equals the most distressing shock of the Hun gases. They are, in truth, on the firing line all the time, or in the trenches unarmed and helpless against the grim reaper.

The average yearly fatality, based upon the number of survivors, is simply appalling. It rivals the deadliest moments of Pickett's charge at Gettysburg or the death struggles at Verdun or on the Marne in the World War.

It admonishes all who had part in the heroic scenes of the sixties that the inevitable end of life's campaign draws near. The majority is upon the other shore and only a shallow river divides. Soldierly courage, however, and manly character are as essential to good citizenship and as characteristic of worthy ex-soldiers now as in 1861–1865, or a half century later during the World War.

I have no patience with American citizens—men or women, young or old, in or out of official life, or seeking to get in through political influence—who look askance or otherwise slight the ex-soldiery of any of the wars of the Republic.

I have no sympathy with carping critics who begrudge or haggle over the small pensions and other allowances of the Government to its unfortunate defenders, their widows and orphans. Call it waste if you please in some instances where pension help is not actually needed, yet I would rather see such waste by the Government in favor of the men, selected or volunteering their lives in its defense, than in favor of ungodly profiteers who fatten upon the necessities of the Government in the hour of its greatest need, and this irrespective of which political party is in power.

I have no words of justification for any Congress in which "slow-up" orders seem effective as against proposed pension legislation and other helpful measures for worthy but unfortunate ex-soldiers, and in which "speed-up" orders are promptly obeyed for big standing armies and subsidized merchant-marine fleets not needed for the safety of the Republic in times of peace.

The old, largely monarchic, theory of preparing for war in time of peace, in the light of modern experiences has been proven to be a fallacy. The hair-trigger preparation of the South in 1861 and of the German Kaiser in later years are object lessons of value against enormous military preparation in times of peace, eating up the substance of a tax-ridden people when not actually needed for defense.

Outside of ordinary police service and the State militia this great Nation in time of peace may well trust as heretofore to a small-sized standing Army and a fair-sized Navy to protect its far-flung coast lines and other exposed points of attack, except in case of threatened

or actual war, when the swiftness of American preparation has been proven adequate to meet any emergency. Our mountains and our coast lines are of themselves a warning to treacherous enemies not to dare to attempt by stealth to strike an unexpected blow at the Republic.

The beacon fires of liberty constantly aglow in the breasts of freemen are the alert signals of a free nation. They blaze forth instantly a timely warning when danger threatens.

Some of us are old enough to remember the voluntary war cry of the sixties when Lincoln, on his inauguration, found the Army depleted and apparently inadequate by reason of the surreptitious removal of Government arms and ammunition from northern to southern arsenals. It was the spontaneous outburst of the irresistible power of a free people when aroused by an emergency. Hill and dale heard the alarm and instantly wafted back the glad refrain, "Hold the fort, Father Abraham, we are coming 600,000 strong." And they did come; armies sprang up as if by magic and soon military preparations were complete and the final doom of the Southern Confederacy sealed, its boasted and stealthy preparation useless, except to prolong the struggle.

Likewise, we all remember the celerity with which the Wilson administration assembled a new Army for overseas service by the selective-draft process, armed and equipped for duty and victory almost before the Hun knew we were coming.

Big standing armies are a menace in peace to a republic; they are distinctively the instruments of tyrants. They are un-American. But, my comrades, young and old, ex-soldiers of all our wars, volunteers or selected followers of the flag, in the soldierly pride we feel on memorial and reunion occasions we must not forget a soldier's modesty; we must not imagine that we own the earth or that it is our right and privilege to control political parties, much less the Government itself, merely because our youthful valor helped to save it from destruction in the hour of danger when the lurid fires of rebellion reached their apex on northern soil at Gettysburg or long afterwards, on armistice day, when autocracy surrendered its strangle hold on the world.

It was really our good fortune to be of the right age for service when war came. It gave us an honorable distinction to be proud of, far above any possible money consideration. It even dwarfs the justice of a bonus.

The American people have been loyal and generous to the men who were with Grant at Appomattox, and will be equally so with those overseas with General Pershing who were fortunate enough and have returned to the ranks of good-citizenship in America with clearer vision and more lofty ideals of duty than when in youth they left home and friends, farm and workshop, to do battle in defense of liberty and human rights.

Ingratitude is not a fault of American character, and sooner or later here or hereafter every sacrifice of an American soldier may be expected to receive its just reward. It is as certain as the eternal verities of justice herself.

Five Union soldiers since Appomattox have been called to the Presidency, and one—Roosevelt—from the ranks of Spanish-American War heroes, and for a half century after the Civil War the halls of Congress and other high official positions at Washington gave marked evidence of the appreciation and gratitude of the people for the boys in blue, and this without any political organization or paid congressional lobby to influence public sentiment in their favor. It was simply the heart-felt expression of a patriotic people.

Be patient and justice will be done to all; the mills of the gods grind slowly, but the grist is ample.

Besides, honors in a republic are not all along military lines. Men and women are not responsible for their environment. Robust and honorable Americanism is and always will be in demand in civil as well as military endeavor. No man or woman who honors the flag should be discriminated against unjustly. Duty and conscience are the only real tests of character and form the only just basis of reward.

The sainted mother who gave to the country her only boy was as much a heroine in that act as he was a hero in the hour of battle, whether he wore the blue or the khaki. A martyr to love and duty, well named "Gold Star" in the ranks here to-day, she must be honored as long as war memories last.

Very properly, therefore, since the World War she has been crowned with full citizenship and wears her new honors with delightful dignity—a veritable princess among voters. The world itself has moved forward since her enfranchisement. American civilization has taken on a broader significance. Its rich fruitage, although still in the bloom, is seen in the present recognition and world-wide influence of the Republic with foreign powers as shown in the acceptance by all the leading nations of the world of President Harding's invitation to the recent peace conference at Washington, and its results, giving earnest of a possible world-wide future federation in which, under American auspices, if not under one flag, civic righteousness and permanent peace may be exalted among the nations.

MAY GOD SPEED THE DAY.

And now, in conclusion, my comrades of the G. A. R., a word to you and to myself. We shall not attend many more Memorial Day exercises. The evening shadows are lengthening and soon memorial and other patriotic functions must be left to a younger generation. Time has set his silver gray mark upon us all, and yet we have duties still to perform in this world before final taps are sounded or we would not be here. He who takes note of the sparrow's fall is not unmindful of His own children, and the gracious lengthening of our days, all now beyond the allotted time of the Psalmist, must be for some wise purpose. Personally, I am, as I trust you are, thankful for many, many blessings of good health and strength, and so, soldiers and sons of soldiers, let us take new courage from the exercises of to-day and highly resolve, as we go hence to mingle with the outer world, to face again the front, heads up and right dress, and for the few remaining years of our active lives do our whole duty as good citizens in peace as we did our duty as soldiers in war. Let us teach by example and otherwise the sacredness of this day set apart for patriotic memories and avoid unseemly diversions and levity calculated to weaken American ideals in our own or in the minds of others.

It is truly a day for serious thought and reflection. It is a time for pure patriotic purpose.

As the years go by and Memorial Day returns, let us do as the American people are doing to-day all over our broad land—hoist high the American flag in every cemetery where sleeps in death an American soldier, and place above his grave those flowers which are emblematic of virtue and nobility. Inquire not whether he was in life a chieftan or a private soldier, whether he wore the blue or the modern khaki, or whether of native or foreign birth, for in the republic of the dead all are equal and age and youth give forth no sign of difference.

Ask not if he was of this or that political party, of this or that college fraternity, of this or that secret society, of this or that religious creed or denomination, or whether he was, in fact, of any creed. Remember only his good and worthy deeds of valor in defense of home and country, trusting if he had faults the recording angel will in charity drop a tear upon the record and wash it out forever.

Finally, my comrades of 1861–1865, vanishing heroes, passing rapidly to the great beyond as we are constantly reminded by well-meaning friends, let us have faith and courage, let us cling to our patriotic teachings and remain to the end full 100 per cent American, believing in the permanent stability of the Republic and confident of our country's future prosperity, growth, and grandeur, as was thoughtfully expressed by Comrade James A. Garfield when seeking to calm and moderate a rising storm of indignation among the people about to break into violence against all suspected enemies of the Government on the morning after the dreadful shock of Lincoln's assassination, when darkness and gloom seemed to envelop the National Capital and stout hearts of brave leaders quailed at the ominous portent, and General Garfield, afterwards President, in earnest voice and seemingly with Divine vision, said in assuring tones to a frenzied populace:

"God reigns and the Government at Washington still lives."

And, my comrades and my countrymen, the same thought to-day might well be expressed of the great economic after-war problems now dominating and disturbing the so-called best minds of the country and many would-be statesmen at Washington, who seem to forget: "There is a Divinity, high over all, that shapes and rules the world."

INDEPENDENT OFFICES APPROPRIATION BILL.

Mr. WOOD of Indiana. Mr. Speaker, I desire to call up the conference report on the bill H. R. 9981, the independent offices appropriation bill.

The SPEAKER. The gentleman from Indiana calls up the conference report which the Clerk will report.

The conference report was read.

[For conference report and statement, see pages 6673 and 6674, House proceedings of May 10, 1922.]

Mr. WOOD of Indiana. Mr. Speaker, I move that the conference report be accepted and confirmed, and I desire to make a little explanation as to what the situation is. Mr. Speaker, this bill has been pending here in some shape or the other since the 4th of March. The first conference report was rejected upon the 22d day of March, and has been back here three times and it has been rejected each time it came back. The only difference there is now between the House and the Senate are two positions involving $20,000. I am of the opinion that the House would have done the country a service had it concurred in the report made in March, and certainly it would have done a service to the country and a great many citizens of this country if it had been concurred in when it was submitted after that time. The fact of the business is that the legislation now proposed has resulted in a net saving to the Government as compared with salaries now paid if these two additional places are granted that are included in the report. We have now three each who are paid $35,000 a year under the present régime. Under the proposed legislation none can be paid exceeding $25,000, and, as I say, there were three paid $35,000 each, which is a saving of $30,000. One was paid $30,000, but can not be paid more than $25,000, which is a saving of $5,000 more, or $35,000, and assuming that these two places will go to two new men it will be an additional expenditure only of $5,000 to the Government of the United States, and assuming that they were given to men now occupying places, there would be a net saving to the Government of some $18,000. Gentlemen will bear in mind that the House provided for six places at $25,000 each. The Senate increased that number to 13. They have now consented to a reduction to two additional places, and I wish to commend the Senate for what they have done, for they have met us fairly, I think. And there is this thing that should be borne in mind, and that is that there are two bodies to this Congress. We like to have our way and they like to have theirs, and when we can meet them in a spirit of fairness and get as near together as we are now upon a bill involving an expenditure of $500,000,000 I think we have done remarkably well.

Mr. WALSH. Will the gentleman yield for a question?

Mr. WOOD of Indiana. I will yield.

Mr. WALSH. Is not the only difference between this provision and the one in the last report that this eliminates in this report the $15,000 position?

Mr. WOOD of Indiana. Yes.

Mr. WALSH. We have six at not to exceed $25,000 and two at $20,000?

Mr. WOOD of Indiana. Twenty thousand dollars.

Mr. KINCHELOE. Will the gentleman yield?

Mr. WOOD of Indiana. I will.

Mr. KINCHELOE. What is the total increase in this conference report over the House bill as it originally passed the House—I mean in regard to this particular item?

Mr. WOOD of Indiana. At the utmost it could not exceed $40,000. But in my opinion it has resulted in a saving of about $18,000, and that is upon the assumption that these two places involving $40,000 are given to two men now employed who are

receiving $11,000 each; it would be a deduction of $22,000 from the $40,000, resulting in a saving, as I have heretofore shown.

Mr. SNELL. Will the gentleman yield for a question?

Mr. WOOD of Indiana. I yield.

Mr. SNELL. I fully appreciate the efforts of the committee in trying to carry out the will of the House in getting this conference agreement, but yet I can not understand why we should pay larger salaries to this department than any other department of the Government. I do not know any other department that has as high-class salaries as in this department.

Mr. WOOD of Indiana. Yes.

Mr. SNELL. What other department?

Mr. WOOD of Indiana. I do not care to enter into a discussion now of what has been or might be. But if you care to enter into a discussion of that theme, you will find under the old régime that far larger salaries were paid.

Mr. SNELL. That we are getting away from.

Mr. WOOD of Indiana. I understand that. But under the appropriation we had here the other day of $500,000 for the purpose of prosecuting war claims it is possible to expend more than the amount of money that is here involved in salaries.

Mr. SNELL. If I understood that correctly, there is only one man to receive $25,000 and the rest are limited to $10,000.

Mr. WOOD of Indiana. It is possible to spend more. But the trouble is here that we are prone, and have been all the way through, to compare this business with other official offices, and it should not be done, because of the fact that the Government is engaged in a private business, competing, if you please, with private business where private salaries are paid by private concerns. And, gentlemen, there are a number of these men who are receiving salaries far in advance of what these men on the Shipping Board are receiving doing the same character of work. As long as the Government is engaged in private business we ought at least to try to keep up the service until we can dispose of it at an advantage and not depreciate it by reason of the fact that we are not taking care of the business. We have said, and said repeatedly, that we have done our best. And, gentlemen, you are just simply depriving day after day men who have given their money for the best interests of this Government and can not be paid until some affirmative legislation is had here. Men have been coming to my office day after day asking when it would be possible for them to get the payment of their claims. So, I say, it seems to me it is a trifle as compared with the amount of money that is involved in this bill, when there is but a difference of $40,000 at the utmost between the Senate and the House upon an appropriation bill involving $500,000,000.

Mr. SNELL. I say to the gentleman that I appreciate the fight they have made. They have probably done the best they could. I do not believe we ought to keep up the big salaries, however.

Mr. BRYNS of Tennessee. Will the gentleman from Indiana yield five or six minutes to me?

Mr. WOOD of Indiana. I yield to the gentleman five minutes.

Mr. BYRNS of Tennessee. Mr. Speaker, I am perfectly well aware of the very great difficulties with which the House conferees have had to contend with this particular item of appropriation, and I think they are deserving of the commendation of the House for the efforts they have made to bring the Senate to agree to the House position in regard to the matter.

I am not, however, in favor of this report. It will be nearly a month before the beginning of the next fiscal year, and I am quite certain that the Senate of the United States will not permit itself to be placed in the position of defeating this appropriation bill merely to provide two attorneys in the Shipping Board with salaries of $20,000 each. This matter has been pending for so long a time that I think probably it would be entirely proper if I called your attention very briefly to its history, for this is the only item in dispute. As the gentleman from Indiana [Mr. WOOD] said, the House passed this bill with a provision that not exceeding six employees of the department should be paid in excess of $11,000 per annum each, and that they should not be paid exceeding $25,000. The Senate struck out that provision and put in a general provision that 13 employees might be paid in excess of $11,000. The amendment came back to the House, and on March 15 a motion to recede and concur in that amendment of the Senate was defeated by an overwhelming vote in the House. It was then sent to conference, and the conference report was submitted and voted on on April 3. That conference report proposed to limit the employees who should receive in excess of $11,000 to six not in excess of $25,000 and four not to exceed $35,000. That report was overwhelmingly rejected by the House. It again went to conference, and another conference report was presented to the House, and voted on on April 20, which provided six at $25,000, two at $20,000, and two at $15,000. That report was overwhelmingly rejected by the House. It again went to conference and another conference report was submitted, which was rejected by the House. That report provided for six not to exceed $25,000, two not to exceed $20,000, and one not to exceed $15,000. The present report provides, as the gentleman from Indiana [Mr. WOOD] has stated, that six shall not exceed $25,000 and two shall not exceed $20,000.

So you gentlemen will see that each time the House has voted down this proposition it has always resulted in a reduction of the number of high-priced employees which the Senate proposes to fix in this bill. And my own idea is that if this report is rejected and sent back to the Senate the House will get what it wishes in the matter and what it ought to have in view of the present state of the Treasury.

Now, as has been stated, we passed a bill here the other day appropriating $500,000 for the Department of Justice, to enable the Attorney General to prosecute civilly and criminally the war profiteers. This House put a limitation upon that appropriation, in which it was provided that not a single one of the attorneys to be employed, with the exception of one, should be paid in excess of $10,000. Under its present appropriation, and under the authority which the Shipping Board now has, it may pay, if it sees fit to do so, every one of its attorneys up to $11,000. Certainly there is no consistency in giving to the department the permission to pay two of its attorneys $20,000, when we denied, as we should have denied, the Attorney General the right to pay more than $10,000. And I may say that that provision, as I understand, was entirely acceptable to the Attorney General. He felt then, and he feels now, if I am correctly informed, that he will be able to employ capable and competent attorneys to prosecute civilly and criminally the war profiteers, involving claims of $192,000,000, with attorneys whom he pays $10,000.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. BYRNS of Tennessee. Will the gentleman yield to me two minutes more?

Mr. WOOD of Indiana. I will.

Mr. BYRNS of Tennessee. I do not believe there is any reason for paying the Shipping Board attorneys more than $11,000. If I had my way I would limit them certainly to $7,500 a year. You and I know that if the chairman of the Shipping Board wishes to do so he can get plenty of competent attorneys to represent the Shipping Board in the settlement of those claims for less than that sum. For, as I have heretofore said, they do not involve any serious or new questions of law but involve to a large extent questions of fact arising between the Government and these various claimants. It does not require the services of highly paid attorneys, and I see no reason why we should now set the precedent of giving two attorneys in the Shipping Board $20,000 each and have it said hereafter that, having paid attorneys in the Shipping Board $20,000, we ought to pay increased high salaries to attorneys in the other departments. If you are going to have high-priced attorneys they ought to be in the Department of Justice. But as I say, the Attorney General has not seen the necessity of having more than $10,000 provided to pay an attorney save the attorney who is to have charge of the whole business. I do not think we ought to allow the Shipping Board to pay these high salaries to men who are now in the Shipping Board and who have been serving in the Shipping Board for not more than $11,000 each, and for that reason I am opposed to this conference report. [Applause.]

Mr. WOOD of Indiana. Mr. Speaker, I move the question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. JOHNSON of Mississippi. A division, Mr. Speaker.

The SPEAKER. A division is demanded.

The House divided; and there were—ayes 59, noes 19.

Mr. JOHNSON of Mississippi. Mr. Speaker, I object to the vote and make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Mississippi objects to the vote and makes the point of order that there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll. As many as are in favor of agreeing to the conference re-

port will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 139, nays 121, answered "present" 2, not voting 168, as follows:

YEAS—139.

Ackerman	Edmonds	Lee, N. Y.	Rosenbloom
Appleby	Elliott	Lehlbach	Rossdale
Bacharach	Ellis	Luce	Ryan
Barbour	Fairfield	McCormick	Schall
Beedy	Fess	McLaughlin, Mich.	Shaw
Benham	Fish	McLaughlin, Pa.	Shelton
Bixler	French	Madden	Siegel
Blakeney	Frothingham	Magee	Sinnott
Bland, Va.	Gernerd	Mapes	Slemp
Bond	Gorman	Michener	Smith, Idaho
Bowers	Graham, Ill.	Miller	Snell
Brooks, Ill.	Green, Iowa	Mills	Snyder
Brown, Tenn.	Greene, Mass.	Millspaugh	Sproul
Burdick	Greene, Vt.	Mondell	Stafford
Burroughs	Griest	Montoya	Steenerson
Burton	Hadley	Moores, Ind.	Stephens
Butler	Hardy, Colo.	Mott	Strong, Pa.
Cable	Hawley	Mudd	Swing
Campbell, Pa.	Hays	Murphy	Taylor, N. J.
Cannon	Hersey	Nelson, Me.	Timberlake
Chindblom	Hickey	Newton, Minn.	Tinkham
Christopherson	Hicks	Newton, Mo.	Towner
Clarke, N. Y.	Hill	Ogden	Underhill
Colton	Hogan	Osborne	Vaile
Crago	Hukriede	Parker, N. Y.	Volstead
Cramton	Johnson, Wash.	Patterson, N. J.	Walsh
Crowther	Kearns	Petersen	Watson
Cullen	Kelly, Pa.	Porter	Webster
Curry	King	Pringey	White, Me.
Dale	Kirkpatrick	Radcliffe	Williams, Ill.
Dallinger	Kissel	Reed, W. Va.	Wood, Ind.
Darrow	Knutson	Rhodes	Wurzbach
Dunbar	Langley	Riddick	Wyant
Dyer	Layton	Rodenberg	Young
Echols	Leatherwood	Rogers	

NAYS—121.

Almon	Fulmer	Logan	Sisson
Andrews, Nebr.	Gahn	London	Speaks
Anthony	Garner	Lowrey	Steagall
Barkley	Garrett, Tenn.	McDuffie	Stedman
Bird	Garrett, Tex.	McFadden	Stevenson
Bowling	Gensman	McLaughlin, Nebr.	Strong, Kans.
Box	Gilbert	MacGregor	Summers, Wash.
Brand	Hammer	Martin	Sumners, Tex.
Briggs	Haugen	Mead	Taylor, Colo.
Browne, Wis.	Hayden	Moore, Va.	Ten Eyck
Buchanan	Hoch	Morgan	Thomas
Bulwinkle	Huddleston	Nelson, A. P.	Thompson
Byrnes, S. C.	Humphreys	Norton	Tincher
Byrns, Tenn.	Jacoway	O'Connor	Tucker
Carew	Johnson, Miss.	Oldfield	Voigt
Carter	Jones, Tex.	Oliver	Walters
Chalmers	Keller	Overstreet	Ward, N. C.
Chandler, Okla.	Kincheloe	Perlman	Wheeler
Clague	Kleczka	Pou	White, Kans.
Clouse	Kline, Pa.	Quin	Williams, Tex.
Cole, Ohio	Kopp	Rainey, Ill.	Williamson
Collier	Kraus	Raker	Wilson
Crisp	Lampert	Ramseyer	Wingo
Davis, Tenn.	Lanham	Rankin	Wise
Dominick	Lankford	Reece	Woodruff
Dowell	Larsen, Ga.	Ricketts	Woods, Va.
Drewry	Lawrence	Roach	Wright
Dupré	Lazaro	Rucker	Zihlman
Favrot	Lee, Ga.	Sanders, Tex.	
Fisher	Linthicum	Sandlin	
Free	Little	Scott, Tenn.	

ANSWERED "PRESENT"—2.

Aswell	Parker, N. J.

NOT VOTING—168.

Anderson	Davis, Minn.	Himes	McKenzie
Andrew, Mass.	Deal	Hooker	McPherson
Ansorge	Dempsey	Hudspeth	McSwain
Arentz	Denison	Hull	Maloney
Atkeson	Dickinson	Husted	Mann
Bankhead	Doughton	Hutchinson	Mansfield
Beck	Drane	Ireland	Merritt
Begg	Driver	James	Michaelson
Bell	Dunn	Jefferis, Nebr.	Montague
Black	Evans	Jeffers, Ala.	Moore, Ill.
Bland, Ind.	Fairchild	Johnson, Ky.	Moore, Ohio
Blanton	Faust	Johnson, S. Dak.	Morin
Boies	Fenn	Jones, Pa.	Nelson, J. M.
Brennan	Fields	Kahn	Nolan
Britten	Fitzgerald	Kelley, Mich.	O'Brien
Brooks, Pa.	Focht	Kendall	Olpp
Burke	Fordney	Kennedy	Padgett
Burtness	Foster	Ketcham	Paige
Campbell, Kans.	Frear	Kiess	Park, Ga.
Cantrill	Freeman	Kindred	Parks, Ark.
Chandler, N. Y.	Fuller	Kinkaid	Patterson, Mo.
Clark, Fla.	Funk	Kitchin	Perkins
Classon	Gallivan	Kline, N. Y.	Purnell
Cockran	Glynn	Knight	Rainey, Ala.
Codd	Goldsborough	Kreider	Ransley
Cole, Iowa	Goodykoontz	Kunz	Rayburn
Collins	Gould	Larson, Minn.	Reber
Connally, Tex.	Graham, Pa.	Lea, Calif.	Reed, N. Y.
Connell	Griffin	Lineberger	Riordan
Connolly, Pa.	Hardy, Tex.	Longworth	Robertson
Cooper, Ohio	Harrison	Luhring	Robsion
Cooper, Wis.	Hawes	Lyon	Rose
Copley	Henry	McArthur	Rouse
Coughlin	Herrick	McClintic	Sabath
Sanders, Ind.	Stiness	Temple	Vinson
Sanders, N. Y.	Stoll	Tillman	Volk
Scott, Mich.	Sullivan	Tilson	Ward, N. Y.
Sears	Swank	Treadway	Wason
Shreve	Sweet	Tyson	Weaver
Sinclair	Tague	Upshaw	Winslow
Smith, Mich.	Taylor, Ark.	Vare	Woodyard
Smithwick	Taylor, Tenn.	Vestal	Yates

So the conference report was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Kahn with Mr. Rayburn.
Mr. Vestal with Mr. Harrison.
Mr. Fenn with Mr. Drane.
Mr. Ansorge with Mr. Parks of Arkansas.
Mr. Morin with Mr. Connally of Texas.
Mr. Winslow with Mr. Lyon.
Mr. Cooper of Ohio with Mr. McSwain.
Mr. Vare with Mr. Mansfield.
Mr. Stiness with Mr. Padgett.
Mr. Robsion with Mr. Tyson.
Mr. Kiess with Mr. Blanton.
Mr. Fuller with Mr. Stoll.
Mr. Rose with Mr. Hudspeth.
Mr. Glynn with Mr. Kindred.
Mr. Sanders of Indiana with Mr. Johnson of Kentucky.
Mr. Yates with Mr. Upshaw.
Mr. Atkeson with Mr. Hardy of Texas.
Mr. Evans with Mr. Griffin.
Mr. Fitzgerald with Mr. Fields.
Mr. Kline of New York with Mr. Deal.
Mr. Goodykoontz with Mr. Black.
Mr. Brennan with Mr. Sears.
Mr. Olpp with Mr. Taylor of Arkansas.
Mr. Funk with Mr. Smithwick.
Mr. Frear with Mr. Sabath.
Mr. Coughlin with Mr. Rainey of Alabama.
Mr. Treadway with Mr. Cockran.
Mr. Paige with Mr. Sullivan.
Mr. Burtness with Mr. McClintic.
Mr. Perkins with Mr. Cantrill.
Mr. Kennedy with Mr. Bell.
Mr. Campbell of Kansas with Mr. Doughton.
Mr. Knight with Mr. Hawes.
Mr. Beck with Mr. Tague.
Mr. Graham of Pennsylvania with Mr. O'Brien.
Mr. Maloney with Mr. Montague.
Mr. Taylor of Tennessee with Mr. Clark of Florida.
Mr. Davis of Minnesota with Mr. Lea of California.
Mr. Henry with Mr. Weaver.
Mr. Kreider with Mr. Kunz.
Mr. Dickinson with Mr. Bankhead.
Mr. Reed of New York with Mr. Jeffers of Alabama.
Mr. Burke with Mr. Kitchin.
Mr. Michaelson with Mr. Vinson.
Mr. Hutchinson with Mr. Hooker.
Mr. Moore of Ohio with Mr. Swank.
Mr. McPherson with Mr. Tillman.
Mr. Shreve with Mr. Goldsborough.
Mr. Begg with Mr. Riordan.
Mr. Nolan with Mr. Gallivan.
Mr. Arentz with Mr. Driver.
Mr. Codd with Mr. Park of Georgia.
Mr. Fordney with Mr. Collins.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors.

On motion of Mr. WOOD of Indiana, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

POST OFFICE APPROPRIATIONS—CONFERENCE REPORT.

Mr. SLEMP. Mr. Speaker, I call up the conference report on the Post Office appropriation bill (H. R. 9859).

The SPEAKER. The gentleman from Virginia calls up the conference report on the Post Office appropriation bill. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 9859) making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 52.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,903,380"; and the Senate agree to the same.

Amendment No. 58: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In lieu of the matter inserted by the amendment of the House, insert the following:

"SEC. 4. That for the purpose of carrying out the provisions of the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,' approved June 11, 1916, and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following additional sums, all such sums to be expended in accordance with the provisions of such act:

"The sum of $50,000,000 for the fiscal year ending June 30, 1923.

"The sum of $65,000,000 for the fiscal year ending June 30, 1924.

"The sum of $75,000,000 for the fiscal year ending June 30, 1925.

"The Secretary of Agriculture is hereby authorized, immediately upon the passage of this act, to apportion the $50,000,000 herein authorized to be appropriated for the fiscal year ending June 30, 1923, among the several States, as provided in section 21 of the Federal highway act approved November 9, 1921: *Provided*, That the Secretary of Agriculture shall act upon projects submitted to him under his apportionment of this authorization and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto.

"PAR. 2. For the purpose of carrying out the provisions of section 23 of the Federal highway act, approved November 9, 1921, there is hereby authorized to be appropriated for forest roads and trails, out of any money in the Treasury not otherwise appropriated, the following additional sums, to be available until expended, in accordance with the provisions of said section 23:

"The sum of $6,500,000 for the fiscal year ending June 30, 1924.

"The sum of $6,500,000 for the fiscal year ending June 30, 1925.

"PAR. 3. For the purposes of this section and of the acts heretofore making appropriations to aid the States in the construction of rural post roads the term 'bridges' includes railroad grade separations, whether by means of overhead or underpass crossings.

PAR. 4. The provision of section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes," approved February 28, 1919, fixing the limitation of $20,000 per mile which the Secretary of Agriculture may make, is hereby amended to read as follows:

"That the payments which the Secretary of Agriculture may make from sums appropriated under this act or any act amendatory thereof or supplementary thereto for the fiscal year ending June 30, 1923, shall not exceed $16,250 per mile exclusive of the cost of bridges of more than 20 feet of clear span; and that the payments which the Secretary of Agriculture may make from any sums appropriated under the provisions of this act or any act amendatory thereof or supplementary thereto, after the fiscal year ending June 30, 1923, shall not exceed $15,000 per mile exclusive of the cost of bridges of more than 20 feet of clear span: *Provided*, That the limitation of payments herein provided shall apply to the public-land States, except that the same is hereby increased in proportion to the increased percentage of Federal aid authorized by section 11 of the act entitled 'An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,"' approved November 9, 1921."

PAR. 5. Section 24 of the act entitled "An act to amend the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,'" approved November 9, 1921, is amended to read as follows: "That in any State where the existing constitution or laws will not permit the State to provide revenues for the construction, reconstruction, or maintenance of highways, the Secretary of Agriculture shall continue to approve projects for said State until five years after November 9, 1921, if he shall find that said State has complied with the provisions of this act in so far as its existing constitution and laws will permit."

PAR. 6. If any officer, agent, or employee of the United States, or any officer, agent, or employee of any State or Territory, or any person, association, firm, or corporation, or any officer or agent of any person, association, firm, or corporation shall knowingly make any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the costs thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction of any project submitted for approval to the Secretary of Agriculture under the provisions of the Federal highway act, or shall knowingly make any false statement, false representation, or false report or claim for work or materials for the construction of any project approved by the Secretary of Agriculture under said Federal highway act and all amendments thereto, or shall knowingly make any false statement or false representation in any report required to be made under said Federal highway act or acts supplementary thereto with the intent to defraud the United States shall, upon conviction thereof, be punished by imprisonment not to exceed five years or by a fine not to exceed $10,000, or by both fine and imprisonment within said limits.

PAR. 7. If any provision of this section, or the application thereof to any person or circumstances, shall be held invalid, the validity of the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby.

PAR. 8. All acts or parts of acts in any way inconsistent with the provisions of this section are hereby repealed.

And the House agree to the same.

C. B. SLEMP,
MARTIN B. MADDEN,
THOMAS U. SISSON,
Managers on the part of the House.
CHAS. E. TOWNSEND,
THOMAS STERLING,
GEO. H. MOSES,
E. S. BROUSSARD,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 9859) making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report:

On Nos. 1 to 11, inclusive: Strikes out the increases, proposed by the Senate, in the number of clerks, assistant map mounters, carpenters, painters, and chauffeurs in the department in the District of Columbia.

On No. 17: Corrects a total in the bill.

On No. 52: Strikes out the paragraph, inserted by the Senate, authorizing the Postmaster General to ascertain conditions arising from contracts in star-route, screen-wagon, and other vehicle service entered into prior to January 1, 1918, with a view of determining whether any adjustment should be made in the compensation for the fiscal years 1918, 1919, 1920, and 1921.

On No. 58, relating to appropriations for construction of roads: Adopts the amendment of the House, which is the road bill that passed the House as a separate measure, modified in the following particulars:

Authorizes the appropriation of $50,000,000 for the fiscal year 1923, $65,000,000 for the fiscal year 1924, and $75,000,000 for the fiscal year 1925.

Provides that the Secretary of Agriculture shall apportion the authorization for the fiscal year 1923 immediately upon the approval of the act, and that his approval of any project under such apportionment shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto.

Makes an authorization of $6,500,000 for forest roads and trails for the fiscal year 1925 as well as for 1924.

Strikes out paragraph 4 of the House amendment, relating to the reallotment of funds in the event approved projects are not put under contract within one year from the date of the approval of the project.

Fixes the limit of cost per mile at $16,250 for the fiscal year 1923 instead of $12,500 as proposed in the House amendment.

Fixes the limit of cost per mile after the fiscal year 1923 at $15,000 instead of $10,000 as proposed in the House amendment.

C. B. SLEMP,
MARTIN B. MADDEN,
THOMAS U. SISSON,
Managers on the part of the House.

Mr. SLEMP. Mr. Speaker, in explanation of the conference report on the Post Office appropriation bill it is interesting to note that on all items in disagreement relating to the Postal Service the Senate recedes entirely, leaving the bill as it left the House recently.

In this connection I want to put into the RECORD a financial statement of the operations of the bill in its finality.

The bill as it passed the Senate carried an appropriation of $623,573,136.50. As it passed the House it carried $554,215,625. There was therefore added by the Senate the sum of $69,357,511.50. The House recedes from $10,849,161.50. The Senate recedes from $58,508,350. Fifty million dollars of that, however, was the recession on the appropriation for roads.

The Post Office appropriation for 1922 was $580,719,851. The bill for 1923 as agreed to carries $565,064,786.50. The decrease under the appropriation for 1922 is $15,655,064.50.

The estimates for 1923 were $584,974,413. The appropriation for 1923 is $565,064,786.50, a decrease under the estimates of $19,909,626.50.

The only contested item at all after the Senate receded from the provisions relating to the Postal Service was on the subject of roads, and on that the conferees were in conference for quite a while.

The first point of difference was whether we should have a two-year program or a three-year program. The Senate stood for a three-year program and the House provision was for a two-year program. The conferees recommend the three-year program.

The Senate bill carried an appropriation of $50,000,000 for 1923. The House provision was an authorization of $65,000,000 for 1923. The conferees agreed to recommend to both Houses an authorization of $50,000,000, with certain contractual rights left to the States to protect their situations.

Another point of difference was the limitation per mile of Federal aid. The present law is $20,000 per mile. The old law was $10,000 per mile. The House provision was $12,500 for 1923 and $10,000 thereafter. It was held by the representative of the department that that was too drastic a cut, and so a compromise was arranged between the two bodies, 50–50; that is, the limitation is to be $16,250 per mile for the year 1923 and $15,000 thereafter. The Roads Department say that they purpose to build more expensive roads; that they purpose to build the roads 2 feet wider and also to make them about 4 inches deeper because of the heavier traffic that is on the roads.

Mr. LAYTON. Will the gentleman yield for a question?

Mr. SLEMP. I yield to the gentleman from Delaware.

Mr. LAYTON. Is the Federal Government building roads itself unassisted by the States?

Mr. SLEMP. No.

Mr. LAYTON. Then is the Government dictating the width of the roads?

Mr. SLEMP. No; they want to work that out in connection with the State highway commissions; but the attitude of the department was that that is an economic necessity.

Mr. LAYTON. The Government is going to do it?

Mr. SLEMP. The Government will do its proportional amount, according to the allotment.

Now, in regard to the amount of money that should be satisfactory for the fiscal year 1923, the Roads Department furnished a very careful statement of the amount of money that we already have in the Treasury that would be available for use next year. This matter has been submitted to the Bureau of the Budget, and they tell us that there will be available for the fiscal year 1923 the sum of $125,000,000 to be used in Federal-aided projects. There will be from $10,000,000 to $15,000,000 left over out of the 1922 program, so that if not a single dollar of money was carried for the next year for Federal-aided projects at all the Government would be spending on the Federal roads in this country about $140,000,000 of new money, but the department reported to us that there was not any systematic way of building these roads throughout the country so far as progress was concerned. One State would be a little ahead of another, one State would have trouble about its bonds, and another State about legislative inaction. They gave us a list of the States that would be without continuation of a road program unless new money was appropriated in 1923 in addition to the $40,000,000 set aside. These States are as follows (this letter is from the department, written May 25, 1922):

Arkansas will run out of work in March, 1923. Georgia will run out of work in March, 1923. Idaho will run out of work in January, Illinois in February.

Mr. SMITH of Idaho. What does the gentleman mean by running out of work?

Mr. SLEMP. The Federal aid allotted to the State will be consumed in these respective States by that time, and that includes 14 States. Now, if there was not a dollar of money appropriated next year, there would be 34 States that would be able to work along in the road construction without a dollar of money from the Treasury. I will continue with the list of States:

Illinois will run out in February, Iowa in December, Louisiana in December, Maine in December, North Carolina in January, North Dakota in March, Ohio in December, Oregon in January, Pennsylvania in November, Washington in October, and Wisconsin in March. All the other States, if not a dollar was appropriated next year, would be able to run through and carry out the Federal-aid program.

Mr. CRAMTON. Will the gentleman yield?

Mr. SLEMP. I will.

Mr. CRAMTON. The appropriations heretofore made are available until expended.

Mr. SLEMP. Yes.

Mr. CRAMTON. And also the appropriations carried in this bill.

Mr. SLEMP. There are no appropriations carried in this bill; they are simply authorizations. The reason for that was that there would be no additional money needed until October, when the State of Washington runs out.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. SLEMP. Certainly.

Mr. SUMMERS of Washington. I think it ought to be borne in mind that the road program does not operate by the calendar year, and there is a fallacy in this argument of considering it in this way. The State legislatures meet every second year.

Mr. MADDEN. We are making provision for that in this bill. We are taking care of that.

Mr. SUMMERS of Washington. I do not see how you can make provision unless you do it in dollars and cents.

Mr. CRAMTON. Continuing my inquiry, the appropriation in the bill of $50,000,000——

Mr. SLEMP. Authorization.

Mr. CRAMTON. The language says "is hereby appropriated."

Mr. SLEMP. The gentleman is reading from the Senate bill and I was referring to a conference report. Now, in the conference report we have a provision to meet the objection made by the gentleman from Washington. On page 2 of the conference report it provides:

> The Secretary of Agriculture is hereby authorized, immediately upon the passage of this act, to apportion the $50,000,000 herein authorized to be appropriated for the fiscal year ending June 30, 1923, among the several States as provided in section 21 of the Federal highway act approved November 9, 1921: *Provided*, That the Secretary of Agriculture shall act upon projects submitted to him under his apportionment of this authorization and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto.

It was felt that under these circumstances contracts can be made and appropriations be made by Congress in accordance with the need. In that way we will prevent the piling up of a large amount of money in the Treasury that can not be used.

Mr. SNELL. Will the gentleman yield?

Mr. SLEMP. I will.

Mr. SNELL. One of the principal items in controversy is the amount of Federal aid per mile for roads?

Mr. SLEMP. Yes.

Mr. SNELL. As I understand it, the Roads Committee held extensive hearings, and they unanimously agreed on the amount provided for 1 mile.

Mr. SLEMP. I will say that we are getting close to the end of the year, and we have got to get these bills through and another body took an opposite position.

Mr. SNELL. Did the committee of the Senate hold hearings?

Mr. SLEMP. Yes; and the road officials came before us and took the Senate's side and advocated the limit provided in the Senate bill.

Mr. SNELL. The bill was never considered by the regular Roads Committee in the Senate?

Mr. SLEMP. Yes; it was fully considered by them, and we had it brought to us, as the gentleman knows, in an incidental way. We had Mr. McDonald and the head of the roads department, Mr. Allen, and they stood strongly for $18,000 a mile. They felt that the cut of 50 per cent would more than take up the cost of construction. The conferees thought a reduction of 25 per cent would more nearly meet the situation than 50, especially as some of the building material was going up, and further, they insist on building the roads a little wider and a

little stronger road, which would bring an increased cost of construction.

Mr. SUMMERS of Washington. May I say a word?

Mr. SLEMP. I will yield to the gentleman.

Mr. SUMMERS of Washington. The hearings were not extensive, and they were not all in favor of the amount voted by the House committee.

Mr. SLEMP. While in conference we got telegrams from many of the highway departments of the West urging that that be done, that the limit be cut. Then we got the department to furnish us with a list of all the projects in which the Government participated at $20,000 a mile and $21,020, and we found that the entire program was based on figures between $15,000 and $20,000.

Mr. SNELL. On whatever roads are built the State must pay 50 per cent?

Mr. SLEMP. Yes.

Mr. DUNBAR. Mr. Speaker, will the gentleman yield?

Mr. SLEMP. Yes.

Mr. DUNBAR. If the conference report be adopted, then it will provide for an additional appropriation of $50,000,000 for roads for 1923?

Mr. SLEMP. An authorization for $50,000,000. That will be appropriated next year. That will make the total amount of available Federal funds for roads for 1923 about $190,000,000.

Mr. DUNBAR. The conference report provides for an authorization for an appropriation of an additional sum, $50,000,000, for the construction of post roads, for the fiscal year 1923?

Mr. SLEMP. That is correct.

Mr. DUNBAR. If that be adopted, then it would increase our Post Office appropriation bill by $50,000,000?

Mr. SLEMP. That is correct.

Mr. DUNBAR. Can the gentleman inform us if this appropriation be made what will be the post-office deficit for the fiscal year 1923?

Mr. SLEMP. This could not be applied to the Post Office appropriation bill, since it is an authorization and not an appropriation.

Mr. DUNBAR. But in the event the appropriation is made?

Mr. SLEMP. That would then come in on the deficit for the next year. Of course, I do not believe that one should charge a $50,000,000 road-construction fund to the Postal Service, but whatever that would be, if you choose to reason it out in that way, if you add $50,000,000 to it, the result will be the amount. I would like to say here that no one can estimate what the deficit will be, because no one knows what the postal receipts are going to be. Perfectly tremendous increases in the postal receipts have occurred since the 1st of January. During the month of May the receipts showed an increase of 14.5 per cent over the month of May last year, as against a normal increase of 5 per cent.

Mr. WOODRUFF. Mr. Speaker, will the gentleman yield?

Mr. SLEMP. Yes.

Mr. WOODRUFF. Is it not a fact that the road appropriation ordinarily is carried in a separate bill?

Mr. SLEMP. That is true. The fiscal year will be at an end in 30 days and while the appropriation committee did not have any desire to have this thrust upon them, because it is legislation, yet we thought it was the simplest way out of it.

Mr. STEVENSON. Mr. Speaker, I call attention to the fact that there is no quorum in the House.

Mr. WOODRUFF. Will the gentleman withhold that for a moment?

Mr. STEVENSON. For a moment; I will.

Mr. WOODRUFF. The gentleman will admit that in the conference, the House conferees have been enabled to write into this law the legislation as it passed the House.

Mr. SLEMP. I think that is substantially correct.

Mr. WOODRUFF. With the exception that the program has been lengthened for one year?

Mr. SLEMP. Yes.

Mr. WOODRUFF. And the amount the Government can participate in for each mile of road has been increased, as the gentleman has already explained?

Mr. SLEMP. That is correct.

Mr. LARSEN of Georgia. Mr. Speaker, will the gentleman yield on that point?

Mr. SLEMP. Yes.

Mr. LARSEN of Georgia. The gentleman does not mean to leave the impression that we have adopted the program provided by the House bill, because the House bill provided for a greater appropriation than is contained in this bill.

Mr. SLEMP. The House bill did not provide for any appropriation at all.

Mr. LARSEN of Georgia. Well, authorization.

Mr. SLEMP. There is quite a difference between an authorization and an appropriation.

Mr. LARSEN of Georgia. The House bill authorized an appropriation for two years.

Mr. SLEMP. Yes.

Mr. LARSEN of Georgia. And began with $15,000,000 more per year than this bill carries?

Mr. SLEMP. Yes.

Mr. LARSEN of Georgia. Just one other point. Will the gentleman acquaint me with his purpose in this matter? There are some of us here who are members of the Roads Committee who would like to be heard on some provisions of the report. Is it the purpose of the gentleman to aid us in getting an opportunity to be heard?

Mr. SLEMP. I have no objection to anybody talking, so far as I am concerned.

Mr. LARSEN of Georgia. The gentleman is in control of the time.

Mr. SLEMP. I would be very glad to yield some time.

Mr. LARSEN of Georgia. I would like to have some time.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. SLEMP. Yes.

Mr. STAFFORD. I notice for the first time in the history of road legislation that the conferees have bound the Government in the form of a contract to carry out the amount that would be apportioned of the $50,000,000 authorization for expenditures in the next fiscal year.

Mr. SLEMP. Yes.

Mr. STAFFORD. What is the reason why by legislation we should make a contractual obligation to carry out the apportionment fixed by the Department of Agriculture?

Mr. SLEMP. As far as I could get the thought, it is this: The authorization passed by Congress would carry necessarily an obligation on the part of Congress, certainly moral, at least, to carry out the proposition in accordance with the amount authorized.

Mr. SISSON. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. SLEMP. It has been represented that contractors might not know for sure whether they could make the contracts under these circumstances, and we felt this provision placed in there would make it absolutely sure.

Mr. STAFFORD. This applies only for the year 1923?

Mr. SLEMP. Yes.

Mr. STAFFORD. And as the chairman of the committee, the gentleman from Illinois [Mr. MADDEN], just stated, it should be made a permanent policy. If that is so, there is no need for an authorization. You might as well appropriate the money at the beginning.

Mr. SISSON. Let me explain to my friend, if I may. We had great difficulty in getting together at all; in fact, I did not at one time believe we would get good-roads legislation on account of the great disagreement among the conferees. I am happy in the knowledge of the fact that I was somewhat instrumental in bringing about an agreement which, if adopted by the House, will give us good-roads legislation this year. Now, there are many States—all except 14—that had as much money as they could possibly use and more than they could use during the next fiscal year.

Mr. LARSEN of Georgia. Will the gentleman yield on that point?

Mr. SISSON. In one moment. With representations made to us by the good-roads department we in conference felt that we did not want to delay good-roads construction, and we did not want to impede those States that had kept up with the Federal appropriation and now needed more money; but there were members of the conferees who did not want to load this bill down with millions of dollars of appropriation which could not be used during the next fiscal year, because only about $139,000,000 can be used in States other than the 14 States. Not knowing exactly what could be used, we consulted with the good-roads department, and we authorized the $50,000,000 and gave authority in this bill for each State to contract for its pro rata share during this next fiscal year. Therefore that does not impede in the least those States that are out of money, because they can enter into contract with the assurance that at the time of need there will be an appropriation of the money.

Mr. LARSEN of Georgia. As I understand it, if the States do not avail themselves to the full extent of the credit that comes to them under this authorization during the fiscal year 1923 it lapses, so far as that State is concerned.

Mr. SISSON. No, not next year, but there is a provision that the year following it it would go back and would be allotted to that State when it was ready to avail itself of it.

Mr. DOWELL. And the advantage of this is to permit those 14 States to get what is necessary to carry them through 1923, and as to others that do not need the appropriation the appropriation will not be used?

Mr. SISSON. Exactly.

Mr. STEENERSON. I would like to ask what became of amendment 57; did that go out?

Mr. SLEMP. That went out.

Mr. STEENERSON. I would like about five minutes.

Mr. SLEMP. Mr. Speaker, will the Chair state how much time I have used?

The SPEAKER pro tempore. The gentleman has used 23 minutes.

Mr. RAKER. Will the gentleman yield me five minutes on this conference report?

Mr. SLEMP. I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, I want to congratulate the committee on the solution it has reached in the matter of road legislation and appropriation. The House passed the bill making certain authorizations for roads, containing certain legislation. The authorizations were generally satisfactory to Members of the House; the legislation, not all of it altogether satisfactory. In the Senate certain appropriations were made for carrying on road work. The conferees on the part of the House were naturally and properly anxious to eliminate from the Post Office bill a direct appropriation for public roads. Such appropriations should not be carried on a Post Office appropriation bill. At the same time the conferees were anxious to carry out the will of the House in making sufficient and abundant provision for the carrying on of road work. Certain of the Senate conferees were not entirely willing to trust the Congress to make the deficiency appropriation, as might be necessary if nothing but an authorization were left in the bill with no definite provision under which road funds would be unquestionably available.

Mr. HAYDEN. Will the gentleman yield?

Mr. MONDELL. I have but a short time.

Mr. HAYDEN. I want to get the idea correctly in my head. This bill authorizes the good roads office to create a deficiency that Congress will meet?

Mr. MONDELL. That is what it amounts to. There is no difference of opinion in regard to the carrying out of the road program.

Mr. DUNBAR. Will the gentleman yield?

Mr. MONDELL. Well, I have only five minutes, and I can not make my statement if I yield further. There is no one who had to do with this conference report who is not as earnest and as anxious and as insistent upon carrying out the road program as any Member of this House, and they have made full and abundant provision for carrying out the road program, but they have wisely avoided the making of an appropriation on a Post Office appropriation bill for roads, and the making of the appropriation at a time when the full amount of the appropriation is not needed, when but a very small proportion of the authorization is needed. Now, the provision of the bill is an unusual one, but it is one that makes the carrying on of the road program absolutely certain. The thing is settled and fixed so that, within the authorization fixed by the House, sums will be available for use. It is a very good solution of the matter.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SLEMP. I yield five minutes to the gentleman from Mississippi [Mr. SISSON].

Mr. SISSON. Mr. Speaker, of course I regret that I can not have more time in which to discuss this important matter——

Mr. DOWELL. Will the gentleman yield for a question right there?

Mr. SISSON. Yes.

Mr. DOWELL. How much, if the gentleman can tell us, will be necessary to supply the 14 States that are in need of appropriations for 1923?

Mr. SISSON. I can not tell the gentleman exactly, but for all the States now from the best estimate we can get on this program it will take about $30,000,000. Now, gentlemen, I do not believe that the members of the committee realize just exactly the difficulties with which we had to contend in conference. I referred a moment ago to this fact, but I want to call to your attention especially the fact that there are many conflicting views in the House and in the Senate and those views found their way into conference. What those of us who favored good roads wanted was results, and as a servant of the House we worked to that end. We hope what we have accomplished will meet with your approval.

The House amended this bill when it came back from the Senate by substituting the Dunn bill for the Senate provision. Now, as between those two we accepted practically the entire Dunn bill, with all of its provisions, as it passed the House.

Now, when we got into conference we did not want any of the States impeded in the least in their progress in developing good roads. Therefore, we agreed with the Senate to the $50,000,000 proposition, with the proviso in the $50,000,000 authorization that each State that needed the money might proceed to contract for work done. And, as my friend Mr. HAYDEN a moment ago stated, a deficiency could be created, which is true, and Congress will care for that deficiency with an appropriation without hesitation for it is authorized.

Mr. BOX. Will the gentleman yield?

Mr. SISSON. I will.

Mr. BOX. I want to know in what attitude this leaves the law with reference to those States which must ultimately amend their constitutional laws in order to work with the Federal Government on this road legislation?

Mr. SISSON. Of course, we can not make a provision about that. We can only legislate, and the States will have to conform to our legislation.

Mr. BOX. The gentleman will remember that three years' time was first given to the States in which to so adjust their laws?

Mr. MADDEN. This does not affect that at all.

Mr. SISSON. Oh, not at all. I think that is a five and not a three year provision; but whatever it is we do not affect that. Here is what I want to say to you: I believe the conferees have worked it out all right in having a three-year program and in providing for a compromise in reference to the amount of money that may be expended on a mile of road by making a $15,000 provision as a permanent limitation, but also providing that for the next year $16,250 is to be the limit. So when you take into consideration the vast differences between the House and the Senate and the insistence of the respective conferees, it seems to me that we have worked out the very best proposition possible. I tell you frankly that we have got, so far as I believe, a better proposition than we had when we went into that conference.

Mr. Speaker, I want also to briefly call the attention of the House to the fact that the provision for village delivery is just as it left the House. This service should be extended, for it is by far the most economical of all the mail services. It has been quite satisfactory where it has been tried.

RURAL MAIL.

It is also gratifying that the House provision for rural mail is also retained in the bill on the same basis. Rural mail carriers are properly cared for. As the Members of the House all know, I have always wanted the rural mail carriers cared for and treated just as city carriers are. The provision in this bill does that approximately. I shall never consent to any reduction of rural carriers' pay, for I contend and have contended that they shall be linked together. When the rural carriers' pay was first increased under General Burleson's administration as Postmaster General, I made the fight then to have them dealt with as city carriers as nearly as their differing conditions would permit. That principle was finally agreed to and to-day the rural carrier is secure, for his salary will be kept practically along with that of the city carrier. This is right. The man delivering mail in the country should receive the same compensation as the man delivering mail in the city.

Mr. Speaker, I trust the conference report will be agreed to.

The SPEAKER. The time of the gentleman has expired.

Mr. SLEMP. Mr. Speaker, I yield four minutes to the gentleman from Georgia [Mr. LARSEN].

Mr. LARSEN of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. LARSEN of Georgia. Mr. Speaker and gentlemen of the House, both of the great political parties of this country are pledged to a road program. The Democratic Party initiated the present system in 1916, and the Republican Party by its platform of 1920 pledged itself to "liberal appropriations" for the construction of public highways. Is the Republican Party living up to the pledge? If we consider the report which the conferees propose for our adoption and which we are informed the administration favors, as the criterion, we must answer no. I ask gentlemen, each and all of you, do you believe that any program is a "liberal one" which will retard the construction of the public highways in 14 States of the Union? Is that your idea of liberality?

Mr. MADDEN. Does the gentleman mean that?

Mr. LARSEN of Georgia. Yes; I mean that. It is what Mr. MacDonald, the Chief of the Bureau of Roads, testified before the Roads Committee of the House. The statement was admitted, I believe, by the gentleman from Virginia [Mr. SLEMP] and one other gentleman on the floor.

Mr. MADDEN. That is just exactly what it does not do. The gentleman does not state the facts.

Mr. LARSEN of Georgia. The gentleman is in error about that. With others on the Roads Committee, I took the testimony on the bill, and I know more about it than does the gentleman from Illinois. I heard the testimony for two weeks, and the gentleman from Illinois did not hear it at all. I propounded questions to Mr. MacDonald, and I know what he said when he answered.

Mr. MADDEN. We are making provision here for the continuation of this work in the 14 States.

Mr. LARSEN of Georgia. But the provision you would make is not adequate to the demands. Read the testimony taken before the House Committee, and you should become convinced of this fact. Beginning on page 80, it is as follows.

The CHAIRMAN. Now, Mr. MacDonald, I want to ask you this question: You would not need these funds, only they are allotted to many of the States that do not take advantage of them?

Mr. MACDONALD. Yes; we would need them, Mr. Chairman. Allowing the same amount of money to go under contract this year as we have been placing under contract for three years, next year, if a $50,000,000 appropriation is made, there will be a number of States that will not have enough of the Federal allotment to carry on as large a program as they have carried on in the past. According to our estimates there will be at least 12 or 13 such States. I may say that our estimates, I believe, are very conservative. They do not allow as large a program as the States say they will be able to carry on. We are basing our program entirely on what has been done in the past. The States—on the basis of what has been done—that would have a smaller program for next year are Arizona, Georgia, Idaho, Iowa, Louisiana, Maine, North Carolina, Oregon, South Carolina, South Dakota, Tennessee, and two or three others.

The CHAIRMAN. Have they used all of their allotments, Mr. MacDonald?

Mr. MACDONALD. On the basis of $50,000,000, their program for next year would be a smaller program than they have had during the fiscal year 1921.

The CHAIRMAN. Building program or estimated program?

Mr. MACDONALD. Building program. Work actually put under construction.

Applying the proposed bill to my own State, Georgia, let me show you how far it falls short of actual demands. Your attention is directed to page 83 of the hearings:

Mr. LARSEN. Well, what amount will it take to meet the reasonable demands of the State of Georgia at the present time, and under the contemplated program and the program of last year—what amount should you have? What should be the amount of the governmental appropriation in order that we would be able to meet their demands?

Mr. MACDONALD. Well, it would be at least double its share of $50,000,000, Mr. LARSEN.

Thus, gentlemen, it will be seen that Georgia needs its pro rata part of $100,000,000. This would be the amount of the appropriation for the last fiscal year, and without it that State must curtail its present program of highway construction. The way you propose to meet the demands of the State of Georgia is only illustrative of what you propose to do in many other States of the Union.

There were only three matters of importance at issue between the Senate and the House. They were (1) the amount of the annual appropriation to be made, (2) the question whether the program should be for two or three years, and (3) what should be the maximum amount of Federal aid participation per mile. The first of these is of major, while the other two are of minor importance.

The able conferees on the part of the House yielded on the major issue, and one of the minor, and compromised the other. My judgment is that when they yielded on the major issue, thereby agreeing to the reduction in the amount to be appropriated annually for road construction, they surrendered all. It was a surrender of real substance for mere shadow, and I can not consent to ratify their act.

We are not suffering for the want of road legislation, but we are suffering, or will suffer, for the want of funds with which to construct roads. The gentleman from Mississippi [Mr. SISSON] said they had a hard time in agreeing. There was only one important issue, and that was the question as to the amount of the appropriation. It must have been hard for him to agree to surrender it.

Mr. SISSON. The gentleman does not state exactly what I said, I think.

Mr. LARSEN of Georgia. I am speaking of the importance of the issues. The real question at issue was as to the amount of funds to be appropriated. The Roads Committee in the House provided, after a two weeks' fight, for a two-year program of $65,000,000 and $75,000,000. The Senate program was for three years, $50,000,000, $65,000,000, and $75,000,000, $25,000,000 less for two years. The gentleman from Wyoming, the distinguished majority leader of the House, showed that he did not know much about the matter when he said we had brought the Senate up to our way of thinking about it; that we had brought them up from $50,000,000 to $65,000,000. He has the matter reversed. We have surrendered to those who are opposed to "liberal appropriations" for road purposes.

The SPEAKER. The time of the gentleman has expired.

Mr. LARSEN of Georgia. You are not surrendering what we have done, but you are surrendering the rights of the people of this country, and they will not stand for it. [Applause.]

Mr. SLEMP. Mr. Speaker, I yield four minutes to the gentleman from Washington [Mr. SUMMERS].

Mr. SUMMERS of Washington. Mr. Speaker, as a member of the Roads Committee I very much regret that the amount being authorized for Federal aid is reduced. Our committee succeeded in reporting out and securing the passage of a bill authorizing $65,000,000 and $75,000,000 for the next two years. However, I want to speak especially at this time of the need of forest roads.

I have heard some whisperings here indicating that it was not necessary that we take care of this item. There are 149 national forests with an area of 156,000,000 acres. Some of you gentlemen from New England I would like to have grasp the scope of these national forests. They equal the area of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, and North Carolina. When you spread $6,500,000 over a territory of that size you are not building very many roads. There will be at the conclusion of this expenditure, as there is now, many, many townships without a road and not a trail in sight. About 40 per cent of forest fires are due to lightning, and in many instances from the time a fire fighter sees the smoke it takes five days to get to the fire. I would like for you to get this picture: You see a great manufacturing district on fire. You see the smoke, but the road conditions are such that you can not get the fire department down there until it has burned for five days, and the thing that is burning is worth at the least calculation $600,000,000.

We need roads for fire protection. Another reason, we are marketing only one-seventh of the timber which ripens in the national forests. Overripe timber becomes windshaken, starts to decay, and not only is a loss but becomes a fire hazard. In other words, with roads, instead of deriving $2,000,000 annually from the sale of timber in the national forests we would be deriving $14,000,000 annually without in any way depleting the forests. We lose $12,000,000 annually because of insufficient roads.

Mr. DOWELL. Mr. Speaker, will the gentleman yield?

Mr. SUMMERS of Washington. I yield.

Mr. DOWELL. Does the gentleman attribute as the reason for not selling this timber the fact that there are no roads?

Mr. SUMMERS of Washington. Very largely.

Mr. DOWELL. There has been no evidence before the committee, has there, of any plan or policy in the department to dispose of more than is being done?

Mr. SUMMERS of Washington. All these figures have been brought out in the hearings.

Mr. DOWELL. Was that brought out by the department as the reason for building these roads?

Mr. SUMMERS of Washington. Fire protection, the marketing of timber, and the possibility of additional receipts from grazing were the three things that we brought out. At least $7,500,000 annually should be appropriated for national forest roads.

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. SUMMERS of Washington. Mr. Speaker, I ask unanimouse consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SLEMP. Mr. Speaker, I yield four minutes to the gentleman from Minnesota [Mr. STEENERSON].

The SPEAKER. The gentleman from Minnesota is recognized for four minutes.

Mr. STEENERSON. Mr. Speaker, on January 14, when this bill was brought before the House, I made a point of order against it because it contained legislation, but the point of order was overruled on the ground that the appropriating clause in the bill says, "That the following sums are appropriated in conformity with the act of July 2, 1836, for the Post Office Department for the fiscal year ending June 30, 1923." That act provides that the actual sums required by the Post

Office Department each year shall be appropriated out of the revenues of the department, and all payments and receipts of the Post Office Department in the Treasury shall be placed to the credit of said appropriation.

Now, the first eight pages of this bill appropriate not for the service of the Post Office Department as it is understood in the law but for the expenses of maintaining the headquarters of the Post Office Department itself here in Washington, and the report of the committee stated that that was intended to be done out of the postal revenues. The point of order was finally overruled because, as suggested by the gentleman from Illinois [Mr. MANN], the appropriation was in conformity with this act and therefore we must assume that they will take the expenses of the Post Office Department out of the Treasury, as that law requires, and that the service of the department in the field will be taken out of the postal revenues.

However, when this bill went over to the Senate the committee of the Senate reported the same way as the committee, that this was a new appropriation for the department expenses here in Washington out of the revenue, contrary to what the ruling of the Chairman of the Committee of the Whole had held here. I then took the matter up with the Budget Bureau and called their attention to the form of their estimate for the Postal Service, which has this headline, "Out of the postal revenues," but no such heading precedes the estimates for the departmental expenses, and I was advised that it was their intention, in submitting the Budget to Congress, that Congress should appropriate out of the Treasury for the departmental expenses, as heretofore when it was carried in the legislative bill, and out of the revenues for the field expenses, the same as they had always done, and they declined to answer the question whether this was an appropriation or not.

When this bill becomes a law I suppose it will be up to the Comptroller General to say whether this is an appropriation out of the Treasury or out of the revenues. If it is an appropriation out of the revenues, of course they will have to send this money in from the different post offices, and there will be a great deal of difficulty in paying the expenses of the Post Office Department which heretofore have been paid directly out of the Treasury.

And another thing: This act does not appropriate anything out of the Treasury, but only "in conformity to the act of July 2, 1836," which says "out of postal revenues." It will be a conundrum for the Comptroller General and the Bureau of the Budget to settle hereafter. I apprehend they will have some difficulty in straightening it out unless they are able to make new law by construction. I think my original point was perfectly good, but if it was properly overruled, then the result must follow that the bill as it now stands does not contain the words necessary to constitute an appropriation out of the Treasury, as the Budget Bureau intended, in the estimate they submitted.

Mr. SLEMP. Mr. Speaker, I yield four minutes to the gentleman from Indiana [Mr. BENHAM].

The SPEAKER. The gentleman from Indiana is recognized for four minutes.

Mr. BENHAM. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BENHAM. Mr. Speaker and gentlemen of the House, I am pleased with all the features of this conference report except one, the vital one, the authorized appropriation for roads for 1923.

In 1920, when the two major parties held their conventions, there had been appropriated at that time and was available $110,000,000. Both parties in no unmistakable terms declared in favor of governmental participation in road building. One year later the Senate cut the amount by 25 per cent, $25,000,000, from the sum available at the time the two conventions declared themselves favorably, while the House had declared, by a very large majority, in favor of the appropriation of 1920, and the House conferees gave way to the Senate. Two years later—that is, at the present time—the Senate has cut off another $25,000,000 and reduced by one-half the amount authorized in 1920, upon which the people of the United States declared their approval, and the House conferees have again yielded to the Senate, although the House had declared by an almost unanimous vote in favor of a larger sum.

Logically, then, what follows? In two years more, for practical purposes, we will have ceased to participate in a governmental way in public road building. The Republican Party is on record. It promised governmental participation in road building. Is it going to repudiate that promise?

Mr. LAYTON. Mr. Speaker, will the gentleman yield there for an interruption?

Mr. BENHAM. Yes; for a very short question.

Mr. LAYTON. Do you think the people of the country are not interested at this particular time in a reduction of taxes?

Mr. BENHAM. I am not going to undertake to answer that question. It would take an hour to do so, but I will say yes, in a general way. Yet, speaking of the people of this country, if the doctor will get out into the country he will understand that the people are vitally interested in governmental participation in road building at this time.

Now, there are many other things that I would like to say, but my time is too short. The House conferees tell us that we have still available $140,000,000. They should not attempt to mislead the House by quoting the figures for January 1, 1922. This proposed appropriation of $50,000,000 is for the fiscal year 1923, beginning July 1, 1922. If their figures are worth anything, they should show the amount that will be available at the beginning of the new year. The records of the Bureau of Public Roads show that a very large part of that $140,000,000 represents contracts, and nearly all of the remainder has been allotted to given projects.

Instead of 14 States which do not need additional money to keep up their building program, the real number is 29, and 14 States will have to slow up their work if a sum in excess of the $50,000,000 provided by this bill is not appropriated.

We all approve, I am sure, the spirit of thrift and business judgment which prompted the various State highway commissions to slow up their letting of contracts at a time when the price of material and the scarcity of labor made this course judicious, but now that materials have cheapened and labor is not only available but in need of the work as well, this House should not be a party to the hindrance of their program.

The one great work of public improvement for the generation is, and should be, public road building, and, in my judgment, the people of the country expect no backward steps to be taken by this Congress.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. SLEMP. Mr. Speaker, I yield four minutes to the gentleman from California [Mr. RAKER].

The SPEAKER. The gentleman from California is recognized for four minutes.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RAKER. Mr. Speaker, I want simply to call the attention of the committee to amendment 52, reading as follows:

> And the Postmaster General is authorized and directed to ascertain conditions arising from contracts in the star-route, screen-wagon, and other vehicle service entered into prior to January 1, 1918, with a view to determining whether any adjustment should be made in the compensation for the fiscal years ended June 30, 1918, June 30, 1919, June 30, 1920, and June 30, 1921, and make a report of his findings to the Congress not later than the first Monday in December, 1922.

The act of July 2, 1918, reads as follows:

> SEC. 4. That the Postmaster General is authorized to investigate conditions arising from contracts in the star route, screen wagon, and other vehicle service entered into prior to June 30, 1917, and from contracts for furnishing envelopes, blanks, and blank books, and the Official Postal Guide, for contracts entered into prior to June 30, 1917, with a view to determining whether any adjustment should be made in the compensation and to adjust the same for materials or services hereafter to be furnished or rendered in cases where the facts disclose the necessity for such adjustment, or, in his discretion, with the consent of the contractor and his bondsmen, the Postmaster General may cancel such contracts.

This act provided for the adjustment of star-route contracts entered into prior to June 30, 1917. Under that law, which was an amendment to the Post Office appropriation bill, the act of July 2, 1918, authorized the adjustment of star-route contracts thus entered into, and the Post Office Department, as shown by the records, did adjust all of the star-route contracts in districts 1, 2, and 3. District No. 4, which includes the Western States, was not provided for by that act, because the entering into of the contract was after June 30, 1917, and before July 1, 1918. You have adjusted the contracts for the war people, for the mineral people, for every public servant during the war, and for every man having a contract growing out of war conditions; but here in the fourth district applying to the star routes you have given these people absolutely no consideration.

Mr. MADDEN. Will the gentleman yield?

Mr. RAKER. I yield for a question.

Mr. MADDEN. I deny that.

Mr. RAKER. That is the fact.

Mr. MADDEN. We passed an act in 1918 making all contracts for star-route, screen-wagon, and other services in the Post Office Department entered into before June 30, 1917, subject to revision by the Postmaster General, and he revised them, and it covered every contract in the United States, including the fourth division; but some contracts in the fourth division were entered into immediately after July 1, 1917, and now what the gentleman wants is to open up the gates to 1919, 1920, and 1921 and revise them again.

Mr. RAKER. While the gentleman makes his statement I have the record here, and the hearings before the Committee on the Post Office and Post Roads, showing that they did not give any consideration to the contracts in the fourth district, because of the fact that those contracts were entered into after June 30, 1917, and these people are the only star-route contractors in the United States who have not been given consideration. I want to say to you that it is not right; that it is not fair; that it is not just; that it is not equitable; and it is not a proper way to do to give compensation and adjustment to all the other districts and exclude one large district of the United States because of its population and because of the want of a larger representation on the floor of the House.

Mr. KNUTSON. There was a general readjustment in 1918, was there not?

Mr. RAKER. Not on these contracts. That is where the gentleman falls down. You have got to know when the contracts were entered into.

Mr. KNUTSON. I am speaking of contracts entered into before the time limits.

Mr. RAKER. That was in districts 1, 2, and 3; but in district No. 4 they had no consideration. They had no adjustment. The Post Office Department so states and the Post Office Department officials so testify, and the record is that way clearly and beyond all cavil or doubt. The contracts in district No. 4 should be adjusted as the others. It is not treating the star-route contractors of this district 4 just and fair to adjust all the rest and leave them holding the sack. Treat all alike and all just; otherwise a great wrong and injustice will have been done. The amendment should be from and prior to January 1, 1919, instead of January 1, 1918. That could have been corrected by agreeing with the Senate amendment with an amendment by making it prior to January 1, 1919.

Mr. SLEMP. I yield four minutes to the gentleman from Alabama [Mr. ALMON].

Mr. ALMON. Mr. Speaker, Congress made an appropriation in 1916 to aid the States in road building. Since that time and during the last administration liberal appropriations were made for this purpose. Federal aid to roads is now an adopted policy of our Government. I favor large and increased appropriations for this purpose.

During the last administration we appropriated as much as $100,000,000 per annum, and I am in favor of double that amount or whatever amount can be properly and economically used in road construction. I am greatly disappointed at the attitude of the present administration in reducing appropriations for this purpose. This is an ideal time for road building. Road materials are cheaper; people are out of employment and need the work which could be furnished with large and liberal road appropriations. The people do not object to being taxed for road building, for they realize that it is a good investment when roads are properly built and maintained. They fully realize the advantages of good roads.

It is true that there are large amounts of Federal appropriations heretofore made which have not been used, and the States, I hope, will be able to carry on their road-building program even with the reduced appropriation provided in the conference report now under consideration. We are told that if this conference report is not adopted that we will not get any Federal-aid appropriation for the next year, so, while I object to the amount provided for, still I shall favor the report with the idea that it is better to get what is offered than no appropriation at all. The amount provided for in this report is the amount which seems to have been agreed upon by the majority and we will have to accept it. I trust that we will be able at the next session of Congress to make some additional appropriations to the items provided for in this report. I am in favor of making large appropriations for this purpose and go on and finish up our road building and get through with it—the sooner the better. [Applause.]

Mr. SLEMP. I yield two minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, I think it might as well be understood at the outset that we have $140,000,000 available for expenditure in 34 States now. When we provide for this $50-000,000 we will have $190,000,000 for 1923. The average annual expenditure for roads since the road program began has been less than $80,000,000 a year, and if you can show me how we can spend $190,000,000 in a single year when we have been spending only $80,000,000 and doing our best to spend it, I would like to have you show it to me.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. MADDEN. I have not the time. I have only two minutes. Now, some question is raised about whether you can proceed with the work in 14 States. Well, they already have their work up to the limit of their authority. This legislation provides for them. It authorizes an appropriation of $50,000,000. It authorizes the Secretary of Agriculture to apportion that $50,000,000 among the States under the law. It authorizes the Secretary of Agriculture to enter into contract obligations with the States up to the amount of their allotments. It authorizes the States to enter into contracts with people who are going to build their roads. It binds the Congress of the United States to make the appropriation of the money as needed. What more is there to be done?

First, you have a hundred and ninety millions available; and, second, the contract obligations which authorize deficiencies to be incurred; and, third, you can not spend the money, for you have got twice as much as is needed.

Mr. SLEMP. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. RAKER) there were 51 ayes and 2 noes.

Mr. LARSEN of Georgia. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll. All those in favor of agreeing to the conference report will, when their names are called, answer "yea," and those opposed will answer "nay."

The question was taken; and there were—yeas 211, nays 26, answered "present" 1, not voting 192, as follows:

YEAS—211.

Ackerman	Dowell	Knutson	Ramseyer
Almon	Drewry	Kopp	Rankin
Anderson	Dupré	Kraus	Reece
Anthony	Echols	Lampert	Reed, W. Va.
Appleby	Elliott	Lanham	Rhodes
Aswell	Ellis	Lawrence	Ricketts
Barbour	Fairfield	Lazaro	Roach
Barkley	Favrot	Leatherwood	Rossdale
Beedy	Fess	Lee, N. Y.	Ryan
Bird	Fish	Lehlbach	Sanders, Tex.
Bixler	Fisher	Lineberger	Schall
Bland, Va.	Free	Linthicum	Scott, Tenn.
Bond	French	Little	Shaw
Bowers	Frothingham	Logan	Shelton
Box	Fulmer	London	Sisson
Brand	Gahn	Lowrey	Slemp
Briggs	Garner	McCormick	Smith, Idaho
Brooks, Ill.	Garrett, Tenn.	McDuffie	Snyder
Brown, Tenn.	Garrett, Tex.	McKenzie	Speaks
Browne, Wis.	Gensman	McLaughlin, Mich.	Sproul
Buchanan	Gernerd	McLaughlin, Nebr.	Steagall
Bulwinkle	Gilbert	Madden	Stedman
Burdick	Graham, Ill.	Magee	Steenerson
Burroughs	Green, Iowa	Mead	Stephens
Burton	Greene, Vt.	Michener	Strong, Kans.
Butler	Griest	Miller	Strong, Pa.
Byrnes, S. C.	Hadley	Mills	Summers, Wash.
Byrns, Tenn.	Hammer	Millspaugh	Sumners, Tex.
Cable	Hardy, Colo.	Mondell	Taylor, N. J.
Campbell, Pa.	Haugen	Montoya	Ten Eyck
Cannon	Hawley	Moore, Va.	Thomas
Carew	Hays	Morgan	Thompson
Carter	Herrick	Mott	Tillman
Chalmers	Hersey	Mudd	Timberlake
Chandler, Okla.	Hickey	Murphy	Towner
Chindblom	Hicks	Nelson, Me.	Tucker
Christopherson	Hill	Nelson, A. P.	Voigt
Clague	Himes	Newton, Minn.	Volstead
Clouse	Hoch	Norton	Walsh
Cole, Ohio	Hukriede	O'Connor	Watson
Collier	Humphreys	Ogden	Webster
Crago	James	Oldfield	Wheeler
Cramton	Johnson, Ky.	Osborne	White, Me.
Crisp	Johnson, Miss.	Overstreet	Williams, Ill.
Crowther	Johnson, Wash.	Perlman	Williamson
Cullen	Jones, Tex.	Petersen	Wingo
Curry	Keller	Porter	Woodruff
Dale	Kelly, Pa.	Pou	Woods, Va.
Dallinger	Kincheloe	Pringey	Wright
Darrow	King	Purnell	Wyant
Davis, Tenn.	Kirkpatrick	Quin	Young
Denison	Kissel	Radcliffe	Zihlman
Dominick	Kline, Pa.	Rainey, Ill.	

NAYS—26.

Andrews, Nebr.	Colton	Huddleston	Layton
Benham	Dunbar	Lankford	Lee, Ga.
Bowling	Hayden	Larsen, Ga.	Luce

MacGregor	Sandlin	Tincher	Williams, Tex.
Oliver	Sinnott	Tinkham	Wise
Park, Ga.	Stafford	Underhill	
Raker	Stevenson	Vaile	

ANSWERED "PRESENT"—1.

Bacharach

NOT VOTING—192.

Andrew, Mass.	Fenn	Kreider	Rodenberg
Ansorge	Fields	Kunz	Rogers
Arentz	Fitzgerald	Langley	Rose
Atkeson	Focht	Larson, Minn.	Rosenbloom
Bankhead	Fordney	Lea, Calif.	Rouse
Beck	Foster	Longworth	Rucker
Begg	Frear	Luhring	Sabath
Bell	Freeman	Lyon	Sanders, Ind.
Black	Fuller	McArthur	Sanders, N. Y.
Blakeney	Funk	McClintic	Scott, Mich.
Bland, Ind.	Gallivan	McFadden	Sears
Blanton	Glynn	McLaughlin, Pa.	Shreve
Boies	Goldsborough	McPherson	Siegel
Brennan	Goodykoontz	McSwain	Sinclair
Britten	Gorman	Maloney	Smith, Mich.
Brooks, Pa.	Gould	Mann	Smithwick
Burke	Graham, Pa.	Mansfield	Snell
Burtness	Greene, Mass.	Mapes	Stiness
Campbell, Kans.	Griffin	Martin	Stoll
Cantrill	Hardy, Tex.	Merritt	Sullivan
Chandler, N. Y.	Harrison	Michaelson	Swank
Clark, Fla.	Hawes	Montague	Sweet
Clarke, N. Y.	Henry	Moore, Ill.	Swing
Classon	Hogan	Moore, Ohio	Tague
Cockran	Hooker	Moores, Ind.	Taylor, Ark.
Codd	Hudspeth	Morin	Taylor, Colo.
Cole, Iowa	Hull	Nelson, J. M.	Taylor, Tenn.
Collins	Husted	Newton, Mo.	Temple
Connally, Tex.	Hutchinson	Nolan	Tilson
Connell	Ireland	O'Brien	Treadway
Connolly, Pa.	Jacoway	Olpp	Tyson
Cooper, Ohio	Jefferis, Nebr.	Padgett	Upshaw
Cooper, Wis.	Jeffers, Ala.	Paige	Vare
Copley	Johnson, S. Dak.	Parker, N. J.	Vestal
Coughlin	Jones, Pa.	Parker, N. Y.	Vinson
Davis, Minn.	Kahn	Parks, Ark.	Volk
Deal	Kearns	Patterson, Mo.	Walters
Dempsey	Kelley, Mich.	Patterson, N. J.	Ward, N. Y.
Dickinson	Kendall	Perkins	Ward, N. C.
Doughton	Kennedy	Rainey, Ala.	Wason
Drane	Ketcham	Ransley	Weaver
Driver	Kiess	Rayburn	White, Kans.
Dunn	Kindred	Reber	Wilson
Dyer	Kinkaid	Reed, N. Y.	Winslow
Edmonds	Kitchin	Riddick	Wood, Ind.
Evans	Kleczka	Riordan	Woodyard
Fairchild	Kline, N. Y.	Robertson	Wurzbach
Faust	Knight	Robsion	Yates

So the conference report was agreed to.

The following additional pairs were announced:

Additional general pairs:

Mr. Greene of Massachusetts with Mr. Jacoway.

Mr. Sanders of Indiana with Mr. Wilson.

Mr. Langley with Mr. Martin.

Mr. Rodenberg with Mr. Rucker.

Mr. Codd with Mr. Taylor of Colorado.

Mr. McPherson with Mr. Ward of North Carolina.

The result of the vote was announced as above recorded.

On motion of Mr. SLEMP, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. MCSWAIN (at the request of Mr. BULWINKLE), for two days, on account of important business.

To Mr. EVANS, until July 10, on account of important business.

To Mr. MILLER, for four days, on account of being on Board of Visitors, United States Naval Academy.

To Mr. ACKERMAN, for one day, on account of important business.

SENATE ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 2775. An act to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921.

ADJOURNMENT.

Mr. SLEMP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 34 minutes p. m.) the House adjourned until to-morrow, Wednesday, June 7, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

623. A communication from the President of the United States, transmitting, with a letter from the Acting Director of the Bureau of the Budget, a deficiency estimate for the Treasury Department for the fiscal year ending June 30, 1921, amounting to $28,122,500 for refunding taxes illegally collected (H. Doc. No. 327); to the Committee on Appropriations and ordered to be printed.

624. A communication from the President of the United States, transmitting, with a letter from the Acting Director of the Bureau of the Budget, supplemental and deficiency estimates for the District of Columbia for the fiscal year ending June 30, 1922, and June 30, 1923, amounting to $292,051.20 (H. Doc. No. 328); to the Committee on Appropriations and ordered to be printed.

625. A communication from the President of the United States, transmitting, with a letter from the Acting Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Department of Commerce for the fiscal year ending June 30, 1923, for the Lighthouse Service, repairs and improvements to Stannard Rock Light Station, Mich., $50,000 (H. Doc. No. 329); to the Committee on Appropriations and ordered to be printed.

626. A communication from the President of the United States, transmitting, with a letter from the Acting Director of the Bureau of the Budget, a deficiency estimate for the War Department for the payment of claims of the Cranford Paving Co., Littlefield, Alvord & Co., and Christian Heurich, amounting to $19,777.82 (H. Doc. No. 330); to the Committee on Appropriations and ordered to be printed.

627. A communication from the President of the United States, transmitting, with a letter from the Acting Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Department of Commerce for the fiscal year ending June 30, 1923, amounting to $36,160, for alterations to mine sweepers, Coast and Geodetic Survey (H. Doc. No. 331); to the Committee on Appropriations and ordered to be printed.

628. A communication from the President of the United States, transmitting, with a letter from the Acting Director of the Bureau of the Budget, a supplemental estimate of appropriation for the fiscal year ending June 30, 1923, in the amount of $353,045, summarized as follows: Interior Department, $279,275; Treasury Department, $39,770; General Accounting Office, $34,000 (H. Doc. No. 332); to the Committee on Appropriations and ordered to be printed.

629. A communication from the President of the United States, transmitting, with a letter from the Acting Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Interior Department for the fiscal year ending June 30, 1922, for printing and binding, $30,000 (H. Doc. No. 333); to the Committee on Appropriations and ordered to be printed.

630. A communication from the President of the United States, transmitting, with a letter from the Acting Director of the Bureau of the Budget, a supplemental estimate of appropriation for the General Accounting Office for the fiscal year ending June 30, 1923, for salaries, General Accounting Office, $58,350 (H. Doc. No. 334); to the Committee on Appropriations and ordered to be printed.

631. A communication from the President of the United States, transmitting, with letter from the Acting Director of the Bureau of the Budget, an estimate of appropriation in the sum of $358.58 required by the United States Coast Guard, Treasury Department, for payment of damages caused by collisions with certain Coast Guard vessels (H. Doc. No. 335); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BULWINKLE: Committee on Claims. H. R. 3499. A bill for the relief of the Atlas Lumber Co., Babcock & Willcox, Johnson, Jackson & Corning Co., and the C. H. Klein Brick Co., each of which companies furnished to Silas N. Opdahl, a failing Government contractor, certain building materials which were used in the construction of Burke Hall, at the Pierre Indian School, in the State of South Dakota; with amendments (Rept. No. 1067). Referred to the Committee of the Whole House.

Mr. ROSE: Committee on Claims. H. R. 9862. A bill for the relief of the Fred E. Jones Dredging Co.; with an amendment

(Rept. No. 1068). Referred to the Committee of the Whole House.

Mr. BULWINKLE: Committee on Claims. H. R. 7447. A bill to reimburse William H. Flagg and others for property destroyed by mail airplane *No. 73*, operated by the Post Office Department; with amendments (Rept. No. 1069). Referred to the Committee of the Whole House.

Mr. GLYNN: Committee on Claims. H. R. 10529. A bill for the relief of Harry E. Fiske; with an amendment (Rept. No. 1070). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 11287. A bill for the relief of W. B. Moses & Sons, Willis-Smith-Crall Co., American Home Furnishers Corporation, Western Electric Co., and S. A. Curtis; without amendment (Rept. No. 1071). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Claims was discharged from the consideration of the bill (S. 2210) for the relief of Lucy Paradis, and the same was referred to the Committee on Indian Affairs.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII,

Mr. NEWTON of Missouri introduced a bill (H. R. 11928) authorizing the Secretary of the Interior to lease to certain persons and corporations certain lands in Tillman and Cotton Counties, Okla., belonging to the United States that were, prior to February 25, 1920, claimed in good faith under the placer mining laws of the United States, and for other purposes, which was referred to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Tennessee: A bill (H. R. 11929) granting an increase of pension to W. J. Johnston; to the Committee on Invalid Pensions.

By Mr. GORMAN: A bill (H. R. 11930) granting a pension to James J. Healy; to the Committee on Pensions.

By Mr. HICKS: A bill (H. R. 11931) granting a pension to Annie Spreeman; to the Committee on Pensions.

By Mr. LINTHICUM: A bill (H. R. 11932) for the relief of Walter Kent, jr.; to the Committee on Claims.

Also, a bill (H. R. 11933) for the relief of the owners of the French bark *France;* to the Committee on Claims.

By Mr. PARKER of New York: A bill (H. R. 11934) granting a pension to Pearl L. Adamson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11935) granting an increase of pension to Penina A. Wright; to the Committee on Invalid Pensions.

By Mr. ROACH: A bill (H. R. 11936) granting a pension to Eliza J. Pack; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 11937) granting a pension to William G. McElhaney, alias William G. McElharney; to the Committee on Invalid Pensions.

By Mr. WHEELER: A bill (H. R. 11938) to correct the military record of John R. Butler; to the Committee on Military Affairs.

By Mr. MACGREGOR: A resolution (H. Res. 362) providing for six months' salary to be paid the widow of Levi E. Short; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5914. By the SPEAKER (by request): Resolutions adopted by unanimous vote of the San Francisco Labor Council, San Francisco, Calif., commending Senator HIRAM W. JOHNSON for his efforts to bring about legislation regulating child labor; to the Committee on the Judiciary.

5915. By Mr. BURROUGHS: Petition of West Congregational Church of West Concord, N. H., Rev. M. Duston Webster, pastor; M. J. Snow, clerk; advocating action by the Government of the United States toward the establishment of a protected and independent life of the people of Armenia; to the Committee on Foreign Affairs.

5916. By Mr. CONNOLLY of Pennsylvania: Evidence in support of House bill 11908, granting a pension to Frederick C. Oulahan; to the Committee on Pensions.

5917. By Mr. KISSEL: Petition of Women's Constitutional League of Maryland, Baltimore, Md., favoring the passage of the Army appropriation bill as passed by the Senate; to the Committee on Military Affairs.

5918. Also, petition of Chamber of Commerce of the State of New York, New York City, favoring the reestablishment of pneumatic tube mail service; to the Committee on Post Office and Post Roads.

5919. By Mr. LAWRENCE (by request): Resolutions adopted by the Ministers Alliance of Hamilton, Mo., indorsing House Joint Resolution 159; to the Committee on the Judiciary.

5920. By Mr. MACGREGOR: Petition of Robert E. Brown, of Buffalo, protesting against the proposed treaty between the allied powers and Turkey which threatens to return the Armenians to unrestricted Turkish control; to the Committee on Foreign Affairs.

5921. Also, petition of Jacob Finger, minister, Normal Park Methodist Episcopal Church, of Buffalo, N. Y., relative to the allied powers of Europe being about ready to turn Armenia over to unrestricted control of Turkey; to the Committee on Foreign Affairs.

5922. Also, resolutions adopted by the Central Council League of Railroad Employees urging the enactment of laws relative to agreements between the railroad shop crafts and the railroad companies; to the Committee on Interstate and Foreign Commerce.

5923. By Mr. RAKER: Petitions of the Women's International League for Peace and Freedom, assembled in Washington, D. C., relative to foreign relations, internal conditions of the United States, and taxation; also, letter from Rev. Gross W. Alexander, of Long Beach, Calif., relative to aid for the Armenians; to the Committee on Foreign Affairs.

5924. Also, petitions of United Chemical Works, of New York City, urging the passage of a tariff bill, and referring particularly to the rate on citrus by-products; H. W. Baker Linen Co., of Los Angeles, Calif., calling attention to the item of linens as proposed in the new tariff rates (Senate bill); to the Committee on Ways and Means.

5925. Also, petition of Grand Parlor, Native Sons of the Golden West, relative to concessions being granted for other purposes to include patriotic purposes; to the Committee on the Judiciary.

5926. Also, petition of Chanslor & Lyon Co., of San Francisco, Calif., urging support of House bill 11, known as the Stephens-Kelly bill; to the Committee on Interstate and Foreign Commerce.

SENATE.

WEDNESDAY, *June 7, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Frelinghuysen	McCumber	Rawson
Borah	Gooding	McKinley	Robinson
Brandegee	Hale	McLean	Sheppard
Bursum	Harris	McNary	Shortridge
Calder	Harrison	Myers	Simmons
Cameron	Heflin	Nelson	Smith
Capper	Johnson	Newberry	Smoot
Caraway	Jones, N. Mex.	Nicholson	Spencer
Colt	Jones, Wash.	Oddie	Sterling
Culberson	Kellogg	Overman	Townsend
Curtis	Kendrick	Page	Underwood
Dial	King	Pepper	Wadsworth
Dillingham	Ladd	Phipps	Walsh, Mass.
Edge	La Follette	Poindexter	Watson, Ga.
Fernald	McCormick	Pomerene	Watson, Ind.

Mr. UNDERWOOD. I wish to announce that the senior Senator from Florida [Mr. FLETCHER] is absent on account of illness. I ask that this announcement may stand for the day.

Mr. CURTIS. I desire to announce that the senior Senator from Wyoming [Mr. WARREN] is detained in a committee meeting.

The VICE PRESIDENT. Sixty Senators have answered to their names. A quorum is present.

CLAIMS ON UNSURVEYED LAND IN NEW MEXICO.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2014) to provide for the settlement of small holding claims on unsurveyed land in the State of New Mexico, which was, on page 3, line 2, after "States," to insert " : *And provided further,*

That this act shall not apply to any city lot, town lot, village lot, farm lot, or pasture lot held under a grant from any corporation or town the claim to which may fall within the provisions of this act."

Mr. BURSUM. I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

REINTERMENT OF SOLDIER DEAD.

The VICE PRESIDENT. The Chair is in receipt of a communication from the Quartermaster General of the Army, transmitting a list of American soldier dead returned from overseas, to be reinterred in the Arlington National Cemetery, Thursday, June 8. The communication will lie on the desk of the Secretary for the information of the Senate.

BITUMINOUS COAL PRODUCTION (S. DOC. NO. 209).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Commerce, transmitting, in response to Senate Resolution 298, agreed to June 2, 1922, certain information relative to production, consumption, and prices of mined bituminous coal since April 1, 1922, and the activities of governmental agencies to terminate the coal strike and protect consumers of coal, etc., which, with the accompanying papers, was referred to the Committee on Education and Labor and ordered to be printed.

PETITIONS AND MEMORIALS.

Mr. CURTIS presented a resolution adopted at the thirty-eighth annual convention, Woman's Relief Corps, Grand Army of the Republic, Department of Kansas, of Parsons, Kans., favoring the passage of the so-called Morgan bill increasing pensions of Civil War veterans and their widows, which was referred to the Committee on Pensions.

Mr. CAPPER presented a petition of sundry citizens of Kansas City, Kans., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. HARRISON presented a resolution adopted by the Mississippi Valley Flood Control Association, of Natchez, Miss., favoring action by Congress and the Mississippi River Commission to perfect the Mississippi River levees and to construct a sufficient number of control spillways from that river so as to prevent future overflow of the lowlands, etc., which was referred to the Committee on Commerce.

Mr. McLEAN presented a letter in the nature of a petition from J. D. Doolittle, of R. A. Storrs Post, No. 92, American Legion, of Cheshire, Conn., praying for the passage of the soldiers' bonus bill, which was referred to the Committee on Finance.

He also presented a petition of the Hartford (Conn.) Rotary Club, praying for the prompt passage of the so-called Jones-Miller bill, providing for suppression of the traffic in narcotics, which was referred to the Committee on Finance.

He also presented petitions of members of the Talcottville Congregational Church, of Talcottville; the six evangelical churches of Woodstock; the First Congregational Church of Woodstock; the Congregational Church of North Woodstock; the First, Grace, and Trinity Churches of Windsor; the Wauregan Congregational Church, of Wauregan; the Methodist Episcopal Church of Attawaugan; the Womans' Branch, Republican State Central Committee, of Woodstock; and the Young Men's Christian Association of Bridgeport, all in the State of Connecticut, praying for the granting of relief to the suffering peoples of Armenia, which were referred to the Committee on Foreign Relations.

Mr. SHORTRIDGE presented petitions numerously signed by sundry citizens of Los Angeles and vicinity, in the State of California, praying that only a moderate duty on kid gloves be imposed in the pending tariff bill, which were referred to the Committee on Finance.

He also presented resolutions of San Francisco Post, No. 1, American Legion, of San Francisco, Calif., favoring the passage of legislation looking toward the recognition of the Republic of Mexico by the Government of the United States, which were referred to the Committee on Foreign Relations.

He also presented resolutions of the boards of directors of the Exeter Chamber of Commerce, of Exeter, and the Civic Commercial Association, of Bakersfield, both in the State of California, protesting against the enactment of legislation to amend or weaken the transportation act of 1920, which were referred to the Committee on Commerce.

He also presented resolutions of the San Francisco district, California Federation of Women's Clubs, and Pomona Chapter, Daughters of the American Revolution, of Pomona, both in the State of California, favoring the enactment of legislation creating a department of education, which were referred to the Committee on Education and Labor.

He also presented letters in the nature of petitions from sundry granges in the State of California, praying that privileges be accorded farmers in the management of the American banking system; for the election of six directors by farmer stockholders in each Federal land bank, the Federal Government appointing three directors representing the Government and the country's interest, and remonstrating against the effecting of any radical or supergovernmental dominated banking system, which were referred to the Committee on Banking and Currency.

Mr. NEWBERRY presented a petition of sundry citizens of Chesaning, Burt, and New Lothrop, all in the State of Michigan, praying for the imposition in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, which was referred to the Committee on Finance.

ENROLLED BILLS PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that they had presented to the President of the United States the following enrolled bills:

On June 6, 1922:

S. 539. An act to further amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended; and

On June 7, 1922:

S. 2775. An act to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CURTIS:

A bill (S. 3685) granting a pension to Mary Lake (with accompanying papers);

A bill (S. 3686) granting a pension to Maggie Crouch (with accompanying papers); and

A bill (S. 3687) granting a pension to Orpha F. Hampton (with accompanying papers); to the Committee on Pensions.

A bill (S. 3688) for the relief of Harry Wingrove (with accompanying papers); to the Committee on Military Affairs.

By Mr. BALL:

A bill (S. 3689) to amend an act of Congress approved June 18, 1898, entitled "An act to regulate plumbing and gas fitting in the District of Columbia"; to the Committee on the District of Columbia.

By Mr. HARRISON:

A bill (S. 3690) for the relief of Lowe Hayden Bibby; to the Committee on Naval Affairs.

By Mr. McKINLEY:

A bill (S. 3691) granting a pension to Hector C. Fairfowl; to the Committee on Pensions.

PAY OF CERTAIN NAVAL OFFICERS.

Mr. HARRIS (by request) submitted an amendment providing that the Comptroller General of the United States be authorized and directed to allow in the settlement of accounts of disbursing officers of the Navy amounts credited, prior to his decision of May 20, 1922, as the "highest pay of his grade" to the officers detailed as assistants to the chiefs of the Bureaus of Supplies and Accounts and Medicine and Surgery, intended to be proposed by him to the bill (H. R. 7864) providing for sundry matters affecting the Naval Establishment, which was referred to the Committee on Naval Affairs and ordered to be printed.

ANNIE B. LEE.

Mr. CALDER submitted the following resolution (S. Res. 303), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate, fiscal year 1921, to Annie B. Lee, widow of George L. Lee, late a laborer in the employ of the Senate, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

SUNDAY OBSERVANCE LAW FOR THE DISTRICT OF COLUMBIA.

Mr. MYERS. Mr. President, I ask the indulgence of the Senate for a few minutes. Some months ago I introduced in the Senate of the present Congress a bill (S. 1948) to provide a very mild and liberal Sunday observance law for the District of Columbia. There is some such legislation on the statute books,

I am informed, of 46 States of the Union and, strangely and regrettably, none whatever as to the District of Columbia. The bill was referred to the Committee on the District of Columbia.

There is a very worthy institution, with headquarters in Washington, known as the International Reform Bureau; an institution engaged in promoting legislation of a moral and beneficial character, of which the superintendent is Dr. W. F. Crafts, well known to many Senators.

I observe in a recent edition of a publication called "Liberty," a copy of which I hold in my hand, published at Takoma Park, Washington, D. C., the statement that the bill to which I have referred was "introduced at the instigation of the International Reform Bureau, presided over by Dr. W. F. Crafts." There is not a particle of truth in that statement. There is no foundation whatever for it. It is wholly erroneous. Neither Doctor Crafts nor anybody else connected with the International Reform Bureau was consulted by me about introducing such a bill, or knew anything about the introduction of that bill or made any suggestion about it, or had anything whatever to do with it. They were all in entire ignorance of it.

I feel like apologizing to the Senate for taking up its time with such a matter as this, even to the extent of only a few minutes. I know it does not make any difference to Senators who asked me to introduce a bill. Senators do not care who asks or causes the introduction of a bill. It does not make any difference to Senators who may ask a Senator to introduce a bill. They care nothing about it. In fact, they care little or nothing about what Senator introduces a bill. They judge bills on their merits or demerits, as the case may be. A bill is judged by its objects and provisions, regardless of who may have introduced it or asked its introduction.

I care nothing particularly about this untrue statement. It matters little to me; but I do not like to have another person put in a false attitude, either creditable or discreditable, in connection with any action of mine. I do not like to have something saddled upon Doctor Crafts, when he had nothing to do with it. It is unjust to him. He may not object, but I do not think anything should be attributed to him, either good or bad, with which he had nothing whatever to do. It is not right to do so. I think it a duty that I owe Doctor Crafts and the International Reform Bureau to say that no person connected with it had anything whatever to do with the introduction of the bill to which I have referred. I have very high regard for Doctor Crafts. I am in sympathy with his work. He may be in sympathy with the purposes of the bill I have mentioned, and doubtless is, but he had nothing whatever to do with its introduction. He is engaged in other work of probably even greater importance.

I think a statement similar to the one I have just quoted has heretofore appeared in the same publication, and I think the publishers have been informed that it was incorrect. If so, it would appear that the misstatement of fact quoted by me a few minutes ago is an intentional misstatement. I can not say as to that, however, with certainty. However, if the publishers or the editor should happen to read the correction I am making and if this misstatement of fact should then be repeated, it would be intentional, which I hope will not be the case.

The Sunday observance bill introduced by me originated in my own mind, and I rather object to the implication that nothing good can originate in my mind; that I have to go to Doctor Crafts to get every good idea that I try to promote. I conceived the idea of introducing the bill, and the only persons whom I consulted in advance about its introduction were two representatives of the press who sit in the press gallery. I do not mean they are sitting there now, but they are entitled to sit there and often do so. They approved the idea and advised me to introduce the bill. Thus when I wanted advice I went to representatives of the press, the great supporter and guardian of the public welfare.

As I have said, legislation similar to that proposed by my bill, more or less comprehensive, is on the statute books of 46 States of the Union, and I think it a shame and reproach that nothing of the kind is on the statute books for the District of Columbia; that in the District of Columbia employees may be required by their employers to work seven days in the week the year round; that people may trade and traffic and conduct business on Sunday the same as on any other day; that amusements conducted for commercial profit, monetary gain, run openly all day Sunday. I think the District of Columbia should be in line with the 46 States in the Union which have taken a stand for some respectful observance of the Sabbath day, with some reasonable and moderate legislation upon the subject. The Capital of our country should set an example in that respect to the rest of the country. At least, it should not lag behind the rest of the country. That is the reason I introduced that bill.

While the bill has not been acted upon by the Committee on the District of Columbia, I am ready at any time the committee may wish me to do so to appear before the committee and make an argument in favor of the bill, and I hope some time during the life of this Congress the bill may receive attention from the committee.

In this connection I take occasion now to express my emphatic disapproval of the recent action of the National Woman's Party in holding a nation-wide gathering in this city and dedicating its home on the Sabbath day. Of course, it had a right to dedicate its home, but I think it should have selected some other day for that purpose. In my opinion it should not have used the Sabbath day for the holding of a great meeting of a purely secular and political nature. The two great political parties of this country, the Democratic and Republican Parties, when they hold their national conventions, conducted nearly altogether by men, for some days or a week, always adjourn over Sunday, and in that way show respect for the day and for the sentiment of the millions of Christian people of this country. I think those in charge of the affairs and conduct of the National Woman's Party are setting a poor example to the other women of this country when they do not show as much respect for the Sabbath day and for Christian sentiment as do those men who conduct the affairs of the Democratic and Republican Parties when they hold their great national conventions. They should certainly show as much respect for the Sabbath as do men. If the women who compose the National Woman's Party wish to appeal to the majority of the men and women of the country and to accomplish something, I think they should observe a proper respect for public sentiment upon the question of Sunday observance and for the sentiments of Christian people. I do not believe in devoting Sunday to politics. Six days a week for that are enough.

RECLASSIFICATION OF CERTAIN GOVERNMENT EMPLOYEES.

Mr. STERLING. I desire to call attention to the bill (H. R. 11407) to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, which passed the House last Monday. As the House bill is identical with Senate bill 3488, which has already been reported by the Committee on Civil Service, in behalf of the committee I ask unanimous consent to report the House bill favorably, and I also ask unanimous consent for the present consideration of the House bill.

Mr. SMOOT. What is the calendar number of the Senate bill to which the Senator from South Dakota refers?

Mr. STERLING. The calendar number is 625. The purpose of the bill is to give charwomen and laborers after serving the necessary time the benefits of the civil service retirement act. The bill is recommended by the Department of the Interior.

Mr. SMOOT. I wish the Senator from South Dakota would make his request a little later, so that I may have an opportunity of reading the bill over.

Mr. STERLING. It is a very short bill.

Mr. SMOOT. It is not a matter of the length or the shortness of the bill, but it is what the bill really proposes to do in which I am interested. I have had no opportunity to read the bill. I may have no objection to it; I do not know; but I should like to read it.

Mr. STERLING. Very well; I will let the matter go over for the present, in order to give the Senator from Utah an opportunity to read the bill.

Mr. STERLING subsequently said: Mr. President, before proceeding with another paragraph in the tariff bill, I should like to renew the request that I made this morning for the present consideration of H. R. 11407, relating to putting certain laborers, charwomen, and so forth, under the benefits of the retirement law. The Senator from Utah [Mr. SMOOT] this morning said that he would like to have some time in which to examine the question.

Mr. SMOOT. I have no objection, if it does not lead to any debate.

Mr. STERLING. I do not think it will lead to any debate. If it does, I will withdraw it.

Mr. SMOOT. If it leads to any debate, I will ask that it be laid aside.

The PRESIDING OFFICER [Mr. BURSUM in the chair]. The Secretary will state the title of the bill.

The READING CLERK. A bill (H. R. 11407) to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, is hereby amended by inserting after the seventh paragraph the following:

"Class G shall include charwomen, laborers, and other employees whether classified or unclassified, who are employed on a regular annual basis and whose basic salary, pay, or compensation is at a rate less than $600 per annum. The annuity to any retired employee shall be determined according to the method prescribed in the foregoing schedules, except that no annuity shall hereafter be granted to exceed the per cent nor the maximum provided for the respective periods of service. It is provided that this class of employees shall otherwise be subject to the provisions of the act of May 22, 1920."

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. STERLING. I move that Senate bill 3488, which is the same as the House bill, be indefinitely postponed.

The motion was agreed to.

POST OFFICE APPROPRIATIONS—CONFERENCE REPORT.

Mr. TOWNSEND. I ask unanimous consent that the conference report on the Post Office appropriation bill may be laid before the Senate. It went over on yesterday at the request of the junior Senator from Utah [Mr. KING]. I have seen that Senator this morning and he has withdrawn his objection to the report and consented that it may be considered at this time.

Mr. POMERENE. I did not hear the Senator's statement.

The VICE PRESIDENT. The Chair could not hear the request of the Senator.

Mr. TOWNSEND. I ask unanimous consent that the conference report on the Post Office appropriation bill be now laid before the Senate. It was brought before the Senate on yesterday and read, but the junior Senator from Utah [Mr. KING] stated that he desired that it should go over until this morning to enable him to have time to read it. I have seen the Senator from Utah this morning and he states that he has no objection to the report.

The VICE PRESIDENT. Is there objection to the request of the Senator from Michigan to proceed to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 9859) making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. UNDERWOOD. I understand that the conference report was read in full on yesterday?

Mr. TOWNSEND. Every word of it was read.

The VICE PRESIDENT. The question is on agreeing to the report.

The report was agreed to.

G. C. CALDWELL.

Mr. DIAL. Mr. President, I ask unanimous consent for the present consideration of the bill (H. R. 7052) for the relief of G. C. Caldwell. The bill has passed the House and been unanimously reported by the Committee on Claims of the Senate. I presume there will be no objection to it.

Mr. SMOOT. I will inquire of the Senator, what is the calendar number of the bill?

Mr. DIAL. It is Order of Business No. 733.

Mr. SMOOT. I should like to know what the bill provides.

The VICE PRESIDENT. For the information of the Senate, the Secretary will read the bill.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to G. C. Caldwell, out of any sums in the Treasury not otherwise appropriated, the sum of $132.85 for damages to his automobile by an Army truck belonging to the Government.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CIVIL WAR VETERANS AND THEIR WIDOWS ON PENSION ROLL.

Mr. BURSUM. Mr. President, I have a statement from the Bureau of Pensions which shows the number of deaths of veterans and widows of veterans of the Civil War since May, 1921. It appears from the statement that since May, 1921, 24,645 veterans of the Civil War and 20,677 widows of Civil War veterans have died. I think that the statement may be of interest to the Senate and I ask unanimous consent that it may be printed in the RECORD.

Mr. POMERENE. Mr. President, in that connection, can the Senator state the number of old soldiers who are now on the pension roll?

Mr. BURSUM. There are approximately 170,000 now on the roll.

Mr. POMERENE. I thought there were about 200,000.

Mr. BURSUM. Last year there were something over 190,000, but the statement shows that over 24,000 have died since that time and, of course, their names have been dropped from the roll. It also shows that more than 20,000 widows have died.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
BUREAU OF PENSIONS,
Washington, May 22, 1922.

Mr. JOHN T. RYAN,
Vice Commander Kit Carson Post, No. 2,
Grand Army of the Republic, 759 Seventh Street SE.,
Washington, D. C.

DEAR MR. RYAN: In compliance with your request for a statement of the number of Civil War veterans and widows dropped from the pension rolls during the past year by reason of death, I give below a detailed statement showing these losses, month by month, from May 1, 1921, to April 30, 1922, inclusive:

Month.	Soldiers.	Widows.	Total.
1921.			
May	2,016	1,791	3,807
June	2,170	1,697	3,867
July	1,871	1,394	3,265
August	1,825	1,531	3,356
September	1,945	1,586	3,531
October	1,697	1,279	2,976
November	1,733	1,276	3,009
December	1,959	1,939	3,898
1922.			
January	2,255	1,831	4,086
February	2,164	1,922	4,086
March	2,465	2,327	4,792
April	2,545	2,104	4,649
	24,645	20,677	45,322

Cordially yours,

HAYS HAYMAKER, *Chief Clerk.*

PUBLICITY FUND OF FEDERAL RESERVE BOARD.

Mr. McCUMBER. I ask that the unfinished business be now proceeded with.

Mr. HEFLIN. Mr. President, I was called out of the Chamber a little while ago at the time when I expected to ask unanimous consent to consider the resolution I offered yesterday afternoon. The Senator from Connecticut [Mr. MCLEAN] asked that it should go over until to-day so that he could look into it. I do not think there will be any objection to the resolution, and I ask unanimous consent for its present consideration.

Mr. McCUMBER. The Senator from Connecticut is absent and I have sent for him. If the Senator will withhold his request until the Senator from Connecticut comes in I shall yield to him for the purpose.

Mr. HEFLIN. Very well.

The Senator from Alabama [Mr. HEFLIN] subsequently said: Mr. President, the Senator from Connecticut [Mr. MCLEAN] is in the Chamber now, and I ask unanimous consent for the present consideration of the resolution which I send to the desk, with question 5 added.

Mr. FRELINGHUYSEN. Reserving the right to object, I ask that it be read.

The VICE PRESIDENT. For the information of the Senate, the Secretary will read the resolution.

The ASSISTANT SECRETARY. Senate Resolution 302, which was introduced yesterday and went over under the rule, has now been modified to read as follows——

Mr. FRELINGHUYSEN. I have been informed of the contents of the resolution, and I have no objection.

Mr. WADSWORTH. I should like to hear it read, Mr. President.

The VICE PRESIDENT. The Secretary will read the resolution for the information of the Senate.

The Assistant Secretary read the resolution as modified, as follows:

Whereas it has been charged on the floor of the Senate that the Federal Reserve Board has a publicity fund of several thousand dollars which it uses, from time to time, to carry on a newspaper propaganda in support of the acts and policies of the Federal Reserve Board; and

Whereas it has been charged that a portion of said publicity fund has been used to induce certain newspapers to praise and defend the

acts and policies of said Federal Reserve Board, and to attack and condemn Senators who have criticized the deflation policy of said board: Therefore be it

Resolved, That the Federal Reserve Board be, and it is hereby, requested to furnish to the Senate, at its earliest convenience, in writing, all the information in its possession touching the matters specifically set out in the following questions:

(1) Has the Federal Reserve Board a publicity fund; if so, how much or what amount is provided per annum, and from what source is such a fund derived?

(2) For what purpose is said fund now used, and for what purpose has it been used since May 15, 1920, to June 1, 1922?

(3) To what person or persons and in what amounts and for what service performed has money been paid from said publicity fund since May 15, 1920, to June 1, 1922?

(4) How is such fund disbursed—upon whose order is it paid out?

(5) What sum is expended annually for publishing the monthly bulletins of said board, including salaries and other expenses connected with the printing of said bulletin?

Mr. WADSWORTH. Mr. President, I shall have no objection to the present consideration of the resolution if the Senator will strike out the word "deflation" in the last line of the second preamble.

Mr. HEFLIN. Let me see, Mr. President, how it would read then.

The ASSISTANT SECRETARY. It is proposed to strike out the word "deflation" before the word "policy in the last "Whereas," so that it will read:

Who have criticized the policy of said board.

Mr. WADSWORTH. I am unwilling that the Senate, by direction or indirection, shall seem to go on record as describing the policy of the board as one of deflation. If the Senator will take out the word "deflation," I shall have no objection to the present consideration of the resolution.

Mr. HEFLIN. Mr. President, of course I am at the mercy of the Senator. He can object to the consideration of the resolution. I do not suppose that modification will keep me from getting the information I desire; so, if the Senator demands it, it will have to go out.

The VICE PRESIDENT. The Senator from Alabama modifies his resolution in accordance with the suggestion of the Senator from New York.

The resolution, as modified, was considered by unanimous consent and agreed to.

The preamble as modified was agreed to.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I ask that the Senate return to paragraph 318, which covers woven-wire cloth.

The VICE PRESIDENT. The Secretary will state the amendments to paragraph 318.

The READING CLERK. On page 61, line 7, before the words "per cent," it is proposed to strike out "20" and insert "25"; on line 9, before the words "per cent," to strike out "30" and insert "40"; and in line 11, before the word "per cent," to strike out "40" and insert "45," so as to make the paragraph read:

PAR. 318. Woven-wire cloth: Gauze, fabric, or screen, made of wire composed of steel, brass, copper, bronze, or any other metal or alloy, not specially provided for, with meshes not finer than 30 wires to the linear inch in warp or filling, 25 per cent ad valorem; with meshes finer than 30 and not finer than 90 wires to the linear inch in warp or filling, 40 per cent ad valorem; with meshes finer than 90 wires to the linear inch in warp or filling, 45 per cent ad valorem.

Mr. McCUMBER. Mr. President, on behalf of the committee I am going to ask the Senate to disagree to the committee amendment in line 7, and also to the committee amendment in line 9, leaving the committee amendment as proposed in line 11. The rates under the paragraph will then be 20 per cent, 30 per cent, and 45 per cent, respectively. Upon a reconsideration of the matter the committee this morning considered that 20 per cent was sufficient on the coarser mesh wire cloth and screening, that 30 per cent was sufficient duty upon the size with meshes not finer than 90, and that 45 per cent was necessary upon the finer mesh fabrics.

The VICE PRESIDENT. The question is on agreeing to the first amendment reported by the committee on striking out "20" and inserting "25," in line 7.

The amendment was rejected.

The VICE PRESIDENT. The question now is on agreeing to the amendment striking out "30" and inserting "40," in line 9.

The amendment was rejected.

The VICE PRESIDENT. The question now is on agreeing to the amendment in line 11, striking out "40" and inserting "45."

The amendment was agreed to.

Mr. SIMMONS. Mr. President, it was my purpose to offer amendments to the committee amendments, but perhaps that will not be in order now. I ask the Chair whether I may be permitted to offer amendments to the committee amendments?

The VICE PRESIDENT. The Senator is at liberty to move to reconsider the vote whereby the committee amendments were agreed to or to ask unanimous consent to reconsider.

Mr. SIMMONS. In the confusion I did not realize that the amendments had been acted upon. I therefore ask unanimous consent that the votes whereby the several committee amendments were agreed to may be reconsidered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the votes are reconsidered.

Mr. SIMMONS. Mr. President, in line 7, page 61, I wish to move to amend the committee amendment by striking out "25" and inserting "15"; in line 9 by striking out "40," and inserting "20"; and in line 11 by striking out "45" and inserting "25." I am not sure, Mr. President, that there ought to be this measure of differentiation; I think that a rate of 20 per cent flat would be probably just as fair and would accomplish the same purpose; but I am following the plan of the committee of differentiating. I shall offer the three amendments to which I have referred making the rates 15 per cent, 20 per cent, and 25 per cent, respectively, as a substitute for the amendments offered by the committee.

Mr. President, discussing the first amendment, I have very little to say except that I discover the wire cloth referred to here is used largely for screening to protect against insects, so that I presume the paragraph covers the screening used around the porticos of houses. Am I correct about that, I will ask the Senator from North Dakota?

Mr. McCUMBER. The medium mesh screen is used for that purpose. There is still a finer mesh that is used in paper making, as I understand, and for other purposes, where fine strainers are needed.

Mr. SIMMONS. So that it is an article in common use in most sections of the country and in every home where the family is able to incur the expense of screening the house as a protection against flies and mosquitoes.

Mr. McCUMBER. If I may make a suggestion to the Senator, so that we may understand not only his argument but also what the rate of duty is, the screens that are used against insects, that are used in the ordinary house, are the coarser product, and they come in, as the paragraph is now amended, at 20 per cent. They come in under the present bill at 15 per cent, under the general basket clause.

Mr. SIMMONS. I wish the Senator from North Dakota could see his way clear to let that duty remain where it is now, as I have proposed in my amendment, at 15 per cent. I think scientists and the medical profession are all agreed that the two greatest preventives of disease consist in protection at certain seasons of the year from the fly and from the mosquito, both of them distributors of disease in a different way, and diseases of a different character; so that all over the country the medical authorities and the sanitary authorities are strongly advising everybody to screen their houses against these two pernicious insects. As I stated before, I think the public have come to realize the importance of protection against these distributors of dangerous diseases, and all over the country they are protecting themselves to the extent of their ability.

It does seem to me, Mr. President, that an article of such common use, directed to such a beneficent and necessary purpose, going to the very health and life of the people of the country, ought not to be burdened with tariff duties, especially when there seems to be no evidence given us by the Tariff Commission of any imports, of any foreign invasion of our markets, with reference to this particular product.

I discover in reading the brief statement of the Tariff Commission with reference to this article that excluding woven-wire fencing and poultry netting—and that we are not talking about now—the output of woven-wire products in the United States in 1919 was valued at something in excess of $4,250,000. The imports and exports of woven wire are not separately tabulated by the Bureau of Foreign and Domestic Commerce.

In view of the fact that the committee is asking a duty upon this essential product, of which we produce annually about four and a quarter million dollars' worth, I should be glad if the committee has any information which it can furnish the Senate to give us an idea to what extent this product is being imported into this country and to what extent it is being exported from this country, because, in all candor and sincerity, I think as a matter of humanity we ought not to tax this product unless there is a condition of foreign invasion that really threatens this industry. I wait for an answer. I

do not possess the facts, and I am asking the question simply for purposes of information.

Mr. McCUMBER. Mr. President, where there are so many things that come under a basket clause it is almost impossible to say just the amount of some specific article under that basket clause. My information is that of the finer woven wire there is considerable coming in—that which is used in the manufacture of paper and used for the other purposes which I have mentioned. I think there is very little, if any at all, of the coarser woven wire coming in; but I have here two items of the Reynolds report. The Senator asked if we could not reduce the ad valorem down to 15 per cent upon the coarser woven-wire products.

Mr. SIMMONS. That is, the products that are used for wire netting—for the screening of houses.

Mr. McCUMBER. Yes. There are three different invoices here of wire cloth, 30 wires to the inch, imported from France. The foreign value was 37 cents a square foot. The landing charges were 2 cents. The selling price was 50 cents; and the selling price of the comparable domestic article was 57 cents. Allowing 25 per cent profit to the importer, it would only require 18 per cent to equalize the foreign with the domestic article, whereas we give, as suggested here, 20 per cent, or 2 per cent ad valorem more than would be necessary under that identical shipment; but if it were 15 per cent it would be 3 per cent less than would be necessary. The last item, when we get up to the higher——

Mr. SIMMONS. Before the Senator leaves that, the Senator speaks of one shipment.

Mr. McCUMBER. There are three invoices in this one.

Mr. SIMMONS. What did the three invoices amount to?

Mr. McCUMBER. I do not know. This is simply from the Reynolds report, to get something that is comparable with the American product; it does not state how much. I can only state generally that in the case of that wire fabric there is very little imported. I think we will all agree about that.

Mr. SIMMONS. Yes; very little.

Mr. McCUMBER. Probably very much more is exported than is imported.

Mr. SIMMONS. "Comparable," of course, means that it might be finer, it might be coarser, it might be of higher quality, or it might be of lower quality.

Mr. McCUMBER. No; the comparable American article means the same number of wires to the inch. Therefore they can get exact comparability in those products.

Mr. SIMMONS. It is not identical. That is the point I was making. It can simply be compared.

Mr. McCUMBER. No; but it is as near as it can be made.

Mr. SIMMONS. We might make here in this country an article of the same character as the French article at less than the domestic article which sells for 57 cents.

Mr. McCUMBER. I can not say just what we could have made it for. I simply say that identically the same kind of article—that is, 30 wires to the inch—sells for 57 cents, while the foreign product is sold for 50 cents, and the cost on which we would levy the duty is 37 cents.

Mr. SIMMONS. Now, let me ask the Senator another question with reference to that, and it seems to me to be a vital question in connection with all of these comparisons. Does that report provide for the same profit upon the foreign article that is charged by the American producer upon the American article?

Mr. McCUMBER. No; there are no figures whatever in the Reynolds report as to the cost either in the foreign country or in this country, or what profit is made by the manufacturer in this country or what profit is made by the manufacturer in the foreign country. All it dealt with was the wholesale price of the comparable article in this country and what the imported article is sold for in this country.

Mr. SIMMONS. Now will the Senator be so kind as to state again what the French price was, landed here, with freight and insurance, without profit?

Mr. McCUMBER. The foreign value of the one we are now describing, which is the average of these three invoices, was 37.1 cents per square foot. The landing charges were 2 cents per square foot. The selling price of the imported article was 50 cents per square foot. The selling price of the comparable domestic article was 57 cents. Allowing what we assume to be the usual profit of 25 per cent ad valorem to the importer, we would still have to add 18 per cent on the foreign value to bring the selling price of the foreign product up to the selling price of the comparable American product.

Mr. SIMMONS. Mr. President, I understand that 25 per cent was added there. The experts who have been working with me have advised me that the proper allowance for overhead and profit is 33 per cent, and all the calculations that they have made for me have been based upon that theory, and I had supposed that that was the theory that was adopted. If, now, we add 33 per cent profit to the foreign price, we would have a price equal to the American price.

Mr. McCUMBER. The ad valorem, then, of course, would be less.

Mr. SIMMONS. Yes; but we would not need so much ad valorem.

Mr. McCUMBER. But, Mr. President, I think we have to take a profit that we consider at least reasonable; and 25 per cent was regarded as reasonable, and, as we understood, the usual profit, because in that character of freight, woven wire, there is no breakage, there is no destruction, there is no loss whatever, as there would be in chinaware, and so forth.

Mr. SMOOT. Mr. President, I want to say to the Senator that if they took 33 per cent, as suggested by the experts that the Senator has consulted, and based the rate upon 33 per cent, the ad valorem would be lower.

Mr. SIMMONS. I know that.

Mr. SMOOT. But then the foreigner, instead of making 33 per cent profit, could make 25 per cent, and then the ad valorem would be too low.

Mr. SIMMONS. The Senator misunderstood altogether the point I was making.

Mr. SMOOT. No, no.

Mr. SIMMONS. The point I was making is that if we take the landing cost, which I understand is 37 cents, and add 33⅓ per cent instead of the 25 per cent, for profit and overhead, it will raise the foreign price of the product to the American price.

Mr. SMOOT. I understood the Senator. If we did that and made that difference in our ad valorem rate, then all the foreigner would have to do would be to drop his profit from 33⅓ per cent to 25 per cent, and he would have that advantage.

Mr. SIMMONS. The point I was making is that if the foreign selling price is above the domestic selling price, they do not need any duty at all.

Mr. SMOOT. That is another question. I want to say to the Senator that there are many articles sold in this country on a basis of 5 per cent commission.

Mr. SIMMONS. That may be true.

Mr. SMOOT. For instance, take grain bags and cotton bags of all kinds; they never think of charging more than 5 per cent commission.

Mr. SIMMONS. That is, the commission merchant?

Mr. SMOOT. Yes; the commission merchant.

Mr. SIMMONS. But the wholesaler has his overhead and his profit to add.

Mr. McCUMBER. Mr. President, I think I can satisfy the Senator from North Carolina, by a glance at the Reynolds report, that 25 per cent is a little above rather than below the average allowed for overhead and profit. On one shipment from France the overhead and profit figured on the landed cost, including the duty, was 11.6 cents. In the next shipment it was 11.6. There are three at that rate, one at 15 cents, two at 25 cents, three at 34, and three at 33.8 cents.

Mr. SIMMONS. How did the Reynolds commission get the figures as to the profit and overhead charge?

Mr. McCUMBER. They could get it by taking the American selling price, less the landing cost. Of course, the difference between the two would be the overhead charges, and then it is easy to ascertain what percentage of the original cost those overhead charges represent.

Mr. SIMMONS. I was wondering whether, in estimating the overhead charges and the profits on the foreign products, they took the profits and overhead charges of concerns manufacturing and selling a similar domestic article?

Mr. McCUMBER. No; I think not.

Mr. SIMMONS. That would be the only fair way of doing it, I should think.

Mr. McCUMBER. It seems to me the only fair way of doing it would be to take the identical article sold here in the United States. If it is sold by the same one who is importing it, very well; that would show the difference.

Mr. SIMMONS. That would be true if you could ascertain from the importer exactly what his overhead and profit were; but I do not assume they went to the importers in every case and inquired of them what were their profits and overhead. I assume they had some general way of getting at it without calling up the importer of every particular article.

Mr. McCUMBER. That is undoubtedly true; but what the method is I do not know.

Mr. SIMMONS. I will not press that any further; but the Senator has spoken about three invoices. He is not able to state what was the quantity of those invoices?

Mr. McCUMBER. Neither at home nor abroad.

Mr. SIMMONS. We do not know anything about what amount of this stuff is imported, whether enough of it is imported to affect the American price in the slightest, and whether the present duty is not reasonably protective. The Senator has contended that he wanted to make a competitive tariff. A competitive tariff certainly does not mean a prohibitive tariff, and if the present duty is sufficient to maintain a competitive condition in our market in this product, it ought not to be increased. Of all the products in the bill this is one the rate on which it seems to me ought not to be increased unless it is absolutely necessary to make the increase to protect an industry in this country from a disastrous or ruinous competition from abroad. I do not care to say anything more about it, and I am perfectly willing that a vote shall be taken.

Mr. McCUMBER. Mr. President, I will just complete my statement about these invoices. The Senator now speaks of my willingness to have business competitive. Certainly I would hope that there would be no competition along every line, to some extent. I shed no tears, of course, where the American people can produce everything in a particular line that the American public desires to consume, even though there is none imported, provided there is a sufficient number of manufacturers in the United States to produce that healthy competition which we need.

I think there will be reasonable competition in every one of these different schedules. Let us take this one, where we say that the ad valorem required to protect the American product would be 18 per cent. Looking at the report, we find that the profits of the importer were considerable, and if there is a very little reduction of the profits it would leave him a very good margin, and he could come into the markets of the United States, other things being equal, on an equal footing, so far as the cost price is concerned, with the American manufacturer. But when I take the 90-mesh, which is a much finer grade, I find that the French price was 61.2 cents per square foot, the landing charges were 11 cents, the selling price in the United States was 99 cents, and the selling price of the comparable American article was $1.87. It would therefore require a duty of 142 per cent to equalize the prices. We have given only 45 per cent, or less than one-third of that amount. But, taking it right through, I hardly think we could say there is that much difference in the cost of production at home and abroad or in the fair selling price at home and abroad. We have made due allowance for increases of foreign prices and for decreases of domestic prices, and acted on the assumption that in many instances the present selling price is inordinately high; but after making those allowances we still think we will need 45 per cent to measure the difference on a fair competitive basis.

Mr. SIMMONS. Mr. President, if you would allow the American manufacturer of these wires, both coarse and fine, only 25 per cent to cover the overhead and profits, I imagine you would not find much difference between the American price and the foreign price. The Senator says the selling price is one dollar and eighty some cents. The Senator does not know, and I do not know, how much of that is profit and overhead. He has allowed the foreigner only 25 per cent for profit and overhead. He has no information whatever as to what the American producer and seller in the domestic market allows himself for overhead and for profit.

We do know that it is a general impression, which I think is amply justified, that the production of wire in this country is controlled by combinations and understandings, and that the prices are fixed, not by the law of supply and demand, not by the law of competition, because there is practically no competition in price except such as may grow out of foreign importations.

One thing is very clear to my mind. If this bill establishing highly protective and almost prohibitive duties is passed, and it shall result in the further monopolization of the industries of this country, as I believe it will, followed by the result that there will be no restraint whatsoever of competition in the fixing of prices within the prescribed limits of the duty, as soon as the people have an opportunity, I think they will express their protest. In other words, I mean to say to the Senator from North Dakota, and I am saying it in all candor, the protective principle can not obtain in this country for any great length of time if there is not competition in the domestic market.

If this bill has the effect, as I believe it will, of further advancing the combinations of industries which now exist, and which, with reference to probably 75 per cent of the American products of this country, have already resulted in a suppression of domestic competition, and the American people see that they have fallen upon a time when there is no competition on the part of the protected industries of the country, and that they have no protection whatsoever against their avarice and their greed, I think the American people will see that such a system as that, a system which lends itself to that end and that result, can not and ought not to be tolerated by a free people. If the imposition of these duties contributes to that end, then the legislation which we are considering to-day, and which we shall probably enact, will aid these violators of the law, these people who have trodden upon that fundamental principle of competition, who have stifled all competition, who have destroyed the operation of the law of supply and demand in disregard of the law of the land. I think the people of the country will say that we ought not, by legislation, to make this conspiracy against the people more effective and more complete than it now is.

I have nothing further to say, Mr. President, and I am ready for a vote.

The VICE PRESIDENT. The Chair is not informed what the vote is to be on.

Mr. SIMMONS. I announced that I would offer an amendment to substitute 15 per cent for the proposed amendment of the committee, on line 7, page 61, paragraph 318.

The VICE PRESIDENT. Without objection the vote already taken will be considered as not having been taken.

Mr. SIMMONS. I thought that had already been done.

The VICE PRESIDENT. It is now done. The Senator from North Carolina offers an amendment to the committee amendment, which will be stated.

The ASSISTANT SECRETARY. On page 61, line 7, the Senator from North Carolina proposes to amend the committee amendment by striking out "25" and inserting in lieu thereof "15."

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the committee amendment.

Mr. McCUMBER. I ask that the Senate disagree to the committee amendment.

The amendment was rejected.

Mr. SIMMONS. On the same page, in line 9, I move to substitute 20 per cent for the 40 per cent proposed by the committee.

The VICE PRESIDENT. Without objection, the vote already taken will be considered as not having been taken, and the amendment offered by the Senator from North Carolina will be stated.

The ASSISTANT SECRETARY. On page 61, line 9, the Senator from North Carolina proposes to amend the committee amendment by striking out "40" and inserting in lieu thereof "20."

The amendment to the amendment was rejected.

Mr. McCUMBER. I ask that the Senate disagree to the committee amendment.

The amendment was rejected.

Mr. SIMMONS. In line 11, on the same page, and in the same paragraph, I move to amend the committee amendment by striking out "45" and inserting in lieu thereof "25."

The VICE PRESIDENT. Without objection the vote previously taken will be considered as not having been taken and the amendment offered by the Senator from North Carolina will be stated.

The ASSISTANT SECRETARY. On page 61, in line 11, the Senator from North Carolina proposes to amend the committee amendment by striking out "45" and inserting in lieu thereof "25."

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

Mr. McCUMBER. I now ask that we turn to page 78, paragraph 362.

The VICE PRESIDENT. The first amendment in that paragraph will be stated.

The ASSISTANT SECRETARY. On page 78, paragraph 362, the committee proposes to strike out the word "Files," in line 1, and to insert:

So-called precision or Swiss pattern files, and riffler, needle, escapement, and die-sinker files, less than 6 inches in length, 50 per cent ad valorem; all other files.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. McCUMBER. I ask that the Senate disagree to the committee amendment, so that it will leave the first part of the paragraph exactly as written by the House.

The VICE PRESIDENT. The question is on the amendment of the committee.

Mr. SIMMONS. I wish to ask the Senator from North Dakota if he proposes to strike out in line 4 the words "floats

of all cuts and kinds" and insert in lieu thereof the words "floats, of whatever cut or kind"? In other words, does he propose to disagree to both the Senate amendments in that paragraph and leave only the House text?

Mr. McCUMBER. I desire to strike out all of the Senate amendment from line 1 down to and including the words "other files," in line 4.

Mr. SIMMONS. The balance of the amendment the Senator desires to remain?

Mr. McCUMBER. Yes.

Mr. SIMMONS. I understand the parliamentary situation would be that if that is done it would not be in order at the present time to offer any amendment to the paragraph except as to the words in line 4 which I have just read, because the Senate committee has receded from all its amendments except that one. I have no objection to a vote on the first amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The ASSISTANT SECRETARY. The next amendment of the committee is on page 78, line 4, where the committee proposes to strike out the words "floats of all cuts and kinds" and insert in lieu thereof "floats, of whatever cut or kind," so as to read:

Files, file blanks, rasps, and floats, of whatever cut or kind, 2½ inches in length and under, 25 cents per dozen.

The amendment was agreed to.

The ASSISTANT SECRETARY. The next amendment of the committee is on page 78, line 12, in paragraph 363, where the committee proposes to strike out "40" and insert "50," so as to read:

PAR. 363. Sword blades, and swords and side arms, irrespective of quality or use, solely or in part of metal, 50 per cent ad valorem.

Mr. SIMMONS. Mr. President, I wish to offer an amendment to the committee amendment. I move to strike out "50" and insert "30." I would be glad if the Senator from North Dakota would give us some reason why he proposes to increase the House rate, which is 10 points higher than the present law, from 40 to 50 per cent?

Mr. SMOOT. It is for revenue entirely.

Mr. SIMMONS. The Senator from Utah says it is for revenue entirely.

Mr. McCUMBER. I was about to make the same remark, but as the Senator from Utah has already made it it is unnecessary for me to repeat it. I simply wish to say in connection with the item that the present rate is 30 per cent ad valorem, a rate for revenue only. We need a little more money than we needed in 1913.

Mr. SIMMONS. I was going to close the matter by saying if it is for revenue entirely, and I suppose it must be because the imports would not seem to justify it for any other reason——

Mr. McCUMBER. There are not many imports.

Mr. SIMMONS. I shall certainly make no objection, but I do not see how the Senator expects to get very much revenue out of it, in view of the fact that the importations in 1918 seem to have been only $737; in 1920, $8,000; and for nine months of 1921 only $30,000.

Mr. SMOOT. That represents a good many daggers.

Mr. SIMMONS. I imagine there is not going to be any very great increase in the importation of swords and sword blades into this country; at least I devoutly hope so. I hope the sword is going out of use in this country to a very large extent, and with the present importations only $20,000, with a diminishing use, I do not think very much revenue will be derived from that source. However, I make no objection.

Mr. McCUMBER. I do not look for very much revenue, but there were $20,543 worth imported in the nine months of 1921. So the other rate would give us about $6,500, and if we have a 50 per cent duty we would get at least $12,500 from that little item; and we have to pick up these little items of revenue wherever we can.

Mr. SIMMONS. I am very much afraid the Senator from North Dakota and his committee have not much confidence in the pacific intentions of this country. They do not rely very much upon our hope that world conditions may dispense with the use of the sword to a very great extent, if not altogether.

Mr. SMOOT. Wherever there is a person in the United States who wants a foreign dagger, and nothing else but a foreign dagger will do, I am willing that he shall pay the 50 per cent, and that we shall take that amount from him.

Mr. SIMMONS. This paragraph says nothing about daggers.

Mr. SMOOT. It covers daggers.

Mr. SIMMONS. It says side arms. Of course, if a dagger is a side arm in the Senator's part of the country, then it is all right; but they do not use the dagger down in my part of the country as a side arm.

Mr. SMOOT. They use it in their boots, and when taken from there it is from the side of the leg.

Mr. SIMMONS. Very well. Let us vote.

The VICE PRESIDENT. Does the Senator from North Carolina withdraw his amendment to the amendment?

Mr. SIMMONS. Yes; I withdraw it.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 78, line 15, to strike out "20" and insert "25," so as to make the paragraph read:

PAR. 364. Muzzle-loading muskets, shotguns, rifles, and parts thereof, 25 per cent ad valorem.

Mr. SIMMONS. Mr. President, many of these articles are still in use in this country, notwithstanding peace, and will continue to be in use, especially with the farmer who lives in remote sections, isolated, without close neighbors. He generally desires some sort of weapon in the house as a matter of protection. Then there are other uses for the items covered by this paragraph. I would like to ask the Senator from North Dakota why he wishes to increase the House rate, which is 5 points higher than the present rate, to 25 per cent?

There seem to be no importations of this article to speak of. In 1918 there were only $821 worth of imports; in 1919 there were only $1,214 worth; and during the first nine months of the present year there were $3,691 worth. Is this rate also imposed as a revenue duty, I will ask the Senator from North Dakota?

Mr. McCUMBER. It is. I will say, however, that we get very little revenue from it, for muzzle-loading shotguns and rifles have practically gone out of use. I do not suppose there will be any great amount of them imported, but there has always been a little duty imposed upon them. There is a 15 per cent ad valorem duty now imposed upon these articles, and the other House imposed 20 per cent on the American valuation. So the committee thought they could bear a duty of 25 per cent ad valorem.

Mr. SIMMONS. The Senator does not propose to increase the duty for the purposes of protection?

Mr. McCUMBER. No; I do not think these articles are now made at all in the United States.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 78, paragraph 365, line 16, after the words "single barreled," to strike out the word "sporting."

The VICE PRESIDENT. The question is on the amendment of the committee.

Mr. SIMMONS. Mr. President, I beg pardon of the Chair, but I wish to state to the Chair that the Senator who was to look after these items is not now in the Chamber. I am now for the first time having an opportunity to examine the amendments, and I hope the Chair will not put the question on the amendment before I can examine it. However, I have no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 78, paragraph 365, line 22, before the words "per centum," to strike out the numerals "35" and to insert in lieu thereof the numerals "45," so as to read:

PAR. 365. Double or single barreled breech-loading and repeating shotguns, rifles, and combination shotguns and rifles, valued at not more than $5 each, $1.50 each; valued at more than $5 and not more than $10 each, $4 each; valued at more than $10 and not more than $25 each, $6 each; valued at more than $25 each, $10 each; and in addition thereto, on all of the foregoing, 45 per cent ad valorem.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. SIMMONS. Mr. President, I should be glad if the Senator from North Dakota would advise me as to whether or not this rate is proposed as a revenue duty?

Mr. McCUMBER. I think, Mr. President, I may say that the duty is imposed almost exclusively for revenue purposes. It may amount to protection in some instances, but it is not high enough for protection according to the report of the Reynolds Commission. If the Senator from North Carolina desires, I can give what the specific duties would amount to reduced to ad valorem duties.

Mr. SIMMONS. I was wondering whether the duties were imposed for additional protection or for revenue. It seems to

me that the imports would not justify any increase in duty, and that the duty would yield but very little revenue. I do not think the increase can be justified upon the ground of protection. I notice, Mr. President, that the domestic production of these articles in 1914 amounted to ten and a half million dollars.

Practically the entire industry is located in Connecticut, Massachusetts, and New York.
Imports in general have decreased since 1902, at which time they reached a maximum.

For the first nine months of 1921, of double-barreled and combination shotguns and rifles the imports amounted to $58,376; of single-barreled guns the importations amounted to $39,719; of all other parts of guns, pistols, or rifles, and fittings for stocks, and so forth, the imports amounted to $9,884; of barrels for sporting breech-loading shotguns and rifles, further advanced in manufacture than rough-bored only, the imports amounted to but $9. In the next item, stocks for sporting breech-loading shotguns and rifles, wholly or partly manufactured, the importations amounted to but $30.

Putting the imports all together they did not amount to quite $100,000 of all these various items I have enumerated, including double-barreled and singled-barreled shotguns.

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Ohio?

Mr. SIMMONS. I shall yield in a moment. I repeat that putting double and single barreled breech-loading and repeating shotguns, rifles, and combination shotguns and rifles, and so forth, all together, the importations were not $100,000 during the last nine months of 1921, as against a domestic production as far back as 1914—and that is the last year for which the figures are given—of $10,500,000. Certainly that situation does not call for the enormous increase in these rates over the present law and over the House rates. I now yield to the Senator from Ohio.

Mr. POMERENE. Mr. President, in examining this bill, so far as it relates to the duties on guns, and rifles, and shells, and explosives, this thought has occurred to me: I do not know what ought to be done, but it seems to me there is an utter inconsistency between this legislation and the internal revenue law. Under the revenue bill we adopted, as I now recall, an excise tax of 10 per cent on cartridges, and so forth, because it was desired to discourage their manufacture in this country. This bill imposes a tariff duty on cartridges, and so forth, for the purpose of encouraging their manufacture, and now it is proposed to impose a tariff on guns, rifles, and so forth, evidently for the purpose of protecting that industry, although there has been placed an excise duty upon cartridges which are used in such guns. It seems to me that we have been rather inconsistent in treating this subject. I am not prepared to say what should be done, but the thought has occurred to me that either we did not pursue a very wise policy in connection with the revenue bill or we are not pursuing a very wise policy in connection with the pending bill, for certainly both of them can not be right.

Mr. SIMMONS. Mr. President, the Senator is entirely correct with reference to the action in the matter of the imposition of a direct tax. Articles of this character, which are not supposed to be absolute necessaries and which are indulged in by people who are able to buy them, were considered as proper subjects for internal taxation. I do not know that the Senator is quite right in saying that the object was to discourage their manufacture, but they were recognized as articles not absolutely necessary to the national life. But, Mr. President, why should we increase the present rate of 35 per cent—that is a pretty steep rate—as provided in the present law. That rate has practically kept out of this market the firearms referred to, for under it we did not import $100,000 worth, although there was an annual domestic consumption of something over $10,000,000 worth.

There seems to be no reason for the increased rate from the protective tariff standpoint; the articles receive now all the protection which is needed. Of course, if it is desired to prohibit them, that is another question; and if it is desired to give the manufacturers of these articles an opportunity further to raise their prices without danger of foreign competition, that is likewise another question; but if the proposed rate is purely for the purposes of protecting them against an unreasonable invasion of this market which would upset the general principle of fair competition, I can not see any justification for raising the present duty from 35 per cent to 45 per cent. However, I do not wish to consume the time of the Senate in discussion. I am willing to take a vote. I wish, however, to offer an amendment to the 35 per cent item.

Mr. McCUMBER. Mr. President, I merely wish to place some facts in the RECORD which it may be desirable to have when we come to consider the matter in conference. I call attention to the fact that this is a duty for revenue. The articles referred to are luxuries, being high-priced foreign rifles and guns imported into this country at an immense profit.

The Senator from North Carolina was mistaken, if I understood him correctly, when he said that under the present revenue law we imposed a tax of 100 per cent on this kind of articles.

Mr. SIMMONS. I did not mean the present revenue law, but I think we did in the former law.

Mr. McCUMBER. The revenue tax in the present revenue law is only 10 per cent on those articles, but on dirks and arms of that kind which we wanted to legislate out of existence as much as possible a tax of 100 per cent was imposed.

I wish to refer to an importation of sporting rifles. There is listed in the publication before me a rifle that costs abroad $13.32. It is sold in this country for $60. A similar American article is sold for $60.72. It would require 232 per cent to equalize the two. The importer of the foreign article makes 184 per cent on his selling price, and in view of that fact we felt that it would not be a great hardship upon him to compel him to pay the Government of the United States 45 per cent duty.

The next item is a rifle that costs $28.60 abroad; the importer sells it for $74. It would require a duty of 62 per cent to equalize the two. The importer makes a profit of 83 per cent, and if he sells it at the same price he could still pay the 45 per cent ad valorem duty and make a very handsome profit.

Mr. SIMMONS. Mr. President, will the Senator permit me to ask him a question? He was reading about what sort of a rifle?

Mr. McCUMBER. The sporting rifles and breech-loading shotguns. We have already passed those of inferior value.

Mr. SIMMONS. Mr. President, the Senator tells us about the remarkable profits that the importers made on importing those guns into this country. If that is true, if they can make such profits in this market on their foreign-made guns, I am at a loss to understand why they do not send them over here and why we do not have more of them on the market. I discover from the Tariff Commission that in nine months of 1921 of these sporting guns, so called, there were brought in $4 worth, and in 1921 of stocks for sporting breech-loading shotguns and rifles $30 worth. I am a little amazed, if there are any such profits as those in exporting these guns to this country, that they should only bring in during nine months of the last year $4 worth of one, which would hardly pay for a gun——

Mr. McLEAN. Mr. President, is not the Senator reading from importations of stocks?

Mr. SIMMONS. I am reading from the statistics as to barrels for sporting breech-loading shotguns and rifles further advanced in manufacture than rough-bored only. Those are the barrels of these fine shotguns, and the other section that I read from was stocks. One is the barrels and the other is stocks for sporting breech-loading shotguns and rifles wholly or partly manufactured. I suppose they assemble those barrels and their stocks after they get here; but that seems to be the importation during those nine months—taking them both together, $34 worth.

Mr. McLEAN. There are some importations, as the Senator knows, of these high-grade guns.

Mr. SIMMONS. But the point is, if the figures that the Senator from North Dakota has given us as to profits are correct—I do not know how much it was; over 100 per cent profit—I am utterly amazed that there have not been greater importations. He says those figures are taken from the Reynolds report. The Reynolds report was made as of August, 1921; and I am utterly amazed that more of these articles have not come in under those circumstances.

Mr. McLEAN. The Senator will note that in nine months of 1921 there were imported $58,000 worth of double-barreled and combination shotguns and rifles.

Mr. SIMMONS. We are talking now about these sporting articles. The Senator has given the profits on these sporting articles. The Senator is now talking about the common double-barreled and combination shotgun and rifle.

Mr. McLEAN. Of course, the shotguns are sporting implements.

Mr. SIMMONS. Suppose we say there is $58,000 worth of them, then.

Mr. McLEAN. I should like to explain the matter to the Senator, if he will permit me.

Mr. SIMMONS. I will.

Mr. McLEAN. The Senator knows that there are made abroad by certain makers shotguns that command enormous prices. If you want a Scott gun made in England you will have to pay anywhere from $300 to $1,000 for it; and that is true with regard to the Francotte gun, which is made in France. There are not many importations, but they are very high-priced guns.

Mr. SIMMONS. Do we make that kind of gun over here?

Mr. McLEAN. We make a gun as good. We make very high-priced guns, and they are probably as good; but there are certain gentlemen who will not use anything but a Scott gun or a Francotte gun—it does not make any difference what it costs. I am somewhat familiar with this article and its use, and I know that.

Mr. SIMMONS. And the Senator wants to impose a tax of 45 per cent because there are a few people in this country who are able to pay any price that may be exacted for a thing they want to buy—a gun made over there that is so far superior to anything that we produce over here, or they fancy it is so far superior, that they will pay a fancy price for it.

Mr. McLEAN. Oh, they are expensively engraved; they are inlaid with gold in some instances. The profit on them is anywhere from 200 to 300 per cent, and it seems to me the Government may as well get a little revenue from them.

Mr. SIMMONS. I want to say frankly to the Senator—and I am trying to speak frankly to-day—that when we have a domestic production and a domestic consumption of $10,500,000 of these products in one year, and there are imported only about $100,000 worth of them; when the Senator stands up here and undertakes to justify that tax upon the ground that some gentlemen of wealth, who do not care about price when they find an article that strikes their fancy, fancying some particular brand or type of these firearms that are made abroad, pay these exorbitant prices for it; and then when the Senator undertakes to compare those prices with the price of the thing that is made in this country and which is taxed, I think in all candor that we are trifling, absolutely trifling, with a serious matter.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. HARRISON. Mr. President, in the Morning Herald there appeared in quite large type—and the same article, I think, was carried in many of the other papers—the following article:

QUOTING PRESIDENT BRINGS OUSTER THREAT TO SCRIBES—WHITE HOUSE RESENTS ALLEGED VIOLATION OF CORRESPONDENTS' CODE OF ETHICS.

One more violation of the code of ethics existing between President Harding and newspaper correspondents in the semiweekly conferences will result in cancellation of the conferences, it was said yesterday at the White House.

I suppose whoever said it spoke with authority.

It is an unwritten law that the President is not to be quoted on any subject discussed in these conferences or elsewhere except in a set public address, copies of which are distributed in advance, or in a prepared statement handed out at the White House.

Following the conference last Friday afternoon some newspapers are said to have quoted the President direct on remarks regarding attacks on Attorney General Daugherty, which resulted in considerable embarrassment for the President.

It was made plain that a single violation by any one correspondent would be sufficient to cause a discontinuance of the conferences.

The matter will be taken up with Secretary Christian by the White House Correspondents' Association, looking to disciplinary action on the offending correspondents.

Mr. President, we recall having read in the papers some days ago—which was discussed, following that, by the senior Senator from Kentucky [Mr. STANLEY]—the tirade of the President against the action of certain newspapers of the country in printing news.

I have always thought that the function of the newspapers was to print the news, but it seems that the news which has been printed since the 4th of March last year has not always met the approval of the President, or been welcome at the White House, and this unwelcome news, this displeasing news, I might say, from Republican papers, independent papers, and Democratic papers, has caused the President's ire to be roused, and the other day it broke out in full force.

I shall not refer to that article more than to say this, that it would seem to be perfectly natural that the President should become angry at the news that has come from Pennsylvania, from Indiana, and more recently from Iowa, because we all realize how disappointing must have been the results of the recent primary in Pennsylvania, when Gifford Pinchot, the alleged progressive, the erstwhile friend of Roosevelt, walloped the old guard, the standpat machine of that State, although it took a good deal of money to do it, and although I have no doubt the machine spent considerably more money than Pinchot's committee spent. Money was quite lavishly used in that campaign.

I have no doubt that the news was unwelcome to the President and caused him to become irritable. Then the news came from Indiana, when his good friend, a man who has stood by him fatihfully here upon the floor of the Senate, and in his campaign for the Presidency two years ago as his chief lieutenant, helping to elect the ticket, is defeated at the hands of another alleged Progressive, Mr. Beveridge, was certainly disappointing news.

But day before yesterday in Iowa something happened which the most optimistic friends of the successful candidate did not believe was possible. There was Mr. Brookhart, running on an antiadministration ticket, denouncing much of the legislation that had been championed by this administration, criticizing the seating of Senator NEWBERRY by the majority some weeks ago, going so far in his campaign speeches, as I have read from the press of Iowa and elsewhere, as to say that when he got here he would be in favor now of unseating the junior Senator from Michigan. That was one of the main issues in that campaign. But every progressive principle was advocated by Mr. Brookhart in his campaign for the senatorial nomination in Iowa.

The results of it are more important when we realize the character of men who opposed Mr. Brookhart in that primary. I know two of those candidates personally. I served with Mr. Pickett for two years in the House of Representatives. He is a very able and charming gentleman, one of the most eloquent men I have ever heard. I understand that he, as a candidate in the primary, was willing to indorse all that this administration had done, and was the administration candidate. He ran third. There was a Mr. Thorne, an expert on railroad transportation. He had been in the Interstate Commerce Commission work, and strongly upheld what was known as the Esch-Cummins railroad bill. I did not know him personally, but Mr. Thorne bears a reputation of being a very able man.

Congressman SWEET I knew. I served with him in the House of Representatives. He was a forward-looking man, a splendid gentleman, and when we realized that those three candidates, and two others, went down in an overwhelming defeat at the hands of Brookhart, the antiadministration candidate, the anti-Newberry candidate, against the old guard and the machine politicians, the result of that primary is important, and will so be interpreted throughout the country. It shows how the old guard are constantly being rebuked—your tactics here constantly being repudiated.

So, Mr. President, it is little wonder that this news which is weekly floating in the night of every election held in every State in the Union these days as it comes to the White House is unwelcome, disconcerting, distasteful, and enough to arouse the ire and anger of the President of the United States.

I sympathize with him to some extent, therefore, in the predicament in which he was placed, although his taking the defeat of his friends and the friends of the administration out upon the metropolitan press of the country and the newspaper correspondents at the White House was quite unprecedented—something no other President has ever done. Aye, inexcusable and unjustifiable. I imagine that if President Harding had said all the things that were in his mind when he got the returns from Pennsylvania and the returns from Indiana and the returns from Iowa his utterances would have been unprintable; they would have burned the very paper upon which they were printed. The correspondents as well as the newspapers printing them might have been convicted of libelous matter.

It is the policy now, it seems—it is the settled plan—of the majority in this Chamber and at the other end of the Capitol to seek to distract the attention of the American people from the real issues and try to lead them off on some irrelevant question. The very distinguished and eloquent Senator from Indiana [Mr. WATSON] on day before yesterday delivered a speech in the Senate, following in the tracks of the distinguished chairman of the Finance Committee [Mr. MCCUMBER], in their mad tirade against the metropolitan press of the country. They say the press is against this tariff bill. I am not quoting precisely the words of the Senator from North Dakota, but he gave the impression that the reason the press was opposing this tariff bill was because they were selfish. I have a high respect for the press of the country; and when executive domination attempts to clog the news channels and thwart the high purpose of the metropolitan press to give the news to the people, then there will be a revolt throughout the country against such a policy.

The Senator from North Carolina and other Senators have, day by day, incorporated in the RECORD editorials from the leading Republican papers of this country denouncing this tariff bill in stronger language, I might say, than that employed by even the Democratic press of the country; and I know of no independent paper, no progressive paper, in this country that has

indorsed the tariff bill up to this good hour. You can not expect your friends, even the Republican press, to indorse such a policy of extortion, favoritism, and robbery as is written in this bill and attempted to be passed by you. They are sounding the warning; and you had better surrender—temporarily, at least—your political arrogance and change your policy.

Mr. WATSON of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Georgia?

Mr. HARRISON. I yield.

Mr. WATSON of Georgia. Has the Senator from Mississippi seen the article on the first page of the Baltimore Sun of to-day, headed "Tariff on wool may add burden of $310,000,000 to our people"?

Mr. HARRISON. I have not seen it, but I have no doubt that that is exactly what this majority would do. They promised to reduce the high cost of living, but instead of doing that they add greater taxes and heavier burdens upon the consumers of this country.

Mr. WATSON of Georgia. This is a wonderful article. Apparently the facts are authentic; and we can now understand why the Senator from Idaho [Mr. GOODING] has been almost frantic in wanting more value put into his flocks of sheep. According to this article, he would be a participant in $310,000,000 additional taxes on the American people.

Mr. HARRISON. The Senator from Idaho can hear nothing but the bleating of the sheep out West. The attacks against the Republican press of the country are merely to distract public attention from the real issues involved in this tariff discussion, and the utterances of the President against the newspaper correspondents is a part of the plan.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. FRELINGHUYSEN in the chair). Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. HARRISON. I yield.

Mr. NORRIS. I came in after the Senator had started, and it may be that I am asking him about something he explained before I came in. I wanted to ask the Senator if he is complaining of the announcement appearing in the press that the President had announced that some newspaper man who had published a truthful account of what had occurred in the White House would be denied admission if he repeated such an ungrateful act?

Mr. HARRISON. Yes; I was observing on the article which appeared in the paper this morning.

We recall that when the disarmament conference was in session in Washington, and the four-power pact was being considered, and the mainland of Japan was included in the proposition, the correspondents at the White House on that occasion asked the President about the matter in one of their formal conferences, conferences held according to a custom which has been adhered to without exception by all other Presidents so far as history shows. The President one day said that the pact did not include the mainland of Japan, and thereupon some of the representatives of America at the disarmament conference went up to see the President and told him he had made a mistake, that he was wrong. The President and those representatives got their wires crossed, and it put the President in a hole, or somebody got in a hole. Then the practice or plan of allowing the newspaper representatives in the White House conferences to propound questions to the President extemporaneously, so to speak, was discontinued. I take it it was not because of any admission or assumption that the President was unable—he possessing quickness of mind and magnificent ability—to answer the questions which might be propounded in these conferences; but the plan was changed, and after that the representatives of the press—men whom he had known for years, reliable men, men of reputation, straight, honest, trustworthy—were told, "Now, you must not ask these questions any more in the old way. We are going to change the custom, and you must write out your questions upon a slip and submit them to the President first; he will look over them, and if they are easy to answer you will be permitted to ask the questions and get answers. If they are not easy to answer, and the President is unable to answer them, then you will get no answers to those particular questions."

Mr. WATSON of Georgia. Mr. President, I call the Senator's attention to the headline of this article on the first page of the Baltimore Sun of to-day:

Tariff on wool may add burden of $310,000,000.
Notorious "Schedule K" of Payne-Aldrich fame in new guise. Taft as President urged its repeal. Written into Fordney-McCumber measure at trust's behest.

In other words, here is a specific charge that the Wool Trust came here and dictated to the committees of both Houses.

Mr. HARRISON. Yes; they have just changed the letter "K" in order to fool somebody, to deceive them. They knew that "Schedule K" had been denounced too often and was too notorious so they changed the name, but made its meaning worse. Hypocrisy is written in every line and in every syllable of this tariff bill. It seems that deception is the present order of the day from a senatorial Republican viewpoint.

Not only are they trying to distract public attention by abusing the Republican and the independent press of the country, threatening to oust the correspondents from the White House, but the distinguished Senator from Indiana day before yesterday brought the ambassador from Great Britain into the discussion by saying he is over here playing a part in this domestic question. He further said in that speech that if George Harvey, our ambassador to Great Britain, had made in London the statement that Geddes, the ambassador from Great Britain, made here, the President would immediately recall George Harvey.

Mr. President, that very clearly demonstrates what a stranglehold materialism has on this administration and what a grasp big business has upon the White House. I have not read the speech of Sir Auckland Geddes, but I have a stenographic copy of it which I ask unanimous consent to have inserted in the RECORD at the close of my remarks. It will speak for itself.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. HARRISON. I yield to the Senator.

Mr. NORRIS. The Senator is speaking of George Harvey, our ambassador, being recalled. Did the Senator notice in the morning newspapers that he is guilty of an offense which ought to bring about his recall? It is boldly announced in the press dispatches that he has said he is going to wear long pants at social functions hereafter. That is in the papers this morning. What does the Senator think about recalling him for such an offense as that against the dignity of the King of England?

Mr. HARRISON. Mr. President, I think if the administration had desired to recall George Harvey they had a good opportunity to recall him some time ago. The statement of the Senator from Indiana that if George Harvey had made the speech at London that Geddes made here President Harding would have recalled him immediately, causes me to believe that the administration looks to the almighty dollar above patriotism, above principle, and above everything that should be held dear and loved by a great people, namely, the cause for which we go to war and the services and glory of our heroes. When George Harvey, in his speech in London some time ago, made the statement that our boys fought "in order to save their own skin" and "were afraid not to fight," then it was that President Harding would have been justified, and the American people would have indorsed it, if he had cabled immediately his recall.

Mr. WATSON of Georgia. Mr. President, has it ever occurred to the Senator from Mississippi that George Harvey was appointed minister to the Court of St. James and sent out of the country to stop him from writing against such things as the League of Nations and the four-power pact?

Mr. HARRISON. I am not surprised. I think they sent him over there because they were afraid of him here. They would rather have him there and believed him to be less dangerous in London than he would be here as a friend of the White House; that he would do them less harm there than he could do if kept here.

The whole policy of the White House and of the majority in the Senate seems to be to distract the attention of the country to side issues, so that public opinion will not consider the main issue involved here. The people will know that every Senator on the other side of the Chamber promised in the last campaign to reduce the high cost of living, and they will know that you have betrayed them, making no effort to carry out that promise, but, on the contrary, making every effort to increase those costs and add to their already stooped shoulders heavier and greater burdens.

APPENDIX.

THE KEY TO WORLD RECOVERY.

[Address before Chicago Association of Credit Men by Sir Auckland Campbell Geddes, British ambassador to the United States.]

The evils from which the world suffers at the present moment are more economic even than they are political. Much of the political unrest which we see in different parts of the world is based, beyond a shadow of question, upon the economic position in which the various countries find themselves. If there is one thing which the Great War has taught, I believe, it is that we are interlocked economically, nation to nation, in such a way that no nation can prosper unless others prosper, too; that no nation can suffer from economic disturbance without all other nations throughout the world suffering in greater or in less degree, and I believe that all responsible statesmen in all countries at the present time are honestly doing the very best

that in them lies to restore the economic foundations of world prosperity. But of all the nations of the world there are no two so closely interlocked by ties of trade, by ties of commerce and finance, as your great Nation and mine.

The figures of that interlocking are extraordinarily striking and suggestive. In the year 1920 your foreign trade touched the highest peak that so far it has ever reached. Its volume in that year was no less than the astounding figure of thirteen and one-half billions of dollars—exports eight and one-quarter billions, imports five and one-quarter billions of dollars. But your most favorable trade balance was not in that year but the year before, when it touched the really extraordinary figure of $4,000,000,000. The foreign trade of this country is therefore of great, of vast interest to all the citizens of the United States.

Now, the interlocking of your prosperity with ours is extraordinarily close. Even before the war, in 1913, no less than 40 per cent of your total foreign trade was with the British Empire, and that amount rose in importance during the years of war, and rose in its percentage so that now, according to the latest trade returns, your foreign trade is, so far as 46.75 per cent of it is concerned, carried on with the British Empire. And as to your European trade, taking that apart from the rest of your foreign trade, 46 per cent again is the figure which goes to the British territories in Europe. Taking the Americas as a whole, no less than 62 per cent of your foreign trade is with British territories in America.

Those are astounding figures. I quote them merely to make this point clear: That your foreign trade and the prosperity that comes from it are largely dependent upon the capacity of the British Empire to buy your goods and to pay for them in dollars in America.

A great change in the last eight years has come over the position of the United Kingdom of Great Britain and Ireland with regard to their capacity to pay in dollars for the goods which they take from this country—a change that is so profound that it must have a great effect in the future upon the course of trade between your country and mine.

You all know that during the early years of the war the British Government took over from the British citizens who had investments in this country those investments and sold large quantities of them to provide dollar credits to pay for the munitions, the food, and the raw materials required for the prosecution of the war. As a result, those investments passed into the hands of American citizens. The interest on them, no longer accruing to British subjects, no longer provides credits to pay in great part for your exports to the British Empire.

Another large part of the British purchases in this country was paid for through credits established on account of services rendered by the British mercantile marine, by British insurance companies, by education given in Britain, and in other less important ways. There is a great change, again as a result of the war, now taking place in connection with the rendering of those services. You, in your own interest, are building up a great mercantile marine. It is, of course, your right to do so; but let us remember that, when it comes to the question of the balance of trade between the countries that means that there will be diminished credits—dollar credits—for the British to purchase your goods with in this country.

There remains the question of British goods coming to this country to balance the purchases of American goods made here. As you are aware, there is a high tariff that acts as a barrier against goods that would be sent to this country.

We are therefore as two nations—each in its own interest vitally concerned with this international trade—faced by a situation profoundly modified from that to which we had grown accustomed.

Moreover, Britain, as a result of (a) the collapse of Russia, (b) the destruction of Germany, (c) the present state of affairs in Austria and Hungary, has lost a great part of her European markets. Add to the unrest of the Far East and of the East generally, and there is another series of shrinkages in markets which were formerly reached by British goods.

Still further, consider the enormous volume of taxation that it has been necessary for the British Government to impose upon its people. Over 40 per cent of the total cost of the war was paid for as it was incurred out of taxes. Last year alone we paid off over $12,000,000 of debt. That taxation is imposing a very heavy drain naturally upon the manufacturers and merchants of the British Isles.

I draw your attention to these points because I see frequently in the press suggestions that everything is coming right, quickly; that trade is going to boom within a few weeks; that the whole world financial machine is soon going to start up and run smoothly and easily.

It is not going to be easy to get back the old volume of trade. That ultimately that volume of trade, great as it was before the war, will be enormously exceeded, I have no doubt; but I believe that there is a period ahead of us during which there has to be the very greatest skill and care shown, not only by those directly concerned with finance, trade, and commerce but those who are responsible for the governmental policy in the various countries, and by those who, like myself, are in part at least responsible for maintaining the close touch between one Government and another.

We are facing a world disordered so profoundly, when we contrast it with the pre-war condition of affairs, that it is quite obvious that we never can return to the sort of situation that then existed. But I believe that all these difficulties can be got over, provided the best intelligence and the best will that every country can bring to bear upon the situation is brought to bear.

There are still vast devastations to be made good in Europe. The devastated areas of France are still devastated areas; the devastated manhood of the European countries is still a devastated manhood. Perhaps not in two generations can that human devastation be recovered from. The losses are not only losses of existing wealth but losses in the capacity to produce new wealth.

In such a situation as this, one is appalled at times to see the levity with which commentators upon difficult international situations utter their claims. This is a time when we all, nation to nation, country to country, throughout the world, must appeal for efforts to understand one another's difficulties.

Europe as a whole—one of your best customers, almost as great a customer as the British Empire—is shattered, disordered, beyond hope of immediate recovery. You who, by your business or profession, deal with problems impinging closely upon this great world trouble are in a position to know with great accuracy and in great detail where the shoe pinches. The men in Britain who correspond to you know accurately where the shoe is pinching there.

Time and again, throughout this country, I have expressed the belief that the surest way to get rapidly back upon the road to recovery in the financial and economic situation is through the international cooperation of business men. It is not every Government that is able, for one reason or another, promptly to respond to the business, economic, and financial needs of the situation. But among the business men there is a flexibility, a power of adjustment and capacity to fit in, which Governments, because of their inevitably ponderous nature, must always lack. No Government of any great country can move rapidly and with certainty that it is moving in the right direction. I, therefore, appeal to you to do all that you can to see that no unnecessary hindrances are put in the way of international trade; to see that all reasonable assistance is given to international trade.

It is through international trade alone that the world can recover from its present disordered condition, that prosperity can come back into the thousands of homes which at this time are experiencing anything but prosperity.

I believe most strongly that this world problem calls for intelligent cooperation between the business men of all countries. I do not plead especially for cooperation between the business men of this country and my own country any more than I plead for cooperation between the business men of this country and France, Italy, Belgium, Japan, and all the other countries. That cooperation, teaching men to see the community of interests between them, teaching them the habit of cooperation, may go far to lay a foundation upon which peace can stand secure, unshaken, and unmoved throughout the generations to come.

The world surely has had a sufficient lesson in the last great war as to what the real cost of war is—not only the war bill in money, not only the war bill in blood, but a war bill in shattered financial machinery, in shattered economic conditions, and a war bill in suffering, in unemployment, in the starvation of women and children, a war bill that has to be paid for in the years that follow the war by the death of children improperly nourished, and by the death of men and women. The casualties of a war do not end when the fighting stops. Look at Russia to-day; look at Germany to-day; look at the unemployed in Britain to-day; look at your own unemployed. The casualties go on; the war bill of blood and life and health and happiness mounts up for years after the last shot is fired.

It is mounting still, and it will mount perhaps for years to come in death, misery, starvation, and disease. It is a great price to pay; and no man who considers what this past war has meant to the human race can dream of another without feelings of horror, of loathing, that such a catastrophe should come upon us.

The best, the only way, is for the people of the countries who can to get in touch with one another, to cooperate with one another, and to weld the commercial interests of the nations more obviously into one. They are one now; they were one when the war broke out, and although many people had said that in words, few knew it in understanding. Now we know it. Now is your opportunity, if you will, to do much to help this sore stricken world back onto its feet, back to prosperity. But you can do more; you can do work for the future, you can lay firm and true and solid a foundation of mutual interests, respect, understanding between the nations, upon which peace, world peace, may safely rest for years to come.

The PRESIDING OFFICER. The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. On page 78, line 23, the committee proposes to strike out the word "sporting" before "breech-loading."

Mr. SIMMONS. Mr. President, when the proposition to strike out the word "sporting" was first presented in connection with this paragraph on line 16, I did not see any serious objection to striking it out. But as the purpose of striking it out has been made more apparent to me, I do see serious objection to striking it out.

The paragraph as originally framed by the House imposed on double or single barreled sporting, breech-loading and repeating shotguns, rifles, and combination shotguns and rifles, valued at a certain price and graduated as to the value, a specific duty "and in addition thereto, on all the foregoing, 45 per cent ad valorem." The House rate was 35 per cent, and the Senate committee proposes to increase it to 45 per cent.

The firearms on which it was proposed to impose these excessively high duties were, as provided by the House, "sporting firearms," and then in the next clause are "barrels for sporting breech-loading and repeating shotguns and rifles," upon which a duty is proposed according to their selling price of as high as 55 per cent, with this proviso:

Provided, That all sporting breech-loading shotguns and rifles imported without a lock or locks or other fittings shall be subject to a duty of $10 each and 55 per cent ad valorem.

In each one of the sections of the paragraph as the bill came from the House the high rates of $10 each plus 45 per cent and $5 each plus 50 per cent, and so on, applied only to sporting articles. Now it is proposed to strike out the word "sporting" and instead of applying to sporting articles, the paragraph as the committee would rewrite it would apply to all firearms of this character.

I suppose that these very high duties were imposed upon these articles by the House and by the Senate committees because they were sporting articles and because, as the Senator from Connecticut [Mr. McLEAN] contended, there were certain highly specialized products of Europe that Americans fancied very much for which they were willing to pay big prices and which would come in here and be sold in competition with our domestic-made guns, and that the profits the foreigners received on the transaction were very great. Sporting materials are proper subjects of taxation ordinarily and proper subjects of high taxation, but the Senate committee has stricken out the word "sporting" wherever it appears, so that it extends to all

firearms of this particular description. In the original bill the paragraph applied only to sporting firearms of the kind such as the Senator from Connecticut described in his speech.

Under these circumstances it seems to me the Senate committee has completely changed the whole paragraph by striking out the one word. The whole purpose and the sole purpose of the paragraph as written by the House was to give these high rates of protection against imports of sporting products, and now the Senate committee proposes to strike out the word "sporting." It not only strikes out that word and changes the character, but it is tremendously raising the rate. I would be glad if the Senator from Utah would make some explanation of the reason why he wants to change the paragraph entirely by eliminating the qualifying word.

Mr. SMOOT. Mr. President, the existing law does not have the word "sporting" in it. When the present law was enacted there was no idea of putting the word "sporting" in it or making any such classification.

Mr. SIMMONS. No; and it did not have these high duties in it, either.

Mr. SMOOT. The Senator asked me——

Mr. SIMMONS. The present law has only 35 per cent.

Mr. SMOOT. I am perfectly well aware of that. The Senator asked me why these words were stricken out.

Mr. SIMMONS. Very well. I shall not interrupt the Senator further.

Mr. SMOOT. With the word "sporting" used, it has developed that it is next to impossible, if not impossible, to tell what a sporting breech-loading or repeating shotgun or rifle is. There are shotguns and rifles used for other purposes than sporting, and no human being can tell the difference between them and a sporting gun. I know that before the war the shotguns bearing the name of one of the greatest gun inventors in the world were all made in Belgium. Although the patent was issued in the United States and we have plenty of workmen in the United States to make the guns in this country, yet they were all made in Belgium, and they came into this country to be sold to the American people. Under that condition I think there ought to be a duty collected on those guns coming into the United States.

It is true, as the Senator from North Carolina has said, that by striking out the word "sporting" the rates apply to all the breech-loading and repeating shotguns and rifles and combination shotguns and rifles.

In other words, any kind of gun such as is described in the paragraph will fall under the same rate of duty. What the Senator from Connecticut said is true—that many of the shotguns which are imported from foreign countries, costing hundreds and hundreds of dollars, are imported by some American hunter who perhaps on a visit to Europe upon some occasion met some lord or prince who used a certain kind of breech-loading rifle or shotgun and nothing would satisfy him but to have one just like the lord or the prince had; and he pays anything that is asked him for that kind of a gun. If it comes into this country, there is no reason why he should not pay the duty on it as is provided in this paragraph.

The ordinary shotgun that the average man uses can be made in this country as against almost any other country in the world, but when it comes to using fancy shotguns with coats of arms engraved upon them, which are decorated in some fashion, which makes the shotgun no better but adds to its price, I can not see why anyone should object to imposing a heavy duty upon that kind of goods coming into the United States. The committee thought it was right and proper to strike out the word "sporting" because of the fact, in the first place, that no human being can tell whether a rifle is a sporting rifle or is to be used for some other purpose.

The Senator from North Carolina himself when the present law was under consideration did not in framing that law use the word "sporting"; it is not in the present law, but it was in the Payne-Aldrich law. In the execution of that law, however, it was found almost impossible of administration. Many conflicts arose in connection with the importation of that class of goods. For that reason, and for that reason only I think, when the existing law passed the word "sporting" was eliminated from it.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Michigan?

Mr. SMOOT. Yes; I yield.

Mr. TOWNSEND. May I ask the Senator for what purpose shotguns and rifles are used if they are not used for sporting purposes? I have been trying to ascertain for what such guns are purchased and for what they are used except for sporting purposes.

Mr. SMOOT. I will say to the Senator that rifles may be purchased for defense and for rifle practice, but I do not know whether or not rifle practice would be called a sporting purpose.

Mr. TOWNSEND. I doubt whether it would be necessary to put in the word "sporting," for I can not think of any purpose for which one buys a gun except it be for a sporting purpose.

Mr. SIMMONS. I think it is a common custom—it is certainly so in the section from which I come—for every householder living in the country to have a gun in that house for the purpose of protection.

Mr. SMOOT. I never had a gun in my house.

Mr. SIMMONS. The Senator, perhaps, has never lived in a remote rural section. Guns may not be needed in town.

Mr. TOWNSEND. From what I have heard about some places where guns are used I had supposed they were employed for sporting purposes even when feuds were being carried on.

Mr. SIMMONS. I think not, Mr. President.

Mr. SMOOT. I well remember that when a certain wonderful repeating shotgun came out I took the inventor of the gun to call on President Roosevelt. I shall never forget the reception that was given him by President Roosevelt. It was not the kind of reception which the inventor expected to receive. President Roosevelt stated at the time that the manufacture of such guns ought to be barred; that they should never be allowed to be made. He then gave his reason for that statement, saying that the invention of such guns meant the destruction of bird life in this country.

Mr. SIMMONS. Now, let me ask the Senator from Utah a question. If he is quoting President Roosevelt with approval about this matter and thinks such guns ought to be barred altogether, why does he wish to protect the man who is making them?

Mr. SMOOT. It is not in order to protect against guns coming from a foreign country, for we can make all we want in this country without going to Belgium, where most of the imported guns are made. Every one of the guns to which I had reference was made in Belgium; there was not a single one of them made in this country.

Mr. SIMMONS. Is it not the purpose of the duty to protect the manufacturer in this country? If it is not, will the Senator tell me what is the purpose?

Mr. SMOOT. The guns to which I have referred are made in a foreign country.

Mr. SIMMONS. We are not protecting guns in foreign countries. Is it not the purpose of this paragraph to protect the American producer of these guns against foreign competition?

Mr. SMOOT. President Roosevelt thought there should be an embargo on such guns.

Mr. SIMMONS. Then, let us strike out the whole paragraph.

Mr. SMOOT. There is no necessity for that.

Mr. SIMMONS. If the Senator thinks the producers ought not to be protected, but, on the contrary, ought to be driven out of business, let us strike the paragraph out.

Mr. SMOOT. The reference which I made has nothing to do with business in this country. It has to do with business abroad.

Mr. SIMMONS. The Senator does not contend that these duties are being imposed for the benefit of the foreign producer, does he?

Mr. SMOOT. I never made such a statement and never thought of such a thing.

Mr. SIMMONS. Why should they be imposed for the benefit of the American producer if he is an evildoer and ought to be suppressed?

Mr. SMOOT. So far as that is concerned, I did not say he ought to be suppressed. I stated what President Roosevelt had said as to one particular kind of gun. As to rifles, they are used by deputy sheriffs all over the country, and of late I think more of them have been used by agents of the Government engaged in the enforcement of prohibition than for almost any other purpose.

Mr. SIMMONS. Does the Senator think that is a sporting purpose?

Mr. SMOOT. No; I do not; but the question of whether a gun is to be used for sporting or other purpoess can not be determined, and therefore the committee struck out the word "sporting."

Mr. HEFLIN obtained the floor.

Mr. SIMMONS. Will not the Senator from Alabama let me finish this matter? It will take but a moment.

Mr. HEFLIN. I yield to the Senator.

Mr. SIMMONS. Mr. President, I do not want to delay a vote; I think we ought to have a vote, and we can take it in a very few minutes.

Mr. President, the House imposed very high rates on these articles. Just listen to them now: On shotguns valued at more than $5, $1.50 each; valued at more than $5 and not more than $10, $4 each; valued at $10 and not more than $25, $6 each; valued at more than $25, $10 each; and in addition thereto on all of the foregoing the House added an ad valorem rate of 35 per cent, while the Senate committee makes it 45 per cent ad valorem. So that on guns costing $25 or over the duty will be $10 each and 35 per cent ad valorem. As the House passed the provision that rate of duty would only apply to sporting guns, but the Senate committee has stricken out the word "sporting," so that the paragraph applies to all of the articles mentioned whether they are purchased for sporting purposes or are purchased by the officers of the Government for use in the enforcement of the law and the discharge of their duties to protect the public, or by the farmer who lives in a remote section of the country to protect himself against evildoers.

Mr. President, I assume that the House never would have imposed those excessive duties if it had not been intended to restrict the provision to sporting goods. What has troubled me is that the Senate committee should strike out the word "sporting" and give the paragraph universal application instead of the restricted application of the House provision, and then increase the rate from 35 per cent to 45 per cent in addition to a $10 specific duty.

I have said the proposed duty could not possibly be for revenue purposes. I do not think it can be, because, according to the report of the Tariff Commission, there were about $100,000 worth of these articles imported in the nine months of 1921. The duties are for protection. Bearing in mind, Mr. President, the small imports, I wish to read what the Tariff Commission says about the exports:

> Exports during the four years previous to the war amounted to between three and four million dollars annually, of which approximately one-half went to Latin-American countries. In the fiscal year 1914 the exports amounted to over 30 per cent of the production.

With $100,000 worth imported, as against an enormous production and exports amounting to 30 per cent of the American production, yet it is proposed to impose a duty of $10 on each gun valued at more than $25, and in addition 45 per cent ad valorem. I say the duties can not be for protection, because no protection is needed upon a product of which the imports are not 1 per cent, although the exports amounted to 30 per cent of the total production. No duty of any kind is needed to protect under such circumstances; and if the duty is imposed for revenue purposes, no revenue will be derived. It is true that the old law imposed a duty of 35 per cent, but it added no specific duty. The ad valorem duty now proposed is 10 points higher than that of the present law, and to that there has been added a specific duty of $10 for each article costing more than $25.

There is no way in the world, Mr. President, by which there can be justified any such tariff imposition as that, and I think nothing can more conclusively show that there is no justification for it than that the Senator from Utah, with all of his skill and his knowledge and his ingenuity, despite his effort to defend these rates, was utterly unable to do so. I submit that the reasons which he assigned were no reasons at all.

Mr. NORRIS. Mr. President, I am surprised that the Senator from North Carolina, who has served here for a long time, who was a Member of the House, and has been on the Finance Committee for many years, should not know why this tariff was levied.

Mr. SIMMONS. It has been one of the greatest mysteries of my life. I have been trying to find out, and I have gotten no light.

Mr. NORRIS. I am surprised that the Senator does not understand it. Of course, it is not for protection, because we send guns all over the world. We command the world's market in guns. There is no protection in it. It is not for revenue, of course, because none are imported; but the Senator forgets—and this applies to a good many other things in this bill—that there is another reason that might have a practical effect, and I am surprised that the Senator does not understand it. Has he forgotten the men who are engaged in making guns in this country? Has he forgotten that the war is over and that their market is probably somewhat interfered with, and that they need some assistance from somebody? Does not the Senator realize, too, that while there are no guns imported, because they can not compete with us, there are, nevertheless, people in other countries who make guns?

We have this market. We are reaching out to get the balance of the world. We want a tariff away up high so that we can raise the price here and still keep out the foreigner, while we go out into the foreigner's country and sell guns at less than cost and put him out of business. We could not do that if we did not have the American fellows here toiling and working to make up here what we lose abroad, and hence we have to have this. It is necessary. If we can raise the tariff high enough to keep out the other fellow, and raise the price here up to the level of the tariff wall and compensate ourselves while we go out and conquer the rest of the world in the gun business, when we have driven the other fellows out of business in their home countries, which may take some time, we can increase the price there. We could not do that without losing some money unless we had this thing in the bill, and so we have it in here.

It may be pretty hard on the fellows who want to buy guns to shoot prairie dogs and rabbits, but it is a splendid thing for the millionaire who makes the gun. The Senator has forgotten about that, and while he is traveling out to gather in the world market we will toil and sweat and work and labor and keep the wolf from his door. That is why we have this tariff, not only on guns but on a good many other things. We are going to do the same thing with sewing machines and paints, and a lot of things made out of steel, and a whole lot of other things; and will it not be a glorious day when that time comes, when our millionaires will control the world, and we will go hungry and toil while they are getting around to do it? We ought to be glad of the opportunity to make these sacrifices. We ought to rejoice that we are the instrumentalities by which these men will not only profiteer but continue to profiteer. They have us captured now. We want them to capture everybody else, and let everybody pay tribute to their greatness and to their grandeur.

The Senator from North Carolina has not grasped the idea yet. He ought, it seems to me, to be able to understand, and he will when he gets as old as I am and lives as long as I have, that one of the blessings that come to us through such legislation as this is that for every drop of sweat and every bit of toil that our people go through and all the suffering they have to endure they are going to be able to see somebody living high and flying with the geese.

Mr. SIMMONS. Mr. President, I want to say that I have heard quite a number of good tariff speeches, but I think the speech just delivered by the Senator from Nebraska is the best tariff speech that I have ever heard. It is the best indictment of this bill that has been made. It is the best indictment of the application of the principle of protection so as to help those who do not need help and oppress those who are already overburdened that has been made.

I have been trying ever since we first took up this bill, in my feeble way, to say just exactly what the Senator from Nebraska has said. The picture he has drawn and presented to the Senate visualizes accurately the situation as it will exist under the operation of this bill if it should pass. It is the same picture that has been in my mind ever since I first began to study and understand this bill; but I am not a word painter, as is the able and courageous Senator from Nebraska, and I have not been able to express in such terms and forceful language the real purport and meaning and the ultimate effect of the passage of this bill as he has expressed it.

But, Mr. President, I want to say that in addition to the clearness and the force and the picturesque way in which the Senator has accurately and truthfully described the consequences of this legislation, what it will lead to, and what it will end in, he has demonstrated here to-day a degree of courage which inspires my profound admiration. That a man representing the other side of the Chamber, a Republican, always true and faithful to his party, should have the courage to stand up here in the face of this drive of the old guard in the interest of the monopolies and the trusts of the country and to the great hurt and harm of the masses of the people, to my mind presents a very inspiring and enthusing spectacle.

Mr. WATSON of Georgia. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. SIMMONS. I do.

Mr. WATSON of Georgia. In 1824 George McDuffie, who was born within a few miles of the place where I live and where I have spent my life, but who afterwards became a Senator from South Carolina, made in Congress the very best speech that was ever made against the protective tariff system; and in that speech he predicted the very conditions which have been so ably described by the Senator from Nebraska.

Mr. SIMMONS. Mr. President, I arose only to express my admiration of the courage of the Senator from Nebraska [Mr. NORRIS], and my delight at his splendid success in visualizing

and picturing the results of this tariff bill, for his little speech was not only a gem but it was a picture. He pictured the situation like an artist, as nobody else has done it, as I do not think anybody else will be able to do it.

I want to express my gratitude and my admiration for the Senator. He has done the public a service in making this thing so clear, and I hope and believe that what he has said will be taken by the press of the country to the people of the country. He said it in a vein of irony, it is true, but an irony which will be understood. Before we get through with this business I look for other courageous utterances of this kind. I look for more independent action on the part of Members on the other side than have developed up to this time.

There is no question about the fact that the people are beginning to understand this bill pretty well. Outside of this Chamber, in private conversation and in public gatherings, it is being discussed with a freedom with which it is not discussed here, and the volume of protest and criticism is growing every day. I do not understand why it has not reached the sacred precincts of the majority members of the committee more fully than it has. Of course, I appreciate the fact that they have already made a great many surrenders and receded from a great many of the cruel exactions they originally proposed, but they have not gone half far enough. They have not gone anything like half far enough. They ought to take the bill back into the committee and rewrite it from beginning to end. The sentiment of the country would approve and applaud them if they would take the thing back into the committee and rewrite it altogether. The sentiment of the country is overwhelmingly against it. In fact, when you get outside of this Chamber it is very difficult to find anybody, outside of the beneficiaries, the representatives of the combinations whom this bill was made to subserve, who defend these rates.

Mr. HEFLIN. Mr. President, I want to read what a Republican witness said upon the pending tariff schedule. I am about to read a statement which appears in the hearings before the Senate Finance Committee regarding the tariff on "shotguns, rifles, and automatic pistols." This statement is from Mr. E. P. Gebhart, representing the Milford Co., of Milford, Del.

Mr. POMERENE. Will the Senator give the page?

Mr. HEFLIN. Page 1986 of the hearings before the Senate Committee on Finance on the proposed tariff measure. Speaking in condemnation of tariff barons, of those who are trying to hold up the American people and tax them for the benefit of themselves, taking money out of the pockets of the people by the use of the taxing power of the Republic to put money into their own pockets, this man said:

> And they would have the American people believe that they are not increasing the cost to the consumers by this Fordney Act. And they would have them believe that it does not put the importer out of business, nor enable our manufacturers to still further gouge the poor, overburdened buying public, who are now and have been crying out to this very Congress for protection and relief from the profiteering prices that still rule in so many instances; especially is this true of the prices of the firearm manufacturers that rule to-day, as will be seen in the list of wholesale prices of the guns produced by the few factories in our country. Examine these prices and ask yourselves what justification these manufacturers had in further advancing their prices only last year. Can you conceive of a worse case of profiteering outside of the one just discovered where they are selling coffins to the people of this country that cost $30 for $600?

Mr. President, you have a band of tariff marauders roaming the country carrying the American flag as they use the taxing power to rob the consuming masses of America. You do not even let the people give you a reason why they should not be taxed and robbed under the provisions of this bill. You stand here, and under the lash of your party leaders—Senators LODGE, of Massachusetts; WATSON, of Indiana; WILLIS, of Ohio; MCCUMBER, of North Dakota; and SMOOT, of Utah, and others—quarrel and scold at those on this side who denounce this bill, and a few on the other side who dare to differ with you and refuse to support it.

You say we are delaying you. Is a Senator committing a wrong when he is delaying and trying to prevent an outrage like this? If we should fight it all summer, we would hold its robber hand off the throats of the people just that much longer. That would do some good. We are not filibustering; we are calling attention to the deadly provisions that you have written into this bill.

I had no idea when you started out with this thing that you were going to tax everything the American people consume; everything they have to buy. But there is scarcely anything in all the catalogue of necessities in American life that you have not scheduled for taxation in this bill.

The Senator from North Carolina [Mr. SIMMONS] has stood here day after day showing in instance after instance that there was no necessity for the tax you have imposed, showing that you were putting a tariff tax on a necessity of life when the imports of that particular item from all the countries of the world amounted to only a few thousand dollars a year, and that we were exporting—selling in foreign markets—millions and millions of dollars worth of the same item. Yet you stand here, under the flag and under your oaths, and levy taxes day after day upon the consumers of our country. The consumers that I speak of include all classes that make up the mass of a hundred millions of people.

Let me read further from the statement of this man Gebhart, a Republican:

> The writer has always voted a Republican ticket, but had the Fordney Act been the issue on election day last November instead of the League of Nations and the favoritism shown labor by the last administration, myself as well as millions of other Republican voters would undoubtedly have voted against our party. Let that verdict on last election be a warning. Pass this Fordney Act and deny relief to the overburdened taxpayers of our country who are so earnestly asking relief from the high prices that rule to-day, and which have put a stop to all business, and you will witness a result at the coming elections that will make the 7,000,000 majority last November look small.

Oh, Mr. President, this man must be a prophet. What bill was he talking about? He was talking about the Fordney bill that came over from the House of Representatives. It is the same bill that is now here before us, except that it is worse now than it was then. You have offered to it 2,000 amendments increasing the tariff tax levied by the House. You are making the tax larger than the House had it in about 2,000 instances, and yet this man denounced it before you put your amendments to it. He said the country would repudiate you, and that was before you increased the taxes as you have over here. He said if the country could ever vote upon the bill even as it passed the House it would repudiate you and would reverse the 7,000,000 majority and roll up a much larger majority in repudiation of your conduct.

Mr. President, I saw the party in power lay a tax upon brick, brick that we must use for building houses in which to live, for building chimneys for our houses up which the smoke must go from the fire below which keeps the building and the inmates of the household warm in winter. Then I saw you put a tax upon nails that are used in the construction of the house in which the citizen lives. I saw you put a tax upon the hammer and the saw used in the construction of the dwelling house, and I thought of the poet's reference to the song of the hammer and the saw. How delightful it was before you put a tax on these two common necessities of life.

I saw you lay a tax on the windowpane that lets God's sunlight into the home circle of the American citizen. You put a tax on that. You put a tax on every rod and bar and bolt and nail that goes into his dwelling. You tax the roof that covers his head, the windowpane that lets light into his household. You tax the food that he eats. You tax the salt that goes into his bread. Then you tell us we are delaying you, and that we are filibustering because we dare to stand here each day and tell you that it is wrong to tax such things.

What right have you to lay a tax of 40 cents a sack on salt, especially in these distressing times? Was there any danger of salt imports injuring our American market? They shipped into our country last year only a few thousand pounds of salt, and we shipped out hundreds and hundreds of thousands, and yet you build a wall around the American people, and you shut out that little salt that comes here in competition and helps somewhat in making the American consumer get a reasonable price. Have you no consideration at all for the millions who must buy and consume salt? Are you here to serve the purpose of two or three thousand people who are interested in the Salt Trust of the United States?

As you strut around on dress parade you boast that you are the party of Lincoln. My God, if he should come back here and see the gang of burglars that is pillaging and plundering the American people in his name, he would repudiate it. Why, Lincoln would vote the Democratic ticket if he were alive to-day. There is nothing more certain than if Lincoln were here now and could see what the Republican Party is doing and how it is invoking the taxing power for robbing purposes in his name he would scorn and repudiate it. Until you strike from this tariff bill the taxes that you have imposed upon the common necessities of life, never again insult the name of the lamented and martyred President by calling yourself the party of Lincoln.

Mr. President, you have protected the Saw Trust of the United States. Was it in any danger from foreign competition? Let us see. The value of all the saws shipped into our country from all the countries of the earth in 1920 amounted in value to only $126,000, and we exported $4,445,000 worth, which were sold in the markets of the earth. You shut the doors to those who would come in and give us a little competition to help every laborer who must buy a saw and every farmer who must

buy a saw and every sawmill man who must have saws. You have levied a tax upon them for the benefit of the saw combine of the United States.

You have not a tariff duty in all this bill—not one—that helps the rank and file, the average man and woman in the common walks of life. You have imposed no tax in this bill that helps anybody except the tariff barons of the United States, the men who come to your committee meetings, the men who write big fat checks for your campaign fund.

Those are the men who control the items that go in the bill, and the mass of men and women out yonder, in whose name I plead to-day, are literally held up and robbed for the benefit of those who seem to think that they have paid for the privilege of taxing the American people. It may be that for the immediate present our pleading is falling on deaf ears. The Senator from Indiana [Mr. WATSON] said that the other day. He quoted one of the Senators on the Democratic side in a speech made 30 years ago, in which he said: "I know what I am saying is falling on deaf ears." The Senator from Indiana then said: "It is a pity you can not realize that is what is happening now, and that your appeals are falling on deaf ears."

Mr. President, there is an appeal which can be taken after awhile from this body, thank God, and that is to the judgment bar of the American people. That is the sovereign power in America. There is no power in the country above that. By wielding the ballot they can drive from this Chamber those who have violated their trust and perverted the taxing power from the ends of its creation.

Senators, the people are not going to stand for what is going on here. Can you not read the signs of the time? Just think of what occurred in Pennsylvania a few weeks ago and what occurred in Indiana a few weeks ago and what occurred in Iowa on yesterday. If that is any index at all to what is to happen later on, there are some hopeful and helpful things to occur in the next few months, Mr. President. Of course, there are some exceedingly clever gentlemen over there; gentlemen that I like personally, but I would not permit my personal friendship for anyone to cause me to consent to a policy that would do a wrong thing. You have no right to tax one man to enrich another. You have no right to hold up the American consumer and say, "You have to give of your earnings so much money to the salt manufacturer; you have to give so much of your money to the saw producer of the United States; you have to give of your earnings to the big brick dealers of the United States; you must pay something to this one and something to that one." The consumer says, "Where am I going to get the money?" Your tariff barons say "That is none of our business. It is our business to put the tax on you, and we are going to do it. It is your business to pay it." "But," says the American consumer, "I have to have these necessities." And then you say, "If you have not got the money, you will not get them. If you have got it, you will pay tribute money to every trust in America when you buy." That is what you are doing.

Mr. President, let me again remind you that when Carnegie bought out the big steel company he testified under oath that it was worth $10,000,000. In three years' time, under the Dingley tariff law, he testified that it was worth $360,000,000. How did he make it? Every farmer who used a steel implement of any kind paid tribute money into the pockets of Carnegie. Every surgeon who used the steel blade in operating upon an unfortunate human being paid tribute money for his steel instrument to Carnegie. Every pocketknife and every other kind of knife that had steel in it paid tribute money to Carnegie. Every woman who wielded a sewing needle in America paid tribute money to Carnegie. His taxgatherers were wherever those things were sold and handed over the counter to the consumer. The money rolled in in tremendous volume, and in three years' time, under the reign of the Republican Party and its high protection, Carnegie reaped $350,000,000 profits on a $10,000,000 investment when the Dingley law was in effect.

Then you tell us you are levying these taxes for the benefit of the American people. Do you suppose it benefited the poor woman who had to sew day and night, eking out a miserable existence, trying to make an honest living? Did it help her to have to pay an additional price for needles? Those who knit socks and stockings and sweaters and other things—do you suppose that it helped them to pay a higher price on steel knitting needles? That is the position you take. You stand here and say you are writing the bill in the interest of the American people. It is not true. Not a word of it. You are writing it purely and wholly in the interest of the tariff barons of the United States. You are trying to shut out every friend we have in the world who buys American products. We are a producing Nation.

The old doctrine was: That mercy which I to others show, that mercy show to me. What is America doing following the great World War? We are the richest Nation in all the world, and yet 60,000,000 of our population are absolutely in a state of uneasiness and distress to-day under the reign of the Republican Party.

What are we doing? Are we selling our goods abroad? Certainly. Are you going to shut out all trade with other people and insist that we sell to people from whom we will not buy? If we sell, we must buy. Are we going to quit buying? If they can not trade some with us, how will they get money to buy our goods? Are we going to draw ourselves up into a shell and shut out foreign customers altogether and then permit trusts to hold up the American consumer with one hand and rob the producer with the other? Where are the American people benefited by such a policy? And yet that is what you are proposing to do.

"Live and let live" is an eternal doctrine. That is the fundamental principle of the Democratic Party. Live and let live. What provision are you making to let live the rank and file, the great common people of whom Lincoln spoke so tenderly and lovingly a thousand times? Nothing. Absolutely nothing. You are huddling them together as a shepherd huddles his sheep when he gets ready to shear them. He brings them up and he shears them. The good shepherd will not shear them too close. He will let them go and let the wool grow out before he shears them again. You Republican leaders are arranging to shear the mass of American consumers as the shepherd shears his sheep. Just as soon as they can earn a little something you shear them or fleece them and take it away from them and say you are doing it in the interest of the American masses. God pity such philosophy.

The junior Senator from Ohio [Mr. WILLIS] day before yesterday reminded us, as did the Senator from Indiana [Mr. WATSON], that one of the first bills ever passed by Congress was a tariff bill. Yes. Why? Our country was just organized. It was doing business with other countries. It had some infant industries. Our forefathers said, "We ought to impose a little tariff tax for that infant until it can get upon its feet." That is what was done. There were only 100 items in all in the first tariff bill, while in the pending bill there are 4,000.

What was the plea then? The plea was, protect an infant industry until it can get on its feet; but, as Mr. Bryan once said, the infant industry has now become so big that it stands on everybody's else feet in the United States. [Laughter.] The Republicans do not apply that principle now. Take the item of saws, of which only $126,000 worth annually are imported from the entire world, while we export $4,445,000 worth. Let me ask again, Do we need any protection on saws? Not a cent. Why was a high protective duty imposed? Because the Saw Trust of the United States demanded that it be imposed.

Mr. President, I desire to refer to some statements made by the Senator from Ohio yesterday. He referred to the tariff laws of 1790, 1800, 1810, 1820, 1830, 1840, and up to 1870. He said those bills were discussed and disposed of in the Senate in a week or in two weeks, while we have been discussing the pending bill for six weeks. Now, let us see as to that. What was the population of this country in 1790? In round numbers, it was 3,000,000. There were about 100 items in the tariff bill of that year. In 1800 the population of the country was 5,000,000; in 1820 it was 9,000,000; in 1840 it was 17,000,000; in 1860 it was 31,000,000; in 1871 it was 38,000,000. We have now a population of over 100,000,000. It is proposed to tax more people now than were then taxed, and it takes more time to keep the robber tariff barons off 100,000,000 people than it did to keep them off five or ten millions of people many years ago.

Mr. President, let us consider the number of items that were embraced in those several bills. The act of July, 1789, embraced 153 items; the act of May 19, 1828, to which the Senator from Ohio yesterday referred, covered 72 items; the act of March 3, 1857, embraced 100 items; the act of June, 1864—the Senator from Ohio also mentioned that—included 272 items; and the act of June 6, 1872, covered 81 items and no subdivisions.

Yet, Mr. President, the Senator from Ohio would have us infer from his speech that the tariff bill now before us is the same kind of a tariff bill as those referred to; that it contains the same number of items, embraces the same list of necessities, and that we ought to dispose of it, therefore, as quickly as such bills were disposed of by Congress 30, 40, 50, and 100 years ago. Not so. The early days of the Republic

never produced such a crafty and avaricious bunch of tariff marauders as now sit in this gallery awaiting the enactment of a law which gives to them the privilege of plundering the American people.

What I wish to show to the Senate and to the country is that when we levied taxes on 100 items it did not take long to dispose of the bill; that could be done even now in a little while; but in this instance a bill has been written which contains not 100 and not 1,000, not 2,000, not 3,000, but 4,000 items. This bill has been brought into the Senate after having been framed when no Democrat was present; none of us knew what was in it; not even the Democratic Senators who were on the committee were permitted to know about its provisions. The committee sat behind closed doors and shaped the bill and wrote what the trust magnates and tariff barons asked them to write and then brought it into the Senate. Then what happened?

I wish now briefly to refer to the argument of the Senator from Indiana [Mr. WATSON]. He said, in substance, "We did not intend to discuss the bill; we brought it in here and submitted it." Think of that, Senators! A tariff bill that involves practically all of the necessities of life from the cradle to the grave is submitted by the Republican members of the Finance Committee, and they acknowledge that they did not intend to explain it to the American people. They were not going to discuss it at all. The Senator from Indiana said that Senators on this side of the aisle—the Democrats—persisted in asking questions, and the Senator from North Dakota [Mr. MCCUMBER] and the Senator from Utah [Mr. SMOOT] felt, of course, that they had to answer the questions. Mr. President, how kind, how generous, and how considerate are the majority members of the committee! This is a Republic, a Government that belongs to the American people. No crowned head presides over this great Government. The men who sit in this body, with the exception of those who have bought their seats, have been elected by the sovereign voters of the United States. This is their Government, this is their Senate, and that is their House over yonder. What right has any pompous statesman of the modern plutocracy to stand up and say, "We did not intend to discuss the bill, but, of course, we will condescend to answer your questions"? They will condescend to make some answer to questions which we propound, of course, and that is kind of them.

What are the questions we are asking? We are asking why it is that the Republican majority places a tax on cement, which every man engaged in building and every farmer in the land must use and every county in the United States uses in abundance? Why do they tax a commodity which is used in every sidewalk, in every pavement, in the construction of public roads, and in thousands of bridges, stables, dwelling houses, business houses, and steamboats, which carry our products to the market of the world? We ask why is a tax imposed on cement when we import only 5,000 barrels, as against 4,000,000 produced in the State of Michigan alone? We are told by Republican Senators that they will condescend to answer some of our questions; that they will be good enough to be patient and tolerate us and make answer to some of our questions. Well, that is very good, I must admit.

When I point out that every man who kills meat and brings it into the market to feed the consuming mass of our people, is obliged to use salt to save and preserve and season that meat, and that salt must be used to season the food upon our tables, and then ask why a tax of 40 cents a sack is imposed upon salt, so that under this proposed law on every 200 pounds that a man buys he must pay 40 cents tribute money to the Salt Trust of the United States, I am told by you that salt must be protected.

I have told the Senate what Senator Vest of Missouri said 30 years ago, that the Salt Trust went down into West Virginia and bought up salt mines and shut them down, to be tapped later on, so that the trust could be left in absolute control of the American market and be enabled to fix the price to the American people to suit themselves. We ask, "Why is a tax imposed upon salt?" and the answer comes back, "Why, you Senators on the other side of the aisle are filibustering." We ask, "What right have you Republican leaders to tax the common necessities of life?" And the answer is, "Why, you are filibustering." The question is, Will your answer satisfy the American people?

The Senator from Indiana [Mr. WATSON] said they did not intend to discuss the bill when they submitted it.

Mr. CARAWAY. Well, he did not.

Mr. HEFLIN. And he has not yet. But we corkscrewed a few answers out of them. If we had not done that we would not have gotten any answers at all. Senators on the other side have shown impatience; they have looked as if they were very bitter toward us at times, because we are making them go down on printed page and tell in the CONGRESSIONAL RECORD each day why it is that they are holding up the people of America as they are in this bill. I know they are sore with us; but when a man gets in such a condition he ought not to remain as a Senator in this Chamber; and the people, actuated by the same spirit that influenced them in Indiana, Pennsylvania, and Iowa will sweep you out of this body and ought to do so. I do not care whether it affects me or whom it affects, when any man in this Chamber uses his power and the Government's power against the interest of the people in favor of those who contribute to his election, he ought to be driven out of this Chamber, whether he be a Democrat or a Republican. I am willing to be measured by that standard. I am willing to have my record of 18 years in the House and Senate measured by that standard.

Mr. President, if the Republic is to live, somebody has got to fight. I know the Senator from Indiana spoke the truth when he said that in the outset they hoped to put this through at an early date. They certainly did not intend to discuss it, and they thought, as it covered 4,000 items, with more thousands of subdivisions, and over 2,000 amendments that had been reported to it, as the work involved was great and the summer months were coming on, that we would not go in and expend the labor and energy to look into it and stand here day after day and night after night expending our strength exposing the infamy of the measure; but we have, to their utter surprise and confusion and the great delight of the country.

Where is the great Republican daily which has characterized our efforts as those of filibusterers? It can not be found. Why? Because the Republican majority are going to find sooner or later that the rank and file Republican does not believe in being robbed any more than does the rank and file Democrat. I have read what Mr. Gebhart said. He said if the Fordney bill—and that was before the Senate committee added its robber provisions—had been before the country at the last election, the voters would have repudiated it and that he and thousands of other Republicans would have voted against the Republican Party. What would he think now if he could look in the face the monstrosity we now have before us, with its 4,000 items and more than 2,000 amendments, most of them increasing the tariff tax?

Creeping up, little by little and bit by bit. That is the way you accomplished it, and the American people must pay it all. But you are not going to get away with it, Senators. The American people are not like a herd of sheep to be herded in a pasture, to be sheared by the shepherd, or robbed at will by the tariff baron.

Mr. President, the political situation is changing rapidly. Mr. Brookhart, or whatever his name is, swept Iowa in the Republican primary yesterday. He condemned on every stump in the State the deflation policy of the Republican Party, and said that if he should be elected he would help clean this thing out. Here you are; you have been in power not quite two years, and strong men are already rising up in your own ranks and repudiating the leadership of those who are carrying them to the altars of Baal and seeking to make them bow down and worship the god of gold. They will not stand for it. There are many rank-and-file Republicans in this country, men and women, who will not submit to it. If they do submit, they are nothing more nor less than cowards.

The Senator from Nebraska [Mr. NORRIS] sounded a truthful note this morning. He made it as plain as the English language can make it that you were simply increasing the profits and the fortunes of one class of people by law, while you were decreasing the substance of another class of people by the operation of that same law. Can a Republic live and do that, Senators?

Mr. President, I do not intend to talk but just a little while. I wanted to read that Republican's testimony, and, in the light of the splendid speech made by the Senator from Mississippi [Mr. HARRISON], reminding you of what was going on, I thought it apropos to read what this Republican said would happen to you if you passed the Fordney bill; and now you have one so much worse than the Fordney bill that if FORDNEY were to meet this thing in the road in the nighttime I believe that he would flee from it. He is a rank protectionist, too; but there are some things that old Uncle JOE FORDNEY would not stand for, and I do not believe he would stand for this monstrosity that you have here.

The Senator from North Dakota [Mr. MCCUMBER], with political cyclones raging all around the country, is having to stand up here practically alone and feed this mill day by day.

Where is Senator LODGE? Gone. Where is Senator WATSON of Indiana? After being away a month, he came back and delivered his campaign speech, and he is gone again. Where are they who in the old days stood here and pleaded in the open for high protection? They are all gone except SMOOT and MCCUMBER. There they stand, the faithful old guard; and when the ides of November come it may be that they will be standing out like the outposts of winter, pelted and beaten by the ballots of a political storm. Why? Because they, with their comrades, will have been weighed in the balance and found wanting. Senators, whose Government is this? It belongs to the people. You do not act like it when you urge the passage of this tariff bill. Here are 4,000 items that enrich 4,000 tariff barons, 4,000 captains of industry, and you filch the pockets of 100,000,000 people in order to make these men, not millionaires but millionaires many times over.

Mr. President, are we killing time, filibustering? What are we doing? The Senator from Ohio [Mr. WILLIS] says: "Why, they discussed a tariff bill in the old days in 10 days, discussed another one in 2 weeks, and discussed another one in 3 weeks, and here you have been 6 weeks."

I want to submit this proposition to Senators: If the fathers spent 10 days in discussing a bill with 100 items in it, how long should we spend in discussing a bill with forty hundred items in it? If we devote 10 days to each 100 items, we will be here a good long time. The population then was five, ten, fifteen, or twenty millions of people, and now it is over a hundred million souls. Then you taxed only a few things, and you were trying to help infant industries, and here you are putting everything under the sun on the tax list. You are taxing absolute necessities and all down the line, with no reason for it except the clink of campaign coin and the demand of those who make contributions to your election fund.

The Senator from North Carolina [Mr. SIMMONS] has repeatedly asked you, the Senator from New Mexico [Mr. JONES], the Senator from Utah [Mr. KING], the Senator from my State [Mr. UNDERWOOD], the Senator from Mississippi [Mr. HARRISON], myself, and others have asked you, time after time, why you put the tax on this and why you put the tax on that necessity of life. Your excuse is not worth the time it takes to make it. The roll is called, and the Republican Members come in from their lounging places, and they vote it in. Why, when they walk in over there we can hear them over on this side saying, "How shall I vote? What is our vote?" You say, "Your vote is 'yea,'" and just as soon as a Member's name is called he says, "Yea."

The Senator from Indiana [Mr. WATSON] says, "We are in mass formation, and we will run over the fellow that stands in front of us." I said, "Yes; you are running roughshod over the American consumer with your mass formation." Who is the commander of that army? He is the high priest, the high muck-a-muck of the tariff barons of America. He has commanded his army of 4,000 captains. There are no privates in that army. They pass the word to Republican leaders to form you in mass formation, and that is why you come in here and vote in mass formation. With 24 Republican majority, the people have no more chance to keep this thing from going through than a snowball has to roll through Pluto's infernal regions and keep its freezing temperature.

Mr. President, they say, then: "Well, why don't you get out of the way and let us pass it?" They quoted one of those old Senators as saying, "Why, I want you to pass this bill. I want to see what the people will do with it. Go ahead and pass it." The Senator from Indiana said to us: "Why don't you look at it that way? Why don't you let us go ahead and pass it?"

Mr. President, is that the way for a statesman to consider a measure—to let it go through here when he knows it will injure the people, because he thinks it will be advantageous politically to his party? There ought to be some statesmen left—there are, thank God—who will dare to do the right, and not simply consider what is for their political advantage. The man who would sit in this Chamber with closed lips and folded arms while a monstrous thing went through that would work injury to the American masses but would help him politically is not worthy of a seat in this body.

What is my duty? If I know that this bill is wrong, it is my duty to oppose it one day and every day as long as it is within my reach. Why should I sit down and say: "As soon as the people find out what is in it they will repudiate you"? I want to tell them now, so that you will not have the opportunity of deceiving them in the coming election. I want them to know this fall when they come to vote at the polls and when your spellbinders get out on the stump. The Senator from Indiana [Mr. WATSON] thought he was out there the other day, and he said several times, "Fellow citizens," as he spoke, in enthusiastic fashion.

When these spellbinders get on the hustings this fall they are going to face old Uncle Johnny and Aunt Mary, who are not able to own an automobile under a Republican administration. They used to have one under Democratic rule. Nearly every fellow in the country when they had any sort of a meeting at the crossroads or in the town or city would come in and you could hear these horns, "Honk! honk! honk!"

They were just whirling everywhere, like bees around a hive. That was under Democratic rule; and you could take up a collection for any purpose, and they would reach up in their inside pockets—they did not go in these little watch pockets then and fish out a dime, like they do now—they would go in their inside pockets under Democratic rule and take out a pad of bills and just give liberally, with a smile. You would say, "Thank you." They would say, "Don't mention it. The Democratic Party is in power." Why, we had a glorious time; and now, where the automobile used to stand the old man says, "Hold those steers, Jimmy." [Laughter.]

The situation has changed entirely under Republican rule, and the man who used to ride up in his automobile is no longer able to do so. Then they were just parked around in the grove. They used to come out to hear speeches about the country and the glory of the flag, and the intrepid spirit of our great warriors who won renown on the battle field and brought that flag back more radiant because of their valor and heroism. They used to gather around in automobiles; but they can not do that now. Their automobiles are gone. Almost everything else they had is gone. Some few of them have a few old mules left, and a horse, maybe, and one of them will come riding up to the camp to hear one of these fellows speak in a tent about the glories of the Republican Party; and when he rides up he will say, "Is that fellow a Republican?" "Yes; he is one of the Senators who helped to pass the tariff bill." "Oh, yes; I have just had my horse shod this morning, and I had to pay more for horseshoe nails and more for horseshoes than ever before. Not only that, but I bought a new bridle, and they taxed everything on the bridle; they taxed the leather, they taxed my saddle, and every piece of iron and steel about it. They taxed all that. They drove me out of my automobile, and now they are about to put me afoot, and this under the reign of the Republican Party." And yet you ask us why we are consuming time!

What right have you to put a tax on horseshoe nails? What right have you to levy taxes upon horseshoes? I said at the outset that nothing escaped. You have taxed everything under the sun in the way of a necessity, and now you have made it so hard for the average fellow to make a living that he has to take his gun and go out and forage, shoot game, and under your party's reign he is not going to be particular about inquiring whether the turkeys are tame or wild if he kills them far from the house, because he has to live.

He goes down to the store and says, "Under the deadly deflation policy of the Republican Party I have lost my farm; I have lost my produce; I have lost my stock; and now I have to hunt for a livelihood, and I will go down to the hardware store and buy a rifle and see what I can do there." He goes down there, and they say, "Here is a rifle. It is $10 more by reason of the tariff tax," and he says something about you under his breath. [Laughter.] There is no rescue for him. Where is the city of refuge for him from the tax gatherers of the Republican Party?

The greatest government that ever existed on earth was the theocracy of God himself, and there was a city of refuge, and when any man in distress, sought by his foe, ran toward the city of refuge, as soon as he crossed a certain line no man could lay his hands upon him. If he did, the penalty was death. If he reached that line and stepped over it, he was entitled to protection under the law of the theocracy, and he was protected. It was the city of refuge.

Where is the city of refuge in America from this band of tariff marauders turned loose under the law in the United States? Where is the city of refuge from the tax gatherers of the Republican Party? There is no escape, from the cradle to the grave.

You ask us, "Why are you consuming time?" I know you hate to hear these things, but we are going to let the people know them. Every republic that has perished in this world perished because those who were in power sought to move against the lines of least resistance, sought to hold themselves in power, sought not to serve the people but to retain their places. This continued until the people became mere figureheads, with their morale broken and their courage gone, independence and strength departed, and free government perished. That is why those republics of earth went down.

What happens here? If a man dares to speak out against some big interest, they commence inquiring, "I wonder if he

could be defeated in his State?" That is the first inquiry. They say, "Is there some good fellow we can pick up to run against him? Could we not help some fellow to beat him?" They say, "He is a pretty good fellow, we know, but he hammers us too much. He tells of our devilment, he puts his finger on the sore spot, and we want to get him out, and get some smooth, namby-pamby fellow who will hold his seat, remain silent, and smile." That is the sort of fellow they want, and they will help him.

Then they commence to nag the Senator who dares to criticize their crooked conduct and to boost somebody else in order to quiet the Senator, if possible, who tried to do what is right by his people.

What are we to do? What are we here for? Life is short at best, and we go this way but once. How much the more important it is then that every one of us should fulfill his duty to the limit, follow the course which he believes is right. But Senators stand up on the other side as if they were in a monkey-wrench convention, saying, "Get on; hurry out of the way. Let us pass this bill." They take out their watches and look at them and say, "I would love to go to the seashore." They would, too. Nearly half of them are down there now. I pictured the other night how some of them are splashing in the surf, and every time they hit the cool waves they say, "Hurrah for the Republican Party." [Laughter.] Oh, yes, it is nice.

Mr. President, it is well that the American people are waking up. There are people in this country who understood the victory of 1920 to mean pillage and plunder. That is what they understood it to mean, and they did not stand back and wait for any ceremonies, either. They rolled up their sleeves and got busy. What have they done? They passed a bill through Congress giving the members of the Shipping Board big salaries and giving officers under them $25,000 a year. That is more than the Cabinet officers of the United States Government get, more than is paid to the Chief Justice and the justices who sit with him in the greatest court in all the world. And this is a sample of your economy. Then you ask us why we undertake to impede your progress as you tax all the common necessities of life. It is our duty to do it.

You are talking now about building a merchant marine. We have or did have the greatest fleet of merchant ships in the world, except Great Britain, and your Shipping Board huddled them like a drove of ducks in a lake and undertook to barter them to the Shipping Trust for $2,100 each, when they cost $600,000 and $800,000 each. Then you ask us why we impede your progress, why we undertake to show you up a little.

What is this Republic? What is our duty in the premises? Shall we fold our arms and sit supinely down and permit you to do these things in the name of the people, when graft and corruption are holding high carnival in the Capitol, when the tariff barons are dictating, under their whip and lash, the bill which you shall write, which will take out of the pockets of the American people $5,000,000,000 out of the earnings and the means of the consuming masses of America? And yet you appear sometimes to wonder why we dare to oppose your remorseless program.

What you are doing is un-American. The fathers never intended that the taxing power should be used for such a nefarious purpose. There are 4,000 items in your tariff bill, and you have proposed 2,000 amendments. Do you expect us just to swallow them without protest? The people are entitled to know what is in this iniquitous bill. Why should they not know? They have a right to know. They have a right to demand that every item in it be explained to them. It is going to affect them. They are the people, and they alone, who will be injuriously affected by it. Why should they not know? It is their Government, and you tell them on the hustings that you are their servants. They will say, "You did not write the bill as if you were our servants. You wrote the bill as if you were the servants of the tariff barons."

Mr. President, a moment ago I mentioned the guns which the farmer, the merchant, the clerk, everybody, would want to buy. You have robbed the man in all the peaceful pursuits of life, and when he comes away from his daily toil and wants to get a gun and go out where he can have a little sport, he finds that you have put a tax on the little squirrel gun and the rabbit gun and the quail gun of the farmer and the farmer's boy. Yet you stand up here each day and say you are writing this bill in the interest of the farmer.

My good friend from Georgia [Mr. WATSON] suggests to me that the man who lives in the country far from the electric lights and policemen of the town and the city, out on his farm in the rural district with his family, needs a gun to protect them, and you have made it harder for him to keep a weapon about the house to protect those dependent upon him, those that he loves. You have laid a tax on the gun that he needs. When the ground is too wet to plow he would go in search of a gun and say, "I will get a gun and go down on the river and see if I can shoot a duck." They would say, "They have put a tax on it. The price has gone up." So he says, "I guess I am not able to buy a gun." So you deny him that sport and that means of providing a little meat for his family. When the hawks come to catch his chickens, he says, "Go and bring me my gun." They say, "Your old gun is rusty. The lock won't work." He says, "Go down and tell the merchant to send me a certain kind of gun." His boy goes to the store and says, "What is the price of that gun?" The storekeeper tells him. The boy says, "I had better run back and see my father and tell him the price has advanced $10." He goes back and tells the old man, and the father says, "All right. Hang up a shirt out there on a pole, and see if that will scarce the hawk away. I am not able to buy a gun."

The crow comes and pulls up his corn. Pulling up corn has been the crow's trade since Adam was born. The crow goes out in the farmer's field to pluck up the corn, and you make it hard for the farmer to buy a gun to drive away the crow, to drive away the hawk, to have a little sport hunting game, and to protect his home in the night time from those who might desire to burglarize it or invade it.

As I said before, you tax the swaddling clothes of the infant; you tax the milk bottle in his hand; you tax his wearing apparel; you tax the window pane through which he beholds the sunlight for the first time; you tax his food and his raiment through life; you tax the winding sheet when he dies; you tax the coffin in which he is to be buried; and you tax the tombstone that stands over his dreamless dust after he is through with the tax gatherers of the Republican Party. There is no escape, from the cradle to the grave, from this band of tariff marauders to whom you have turned over the taxing power of the Republic.

Mr. President, I believe that is about all I care to say at this time. I hope those in charge of this bill on the other side will repent of their sins and take out these nefarious, obnoxious, and oppressive schedules, and let the people of America get out from this deadly time of depression under your party. Take the money supply of the country out of the control of Wall Street and permit it to serve the needs of the American people. It does not belong to Wall Street. Let it go to serve the purpose for which it was created. It is the lifeblood of business, intended to circulate in the body of business, to answer the business needs of every man in the country. Let that be done. Keep your tax fingers out of the pockets of the people, and let them have a chance to get out from under this debt which your deflation policy has unloaded upon them. It will take some of them five years to recover from it. Do not put any more burdens on them, Senators. Take the necessities of life out of this bill and give the masses of the people a chance to obtain the actual necessities of life.

Mr. KING. Mr. President, I return to a consideration of the provision under discussion. We are considering paragraph 365. In order that the extent of the tax imposed in this paragraph may fully appear, I beg the indulgence of the Senate while I read the paragraph:

PAR. 365. Double or single barreled breech-loading and repeating shotguns, rifles, and combination shotguns and rifles, valued at not more than $5 each, $1.50 each; valued at more than $5 and not more than $10 each, $4 each; valued at more than $10 and not more than $25 each, $6 each; valued at more than $25 each, $10 each; and in addition thereto, on all of the foregoing, 45 per cent ad valorem.

That is an advance of 10 per cent ad valorem over the House rate:

barrels for sporting breech-loading and repeating shotguns and rifles, further advanced in manufacture than rough bored only, $4 each; stocks for sporting breech-loading shotguns and rifles, wholly or partly manufactured, $5 each; and in addition thereto, on all of the foregoing, 50 per cent ad valorem.

The Senate committee has advanced the House rate from 40 per cent ad valorem to the rate which I have just stated, 50 per cent:

on all parts of such guns or rifles, and fittings for such stocks or barrels, finished or unfinished, 55 per cent ad valorem.

That is a tax of 10 per cent by the Senate committee above the rate fixed in the House bill.

Provided, That all sporting breech-loading shotguns and rifles imported without a lock or locks or other fittings shall be subject to a duty of $10 each and 55 per cent ad valorem.

The House rate was 40 per cent ad valorem, and the Senate increased it to 55 per cent ad valorem. In addition to the amendments which I have indicated the Senate committee has stricken out the word "sporting" in line 1 of the paragraph, so that it reads:

Double or single barreled breech-loading and repeating shotguns, rifles, and combination shotguns and rifles—

Instead of—

Double or single barreled sporting breech-loading and repeating shotguns—

And so forth.

In three other places in the paragraph the same amendment has been made, striking out the word "sporting."

My colleague [Mr. SMOOT] made a strong argument for a tariff upon the grade of guns of which he spoke, guns which were costly not because of intrinsic worth but because of the ornamentations and fine handwork and carving on stock and barrel. These guns, he argued, were used by princes and wealthy persons in Europe, and some Americans, for reasons which may be apparent, desired to use the same kind. These guns, of course, are within the category of luxuries, and should be taxed for revenue purposes, although so few are imported that the revenue is unimportant. One would suppose from the argument of my colleague that the paragraph was designed solely to obtain revenue arising from a product which was not used generally by the people. I repeat, an argument based upon that premise is logical and a tariff laid upon costly guns can be defended.

However, an analysis of the paragraph before us discloses that the purpose is to tax all guns, those which are cheap as well as those of moderate value and the few costly firearms which may be imported. The tax is general and inclusive. It reaches all classes of guns, and is thus a heavy tax upon the people who purchase any kind of a shotgun or rifle. The paragraph is not limited to the weapons to which my colleague referred. The language of the paragraph includes "all double or single barreled breech-loading and repeating shotguns, rifles, and combination shotguns and rifles." So that the argument of my colleague is without the facts and of but slight value as applied to the comprehensive language of the paragraph.

Mr. President, the Senator from Alabama [Mr. HEFLIN] called attention a moment ago to a portion of the statement made before the committee, found on pages 1984 to 1989, inclusive, of the hearings before the Committee on Finance upon schedule 3, metals and manufactures. Mr. Gebhard, who submitted the statement, makes this observation:

To our mind none of the above changes—

Referring to the paragraph under consideration—

should be made if it is the intention of Congress to protect the American people against the already overprotected half dozen or so manufacturers of firearms in this country and the very few hundred of laborers employed in said factories, who are also overprotected.

The present duty of 35 per cent under the Underwood law is more than ample to protect both manufacturer and laborer, as is shown by the fact that foreign-made guns and rifles are almost entirely off the American market to-day. And for this reason we think the duty of 35 per cent should be reduced if we are to have any competition at all. The few American manufacturers have the field to themselves to-day and require absolutely no further protection at the hands of Congress.

The manufacturers of firearms in this country are the best protected, most prosperous, and richest manufacturers of such goods in the world. Where has one ever failed? They rolled in wealth before the war, coined money during the war, and now they ask you to further protect them by putting up a tariff wall that will absolutely prevent a foreign-made gun coming into our country. They are far behind their orders, can not fill an order for 50 guns for delivery this coming hunting season, so we have been told by a leading manufacturer.

* * * * * * *

That the American firearms manufacturers have anything to fear from foreign competition is simply rot, for the whole trade in guns to-day in this country is in the hands of the American makers. I am speaking of shotguns and rifles. There have been some foreign-made pistols sold, but after you consider what these contemplated tariff changes will do to the foreign-made pistol you will see what a slim chance one of them has of getting into this country should you adopt these changes.

* * * * * * *

Under the present tariff a foreign-made gun invoiced at $50 is taxed 35 per cent duty, or $17.50.

Such a rate is indefensible and can only be regarded as a subsidy to the domestic manufacturers of the articles covered by this paragraph.

Under the existing tariff, which it is disclosed is unreasonably high, the power to exploit the people is apparent; and yet it is proposed to increase the rates and give to the American gunmakers a monopoly of the domestic market. They now successfully compete with all countries and sell in the markets of the world millions of dollars worth of their products annually.

Package charge, freight, etc., stands the importer, say, 5 per cent, or $2.50. Importer's profit, 10 per cent, is $7; war tax, 10 per cent more, $7.70; total cost to wholesaler, $84.70. Add to this the wholesaler's profit of 25 per cent and you have the wholesaler's price to the retailer of $105.77. The latter's profit of 25 per cent makes the consumer's price of $132.21.

Now, let us consider what happens to this same gun under the Fordney Act. The appraiser puts it in the same grade with Parker Bros. grade No. G. H. E., the wholesale price of which is $112.38. Add to this 35 per cent duty, also the extra $10 duty, and you have with the 5 per cent freight, package, etc., charge a total of $101.83. Then add the importer's profit of 10 per cent and also the war tax and you have a total of $123.21. To this add the wholesaler's profit of 25 per cent and we have the wholesaler's price to the retailer of $154.01. Add the latter's profit of 25 per cent and you have the consumer's price of $192.51, instead of $132.21, as per the figures under the present tariff. The comparison made above with the Parker grade No. G. H. E. is very conservative, for they used to sell this Parker grade for around $50 before the prices soared to the present absurd wholesale price of $112.38.

In other words, the gun which was formerly sold in all parts of the United States for approximately $50 is now sold by the wholesaler for $112.38, and yet it is proposed, in the face of this enormous increase in the domestic price, to further increase the tariff rates so as to enable the wholesaler and the manufacturer to increase the prices to the public who purchase their commodities.

On page 1987 the same witness states:

Our gun trade is mostly with farmers, their sons, and colored people. None of these can afford to buy guns at the prices asked to-day. The great majority of guns sold in this country is sold to the above class of trade. As a rule, they pay from $10 to $25 for a double-barrel hammerless shotgun. All of these priced guns are off the American market to-day.

Further on he states:

The farmer's son who craves the ownership of a cheap single-barrel gun from the time that he is able to tote a gun used to be able to buy these at $3.50. Now this same gun costs him around $12. We used to buy this same gun at $2.75. Now the wholesaler asks $9.65. The gun we used to sell the farmer for his own use at $22 we must get now $60. Parker Bros. Trojan grade gun was sold to the farmer at $25 and even less. Now we must get from the farmer $60 for the same gun, and when these reasonable prices ruled the manufacturers were not in business for their health.

Mr. WATSON of Georgia. Mr. President——

Mr. KING. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. The New York Herald is well known as being owned by a gentleman who is in favor of tariff protection. The leading editorial this morning is under the headline "The Herald's Tariff Stand." The concluding paragraph reads as follows, in reference to the Fordney-McCumber tariff bill:

The New York Herald, reflecting the protective principles and convictions of its owner, is a consistent and steadfast advocate of the American tariff system, but the owner of the New York Herald can not stand for "damn fool" protectionism, and the New York Herald will not stand for it.

Mr. KING. If a Democrat were to so characterize this bill, he would be denounced by some of the "die hards" in the Republican Party. But this courageous paper properly appraises this bill and accurately denunciates it as a "damn fool" brand of protectionism.

Mr. President, I am glad to have the Senator put before the Senate the editorial referred to.

Returning to the statement of Mr. Gebhard:

On page 1987 he prints a table of comparative wholesale prices to the retail trade for double and single barrel shotguns. I shall not take the time to read the table, but I invite attention to one or two items found therein. For instance, Smith guns, field, were sold in 1915 for $21.35, in 1918 for $33.50, and in 1921 for $46.20. Manhattan hammerless, No. 2, were sold in 1915 for $13 and in 1921 for $35.97. My recollection is that in 1913–14, before the war, before the high prices in Europe reflected themselves here and reacted upon our domestic prices, the same gun and all of these guns to which I am referring were much cheaper than they were in 1915.

In 1915 the Stevens hammerless, No. 335, sold for $13.50; in 1921 it sold for $27.50.

The Knickerbocker hammerless, No. 6, in 1915 sold for $11; in 1921 it sold for $24.

The Riverside hammer, No. 215, in 1915 sold for $7.75; in 1921 it sold for $20—an advance of nearly 300 per cent.

The American Gun Co. hammer, No. 0, in 1915 sold for $8.25, and in 1921 sold for $19.75.

The Harrington & Richardson single-barrel gun, no ejector, in 1915 sold for $3.25, and in 1921 sold for $9.65; and so on down the list.

These figures demonstrate that the present prices are inordinately high and are an oppressive burden upon the people. But the bill is to maintain these prices and indeed to afford opportunity to the domestic producers to increase them. War-time prices are to be continued into peace periods, and are to be the basis of tariff legislation. It is designed to help domestic producers keep up high prices and to make enormous profits. They are unwilling to adjust their prices to pre-war conditions or to bring prices to lower levels. So we must increase the tariff to enable them to execute this impolitic, uneconomic, and oppressive policy. The public are unimportant—the trusts and big interests are the only objects of our solicitude. Thus does the Republican Party care for its own and prove its hostility to the American people.

It is barely possible that with the enormous prices which are now charged, even with a 35 per cent ad valorem duty, there might be a few guns imported into the United States; but the

purpose is to make it impossible to import any guns, and, therefore, give the domestic producers a complete monopoly.

I was interested yesterday in the statement which was made by the junior Senator from California [Mr. SHORTRIDGE] in appealing to the Republican Party and challenging their attention to what the "principles of protectionism" were, according to orthodox Republicanism. The junior Senator from California is an orthodox Republican—a high-tariff Republican—and his speech indicated that he would impose a tariff on any commodity produced in the United States, to the exclusion of any foreign article. If we could not possibly produce the commodity or the product in the United States, then he would favor a low tariff or, possibly, he would permit the placing of the article upon the free list; but if there were any possibility of producing the commodity in the United States, then a tariff should be laid—no matter how high its rate—in order to keep out any foreign competition. The theory of the difference in the cost of labor at home and abroad or the question of an "infant industry" has been entirely abandoned. The theory of a competitive tariff has also been discarded. We are now confronted with the bald, naked, ugly proposition that we are to give to the domestic manufacturer the absolute control of the domestic market; we are to embargo all imports if it is asked by the domestic producer. Indeed, Mr. President, a perusal of the testimony before the committee reveals the fact—a most astonishing fact—that on many items placed in these tariff schedules high duties are imposed, although no witness appeared before the committee and asked for an increase in rates. There must have been some secret understanding somewhere by which the rates should be increased, whether an increase was demanded or not. So we have in this bill not 4,000 items, as was stated by the distinguished Senator from Alabama [Mr. HEFLIN], but we have tens of thousands of items that are covered by the tariff schedules, and upon which the rates have been increased from 60 per cent to 800 per cent.

The chemical schedule alone embraces, perhaps, 10,000 items, and that is only one of the schedules of this bill. It may safely be said that there is no commodity that enters into the lives of the people or affects them in any manner that is not covered by some schedule in this tariff bill.

Mr. President, an examination of the information furnished by the Tariff Commission with respect to the items under consideration reveals the fact that the production of shotguns and rifles in 1914 amounted to millions of dollars, and the exports in 1918 were valued at nearly five times the entire domestic output in 1914.

Imports in general have decreased since 1902, at which time they reached a maximum. Since 1917 they have been as follows:

Doubled-barreled and combination shotguns and rifles in 1918, only 22; in 1919, 184; in 1920, 2,423; and for nine months of 1921, 1,021.

That is the fearful foreign competition that the manufacturers of these guns to which I have just referred are subjected.

I may say, in passing, that I am advised that some of these guns which were imported were bought as curiosities or bought merely because the Americans who buy overseas took a fancy to them. It may be accurately said that there have been practically no imports; yet in the face of that situation the proposition is to impose these extortionate rates.

Mr. President, if I had my way, I would put these articles upon the free list because no revenue is derived from them, and we are now exporting them and successfully competing with all foreign countries in the markets of the world. We have a foreign market; we produce more than the domestic need; and we must, if the business is to continue, drive for a foreign market. Therefore there is no purpose in having a duty on this commodity. This is not an infant industry; it does not need protection even if one believes in protection per se, so these articles should be placed upon the free list. At the proper time, Mr. President, I shall move that the Senate adhere to the rate in the present law of 35 per cent ad valorem.

Mr. MCCUMBER obtained the floor.

Mr. MCCUMBER. I will yield to the Senator if he desires to discuss the matter in question. I was going to discuss the particular point at issue, but I will yield to the Senator if he desires.

Mr. WILLIAMS. I can not promise to confine myself to that.

Mr. MCCUMBER. I do not ask the Senator to do so. I simply state that I will yield to him if he desires me to do so.

Mr. WILLIAMS. Very well; I thank the Senator.

Mr. President, I take it that no good man in this body wants to see, here or elsewhere, any continuance of present bad conditions wherever bad conditions exist. I take for granted that every man who loves his kind wants to see the world everywhere recover from the evils with which it is now afflicted.

The Senator from Utah [Mr. KING] just made an argument to prove something which, in my opinion, is a truism. Any tax upon commerce, whether upon shotguns, or anything else, necessarily decreases the volume of commerce; it must do it; just as an increase of freight rates will decrease the volume of freight. It may not decrease the existing volume of commerce or of freight, because the world may be getting into a better condition in spite of that and everything, but it will decrease it from the level at which it would have been if the tax had not been put upon commerce. That, I say, is a truism, and no one with common sense will deny it. The very object of the levying of a tariff tax is to decrease foreign commerce so that the American producer may, comparatively speaking, increase his sales, and the way to enable him to increase his sales is to increase the price of the foreign product up to the level of his price or above it, and generally above it.

Mr. President, long years ago, however, Commodore Vanderbilt—I believe it was—said that "A man was a fool who bets on the bear side of progress in America." I go further than that; the man is a fool who puts his money on the bear side in any country wherever the English-speaking race lives and works. Already, Mr. President, Great Britain is coming out of the slough. Nonemployment is decreasing; shipping is increasing; the production of coal is increasing; and Great Britain, Scotland, and Wales are all coming out of the slough. So America will come, for even a Republican tariff bill can not put an end to the recovery of prosperity, gradually and slowly, by the energies and the individuality, remarkable all through history, of this very remarkable race wherever it exists. It may, and indeed must, scotch the wheels of the car of progress a bit, but can not stop it. That prosperity reborn in peace and freedom has already been sounded in Canada, in Australia, and in Great Britain, as well as here.

But I rose for the purpose of preventing the Republican Party from playing in the future its usual game. I do not want the future to repeat past history. I remember when Mr. McKinley was running for the Presidency that after he was elected and after a tariff bill had been passed—14 months afterwards, I believe—a great many people said that prosperity had returned because of the tariff law. I remember that upon the stump many word spouters belonging to the Republican school of politics said that "wheat went up because McKinley was elected," and I remember, *as an actual statistical fact*, that McKinley was elected because wheat went up. Wheat went up in September and October and McKinley was elected in November. It was the increase in the price of wheat which put an end to the great Populist prairie fire out West and enabled McKinley to be elected. I do not want that repeated any more, and therefore I obtained the floor to read something from a Republican paper, and I am going to read it myself for fear the clerk might not read it as distinctly. The article which I have in mind is from the New York Tribune, the standpat Republican paper of this country, and when in the future you begin to say that the energies of the American people, their intellects, their inventiveness, and their courage were not the things that brought recurring prosperity, I want you to keep these facts, as accidentally stated truly by the Tribune, in mind. Mr. President, if the English-speaking race here and in Great Britain and in her colonies be given peace long enough, they will attend to the balance of the game of recovering comparative prosperity, as they always have done—after the Revolution here, after the Civil War here, after the Napoleonic wars in Europe. They always have done it and always will, because God made them that way. But I do not want the second lie in the regular program of Republican politics repeated later on if I can help it; and I want to put in the RECORD now the proof of the fact that this prosperity which after a while you may claim to have come from some sort of legislation, even tariff legislation, the least promising of all forms of legislation, has already had its start, and I want to warn every "prophet of evil," every calamity howler, that old Vanderbilt was right when he said, "A man is a fool who bets on the bear side of progress in America." The bull side is always safe, providing two things happen—that you leave the people free enough and that you give them peace long enough. That is all that is necessary.

Here is what the New York Tribune says:

Signs of a revival of business and a return to normal activities are multiplying in the news.

Not in politics and in speeches in the Senate, but in business.

Yesterday's papers contain striking evidence of a change for the better in many fields. The United States Employment Service reported that there had been a further gain in employment in May—

There was a gain in April; there was a gain before that—

and that within 30 to 60 days unemployment will again be normal, excluding the present anomalous "vacation" experiment in the coal industry.

That is, this coal strike.

The director of the service says: "The broadening out of industry in nearly all lines of activity for May clearly emphasizes the fact that the business depression is behind us. Confidence is restored. June will accentuate the upward movement. Industry is steadily expanding."

Dispatches from Pittsburgh announce that 6,000,000 gross tons of steel ingots were produced in April and May, against about 4,900,000 tons in February and March.

That is an increase in production of 50 per cent.

This is to say, the mills turned out 23 per cent more steel in the first two months of the coal strike than they did in the two months preceding the strike.

Building operations in Chicago have widened out.

They have in Washington, too. They have in the towns in Mississippi. They have everywhere, though the writer does not say so here.

Building operations in Chicago have widened out. The permits issued during May call for an expenditure of $27,000,000, a gain of $10,000,000 over April. Steel mills in the Chicago territory are now operating at 85 per cent of capacity.

That is pretty nearly normal. Steel mills generally, even in very prosperous times, do not operate to theoretically full capacity. They have various accidents and things that pull down production from the maximum.

Mail order houses had an increase of 13.2 per cent in business in May, the first substantial gain in nearly two years.

Oil shares have advanced $1,000,000,000 in value since January 1. The railroads are at last earning nearly the return guaranteed them under the transportation act. The Liberty bond issues all passed par recently. The general bond market has been splurging for several months. There can be no question that the tide has turned for good and that prosperity is lurking around the corner.

That is not only the case here, but that is the case in Canada and Australia and New Zealand, and to a lesser extent it is the case in Great Britain.

I wanted, as "a chiel takin' notes," a "looker-on in Vienna," to put in the RECORD this article from the chief and most partisan and perhaps least scrupulous Republican paper in the United States, so as to fend off the second political lie before it becomes necessary for the opposition to utter it. They will find it necessary, after a while, as a part of the usual Federalist and Republican game.

Mr. McCUMBER. Mr. President, the war in Europe left about 10,000,000 men dead upon the field and in hospitals. It left 10,000,000 men who had been armed. It left, however, their arms. It left about 30,000,000 more in arms in Europe. Those guns are there. I do not think they have very much use for them. I have no doubt but that they would like to sell them to the people of the United States at very greatly reduced rates.

By the time we got through with war prices and the prices of 1919 and 1920 the American pocketbook was empty. There was no demand for firearms, no demand in this country for any kind of sporting goods to any extent. They could not have been sold, probably, in this country at this time for much of anything; and I assume that the Committee on Ways and Means of the House were cautious, perhaps from the standpoint of the other side were overly cautious, in protecting the American public against possible importations of an immense amount of rifles, and so forth, from Europe.

I am not going to say for a single moment that these duties imposed by the Ways and Means Committee of the House are not high. I am willing to say that they are excessively high duties, and under ordinary conditions I certainly would be willing to admit that they would be wholly unnecessary. I can not say that I would admit that they will not be necessary when this revival of business of which the Senator from Mississippi has just spoken shall have overtaken the American public, and they will again have money to spend.

There are two kinds of guns coming into the United States or that have been coming in. One is a rather cheap article, almost worthless, that it would really be better to keep out than to bring in. Another is a very expensive gun. Now, I think the good American hunter who is a sportsman rather than a sport can buy a good enough gun for ordinary hunting purposes for from $20 to $30. That is a good American gun, good enough for anyone, and under ordinary conditions there is a good demand for that kind of a gun, and that is about the price of the gun that the American ordinarily buys.

There are imported into this country—and my information is that they constitute the greater part of the value of the guns that are imported—guns which are sold for from $500 to $800 each. Now, when we come to the sport who goes down to Florida in the fall and spends a month or two hunting, who wants to hunt with an $800 gun, I am perfectly willing to exact from him a good, round price for the privilege of importing that gun, and I am shedding no tears whatever for his sake. The man who wants to buy a good American $20 to $30 gun can buy it to-day, and it is good enough for anyone. The gun that is absolutely useless for any purpose, outside, possibly, of gopher shooting, may be taxed a little high under the provisions of this bill. I hardly think it is worth bringing into the country, however.

Mr. President, we can theorize all we want to about this matter, but the fact still confronts us that while very few of these guns have been shipped in, because, being a luxury, we are buying very little of those products at this time, nevertheless they do come in. The report, which I admit runs back as far as August, 1921, shows that one class of guns that are introduced here, and that come from Sweden rather than from France, would require an ad valorem duty of 140 per cent to equalize them with the comparable American article. The next class, which is called a sporting gun, would require 232 per cent ad valorem duty to bring its price up to the selling price of the comparable American article. The next, which is of the same character, would require 45 per cent. So we have two out of these three classes which would require a very much greater percentage than the duty imposed under this bill, and we have one class which would require less.

While I admit that the duty appears to be rather high upon those low-priced guns, I submit that they are the class we do not want, and none of our American people buy them in any great quantities. The excessively high-priced gun will be purchased by the man who can afford to pay from five to eight hundred dollars for a sporting rifle, no matter what its cost is; and I submit that there is some danger, at least, from the immense quantity of rifles and guns that were used in the Great War in Europe, that might come over with a very low tariff, or even with a medium tariff.

Mr. SIMMONS. Do I understand the Senator from North Dakota to contend that the guns described in this paragraph are the same character of guns used by the military forces in the late war?

Mr. McCUMBER. It would cover all kinds of rifles and breechloaders of a certain value, whatever that value is.

Mr. SIMMONS. I understood the Senator to make the point that there are enormous quantities of guns left over from the war. I assumed the Senator meant such as were used by the military forces.

Mr. McCUMBER. I said they could come in under this provision, single or double barrel shotguns, or breech-loading rifles. Of course all the rifles are breech loading.

Mr. SIMMONS. I hardly think, under the characterization "Double or single barreled breech-loading and repeating shotguns," the guns used by the military forces could come in.

Mr. McCUMBER. "Rifles" is the next item.

Mr. SIMMONS. "Rifles, and combination shotguns."

Mr. McCUMBER. The word "rifles" is set aside by a comma on each side. "Rifles" is an entirely different article from "shotguns." But, of course, this refers to double or single barreled rifles of a breech-loading character.

Mr. SIMMONS. Doubtless the forces used rifles, but they did not use these other kinds of firearms. Would the Senator, for the purpose of excluding the rifles which have accumulated in large numbers in foreign countries as wastage of the war, think it quite right to impose these duties upon these other firearms, which have not been amassed in such quantities abroad as a result of the war?

Mr. McCUMBER. I do not know where we would draw the line between the different kinds of firearms. We have put them in two classes here, and I think that is a sufficient designation.

Mr. SIMMONS. In all fairness I think if the Senator is really leveling these duties at the rifles which were left over by the soldiers at the close of the war, he ought to make a separate paragraph to reach that situation.

Mr. McCUMBER. I am inclined to think that the differentiation by values is the better method of differentiating them.

Mr. SIMMONS. There might be a necessity, or a justification, so to speak, for these duties as to that character of firearms, because there may be, as the Senator says, a vast accumulation in Europe which might possibly be sent here, and very seriously interfere with the sale of the domestic rifle; but because of the necessity for these high duties to keep out that enormous accumulation that is now seeking a market throughout the world, and is likely to come over here in great quantities, why place these high duties upon other guns, unless there is some other reason than the one assigned by the Senator for imposing the duty?

Mr. ASHURST. Does the Senator wish to dispose of this item now?

Mr. McCUMBER. Yes; I would like to have it disposed of now.

Mr. ASHURST. I wish to address the Senate after this item is disposed of.

Mr. KING. I think we ought to have a yea-and-nay vote on this item in the bill.

The PRESIDING OFFICER (Mr. KELLOGG in the chair). The question is on agreeing to the committee amendment on line 23.

The amendment was agreed to.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. KING. I would like to address the inquiry to the Senator from North Dakota. We would like to have a yea-and-nay vote upon the rate. I am not very particular whether we take it now on striking out the word "sporting," in the first item, or later, on the 45 per cent rate.

Mr. McCUMBER. The Senator has no objection to striking out the word "sporting" where it appears on line 23?

Mr. KING. We object; but the Senator may take a vote on that, and then we would like a yea-and-nay vote on the rate.

Mr. McCUMBER. To which rate does the Senator refer?

Mr. KING. I refer to the rate on line 22, page 78.

The PRESIDING OFFICER. That has been agreed to as it stands.

Mr. KING. May I inquire whether the second rate, found on page 79, has been agreed to?

Mr. McCUMBER. It has not.

Mr. KING. When we reach that, we will ask for a yea-and-nay vote.

Mr. ASHURST. I wish to address the Senate for about 10 or 15 minutes, but I will yield until this item is disposed of.

Mr. McCUMBER. I will be much obliged to the Senator if he will let us dispose of that.

Mr. ASHURST. I am glad to yield.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. On page 78, line 23, the committee proposes to insert the words "and repeating" at the end of the line, so as to read:

Barrels for breech-loading and repeating shotguns and rifles.

The amendment was agreed to.

The next amendment was, on page, 78, line 25, before the word "breech-loading," to strike out the word "sporting."

The amendment was agreed to.

The next amendment was, on page 79, line 2, to strike out "40" and insert in lieu thereof "50," so as to read:

And in addition thereto, on all of the foregoing, 50 per cent ad valorem.

Mr. KING. There will be some debate on this amendment.

The PRESIDING OFFICER. The Senator from Arizona is entitled to the floor.

FEDERAL COOPERATIVE RECLAMATION.

Mr. ASHURST. Mr. President, on the 24th day of May last I submitted some observations urging the passage during this present session of Congress of the McNary-Smith reclamation bill. I pointed out that the bill had been reported favorably by the senior Senator from Oregon [Mr. McNARY], the chairman of the Committee on Irrigation and Reclamation. I will read the last two paragraphs of his report, submitted to the Senate on March 8 last:

The North and East should welcome the opportunity to assist in the upbuilding of the West and South, especially when they would add to their own prosperity thereby.

That paragraph will be the diamond pivot upon which my remarks will revolve during the few minutes that I claim the floor to-day, so I will repeat it:

The North and East should welcome the opportunity to assist in the upbuilding of the West and South, especially when they would add to their own prosperity thereby.

The principle embodied in this measure has the indorsement of the last Republican and Democratic National Conventions, the unqualified support of Secretary Fall, and the strong recommendation of President Harding.

During the course of my speech on May 24 the junior Senator from Wisconsin [Mr. LENROOT] gave me his attention, and as I was descanting upon the necessity for the passage of that bill during the present session that Senator, who illuminates every subject he discusses, asked me a question, as follows:

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. ASHURST. I yield with pleasure.

Mr. LENROOT. I should like to ask the Senator whether he believes the country needs an increased production of agricultural products to-day?

Mr. President, for a time I feared that the Senator might have had some objection to the bill, and an objection from him or an argument from him, would cause me concern, because he has established a reputation on this floor as a powerful debater. But I am consoled by the belief that when that Senator and other Senators analyze and reflect upon some data I am going to submit this afternoon they will perceive that the penultimate paragraph of the report submitted by the Senator from Oregon [Mr. McNARY] answers every argument that could by a most remote excursion of the imagination be brought against the McNary-Smith bill.

The passage of that reclamation bill and its enactment into law will bring a prosperity to the manufacturing interests of this country which no tariff bill could bring. I hope the Senator from Wisconsin [Mr. LENROOT] will return to the Chamber as soon as possible, because we need his presence; we need his support of this bill, and it must not happen that so able a statesman as the Senator from Wisconsin shall oppose this statesmanlike bill.

Consider the Salt River or Roosevelt project in Arizona. The Salt River project, according to the figures furnished me up to June 30, 1921, has cost $14,738,628, of which $4,800,000—round numbers—have been repaid to the Government. Last year there were shipped from other States of the Union—not merely into Arizona but into the region or valley of the Salt River project—7,935 loaded freight cars of goods, wares, and merchandise. I am not speaking of carloads of goods which went to other portions of the State, nor am I speaking of less than carload lots; but I repeat, that during the year 1920 there were shipped into the Salt River project in Arizona 7,935 carloads, and from the State of Wisconsin alone, so well represented in this Chamber by her two eminent Senators, there were shipped into the Salt River project 213 carloads of goods, wares, and merchandise, to be used and paid for by the people residing in the Salt River Valley.

I do not have at hand the figures showing the number of carloads of goods, wares, and merchandise which came from Wisconsin to the other project in Arizona and to other points in Arizona. But let it be remembered that in 1920 the State of Wisconsin furnished to the Salt River project alone 213 carloads of trade.

There are 30 irrigation projects in the United States at this time. The projects are the Salt River, Yuma, Orland, Grand Valley, Uncompahgre, Boise, King Hill, Minidoka, Garden City, Huntley, Milk River, St. Mary's storage, Sun River, Lower Yellowstone, North Platte, Newlands, Carlsbad, Hondo, Rio Grande, North Dakota pumping, Lawton, Umatilla, Deschutes, Klamath, Belle Fourche, Strawberry Valley, Okanogan, Yakima, Shoshone, Riverton, and various secondary projects. I leave it to the fertile faculties of Senators to estimate the number of carloads of merchandise of various kinds that the State of Wisconsin undoubtedly furnished in 1920 to each of these projects.

The State of Minnesota, so well represented here, furnished in 1920 to the Salt River project 40 carloads of goods, and I am speaking only of carload lots. I do not speak of shipments of less than carload lots, nor do I speak of shipments even of carload lots to other points than to the Salt River project.

When I refer to the Salt River project, I mean, for the purposes of this address, the Salt River Valley, in which the city of Phoenix is situated, and about 250,000 acres are irrigated in that valley.

The State of Ohio in 1920 furnished 225 carloads of merchandise of various kinds to be used by the people who reside in the Salt River Valley. I repeat, for the third time, I am not speaking of less-than-carload lots and that I am not in this address referring to merchandise in carload lots or otherwise shipped to other points in the State. I am speaking simply, solely, and only of carload lots going into the Salt River Valley, where the Salt River project is located.

The State of North Dakota, not a manufacturing State, purely an agricultural State, so well represented here, furnished one carload of products from within her borders to the people of the Salt River Valley. The State of Illinois in 1920 furnished 457 carload lots of merchandise to be used and paid for by the people residing within the Salt River project. Maine, where the sunlight first salutes the American flag upon the American coast, furnished 3 carload lots of merchandise in 1920 shipped into the Salt River project. California, out by the gates of sunset, furnished in 1920 to the citizens of the Salt River Valley 2,897 carloads of goods, wares, and merchandise, and no doubt some of these shipments came from the Atlantic coast into California via the Panama Canal, and were thence transshipped into the Salt River project.

Missouri, that politically storm-tossed State, during the same year furnished the Salt River project with 218 carloads of mer-

chandise; Oregon, 502 carloads in 1920; and Texas sent to the Salt River project 981 carloads; whilst the saddle bags of the Arkansas Traveler brought to the Salt River project in the same year 26 carloads of fine wares and merchandise; West Virginia furnished 18 carloads; Massachusetts, 12; and New York, 67 carloads.

It would require a bold flight of the imagination to stand here and estimate the number of carloads of merchandise that were shipped into each and every one of the irrigation projects, 30 in number. They would reach scores of thousands. So I repeat that the senior Senator from Oregon [Mr. MCNARY] wrote well when he wrote the penultimate paragraph of his great report on the McNary-Smith bill, wherein he said:

> The North and East should welcome the opportunity to assist in the upbuilding of the West and South, especially when they would add to their own prosperity thereby—

He must have had in mind in writing his report that the various States of the Union would—if Federal reclamation were further expanded—soon be shipping enormously increased numbers of carloads of steel, iron, rubber, cotton goods, woolen goods, leather goods, furniture, carpets, stoves, automobiles, tractors, sewer pipe, wagons, and so forth, into the West.

Now, to gratify curiosity and to ascertain what were some of the products shipped into the Salt River project in 1920, I will select the State of Wisconsin, because I happen to have that data at hand. As I said before, the State of Wisconsin shipped 213 carloads to the Salt River project in 1920. Agricultural implements, 4 carload lots; auto parts, 41; auto bodies, 2; trailers, 1; butter, 1; canned goods, 7; cheese, 8; chairs, 3; furniture, 18; hardware and stoves, 1; household goods, 1; lumber, 1; machinery, 12; paper bags, 2; paper, 7; powder, 1; refrigerators, 2; rubber hose, 1; tractors, 27; and the other articles making in all 213 carloads.

Mr. President, I ask unanimous consent that I may include in the RECORD as an appendix to my remarks a table showing the number of carload lots shipped from various States into the Salt River project in 1920?

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Appendix A.)

Mr. ASHURST. Mr. President, there is generally in view the West only when we speak of reclamation, but this policy has been enlarged; it is no longer the irrigation and reclamation of arid lands. Federal agencies of reclamation will no longer be employed only in reclaiming arid lands, but they will also be employed in reclaiming any and all lands. If in the South, lands are overflowed with water, the arm of the Government will be eligible under the McNary-Smith bill to remove the water and reclaim the land. If it be the stump lands of the North or the Northwest, this reclamation law will afford the eligible means to reclaim those lands. It may no longer be called a western policy. It is national in its scope.

The record of achievement of the United States Reclamation Service enriches the annals of the American people. Irrigation projects charm us with their wizardry the while they pour the life-giving waters out upon the thirsty soils and transform deserts into orchards and green fields. When you think of the Federal reclamation policy, the lamp of Aladdin and the purse of Fortunatus become prosaic and commonplace in comparison, and the wildest hyperbole would not be adequate to describe the wealth, the advancement, the prosperity, and public order that would come not only to the West and to the South but to the East and the North as well if the McNary-Smith reclamation bill were enacted into law.

During the past 19 years, or since Federal irrigation began, 3,000,000 acres of theretofore practically worthless desert land have been made productive by Government irrigation. The value of the crops produced thereon now amounts to $90,000,000 annually. The increase in value of the irrigated acreage amounts to $600,000,000, and since the Government began the delivery of irrigation water the crops produced on the reclaimed lands to-day aggregate $400,000,000 in value. Nor does this sum of $400,000,000 include the value or expansion of production of live stock or stock products; in other words, the figures ($400,000,000) as to the aggregate crop value are limited to vegetable, fruit, and grain values at the farm, for which Government reclamation furnishes the sole supply of water. All the moneys disbursed by the Government to the various irrigation projects will ultimately be repaid.

At the outset let it be remembered that the full importance of national irrigation can not be measured in dollars, for it has an intangible value not to be estimated in tonnage tables nor transportation rates. In building new Commonwealths in the arid lands of the West the Government is utilizing undeveloped resources and creating opportunities for its citizens. One of the primary purposes of the reclamation law was to create homes, and this purpose has been richly fulfilled. Viewed from this standpoint alone, national reclamation has amply justified all for which its advocates hoped.

Since 1902 the Reclamation Service has constructed the irrigation systems to supply abundant water to 2,000,000 acres of land, and the capacious storage reservoirs of the Government are furnishing a supplemental supply of stored water to a million additional acres in other projects, or a grand total of 3,000,000 acres. On these irrigated lands are now profitably employed and satisfactorily housed approximately 500,000 persons.

On the Government project lands are 50,000 families in independent homes. The population in cities, towns, and villages in these Government projects has been increased by an equal number of families. The arguments for increasing and making permanent the Nation's virility, prosperity, and growth by creating more homes of this kind were never more forcible and unanswerable than at this juncture.

The American people can not claim to have measured up fully to their opportunity and responsibility until the deserts of the West and the unused agricultural lands of the Nation have been replaced by prosperous farmsteads.

When measured by the yardstick of the financier—the dollar—the results of the Reclamation Service activities are enormously great.

As a creator of wealth, its service to the Nation and the State has been as great as in its principal task of home making. Out of the uninhabited and almost worthless desert, reclamation has carved an empire of nearly 3,000,000 acres, intensively cultivated and producing crops whose annual average gross returns per acre about double those per acre for the balance of the country.

Mr. President, I ask unanimous consent to insert in the RECORD, as appendices to my remarks, a letter addressed to me by the Acting Director of the Reclamation Service, Mr. Morris Bien, setting out the total gross investment of the United States in irrigation and reclamation projects, and the total amount of reimbursement and credits that the various projects have paid in, and the total net investment of the United States in irrigation projects.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Appendices B and C.)

Mr. ASHURST. This money is being repaid to the Government, and under the McNary-Smith bill it will all be repaid to the Government. This is not a subsidy. Senators and others may clamor for ship subsidies, if you please, but those interested in reclamation and irrigation are not asking subsidies. They are merely asking that the Government, with its efficient arm, shall construct these projects, and that the money expended in their construction shall be repaid to the Treasury of the United States.

I ask unanimous consent to include in the RECORD as a further appendix to my remarks a copy of the report of the Committee on Irrigation and Reclamation on the McNary-Smith bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ASHURST. I observe that my esteemed friend, the senior Senator from Michigan [Mr. TOWNSEND], gives me his attention. May I say to the Senator that the great State of Michigan furnished 377 carloads of goods, wares, and merchandise to the Salt River project of Arizona in 1920?

If Congress desires to start the spindles, looms, and wheels of industry, to light the fires in the furnaces, to fill the empty cars now in congested terminals, to give employment to worthy workmen, and to cease puzzling its brain over foreign trade, let Congress pass the McNary-Smith bill.

Mr. President, in conclusion, I ask unanimous consent that there may be included in the RECORD as a part of my remarks a chart which I have here from the Department of the Interior. The figures in circles represent the number of carload lots shipped from the various States to the Salt River Valley project for the year 1920. It graphically sets forth before Senators and before the country what each State furnishes to this project alone. [A pause.]

My friend from Utah [Mr. SMOOT], whom I greatly esteem, tells me, however, that there may be some doubt as to whether the chart may properly, under the rules, go into the RECORD. I believe that since it apparently comes from the Department of the Interior—it is so marked—it will not, therefore, require the action of both Houses. So I ask that it be included as an appendix to my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The charts referred to appear on pages 8318 and 8319.)

APPENDIX A.

Carload traffic over Southern Pacific and Atchison, Topeka & Santa Fe Railroads, between points in Salt River Valley and points in the United States, segregated as to commodities and States of origin, for the year 1920, as shown by the books of said companies.

Commodity.	Alabama.	Arizona.	Arkansas.	California.	Colorado.	Connecticut.	Florida.	Georgia.	Idaho.	Illinois.	Indiana.	Iowa.	Kansas.	Kentucky.	Louisiana.	Maine.	Maryland.	Massachusetts.	Michigan.	Minnesota.	Mississippi.	Missouri.	Montana.	Nebraska.	Nevada.	New Hampshire.	New Jersey.	New Mexico.	New York.	North Dakota.	Ohio.	Oklahoma.	Oregon.	Pennsylvania.	Tennessee.	Texas.	Utah.	Virginia.	Washington.	West Virginia.	Wisconsin.	Wyoming.
Agricultural implements		1		10		1		1		59	13		7	16						4		7							15		2			3							4	
Air compressor and parts																												2													
Alfalfa meal				1																																					
Ammunition						1																																			
Apples				6					1																													2			
Asbestos										1																															
Asphalt				3																																					
Autos and parts		3		41				1		102	33	1	1	2				1	273	4		22		5			2		9		77	5		1		34					41	
Auto bodies																																									2	
Auto trailers																																								1	
Bagging															1																										
Bags				6														2																		1					
Bake ovens and pots										3																															
Baking powder										3																															
Barbed wire	1				3																																				
Barley and oats				27	3																							2													
Barrels				2																																					
Bath fixtures				1																							1														
Batteries																											1														
Beans				10																																					
Beds and bed springs										2																															
Beverages				40						2								2				7					1													12	
Bicarbonate of soda																													1												
Bicycles				1																																					
Blackboards																																		2							
Bottles				2						2	1																														
Boxes					1								1																						1						5	
Bran					1															1																					
Brick and brick machinery				19																		1																			
Buckwheat																												2												
Butter				3	13								2																												
Cabinets																																								1	
Candles										1																															
Canned goods		1		77	4					8	4	7	1	1		2			6					1				2		1				1		5		7		7	
Canned oysters																				1																					
Canned vegetables																						2																			
Cans				7						3								2																					10		
Carbonate of calcium																			4																						
Carnival outfit				23																																					
Caskets				5																																					
Catalogues										7			1																1					7							
Cattle										2																		1									3			1	
Cement		29		549																								9								274					
Cement plaster																									2			12													
Cereals				20								9	1						13			6																			
Chairs										1																														3	
Cheese										1																														8	
Chocolate coating																											1														
Clam shells															1																										
Clay machinery																															1										
Closets and tanks																											1														
Cloth																																				10					
Coal			1		3					1												7						446													
Cocoa										2																															
Coffee			1	3																								4													
Coke					3																							4													
Concrete paver												1																													
Construction outfit																											2														
Copper wire																								2																	
Copra (dried)				3																																					
Cork																											3														
Corn																						3		15				5								3					
Corn meal													1																													
Corn oil tins										1																															
Corrugated iron, galvanized																															2										
Cotton bale covering																																				6					
Crackers					12																	3																			
Crisco																															4										
Derricks (wood)																																		1							
Desks												1							1			1						2		2											
Dishes												3																													
Distillate				14																																2					
Doors																																				5					
Drugs										1									2									1													
Dump wagons																															1										
Earthenware																															1										
Eggs				25									1																			1									
Electric fans																		1																							
Electric machinery												1																													
Emigrant movables				10	6		1			2	1	1	4					2	1			1														3					
Emigrant outfit																									3	2															
Enamelware				1						1												2																			
Engines				1								2										1									1				1							
Engine hoist																																			1							
Excelsior			2																																						
Explosives				1																																					
Feed				3						2																															
Fence gate																				1																					
Fencing										8								1	4																						
Fire brick																												1													
Fixtures				2																																					

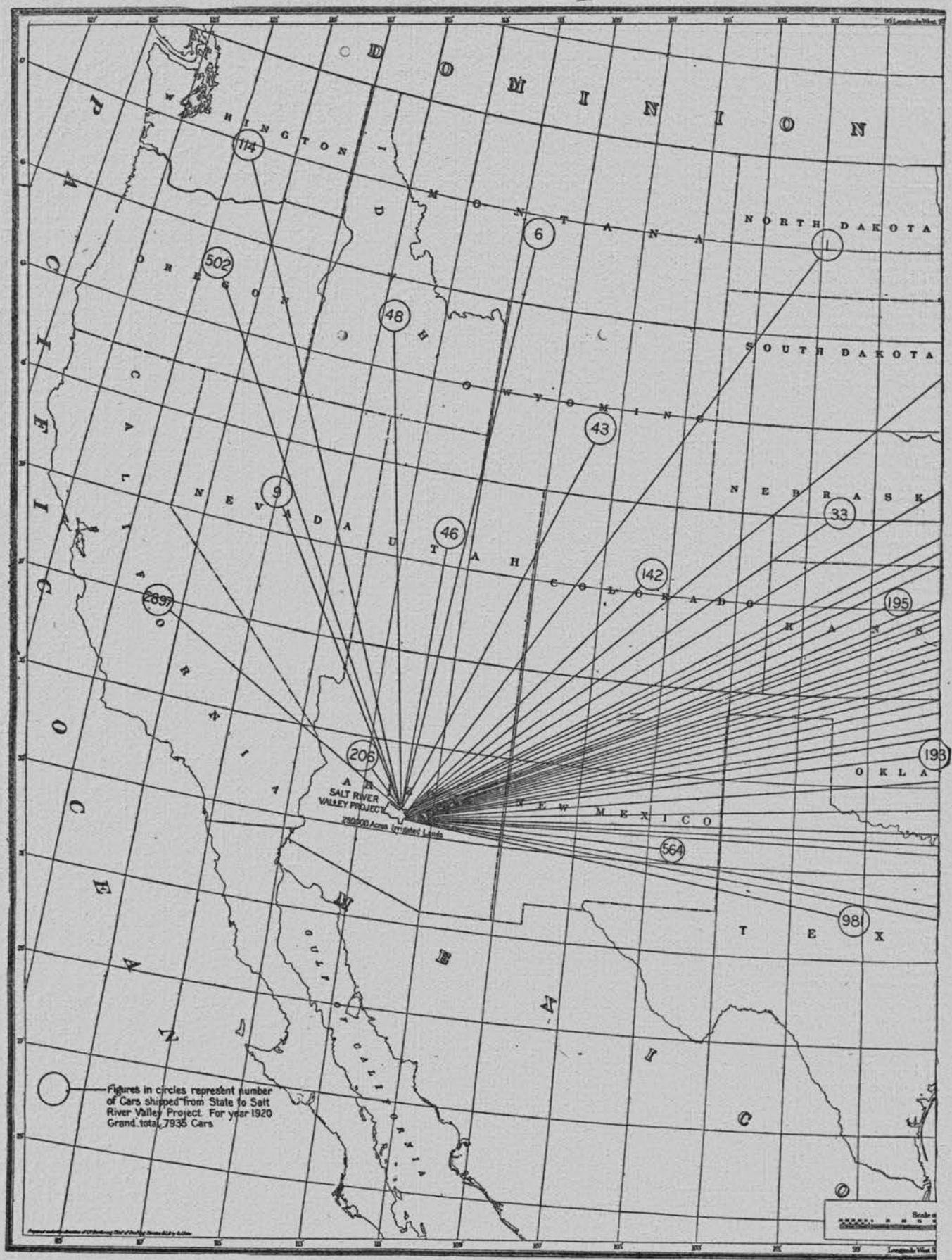
Carload traffic over Southern Pacific and Atchison, Topeka & Santa Fe Railroads, between points in Salt River Valley and points in the United States, segregated as to commodities and States of origin, for the year 1920, as shown by the books of said companies—Continued.

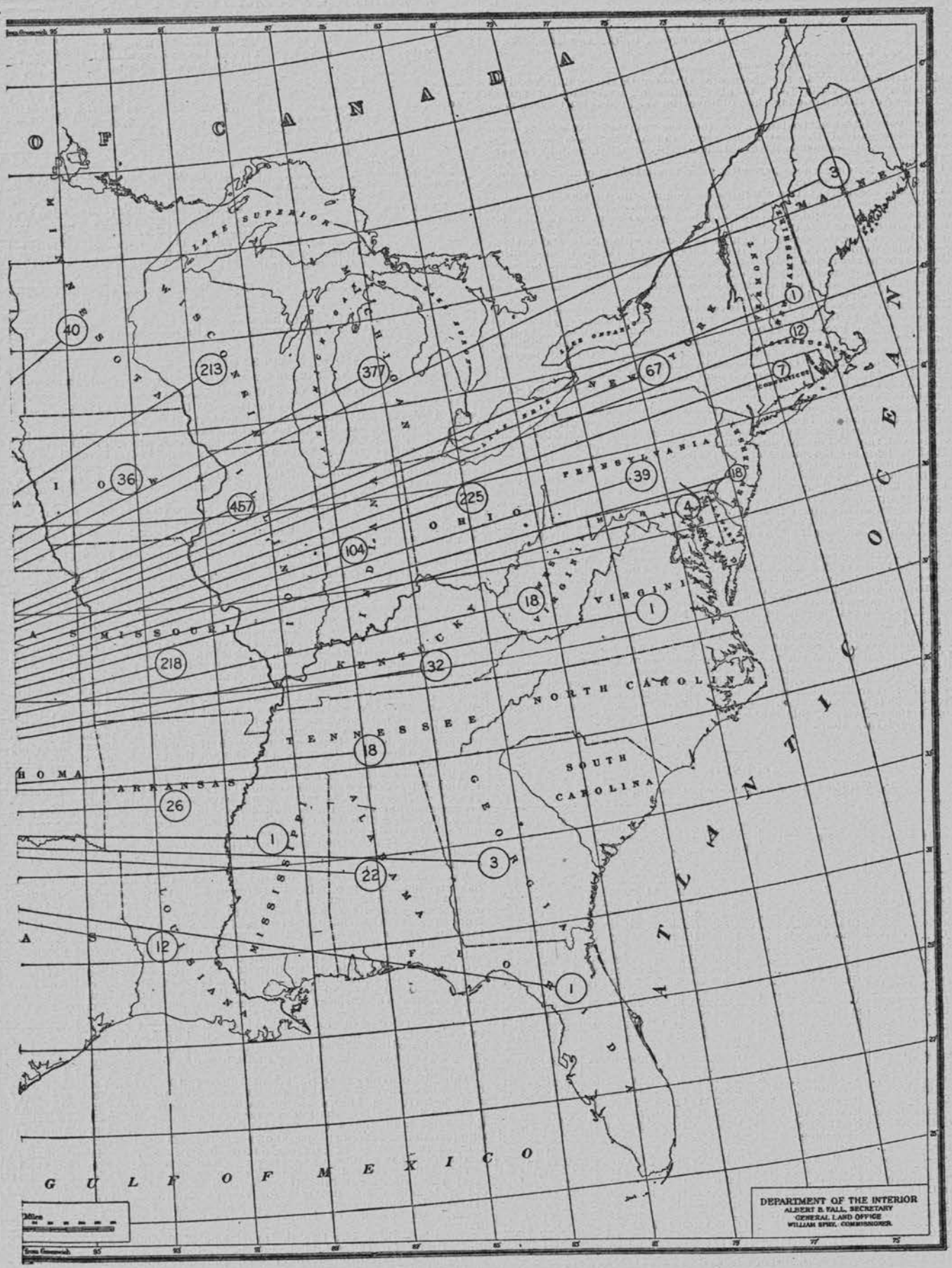
Commodity.	Alabama.	Arizona.	Arkansas.	California.	Colorado.	Connecticut.	Florida.	Georgia.	Idaho.	Illinois.	Indiana.	Iowa.	Kansas.	Kentucky.	Louisiana.	Maine.	Maryland.	Massachusetts.	Michigan.	Minnesota.	Mississippi.	Missouri.	Montana.	Nebraska.	Nevada.	New Hampshire.	New Jersey.	New Mexico.	New York.	North Dakota.	Ohio.	Oklahoma.	Oregon.	Pennsylvania.	Tennessee.	Texas.	Utah.	Virginia.	Washington.	West Virginia.	Wisconsin.	Wyoming.
Flour					15								68							7																					
Frames (door)				1																																					
Fruit jars																												1				3			4						
Fuel oil				193																																					
Fruits and vegetables																												1				3			1						
Furnaces										1																															
Furniture		9	2	14				1	22	3	5	1	8					2	9	11		12		3			2				3	3		4	17				18		
Galvanized roofing																															3										
Gas engines											2																														
Gas and oil				5																																					
Gasoline				77									24																		69				150						17
Glass										2			1																		2										
Glass bottles																															1										
Grain																											4														
Grape juice										1																1		1													
Grapes												1																													
Grease																												1													
Hardware and stoves	1			4						6	1		1						3			1						1		4		1	2	3				1		
Harness											1																														
Hay																																			1						
Hay bale ties										5																															
Hogs				4	2																							1												
Horses and mules				7	6				1	1													4					1							1						1
Horseshoes										3	1																						1								
Household goods			2	2	5					7		2	3	1					1			6		1			1	2		2	4	3	1	6				1		
Ice cans																														1											
Implements																												1		1										
Insulators																														1										
Iron																												1												
Iron (galvanized)																																		2						
Iron pipe fittings											1																													
Iron range boilers											1																													
Iron sinks																						1																		
Iron and steel articles	11	2		11	2			1	9	10			1					2				1		1							32			8	5	12			7	3		
Jams and jellies				4																																					
Kerosene				21																											6				1						
Lanterns																												1												
Lard					7																	1								1											
Lard substitutes																														7											
Lights																																	1								
Lime				5																																					
Lime (hydrated)				1																																					
Limestone																																									
Linoleum																														1											
Locomotives																						1																			
Lubricating oil																																									
Lumber		145	1	415	1			6											4									5				435		3	39			61		1	
Macaroni																															1										
Machinery		4	12	25		3				21	3	1	1	1	1				5			4		1		1	1	2		15				15		1			12	
Maize																												48							12						
Maple tiling																																								1	
Matches				2																																					
Mattresses																																			1						
Meat					2					2			4									14																			
Melons				4																																					
Merry go round																												1												
Metal lath																															1										
Metal sheets																															2										
Milk bottles																																1									
Mining timbers																																	1								
Molasses															2																										
Motors										1																															
Nails										4																															
Oak flooring			3																												1			3							
Oats													2									3		2																	
Oil-burning steam engine																																									
Oil and grease				33						3																	1					1									
Oil (corn)										2																															
Oleo butter				11						1																															
Oranges				21																																					
Packing-house products										4										3		53															34					
Paint				2																																					
Paper				4						2																														7	
Paper bags																1						1									1									2	
Peanuts				2																		1																			
Pet. refined oil				48																																					
Pianos										4																															
Pipe	9			5	2					7																					1			1	1						
Pipe (sewerage)				46	7																																				
Plants				1																																					
Plaster																								1				1													
Plate glass																						3													1						
Plows										2																															
Plumbing fixtures and material				3						1																								1							
Poles				3																													2					11			
Poles (cedar)								2																																	
Post houses				1																																					
Potatoes																				3																					
Powder																																								1	
Power cable																												1													
Pulp board																													2												
Pump machinery				7																																					

Carload traffic over Southern Pacific and Atchison, Topeka & Santa Fe Railroads, between points in Salt River Valley and points in the United States, segregated as to commodities and States of origin, for the year 1920, as shown by the books of said companies—Continued.

Commodity.	Alabama.	Arizona.	Arkansas.	California.	Colorado.	Connecticut.	Florida.	Georgia.	Idaho.	Illinois.	Indiana.	Iowa.	Kansas.	Kentucky.	Louisiana.	Maine.	Maryland.	Massachusetts.	Michigan.	Minnesota.	Mississippi.	Missouri.	Montana.	Nebraska.	Nevada.	New Hampshire.	New Jersey.	New Mexico.	New York.	North Dakota.	Ohio.	Oklahoma.	Oregon.	Pennsylvania.	Tennessee.	Texas.	Utah.	Virginia.	Washington.	West Virginia.	Wisconsin.	Wyoming.
Pump (power house)					1					3																															
Pumps																																									
Raisins				1																																					
Refined oils				137						1		1	4							1						1				94				321					24
Refrigerators																			1																				2	
Rice				3																																					
Rolled glass																						1																			
Roofing				23						2												1																	2	2	
Rope										1																				1											
Rubber goods																														10											
Rubber hose																														1										1	
Rubber tires																														4											
Salmon				1																																					
Salt				23						1			5																												
Sash weights																						2																			
Scouring compound										1																															
Sewing machines										2																															
Sheep				6					35																																
Sheep dip																			1																						
Sheet iron																														2											
Shingles				16																													7					4			
Shocks				3																							3								20						
Soap				7						3		1										5																			
Soda ash										1									4																						
Soda fountain outfit				1																																					
Sorghum seed																											1														
Springs											1																														
Spuds				103	25																			1															3	
Starch											4																														
Steam hoists										1																															
Steam shovels																																		1							
Steel shelters																																		1							
Steel bars																						1																	2	
Steel filings																						1																		
Steel-wire cloth																																				1					
Stoneware										2																															
Stoves										3									1			3								1									3		
Stove pipe										1																															
Street sweeping machinery										1																															
Sugar				18																																					
Sulphur				1																																					
Sirup										17												1																			
Tanks				6																																					
Tanks (steel)										1																															
Terra cotta				1																																					
Ties																																				1					
Timbers				42																																1					
Tile				5									15																												
Tile (hollow)				279																																					
Tinware																						2																			
Tin cans																																				1					
Tires				1															1											4										
Toilet paper																													1												
Toys										1												1																			
Tractors				1	1					44									17			3								3									27	
Tractor engines										5										2		1																			
Transformers																						1																			
Trans. oil																										1		1													
Trucks				7						21	10								24											8		1	3					2		
Tubs				1																																					
Tubs (bath)										4																								1							
Tubs (lard)														1																											
Twine										2																															
Wagons				7						6	1									1		1																	1	
Wagon parts																																		1							
Wall board				3																									1											
Washing machines										2												1																			
Washing powder																						1																			
Well-boring outfit				1																																					
Well casings				1																																					
Well supplies				3																																					
Wheat				14	3								2															3												
Wheelbarrows																														3											
White lead										2																															
Wire										2																								2							
Wire mesh				1																																					
Wire and nails					12																																				
Wood			1																																						
Woodenware																						1																			
Wood plaster board																													1												
Writing fluid																		1																							
Wrought-iron chains																										1															
Wrought pipe																														11											
Yams																											3														
Flour and mill products		4		5	1				1				43																1						2			2			
Other manufactured articles		8	1	278	1	2		1		1	12		1	1	7				2	2		26		2		1	1	11		10	3	39	1		35			20		45	
Total cars per State	22	206	26	2,897	142	7	1	3	48	457	104	36	195	32	12	3	4	12	377	40	1	218	6	33	9	1	18	564	67	1	225	193	502	39	18	981	46	1	114	18	213	43

Grand total, 7,935.


DOMINION
WASHINGTON
MONTANA
NORTH DAKOTA
OREGON
IDAHO
SOUTH DAKOTA
WYOMING
NEBRASKA
NEVADA
UTAH
COLORADO
KANSAS
OKLA
NEW MEXICO
TEXAS
PACIFIC OCEAN
MEXICO
CALIFORNIA
LOWER CALIFORNIA
1114
6
1
502
48
43
9
46
33
142
195
289
206
193
564
981
A
SALT RIVER VALLEY PROJECT
250,000 Acres Irrigated Lands
Figures in circles represent number of Cars shipped from State to Salt River Valley Project. For year 1920 Grand total, 7935 Cars


CANADA
LAKE SUPERIOR
MINNESOTA
WISCONSIN
MICHIGAN
NEW YORK
VERMONT
NEW HAMPSHIRE
MAINE
MASSACHUSETTS
RHODE ISLAND
CONNECTICUT
PENNSYLVANIA
OHIO
INDIANA
ILLINOIS
IOWA
MISSOURI
KENTUCKY
WEST VIRGINIA
VIRGINIA
TENNESSEE
NORTH CAROLINA
SOUTH CAROLINA
GEORGIA
ALABAMA
MISSISSIPPI
LOUISIANA
ARKANSAS
OKLAHOMA
ATLANTIC OCEAN
GULF OF MEXICO
40
213
377
67
12
7
3
1
36
457
225
39
18
4
104
18
1
218
32
18
26
1
3
22
12
1
DEPARTMENT OF THE INTERIOR
ALBERT B. FALL, SECRETARY
GENERAL LAND OFFICE
WILLIAM SPEER, COMMISSIONER

APPENDIX B.

DEPARTMENT OF THE INTERIOR,
UNITED STATES RECLAMATION SERVICE,
Washington, D. C., August 6, 1921.

Hon. HENRY F. ASHURST,
United States Senate.

MY DEAR SENATOR: In the absence of Director Davis we duly received your letter of July 20, 1921, to him, requesting a revision of figures sent to you in 1919, showing the net investments in several Government reclamation projects.

When your letter arrived we were, for other purposes, compiling such data to the end of the last fiscal year, and as that is a convenient period to use, it seemed best to withhold reply until these figures were available.

I am now sending them herewith in a tabulation similar to the one returned with your letter.

You may recall that these figures were made up in this way originally by specific request from your office by telephone. They are not in the form that we would select for ordinary purposes of publication because there is danger that they will mislead.

In other words, the inclosed figures are bookkeeping data and involve considerable duplication that swell the totals and make these misleading unless there is given and read with them considerable explanation. For example, we are constantly transferring from one project to another machinery, equipment, and materials in order to work the greatest economy and efficiency in utilizing these.

To keep the books showing the investments in any particular project, it is necessary to include an agreed value for such things transferred from and to the project. Thus, the total investment for each project includes "transfers received" of such things, and the column "Reimbursements and credits" includes "transfers issued." On any particular project these two entries necessarily differ, and hence must be included to bring out the net investment for that project, whereas for all projects these items merely balance one another and swell the totals, aggregating upward of $8,600,000.

The figures given for total investments include cash disbursements from the reclamation fund, appropriations for "increase of compensation," and other special appropriations, such as that of a million dollars toward the cost of Elephant Butte Dam under the act of March 4, 1907; others for judgments of the Court of Claims, the funds for the Yuma auxiliary project, etc.

At the bottom of the table you will notice a number of other items added to bring the figures into agreement with our book totals. The "secondary projects" include a great number of possibilities that have been surveyed or examined from time to time in addition to the projects actually undertaken. For example, in Arizona this includes the San Carlos, San Pedro, Sentinel, and other propositions that will occur to you.

The item of "general expense" includes headquarters offices at Washington and Denver for administration, engineering design, and other purposes, legal services, and many other items that can not readily be allocated to particular projects except in bulk from time to time on the basis of expenditures or similar criteria. This item of general expense is the largest one included under the head of transfers already mentioned.

The item entitled "Indian projects" represents expenditures from the reclamation fund reimbursed by the Indian Bureau.

If you intend to publish these figures and want to avoid the possibility of misleading suggested above, you may want to use merely the figures of "net investment." In most cases we find that figures of cost rather than investment answer the questions in the minds of inquirers, and if you wish figures on a cost basis, or if we can otherwise be of further service in this connection, we shall be glad to do so.

Very truly yours,

MORRIS BIEN, *Acting Director.*

APPENDIX C.

Reclamation projects investment to June 30, 1921.

State.	Project.	Total investment of United States.	Reimbursements and credits.	Net investment of United States.
Arizona	Salt River	$14,738,768.28	$4,800,610.32	$9,938,157.96
Arizona-California	Yuma	11,353,345.18	2,330,516.52	9,022,828.66
California	Orland	1,330,107.50	411,650.07	918,457.43
Colorado	Grand Valley	4,051,877.50	234,165.35	3,817,712.15
Do	Uncompahgre	7,873,432.32	1,214,326.00	6,659,106.32
Idaho	Boise	15,080,090.12	3,168,134.50	11,911,955.62
Do	King Hill	1,359,866.98	54,356.61	1,305,510.37
Do	Minidoka	8,866,272.26	4,038,517.85	4,827,754.41
Kansas	Garden City	402,424.80	69,063.14	333,361.66
Montana	Huntley	2,511,337.38	841,256.80	1,670,080.58
Do	Milk River	3,881,950.40	210,097.77	3,671,852.63
Do	St. Mary Storage	2,904,882.94	158,565.01	2,746,317.93
Do	Sun River	4,354,658.49	456,792.73	3,897,865.76
Do	Lower Yellowstone	3,780,806.97	318,825.18	3,461,981.79
Nebraska-Wyoming	North Platte	14,240,256.48	2,960,317.42	11,279,939.06
Nevada	Newlands	7,691,341.87	1,349,537.06	6,341,804.81
New Mexico	Carlsbad	1,893,115.31	677,633.86	1,215,481.45
Do	Hondo	407,745.12	35,842.46	371,902.66
New Mexico-Texas	Rio Grande	12,963,441.23	1,746,396.42	11,217,044.81
North Dakota	North Dakota pumping	1,584,033.21	519,601.59	1,064,431.62
Oklahoma	Lawton	[1]	[1]	[1]
Oregon	Umatilla	3,249,935.01	793,916.49	2,456,018.52
Do	Deschutes	2,041.83	7,407.29	5,365.46
Oregon-California	Klamath	3,986,187.17	990,872.96	2,995,314.21
South Dakota	Belle Fourche	4,413,894.12	1,012,666.36	3,401,227.76
Utah	Strawberry Valley	4,154,753.17	864,211.43	3,290,541.74
Washington	Okanogan	1,659,232.53	294,233.95	1,364,998.58
Do	Yakima	13,845,153.71	5,224,092.68	8,621,061.03
Wyoming	Shoshone	7,808,514.85	1,159,009.35	6,649,505.50
Do	Riverton	172,885.52	18,271.41	154,614.11

[1] Included in secondary projects.

Reclamation projects investment to June 30, 1921—Continued.

State.	Project.	Total investment of United States.	Reimbursements and credits.	Net investment of United States.
Various	Secondary	1,760,256.72	562,330.17	1,197,926.55
	Civil Service, retirement and disbursement fund.	22,785.00	16,925.18	5,859.82
Subtotal		162,345,393.97	36,540,143.93	125,805,250.04
Wyoming	Jackson Lake enlargement.	[1]	[1]	[1]
General expense		6,181,268.14	6,015,817.56	167,450.58
Indian projects		3,145,052.66	3,145,052.66	
	Yuma auxiliary	221,774.18	424,080.63	[2] 202,306.45
	Drainage and cutover.	100,987.52	464.51	100,523.01
Total		171,996,476.47	46,125,559.29	125,870,917.18

[1] Included in Minidoka project.
[2] The reimbursements exceed the investment.

APPENDIX D.

(Senate Report No. 542, Sixty-seventh Congress, second session.)

FEDERAL COOPERATIVE RECLAMATION ACT.

Mr. MCNARY, from the Committee on Irrigation and Reclamation, submitted the following report, to accompany S. 3254:

The Committee on Irrigation and Reclamation beg leave to report an original bill (S. 3254) to encourage the development of the agricultural resources of the United States through Federal and State cooperation, giving preference in the matter of employment and the establishment of rural homes to those who have served with the military and naval forces of the United States, with the recommendation that the bill be passed without amendment.

This is a measure to provide for the reclamation of dry, swamp, and overflowed lands, which when reclaimed will be used for agricultural purposes. Under the provisions of the bill the Secretary of the Interior is authorized to build, for reclamation districts, reclamation works. He can only contract with a district organized under the laws of a State, and the district must have authority to enter into a contract with the Government and the right to issue bonds with which to pay for the reclamation work. The bonds must be a general charge upon all the land within a district. All reclamation projects must be initiated by parties interested in the land to be reclaimed. The district must advance one half of the money for the investigation of a project, the other half to be advanced by the Government.

When the Secretary investigates a project and finds it feasible, he may contract with the district to build the project works, upon condition that the district issue and deposit with the Federal Farm Loan Board district bonds in an amount equal to the estimated cost of the reclamation works, the bonds to bear a rate of interest not exceeding 5 per cent per annum and be payable within a period not exceeding 40 years. The Federal Farm Loan Board is to hold the district bonds deposited with it until the completion of a project and its successful operation, and when the property within the district has twice the value of the bonds, the board may sell the bonds at private or public sale at not less than par, the proceeds of the sale to be credited upon the contract between the district and the Government.

The money arising from the sale of bonds is covered into a reclamation fund to be appropriated in the construction of other irrigation projects. That the Secretary may have funds with which to carry on reclamation work, the bill authorizes an aggregate appropriation of $350,000,000, which is to be appropriated by Congress upon estimates made by the Secretary as he may need money for reclamation purposes. The $350,000,000 and its turnover through the sale of district bonds will constitute a revolving fund, to remain such at the will of Congress.

The contract between a district and the Government must establish the amount of reclaimed land which may be owned or acquired by a party. The amount so fixed is denominated the farm unit. The unit is the amount of land which will support a family. It will vary from 20 acres in orchard sections and lands to be devoted to intensive farming, and not to exceed 160 acres where general farming is practiced. All parties within a district owning land in excess of the farm unit must place their excess holdings under the authority of the Secretary of the Interior, to be disposed of at prices and on terms and conditions to be fixed in the contract between the district and the Government. Unless 80 per cent of all excess lands within a district are placed at the disposal of the Secretary, he can not contract with the district.

All ex-service men, for a period of 60 days after the opening to sale or entry, are to have a preference right to acquire all excess and public land within a district, and they are also to be given preference right of employment on all reclamation works to be constructed under this measure.

This bill provides that the act of June 17, 1902, commonly known as the reclamation law, and all amendatory or supplementary acts shall hereafter be known as the national irrigation law, and the fund provided in said law shall hereafter be known as the national irrigation fund, and the act under consideration and all amendatory or supplementary acts shall be known as the national reclamation law, and for the purpose of carrying out its provisions, there is established in the Treasury a fund to be known as the national reclamation fund.

This bill, while not disturbing the old reclamation fund or its use, creates an additional fund to be used in a broader field. While the old reclamation law provides for the reclamation of arid and semi-arid lands, the present law contemplates the reclamation of arid, swamp, and overflowed land by means of irrigation, drainage, and dikeage.

There is nothing novel in the provisions of the bill under consideration. Laws for the establishment of drainage districts are common to almost every State in the Union, and laws for the establishment of irrigation districts are common in the arid and semiarid States of

the West. The development of the drainage district law is traceable largely to the States of Ohio, Indiana, Michigan, Wisconsin, and Minnesota, while the irrigation district laws of the far West are, to a great extent, a mere adaptation of the principles of the drainage laws to irrigation problems. As all these laws have proven beneficial, they have been sympathetically interpreted and upheld by the courts. A drainage or irrigation district is, as a rule, treated as a municipal corporation with limited powers, the right of taxation and assessment not reaching beyond raising money with which to meet indebtedness, operation, and maintenance.

What has been accomplished under the old reclamation law justifies the Government in advancing one step further in the reclamation of the waste lands of our country. Under the present reclamation law, there is a net investment in construction work, placed by the Reclamation Service at $130,000,000. As a result, directly traceable to this investment, is property having a total value upward of $500,000,000; the crops raised on purely Federal reclamation projects exceed the gross value of $400,000,000, to which should be added crops raised on more than a million acres to which the Government has rented water from its reservoirs. Within Federal reclamation projects there are 223 towns, 32,835 irrigated farms, with a total population of 450,000. Within these projects there are 879 schools, 649 churches, and 247 banks, the banks having a total capital stock of $14,732,633, deposits of $143,539,856, and 283,976 depositors.

Irrigated lands, as a rule, produce twice as much as lands in the humid districts, which, under ordinary circumstances, results in great prosperity of irrigationists. At the present time, owing to the severe drop in prices of farm products, high transportation rates, and the remoteness of the irrigated districts from the markets, there has been brought about an accentuated condition which can not long exist.

Over 30 years ago the Federal Government commenced the investigation and survey of the swamp lands in the different sections of the country, and in many instances have developed plans for their reclamation so that a large amount of available data is on hand for future use.

It is generally recognized that the money arising from the sale of public lands and from royalties upon coal, oil, and other minerals taken from the public domain, percentages of which are covered into the reclamation fund, will not be sufficient to even complete, within a reasonable length of time, irrigation projects in the West already begun by the Federal Government.

The Secretary of the Interior, in his late report, has called attention to the vast wealth of the West and Alaska, reserved by the Federal Government for the benefit of the people of the United States. He fixes this wealth at $150,000,000,000. In some of the Western States it exceeds by several times the assessed valuation of lands in private ownership. This vast wealth held in Federal reserve escapes all taxation for State, county, township, town, school district, or other municipal purposes. Its withdrawal actually hinders local improvements.

On August 31, 1920, President Warren G. Harding, then a candidate for the Presidency, speaking to a delegation of governors of Western States, while discussing the subject of reclamation, said in part:

"Our vision, then, of the ultimate development of the mountain empire reveals a great region, developed uniformly with regard to all its variegated possibilities. I have never been able to think of 'reclamation' as connoting merely the construction of ditches and dams and reservoirs to put water on dry lands. In my view this has been only a phase—though a most important phase—of reclamation. I have believed that our mountain West is one day to be one of the richest and most completely self-contained economic areas in the world. My vision of the future pictures it as a wonderland whose streams are harnessed to great electrical units, from which flows the power to drive railway trains, to operate industries, to carry on the public utilities of cities, to smelt the metals, and to energize the activities of a teeming population."

Near the conclusion of the address Mr. Harding said:

"We must make our mountain West a country of homes for people who need homes. It has everything that they will need. It can provide them with food, with the materials for industry, with lumber from its forests, with metals and minerals from its mines, with power from its streams, and waters for the irrigation of its land. And the work must be so done that it will inure most to the advantage of society and the development of the independent, self-sustaining family unit in our citizenship. There must be proper cooperation and direction in this development, but there must be all care to prevent monopolization of resources and opportunities.

"It has been intimated by some who take, I feel, the narrow view that the industry of the East and the agriculture of the Middle West and South will not view favorably the proposal to develop new industry and new agriculture in the mountain country to compete with them. I confess to very little sympathy with this attitude. The sons of New York and New England built the great States of the Ohio Valley, and the sons of the Ohio Valley reared the splendid Commonwealths beyond the Mississippi. The sons of every generation in our country have been the pioneers of some new land."

The President, in his message to Congress December 6, 1921, strongly recommended reclamation, not only by irrigation but by drainage and other means, and he called particular attention to the vast area of waste land to be reclaimed, and the desirability of reclamation that the population might be increased, and he aptly stated:

"Home making is one of the greater benefits which government can bestow. Measures are pending embodying this sound policy to which we may well adhere. It is easily possible to make available permanent homes, which will provide, in turn, for prosperous American families without injurious competition with established activities, or imposition of wealth already acquired."

It is fit to recall the splendid vision Theodore Roosevelt had of the vast possibilities of the West. In a chapter of his autobiography devoted to national resources of the Nation he said: "The first work I took up when I became President was the work of reclamation." It was his judgment that reclamation, conservation, and proper utilization were all involved in one great plan for the development of our western country. In the same work President Roosevelt declares: "It is better for the Government to help a poor man to make a living for his family than to help a rich man to make more profit for his company." Commenting upon this declaration, President Harding said in his speech heretofore adverted to: "The principle is particularly sound to-day. We have need to make these areas the seat of millions of new American families, just as we broke up our prairies and distributed them among strong, enterprising, vigorous men, who developed them into the great States of the Mississippi Valley."

The strength of the proposed legislation lies in the means provided whereby valuable assets created through the reclamation and settlement of the lands in a district are rendered liquid and available for financing the reclamation of other lands. This situation is brought about through further financing of the bonds of the districts that are organized. These bonds when issued will be deposited with the Federal Farm Loan Board. And when the value of the property in the district, subject to assessment for the payment of the bonds, is not less than twice the par value of the bonds, the board shall offer the bonds at public or private sale and shall deposit the proceeds to the credit of the reclamation fund. By this method the Government simply authorizes an existing governmental agency to give its estimate of the value of the property, thereby entailing neither moral nor legal obligation upon the Government to assume any of the liabilities imposed by the issuance of bonds.

An accurate statement of the number of times the fund made available herein will turn over can not be made. But it is fair to assume that the $350,000,000 will make three turnovers in 18 years, allowing a period of 6 years for each turnover. It may be asserted with confidence that within a period of six years from the time of construction the land within a project will have attained sufficient value to warrant a sale of the district bonds to the public.

Water or arid land, each by itself, in the far West has little value. The two brought together by an irrigation system have great value.

The assertion that reclaiming millions of acres in the far West would decrease farm values of the South, East, and Middle West was mischievous, and calculated to incite sectional prejudices. The passing of time has clearly demonstrated the fallacy of this argument.

An examination of the Yearbooks of the Department of Agriculture for the years 1914 and 1919 will show a general increase in farm-land values per acre, from which, as indicative of the whole country, we give the following:

Plow lands.

	1909	1910	1920
Eastern States:			
Massachusetts	$27.62	$36.69	$72.00
New York	32.86	48.00	64.00
Middle Western States:			
Ohio	33.35	53.34	105.00
Illinois	46.17	95.02	170.00
Nebraska	16.27	41.80	125.00
South Dakota	9.92	34.69	90.00
Minnesota	21.30	36.82	100.00
Iowa	36.00	82.00	219.00
Far Western States:			
California	21.87	47.16	130.00
Washington	11.68	44.18	115.00
Idaho	11.07	41.63	105.00

There is just one view which should be taken of agriculture in the United States, and that is to consider it and maintain it as one of the basic industries of the Nation. The late war proved the necessity of a country being self-sustaining as to its food supplies; that armies, as Napoleon asserted, "move upon their bellies" was again demonstrated.

The Secretary of Agriculture, in his report for 1919, asserts:

"America during the war helped to save Europe and to preserve civilization by making available to the Allies, through increased production and conservation, large supplies of foodstuffs. But for this contribution it is difficult to say how the Allies could have waged the war to a victorious conclusion. Lacking such support and with their own producing capacity seriously crippled, the German people experienced partial famine conditions, and the collapse of their military power was due in no small measure to the shortage of food."

While no nation can be deemed progressive which fails to engage in an extensive export and import trade, it is nevertheless true that the best and surest market for all concerned is the home market. If the home market should be withdrawn from the manufactures of the Nation they would wither and decay.

That the reclaimed areas of the far West call upon east of the Mississippi points for vast amounts of manufactured articles is clearly demonstrated by much data, from which we select but a small portion.

Carlsbad, N. Mex., has a population of 3,000. It is the principal trade center within 25,000 acres of irrigated land. It draws practically all its trade from this acreage. Its wholesale purchases during 1920 were as follows:

Dry goods, clothing, boots and shoes	$367,600
Lumber	125,000
Automobile trucks, etc	250,000
Groceries	402,000
Hardware and implements	235,000
Coal, feed, flour, and bags	250,000
Drugs, sundries, and cigars	85,000
Furniture	126,000
Other merchandise	55,000
Total	1,995,600

Wenatchee, in the State of Washington, has a population of 6,324. There are 30,000 acres of irrigated land tributary to the city. The town's trade is based almost entirely upon these reclaimed lands. In 1918 the fruit shipments alone amounted to 9,606 cars; in 1919, 13,350 cars; and in 1920, 10,000 cars. A well-organized commercial club in that city uses this language:

"As near as can be estimated, there are approximately as many carloads of manufactured products received in this territory as there are carloads of fruit shipped out."

Ogden, Utah, has 32,804 inhabitants. Immediately tributary to it are 50,000 acres of irrigated land. Its trade, however, is influenced by 200,000 acres of irrigated lands, there being several smaller towns within the 200,000 acres. Its chamber of commerce asserts that Ogden receives about $50,000,000 worth of manufactured products each year, such as dry goods from New York; farm tools from Chicago; automobiles and tractors from Michigan; machinery from the Middle States.

Burley, Idaho, has a population of 5,408. It is located in the heart of the Minidoka project, where 120,000 acres are irrigated. There are a number of other towns within the project, Burley being the largest, and it is fair to say has 25,000 acres directly tributary.

The following statement shows the wholesale purchases during two years:

	1918	1919
Dry goods, clothing, and shoes	$675,800	$1,203,000
Lumber, cement, brick, etc	848,000	1,060,000
Groceries	569,800	814,000
Hardware	471,200	589,000
Coal, feed, flour, and bags	437,400	486,000
Farm implements	357,200	434,000
Machinery and supplies	230,000	375,000
Electrical supplies	246,000	279,000
Automobile trucks, etc	1,120,000	1,009,000
Jewelry and miscellaneous, music	203,000	249,000
Drugs and supplies	112,000	124,000
Cigars, tobacco, etc	110,000	125,000
Confectionery	98,000	115,000
Furniture	100,000	121,000
Other merchandise	103,000	129,000
Total	5,681,400	7,112,000

The reclaimed areas about these western towns constitute but a small portion of the irrigated West. They are, however, suggestive, and demonstrate that the manufacturers of the East sell each year to the far West irrigationists hundreds of millions of dollars' worth of wares.

Reclaimed lands in the West and South will be especially adapted to the growing of sugar beets and cane. The consumption of sugar in the United States has now reached 95 pounds per capita. If all this sugar were produced from sugar beets and cane in this country, it would take each year 5,250,000 acres of land to yield the beets and cane. The United States, however, only produces one-fifth of the sugar it consumes. It buys the balance in foreign countries, paying each year therefor upward of $250,000,000, a sum two-thirds as large as the amount authorized to be appropriated by this bill.

We can only gain in national wealth as we keep our people employed. We can only have a contented populace as the mass is engaged in lucrative work. Forced idleness long continued will sap the best of institutions. The war has interrupted the old lines of activity. It may be some time before they are fully restored. For the time being some of the energy of our people should be directed into new channels, such as internal improvements. Unless there is to be a general retrogression, a breaking down of civilization, the human family will increase, there will be more mouths to feed, more bodies to clothe, and more wants to be supplied than ever before. At the present hour there is not overproduction but an unusual underconsumption. We firmly believe through favorable congressional action with respect to this measure the food supplies of the Nation will be increased, the home market extended, the idle given work, and the ex-service men and women afforded an opportunity of acquiring land for homes.

The bill in question is in harmony with the plank in the national Republican platform of 1920, which states:

"We favor a fixed and comprehensive policy of reclamation to increase national wealth and production. We recognize the development of reclamation through Federal action with its increase of production and taxable wealth, a safeguard for the Nation. We commend to Congress a policy to reclaim lands and the establishment of a fixed national policy of development of natural resources in relation to reclamation through the now designated agencies."

The reason why the Government is asked to loan $350,000,000 with which to finance reclamation projects grows out of the fact that the money of private parties is generally loaned on existing securities and not upon securities to be created by the money loaned. The inability of parties in the United States to borrow private funds with which to reclaim land is the same as exists in other countries, and the record our Government is making in reclaiming lands compares favorably with the accomplishments of other nations. Asking the Federal Government to carry on reclamation works is requesting nothing more of the Federal Government than what progressive Governments have been doing elsewhere.

Vice Consul Charles M. Hayden, Calcutta, through the Commerce Reports, October–December, 1918, advances late data as to India, where he states there are annually cropped 229,620,075 acres, of which 48,300,917 acres are irrigated, the British Government having put in irrigation works for 26,026,942 acres at a cost of $231,126,000. He further sets forth the estimated value of crops produced by means of irrigation for the year 1916–17 was $298,417,000, or 25 per cent greater than the cost of the irrigation plants. Further, he says, there are either under construction or about to be started in the near future 15 new projects, the estimated cost of which is $149,563,770, which will reclaim 7,000,000 acres of land. Reclamation has practically banished famine in India and the population has greatly increased.

The ministry of public works, Egypt, annual report 1915–16, asserts that the dam across the Nile at Aswan, which cost £5,000,000, furnished water that makes possible the production of crops valued from £5,000,000 to £10,000,000 per annum, and it is further asserted that in a generation the population of Egypt grew from 7,000,000 to 13,000,000, the cultivated areas increasing by 40 per cent and the amount of crops by 60 per cent. By irrigation through English capital in a few years Egypt was brought out of bankruptcy into wealth, and the contemplated works on the upper Nile by the British are far more ambitious than those heretofore undertaken from Aswan to Alexandria.

What probably interested British manufacturers most was the knowledge that from 1899 to 1909 Egyptian imports increased from £11,000,000 to £22,000,000, and the exports, largely to the British Isles, increased in value from £13,000,000 to £24,000,000, while the Egyptian revenues increased from £11,500,000 to £16,000,000.

The English have not been idle in the delta of the Euphrates and Tigris, where there are 12,000,000 acres, of which two-thirds are desert and one-third fresh-water swamps, the rainfall being 8 inches per year and high water occurring in the spring months. The works already planned will entail an expenditure of $30,000,000, which will make possible the condition so graphically described by Hammurabi, one of the greatest monarchs of Babylonian history:

"I have made the canal of Hammurabi a blessing for the people of Shumir and Accad. I have distributed the waters by branch canals over the desert plains. I have made water flow in the dry channels and have given an unfailing supply to the people. I have changed desert plains into well-watered lands. I have given them fertility and plenty, and made them the abode of happiness."

In India the British have investigated the practicability of diverting the Indus, with which to reclaim millions of acres of desert waste.

The Russian Government prior to the war spent a large sum upon investigation of the possibilities of reclamation by means of irrigation in the steppes of southern Russia and the plains of Siberia.

The Canadians have investigated their arid wastes and the Australians have actually undertaken the reclamation of theirs, and already spent many million dollars.

Peru, under a national policy, is restoring the irrigation projects which were the wonder of the Spanish invaders, and Argentina is engaged in an irrigation enterprise which will cost upward of $60,000,000.

Thus this Government embarking upon a national reclamation program is not doing something contrary to the spirit of a progressive people, as is manifest the world over.

In conclusion, what the United States needs is a permanent and constructive policy of reclamation. This bill provides it.

The amount of money to be appropriated and the projects to be undertaken is subject to the approval of Congress.

The lands subject to irrigation are lying idle and of no value, the waters necessary to reclaim them running to waste. Those subject to drainage, in the same condition—an inconvenience to transportation and a menace to health. When reclaimed, both will add vastly to the taxable wealth of the several States.

The Reclamation Department, highly efficient, with a splendid record of performance in the past, can achieve even greater results if given the funds necessary for continuous operation, as provided for in this bill.

There are practically no more public lands in the United States, in their present state, subject to entry that can be profitably farmed.

The funds under this act will revolve, and, therefore, continuously furnish new lands for settlers, the productivity of which is about double that of our best farming lands, not subject to irrigation and drainage.

The Government is merely assisting to create new national wealth. The money advanced will all be repaid with interest.

The proposition is national in scope. As the West and South increase in agricultural production, the North and East will increase in industrial production.

It will not reduce farm values in the East and Middle West.

The world is not troubled with overproduction, but underconsumption. As soon as world conditions are restored there will be an abundant demand for all we can produce. Furthermore, the late war proved the necessity of the country being self-sustaining as to its food supply.

Again, we need a larger home market for our manufacturers. It not only gives a preference right in matter of employment and settlement to those who have served with the military and naval forces of the United States, but it will offer opportunities for our young men to secure homes and continue profitably in agricultural pursuits.

Our country, having adopted a policy of no further territorial expansion, should develop the waste lands within its own borders.

The North and East should welcome the opportunity to assist in the upbuilding of the West and South, especially when they would add to their own prosperity thereby.

The principle embodied in this measure has the indorsement of the last Republican and Democratic National Conventions, the unqualified support of Secretary Fall, and the strong recommendation of President Harding.

Mr. SUTHERLAND. I ask unanimous consent to have printed in the RECORD, in 8-point type, an address delivered by the Vice President at the American University this afternoon at 2.30 p. m.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type, as follows:

At American University, Washington, D. C., on Wednesday, June 7, 1922, at 2.30 p. m., Vice President CALVIN COOLIDGE spoke as follows:

"The world needs education in order that there may be a better estimation of true values. It is not easy to assemble facts. It is not easy to draw deductions. It is not easy to distinguish between the accidental and the essential. In the complications of modern civilization these are becoming more and more difficult. If world problems are to be solved it will be through greater application, through more education, through a deeper faith and a more complete reliance upon moral forces.

"It is only those who can not see beyond the present, who are lost in particulars, and who have no training to comprehend the greater sweep of events that come to lack the necessary courage to bear their share of the common burden. To a race which claims a heritage of eternity the important question is not where we are but where we are going. Education fails which does not help in furnishing this with some solution. It ought to confer the ability to see in an unfolding history the broadening out of the base of civilization, the continued growth of the power and the dignity of the individual, the enlarging solidarity and stability of society, and the increasing reign of righteousness.

"There are two great standards, and two alone, by which men measure progress—creation and redemption. These are not accomplished facts; they are ever-present processes. While we speak their work is going on. They are the measure of the dominion of man over himself and over nature, and of his dedication of himself and all his powers to a moral purpose.

"Measured by these standards, it would not seem difficult to justify the superiority and the increasing progress of modern civilization. Looking far back, the circumference of the enlightened world was very small. Its light existed, but it was everywhere surrounded by the darkness of ignorance, of super-

stition, and of savagery. There is no nation existing to-day which does not trace its ancestry back to a primitive people, yet each has come up through all the intermediate gradations to the present state, which it is scarcely too much to designate as world enlightenment. There are still dark places. There are yet remnants of the lower order, but even the Dark Continent is yielding to the light. There have been times when peoples have lapsed, when the march of a certain limited progress which they appeared to represent has ceased, but the cause has never lapsed. The Greek and Roman world lost for a time a part of its power of creation, but the power of redemption was not lost; it was rather increased as the people who inhabited those ancient empires and their dependencies turned to the Christian faith.

"It was through that faith and through the rediscovery of ancient learning by larger and larger masses of people, the great universities and through the teachings of the clergy, that there was brought about the final great reawakening of the Middle Ages which reestablished and strenghtened the mighty creative power of modern science and invention. No one can dispute that power, no one can deny its increased and increasing dominion over all the forces of nature. Science stretches out its hand and reaches instantly any portion of the earth. It has brought under control forces comparable only with the resistless rise of wind and tide. It has weighed the earth in a balance and created instruments so delicate that they can detect a far-off whisper or measure the dynamic force of thought.

"The Old World motive for creation, the motive of selfishness, of military aggrandizement, of imperialism, and of slavery, the motive which finally gained the ascendancy over the one-time devotion to moral purposes which characterized the early rise of Greece and Rome, was lost. It was lost because it became a perverted motive. It destroyed itself. A reawakened world rededicated itself to what was sound and true and good in the old motive strengthened and purified by Christian ideals. It was the general acceptance by modern life of this new motive which gave it direction and strength and an increasing creative power.

"It was under its inspiration that despotism and slavery have steadily been diminished and self-government and freedom have steadily been increased. It has been the directing force which has provided the material development of the modern world, established the groundwork of enlightened institutions, and given to humanity the moral character which has been the sustaining power of them all. The supremacy of this motive has marked the great world decisions of recent times. It lay at the foundation of the ambition of Peter the Great to reorganize and direct the energies of the Russian people, it inspired Gustavus Adolphus in his struggle for freedom. it was the deeply cherished sentiment of the parliamentary forces under the leadership of Oliver Cromwell, it was exhibited in the spirit of the French people when they were rousing themselves against despotism, it broke the power of the great Napoleon when he grasped at world dominion. The final consummation of these world forces has been America.

"Wherever you may explore the high places of American history you come upon this same motive as the main cause of the action of her people. It was the thought of the early settlers as they hewed out for themselves a home in the wilderness where they raised up their altars and established their schools. It was the meaning of the life of Washington, of the great Declaration, and of the greater Federal Constitution. It is the explanation of Abraham Lincoln and the all-embracing freedom wrought out in his day. Finally, it sent 2,000,000 men across the sea that the cause of a Christian civilization might still remain supreme.

"The power of creation and the power of redemption have come down through all the ages with mankind in ever-increasing proportions. They are the power to build and the power to endow with righteousness. They represent intelligence and sacrifice, the state and the church, the material and the spiritual. These are the forces upon which mankind can rely; they do not fail, they endure.

"The world has been greatly shaken in the past decade. These forces have been tested as they never before were tested. The wonder is not that Russia, under a comparatively new organization which had never reached down to the heart of the people, collapsed; the wonder is that the world as a whole has stood firm, that it is gathering up the threads of existence, resuming its orderly progress, creating and redeeming itself anew. In the doing of this it is doing more, it is striving successfully to reach higher ideals.

"The lessons of the great conflict have not gone unlearned. There is, to be sure, disappointment, disagreement, and irritation; but where in ages past such conditions would have made armed conflict inevitable they are yielding to the power of persuasion and reason, through mutual consultation. There is a general admission throughout the earth of a mutual relationship and a mutual responsibility. There is the League of Nations, which, whether it be successful or not, whatever imperfections may be contained within its terms, is at least the attempted expression of a noble aspiration for world association and understanding. There is the four-power treaty and the covenants for the limitation of the extent and use of armaments, all expressive of an even higher and nobler aspiration and an even firmer reliance upon reason as the foundation for all peace.

"All these are creations the like of which the world has never before seen. There is, moreover, the working out of the salvation of mankind through the ever-existing law of redemption through sacrifice.

"It would be easy to glance back over recorded history and see how when new institutions are needed they have been brought forth and how when they have ceased their usefulness they have been cast aside. It would likewise be apparent that when there has been need for leaders they have been raised up to direct and to inspire and when there has been a requirement for the results of science and invention these have been produced to meet the increasing necessities and to lighten the burden of mankind. Intelligence never rests; ceaselessly it works, building, perfecting, adorning. When creation has been required, creation has appeared.

"Along with creation has gone redemption, always through sacrifice. The power of good ultimately to triumph over evil has never failed. When western civilization was threatened by Attila, Rome and Gaul in common cause made that heroic sacrifice which redeemed all subsequent history. When later the followers of Mahomet imperiled Christianity, it was the Frankish hosts who saved it forever at Tours. Always the story runs the same. Whether it be necessary to meet the evil intent of Stuart kings or the liberty-destroying acts of a Parliament inspired by a mad monarch, or to preserve a nation and rescue it from the curse of slavery, or to overcome the great delusion of world dominion, always there have been those who have made the supreme sacrifice by which these results have been accomplished. Always the cross and always the response. There is a power which moves resistlessly that justifies our faith.

"There is scarcely any reliable authority which denies the right of the people to self-government, there is scarcely any dominion which denies obligation to the law of righteousness. Institutions of learning, organized charities, all of the forces of government and of religion, are making their ceaseless contributions to the unbought salvation of the world. The redemption goes on. The moral forces of the world are supreme.

"This is the civilization which intelligence has created and which sacrifice has redeemed. We did not make it. It is our duty to serve it. Education ought to assess it at its true worth. It ought not to despise it, but reverence it. If there be in education a better estimation of true values, it must be on the side of a great optimism. Under its examination human relationship stands forth as justified and sanctified. There is no place for the cynic or the pessimist. Who is he that can take no part in business because he believes it is selfish? Who is he that can take no part in government because he believes it is sordid? Who is he that can take no part in religion because he believes it is imperfect? These institutions are the instruments by which an eternal purpose is working out the salvation of the world. It is not for us to regard them with disdain; it is for us to work with them, to dedicate ourselves to them, to justify our faith in them. It is a high calling in which to be even a doorkeeper is better than to rule over many multitudes of critics and Philistines.

"The great service which education must perform is to confirm our faith in the world, establish our settled convictions, and maintain an open mind. The heritage of all the past is neither mean nor insignificant. It is a high estate. The work of the world is neither undignified nor degrading. It lacks neither character nor nobility. It is the means and measure of all real manhood. It is truly the creation and the redemption. Those who are worthily engaged in it are ministers of a holy cause, priests of a divine imposition."

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER. The Secretary will state the next committee amendment.

The ASSISTANT SECRETARY. The next amendment of the Committee on Finance is, on page 79, paragraph 365, line 2, before the words "per cent ad valorem," to strike out the numerals "40" and insert in lieu thereof the numerals "50," so as to read:

and in addition thereto, on all of the foregoing, 50 per cent ad valorem.

Mr. KING. I move to amend the committee amendment by striking out the numerals "50" and inserting in lieu thereof the numerals "35."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah to the amendment of the committee.

Mr. KING. Mr. President, I called the attention of the Senate a few moments ago to some figures which dealt with the commodities referred to in this paragraph. May I further trespass upon the time of the Senate a few moments to direct attention to some information which is contained in the Tariff Information Survey in reference to this subject?

Mr. President, it seems to me that there is no justification for any duty upon any of the items embraced in this paragraph, except, perhaps, guns upon which there has been a great deal of skilled work and ornamentation. I concede that guns of that character might very properly be taxed for revenue purposes; they might be classified as luxuries; and I should be in favor of imposing a heavy duty. I say I should be perfectly willing to impose a high duty upon firearms of that character; but this paragraph does not distinguish between the cheaper grades, the ordinary grades of guns and firearms such as are purchased generally by the American consumer and in the American market and the article which is a luxury. It is proposed to impose the same rate of duty upon all grades, regardless of character or value.

To show, Mr. President, how unimportant the importations are and the extent to which the domestic producers have a monopoly, I call attention to the fact that in 1918 there were only 22 double-barreled guns and combination shotguns and rifles imported into the United States.

I am perfectly willing that those 22 guns—for evidently they were high priced—should pay a considerable, indeed, a heavy duty; but under the guise of imposing a high rate of taxation upon the very high-priced guns, it is proposed to impose a heavy burden upon all guns used by the people. It is unfair; it is deceptive. We use the high-grade guns, those of great value, as a pretext for imposing a high rate of duty, and seek to convey the impression that such duty relates only to guns of that character. This bill confirms the right of seven or eight manufacturing concerns in the United States to continue a condition which is tantamount to a monopoly. They are to be permitted to control the market and to fix such prices for their products as their greed may determine.

With reference to the cost of production and the possibility of competition, I call attention to a statement in the Tariff Information Survey to the effect that—

automatic machinery is employed to a large extent in this country and to a lesser extent in Europe. It is used more largely for the making of rifles, pistols, and repeating shotguns than for single and double barreled shotguns, on which considerable hand labor is employed for fitting the parts. Shotguns are also often built to special orders. Hand labor is employed to a larger extent in Europe than here, and in Belgium much of it is performed in the homes of the workers, where all members of a family often spend part of their time on the work.

All of which indicates our superiority in the methods of production and that we can manufacture these guns cheaper than they can be manufactured in any other country.

Speaking of the domestic production and consumption, it is stated that in 1914 one-third of the output was exported. We not only satisfied the domestic market but our production was so great that we were able to send abroad, in competition with other countries, one-third of our entire output. How is it possible for us, under conditions of that kind, to have competition from abroad? It is obvious that no danger menaces us from foreign producers, for we not only satisfy the domestic needs but we were able to go out into the world and take from other nations markets in their own territory, for we exported, as stated here, one-third of our entire production.

It is further stated:

The only article for which a demand exists which can not be supplied by American manufacturers is the highly ornamented or "figured" shotgun barrel and the twisted Damascus barrel.

* * * * * * *

Domestic exports: Exports in the four years previous to the European war amounted to between $3,000,000 and $4,000,000 per year, of which approximately one-half went to Latin American countries; the remainder were divided about equally between Canada, Europe, and the rest of the world. In 1914 the export business amounted to over 30 per cent of the production.

Of imports, it is declared that—

Imports decreased in general since 1902, when they reached a maximum, and reached in the last pre-war year an amount only one-sixth of that maximum, notwithstanding a slight increase in 1914 under a somewhat reduced tariff.

It is further stated that—

The importation of shotguns has been falling off, due perhaps partly to the diminishing game supply and partly to the increasing popularity of the repeating shotgun, which is an exclusively American product.

Of course if the Tariff Commission had stated more fully the facts they would have said that importations fell off because of the cheaper production in the United States and because of the ability of the American manufacturers to supply not only the domestic market but to supply a part of the demands of the world.

Mr. President, in the light of a situation which shows that our production exceeds our consumption, that we must find a world market, that we have no fear from the production of foreign countries, it is now proposed to increase the tariff rate upon the products that are embraced in the portion of the paragraph now under consideration. I can not with any degree of patience discuss schedules and items of this character. I have said upon a number of occasions that I have no quarrel with Senators or others who believe that the best interests of our country require a reasonable tariff for the purpose of establishing infant industries; I have no controversy with those who insist that because of the difference in the price of labor in the United States and abroad there should be laid a duty sufficient to establish an equilibrium; but when no reasons are assigned for these high rates, when there are no importations, or, if any, they are negligible, when there is no competition from abroad, when the industry is not in the infant class but is a well-established and profitable one, when, notwithstanding the disparity in wages abroad and here, there is no possible competition, then, Mr. President, it does seem to me that those who advocate these tariff rates put themselves in an indefensible, inexcusable, and un-American attitude.

They are unfair to themselves; they do violence to their intellectual integrity; they are doing a great injustice to the people of the United States. Under conditions of that character it looks as if the purpose was, as has been stated so frequently upon the floor, to permit the domestic manufacturer to exploit the American public, and, when we come to consider the prices now charged by the domestic manufacturers of guns, we find they are robbing and exploiting the American public; they are charging for guns 200 and 300 per cent more than prior to the war. I repeat, Mr. President, that when the tariff may not be urged to measure the difference in wages at home and abroad, when there is no excuse for it upon the ground that the industry sought to be protected is an infant one, then I can not comprehend the theory upon which such rates are suggested.

Mr. President, this bill is already reacting to the disadvantage of the American producer. The corporations who will profit by these extortionate tariff rates, in anticipation of the passage of this bill, are already advancing the prices of their commodities. Yesterday's New York papers carried this information. I read now from the World, from an article by Mr. C. F. Hughes, and the same information in different language will be found in the trade journals:

Announcement of one of Chicago's leading clothing manufacturers to the effect that an average increase of $2 a suit would be made on fall clothing lines within approximately 30 days was received yesterday with interest by local manufacturers. The increase was explained by the recent advances in the cost of woolens.

Of course, the woolen mills, by reason of the increased duties laid in this bill, already have indicated their purpose to advance the prices of their products, and that, of course, will be reflected in increased prices on all woolen products, clothes, blankets, and so forth, consumed by the American public.

"The result of this condition," the company says, "is that clothing prices are advancing and will continue to advance."

Why not? That is the object of this bill. It is not for the purpose of benefiting the American people. It is for the purpose of swelling the profits of the woolen manufacturers, of the textile manufacturers, of the boot and shoe producers, and of those who are taken care of in the numerous schedules of this bill.

In the local market the general sentiment was that fall clothing prices could no longer remain stationary under continued pressure from higher piece-goods costs. The manufacturers appear willing to maintain their quotations for current orders—

"Current orders," let Senators understand—

but see no chance of avoiding increases in the near future or after they have used up the material bought before woolens advanced. There is still a strong desire to keep the cost of clothing at the minimum—

"There is still a strong desire," but the desire to increase the cost is stronger than the desire to keep the prices at the

minimum. We will see, in this contest between the desires, which one triumphs—

but the manufacturers declare they are helpless in the present circumstances of high labor rates and rising piece-goods prices.

This is what I wish particularly to call attention to:

Now, that the path has been broken by one manufacturing concern, it is believed other announcements will be made. The trade is of the opinion that the first increase will amount to about 7 per cent, as this is what the $2 advance would represent, approximately. It was freely predicted yesterday that upon the reorder business to develop in August and September the range of increase might well mount up to 15 per cent, depending upon the bookings at that time.

On the same page and in the same column the following appears:

AMERICAN WOOLEN CO. ANNOUNCES SECOND ADVANCE.

The American Woolen Co. yesterday announced price changes which complete the second advance upon its fabrics. These included increases of from 5 to 55 cents a yard on the staple woolens in department 3, division C, 2½ to 80 cents a yard on the staple woolens in department 8A, 7½ to 35 cents on worsteds and 2½ to 55 cents on woolens in department 4, which handles women's wear.

The key number among worsteds in the American line was brought up in the second advance to $2.60. This number is the well-known Fulton serge, and its present price stands 25 cents over the opening figures. The advance, therefore, has been about 10 per cent.

What does that mean, Mr. President? It means that many of the manufacturers of the United States, not only of woolen goods but of other products, anticipating the passage of this bill, fortified and buttressed by the high tariff rates therein provided, are already advancing their prices and are giving notice to the public that prices, high as they are, will continue to advance.

Mark this significant expression:

Now that the path has been broken by one manufacturing concern, it is believed other announcements will be made.

Why, of course; these organizations so articulate that when one moves all move. They are so bound together by secret agreements or by interlocking directorates or by hidden cords that when one moves all move; when one advances all will advance.

Mr. President, we have charged, and the charge will be made again, that trusts and monopolies and conspiracies in restraint of trade and to destroy competition exist in the United States. They rear their ugly heads everywhere, and they rob and plunder the people apparently at will. A few magnificent gestures have been made by some of the prosecuting officers of States and of the Federal Government to bring these conspirators who violate the law into the courts, that they may be punished for their misdeeds. How many prosecutions under the criminal provisions of the antitrust law have been brought during the past year, or, for that matter, during the past 10 or 15 or 20 years?

Mr. WATSON of Georgia. Mr. President——

Mr. KING. I yield.

Mr. WATSON of Georgia. If the Senator recalls a provision of the Sherman antitrust law, the most practical, immediate, and effective way to enforce that law would be to seize the goods of the shippers, wherever they are found in any depot in this Union, and confiscate those goods right there.

Mr. KING. Mr. President, the suggestion of the Senator has merit. If Congress desires, and the present law does not authorize this course, it has the power to provide for the seizure of goods in interstate commerce which have been manufactured or are being vended in contravention of the criminal provisions of the Sherman antitrust law. If Congress has the right to prevent combinations in restraint of trade, and to provide punishment for those who conspire to destroy competition, and to provide in civil proceedings for the dissolution of such corporations and trusts, then, for the purpose of effectuating the object, it can provide for the seizure of property carried in interstate commerce in violation of the terms of the law. But, Mr. President, the Sherman antitrust law is being flouted by manufacturers, by great trusts and corporations in the United States. They regard it as if it were a nullity, as if it were a joke; and so those combinations now coordinating, articulating, are getting ready to advance with steady tread, united in their steps, toward higher prices for the commodities which the people of the United States are compelled to purchase.

Who shall say that this tariff law is not for the purpose of increasing the prices of commodities to the people of the United States? When the Senator from Alabama [Mr. HEFLIN] described this bill as one which increased the prices of all commodities from the cradle to the grave and the shroud which enveloped the dead, he was not speaking metaphorically; he was describing an actual condition which will be realized—indeed, it is already being realized under the probability of the passage of this bill.

Mr. WATSON of Georgia. Mr. President, the Senator from Alabama might have said that one of the hungriest trusts that ever robbed the American people was the Coffin Trust.

Mr. KING. I think, Mr. President, the Senator from Alabama did refer to the fact that coffins—that is my recollection of the figures—have advanced in price 600 per cent. There never were such greedy corporations and individuals in the world as some who are engaged in business pursuits and enterprises in the United States. They desire a complete embargo so as to prevent any importations of commodities produced by them, Then they could fix domestic prices at such levels as would satisfy their greedy souls.

I repeat, Mr. President, that the question at issue here is not whether there shall be a tariff or no tariff, but whether there shall be a just and a fair tariff, measured by the conceptions of those who believe in a fair tariff system, or a system which licenses the domestic producer to exploit at will the American people.

I said in the beginning of this debate that if a bill had been offered providing fair and reasonable rates based upon the difference in cost of production at home and abroad it would have gone through the Senate with but a few weeks' debate. Some would have voted against it, but it would not have provoked the discussion that this iniquitous bill does, because this measure finds no precedent, no authority, in any previous tariff legislation. It is sui generis. It stands out alone in its own nakedness and in its own hideous deformities.

In the same paper, Mr. President, and on the same page, I find this article, and I call the attention of Senators, and especially my Republican friends who have been defending this bill upon the ground of the frightful menace that Germany was to the United States, to this statement:

GERMANS FACE DEPRESSION.

WASHINGTON, June 5.—Gloomy prospects for German industry and foreign trade were reported at the recent convention of the National Union of German Industry, says a wireless report received at the Department of Commerce to-day from Commercial Attaché Herring at Berlin.

I might say that Mr. Herring has been making some very illuminating reports to the Commerce Department, in which industrial conditions in Germany are being revealed.

Recurring to the article:

As the level of export prices of many commodities approaches the world market level, the convention found, a decline of foreign orders and some cancellations of contracts follow as a natural consequence.

The minister of labor, Mr. Herring added, has informed the Reichstag that serious unemployment may be expected soon, due to decline of the German industrial boom.

Those who know anything about economics and the function of money realized that the balloon conditions in Germany must soon come to an end, that the balloon would be punctured, and a most distressing depression in Germany would result. This situation, it was apparent, would result in unemployment, doubtless in serious discontent, possibly followed by revolutionary movements.

With the enormous paper inflation, with the struggles which Germany is experiencing in obtaining the gold with which to meet her indemnities, though moratoriums have been granted, it is obvious that Germany, if not now brought to face the issue, will be compelled to face it in the near future, and this boom, so called, will be exploded, and the German people will be brought down to earth again, and there will be such financial disaster, such industrial chaos, as perhaps will not be found in any country of the world other than Russia.

We are discussing this paragraph, which proposed a prohibitive duty upon guns and various parts of guns, when we manufacture and export, when there is no danger of competition from abroad to be apprehended, when the domestic market is secure in the hands of a few firms, and when the profits of those concerns have been enormous.

These rates can not be defended. It is a pure gratuity to these corporations, a gratuity which we pay by robbing the American people, putting our hands into their pockets by the strong arm of the law, abstracting money therefrom, and transferring it to the pockets of rich corporations and trusts.

Such is this Republican tariff bill, iniquitous, infamous—damned before it is born, destined to be damned during its life time, and doomed to damnation and obloquy after its death.

The PRESIDING OFFICER (Mr. EDGE in the chair). The question is upon agreeing to the amendment offered by the Senator from Utah [Mr. KING] to the committee amendment.

Mr. KING. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. POMERENE (when his name was called). I am paired for the day with my colleague [Mr. WILLIS]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

The roll call was concluded.

Mr. BALL. Transferring my general pair with the senior Senator from Florida [Mr. FLETCHER] to the junior Senator from Delaware [Mr. DU PONT], I vote "nay."

Mr. CURTIS. I desire to announce that the Senator from Indiana [Mr. NEW] is paired with the Senator from Tennessee [Mr. MCKELLAR].

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. COLT. I transfer my general pair with the junior Senator from Florida [Mr. TRAMMELL] to the junior Senator from Oklahoma [Mr. HARRELD] and vote "nay."

Mr. STANLEY. I transfer my pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. JONES of New Mexico. I transfer my general pair with the senior Senator from Maine [Mr. FERNALD] to the senior Senator from Missouri [Mr. REED] and vote "yea."

Mr. GLASS. I transfer my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

The PRESIDING OFFICER (Mr. EDGE in the chair, after having voted in the negative). I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Nevada [Mr. ODDIE] and allow my vote to stand.

Mr. FRELINGHUYSEN. I transfer my general pair with the senior Senator from Montana [Mr. WALSH] to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

The result was announced—yeas 24, nays 36, as follows:

YEAS—24.

Borah	Harrison	Overman	Stanley
Capper	Heflin	Pomerene	Swanson
Caraway	Jones, N. Mex.	Robinson	Underwood
Dial	King	Sheppard	Walsh, Mass.
Glass	La Follette	Simmons	Watson, Ga.
Harris	Lenroot	Smith	Williams

NAYS—36.

Ball	Frelinghuysen	McKinley	Shortridge
Broussard	Gooding	McLean	Smoot
Bursum	Hale	McNary	Spencer
Calder	Johnson	Newberry	Sterling
Cameron	Jones, Wash.	Nicholson	Sutherland
Colt	Kellogg	Page	Townsend
Curtis	Kendrick	Pepper	Wadsworth
Edge	Ladd	Phipps	Warren
France	McCumber	Poindexter	Watson, Ind.

NOT VOTING—36.

Ashurst	Fernald	Moses	Ransdell
Brandegee	Fletcher	Myers	Rawson
Crow	Gerry	Nelson	Reed
Culberson	Harreld	New	Shields
Cummins	Hitchock	Norbeck	Stanfield
Dillingham	Keyes	Norris	Trammell
du Pont	Lodge	Oddie	Walsh, Mont.
Elkins	McCormick	Owen	Weller
Ernst	McKellar	Pittman	Willis

So Mr. KING's amendment to the committee amendment was rejected.

The PRESIDING OFFICER (Mr. BURSUM in the chair). The question is upon agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 79, line 5, to strike out "45" and insert in lieu thereof "55," so as to read:

On all parts of such guns or rifles, and fittings for such stocks or barrels, finished or unfinished, 55 per cent ad valorem.

Mr. KING. I move to amend by striking out "55" and inserting in lieu thereof "35."

Mr. President, let me say just a word on this amendment. There is no doubt that under the facts in the case this item ought to be transferred to the free list, as should all the items in this paragraph; but in deference to some upon the other side, I have proposed a very liberal and indeed a very extortionate rate. Without further discussion, because, in my observations heretofore, the matter was generally discussed, I ask for a vote.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 79, line 5, to strike out the word "sporting" before "breech-loading," so as to read:

Provided, That all breech-loading shotguns and rifles imported without a lock or locks or other fittings shall be subject to a duty of $10, etc.

Mr. KING. This paragraph provides that all breech-loading guns, shotguns and rifles, imported without a lock or locks or other fittings, shall be subject to a duty of $10 each and 55 per cent ad valorem. An examination of the record shows that the importations for nine months of 1921 were 48 and the exports of guns and parts were to the extent of millions of dollars. Yet with 48 parts of guns imported we propose to impose this enormous tariff. If Republican Senators can defend it and justify it, then, Mr. President, this exemplifies the fact that no argument will avail and that our Republican friends are impervious to reason.

I ask for a vote. I hope that the committee amendment may be disagreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment to strike out the word "sporting" in line 5.

The amendment was agreed to.

The READING CLERK. The next amendment of the committee is, on page 79, in line 8, where the committee proposes to strike out "40" and insert "55," so as to make the proviso read:

Provided, That all breech-loading shotguns and rifles imported without a lock or locks or other fittings shall be subject to a duty of $10 each and 55 per cent ad valorem.

Mr. KING. I move to amend the committee amendment by striking out the numerals "55" and inserting in lieu thereof the numerals "35."

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Utah to the amendment of the committee.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

The next amendment was, on page 79, at the beginning of line 14, before the words "per centum," to strike out the figures "25" and to insert "60," so as to make the paragraph read:

PAR. 366. Pistols: Automatic, magazine, or revolving, and parts thereof and fittings therefor, valued at not more than $4 each, $1.25 each; valued at more than $4 and not more than $8 each, $2.50 each; valued at more than $8 each, $3.50 each; and in addition thereto, on all of the foregoing, 60 per cent ad valorem.

Mr. MCCUMBER. Mr. President, the only amendment in this paragraph is to strike out "25 per cent ad valorem" and insert in lieu thereof "60 per cent ad valorem." I desire to read a portion of the testimony that was given before the Committee on Ways and Means and then make reference to the importations and the results of the investigation of the Reynolds commission.

On page 858 of the hearings before the Ways and Means Committee of the House we have the testimony and brief that was furnished by Mr. Strugnell, in which he says:

We are not including herein specific comparison between wages and hours of domestic and foreign labor, as we understand such figures are available to your honorable committee, but we do wish specifically to point out the large employment of women and children in continental Europe in the production of small arms, particularly in Belgium, where they advertise that children of tender years, even as young as 8 years of age, become educated producers both in the factories and in the homes, whereas child labor is rightly prohibited with us.

Further on he said:

The marked increase in the protection asked in this paragraph is because actually current importations are now being made at as low a figure as $2.24 free on board European port. The records of the New York customhouse, we believe, will disclose to you larger importations of cheap automatic pistols during the past 90 days than during any 12 months' period in the past, and unless prevented such importations will continue to increase in much the same ratio, and finally be fatal to the industry in this country. We have before us a recent trade circular of a Spanish manufacturer which is so illustrative of the present-day character of foreign competition that we are appending hereto a photostatic copy of a portion of it. It will be noted that its headline reads, "Revolvers systeme Smith Y Wesson Y Colt." The quoted prices are as low as $2.03 each. The domestic and foreign markets will be flooded with similar advertisements. We respectfully submit that such unfair methods of competition are contrary to our laws and should not be encouraged. The parties are beyond the reach of our own Federal Trade Commission, and the only remedy of the American manufacturer is suitable tariff protection.

In other words, they advertised the Smith & Wesson and Colt revolvers at those low prices, when in fact they were not the Colt or the Smith & Wesson revolvers.

Now, Mr. President, looking at the importations, let us take the year 1909 as a fair year, in which the importations were $57.67. Let us then come to 1913, with a new tariff law, when the importations ran up as high as $55,212. Then, the war coming on, the importations went down; but let us look at 1918, when there were only $165 worth imported. In 1919 there were $13,421 and in 1920, $169,217. In the calendar year 1921 there were $674,229—an increase from 1918 of $165 to 1921 of $674,000, or nearly three-quarters of a million dollars' worth in that one single year. That is some evidence of the ability to swamp the market with this product.

I now turn to the Reynolds report and will give some of the importations. Automatic pistols from Germany were imported at $3.76 each, with 39 cents cost of landing. They are sold for

$8.20, as against the American selling price of $12.38. It would require 136 per cent to equalize this difference. With both the ad valorem and the specific rate, the duty is about 96 per cent.

Next is an automatic pistol from Belgium. It comes in for $4.75, with 24 cents landing costs. It is sold in this country for $8.50, as against the American wholesale price of $14.37. It would require 122 per cent to cover the difference. The amount that is given in the bill, both specific and ad valorem, would make about 113 per cent.

Take the next from Spain. The cost is $4.20, with 25 cents landing costs. The selling price of the foreign article is $9.08, against the selling price of the American article of $16.50. It would require 188 per cent to equalize the difference. The ad valorem plus the specific duty allowed by the bill is about 120 per cent.

The only ones falling below the necessity for the duty fixed by the bill are two importations from Spain of revolvers quoted over $4 and less than $8. The price was $5.71, with 28 cents landing costs, selling price in the United States $8.64, and the American selling price $18.44. It would require only 85 per cent to equalize the two products, while the bill would give 104 per cent. But on the average the duties included in the bill are very much below those required as an equalizer between the foreign and the domestic article in the American market. When it is recalled that they are coming in at such enormously increased rates, in amounts that have changed from $165 worth in 1918 to nearly a million dollars worth in 1921, it can be seen that there is a necessity for sufficient protection.

Mr. DIAL. Mr. President, I have been voting persistently and consistently here for two months against this tariff bill. I have seen some of my colleagues on this side of the Chamber from time to time join Senators on the other side of the aisle in different ballots. I did not think that I would fall, but it seems that the time will arrive in all our lives when we have to tumble, however, for different reasons.

The objection I have to the tariff on pistols is that it is not high enough. I think it ought to be 500 per cent, or, better still, an embargo, and then I think the bill ought to be amended to prohibit their manufacture in the United States altogether.

Mr. KING. Mr. President, the Senator from North Dakota [Mr. McCUMBER] did not invite the attention of the Senate to the fact that the prices of pistols, assuming that there is the importation of which he speaks, are still maintained at levels greatly in excess of those prior to the war. For instance, as shown in the brief on page 1988 of the Senate hearings, metal and manufactures schedule, Colt revolvers, new service, price in 1915, $14, and in 1921, $30.50, more than 100 per cent increase. New service target pistols, $25 in 1915 and now selling for $49. Army special pistols in 1915 sold for $13 and in 1921 for $27.25. Officer's model target revolvers sold for $16 in 1915 and in 1921 sold for $38.10; for the pocket positive revolver the price in 1915 was $11 and in 1921 it was $24. The police positive in 1915 was sold at $12 and in 1921 was sold at $24.50; of the police positive special in 1915 the price was $12 and in 1921 the price was—I am speaking, of course, of the domestic market—$25.60; the police positive target in 1915 sold for $13 and in 1921 for $28.25; the single-action Army in 1915 sold for $13 and in 1921 for $29.40. The Smith & Wesson safety hammerless .32 caliber sold for $11.75 in 1915 and for $22.80 in 1921; the safety hammerless .38 caliber sold for $12.78 in 1915 and for $24.40 in 1921; the hand ejector, model 1903, .32 caliber, sold for $12.78 in 1915 and for $24.40 in 1917; hand-ejector military and police, model 1902, .38 caliber, sold for $13.60 in 1915 and in 1921 sold for $27.25; the same hand ejector, model of 1905, .32 and .38 caliber, was sold in 1915 for $13.60 and in 1921 for $27.60.

The Iver Johnson .22, .32, and .38 caliber sold in 1915 for $1.60 and in 1921 for $4.25; the automatic—hammer—sold for $4 in 1915 and for $9.65 in 1921; the automatic—hammerless—sold for $4.50 in 1915, as against $10.30 in 1921; the Harrington & Richardson hammer auto revolver sold for $2.60 in 1915, and in 1921 sold for $7.50; the police auto sold for $2.60 in 1915 and for $7.50 in 1921; and so on. These figures indicate, Mr. President, that the manufacturers of these commodities are continuing in peace times the prices they charged during the war, with enormous increases. If there is any competition from abroad, it has not been sufficient to bring down the domestic prices.

My good friend, the junior Senator from South Carolina [Mr. DIAL], because he does not believe—I should judge from his remarks—in the manufacture or sale of pistols, would invoke the taxing power of the Government to establish an embargo. He does not propose to deal with the domestic manufacturer; he proposes to cut off all possibility of foreign competition and to offer no restriction whatever to domestic producers in the manufacture and vending of pistols. He is not consistent. Why does he not offer an amendment to this bill if he objects to the manufacture and sale of pistols—assuming, of course, that Congress has the right to interdict the manufacture and sale of firearms. I deny that it has that right. It is possible that it may prohibit the transportation in interstate commerce of firearms, but Congress would have no right, in my opinion—I am speaking now without mature consideration—to prohibit the manufacture in the State of New York or the State of New Mexico of pistols, or the vending in the State of New York or in the State of New Mexico of the manufactured product within those States.

A different question, of course, would be presented if the articles that are manufactured and sold were offered for transportation in interstate commerce; but the Senator from South Carolina, having fallen from grace, as he frankly concedes, joins our Republican friends upon the other side on this article, and says, "I propose to turn over to the domestic manufacturer the market and the opportunity to charge what he pleases, to rob the American people by the imposition of such prices as the greed and cupidity of the domestic manufacturer may dictate."

We exported of these products in 1920 $1,337,400 worth; in the nine months of 1921 the exports were $446,059 worth. What the exports were in the last three months for 1921 I am unable to state.

Mr. President, we have here an item as to which the evidence shows that we manufacture large quantities and export large quantities; that there is not sufficient competition to reduce the prices appreciably below the war level and the domestic manufacturers are charging now for these products from 100 to 200 per cent and upward above that they charged before the war.

I move, Mr. President, to strike out the numerals "60" which are found in line 14, page 79, and to insert in lieu thereof the numerals "35." My amendment would still leave the specific duty and an ad valorem duty of 35 per cent.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Utah to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the committee amendment.

The committee amendment was agreed to.

The next amendment was, in paragraph 367, page 79, line 16, after the word "knocked," to strike out "down for reassembling" and insert "down."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The SECRETARY. In the same paragraph, on page 80, line 3, before the words "per cent," it is proposed to strike out "35" and insert "50."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. JONES of New Mexico. Mr. President, there are not many important amendments proposed to this paragraph by the committee, but I am inclined to call to the attention of the Senate the very great increases made in this paragraph by the House over the present law and concurred in by the Senate committee, in not proposing amendments to them.

Mr. SMOOT. The Senator has reference, I presume, to movements adjusted to different positions?

Mr. JONES of New Mexico. Yes.

Mr. SMOOT. Would it not be better to discuss that question when the Senator has an opportunity to offer the amendments he desires to offer?

Mr. JONES of New Mexico. I presume it will be.

Mr. SMOOT. I will say to the Senator that the provisions as to movements adjusted to different positions are new in this bill.

Mr. JONES of New Mexico. They are new; and, of course, there are great increases over the existing law.

Mr. SMOOT. That is true with reference to watches that are adjusted to different positions. The amendments to the paragraph, however, do not amount to much.

Mr. JONES of New Mexico. Mr. President, I believe on reflection that I shall not undertake to discuss the paragraph at this time. It is a very important paragraph and should be discussed at the time when we can propose amendments to the main provisions.

Mr. SMOOT. I agree with the Senator as to that.

Mr. JONES of New Mexico. But I believe I shall not discuss the matter now. The only amendment bearing upon rates in this paragraph relates to watchcases and to enameled dials for watches. The rate has been increased in each instance above the recommendations of the House, and, of course, they are greatly above the existing law. I do not believe that the change should be made, but I must say that the increases as to these items are not any more excessive than the increases in the case of watch movements themselves, and I presume it would do no good at this time even to offer amendments. From my examination of the subject I think we ought not to raise the duty any higher than the duty imposed by the present law, but it can all be handled when we come to consider the paragraph as a whole. So for the present I think I shall simply content myself with voting against the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 80, line 6, before the words "per cent" to strike out "35" and insert "50."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. JONES of New Mexico. Now, Mr. President, I reserve a separate vote on the amendments in the paragraph when the bill reaches the Senate.

The PRESIDING OFFICER. The reservation will be made.

The next amendment was, on page 80, line 10, after the word "plates" to strike out "lever clock movements with jewels in the escapement."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. JONES of New Mexico. I have no objection to that amendment. It merely adds a specific designation which is already in existing law.

Mr. SMOOT. The reason the words are stricken out here is that the proper provision is made in the next paragraph.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 80, line 12, after the word "knocked," to strike out "down for reassembling," and insert "down."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 80, line 13, after the word "manufacturer," to insert the word "or purchaser."

The amendment was agreed to.

The next amendment was, on page 80, line 14, after the word "or," to strike out "die-sunk" and insert "die sunk."

The amendment was agreed to.

The next amendment was, on page 81, line 3, after the word "movements," to insert "including lever clock movements,"; in line 7, after the word "time," to insert "distance, or fares,"; in line 12, after the word "down," to strike out "for reassembling"; in line 16, before the words "per cent," to strike out the figures "35" and to insert "50"; and on page 82, line 3, before the words "per cent," to strike out "40" and to insert "55," so as to read:

PAR. 368. Clocks and clock movements, including lever clock movements, and clockwork mechanisms, cased or uncased, whether imported complete or in parts, and any device or mechanism having an essential operating feature intended for measuring time, distance, or fares, or the flowage of water, gas, electricity, or similar uses, or for regulating or controlling the speed of arbors, drums, disks, or similar uses, or for recording, indicating, or performing any operation or function at a predetermined time or times, any of the foregoing whether wholly or partly complete or knocked down (in which condition they shall be appraised at the valuation of the complete article); cases and casings for clockwork mechanisms imported separately; all the foregoing, 50 per cent ad valorem; and in addition thereto, upon any of the foregoing articles or parts thereof, having jewels, but not more than two jewels, in the escapement, $1 each; having more than two but not more than four jewels, $2 each; having more than four jewels, $4 each; if without jewels in the escapement and valued at not over $1.10 each, 35 cents each; valued at more than $1.10 and not more than $2.25 each, 70 cents each; valued at more than $2.25 but not more than $5 each, $1 each; valued at more than $5 but not more than $10 each, $2 each; valued at more than $10 each, $3 each; all parts and materials for use in any of the foregoing if imported separately, and not specially provided for, 55 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I feel regarding this paragraph just as I did with regard to the preceding one. There are a number of rates put in here by the House and concurred in by the Senate committee which, of course, can not be modified upon this consideration of the bill; and I believe it better to permit the discussion of the entire paragraph to go over until it is reached in the regular order of considering the text of the bill. I shall, therefore, simply vote against the committee amendments on line 16, page 81, and line 3, page 82.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 82, line 3, after the word "all," to strike out "dials," and to insert "dials, whether attached to movements or not, when imported, shall have indelibly painted, printed, or stamped thereon the name of the country of origin"; in line 8, after the words "of the," to strike out "maker" and to insert "maker or purchaser, the name of," and in line 12, after the word "name," to insert "or trademark," so as to make the proviso read:

Provided, That all dials, whether attached to movements or not, when imported, shall have indelibly painted, printed, or stamped thereon the name of the country of origin, and the front or back plate of the movement frame of any of the foregoing when imported shall have the name of the maker or purchaser, the name of the country where manufactured, and the number of jewels, if any, indelibly stamped on the most visible part of same; but if such markings are in whole or in part sufficiently similar to the trade name or trade-mark of an established American manufacturer as to be liable to deceive the user in the United States, entry thereof shall be denied if such trade name or trademark has been placed on file with the collector of customs.

The amendment was agreed to.

The next amendment was, on page 82, line 18, after the word "chassis," to insert "motor cycles"; in the same line, after the words "parts of," to strike out "automobiles," and to insert "the foregoing"; and in line 19, after the word "tires," to insert "all of the foregoing whether finished or unfinished"; so as to read:

PAR. 369. Automobiles, automobile bodies, automobile chassis, motor cycles, and parts of the foregoing, not including tires, all of the foregoing whether finished or unfinished, 25 per cent ad valorem.

Mr. SIMMONS. Mr. President, I presume the amendment of the committee striking out all after "*Provided*" will be agreed to. I shall offer no objection to it myself, and if that is agreed to it is probable that I shall offer no objection to the other changes made in the paragraph. So I am willing to take a vote now, if the Senator from North Dakota desires it, upon the committee amendment beginning with the word "*Provided*."

Mr. TOWNSEND. We have not reached that yet, have we?

Mr. SIMMONS. We are on paragraph 369, as I understood, "automobiles, automobile bodies," and so forth.

Mr. SMOOT. The Senator has no objection to inserting there "motor cycles," has he?

Mr. SIMMONS. No; I have no objection to that amendment, and I have no objection to the amendment striking out "automobiles" and inserting the words "the foregoing." or the amendment inserting "all the foregoing whether finished or unfinished." I think we might just as well vote on those amendments. The matter of rate is not involved, and of course that can be acted upon, in case we desire to offer an amendment to it, when we have finished the committee amendments.

The PRESIDING OFFICER. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 82, line 20, after the words "ad valorem," to strike out:

Provided, That if there be imported into the United States any of the foregoing articles manufactured in or exported from any country which imposes a duty greater than 25 per cent ad valorem upon similar articles exported from the United States, there shall be levied, paid, and collected upon such articles a duty equal to the duty imposed by such country upon such articles imported from the United States, but not to exceed in any case 50 per cent ad valorem.

Mr. McCUMBER. Mr. President, before that is agreed to I think it is fair that I should state that the question of countervailing duties has not yet been definitely settled by the committee; and while it has been cut out in this and the following paragraph and in some other paragraphs, I do not want it understood that the committee intends to be precluded from reporting countervailing duties to some amount on some of these articles. They have not yet agreed, however, as to just under what circumstances and at what rates they will advocate countervailing duties. I think the proper thing is to have a general countervailing paragraph covering the specific articles to be brought under the countervailing duty, and limited to those.

Mr. SIMMONS. I have not read this proviso very carefully; but, as I understand, this proviso is that if any country shall charge more than 25 per cent on our exports, then you want a countervailing duty to cover such additional amount?

Mr. McCUMBER. We have stricken out all of that for the present.

Mr. SIMMONS. That is what this proviso says.

Mr. McCUMBER. Just what the provisions of the countervailing paragraph may be, I do not want to say at this time.

Mr. SIMMONS. The Senator does not want to strike that out at this time?

Mr. McCUMBER. Yes; I want to strike it out.

Mr. SIMMONS. Very well; I am satisfied either way.

Mr. TOWNSEND. Mr. President——

Mr. McCUMBER. If the Senator from Michigan wants to pass that for the present, I have no objection.

Mr. TOWNSEND. I do not want to discuss it now. I am very much in favor of this countervailing duty on automobiles. In fact, I am much more in favor of it than I am of any specific duty. The most that I care about is that this country shall treat other countries with reference to automobiles the same as those countries treat us with reference to a tariff; so I do not want this amendment adopted now until I know what countervailing provision the Senator from North Dakota will present. When that comes in I shall be prepared to consider this matter.

The PRESIDING OFFICER. Without objection, the amendment will be passed over. The Secretary will state the next amendment of the committee.

The next amendment was, on page 83, at the beginning of line 5, before the words "30 per cent," to strike out "thereof" and to insert "of the foregoing," so as to make the paragraph read:

PAR. 370. Airplanes, hydroplanes, motor boats, and parts of the foregoing, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 83, line 6, after the word "bicycles," to strike out "motor cycles, and finished parts of bicycles and motor cycles, 30," and to insert "and parts thereof, not including tires, 45," so as to read:

PAR. 371. Bicycles, and parts thereof, not including tires, 45 per cent ad valorem.

Mr. SIMMONS. Mr. President, as I understand this amendment, the proviso is stricken out, it being a proviso very much in the nature of the one we have just discussed in connection with paragraph 369; and nothing is left in the paragraph by the committee except the words "bicycles, and parts thereof, not including tires, 45 per cent ad valorem," as a substitute for "30 per cent," proposed by the House; so that the only effect of the committee amendment, outside of the proviso—which I presume the committee will want to consider further in this case, as in the other case—is to change the House duty from 30 to 45 per cent upon bicycles.

Now, I wish to ask a question of the Senator from North Dakota, who, I understand, is in charge of this paragraph.

The Senate committee proposes to raise the tariff on bicycles from 30 to 45 per cent. I should be very glad to have the Senator from North Dakota advise us as to why he thinks this heavy increase in the rate on bicycles should be made. The present law provides for 30 per cent. The House provided for 30 per cent.

Mr. McCUMBER. All I can give the Senator now is the statement that, as I understand, about 90 per cent of these articles consist of labor, and only about 10 per cent of raw material, and they are being manufactured to a considerable extent in Germany. While the importations, as stated, are not heavy at this time, with the great labor difference it was thought by the Committee on Ways and Means that 30 per cent upon the American valuation was necessary. That is equivalent to about 45 per cent upon the foreign valuation. While that may not be necessary to-day, I think it will be necessary before the end of the year.

Mr. SIMMONS. I do not know what the Senator has in mind when he says that a different situation with reference to the importation of bicycles may be presented during the present year. In connection with these rates, we hear a great deal about what is going to happen unless something is done to prevent it from happening. That is a very unsafe and unsound way of legislating, upon mere prophecy, upon apprehensions of the maker as to a livelier competition and an increase in importations.

If the Senator has any substantial reason which he could give to the Senate to show that there is a prospect of a very serious change in the present international traffic, so far as we are concerned, in automobiles, which is likely to take place in the future, imperiling the industry in this country, I would like very much to have him state what it is, so that we can weigh it, and ourselves pass judgment upon whether it is sufficiently important, or whether the information is of a sufficiently certain and definite character to justify us in imposing taxes upon the people of this country in anticipation of it.

I assume it would hardly be contended that under present conditions of imports there is any reason why the duty upon bicycles should be raised from 30 to 45 per cent. That is a tremendous jump. The present rate seems to have been very effective in protecting the American producer, so far as the facts which we have from the record show.

The production of bicycles in 1914 was 398,899 machines, valued at $5,361,230. The output in the year ended August 31, 1918, was estimated by the War Industries Board as 507,207. The production of bicycles in 1919 was 470,675, valued at $12,277,341.

During the period from 1914 to 1919 the bicycle industry again showed rapid growth, much greater than that of the motor cycle. The total value of the products of the bicycle industry was $22,234,000 in 1914 and $53,000,000 in 1919.

Mr. SMOOT. That includes motor cycles.

Mr. SIMMONS. No; it says the bicycle industry. The imports of bicycles increased up to the time of the war; they were chiefly from England, but a portion came from Germany.

The imports in 1914 of bicycles and finished parts were valued at $205,062, a mere fraction. The values of the imports of bicycles and finished parts thereof for 1918 were $3,920, for 1919 they were $10,953, for 1920 they were $48,193, and for the nine months of 1921 they were $38,695. So that there was a material falling off from 1920 to 1921.

Mr. SMOOT. It would be about the same.

Mr. SIMMONS. The exports of bicycles, tricycles, and so forth, in the fiscal year 1918 amounted to $1,366,747, and in 1914 to $608,931. I will skip a part of this, because part of it relates to bicycles and part to motor cycles.

The exports of bicycles, tricycles, and so forth, for the calendar years 1918 to 1921 have been valued as follows:

1918	$1,540,920
1919	3,234,915
1920	4,725,643
1921 (nine months)	1,353,234

Here we have a $52,000,000 production, an exportation ranging from one and a quarter millions to one and three-quarter millions in 1920, and three millions in 1919, with imports in the two latter years of $48,000 in 1920 and $38,000 in nine months of 1921.

Evidently the importations up to this time have cut no figure at all. They are absolutely negligible. They need not be considered. The duty carried in the present law has been practically prohibitive, and now, upon the suggestion that some very radical change in the conditions of production, exportation, or importation is anticipated, I do not know which, we are asked to increase this rate 15 per cent.

Mr. McCUMBER. If the Senator will be satisfied with 30 per cent, I think we can cut that from 45 to 30. It is 25 per cent under the present law. Thirty per cent would, of course, be but 5 per cent above that.

Mr. SIMMONS. While I would not say that I would be satisfied, as I would prefer the 25 per cent rate, if it is proposed to cut it from 45 to 30, I am willing that a vote shall be taken without further discussion.

Mr. McCUMBER. I move, then, that "45" be stricken out and "30" be inserted in lieu thereof.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Dakota.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 83, line 8, after the words "ad valorem," to strike out the following proviso:

Provided, That if there be imported into the United States any of the foregoing articles manufactured in or exported from any country which imposes a duty greater than 30 per cent ad valorem upon similar articles exported from the United States, there shall be levied, paid, and collected upon such articles a duty equal to the duty imposed by such country upon such articles imported from the United States, but not to exceed in any case 50 per cent ad valorem.

Mr. McCUMBER. I would like to pass that amendment over, as we will take it up with the previous one of like character which was passed over.

The VICE PRESIDENT. The amendment will be passed over.

The next amendment of the committee was, in paragraph 372, page 83, line 17, to strike out "15" and to insert "20," so as to read:

Steam engines and steam locomotives, 20 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I am inclined to think that this paragraph may be referred to as the colossal mistake of the bill, because of the largeness of the articles referred to and the amount of the industry. I can not conceive that the paragraph received any careful consideration. I realize that some very important amendments have been pro-

posed, and undoubtedly they were deliberately put in there, but the first amendment is to increase the duty on steam engines and locomotives from 15 per cent to 20 per cent.

The production of steam engines and locomotives in this country is something stupendous, both in material and in value. We export steam engines and locomotives to the farthest corners of the earth. The imports are nothing to be considered. The same thing may be said regarding a number of these other items. This paragraph includes machinery of various kinds. I think I shall read the paragraph in the bill, so as to get it into the RECORD in a consecutive way.

I may state that at the present time there is a duty of 15 per cent on steam engines, steam locomotives, printing presses, and machine tools; and on embroidering machines and lace-making machines, including machines for making lace curtains, nets, or nettings, there is a duty of 25 per cent ad valorem. Under the existing law sewing machines, cream separators valued at not exceeding $75, whether imported in whole or in part, are free.

Now, here is the proposal as it comes from the committee:

PAR. 372. Steam engines and steam locomotives, 20 per cent ad valorem; sewing machines, and parts thereof, not specially provided for, valued at not more than $75 each, 25 per cent ad valorem; valued at more than $75 each, 40 per cent ad valorem; cash registers, and parts thereof, 25 per cent ad valorem; printing presses, not specially provided for, lawn mowers, and machine tools and parts of machine tools, 35 per cent ad valorem; embroidery machines, including shuttles for sewing and embroidery machines, lace-making machines, machines for making lace curtains, nets, and nettings, 30 per cent ad valorem; knitting, braiding, and insulating machines, and all other textile machinery or parts thereof, finished or unfinished, not specially provided for, 50 per cent ad valorem; all other machines or parts thereof, finished or unfinished, not specially provided for, 30 per cent ad valorem: *Provided*, That machine tools as used in this paragraph shall be held to mean any machine operating other than by hand power which employs a tool for work on metal.

Mr. President, as I said, I think that is one of the colossal mistakes of this bill. In 1914 steam locomotives, valued at $46,968,144, were manufactured in 33 establishments, and all other steam engines, valued at $30,498,638, were manufactured in 243 establishments, making about $77,000,000 in 1914 of steam engines and steam locomotives. The value of all steam engines made in 1919 was $72,047,000.

I call attention now to the imports of locomotives. I find that they have not amounted to as much as $100,000 in the last four years for any year, and in the first nine months of 1921 amounted to $20,050. The domestic production was about $77,000,000; yet it is proposed to increase the duty on locomotives, which we export to every country in the world which is able to buy a locomotive.

Mr. WILLIAMS. Mr. President, will the Senator pardon me a moment?

Mr. JONES of New Mexico. I am glad to yield to the Senator.

Mr. WILLIAMS. Has there been a single instance during this time of even one locomotive being imported?

Mr. JONES of New Mexico. I find that there was probably one during the year 1921, of a value of $20,050.

Mr. WILLIAMS. Suppose there had been six locomotives imported in the United States?

Mr. JONES of New Mexico. I am afraid, according to the views of the committee, it would have created consternation in the industrial life of America.

Mr. WILLIAMS. I thought it would. Suppose there had been 12, we would have had a panic, would we not?

Mr. JONES of New Mexico. Very likely.

Mr. WILLIAMS. Twelve locomotives imported into America creating a panic, and yet the Senator from New Mexico tells me there was but one imported.

Mr. JONES of New Mexico. Causing the Congress of the United States, both the House and the Senate, to take up time deliberately to increase the tariff on the importations of locomotives.

Mr. WILLIAMS. But, my dear Senator, can you not understand that even if one locomotive came in American industry would be threatened in a most pungent style?

Mr. JONES of New Mexico. I am beginning to realize that fact. I have listened to just such statements as that here day after day, and whenever anything shows up as coming toward the United States apparently there is great disturbance in the minds of all of the Senators on the opposite side of the Chamber.

Mr. WILLIAMS. But does not the Senator as an ignorant Democrat—and, of course, all Democrats are ignorant—realize that the invasion into our shores of one locomotive means a potential destruction of all American industry in the locomotive business?

Mr. JONES of New Mexico. Not only that, but that one locomotive is liable to run wild in this country and kill some of our people.

Mr. McCORMICK. Some of the Democrats, for instance.

Mr. JONES of New Mexico. Yes; doubtless they are very considerate of the Democrats and keep that locomotive from killing the Democrats in the United States.

Mr. WILLIAMS. I hope so. However, does not the Senator realize when it comes to the question of the protection of "American industry"—from the smallest industry to the highest—that the only way to protect it completely is to keep out any sort of foreign importation? Does not the Senator know as well as I do that if the Republican theory is correct there is no way of responding to it except by keeping out all importations? Does not the Senator know that if we keep out all importations, that would stop one-half of the foreign commerce, and after about 10 years it would stop the other half?

Mr. JONES of New Mexico. I have been getting some light on that subject here during the discussion of the bill. On yesterday at least one Senator said he was in favor of an embargo tariff. Others have not been quite willing to make the confession; but if they properly designate or use the right nomenclature in connection with their acts, it seems to me there are a great many who are in favor of an embargo tariff at this time. Of course, that means that nothing shall come in here which is produced at all in the United States.

Mr. WILLIAMS. In competition with anybody else on the surface of the earth.

Mr. JONES of New Mexico. Certainly.

Mr. WILLIAMS. That would include everything except tea and coffee, would it not?

Mr. JONES of New Mexico. Yes; and a few spices from Arabia.

Mr. WILLIAMS. And under the present prohibition law, alcohol, as well as some spices and things of that sort. Does not the Senator from New Mexico feel ashamed of himself while he is standing here pretending to defend the foreign producers of products that might possibly be imported into the United States as against somebody in the United States who might possibly, at five or ten times the cost to the consumer, produce the same articles and sell them on our market? Does not the Senator feel ashamed of himself?

Mr. JONES of New Mexico. I must confess to a degree of humiliation for trying to defend anything in connection with the bill or opposing anything in it. There has been some modification of the bill thus far, but there seems to be a determination to put it through.

Mr. WILLIAMS. I want to ask the Senator from New Mexico another question, and I intend this to be a Dick-nailer. Does not the Senator know that the duty of every nation on earth is to produce at its own expense everything that it needs and not to pay for it at its ports at the expense of its people, even if it costs them ten times as much to produce as it does to import it from a foreign nation? Does not the Senator know that the great American ideal is that we must sew our own shoes and sew our own hats, and do everything else, no matter how much it costs, and no matter how cheaply the pauper labor of Europe or Asia or Africa may furnish them to us?

Mr. JONES of New Mexico. That doctrine, I think, has been virtually announced here a number of times.

Mr. WILLIAMS. But does the Senator deny it?

Mr. JONES of New Mexico. The statement has been made here from the beginning that we should not produce any surplus of anything in this country; that if we are engaged in a business which will result in the production of a surplus, we shall desist from that occupation and seek some other. That doctrine was announced here in the very beginning of the discussion of the bill. It was distinctly stated upon the floor of the Senate that the wheat growers of the country should not produce any surplus, and if they were producing a surplus should quit growing wheat and grow flax. If we apply that doctrine to the business of the country generally, we will have no surplus of anything to export and, of course, having no surplus to export we could not afford to buy anything that other nations might want to send in here.

Mr. WILLIAMS. But, if the Senator will pardon me for just a moment longer, if we could reach the ideal condition or status where we do not produce any surplus, and were absolutely and industrially independent of all the balance of the world, why should we stand here as an ordinary southern or western fool Democrat, contending that we ought to produce a surplus?

Why should we have a surplus? If a man can get along well enough upon what he has already produced, without a surplus or anything to sell outside of the family, why should he have a surplus or anything to sell outside of the family?

Mr. JONES of New Mexico. I presume if I were to stay here long enough in the discussion of this bill I might become converted to that doctrine.

Mr. WILLIAMS. The Senator from New Mexico knows as well as I do that the old original Henry Clay protective doctrine is that we ought not to have a surplus and that we ought not to sell anything to foreign nations, because if we did they might sell something to us, and that if they sell anything to us that threatens our very life. The Senator from New Mexico ought to know that, if he does not know it.

Mr. JONES of New Mexico. As I have said, I may be converted to that doctrine.

Mr. WILLIAMS. It is a doctrine very highly commendable in the sanctum sanctorum of the Republican stand-pat theologians of this moment, including the Senator from Massachusetts [Mr. LODGE], who seems to have temporarily deserted this arena, for fear that he might have to oppose some of the provisions of this bill.

Mr. JONES of New Mexico. If this bill becomes a law it will, in great measure, force upon this country precisely the conditions suggested by the Senator from Mississippi.

Mr. WILLIAMS. Those were happy conditions that I suggested.

Mr. JONES of New Mexico. They are happy in the minds of some.

Mr. WILLIAMS. Well, "some" are all.

Mr. JONES of New Mexico. The Senator means in the minds of Senators on the opposite side of the Chamber?

Mr. WILLIAMS. No; I do not; but I mean that when we make some—comparatively few—people happy and highly prosperous at the expense of all, who sacrifice nothing in the world but the humble consumers and buyers of products, that spells very high statesmanship; and the Senator from New Mexico ought to know that.

Mr. JONES of New Mexico. I have been listening to that doctrine here for some time.

Mr. WILLIAMS. And the Senator is not yet converted?

Mr. JONES of New Mexico. I have not yet been converted to that doctrine.

Mr. WILLIAMS. The Senator from Utah [Mr. SMOOT] ought to have converted the Senator from New Mexico to that idea long ago.

Mr. JONES of New Mexico. If this bill becomes law, we shall have a most wonderful opportunity to experience the benefits of that kind of doctrine.

Mr. WILLIAMS. That is true; and, by the way, I want to warn the Senator from New Mexico against one thing. Of course, America is going to recover as, of course, England, Scotland, and Wales are going to recover, from the present depressed conditions; but I want to warn Senators that after those countries have recovered, the Senator from Utah [Mr. SMOOT], possibly, and the Senator from Indiana [Mr. WATSON], very certainly, will come in and tell us, "It is because of the new tariff law we have passed." Of course, the world is going to recover from its present depressed condition; it can not help it, if it is given peace long enough, but we will be told just a little later on that it all came about because of the enactment of the pending tariff bill.

I want, however, to call attention to the fact that the old Republicans, history repeating itself, said, "The rise in the price of wheat in this country was owing to the election of McKinley"; but I reckon the Senator from New Mexico remembers that McKinley's election was owing to the rise in the price of wheat about two months before he was elected, and that the rise in the price of wheat kept up. So I want to impress upon Senators, if I can, now speaking seriously, the idea that nobody must go bankrupt upon the future prosperity of the United States.

The United States are going to prosper; they are going to prosper because of their population, their invention, their advention, their courage, their industry, their vigilance, and their intelligence. So do not sound the keynote that maybe this fool bill may destroy prosperity. It can not do so; prosperity is coming anyway; but the passage of the bill will scotch the wheels so much that the prosperity we shall hereafter enjoy will be a very small measure in comparison with the prosperity we should have enjoyed if this bill had never been passed. This bill can scotch and will scotch the wheels of industry, but it can not destroy the progress of the wagons.

Do not forget the second program lie of the Republican Party—I put into the RECORD this morning the proof from the New York Tribune, the par excellence Republican newspaper of this country, of its being a lie—that the prosperity has already set in and is going forward. I do not want the Republican Party again to repeat what they stated in 1897, attributing to a piece of legislation a prosperity that was owing really to the advention, the invention, the industry, and the vigilance and the individuality of the American people.

Mr. President, there is not a possible condition under which the American people can be held down in industry for five years. Whether there be war or peace, conditions will improve a little, but if we have peace long enough my constituents and the Senator's constituents, armed with the original race virility and the individuality of the pioneers of whom we are the descendants, will boost things to a point where there will at least be no panic and no depression. What I am trying to do with the Senator from New Mexico and other Senators now is to cut off the second program lie of the Republican Party, which will be, after we reach a stage of comparative prosperity, no matter whatsoever laws we have, that it is owing to this Republican tariff measure.

As I have said, I put in the RECORD this morning the proof from the New York Tribune that we already are starting ahead. We do not need any law of any description to make prosperity.

I beg the Senator's pardon for the camouflage and the badinage in which I have indulged, but I did not see any other way of reaching the point.

Mr. JONES of New Mexico. Mr. President, I thank the Senator very sincerely for his words of wisdom. He has grown grayer than I have in the service of his country and has handled in detail many of the questions with which we are now wrestling.

Mr. WILLIAMS. I do not like that gray-haired reference. However, I will not interrupt the Senator.

Mr. JONES of New Mexico. I am glad to listen to his words. We have been discussing this bill now for some weeks; a few changes have been made in it, and I agree with the Senator from Mississippi that even this bill is not going to destroy the United States. This country is going to progress.

Mr. WILLIAMS. So are Great Britain, Scotland and Wales, and all other branches of the English-speaking people.

Mr. JONES of New Mexico. Yes, every hard-working, intelligent people will progress. In my judgment, as barriers to our progress rise we will either surmount them or cast them aside; but we shall have a different kind of prosperity if this bill shall be enacted from what we would have if it were not enacted.

If this bill shall pass, we will see the vast earnings of this country become concentrated more into the hands of a few; we will still listen to the recital of the enormous amount of income taxes that some particular sections of the country pay more than other sections pay. That will be dinned into our ears more and more in the years to come. We will still have protests from certain sections of the country that we should levy a sales tax and put the burden of government upon the mouths and backs of the consumers of the country. That is what is going to follow the passage of a bill of this kind. Fortunes will be built up; and from them will come the organized propaganda and protest against paying the expenses of the Government with an income tax, and they will want a sales tax to put the burden upon those who are least able to bear it. The system which has been built up in this country will be greatly augmented by reason of the passage of this bill.

Mr. WILLIAMS. Mr. President, I agree completely to all the Senator has said. This tariff bill will be a scotch in the wheel of the car of progress, and a very great scotch, too, but it will not be sufficient to turn the car backward. It will be sufficient, however, to halt its acceleration. That, however, is not all. I agree with the Senator that if this bill shall pass there will be great impetus given to the idea that poor people ought to be taxed more and rich people ought to be taxed less. If there is anything in this bill that means anything, it means that.

I do not hold a brief for the poor or for the rich. As once I said on this floor I thank God that I am neither rich nor poor, but as between the two, when taxation comes, it ought to fall heaviest upon those who are able to bear it. This bill shifts taxation from those who are best able to bear it to those who are least able to bear it; and if the sales tax should prevail, it would shift nearly all taxation to those who are least able to bear it.

I did not intend to be really funny at the Senator's expense; I meant to be sort of—what shall I call it?—quizzical. But really, Mr. President, I should like to utter about two more sentences, and then I will relieve the Senator from further interruption.

If there is anything in the world that is absolutely and clearly a truism, it is that a tax upon commerce is a burden upon commerce and is a cost to the consumer, and that when any parliament or Congress in the world puts an increased tax upon foreign commerce it means that it has the intent, at any rate, to decrease the volume of foreign commerce. That may or may not be the effect, depending upon the degree of intelligence with which the men who have contemplated the effect have worked. Luckily for the American Union, the men who have contemplated the effect as a rule were Republican successors of old Federalist tariff men, and did not completely

understand the economical condition, and now and then they failed in effecting their purpose; but their purpose always was to decrease the volume of international commerce, and their method of decreasing it was to raise the price to the American consumer to the level of a high profit price for the American producer. That is all there is to it. There can not be anything else to it.

I do not care a cent about the duty upon saws, and I do care a cent about the duty upon shotguns. Of course, I know that when you put a duty upon shotguns you decrease the commerce in shotguns; and, if I heard the Senator from North Dakota correctly when he was arguing that question, his main reason—or one of his reasons, at any rate, whether a main reason or not—for putting a duty upon shotguns, *was* to decrease the sale of shotguns to people who had no business having shotguns.

Mr. McCUMBER. Mr. President, I do not want to take the Senator from Mississippi off his feet at all, but I should like to ask a question of the Senator from New Mexico.

Mr. WILLIAMS. I yield for that purpose. I reckon I have the right to yield.

Mr. McCUMBER. I thank the Senator. I have to leave the Chamber in a moment, and that is the reason why I want the attention of the Senator.

The Underwood bill places a duty of 15 per cent ad valorem upon these engines. The Senator's arguments indicated that he thought that we were putting it on for protection.

I do not think protection is at all necessary. I think the 15 per cent did not bring us in very much revenue, but we put it at 20 per cent. That was 5 per cent greater than the rate of the Underwood bill, and both of them, if they are justified at all, in my opinion, are justified only as a revenue measure; and it is only a question then whether it should be 15 per cent ad valorem or whether it should be 20 per cent. I should not seriously object to letting it go back to the 15 per cent rather than the 20 per cent if the Senator thinks the little 5 per cent takes it out of the category of being a very good rate and makes it an abominable and outrageous rate.

Then, on the question of sewing machines, may I just say this, as the Senator alluded to that:

The ordinary sewing machine in the United States, in my opinion, does not need any protection whatever, but I admit that sewing machines can be manufactured cheaper outside of the United States. That is, I admit that the Singer Sewing Machine Co. can manufacture a sewing machine in Europe—I think they have a factory in Germany, and one in Scotland—cheaper than the American independents can manufacture in the United States.

Mr. JONES of New Mexico. My latest information about it is that they have closed up the German factory and are now manufacturing all their machines in this country for export.

Mr. SMOOT. Oh, they have not closed their plant in Scotland at all.

Mr. McCUMBER. They have not closed up the others; and the testimony that was given at least shows that they can produce a sewing machine cheaper abroad by that cheaper labor, and then bring in their machine and sell it in competition with the American-manufactured machine. The only purpose of the 30 per cent ad valorem was to measure at least the difference in what we regarded as the cost to the American—not the foreigner, the American—of manufacturing his product in Europe and then bringing it over here free, as against a much higher wage scale in the United States.

Mr. WILLIAMS. Mr. President, as I understand the Senator from North Dakota, he is afraid that Americans composing an American corporation doing business in Germany or Scotland may possibly furnish the sewing women of America, who, as a class, are very poor, with a cheaper machine than the American sewing machine company could furnish it.

Mr. McCUMBER. No; let me correct the Senator right there—that they will sell their machines for the same price as their competitors, and they will not reduce it a penny, but they will make more money out of it by manufacturing it abroad with cheaper labor and bringing it in here and then selling it, not in serious competition but selling it at the same price that the other sewing-machine factories sell their machines.

Mr. WILLIAMS. Mr. President, if I understand the Senator now, he says that an American corporation, or rather a corporation composed of Americans, doing business in Germany, engaged "not in serious competition" with the American corporation doing the same business here and producing the same product, can sell the machine cheaper to the women who are working by the hour, by the day, by the minute, almost, in the great cities of the United States. Of course, if these women can buy their sewing machines cheaper, they will make more profit upon the product which hitherto they have turned out, or else can turn out more product at the same profit.

Mr. President, what sort of an argument is that? It is that Americans who have taken stock in a foreign corporation can, by producing sewing machines abroad, sell them cheaper than other Americans who, in a corporation in the United States, are making exactly the same machines here. What is the odds? Why should you or I favor the American in a corporation here, against the Americans in a corporation elsewhere, providing he is making the same machine, of the same excellence, at the same cost, and of the same efficiency?

Why, Mr. President, what has the poor girl to do with that—the poor girl who is running a sewing machine in New York or Chicago, in a sweatshop or in an upper office, in the twelfth story of some place, while she is merely making her thread meet the cost of her bread? What have you and I to do with that, except, perhaps, if we are live human beings, to help the girl or the woman who is doing that sewing? If she can get the machine cheaper, she can make more profit out of the same price for her labor, or else she can reduce the price of her product and make the same profit with more volume of trade; one or the other.

Oh, Mr. President, there is one human being that is neglected. It is not even the "ultimate" consumer; it is the middle consumer, the medial consumer, and in this particular case it is the poor girl that is working the machine—widow, wife, or daughter, standing halfway between respectability and prostitution—and we can not help her, because we want the American stockholders of the American company to have an advantage over the American stockholders of the German or Scotch company, or a foreign company of some description; I do not know whether it is German or not. I did not quite catch the argument of the Senator from North Dakota. He said "foreign," at any rate. I did not know whether it was German-foreign, or Scandinavian-foreign, or French-foreign, or Belgian-foreign, or Scotch-foreign; but, above all things, let us beware of the foreigner. The Senator from Idaho [Mr. BORAH] is not in his seat now, or else he would admonish me to beware of the foreigner, the hated, barbarous foreign individual of some description or other. We must not buy his things, and we must not sell him our things. We must have nothing to do with him. We are "the chosen children of Israel" in a commercial sense, and so we will keep out "the gentiles and the heathen" from afflicting us with their cheap products.

Mr. President, did you ever think of what afflicting a people with cheap products means? It is worth mentally dwelling on for just a few minutes before I verbally dwell upon it. Afflicting a people with cheap products, or "flooding" them with something cheap that they want! How in the name of God are you going to hurt a people by "flooding" them with something cheap that they want and which they have to buy from somebody somewhere, at home or abroad?

Mr. President, this whole fallacy grows out of the idea that there is such a thing as German trade with America, and American trade with France, and English trade with Germany, and so on. There is no such thing. There never was any such thing. No government ever traded with another, except the modern soviet government in Russia, which has tried to trade with other governments, and could not do it. There is no such thing as national commerce internationalized. SMOOT, of Utah, trades with CUMMINS, of Iowa, and CUMMINS, of Iowa, trades with WILLIAMS, of Mississippi, and Hans Jacobs in Germany somewhere, perhaps at Mannheim, trades with each of us, and Jean Jacot, somewhere down about Bordeaux in France, trades with Hans Jacobs and with us three; but the nations do not trade at all. Adam Smith long ago destroyed the idea that there was any sense in "the balance of trade." All that a balance of trade means is that somebody pays somebody else for products in gold, and the only reason why he pays in gold is because the products are worth more to him than the gold is, and the only reason why the other fellow sells is because the gold is worth more to him than the products are. That whole foolishness was destroyed a hundred years ago; and yet here you are, as representing the legal legatees of the original American Federalist Party and English Mercantile Party, so-called "intelligent parties of America and England," and you are still talking in 1922 about "the balance of trade," and you are still talking about whether you are going to get gold or products in exchange for what you need to sell.

If you get products, it is because you prefer products. If you get gold, it is because you prefer gold. You will not sell for gold unless you think your product is worth it, and you will not swap gold for the product unless you think the product is worth it. Here we are talking still in the twentieth century, substantially, about "the balance of trade," and substantially

about the idea that some human being in the world somewhere can produce everything he wants and everything he needs with a slight surplus, and sell it to the balance of the world without buying anything from the balance of the world. It seems absolutely ridiculous that anybody would hold such a view in the twentieth century, after the Great War, which brought the world so close together that one airplane could circumnavigate it in 12 days. It would be so excessively ridiculous that the man who discussed it would be ridiculous no matter which side of it he discussed, except for the mental pretensions of the so-called "Republican" Party.

How are you going to help commerce by taxing commerce? How are you going to help foreign commerce by taxing foreign commerce? I hear somebody say, by improving domestic commerce. But how? Simply at the expense of the man who buys the product of domestic commerce; in other words, at the expense of the consumer.

All men and all women and all children are consumers. Hardly any of the children are producers; very few of the women are. Most of the men are not producers of more things than they are consumers, because every man must eat and wear clothes, and every man must buy the necessaries of life. So you are protecting the Government upon the idea of taxing the great generality of men, women, and children of your country for the benefit of the so-called producers of particular products.

Many seem to be obsessed with the idea of this country being "flooded" with foreign products. Suppose they did flood us with the cheap products of all the world. Could you make me buy foreign products unless I wanted them? Could you make me buy them unless it was to my interest to buy them? Could you make me buy them unless my wife and children and I needed or thought we needed them?

Fools just took the word "flood" in order to indicate something destructive. They would "flood us with foreign products." Mr. President, I would like to see the American people flooded with every valuable thing they want at the lowest possible price. That is the sort of flood I would welcome. That is the sort of flood that would help the women and children, as well as the men. Flood us; overflow us; inundate us. Inundate us with cheap clothes. Inundate us with cheap food. Inundate us with cheap mechanical tools. Inumdate us with everything cheap we want, that we are really praying for every day, and that we need in our business. My prayer is, that we may be "inundated" with things of value cheaper than our profiteers can make them.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. SIMMONS. I do not know what the committee amendment is. I understood the Senator from North Dakota to make some suggestion about reducing the rate proposed.

Mr. JONES of New Mexico. Mr. President, a great many people, I am sure, are interested in this paragraph, and I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ball	Frelinghuysen	McCumber	Sheppard
Borah	Gooding	McKinley	Simmons
Brandegee	Hale	McLean	Smith
Bursum	Harris	Newberry	Smoot
Calder	Jones, N. Mex.	Nicholson	Spencer
Cameron	Jones, Wash.	Oddie	Sutherland
Capper	Kellogg	Overman	Townsend
Cummins	Kendrick	Pepper	Walsh, Mass.
Curtis	Ladd	Phipps	Warren
Edge	La Follette	Poindexter	Watson, Ind.
Elkins	Lenroot	Pomerene	Williams
France	McCormick	Rawson	

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Forty-seven Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absentees.

The principal legislative clerk called the names of the absent Senators.

Mr. SHORTRIDGE, Mr. CARAWAY, Mr. MCNARY, and Mr. HARRISON entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. There is a quorum present.

Mr. SMOOT. Mr. President, I ask that the committee amendment on page 83, line 17, be disagreed to.

The PRESIDING OFFICER. The amendment will be stated.

The PRINCIPAL LEGISLATIVE CLERK. On page 83, line 17, the committee proposes to strike out "15" and insert "20," so as to read:

Steam engines and steam locomotives, 20 per cent ad valorem.

The amendment was rejected.

The next amendment of the Committee on Finance was, on page 83, in line 18, after the words "ad valorem," to insert:

Sewing machines, and parts thereof, not specially provided for, valued at not more than $75 each, 25 per cent ad valorem; valued at more than $75 each, 40 per cent ad valorem; cash registers, and parts thereof, 25 per cent ad valorem; printing presses, not specially provided for; lawn mowers and—

And after the word "tools," in line 24, to insert:

35 per cent ad valorem—

So as to read:

PAR. 372. Steam engines and steam locomotives, 15 per cent ad valorem; sewing machines, and parts thereof, not specially provided for, valued at not more than $75 each, 25 per cent ad valorem; valued at more than $75 each, 40 per cent ad valorem; cash registers, and parts thereof, 25 per cent ad valorem; printing presses, not specially provided for, lawn mowers, and machine tools and parts of machine tools, 35 per cent ad valorem.

Mr. SIMMONS. Mr. President, under the present law sewing machines are on the free list. I had hoped that in the mad rush of the manufacturers to get higher protection for their products, to the end that they might not only maintain certain high prices in this country but that they might be given an opportunity further to increase those prices without any risk of foreign interference, they would not go this far. I do not know who asked for this duty of 25 per cent on sewing machines.

I do not know any reason why it should now be proposed to take the sewing machine of the poor women of the country, the machine with which they are enabled in many instances to make the things necessary to defray their living expenses, to make clothes for their children and save and economize in that direction, and place upon it what would ordinarily be considered a very, very high tariff. Of course now, when we are levying duties ranging all the way up to 200, 300, and even 500 per cent, duty of 25 per cent does not seem to be very much. It sounds very insignificant, but in former times, when we were making tariffs, even when we were making the Payne-Aldrich tariff, 25 per cent sounded like a pretty high duty. It is more than the average duty under the present law, and it is not very far below the average duty under the Payne-Aldrich law. Speaking with reference to other high tariffs, it is a very high duty. Speaking with reference to the rates in the pending bill, it could not be called one of the high duties, but it adds 25 per cent to the cost of the poor woman's sewing machine. I had hoped that the manufacturers of the country, in their mad rush to get additional protection and increased prices to swell their already excessive profits, would not lay their hands upon this little household implement.

Mr. President, it is a very simple story, one that ought to be told to the country. I have to go to the free list to find the data about this item. It has been bodily lifted from the free list, from paragraph 1541, and put into paragraph 372 along with steam engines, printing presses, machine tools, and parts of machine tools.

The House did not do this, Mr. President. In the House of Representatives, closer to the people than the Senate is supposed to be, yet yielding very largely to the demands for more and still more, higher and still higher protection, demands that nearly everything that is produced in this country should be protected against the foreigner by a wall sufficiently high to make it impossible for him to scale it, they did not lay the hand of desecration upon this humble little machine which means bread and better clothes to the women and the children of the country, a thing that gets nearer to the 110,000,000 of people in the country than any other instrument which is made by the hand of man.

This little machine has driven the wolf from many a humble home. This little machine has enabled many a poor woman, stitch by stitch, late in the hours of the night, to make it possible for her children, when they went to school or to church, to make a reasonably presentable appearance. I say it is the last thing upon which the vandals of protection ought to have laid their sacreligious hands.

The House knew better than we know, because its membership is closer to the people than we are. They knew what this machine meant to the poor people of the country. If those men who prevailed upon the majority of the committee of the Senate to do this thing appealed to the Members of the House, they in their humanity said, "Nay, thus far and no further."

So far as the House was concerned, the sewing machine was left upon the free list, where, in God's name, it ought to remain; where, in the name of humanity, it ought to remain; where, in the name of the poor little underfed and underclothed children of the people, it ought to remain.

I honor the House of Representatives that they had the strength and the love for mankind and sufficient sympathy with the poor people of this country to say "nay," if the demand was made there, as it seems to have been made in the Senate

before the Committee on Finance, where there seem to have been no such barriers of human sentiment and human sympathy.

Mr. President, we shall show that the American producer of this little machine is in no danger from foreign competition; that there has practically never been any importation of this product into this country; that, on the contrary, we have sold these machines in every part of the world; that we produce them more cheaply, probably, than they are or probably can be produced anywhere else in the world. Yet, when we show those facts, not by statements of interested persons but by the statements of officials of this Government, who are sworn to impartiality in the ascertainment of facts connected with the tariff, we shall be told, as has been forecast in the statement made by the Senator from Utah [Mr. SMOOT] across the aisle from me, that, while all that is true, while there is no condition now existing which would require any protection, even if this were an article for which protection would otherwise be justified—and there are no importations and therefore no ground for either a protective tariff duty or a revenue duty—there is reason to believe that some capitalist in this country contemplates establishing, in Russia or somewhere else where it is claimed labor is very cheap as compared with American labor, factories for the manufacture of these machines, and that if that shall be done, if no duty be levied upon this article to offset the cheaper labor in the foreign country, these machines will be imported here and they will drive the American producer out of the market.

Mr. President, there has not been a day for the last 50 years when the very thing which these gentlemen say is likely to happen and is now in contemplation could not have been done just as well as it may be done if this article is put upon the dutiable list. It has been free all the time.

Never has any Congress of the United States, however strong the pressure was upon it, ventured to place a duty upon this little machine. If it can be made so much cheaper somewhere else than it can be made here, why has it not been done heretofore? What is there in the present conditions of things to make it more probable that American capital will now go abroad and manufacture these machines instead of manufacturing them here at home than there has been at all times in the past?

Mr. President, from the very beginning of the framing of this tariff bill there have been advanced all sorts of invented and concocted pretexts, some plausible and some foolish, in the hope of deceiving Congress and inducing the enactment of laws imposing duties that would enable the American manufacturers and profiteers to advance their prices and increase their profits. Most of those pretexts have been exploded. Some of them were, too, so silly to be addressed to the intelligence which ought to characterize the representatives of the Government in the greatest legislative assembly in the world; but the pretext which is now advanced to induce the Senate to take this little machine off the free list and impose a high duty of 25 per cent upon it is one which, to my mind, ought not to appeal to the good common sense of any Senator.

In the first place, Mr. President, what mandate have we from the people to levy tariff duties based upon conjectural conditions? What is the mandate under which the Republican Party is operating in acting on this bill? Properly construed, it is that tariff taxes shall be levied to equalize the difference between the cost of production here and abroad. That cost of production must be ascertained. It should be scientifically ascertained. How is the cost of production of an industry in another country going to be ascertained before that industry is established? How is the difference going to be measured? If a plant to manufacture these machines shall be established in Russia and, as it is said, cheap Russian labor shall be employed to operate that plant, what reason have we to know or to suppose that the Russian laborer, who is generally a peasant and who has not been trained in the art of manufacturing as the operatives in the American factory have been trained, will be able to turn out as much work as the efficient American who has been trained in the sewing-machine factories of this country, perhaps, from the time he was a boy?

Some individuals interested in cotton mills in my section of the country on one occasion conceived the idea of locating a cotton plant in China, where they were told that labor was so exceedingly cheap as compared with that which they employed in the home factories, and they ventured to try the experiment. They invested large sums of money in the erection of a splendid plant, and equipped it with up-to-date machinery, and they employed Chinese workmen; but, Mr. President, the result of the venture was that, while the Chinamen did not expect or receive anything like the same compensation demanded by the American workmen, the cost of production in the Chinese mill was greater than the cost of production in the American mill.

Are we to assume that because a Russian peasant possibly is willing to work for a little less or much less than the American who has been trained to labor in the sewing-machine factories of this country his labor will be as efficient or that the labor of five Russians or even 10 Russians will turn out as much of the product as the labor of one man would turn out in this country. It is all speculation. It is speculation where we ought to have a scientific ascertainment of the facts.

Again, Mr. President, aside from the speculative feature as to whether these machines could be made as cheaply in Russia as they can be made here, what right have we to assume, when the gentlemen who are seeking this high duty upon this humble machine of the working women come here and tell us that American capital is going over there to establish these factories, that they intend it? Is not the more reasonable conclusion that they are telling that story for the purpose of securing duties upon this product?

But it is said it is not the sewing-machine man in this country who is going to establish factories in foreign countries, but it is somebody else. We have learned that capital is considering doing that, and the sewing-machine people come here and tell us that we ought to put this duty on for their protection in case it is done.

Mr. President, when an industry is confronted by the fact that under conditions which have long existed the sentiment of the people, which has developed from time immemorial, will not permit a duty to be imposed upon this machine, it is very natural that these people when they come and ask for this rate of duty should advance a pretext of this kind; and we have a right to question it.

But even if something of that character is in contemplation, even if these factories may be established in some other country than this, the fact does not exist to-day. It is a mere matter of conjecture. It is a mere matter of prophecy. It is a thing that may happen and may not happen, and when it happens we do not know what the consequences are going to be with reference to a lower cost of production; and deliberately to impose a tax upon this machine upon this conjectural, this prophesied, this predicted condition of affairs, would be, to my mind, an abuse of the power of legislation which has been bestowed upon the Congress of the United States.

But, Mr. President, enough about that. I want now to present some of the facts of the present situation; and I do insist, and I insist most vigorously, and I am deeply in earnest about it, that when we legislate, imposing taxes upon the people, we have no authority to impose them except upon conditions that exist. We have no authority to assume that a condition may hereafter exist, and then to draw our inferences, without proper evidence that if that condition ever exists it would be disastrous to the American producer.

Coming now to the present conditions with reference to this industry, production is shown for 1914 and 1919 as follows:

Sewing machines are mentioned together with a number of other machines. In 1914 the production was $21,710,000; in 1919, $48,946,000.

The imports for 1914 are not given; but in 1919, when the domestic production was $48,946,000, the imports of sewing machines into this country amounted to $225,000. In the same year the exports of sewing machines amounted to $12,774,000. That is the case, Mr. President; and I am only going to repeat the figures to emphasize the statement, and then I am going for the present to drop the discussion.

In 1919 there was a production of practically $49,000,000. In 1919 there were exports of $12,774,000. In 1919 there were imports of $225,000; and yet the committee, in those conditions, proposes to take from the free list and place upon the dutiable list this little machine, which always has been free, which no party and no Congress ever before dared to think of putting upon a dutiable list, which the House refused to touch. In these conditions the majority of the Senate committee lift this item from the free list, where it was born and has been reared and developed—developed to the point where we supply the world with its sewing machines, developed to the point where we have actually absolutely excluded from our shores the foreign product. With this history running through the years of our great development and of the world's development, without there ever being a time when the American producer was ever in jeopardy for a minute as the result of foreign competition, with this unbroken history and with these basic facts staring us in the face, brought up to date, with no competitor yet in the world that can even so much as make a contest with us for the American market, when, as a matter of fact, I reckon, there is but one American producer of this article—I think it is one of our big trusts; they have never had any competition in the market between themselves; their prices have been high—

with these facts before us, it is now proposed to make the prices even higher. Mr. President, the very proposition smells to heaven.

Mr. McCUMBER. Mr. President, the Senator from North Carolina seems to have forgotten his history as well as his figures.

The Senator has reiterated again and again that these articles have always been upon the free list. Why, Mr. President, they have never been upon the free list, except for the years of the Underwood tariff bill, since we began to make sewing machines. Under the Dingley bill they came in under the basket clause, and under that clause there was a 45 per cent ad valorem duty. Under the Payne-Aldrich bill the duty was 30 per cent, and then under the Underwood bill they were put upon the free list. All the developing period of these great manufacturers was during the time of protection. They grew enormously, the product enormously increased, and the price enormously decreased during the period of the very highest protection.

The Senator says we have no right to assume that there will be any danger of any importations from any source if we should not place a tariff duty upon this product. First, I want to read from the Tariff Commission's report, and then I should like to present for the thoughtful consideration of the Senator from North Carolina some of the facts relative to this matter.

The report says:

> The sewing machine has been developed by American manufacturers after years of experimentation and considerable expense in perfecting a standard-type machine. After the sewing machine had been developed to a very high degree in respect to performance the protected patent rights expired. With these rights no longer protected—

And I should like the ear of the Senator—

> Germany began the manufacture of sewing machines, copying the American product. This situation immediately placed German and other foreign manufacturers upon an even footing with American manufacturers in respect to the quality and standardization of the product. The foreign manufacturers adopted American machinery and American methods of manufacture and employed American superintendents, all of which made it possble for them to produce a sewing machine equal in every respect to the American standard machine. American capital is also engaged in operating sewing-machine factories in some foreign countries.
>
> There is a considerable amount of capital invested in this industry. * * * This has since been increased. * * *
>
> The importation of sewing machines increased from $53,000 in 1911—

Under a 30 per cent ad valorem duty—

> to $109,000 in 1913. After the duty was removed, the imports for 1914 amounted to $586,945, which was over five times that of the previous year. Imports decreased during the war.

What did this mean, Mr. President? It meant that in nine months there was imported over half a million dollars' worth of these machines immediately they went upon the free list, and then came the war, and the war alone saved the independent American industry. There was one American manufacturer, the Singer Sewing Machine Co., which could have withstood the onslaught, because they had their factories in Germany, they had their factories in Russia, they had their factories in Scotland, and when the American wages went up they could easily, from the lower wage of these countries, bring in their products.

This duty is imposed for two purposes: First, to protect against the foreign factories, foreign owned; secondly, to protect against the American factories owned in a foreign country.

Let us see the operation. The evidence shows that the standard American machines are retailed at from $30 to $75 apiece. They are sold by the Singer Sewing Machine Co. for the same price at which the other eight companies sell the comparable article, there being nine competing manufacturers in the United States. Let us take a machine which costs each of the factories in the United States $20. In Scotland or Russia it will cost, we will say, 30 per cent less—that is, about $6 less. It is produced, then, in Scotland or in Russia, for about $14. The Singer Sewing Machine Co., if American wages are too high, brings over these $14 machines, and one would think from the hogshead of tears shed by Senators on the other side that the American sewing woman would get a cheaper machine.

Senators know better, Mr. President. Every man knows better who knows anything about the trade. They will sell in this country for the same old prices; they will not go down a penny. If the Singer Sewing Machine Co. brings in its $14 article, that sewing-machine company, which produces 80 per cent of the American product, is not going to compete with its own products, is it? Any man who has judgment knows that is an impossibility.

If the Singer Sewing Machine Co. wants to go over to Berlin or Soviet Russia and, with the cheap labor there, produce a machine that costs them two-thirds or one-half what it costs their competitors or themselves to produce in the American market, then for Heaven's sake let them pay a little something for bringing it into this country.

Not only should we have our American capital first employed in America but it is idle for us to talk about keeping out foreign labor and at the same time importing the product of that foreign labor and having it imported by a company that also employs American labor, but will not reduce the product in price to the consumer one penny by reason of the importations.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from California?

Mr. McCUMBER. I yield with pleasure.

Mr. SHORTRIDGE. I listened very attentively to the remarks of the Senator from North Carolina and I thought I understood him to say that this machine had never been on the protected list, that it had always been on the free list. I so understood him to state.

Mr. McCUMBER. I called the Senator's attention to that error.

Mr. SIMMONS. The Senator called my attention to that.

Mr. SHORTRIDGE. I wanted to be sure that I now understood the Senator from North Dakota; I wanted to be sure as to which Senator was right.

Mr. SIMMONS. Mr. President, the great Senator from South Carolina who used to occupy this seat, Senator Tillman, was in my State making a speech, and in the course of his speech he referred very feelingly to a man who had been found guilty of committing an unmentionable crime, and he spoke of him as being dead, and continued to so speak of him. Finally somebody in the audience hallooed out, "Why, Senator, the man is in jail; he is not dead." Senator Tillman said, "You do not tell me that man is alive! I would assume that he was dead." Without indorsing that sentiment of the Senator from South Carolina as to that particular incident, I will say that I did not examine very closely the Payne-Aldrich law with reference to this item, but I would assume it were on the free list in the present law. If it was not on the free list, it ought to be on the free list; and I assumed that no party in this country had ever been so forgetful of its duty to humanity as to put that article on the dutiable list.

Mr. McCUMBER. And I assumed just the contrary, and my assumption happened to be right and the Senator's wrong; and my assumption as to the effect of free trade, even in sewing machines, is right and the Senator's is wrong. The Senator assumes that if we leave this article upon the free list, the Singer Sewing Machine Co., manufacturing 80 per cent of the sewing machines in the United States, is going to bring in something in competition with its own products, and then sell its own products at a lower price. It has had many opportunities for a great many years to do that, but it has failed to do it so far, and I am inclined to think that it will continue its practice of failing to do so.

Mr. SIMMONS. Mr. President, the Senator now misrepresents me. My contention was that if these manufacturers had gotten up this story about these factories that were to be established abroad and come in competition with them, it was gotten up for the purpose of inducing and persuading the Finance Committee to give them a protective rate upon their products, so that they might advance their present prices without fear of foreign competition.

Mr. McCUMBER. Mr. President, the Singer Sewing Machine Co. has not asked for any protection. I do not know who gets up the stories for the Senator from North Carolina. I am not interested in that, but I am interested quite often in statistics and an attempt to derive some conclusion from them. In looking over the statistics of importations of sewing machines, and the effect of a free trade policy, I find that in 1910, under the Payne-Aldrich law, in which the rate was 30 per cent ad valorem, we imported $76,964 worth of these machines. In 1911 we imported $52,776 worth; in 1912 we imported $70,146 worth; in part of 1913 we imported $108,947 worth; in 1914, after the Underwood-Simmons law became effective, we imported $516,945 worth, and in 1915 we imported $516,947 worth, notwithstanding the war. I will say that out of this $516,000 which came in that year very many of them were the products of the Singer Sewing Machine Co., produced in foreign countries.

Now we come to the period after the war. In 1918, the last year of the war, there were $98,245 worth imported, and most of them came in from Scotland and the other countries where the Singer Sewing Machine Co. had their factories.

In 1919 the importations jumped to $225,000 worth; in 1920 they jumped to $346,000 worth, and in 1921, notwithstanding

everything else had decreased, the importations increased to $398,495 worth.

The Tariff Commission report says that all these factories abroad have all the varieties of machinery we have in the United States, they have the same standardization, they can practice the same economies, and they have labor at from one-fifth to one-tenth the cost of the American labor. I believe they will be able to import if it is to their advantage, and I believe the time is coming when it will be to their advantage to become important exporters of their products to the United States.

Mr. SIMMONS. Mr. President, if the Senator will pardon me for an interruption, as I expect to leave the Chamber in a minute, I want to call his attention to the fact that the imports in 1916, 1917, and 1918——

Mr. McCUMBER. During the war, of course, they were very light. During that time, while the imports were very low, the exports were increasing.

Mr. SIMMONS. For none of those three years were the imports in excess of $100,000, while the imports during the last full year of the operation of the Payne-Aldrich law, namely, 1913, were $108,000.

I want further to call the attention of the Senator to the fact that notwithstanding his statement that this industry had developed under the Payne-Aldrich rate in the year 1914, which was the first year of the operation of the present law, the production in this country was only $21,000,000, while in 1919, under the same law, the production had increased from $21,000,000 to $48,000,000, showing that in the first five years of the operation of the present law the production of these machines in this country more than doubled what it was at the time of the enactment of that law.

Mr. McCUMBER. And of course the Senator argues that the Underwood-Simmons law caused it to expand. The Senator is an honest man, and he is a man of good judgment. He knows the enormous market Germany had over the world prior to the war for her German machines. He knows that there were immense quantities being manufactured, and he knows that as soon as the war began Germany lost all her markets and we took them all, and as we took all her markets we enormously increased our output to take care not only of our own trade but of the Russian and German and practically all of the European trade, and of course there was an enormous increase.

Now, Mr. President, what I tried to show particularly here was that it was not going to make any difference in the cost of the American machine. I do not think even if Germany should come in and should supply half of the machines used in the United States that she could sell her product any cheaper than the American manufacturer is selling his to-day. If we will look through nearly all the imports from Germany, we will find that she sells ordinarily close up to the American selling price. Very naturally what she wants is American gold. She needs all she can get. She needs every penny she can get out of her exports, and she is not going to cut the price at the present time when she can get good prices for her products. She is not going to cut her own throat. What she may do in the future is entirely a different question, because it may be to her advantage in some lines to destroy her competitor, but it is not to her advantage to do that to-day.

I want to read a little from the testimony. This is from the testimony of one of the independent manufacturers, who said:

> The plants of these companies are American owned and operated and located in the United States, with the exception of one branch assembly plant located in Canada.
>
> Under the Payne-Aldrich bill family sewing machines were afforded protection by a tariff of 30 per cent ad valorem, which was removed in 1913 by the Underwood bill, which placed family sewing machines on the free list.
>
> Shortly thereafter German manufacturers, who number two and one-half the number of American sewing-machine manufacturers, with one and one-half times the output, instituted a campaign for business in this country and would have supplanted American family sewing machines and ruined our industry, owing to their ability to greatly undersell us in our own markets by reason of much lower cost of production, but for the intervention of the war just as they were getting started.
>
> We now ask that our product be taken from the free list and that a minimum duty of 30 per cent, based on American valuation, be levied on family sewing machines, in whole or in parts, including repair parts.

That was not granted, but they were given a duty of 30 per cent on the foreign valuation.

> This will partially offset the great advantage held by German sewing-machine manufacturers on account of lower labor costs, and will yet place them on a fair and equitable basis of competition with ourselves.
>
> Senator SMOOT. The highest importation of sewing machines into the United States, I see, is $100,304, and at the same time there were exportations of $7,793,718.
>
> Mr. HUFFMAN. I think those figures are substantially correct, Senator. The reason for that is that we were enjoying the protection of the Payne-Aldrich bill of 30 per cent.
>
> Senator SMOOT. That is after the Payne-Aldrich bill.
>
> Mr. HUFFMAN. Well, before the Germans could take advantage of the freedom provided under the Underwood bill the war intervened and German machines were not brought into this country in any quantity.
>
> Senator CURTIS. Are they bringing many in at this time?
>
> Mr. HUFFMAN. No; not at this time.
>
> Senator SMOOT. Your largest export of sewing machines was, as I said, $7,793,718, and that was in the year 1918?
>
> Mr. HUFFMAN. Yes, Senator, and the reason for the large exportation at that time was that Germany and Scotland, which are the two great producing nations on sewing machines, were prevented from exporting by reason of the war, which left the market open to the American manufacturers, and they exported during that period in large quantities. There was a great opportunity for American export during the war.
>
> Senator MCCUMBER. What does the ordinary family sewing machine sell for in this country now?
>
> Mr. HUFFMAN. It sells to-day at from $30 to $75. There are some that are offered at special bargains for less than that, but the standard prices will run from $30 to $75.
>
> Senator MCCUMBER. And if a duty of 30 per cent were given, would that raise the price of them to the American user?
>
> Mr. HUFFMAN. No, sir; I could see no reason why it should, Senator.
>
> Senator MCCUMBER. Is there any competition here in the United States between the several companies that manufacture them?
>
> Mr. HUFFMAN. There is a great deal of competition in the sewing-machine industry; more than in any I know of.

Further on he said:

> It must be understood that I am in no way speaking for the Singer Sewing Machine Co., whose situation is entirely different from that of the manufacturers I represent, in that the Singer Co. has factories in Germany, Scotland, and Russia. We do not know what their attitude is on the tariff subject, but we would assume they favored being on the free list.
>
> Senator SMOOT. Did they put a plant in France, do you know?
>
> Mr. HUFFMAN. I do not know that they have; I have never heard of it, sir.
>
> We would think they would be opposed to a duty for the reason that they could shut down their plants in America and continue to supply the American market with machines made in their German factory and in their Glasgow, Scotland, plant, employing the lower-priced German or Scottish labor, and bringing the machines into this country and selling them in the place of the machines made in American factories by American workmen. As a matter of fact, large quantities of Singer foreign-made machines are being sold on the American market, and at no saving to the American consumer.

This is the point I want to make—

> at no saving to the American consumer over the price of the American-made machine.

I think that is enough to indicate, first, that we need protection and shall need it in the future; second, that the protection which we have will not, at least in the immediate future, add one penny to the price of the machine; third, that it will exact revenue from the Singer Sewing Machine Co. if they desire to bring over a cheaper made machine and sell it in this country for the same price as those manufactured in this country.

Mr. UNDERWOOD. Mr. President, I have listened with a great deal of interest to the defense of one of the great trusts of America that has been made by the chairman of the Finance Committee. I think if there is an indefensible tax in the bill it is that found in this paragraph—building tariff walls to defend the Sewing Machine Trust and a cash-register trust.

You may amass your figures until doomsday sounds, and you can never convince the final jury which must consider this question that the Singer Sewing Machine Co. is not a trust and that the National Cash Register Co. is not a trust. They control the markets here and abroad in these articles.

Mr. McCUMBER. They are the ones who want free trade.

Mr. UNDERWOOD. Yes; but they testified, and the Senator just read the testimony, that they thought they needed a tariff.

Mr. McCUMBER. Not the Singer, by any means.

Mr. UNDERWOOD. Oh, well, Mr. President, I had hoped that his experience as a member of the committee would have opened the Senator's eyes to the fact that a trust never appears in person. Their agent and tools are always put forward to testify for them when tariff bills are under consideration.

Referring now to the item of the sewing machines, everybody knows that the Singer sewing machine dominates the American market. There are other sewing-machine companies, but they follow the price set by the trusts. The only competition they fear is from the trust itself. More than that, the sewing-machine trust long before the present law was written had established its factories throughout the globe, building its own factories in foreign countries, exporting its own goods in enormous quantities into the fields of the world; and then it hides behind the cloak of war conditions and says it can not compete with Germany. Germany!

This is the most indefensible tariff bill that ever looked the American people in the face. There never was a tariff bill written since James Madison presented the first one to the American people that was more of a synonym for trust-made goods and a surrender to special interests than the bill which is now presented to the Senate, and no item in it is more indefensible than the item which the Senate at this hour has under consideration.

These men had gone for years into the markets of the world and competed in the open market with Germany and England and every other country that made these goods, and they are doing it to-day where they can find markets that will purchase their products.

Mr. STANLEY. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Kentucky.

Mr. STANLEY. I do not like to interrupt the Senator, but I want to ask him a question. My understanding is that the genesis of the American patented machine production in foreign countries was due to the fact that the goods were being sold in vast quantities for much less in foreign countries than in this country after paying import duties in many of those countries. It was established with reference to the Harvester Machine Co., the Singer Sewing Machine Co., the Domestic Machine Co., as to agricultural implements and all that sort of thing, that in order to escape the import duty and in order to cover up this thing that created such a howl of indignation on the part of the American consumer they established their American patented-machine shops and factories at enormous cost in foreign countries. But the Senator knows better about that than I do.

Mr. UNDERWOOD. Mr. President, this organization, as has been admitted on the floor of the Senate, has more than doubled a great business in the last five years. The idea of saying that it accomplished that result simply because Germany went out of business! Germany has no such business to surrender. If the American concern had gained all the foreign trade in sewing machines which Germany gave up, it would not have anywhere nearly approached the great maximum of increased production that their own statistics show.

There are some items, Mr. President, on which taxation may justly rest, because it neither burdens the taxpayer nor unjustly discriminates against his rights, but there are some taxes that no Government is justified in levying. No justification may be found for a proposal to build a tax wall in the interest of protecting a trust, and it has just been stated that the proposed tax of 25 per cent on sewing machines which are worth less than $75 and 30 per cent on those worth more than that is for protection. For protection to what? To protect one of the greatest trusts and monopolies in America.

Who are the buyers of their products—at least, so far as the family sewing machine is concerned? They are not those who dwell in the homes of the rich. The rich as a rule have their sewing done somewhere else. It is in the humble homes of the poor that these machines are purchased. The woman who must raise her own children and make their clothing in the sweat of her face is to pay tribute to this soulless trust under the sacred name of protection to American industry.

Mr. President, if I felt that I must wring blood money out of the American people in order that the business in which I was engaged should survive, I had rather have my own business perish than to go into partnership with a combination to loot the poor of America. That is all the defense that can be made when an unnecessary tax is levied.

As to importation, these sewing-machine people have their own factories strung around the world. If they want to frighten the Finance Committee or the Ways and Means Committee they can send importations into this country by the thousands. In all probability, due to war conditions, lack of money, inability of people to purchase, they did send to this country, certainly temporarily, the overproduction of their foreign factories back to the best consuming market in the world—the American market—for the remainder of the world has but little money to pay for even the necessities of life. That is not a normal condition; it is an abnormal condition.

Does anybody say that the Singer Sewing Machine Co., or other sewing machine companies, are threatened with bankruptcy? No. Does anybody say they are going out of business? No. Has anybody said they have stopped production, awaiting the enactment of a protective tariff? No. They are here with the graft and the greed of every monopoly; the greed to wring dollars out of other men's pockets by the enactment of law; and in this instance they are here to wring the dollar out of the poor of America. If there is any one clause in this indefensible bill that deserves condemnation it is this particular clause.

Mr. STANLEY. Mr. President, there is one little incident which, in my opinion, should be called to the attention of the country. A short time ago the Secretary of War wrote a letter to the Vice President of the United States, who now occupies the chair, in which he mentioned the fact that a great number of patents—several hundred patents—which are essential to our national defense, were owned and controlled by the insidious emissaries of Germany, who were using the protection afforded by the patent laws of the United States to control instrumentalities essential to the operation of our railroad artillery, to the manipulation of great guns, and to the operation of airplanes; innumerable processes essential to the manufacture of explosives and poisonous gases; and that the national defense demanded an immediate amendment to the patent laws.

Having made some cursory examination of the matter, with the assistance of the War Department, I prepared a bill granting the relief requested by the Secretary of War. We were told, however, and told truthfully, that the bill as drawn should not be passed at this time, because of the fact that it would endanger the rights of certain American patentees in Germany.

The revival of a treaty which absolutely guaranteed to the Germans the control of our own guns, the operation of our own airships, the manufacture of our own explosives was demanded by Mr. Hughes in person, because, said Secretary Hughes, if we do not revive the treaty protecting these patent rights and subsequently remedy this evil by appropriate legislation we will endanger untold millions of property of American citizens who have valuable concessions in Germany; and there was no property mentioned by the Secretary more valuable than the Singer patents, and it was the Singer Sewing Machine Co. which made the loudest cry. They said, "We have millions and tens of millions of capital at stake in American patents in Germany, and if this treaty is not revived and the proposed act is passed, Germany can come in and take control of our patents; that to-day, notwithstanding the fact that Germany is making thousands and thousands of sewing machines, it is done under American patents and by American capital and American enterprise in Germany.

Sewing-machine plants were placed upon the Rhine in order to cover up the fact that they were selling to the Germans more cheaply than they were selling to the needy women of America. They knew that if that condition kept up much longer even the gorge of Republicanism would rise and they would lose this invaluable aid to monopoly—a protective tariff upon a trust-made article. And now the party that once talked about infant industries is absolutely protecting a grandmother trust against its own grandchildren in Germany. This is a tax to protect a big trust at home against a little trust planted abroad. This duty is the conclusive proof, not that the trusts can make the Republican Party subservient, but that they can, if need be, make the Republican Party ridiculous, if not contemptible, in the eyes of honest and discerning men.

Mr. JONES of New Mexico. Mr. President, I do not care to extend further the discussion regarding sewing machines, and I therefore move to amend the amendment of the committee by striking out on page 83, line 18, after the semicolon, the words "sewing machines and parts thereof," and so forth, down to and including the semicolon in line 21, so as to eliminate from the paragraph sewing machines of various kinds specified in that portion of the committee amendment. If the amendment be adopted it will leave the item on the free list or rather to be dealt with when we come to consider the paragraphs of the free-list schedule.

Mr. UNDERWOOD. Mr. President, I should like to ask the Senator a question. In the peculiar situation in which this paragraph is, it not being in the House bill, I am not sure, but I think the House bill left it on the free list, did it not?

Mr. JONES of New Mexico. It was on the free list in the House bill.

Mr. UNDERWOOD. Then it is the Senate committee which is responsible for putting it on the dutiable list.

Mr. JONES of New Mexico. The Senate committee takes sewing machines in the various brackets specified in the paragraph from the free list and puts them on the dutiable list.

Mr. UNDERWOOD. That is what I thought. So that only one branch of Congress is responsible so far for this indefensible act.

Mr. JONES of New Mexico. It is on the free list in the bill as the bill comes from the House of Representatives, and the Senate committee proposes to put it upon the dutiable list.

Mr. UNDERWOOD. I was going to suggest that under that peculiar state of facts, although on account of the agreement we can not move at this time to take an article from the tax list and put it on the free list, it seems to me in order at this time for the Senator to make that motion.

Mr. JONES of New Mexico. I think so. When we come to consider the paragraphs under the free list, then it can be specifically inserted; but we can strike it out from this amendment.

Mr. ROBINSON. Mr. President, if the Senator will pardon me, if the words "sewing machines" are stricken out of the

pending amendment, and then the Finance Committee amendment transferring them from the free-list paragraph is not agreed to, it will accomplish the same purpose.

Mr. UNDERWOOD. Yes; because they are on the free list as the bill came from the House.

Mr. ROBINSON. What we want to do is to disagree to both Senate amendments relating to the subject—the Senate amendment that puts a duty on it and the Senate amendment that takes it out of the free-list paragraph.

Mr. JONES of New Mexico. Mr. President, there are several different items put in the dutiable list here by reason of this committee amendment, and I think we should have a separate vote upon each one of these items. Therefore, I think my motion is a proper one to test the views of the Senate upon the question of sewing machines alone.

Mr. KENDRICK. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. KENDRICK. I want to ask the Senator from New Mexico whether or not there is any duty on sewing machines in the Underwood law?

Mr. JONES of New Mexico. They were put upon the free list. Under the existing law they are on the free list, and the House left them upon the free list. Now the Senate committee proposes an amendment to this paragraph, transferring from the free list sewing machines, cash registers, and other items.

I therefore move to amend the committee amendment by striking out as I have indicated.

Mr. UNDERWOOD. Mr. President, I think this matter is of such grave importance that we should have a quorum here before it is voted on, because I think the Senate should decide whether it is going to sustain the Finance Committee or sustain the House of Representatives on this item.

I therefore suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McKinley	Shortridge
Ball	Gooding	McLean	Simmons
Brandegee	Hale	McNary	Smith
Bursum	Harris	Newberry	Smoot
Calder	Harrison	Nicholson	Spencer
Cameron	Jones, N. Mex.	Oddie	Stanley
Capper	Jones, Wash.	Overman	Sterling
Colt	Kellogg	Pepper	Sutherland
Cummins	Kendrick	Phipps	Townsend
Curtis	King	Poindexter	Underwood
Dial	La Follette	Pomerene	Wadsworth
Edge	Lenroot	Ransdell	Walsh, Mass.
Elkins	McCormick	Robinson	Warren
France	McCumber	Sheppard	Watson, Ind.

The VICE PRESIDENT. Fifty-six Senators have answered to their names. A quorum is present.

Mr. JONES of New Mexico. Mr. President, I simply want to call attention to the amendment which I proposed just before the call of the Senate.

Paragraph 1541, which is one of the paragraphs of the free list as it came from the House, included cash registers, linotype and all typesetting machines, sewing machines, typewriters, shoe machinery, and other items. It is my purpose, of course, if the motion should prevail to strike out the clause in paragraph 372 relating to sewing machines, when we come to consider paragraph 1541 not to agree to the committee amendment, and to leave sewing machines on the free list, where they are now.

With that understanding, I ask to have the amendment which I have proposed stated from the desk.

The VICE PRESIDENT. The amendment of the Senator from New Mexico to the amendment of the committee will be stated.

The ASSISTANT SECRETARY. The Senator from New Mexico proposes to strike out from the proposed amendment of the committee the following words:

> Sewing machines, and parts thereof, not specially provided for, valued at not more than $75 each, 25 per cent ad valorem; valued at more than $75 each, 40 per cent ad valorem—

And the semicolon.

Mr. JONES of New Mexico. Upon that amendment, Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. BALL (when his name was called). Making the same transfer as on the last roll call, I vote "nay."

Mr. COLT (when his name was called). Making the same announcement as before, I vote "nay."

Mr. EDGE (when his name was called). Transferring my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from Pennsylvania [Mr. CROW], I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and will vote. I vote "yea."

Mr. POMERENE (when his name was called). Announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "yea."

Mr. STANLEY (when his name was called). I transfer my general pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY], and vote "yea."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Vermont [Mr. PAGE], and vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from New Hampshire [Mr. MOSES] with the Senator from Louisiana [Mr. BROUSSARD]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR].

Mr. JONES of Washington (after having voted in the negative). The senior Senator from Virginia [Mr. SWANSON] is absent. I have a pair with that Senator for the day, which I find I can transfer to the senior Senator from Minnesota [Mr. NELSON]. I do so, and allow my vote to stand.

Mr. MCKINLEY. I transfer my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from New Hampshire [Mr. KEYES] and vote "nay."

The result was announced—yeas 23, nays 31, as follows:

YEAS—23.

Ashurst	Kellogg	Overman	Smith
Capper	Kendrick	Pomerene	Stanley
Dial	King	Ransdell	Townsend
Harris	La Follette	Robinson	Underwood
Harrison	Lenroot	Sheppard	Walsh, Mass.
Jones, N. Mex.	McCormick	Simmons	

NAYS—31.

Ball	Elkins	McNary	Smoot
Brandegee	France	Newberry	Spencer
Bursum	Gooding	Nicholson	Sterling
Calder	Hale	Oddie	Sutherland
Cameron	Jones, Wash.	Pepper	Wadsworth
Colt	McCumber	Phipps	Warren
Curtis	McKinley	Poindexter	Watson, Ind.
Edge	McLean	Shortridge	

NOT VOTING—42.

Borah	Frelinghuysen	Moses	Shields
Broussard	Gerry	Myers	Stanfield
Caraway	Glass	Nelson	Swanson
Crow	Harreld	New	Trammell
Culberson	Heflin	Norbeck	Walsh, Mont.
Cummins	Hitchcock	Norris	Watson, Ga.
Dillingham	Johnson	Owen	Weller
du Pont	Keyes	Page	Williams
Ernst	Ladd	Pittman	Willis
Fernald	Lodge	Rawson	
Fletcher	McKellar	Reed	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

Mr. UNDERWOOD. Mr. President, I give notice that I shall reserve a separate vote on this item in the Senate, if necessary. I hope that when a vote is taken on the motion to take this article off the free list the Senate may reverse its action and sustain the vote of the House of Representatives, which, as the bill was sent to the Senate, left this particular item on the free list.

Mr. JONES of New Mexico. Mr. President, the suggestion has been made by a Senator that the motion might be more meritorious if limited to the machines which are used in the household, and that it might be advisable to have a separate vote upon that part of the committee amendment. In order to test the sense of the Senate relating to the common sewing machine not above $75 in value, I move to amend the committee amendment by striking out, on page 83, line 18, beginning with the words "sewing machines," the following:

> Sewing machines, and parts thereof, not specially provided for, valued at not more than $75 each, 25 per cent ad valorem.

Mr. SMOOT. Let me suggest to the Senator that if he wants to reach what I think he has in mind, he can do so by simply striking out, beginning with line 19, the language "valued at not more than $75 each, 25 per cent ad valorem." Then it would read:

Sewing machines, and parts thereof, not specially provided for, valued at more than $75 each.

Mr. JONES of New Mexico. I think the Senator from Utah is quite right about it. I accept his suggestion in the matter, and therefore move to amend, on line 19, by striking out the words "valued at not more than $75 each, 25 per cent ad valorem." It has been suggested that I state the effect of that. It will be simply to strike from the dutiable list the sewing machines which are commonly used in the households of the land. On this I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LENROOT. May we have the amendment to the amendment reported?

The VICE PRESIDENT. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. On page 83, in the committee amendment, beginning on line 19 with the word "valued," strike out the words "valued at not more than $75 each, 25 per cent ad valorem," so that, if amended, the committee amendment will read:

Sewing machines, and parts thereof, not specially provided for, valued at more than $75 each, 40 per cent ad valorem.

The VICE PRESIDENT. The yeas and nays have been ordered, and the Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I ask that this announcement may stand for the remainder of the day, and I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. POMERENE (when his name was called). Making the same announcement as heretofore, I transfer my pair with my colleague [Mr. WILLIS] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. STANLEY (when his name was called). Making the same announcement as before with reference to my pair, I vote "yea."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before, I vote "nay."

Mr. BALL. Making the same announcement as to my pair and its transfer, I vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from New Hampshire [Mr. MOSES] with the Senator from Louisiana [Mr. BROUSSARD]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR].

The result was announced—yeas 24, nays 31, as follows:

YEAS—24.

Ashurst	Jones, N. Mex.	McCormick	Simmons
Capper	Kellogg	Overman	Smith
Cummins	Kendrick	Pomerene	Stanley
Dial	King	Ransdell	Townsend
Harris	La Follette	Robinson	Underwood
Harrison	Lenroot	Sheppard	Walsh, Mass.

NAYS—31.

Ball	Elkins	McNary	Smoot
Brandegee	France	Newberry	Spencer
Bursum	Gooding	Nicholson	Sterling
Calder	Hale	Oddie	Sutherland
Cameron	Jones, Wash.	Pepper	Wadsworth
Colt	McCumber	Phipps	Warren
Curtis	McKinley	Poindexter	Watson, Ind.
Edge	McLean	Shortridge	

NOT VOTING—41.

Borah	Gerry	Myers	Stanfield
Broussard	Glass	Nelson	Swanson
Caraway	Harreld	New	Trammell
Crow	Heflin	Norbeck	Walsh, Mont.
Culberson	Hitchcock	Norris	Watson, Ga.
Dillingham	Johnson	Owen	Weller
du Pont	Keyes	Page	Williams
Ernst	Ladd	Pittman	Willis
Fernald	Lodge	Rawson	
Fletcher	McKellar	Reed	
Frelinghuysen	Moses	Shields	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

Mr. JONES of New Mexico. I desire to reserve a separate vote upon this item in the Senate.

The VICE PRESIDENT. The question is on the entire committee amendment.

Mr. WALSH of Massachusetts. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. WALSH of Massachusetts. Are we about to vote on the entire paragraph or only on the item dealing with sewing machines?

The VICE PRESIDENT. On the entire paragraph.

Mr. WALSH of Massachusetts. I move to strike out in lines 21 and 22 the clause which reads:

Cash registers, and parts thereof, 25 per cent ad valorem.

Mr. President, if there is an item in the bill that is indefensible it is this duty proposed to be levied on cash registers. Never before has there been any duty levied upon cash registers. They have always been upon the free list. Never before has there been any occasion for any duty upon cash registers, because there has existed in the United States a world monopoly in the manufacture of cash registers. For what reason has the Finance Committee of the Senate recommended this excessively high duty of 25 per cent ad valorem, equivalent to one-fourth the value of most cash registers, the average price of the cash registers purchased in America being about $400? Upon what ground can the committee justify this unusual item?

So far as I can discover from reviewing the evidence, one Mr. Howard, of the American Cash Register Co., located in Michigan, an independent company, appeared before the committee and stated that the National Cash Register Co., which is the largest producer of cash registers in the world, and which has an almost complete monopoly of the manufacture of cash registers, was about to build a factory in Germany, and that with cheap German labor and with the patents which the National Cash Register Co. possessed they would immediately flood the American market with cash registers made in Germany by this American trust.

That statement naturally would arouse attention, and was deserving of some examination as to its accuracy. So far as the record discloses, no examination was made. The statement was accepted as true; and without any other evidence but the statement of this one witness, representing one of the three independent companies which make a small number of cash registers in the country, the committee reports and recommends a duty of 25 per cent ad valorem, the very duty petitioned for by this rival and, naturally, self-interested company.

Now, the facts are that the National Cash Register Co. has a plant in Canada where it assembles cash registers from parts that are made in the United States. It has a factory in England, where it does repair work to its cash registers. It is enlarging a factory in Germany for the same purpose that has led it to build factories in Canada and England. As there was no effort made to examine into the accuracy of the testimony received by the committee, I telegraphed a few days ago to the National Cash Register Co. and asked them if they intended to build or make cash registers in Germany and export them to America. I have a letter from them, which I shall place in the RECORD later, asserting that they have no such purpose and that they have no such intention; that the reason why they are building a factory in Germany is to take care of their sales in Germany and in Europe and to compete with their German competitor. So much for that phase of the question.

There are few businesses that have developed so rapidly in this country and been so successful from a financial standpoint as the cash-register business. The National Cash Register Co., as I said, is the chief and almost exclusive maker of cash registers in this country. There are three independent companies, one in St. Louis, one in Michigan, and one other in Dayton, Ohio, and neither of them is a very serious competitor.

Let us see who are engaged in this business. The manufacturers of cash registers in the United States are:

(1) The National Cash Register Co., Dayton, Ohio.
(2) The St. Louis Cash Register Co., St. Louis, Mo.
(3) The Remington Arms Co., Ilion, N. Y.
(4) The American Cash Register Co., Saginaw, Mich.
(5) The Ohio Cash Register Co., Dayton, Ohio.

There is only one factory outside the United States making cash registers:

(6) Ankerwerke, A.-G., Bielefeld, Germany.

The companies listed under (2) and (3) are putting on the market only one style of cash registers, namely, the press-down key machine, competing with the corresponding style of the National Cash Register Co. The one listed under (4) is a small factory, and the one listed under (5) will build, about July, 1924, a small cash register of the press-down key type.

The foreign factory in Germany manufactures only certain styles capable of competing with the National Cash Register Co.

Seventy-five per cent of the machines made and sold by the National Cash Register Co. are used by department stores and larger enterprises, and there is no foreign competition on these. The sales force of this company is organized to cater to the user and not to any dealer in cash registers. The foreign company has no such organization in the United States.

The National Cash Register Co. has 2,500 patents on cash registers. It makes all the types known to the world. It has an enormous business. Its business last year was $40,000,000, and of that business 40 per cent is export business and 60 per cent domestic business.

The nearest competitor, if we may call it a competitor, of the National Cash Register Co. is the German company making the Anchor cash register. That cash register has never been imported into this country until very recently. That company has a small capacity for making cash registers and has not been able to fill even its orders in Germany. Senators can appreciate the extent of the control of the business by the National Cash Register Co. when they consider the fact that the output of the National Cash Register Co. is 500 cash registers per day, and the next largest manufacturer is the German company, with 40 per day.

In the 40 years of the existence of the National Cash Register Co. there have been put upon the market over 2,000,000 cash registers. In the 22 years of the existence of the German company there have been put upon the market but 17,000 of its cash registers. The importations of the German cash registers in 1918 amounted to $800, in 1919 to $597, in 1920 to $324, and in 1921 to $4,045, representing about 25 registers. I am informed by the only importer of the German cash register that there have been imported into this country 90 of those cash registers in the last year. Yet we are asked to tax every merchant in this country and every buyer of cash registers of the common type used in the stores of our small merchants and industries approximately $100.

That is what it means to put this duty on cash registers when the leading manufacturing concern in this country is making 500 cash registers a day. It is a preposterous proposition. I can not conceive of a single sound reason for putting this burden upon the American users of cash registers. The levying of a duty of 25 per cent ad valorem can only mean that there is danger to this American industry and that it is necessary for the American manufacturer to increase his price so as to keep the German-made machine out. Twenty-five per cent ad valorem! Twenty-five per cent additional cost is asked of the merchants of this country who will be called upon to buy cash registers in the future because 90 machines have entered the ports of America since cash registers were invented 40 years ago.

Let us examine the cost of the 90 machines which have been imported. In six months the price of the German cash registers has increased 600 per cent, proving what has been said again and again by the distinguished leader of the minority on the Finance Committee, that the prices of labor and the prices of commodities in Germany have steadily and constantly advanced, and that the use of statistics of August last in framing the tariff bill is an imposition and a fraud upon the American people. I could give the day and date, because I have them, of the changes in the price of this one commodity. The statistics show that 600 per cent has been the increase in one year as inventoried at the port of New York. Indeed, the German-made cash register does not seriously compete with the American make. It is of a different type. It is only one of the many types that the National Cash Register Co. makes.

I repeat, there are five types of cash registers. The National Cash Register Co. makes every one of them. The German company competes only with one of those types, and that is the so-called handle-operated cash register. The three independent American companies which compete with the National Cash Register Co. make the press-down key type.

The National Cash Register Co. has grown fabulously wealthy because of its control of this commodity. Stock dividend after stock dividend has been issued in the last 40 years. So effectively did they control prices of cash registers in this country that they were prosecuted a few years ago under the Sherman antitrust law and found guilty. I believe it is the only case in the United States where the officers of a company were actually sentenced to imprisonment under that law, although later the sentence of imprisonment was reversed.

Mr. HARRIS. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Georgia.

Mr. HARRIS. During the investigation when the National Cash Register Trust was prosecuted it was found that the National Cash Register Co. had what they called a morgue, which they showed to those who visited their plant. In this morgue they kept samples of the cash registers of their competitors which had been destroyed by every kind of unfair method of competition that could be thought of which was practiced by this trust.

Mr. WALSH of Massachusetts. I thank the Senator for his information. I may say to the Senate that so completely does this company control the cash registers of the world that I understand it makes a different type of cash register for sale to European trade than it places on the market in the United States.

But one can not buy a European-made national cash register in America. The reason is because their cash registers in Europe are of a much cheaper type than they sell in America. A different type and a different style is used in the European market from that which is used in the American market.

It is only fair, however, to say of this trust that it has not any heart in the effort to put this duty into this bill; it is only fair to say that so far as the record appears they have not had any part in asking for this duty.

The Senator from North Carolina was very vigorously opposed by the Senator from North Dakota a short time ago for asserting that the Finance Committee ought not to give serious weight to the suggestion that American companies are going over to Europe to establish manufacturing plants.

The facts in this case show how the committee have been misinformed, because the only evidence that could justify that assertion was the suggestion from one of the companies that the National Cash Register Co. intended to equip a factory in Germany for the purpose of making these machines and shipping them to America and underselling—whom? Themselves, because they make 500 machines a day while the other three companies—I do not know how few they make, but the number is much less than 40 a day, for the German company ranks second in output. How absurd—this trust going to Germany to rival itself in America! Let me read the following telegram from Mr. J. H. Barringer, the general manager of the National Cash Register Co.:

DAYTON, OHIO, *June 2, 1922.*

Senator DAVID I. WALSH,
United States Senate, Washington, D. C.:

Our company now enlarging factory in Berlin, Germany. We plan to limit output there to sales in Germany and other foreign countries. We never imported registers for sale. Canadian factory assembling place. England only repairs. Writing.

J. H. BARRINGER,
General Manager the National Cash Register Co.

The letter which followed the telegram reads as follows:

THE NATIONAL CASH REGISTER CO.,
Dayton, Ohio, June 2, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: In reply to your telegram of even date, I have just wired you as follows:

"Our company now enlarging factory in Berlin, Germany. We plan to limit output there to sales in Germany and other foreign countries. We never imported registers for sale. Canadian factory assembling place. England only repairs. Writing."

We never have nor do we now intend to import registers from any foreign country.

Here is the statement of the manager of the National Cash Register Co., the company that will benefit particularly if this duty is imposed upon imported cash registers. Remember this company practically controls the American output.

Our main motive in enlarging our factory in Germany—

They already have a factory there for assembling purposes—

Our main motive in enlarging our factory in Germany at this time is to meet the state of trade in these foreign countries, due, as you know, to a very low labor market. There is no ground for the statement made by the concern named in your telegram.

That refers to the representative of the Michigan concern who appeared before the committee—

It may, however, be interesting for you to know that there is a cash register now being manufactured in Germany, namely, the Anker, which is appearing on the American market.

That is the cash register to which I have referred, ninety of which have come into this country, $4,000 worth, one one-hundredth of 1 per cent of the output of the National Cash Register Co., whose business last year was $40,000,000 worth of cash registers. The letter continues:

For your information we wrote your committee—

Referring to the Committee on Finance—

on February 4, to the effect that if it was decided to place a tariff on cash registers it would meet with no objection from this company. For your convenience we are inclosing a copy of this letter.

Very truly yours,

J. H. BARRINGER.

The letter to the Finance Committee is as follows:

FEBRUARY 4, 1922.

The HONORABLE FINANCE COMMITTEE,
United States Senate, Washington, D. C.

GENTLEMEN: Our attention has been directed to a petition which has been filed with your committee by certain companies, bearing on the question of tariff on cash registers and their parts, copies of which petition, we understand, have been sent to all Members of Congress.

While this bill was before the House we decided that it would be immaterial to us whether or not a tariff was placed on cash registers.

Note it is immaterial to them whether or not a tariff is placed on cash registers.

Should you decide to place a tariff on cash registers your action would meet with no objection from this company.

Yours very truly,

J. H. BARRINGER.

Mr. President, I ask to have printed in my remarks the portion I have marked of a leaflet published by the National Cash Register Co. giving information as to the capacity, the production, the number of employees, the number of patents, and other information tending to show how little this company needs protection.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

The National Cash Register factory is equipped with every modern improvement for the production of a perfect cash register.

Our plant utilizes 47 acres of ground. It comprises 23 buildings, with 43 acres of floor space.

Daily capacity, 500 registers; 6,000 employees.

We own 2,512 patents, covering over 36,500 claims.

For more than 37 years we have made cash registers. They are made of the best material, carefully tested. They are made by skilled workmen, under the supervision of men who have had many years of cash-register experience.

National cash registers represent the highest type of mechanical development. They are easy to operate, work fast, and make no blunders.

We build registers suitable for every kind of business, from the smallest to the largest.

We buy, sell, and exchange secondhand and rebuilt National cash registers.

Our registers can be bought on easy monthly payments, or we allow a liberal discount for cash.

THE NATIONAL CASH REGISTER CO.,
Dayton, Ohio.

(Offices in all the principal cities of the world.)

Mr. WALSH of Massachusetts. Mr. President, it is not necessary to prolong the discussion. The National Cash Register Co. has almost a monopoly of the cash registers which are made in the world. It has three small competitors in America who compete with it in the making of one of the many types made by the National Cash Register Co. There is a cash-register company in Germany that has been doing business in Europe, but the National Cash Register Co. has been competing with the German company in Europe, and successfully, for 40 per cent of the business of the National Cash Register Co. is export business and 60 per cent of it is domestic.

I ask once more upon what ground can there be a tax of this excessive character levied upon the struggling business men of this country? What justification can be urged for a 25 per cent ad valorem duty upon cash registers, which will amount merely to permission to this trust and three independent companies to increase its price to the American public by a sum of money which will vary from $100 to $200, dependent upon the price of the cash register? Business men, take notice. This one item seeks to exact an increase of 25 per cent on your cash registers in the name of protection.

There is absolutely no serious competition. The number of cash registers imported into this country has been insignificant, while the domestic output is over 150,000 a year by one company alone.

Mr. President, it does not seem to me that the committee ought to urge the adoption of this amendment. Evidently the House did not consider that the facts before it warranted or justified the imposition of a duty upon cash registers, and I can not help but feel that the Senate committee were influenced by the assertions made by the representative of one of the independent companies who feared that there might be competition from a cash-register factory which was being built in Germany.

Why should we construct a tariff bill upon fears? That is all we have been hearing here from the beginning to the end of this discussion—fear of German competition. The time for fear has gone. There was such a time six months or a year ago, but every bit of reliable information that comes from Europe, and from Germany as well, is to the effect that prices are increasing. We know that pre-war prices for cash registers have already been restored in Germany. There is no occasion or necessity for burdening the American people with these high rates of duty based upon fear that at some time somebody in Germany will build a factory that will compete with an American producer. The argument is ridiculous; it is not sound; and this amendment is indefensible unless the majority of the Senate are going to listen to the murmurings of every producer in every corner of the United States who may come here and say, "Some day somebody in Germany is going to build a factory to compete with me and I want protection." Let us wait until there is serious competition and serious danger to our industries. Don't be too gullible. Protection means levying a tax on all for a few. Let us use this special privilege sparingly and cautiously.

In this case we are not dealing with an infant industry, but with one of our strongest and most powerful industries. In trying to help a small independent company or companies let us not place 25 per cent ad valorem duty upon cash registers, with the result that the chief tariff beneficiary will be the monopoly that controls all the patents, was the first in the business, and for 40 years has been engaged in the business, without any competition except during the last 20 years. Even without their asking for it it is proposed to give them and a few other dealers a license to increase by 25 per cent their price to the American consumer. This committee amendment should be rejected if we have any regard or consideration of the American consumers.

Mr. McCUMBER. Mr. President, I can not imagine an argument that would be more acceptable to the National Cash Register Co. than that just made by the Senator from Massachusetts. I think it is worth while for us first to take a little glance at this company to ascertain what it has done in the United States, what it has attempted to do with reference to other companies, what it has been prevented from doing by the strong arm of the law, and what it now seeks to do by another method. I agree with everything the Senator from Georgia [Mr. HARRIS] has stated about the National Cash Register Co. and its methods. It is a great powerful company, and it has sought by every possible way in the world to destroy its competitors in this country.

The methods it adopted, as shown by the findings of the court in the injunction order, ought to startle anyone who has any sense of fair business dealings. Notwithstanding its strenuous efforts to destroy every attempt at competition in the United States, an injunction was obtained against the company and its competitors were allowed to live in the United States.

What are they producing? The St. Louis company is producing little machines that sell for from $60 to $200; the machine produced by the Saginaw, Mich., company, I think the testimony shows, is sold for from $40 to $80, and the average price of the machine manufactured by the American Cash Register Co., I think, is about $150 to $650. After making every possible effort in the United States to destroy its competitors, after having been enjoined by the courts, what did the powerful National Cash Register Co. propose to do? It proposed to go over to Germany and to build a great establishment over there, with a wealth much greater than all of the German concerns.

The Senator from Massachusetts then writes a letter to these gentlemen, whom he says have just got out of jail, and asks them if they intend to ship any of the product of their German plant into the United States, and they say "no"; they do not intend to do anything of that kind; they are merely going over to Germany to compete with the Germans in their own market.

Mr. WALSH of Massachusetts. Mr. President, I am sure the Senator does not intend to misquote me.

Mr. McCUMBER. Certainly not.

Mr. WALSH of Massachusetts. I made no statement about any gentleman just getting out of jail.

Mr. McCUMBER. No; I think the Senator stated that the officers of this company were the only ones that had been sent to jail.

Mr. WALSH of Massachusetts. I stated that they were sentenced to jail, and their sentence was afterwards reversed.

Mr. McCUMBER. Well, then they got out.

Mr. WALSH of Massachusetts. That they were the only officers of an American company that were actually sentenced to jail under the Sherman Antitrust Act.

Mr. McCUMBER. That was the idea I intended to convey; and having been sentenced to jail, I would not have been too credulous myself in believing everything they might write to me about what their future intentions were, in the light of what they had been trying to do.

Mr. WALSH of Massachusetts. I might say to the Senator that actions speak louder than words. The Senator is seeking by his vote to give this wicked trust, as he describes it, a 25 per cent duty. I am opposing a 25 per cent ad valorem duty to it or to anybody else making cash registers.

Mr. McCUMBER. Let us see whether I am or not. If the Senator will just wait a little while, I think I can convince him to the contrary. They wrote a letter to the Senator and told him that they did not intend to ship any cash registers into the United States, if I understand the Senator correctly.

Mr. WALSH of Massachusetts. They wrote a letter to me in answer to a telegram from me asking for information because of the statements made by the one witness who appeared before the Finance Committee.

Mr. McCUMBER. Very well; it does not make much difference in what form it came. Anyway, they gave the information that they did not intend to ship cash registers into the United States. Then it means that they went over to Germany to build up a great establishment there to compete with the Germans, necessarily, to have the German home market and the German foreign market. Now, I do not believe it. I do not care what they say; I do not believe that that is true. I do not believe that that was their intent when they established a great concern in Germany. I do not think that they intend for a single moment to manufacture those high-priced machines that come in competition with the machines which they manufacture in this country that sell for from $400 to $2,000.

I think they can well stop the manufacture of the little, cheaper machines, that run from $40 to $60, and manufacture them in Germany and bring them into the United States to supply a certain portion of their American trade, and I think that is just exactly what they intend to do; and then they will not be competitors against themselves to any appreciable extent, but they will be strong competitors against their little rival concerns in this country.

Mr. STANLEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Kentucky?

Mr. McCUMBER. Certainly.

Mr. STANLEY. Has the Finance Committee any evidence of the fact that this company has ever built in Germany a type of machine used in America and shipped it into this country?

Mr. McCUMBER. They have not got their factory built yet, as I understand.

Mr. STANLEY. Oh, you are killing the chicken before it is hatched, before the egg is hatched, or even before it is laid? Some fellow heard a rooster crow, and you assumed that the hen would lay the egg, and the chicken would be dangerous, and you would kill it, apparently.

Mr. McCUMBER. I suppose if the Senator saw a great structure growing up, the contracts let, the plans laid out, and the structure half built, he would say: "Oh, no; they do not ever intend to finish that. We never need have any fear of that at all. That is merely the crow of a rooster before he is even hatched."

I understand that they have a factory and are enlarging it. It is a small one, and it has not gone on very far into the business as yet.

Mr. KING and Mr. STANLEY addressed the Chair.

Mr. McCUMBER. Mr. President, that is one of the oldest concerns in the world. What they have done in the United States they will know how to do in Germany.

Mr. STANLEY. Mr. President, they already have a factory. The Senator admits that. They operated it for many years and never produced a single, solitary cash register that was ever sold in this country. Then they built an addition to the same factory, and the Senator assumes that they will do in the addition what they never have done in the original factory. Why, it is worse than I thought. He is afraid of a crow after he has tried the hen and knows she will not lay.

Mr. McCUMBER. Mr. President, I think we had better talk a little sense about this matter. I am not here to engage in that kind of a colloquy with the Senator at all.

Mr. STANLEY. I meant no discourtesy to the Senator.

Mr. McCUMBER. I will let the Senator have his own views on the subject, but I think I can substantiate the danger there is from the evidence that is taken in this case; and it is a great deal more reliable than the testimony of a company that says it went over to Germany to produce articles over there in competition with the Germans, but it never will send a single machine into the United States, no matter what profit it can make. I do not believe any such slush and nonsense as that.

Mr. KING. Mr. President, will the Senator permit an inquiry and a suggestion?

Mr. McCUMBER. Certainly.

Mr. KING. Has not the Senator, in the investigations made by the Finance Committee, encountered situations of this kind: I instance the Carbide Trust to illustrate what I mean.

The Carbide Trust, as the Senator knows, has a capital of approximately $300,000,000. It has absolute control of the domestic market. Possibly apprehending a few years ago some little competition from abroad, it constructed in Sweden a carbide plant. It never has turned a wheel. It never intended to. It used that as a club to threaten Europe, the Swedish manufacturers and the German manufacturers, that if they imported carbide into the United States this company, with its tremendous capital, would engage in competitive business in Europe, and would interfere with their market.

Has not the Senator, in the investigations of the Finance Committee, encountered just that situation, where some of these big trusts in the United States, in order to terrorize Europeans, have built plants in some parts of Europe and threatened to enter into competition with them there if they imported any of their products into the United States?

Mr. McCUMBER. I have never known any company or anything else that has ever terrorized the great commercial German Empire, and I doubt if there is any that will come into existence that will terrorize them.

Mr. KING. The Senator has not answered my question.

Mr. McCUMBER. I rather think that with their cartels they will be able to take care of themselves and will not be seriously influenced by any kind of a threat of that character.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

Mr. McCUMBER. Certainly.

Mr. CARAWAY. As I understood the Senator's statement, he feared an importation of a cheap machine to compete with the lower-priced machine built in this country. Is that so?

Mr. McCUMBER. I state that in all probability this company, the National Cash Register Co., which manufactures a very high-priced machine compared with the machine its competitors produce, would not manufacture the same machine and import it into this country in competition with itself; that with the other class of machines, those selling for a low price, it could well perhaps surrender the market, so far as its own manufacture in the United States is concerned, and supply that portion of the market from its German factories.

Mr. CARAWAY. And the duty, then, is to prevent that?

Mr. STANLEY. Mr. President——

Mr. CARAWAY. If the Senator will just permit me, I want to ask the Senator from North Dakota a question. Was the duty to prevent that?

Mr. McCUMBER. Why, the duty would undoubtedly make it a little more difficult.

Mr. CARAWAY. Why was it, then, that the duty is on all kinds of machines, if you are only trying to prevent the importation of the cheaper machine?

Mr. McCUMBER. Mr. President, would you still further protect the great National Cash Register Co. by saying that the duty shall be only on the small machines and that the others shall be free?

Mr. CARAWAY. If they are what the Senator is trying to reach, I do not see why he should put a duty on the high-priced machines when he contemplates no importation of that kind.

Mr. McCUMBER. Very well. I do not know where the Senator would draw the line. I certainly would not know where to draw it.

Mr. STANLEY. Mr. President——

Mr. McCUMBER. I yield to the Senator.

Mr. STANLEY. Is the Senator aware of the fact that the National Cash Register Co. built a factory in England, thinking they could avail themselves of the cheaper English labor, that they sent an American superintendent over there and operated the factory for several years, and, discovering the fact that they could make a cheaper cash register in the United States than in England, they actually dismantled the English plant? Is the Senator aware of that fact?

Mr. McCUMBER. Mr. President, the English laborer and the German laborer are two entirely different individuals.

Mr. STANLEY. That was not my question.

Mr. McCUMBER. The pay of the English laborer has always been 50 to 60 per cent higher than that of the German laborer,

and is now almost on an equality with that of the American laborer.

Mr. STANLEY. I simply asked whether the Senator knew of this instance.

Mr. McCUMBER. I have heard of it, I think.

Mr. STANLEY. Now, Mr. President, one other question, because I am anxious to get some light on this subject.

Mr. McCUMBER. I do not want to take too much time.

Mr. STANLEY. I will ask categorical questions. Has the Finance Committee ascertained, or made any effort to ascertain, the difference in cost of production by the National Cash Register Co. of its own machines in Germany and in the United States?

Mr. McCUMBER. Where the labor is about from one-fifth to one-tenth, and the skill just as great, and the product is all made by machinery, I do not think I need even to attempt to get the cost price of either of their factories. I could not if I should try to get it; but it is evident that with equally skilled workmen, and with machinery as good as our own, they can manufacture very much cheaper. I should draw that natural conclusion without anything further to guide my judgment.

Mr. STANLEY. Mr. President, another question, and then I am through. The Senator, of course, is aware of the fact that we produce in this country now, notwithstanding our higher price of labor, coal, pig iron, and steel billets at a less cost than they can be produced in either England or Germany.

Mr. McCUMBER. That may be true, Mr. President. There are a great many things we produce in the United States which are standardized and which we can produce cheaper than they can be produced anywhere else in the world. I have no doubt that a Ford machine can be produced very much cheaper in the United States to-day, even with very much higher-priced labor, than it can be produced for anywhere else on the face of the earth. But that does not mean that everything can be so produced.

Mr. STANLEY. I want merely to suggest to the Senator, in passing, that there is no more reason why a Ford machine should be produced more cheaply in the United States than a cash register. We can produce steel wire, from which these machines are made, just as much more cheaply in the United States as we can produce steel billets. It is all done from the heated metal, and while I have made no detailed investigation, all the presumption is in favor of an actually cheaper cost of production, to say nothing of having this National Cash Register Co. take out patents in Germany and then pay the cost of transporting a machine to the seaboard, load it on a ship, bring it over here, break bulk, put it on a railroad train, and ship it to its store in order to compete with itself. I think it is preposterous on its face.

Mr. McCUMBER. The Cash Register Co. may be a very wicked company, but I do not think it is idiotic enough to do that——

Mr. STANLEY. It would be if it did it.

Mr. McCUMBER. Unless it feels it can gain some advantage by going over there, I think I fully comprehend what the advantage is. The Ford Co. may produce in this country cheaper than it could produce at any other place in the world, but if it goes over to Germany with the same equipment, and can get its labor for one-fifth of what it gets it here, it could produce more cheaply in Germany than it could produce in the United States, and we are wasting our breath in arguing to the contrary.

Now I want to read the testimony of Mr. H. A. Savage, of Saginaw, Mich., representing the American Cash Register Co. I want to differentiate this from the National Cash Register Co. I shall read only a portion of it. He states:

> I am representing the American Cash Register Co., being president and general manager of that company. I represent also the St. Louis Cash Register Co. and the Michigan Machine Co.—the three so-called independent cash register companies in the United States.
>
> As I said before, I shall touch only some of the high points in order that you may have an idea of what we are asking for.
>
> I may say to you again before I forget it that this brief is not complete, so far as some of our exhibits are concerned. The complete brief, I believe, is in the hands of your committee, or the secretary of your committee, it having been filed some time ago by Senator TOWNSEND.
>
> The cash registers manufactured by the three companies that I have mentioned cover a wide range of sizes and styles, and fill the requirements of 90 per cent of our American merchants. The retail selling prices vary from $40 to $80 for Michigan cash registers, from $60 to $200 for St. Louis cash registers, and from $150 to $650 for American cash registers. I am mentioning these prices so that you may understand that they are not only fair, but they are very reasonable.
>
> Senator McCUMBER. The prices range from $40 to $650?
>
> Mr. SAVAGE. The National Cash Register Co. makes machines that sell for as much as $1,600 and $1,800, but they are not this particular line of machines. They are the multiple-drawer machine.
>
> The cash register manufacturers, other than the National Cash Register Co., were never able to make any substantial progress whatever until after the United States district court permanently enjoined the National Cash Register Co., of Dayton, Ohio, from unfair and illegal practices as interpreted under the antitrust laws enacted by Congress July 2, 1890. A copy of the court's decree in this case is attached to the brief marked "Exhibit A."
>
> Just let me explain that brief for a moment. The National Cash Register Co. was then the old Halwood Co. For 25 years suits were pending in every court of the land from the lowest court up to the United States district court at Cincinnati.
>
> Senator WATSON. What has that to do with the tariff?
>
> Mr. SAVAGE. I want to tell you what it has to do with it. If you do not care to hear it, I can file the brief.
>
> Senator WATSON. What particular bearing it has on the tariff I can not see.
>
> Mr. SAVAGE. I was mentioning the fact in connection with the fact that the competition from abroad leads up to this. If you will pardon me, I will touch on that for just a moment, to show that the competition comes from the fact that this company now has a factory in Germany. The cash registers known as the Anker brand are manufactured in many different types and sizes and are now being offered for sale in the United States. Their representatives are now attempting to secure agencies throughout this country. The representatives appointed are De Lumen Bros., New York, N. Y., and they claim to be the sole distributors of Anker cash registers for the United States and Canada. This is the German cash register. They have quoted prices that are very much below the actual cost of production in this country, as shown by Exhibit E, which is attached to our brief.
>
> The National Cash Register Co. also has a factory in Berlin, Germany.

I ask that Exhibit B be printed as a part of my remarks without reading.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

EXHIBIT B.

KRUPPS EMPLOY 18,000 MORE PEOPLE THAN BEFORE—FORMER ARMAMENT PLANTS BUSY TURNING OUT ARTICLES NEEDED IN TIMES OF PEACE.

WASHINGTON, *October 1, 1921.*

Employing 18,000 more laborers than in the pre-war period, the big Krupp plants of Germany are manufacturing steel products ranging from locomotives to motion-picture apparatus, a special report to the Department of Commerce from William T. Daugherty, American trade representative, says.

The manufacture of railroad equipment has reached the point where the factory of Essen is turning out one locomotive and a train of eight 15-ton cars every day. At the plants at Eheinhausen and Annen automobiles, fire apparatus, street-cleaning apparatus, stationary steam engines, Deisel motors, cash registers, farm machinery, and machinery for the textile, paper, cement, rubber, and earthenware industries are being manufactured. The shipyard at Keil-Gaardon is working on passenger and cargo ships and river barges.

Mr. McCUMBER. I continue reading from the testimony of Mr. Savage:

> Germany has very recently increased the duty upon cash registers from 20 marks per 100 kilograms.

Mr. WALSH of Massachusetts. The Senator does not claim that that change has increased the duty, measured in terms of gold?

Mr. McCUMBER. I have not figured it out so as to know whether it has increased it or not.

Mr. WALSH of Massachusetts. I am informed that the change made in the German import duty on cash registers has been made to conform to the depreciation in the German mark, and represents the same rate in gold as formerly.

Mr. McCUMBER. I think it is a slight raise, but it is immaterial. I continue reading from the testimony of Mr. Savage:

> I want to draw your attention to another thing. The labor used in connection with this class of work is paid an amount equal to 2 cents per hour in German factories, based on the value of United States money in Germany as shown by the reports of our Bureau of Foreign and Domestic Commerce. The average wage scale for the same class of work in the United States is 57.5 cents an hour. It is rather difficult for us to compete under such conditions as that if the cash registers are permitted to come in free of duty.

Now, as I am a little hoarse, I ask the Secretary to read the marked portions of the brief.

Mr. CARAWAY. Has the Senator yielded the floor?

Mr. McCUMBER. No; I have asked the Secretary to read the brief.

Mr. CARAWAY. I did not understand the Senator's request.

The Assistant Secretary read as follows:

BRIEF OF H. A. SAVAGE, REPRESENTING THE ST. LOUIS CASH REGISTER CO. (INC.) AND AMERICAN CASH REGISTER CO.

When the existing tariff laws were passed by Congress there was but one financially strong cash-register manufacturer in the United States, namely, the National Cash Register Co., of Dayton, Ohio. That company enjoyed what amounted to almost a complete monopoly of the cash-register industry. That tariff act imposed no import duty upon cash registers, with a view, no doubt, of encouraging foreign competition and thus protecting the merchants of the United States against the very high prices charged by the one manufacturer above referred to.

Since then, however, conditions have changed very materially. The St. Louis Cash Register Co., of St. Louis, Mo., now manufactures 22 models or sizes of cash registers, retailing at very moderate prices. The American Cash Register Co., of Saginaw, Mich., are manufacturing many models or sizes of cash registers, which also retail at moderate prices. The Michigan Machine Co., of Detroit, Mich., manufacture five sizes or models of cash registers, which sell at very low prices.

The cash registers manufactured by the three companies last mentioned cover a wide range of sizes and styles, and fill the requirements of fully 90 per cent of our American merchants. The retail selling

prices vary from $40 to $80 for Michigan cash registers, from $60 to $200 for St. Louis cash registers, and from $150 to $650 for American cash registers.

It is possible, therefore, for American merchants to obtain cash registers at fair and reasonable prices, based upon the cost of production, and they are now well protected against any exorbitant prices that might be demanded by a single manufacturer.

The cash-register manufacturers, other than the National Cash Register Co., were never able to make any substantial progress, however, until after the United States district court permanently enjoined the National Cash Register Co., of Dayton, Ohio, from unfair and illegal practices as interpreted under the antitrust laws enacted by Congress July 2, 1890. A copy of the court's decree just mentioned is hereto attached and marked "Exhibit A."

Cash registers are now being manufactured in several foreign countries, and particularly in Germany. It is stated upon reliable authority that the Krupp Gun Works are now manufacturing cash registers. See newspaper clipping marked "Exhibit B." But the principal one which has come to the attention of the manufacturers in this country is that of the Anker-Werke, of Bielefeld, Germany. (See catalogue marked "Exhibit C.")

The cash registers known as the Anker brand are manufactured in many different types and sizes and are now being offered for sale in the United States. Their representatives are now attempting to secure agencies throughout this country. The representatives appointed are De Lumen Bros., 110 East Twenty-third Street, New York, N. Y., and they claim to be the sole distributors of Anker cash registers for the United States and Canada, and they have quoted prices that are very much below the actual cost of production in this country, as shown by "Exhibit E" hereto attached.

The National Cash Register Co. also has a factory in Berlin, Germany. Page 63 of a catalogue issued by that company is hereto attached and marked "Exhibit D," and your attention is called to statement that they have a branch factory at Berlin, Germany.

It is a well-known fact that cash registers or other manufactured articles can be manufactured in Germany under the industrial conditions existing in that country and shipped to the United States and offered for sale at prices much less than the cost of production of similar products manufactured in the Middle West of this country.

If any German manufacturer, including the National Cash Register Co., with its factory at Berlin, is able to manufacture cash registers in Germany, where the value of the United States dollar is so high and where material and labor costs are so low, and offer their product for sale in the United States, duty free, thereby participating in the American market on an equal basis with American manufacturers, it can readily be seen that the manufacturing companies located in the United States other than the National Cash Register Co. will be forced out of business, and their long years of struggle to attain success will come to naught.

The National Cash Register Co. is in a position where it need not become active in securing tariff protection against foreign competition. Foreign competition in this market will accomplish for that company what it can not do for itself on account of the injunction against it; and then with a factory at Berlin, Germany, it will be able to compete on an equal manufacturing basis with other foreign makes of registers.

In other words, the National Cash Register Co. can well afford to remain inactive until foreign manufacturers have driven the other manufacturers of the United States out of business; and then it, with the product of its Berlin factory, could no doubt drive the other foreign manufacturers from the field and thus again enjoy a monopoly of the cash-register industry in this country.

Canada imposes a 30 per cent ad valorem import duty upon cash registers. Mexico imposes an import duty upon cash registers, and Germany also imposes an import duty upon cash registers amounting to 1,200 marks per 100 kilograms in weight. (See letter from Bureau of Foreign and Domestic Commerce hereto attached and marked "Exhibit F.")

Germany has very recently increased the duty upon cash registers from 20 marks per 100 kilograms to 1,200 marks per 100 kilograms. Germany has thus protected her cash-register industry against the importation of cash registers from other countries.

The transportation charges upon cash registers from Hamburg, Germany, to New York City amount to only a few cents more per register than the freight charges on cash registers from the Middle West to New York.

Without a careful analysis of the peculiar conditions attached to the cash-register industry in the United States, it may on the surface appear that the greatest benefit will accrue to the great mass of American merchants by admitting cash registers free of duty, and that this is the end to be sought rather than the protection of a few concerns that are manufacturing this product and their employees, but if conditions are such that these manufacturers are forced out of business, as we firmly believe they will be, unless a substantial duty is enacted in the present tariff act, then exactly the opposite effect will result.

The cash-register manufacturers of the United States are sincere in the belief that if foreign manufacturers are permitted free access to the American market, then within a remarkably short period of time the National Cash Register Co. will again be in control of the cash-register industry in the United States, and in consequence the American merchants will again be compelled to pay exorbitant prices for cash registers.

Before the United States district court entered its injunction decree February 21, 1916, against that company the history of all cash-register manufacturers who had the temerity to engage in the business was a succession of organization, reorganization, and final dissolution.

Since that decree became effective, however, other manufacturers have made considerable progress, and a great many people in the United States are by them now employed in manufacturing and marketing cash registers, notwithstanding severe handicaps because of the fact that the industry was not especially attractive to capitalists, they fearing that the injunction decree herein referred to might some time be dissolved or modified and the former monopolistic competition again become effective or that foreign competition would arise without ample tariff protection to equalize the difference in the cost of production in this country and in foreign countries.

Prior to the issuance of the said injunction the National Cash Register Co. sold cash registers of certain competitive models at a price less than cost of production, making up its loss on certain other models not manufactured by competitors, which models were sold at a very high price, with resultant large profits. This was done solely to stifle and throttle competition in the United States, and the means used were highly successful. The injunction issued by the United States court put a stop to this unethical practice, but the identical conditions, even with the injunction, would become prevalent if registers made in Germany can be sold in the United States at a price less than the cost of production here.

Mr. JONES of Washington. Mr. President, I would like to know if there is any reason why this brief could not be printed in the RECORD without reading?

Mr. MCCUMBER. It will be printed in the RECORD, of course, but I thought it was a brief so much to the point that it was well worth listening to.

Mr. JONES of Washington. But no one is listening to the reading.

Mr. MCCUMBER. Knowing how little inclined we are to read the RECORD the next day, I thought it was best to have it read now.

Mr. JONES of Washington. I think no one is listening to it.

Mr. KING. Mr. President, may I say to the Senator from Washington that there are some listening to it. I have been making inquiries since the reading has been in progress to see if this was all that is in the record upon which to predicate the demand for this extortionate rate. I have been listening with the utmost care, in order to find some reason to justify the rate.

Mr. MCCUMBER. Of course, any rate is extortionate in the opinion of the Senator, I appreciate that, whether it is 5, 10, 15, or 25 per cent; but the committee, from the thought and consideration which they gave to the subject, felt justified in recommending the 25 per cent duty.

Mr. UNDERWOOD. I know there were some Senators listening to the reading. It is the most remarkable argument I ever heard, and I would like to have an opportunity to comment upon it when the reading is concluded.

Mr. JONES of Washington. It will then lead to some discussion?

Mr. UNDERWOOD. Oh, undoubtedly. I think what was really in the minds of some Senators was whether we are going to take a recess at the usual hour of 10 o'clock, or whether we are going on until 12 or 1 o'clock.

Mr. MCCUMBER. I am going to ask the Senate to take a recess very shortly. I think the reading was very nearly concluded and I was then going to ask for a recess until to-morrow morning.

Mr. WALSH of Massachusetts. May I ask the Senator from North Dakota a question? Is not the brief simply a repetition of the testimony which the witness gave and which the Senator read into the RECORD?

Mr. MCCUMBER. Oh, no; I did not read any part of the brief.

Mr. WALSH of Massachusetts. I think the brief is merely a summary of the testimony of the witness.

Mr. MCCUMBER. If Senators are in a hurry to get home I will ask that the remainder of the brief be printed in the RECORD without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The remainder of the brief of Mr. Savage is as follows:

If German-manufactured cash registers are now permitted to enter the American market free of any duty that will equalize the cost of production between this country and that country; it will not only be impossible to secure additional capital if needed, but the money already invested in the industry will in a comparatively short period of time be lost, and thereafter it will be impossible to again interest American capital in the cash-register industry.

It is the sincere belief of the cash-register manufacturers, other than the National Cash Register Co., that their sole hope of success depends upon a reasonable protective tariff, and that there will be no modification or nullification of the court's decree entered against the National Cash Register Co.

From the foregoing it must be evident that there should be a duty of at least 25 per cent ad valorem upon cash registers entering this country—

First, to secure the revenue upon that product for our own Treasury.

Second, to protect the great mass of American merchants against the possibility of one manufacturer again gaining a monopoly of the cash-register industry in this country and thereafter demanding exorbitant prices for his product.

Third, to protect our own laborers against the cheaper labor of foreign countries, including foreign labor employed by an American manufacturer on foreign soil.

Fourth, for the protection of American capital that has been invested by the manufacturers, other than the National Cash Register Co., in the cash-register industry in this country.

The undersigned, therefore, earnestly and respectfully request that the present tariff bill now before Congress be amended to include an ad valorem duty of at least 25 per cent upon cash registers, cash-register parts, including wood and/or metal bases, and/or cash drawers for same, and upon calculating or adding machines and parts for same if their ultimate use is for the purpose of being mounted or attached to a cash drawer or in any way used as a cash register or as a substitute for a cash register.

Mr. MCCUMBER. I ask unanimous consent that the Senate, when it concludes its session on this calendar day, shall take a recess until to-morrow morning at 11 o'clock.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McCUMBER. Now, if it is satisfactory, I will move that the Senate take a recess——

Mr. HARRISON. Does the Senator expect to have an executive session?

Mr. McCUMBER. If it is desired to have an executive session, I will withhold the motion.

Mr. HARRISON. I was just wondering if an executive session is desired.

Mr. CURTIS. It is not.

Mr. McCUMBER. I have not heard any such desire expressed.

Mr. HARRISON. Very well.

RECESS.

Mr. McCUMBER. I move that the Senate take a recess, the recess being under the order just entered, until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 10 o'clock and 7 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Thursday, June 8, 1922, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *June 7, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord, come to our waiting hearts and minds. Forgive us everything that is unworthy of the holy name which we have taken upon our lips. As Thou hast set before us high and patriotic tasks, may we fulfill them worthily. Bless our whole family of citizens, and may they not be led along false ways. O help our country in its questions, in its problems, and in its fears. Dispel all earth-born clouds and be gracious unto every State and every citizen under the folds of our flag. For Thy name's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

Mr. SCHALL. Mr. Speaker, there are in the gallery to my right about 90 blind World War veterans. From here they go to the Senate, and from there they are invited by the President to the garden party at the White House. I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to address the House for 10 minutes. Is there objection?

There was no objection.

Mr. SCHALL. Mr. Speaker, the American people say little, but feel deeply. The greatest war in all history, in its reach and cost and catastrophe, is barely over. Hardly a family in the land but has felt its heavy toll. Yet to judge from the infrequent reference to it you might, if you were a superficial judge, think that America had forgotten.

The burial of the unknown soldier when the whole Nation paused in the midst of its busy, onward rush, gave a fleeting glimpse of the depth of emotion buried in the hearts of a people great enough to master their sorrow. Somewhat over 100,000 American lives were given outright. Many lost their reason. Thousands were mangled, wounded, torn, while thousands upon thousands will carry through the years the loss of arm or leg, or burned-out lungs or stomach. Some gave even more than their lives. With us to-day are representatives of those who by war injuries gave as their contribution their sight. They have come from the Navy and from every European battle field where Americans fought. They are to-day the wards of the Government, recuperating, rehabilitating themselves at the Evergreen School for the Blind at Baltimore. No doubt every one of these boys has cried out in his hour of trial, "O Lord, if possible, take this cup from me," and would have chosen to have remained upon the battle field, with no wakening, to bear, day after day, the heavy cross of silent waiting. The constantly recurring thought in the early days of blindness is, "Is not death to be preferred?" for they then reason with the mind of the seeing. I can remember upon losing my sight, acquaintances meeting me after a lapse of time would say, "SCHALL, I heard you were dead." I replied, "Not dead, just blind." But I could readily interpret what they thought. When they heard that I had lost my sight, they said to themselves, "I would rather be dead." And so, having said it, they concluded that I was dead. But I am not dead. [Applause.] And I am quite sure that the blind soldiers who are here in the gallery to-day will prove that they are not dead. [Applause.]

It is not in never falling that our strength is shown, but in rising when we fall, and the greater the fail the more strength required, and the more strength required the more strength developed, which gives the foundation for the Biblical quotation, "Whom the Lord loveth He chasteneth." Perhaps, like myself, they may sometimes wish the Lord had not loved them quite so much. [Laughter.] But as they go on in their handicap fight for life they will come to realize more and more as they meditate and strive within their prison walls of darkness that the things of earth are temporal, the soul is eternal. They come to know, as they develop patience, endurance, courage, and will through the suffering and discipline of thwarted endeavor, a philosophy of understanding that will lift them above the material interference of worldly things and give them a supreme faith far in advance of what their souls' attainment would have been under the advantages of sight. But of what value is faith? Faith is the engine that moves the world. It is the motive of action. It is the heart of progress, and every pulse sends life through its veins. It is the greatest power in man and gives him the highest stimulus. Faith gives herculean strength, which enables him to accomplish almost the impossible. Faith moves the mind, mind moves the world.

Faith earned for King Solomon the reputation of being the wisest of the wise. When the Lord asked him what he most desired, he did not say, "Make good my sight and my hearing and give me back my youth," but answered, after his hundreds of years of experience, as the most priceless thing in all the world, "Give me a heart of understanding, that I may discern between right and wrong," thus witnessing that the fruit of life is understanding; that the heart is the source of power, the source of love, the source of everything that is good in the world, and that men and women and nations are great as their hearts are great, as their souls are great, as their understanding is great.

Not in reveling palaces nor pillared halls nor the imposing coteries of the learned are the deepest emotions felt, grandest conceptions born, or most vital truths discovered. But from the epic shores of Greece, from Sinai's slopes, from the felon's cell at Bedford, from the chamber of blindness in London have come the inspirations that have blessed mankind. You can not know without understanding. You can not attain understanding without adversity. You may avoid, but to reach fulfillment you must have been upon Mount Sinai and seen the lightning flash and heard the thunders roll, partaken of the meal of locusts, and clothed yourself in the camel's hair. You may shrink from the cup, but to fill your destiny you must with calm patience and resignation humbly concede, "Nevertheless, not my will but Thine be done." [Applause.]

These men are making good under their trials. There is one young lad up there, deaf in one ear, both hands gone, blind, yet he is studying law. He has learned the typewriter, and he writes as fine a letter as any one of you can do with your sight. [Applause.] They are all very much alive. They have refused to be downed. They have tackled their handicap with the same spirit and go and dash that they bucked the stalemate of the trenches, and with a yell, "Come on, boys, do you want to live forever?" sent the American spirit up and down the allied lines to win the victory for the world. [Applause.]

Mr. Speaker, I was on the *Mount Vernon*, an American transport, when she was torpedoed the 5th of September, 1918, 250 miles off the coast of Brest. A great hole 20 by 30 feet was torn in the middle of her side, 18 feet below water level. Many sailors were lacerated and burned, 37 killed, one of whom was a friend and constituent, Leon Heath, with whom I talked just before he went on duty. The saving of the vessel was due to the heroism, alertness, and esprit de corps of the officers and sailors, under the command of Captain Dismukes. At some future date I want to secure time from the House to recount in detail the calm valor and efficiency of these wonderful sailor boys together with the magnificent leadership of their officers.

I had ample opportunity at the time of the encounter and during our struggle back to land to observe the working of that superb organization known as the American Navy, without whose aid, under the direction of Admiral Wilson, the World War could never have been won, and whose personnel, officers and men, are without equal in all the world. [Applause.]

I was in France during July and August of 1918, and followed our boys in the Chateau-Thierry drive. On one occasion I had the honor of speaking to a Michigan and New York regiment, just back of the battle line on Hill 210, to take which over 500 of our boys had given their lives. While speaking I could hear the uneven whir of the German planes and the steady hum of the American engines engaged in combat high to my left—an old story to the boys, who hardly vouchsafed an upward glance.

I spent the night at Fere-en-Tardenois. The following night Doctor Dillon, in the very bed in which I slept, had his legs broken by a shell. We pushed on farther toward the front. I was with Major Fuchs in Cohan, where white-hot fragments of shell lay smoking in the street, the town being shelled every 15 minutes; heard the missiles of death screaming like demons through the air. I heard the voices of men whom the fierce barrage and tense current of life had left with eyes that strained and throats that swelled, and never a smile. We sped around Dead Man's Curve, an exposed bit of the road, where the whine of a 1-pounder, crossing our trail, gave token of the watchfulness of the enemy. I experienced creeping upon hands and knees for about half a mile to avoid exposure to the enemy; motoring along camouflaged roads at speed not to exceed 8 miles per hour lest dust arouse a shell attack.

I savored the heavy white dust, the flies, the heat, and the scantiness of water; the smell of decaying flesh, where the human dominated the animal. I heard the mighty uproar of night attacks, where like heat lightning the barrage played along the sky; the boom of artillery and the burst of shell; the heavy rumble of trucks bringing troops, munitions, and supplies to the front; and ambulances setting out with the wounded.

From actual contact with the soldiers in action, in field and camp, I know something of what our boys suffered and what they accomplished over there. I lined with them at mess and communed with them in bivouac in the night, at a time when men's tongues are loosed and they talk. To-day they narrowly missed death. Perhaps it would be their turn to-morrow, and so on the verge of eternity they spoke their hearts and told the plain truth without fear or favor. No whiners among them. No boasters. Just matter-of-fact, pure stuff, the dross burned away in actual fellowship with death, leaving their souls vibrant instruments of truth. If I had but one word with which to describe the American soldier, I would describe him with the word "courage." No nation in all the annals of war has produced average individuals with such predominant courage, such unheard of heroism, such willing offering of life.

We have been accustomed to believe the European propaganda, that anything from overseas is far, far better than our home product; that to produce a soldier up to European grade, they must be drilled year after year. But here were these raw American boys, the same unassuming fellows that brought the meat to the back door, delivered the groceries or the ice, or sold you shoes over the counter, followed the plow or drove the binder on the farm, worked in shop and factory or studied in high school and college—these same lads, performing deeds of judgment, decision, and valor that forced from their war-trained allies and opponents the admission that they had never seen or heard the like.

A heroic soul here and there would have been within the bounds of expectation but the constant grade of the whole product of a nation, drafted and volunteers, with whom you came in contact there on the death fields could not but give you pause and force the thinking mind to ask why a nation had produced such universal phenomena.

In touch with these wonderful men day after day, in whom heroism was as common as the dirt under foot, comparing them with the other soldiery, I was impelled to ask myself what made this vast gap in fortitude, courage, judgment, between human individuals of the same civilization, and the answer was driven in upon me that the difference lay in their greater soul power, because at last God had reared a government under which the soul, that thing akin to Him, could grow; a government whose aim was the development and fostering of initiative of the individual, where they had freedom to choose between right and wrong; where any citizen could aspire to the highest office in the land; where religion was unhampered, their thoughts unrestrained, where they dared to think and feel out loud; where equal opportunity was their birthright, and no high wall of "Verboten" is endured; where each stands upon his own resources, for what he is and what he can do, and every man is the equal of his neighbor; where the Stars and Stripes from the towers of our public schools speak the spirit of America and beckon her children to a heart of understanding that can discern between right and wrong. It is true the Allies furnished the guns, but America furnished the soul that won the war [Applause.] Until that soul was loosed in combat upon the battle fields defeat of the Allies was inevitable. Paris had been ordered evacuated. Big Bertha shells were bursting everywhere in the streets. Consternation prevailed. Lines of refugees were streaming from the city. A German army, headed by the Prussian Guard and commanded by the Crown Prince, was advancing with the steady precision of clockwork at the rate of 4 to 5 miles a day. German patrols had been captured within 6 miles of Paris. The terrible bombardments and onslaught of the shock troops had forced the French back and back until the Germans, gaining possession of the heights about Belleau Wood, had cleared the roads for 8 miles in advance.

Had Paris fallen, France would have fallen, for Paris is the heart of France. Munitions, railways, manufactures center there. Had France fallen, the English would have soon been pushed back into the channel, and the war would have been over.

Foch, realizing that Paris was doomed, called for American troops, not with any hope of their altering the result, for he had no faith in the raw, undisciplined, untrained Americans. No criticism of him for that, for he could not know of what stuff they are made, since his experience has been only with Europeans. But, fighting man that he was, he intended to reform the French veterans farther back toward the city for a last desperate stand, and not wishing to waste any of these precious veteran soldiers he bethought himself of the American troops, who, in his opinion, could in nowise serve as actual combat troops, but who might be made of some avail in slightly deterring the speed of the oncoming victorious army. And so as a last resort, to avoid the inevitable, he permitted the American troops to be rushed in as a sort of stop gap. With their march unresisted for several miles ahead, the Prussian Guard were ordered to put on their dress uniforms with spiked helmets. The officers decked themselves in dress regalia with starched bosom shirts. The Germans had no other thought but that they were going triumphantly into Paris. The French believed it, the English believed it, the Belgians believed it, the Italians believed it, all the world believed it. But the boys of four American regiments did not believe it. The Fifth and Sixth Marines, the Ninth and Twenty-third Infantry of the Second Division, being the nearest at hand, were crowded into trucks as close as they could stand and hurried in the night to striking distance of the enemy. As they passed the retreating French they were met with cries of, "You're zigzag; you're crazy. Sure death ahead. There is no hope; go back." But these eager, smooth-faced Americans, who had never smelled the smooke of battle, were not made of the stuff that goes back when the enemy is in front. Unperturbed, they landed in the mud, and under cover of the woods formed their lines and calmly waited for the dawn, when about 15,000 Americans met and held and stopped five German divisions. [Applause.] So fierce and unfaltering was the attack that the enemy took it for granted that there were unlimited reserves in the rear. The miracle was performed, the march on Paris stopped, the oncoming hordes turned back, the Chateau-Thierry drive begun, the destiny of civilization changed. [Applause.]

The soul of America had won because it had broken the cocksure spirit of the enemy, had rekindled in the breasts of the drooping Allies a morale that ran from one end of the lines to the other. For the supersoldier of the world, with tremendous advantage of numbers, had been outsupered by a few simple, modest, untrained Americans; and these same Americans were here in great numbers, and they were coming by the thousands. The war could end in but one way. At the height of the Chateau-Thierry drive, when the pall of that terrible certain daily advance, when the shelling of Paris and the nightmare of air raids was too recent to be forgotten, not a soul could be found in the ranks of any army or in any walk in life so base but he was free to admit that it was the American soldier who won the war, turned the tide, saved them when they had their backs to the wall. Yet now, when it is all safely over, there are those who ungratefully say, "We would have won, anyway." They would, like hell. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. SCHALL. I will ask for five additional minutes, or so.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. SCHALL. They were down and out and, like Caesar, "* * * did cry, 'Help me, Cassius, or I sink.'" In one breath they say that they would have won without our aid. Superior in number to the enemy, they were at it for four years and were licked. Our boys cleaned up the mess they had made of it in six months. In another breath they inconsistently say we were too late in coming. It comes with ill grace from them to say, after we gave them $25,000,000,000 and loaned them $11,000,000,000 and raised an Army of 4,000,000, at a cost of $3,500,000,000, built a merchant marine for their protection, built up wharves and docks and railroads, dredged their harbors, that we were slow to cooperate. If we had been as slow to give as they have been to even acknowledge gratitude, let alone acknowledging their debt for borrowed money, they might have some basis for complaint. We have voluntarily relinquished the advantage in armament at a time when we could well afford to take the lead. That is not being slow to cooperate.

We asked nothing and we got nothing from the war, and an honest tribute to the heroism of our boys, in all fairness, is the least they could offer.

Our boys were far from their homes. It put shame into the hearts of men who were fighting for their very hearth sides and families to see such daring and spirit in lads who needed no spur. It began June 6 at Belleau Wood and continued through the Aisne-Marne drive; the Somme campaign, St. Mihiel, Ypres-Lys, through the Meuse-Argonne, clear up to November 11. Six months and the job was done. And through it all the American soldier kept his simplicity. Nowhere in the world is the soul developed in any nation that equals the soul that comes from America. The only soldier who was comparable to the American were the Canadian and the Australian. They too were bred on free soil. But Europe can not produce that freedom of spirit. They are too tied down by laws. Their soil is too corrupt, too full of intrigue and sycophancy and deceit, of truckling and subserviency, of caste and precedent, of fraud and hypocrisy, what they call diplomacy. Reared on American soil, imbibing her principles of freedom, the American soldier did not need years of intense training. He was used to thinking and deciding. In a pinch, every man was an officer. The intelligence of the American equipped him to understand the war game quickly. Heroes every one, they dared to move apart, 20, 30, 50, 60 feet; they dared to fight alone and die alone. The average run of the European soldier has not the private initiative to fight alone and die alone. He fights best in mass where he sees the form of his companion ahead, feels the rub of the elbow of his pal at his side, hears the tread of his comrade in the rear. He must have a crowd to give spirit and soul to do and die. The American soldier, because of his individual development, has soul power that dares stand alone. The European must group this soul power to produce the necessary courage. The American soldier is a lion who dares forage alone. Wolves hunt in packs. The American soldier is an eagle who dares soar aloft in the awful solitudes. Swallows hover in thousands. The American soldier dares to die right now. The European soldier to-morrow. Ask the German soldier or officer who won the war, and he will tell you that it was the Americans. That it was the Americans who advanced into no man's land without hesitation, and came on with that dogged determination that sharpshooter, machine-gun nest, ambush, hand grenades, rifles, concealed mines, gas shells, curtains of fire, small and big artillery, the blasts of hell itself could not stop. [Applause.]

It was the American alone who slowly but surely advanced through the deadly barrage. Though men by the thousands dropped, their places were filled and on they came. They died crouching forward, all their wounds in front. There was no stopping them. It was the Americans, whose salient was driven deep into the enemy's ranks, always pressed far in advance of their allies. Though the French command, under whom they fought, protested again and again to the American officers to hold them back, the officers were forced to report that they were unable to do so. And an American officer, being court-martialed for not holding them back, defended himself and secured his release by asking, "How the h—— do you expect me to stop 'em when the whole damn German Army can't?" [Laughter.] Another American officer was called to the carpet for not ordering his boys to retreat in order to straighten out the line. And he replied, "I'll not order my boys to retreat. They've won this ground with their blood. I understand our destination is Berlin. If you want the line straightened out, bring up your troops alongside." [Applause.] The French command retorted, "You're getting ahead of your soup kitchens and supplies." To which he replied, "We're going to Berlin, soup kitchens or no soup kitchens." [Laughter.] One night in camp I was visiting with Roy and Harold Distel, of the Fifth Marines, whose parents were born in Germany. Harold had just come up as a replacement. He was listening with me to Roy's description of the Belleau Wood fight. I said, "Roy, didn't you fellows know that that was the Prussian Guard you were going against? The most perfect fighting machine the world had ever known; who had never been stopped in all the four years till you boys stopped them?" And he replied, simply and without boast, "Oh, hell, they ran just like any other Dutchman." [Laughter.]

You can't overawe the American boy. He takes nothing for granted. All human beings look alike to him until they have demonstrated their title to superiority. America is an aristocracy of brains, ability, and deeds.

My friend, my constituent, my neighbor, Capt. George Mallon, has been officially designated one of the 100 heroes. All our allies have honored him with distinguished notice of exceptional bravery. He well typifies the ordinary American soldier, who performed his duty without boast or consciousness that he was doing anything out of the ordinary. Up to the present time, though I have tried and tried, I have been unable to get him to talk of his war experiences. George is a big-hearted, big-fisted, big-bodied 6-footer, gentle, simple, modest, intelligent, who has earned his living by the use of his hands and the sweat of his brow—a plain American who has had no advantages except those of his own making. I cite him because of the accident that drew official recognition to his valor, for his character and war record aptly illustrate the soul of the plain American soldier who has not had the approving stamp of official notice, who makes no claims as to heroism, who performs his duty without thought of reward or praise. The Adjutant General informs me that the official citations in my State alone would take a stenographer over two weeks to copy. Were all the officially unnoted heroism recorded, what volumes and volumes would it make. Captain Mallon was a delegate to the burial of the unknown dead. I tried my best to get him into the gallery that I might have the honor to proudly introduce him to the House, but his retiring, simple, and modest nature would not cooperate with me. I wanted to tell this House of the War Department's citation of this steamfitter soldier, whose heroism blazes forth even from the cold, meager details of officialdom. On the 26th of September, 1918, he and nine of his men because of a dense fog became separated from his company. They captured 100 German prisoners, together with 11 machine guns, four 155-millimeter howitzers, and one antiaircraft gun. In attacking the entrenched Germans, Captain Mallon ordered four of his men to one side and five to the other for flank attacks, he remaining in front, and at a given signal charged; the captain himself going straight in the face of their fire against the mouth of the guns, matching his willingness to die now against tremendous odds, he landed within the entrenchments, knocking senseless with his great fists the commanding officers, silenced the guns, and compelled surrender. [Applause.]

I talked to officers and soldiers of the French, of the English, of the Belgians, of the Italians, of the Germans, and all were eager to assert that the American soldier was the bravest in the world. There was some criticism as to his soldierly technique, but his superiority of valor was everywhere extolled as phenomenal. I talked to a prisoner, an officer of the Prussian guard, who, in company with six of his men, had been captured in a shell hole by an American soldier. I asked him what he thought of the American soldier, and he said, "He is the bravest man in the world, but he is no soldier." I asked him how that was. He said that the Americans did not pay any attention to authority, that they called their officers Jim and Jack and Pete, and that they did not keep their coats buttoned or their shoes shined, and gave utterance to several other what seemed to me petty criticisms, and in order to prove his point, he told me this story.

He and six of his men had taken refuge in a shell hole. An American came up to the shell hole with his coat off, with his shirt torn open. He didn't have any gun or belt or knife—did not have anything. I said, "Was this the man that captured you?" He nodded. "Well," I said, "You fellows had your guns and belts and knives and equipment." "Yes," he said. "We'd be court-martialed if we had not had them." I said, What did he do?" "He came up to the hole, and he leaned over, and he said, "You come out of there you blankety blank blanks or I'll blow you to h—." [Applause.] I said, "What did you do?" He said, "I came out." "Do you mean to tell me that you, with six companions, with your guns and knives and all equipment came out of there for one man?" He said, "Yes; he had two hand grenades." I said, "Yes; but you were seven against one, and you had all the advantage." "I know," he said, "But those hand grenades are very dangerous." [Laughter.]

My colleagues, it was not the hand grenades that made those men come out, it was the soul of the man who dared to die now, not to-morrow, standing there on the edge of that hole; the man who dared to place all at issue now. They had not in all seven of them the match of the soul in the one. They instinctively knew their master and obeyed. They would have come out if he had had nothing but a rotten egg in his hand. It is the soul that counts. [Laughter and applause.]

It is the soul in the breasts of these boys up here in the gallery that is going to count. It is the soul that measures the size of the man, whether on the battle field or in the conflict of life, and our blind friends in the gallery have been tried and found not wanting. They will meet the fight unflinchingly that Fate has laid out for them, as they met the fight in the battle fields for their country, and there will be no question of their success. These blind soldiers in the gallery will build for themselves, perhaps, greater understanding, greater souls, than they would have had had they gone on in the hearing, seeing world.

These boys are going to conquer; they have made up their minds they are going to conquer. I have no doubt that they will conquer in proportion to the fertility of their soul. No better words can typify their dauntless souls than the trench-coined expression, "Let's go." [Applause.] For my blind friends in the gallery, for the soul of the American soldier, the source of power that won the war, I want to say, in the words of Henley:

Out of the night that covers me,
Black as the pit from pole to pole,
I thank whatever gods there be
For my unconquerable soul.
In the fell clutch of circumstance
I have not winced or cried aloud;
Under the bludgeonings of chance
My head is bloody but not bowed.
And all the menace of the years
Finds and shall find me unafraid.
It matters not how straight the gate,
How charged with punishments the scroll—
I am the master of my fate,
I am the captain of my soul.

[Prolonged applause.]

These blind veterans are asking Congress to give them an incorporation. I have introduced a bill to that effect. They want this as a memorial, as a unit for getting together in after years, and maintaining enshrined their common sacrifice. This bill is before the Judiciary Committee. On behalf of these boys I ask you to do anything you can to further its report and passage. There is another bill that I feel confident will soon come before us, and it ought to pass, and I feel confident it will. It gives to the totally disabled $50 a month for nurse hire or guide, which will be of inestimable value to these blind boys.

On the 2d of March of this year I was invited by Mr. Joseph Vance, the director of the Evergreen School for the Blind, where these boys are being educated and trained, to address them upon the subject of how a blind man got to Congress and what he has seen there. I ask unanimous consent to extend my remarks by printing that speech, together with the introduction of the director, in 8-point type.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the manner indicated. Is there objection? [After pause]. The Chair hears none.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed with amendments bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 11450. An act to provide for the printing and distribution of the Supreme Court Reports and amending sections 225, 226, 227, and 228 of the Judicial Code.

The message also announced that the Senate had agreed to the amendment of the House of Representatives to the joint resolution (S. J. Res. 173) authorizing the President to appoint a commission to represent the Government of the United States at the centennial celebration of the independence of Brazil, to be held at Rio de Janeiro in September next.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 3580. An act to extend the time for the construction of a bridge across the Red River of the North at or near the city of Pembina, N. Dak.; and

S. 3610. An act authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio.

The message also announced that the Senate had passed without amendment the bill (H. R. 6313) authorizing the Secretary of Commerce to grant a right of way for a public highway to the county of Skagit, Wash.

The message also announced that the Senate had agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the following titles:

H. R. 9859. An act making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes; and

H. R. 9981. An act making appropriations for the Executive and for sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1923, and for other purposes.

The message also announced that the Senate had agreed to the amendment of the House of Representatives to the bill (S. 2014) to provide for the settlement of small holding claims on unsurveyed land in the State of New Mexico.

The message also announced that the Senate had passed without amendment the bill of the following title:

H. R. 7052. An act for the relief of G. C. Caldwell.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 3580. An act to extend the time for the construction of a bridge across the Red River of the North at or near the city of Pembina, N. Dak.; to the Committee on Interstate and Foreign Commerce.

ENROLLED JOINT RESOLUTION AND BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that June 6 they had presented to the President of the United States for his approval the following joint resolution and bills:

H. J. Res. 339. Joint resolution making available funds for repairing and restoring levees on the Mississippi River above Cairo, Ill.;

H. R. 9344. An act providing for the appropriation of funds for acquiring additional water rights for Indians on the Crow Reservation, in Montana, whose lands are irrigable under the Two Leggins Irrigation Canal; and

H. R. 10972. An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

CALENDAR WEDNESDAY.

The SPEAKER. To-day is Calendar Wednesday, and the Clerk will call the roll of committees.

The roll of committees was called, and when the Committee on Banking and Currency was reached—

DEPOSITARIES OF PUBLIC MONEYS IN FOREIGN COUNTRIES, ETC.

Mr. McFADDEN. Mr. Speaker, I call up House Joint Resolution 94.

The SPEAKER. The gentleman from Pennsylvania calls up the House joint resolution, which the Clerk will report.

The Clerk read as follows:

House joint resolution (H. J. Res. 94) authorizing the Secretary of the Treasury to designate depositaries of public moneys in foreign countries and in the Territories and insular possessions of the United States.

Resolved, etc., That the Secretary of the Treasury may designate such depositaries of public moneys in foreign countries and in the Territories and insular possessions of the United States as may be necessary for the transaction of the Government's business, under such terms and conditions as to security and otherwise as he may from time to time prescribe.

Mr. DOWELL. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Will the gentleman withhold that until the committee amendment is reported?

Mr. DOWELL. I will.

The committee amendment was read as follows:

Page 1, line 8, after the word "prescribe," strike out the period, insert a colon, and add: "*Provided*, That in designating such depositaries American financial institutions shall be given preference wherever, in the judgment of the Secretary of the Treasury, such institution is safe and able to render the service required."

SPEAKER PRO TEMPORE.

The SPEAKER. The Speaker is likely to go away to-morrow, and designates the gentleman from Massachusetts [Mr. WALSH] to act as Speaker pro tempore until his return.

The gentleman from Iowa makes the point of order there is no quorum present. Clearly there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

Ackerman	Connolly, Pa.	Foster	Jefferis, Nebr.
Andrew, Mass.	Cooper, Ohio	Frear	Jones, Pa.
Ansorge	Cooper, Wis.	Free	Kahn
Arentz	Copley	Freeman	Kennedy
Bankhead	Coughlin	Fuller	Kiess
Beck	Crowther	Funk	Kindred
Black	Davis, Minn.	Gallivan	Kinkaid
Blakeney	Deal	Glynn	Kitchin
Bland, Ind.	Dempsey	Goodykoontz	Kline, N. Y.
Blanton	Dickinson	Gorman	Knight
Boies	Doughton	Gould	Kreider
Brennan	Drane	Graham, Pa.	Kunz
Britten	Driver	Greene, Mass.	Langley
Brooks, Pa.	Dunbar	Griffin	Larson, Minn.
Burke	Dunn	Hawes	Lea, Calif.
Burtness	Evans	Henry	Lineberger
Cantrill	Fairchild	Herrick	Linthicum
Clark, Fla.	Faust	Hicks	Longworth
Classon	Fenn	Hogan	Lyon
Cockran	Fields	Hooker	McArthur
Codd	Fisher	Hudspeth	McClintic
Cole, Iowa.	Fitzgerald	Hutchinson	McCormick
Collins	Focht	Ireland	McPherson
Connell	Fordney	James	McSwain

Maloney	Parker, N. J.	Scott, Mich.	Ten Eyck
Mann	Parks, Ark.	Sears	Tilson
Martin	Patterson, N. J.	Shreve	Treadway
Michaelson	Perkins	Sinclair	Tyson
Miller	Petersen	Smith, Mich.	Upshaw
Montague	Porter	Smithwick	Vare
Moore, Ill.	Pringey	Snyder	Vinson
Moore, Ohio	Rainey, Ala.	Speaks	Volk
Moore, Va.	Ransley	Stafford	Ward, N. Y.
Moores, Ind.	Rayburn	Stiness	Wason
Morin	Reber	Stoll	Watson
Mott	Riordan	Strong, Pa.	Weaver
Mudd	Rodenberg	Sullivan	Winslow
Nelson, J. M.	Rosenbloom	Swank	Wood, Ind.
Newton, Mo.	Rouse	Sweet	Woodyard
Nolan	Rucker	Taylor, Ark.	Wurzbach
Padgett	Sabath	Taylor, Colo.	Yates
Paige	Sanders, Ind.	Taylor, Tenn.	Zihlman
Park, Ga.	Sanders, N. Y.	Temple	

The SPEAKER. Two hundred and fifty-nine Members have answered to their names; a quorum is present.

Mr. MONDELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

DEPOSITARIES OF PUBLIC MONEYS IN FOREIGN COUNTRIES, ETC.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent that the Banking and Currency Committee be discharged from the further consideration of House Joint Resolution No. 94, and we may take up Senate Joint Resolution No. 7.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that the Committee on Banking and Currency be discharged from further consideration of House Joint Resolution 94, and that Senate Joint Resolution No. 7 be considered in lieu thereof. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, I would like to have the Senate resolution reported.

The SPEAKER. The Clerk will report the Senate resolution.

The Clerk read as follows:

Senate joint resolution (S. J. Res. 7) authorizing the Secretary of the Treasury to designate depositaries of public moneys in foreign countries and in the Territories and insular possessions of the United States.

Resolved, etc., That the Secretary of the Treasury may designate such depositaries of public moneys in foreign countries and in the Territories and insular possessions of the United States as may be necessary for the transaction of the Government's business, under such terms and conditions as to security and otherwise as he may from time to time prescribe.

Mr. WALSH. Is it the intention of the gentleman to offer the same amendment to this joint resolution as the committee had proposed to the House joint resolution?

Mr. McFADDEN. It is.

Mr. WALSH. Then I do not see any advantage to be gained by considering the Senate resolution; it will have to go back to the Senate. We could pass the House resolution and let them concur.

Mr. McFADDEN. I will say to the gentleman that the Senate has already passed this resolution; it is a short resolution.

Mr. WALSH. But they have not passed it with the House amendment, and you are going to send it back for them to concur in it. Well, I object.

The SPEAKER. The gentleman from Massachusetts objects.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to consider Senate Joint Resolution No. 7 in lieu of House Joint Resolution No. 94.

The SPEAKER. Is there objection?

Mr. KING. Reserving the right to object, I would like to ask the gentleman what is the difference in the two?

Mr. McFADDEN. I will say to the gentleman that there is practically no difference, but it was suggested that we consider the Senate resolution as a parliamentary convenience.

Mr. WALSH. There is not any parliamentary convenience in it.

Mr. WINGO. I do not understand. I thought the gentleman was making this request a few moments ago and that the gentleman from Massachusetts [Mr. WALSH] objected. Does he now withdraw his request?

Mr. McFADDEN. I ask that the Senate resolution be considered in place of the House resolution.

Mr. WINGO. It is practically the same request?

Mr. McFADDEN. Practically. That is, the resolution has been on the calendar for quite some time. The committee has not had an opportunity to get the resolution up for consideration, but the Treasury has been considerably embarrassed in carrying on the fiscal functions of the Government in some of these countries. Under the different acts that were enacted by Congress during the war, which provided for the methods of financing the public business in these countries, there were designations made, but the provisions of those acts were terminated six months and two years after the war. I am informed by the Treasury that they are still embarrassed because of the lack of authority to establish depositaries in such sections as are not now authorized to have them, and because of this they are very anxious to have this resolution passed. The Senate has already passed the resolution, and I am informed by the Treasury that they are only going to designate, in a very limited manner, where it is absolutely necessary to carry on the functions of the Public Treasury.

Mr. SNELL. Will the gentleman yield for a question there?

Mr. McFADDEN. I will.

Mr. SNELL. As I understand, the old resolution expires, and this is a continuing resolution without any limit of time?

Mr. McFADDEN. Practically all of the war authorizations have expired. This does give them, without any special limitation, the authority to establish depositaries wherever the Treasury finds it necessary.

Mr. SNELL. Is it the understanding that they will have continuing depositaries?

Mr. McFADDEN. So far as the Treasury finds that it requires depositaries in different countries or possessions, I will say to the gentleman there are only slight amounts now there, and under the amendment which I propose to offer, under the authority of the committee, it is proposed to limit these depositaries to American institutions where their facilities are available.

Mr. SNELL. I think that is a good idea, and I can see why, when we had a great many men over there, it was necessary; but I was wondering, when all the war activities had ceased, why it should be necessary to keep American money there.

Mr. McFADDEN. There are transactions at all times not incident to the war which make it necessary for the Treasury to have depositaries which they can use for the purpose of facilitating the fiscal affairs of the Government.

Mr. SNELL. Previous to the war did they have some authority there?

Mr. McFADDEN. Yes; but just what the limitations were I do not now recall.

Mr. SNELL. Under what authority was that?

Mr. McFADDEN. That does not apply to this situation.

Mr. SNELL. Have they the same authority now that they had previous to the war?

Mr. McFADDEN. I do not understand that they have.

Mr. SNELL. We have never passed any law changing that, to my knowledge.

Mr. McFADDEN. The Treasury say that they are handicapped and embarrassed, and feel that they should have this additional authority at this time. The amendment which I propose to offer at the proper time provides as follows:

Provided, That in designating such depositaries American financial institutions shall be given preference wherever in the judgment of the Secretary of the Treasury such institution is safe and able to render the service required.

Mr. SNELL. I think that is a very important amendment. I think we should have a definite statement as to why, after all the present war activities cease, it will be necessary to have any more authority to bank in foreign countries than we have before.

Mr. McFADDEN. I will read from the statement of the Secretary of the Treasury on this very point.

He says:

You will recall that the only authority existing at the present time for the designation of United States depositaries in foreign countries is found in section 8 of the act of September 24, 1917, as amended by the act of April 4, 1918, and in section 4 of the act of September 24, 1918. The authority given by the first-named act expires six months after the termination of the war between the United States and the Imperial German Government, and the authority of the second-named act is limited to the period of the war and two years after its termination. The authority given by the first-named act therefore expires on January 2, 1922.

Mr. SNELL. That does not refer to the authority that existed previous to the war.

Mr. McFADDEN. I judge from this letter that there was no authority for such designations prior to the war.

Mr. SNELL. I was wondering what had happened since that made it absolutely necessary that we should give them this.

Mr. McFADDEN. I will say to the gentleman that we still have soldiers in Germany, and many transactions incident to the debt owed by these Governments and other financial operations, which we did not have prior to the war.

Mr. SNELL. Is there anything being paid on the debt into the depositaries over there?

Mr. McFADDEN. I understand from last evening's paper that Great Britain is about to make an arrangement to pay

$250,000,000. The debt commission is dealing with that situation under authority of Congress.

Mr. KING. Will the gentleman from Pennsylvania yield?

Mr. McFADDEN. I will.

Mr. KING. Is it not a fact that the letter you are reading from was written in 1921, and has not this legislation been before the House for many months? Is that a recent letter that the gentleman from Pennsylvania has?

Mr. McFADDEN. It is dated December 28, 1921.

Mr. KING. We are talking to-day as if we were back in 1921.

Mr. McFADDEN. I will call the gentleman's attention to the fact that most of the authority which we have expires two years after the termination of the war with Germany has been declared officially ended.

Mr. SNELL. It will run for another year yet?

Mr. McFADDEN. Yes; but it does not give them sufficient authority to designate authorities where they find the Treasury needs require them at the present time.

Mr. SNELL. You would naturally expect that two years after the war they would get pretty nearly through putting our money over there.

Mr. McFADDEN. One would naturally infer that, but sometimes it takes longer.

Mr. SNELL. If it is absolutely necessary, so far as I am concerned, I will not object.

Mr. McFADDEN. I think it is absolutely necessary that they have this authority.

Mr. SNELL. But I do not like the proposition very well.

Mr. McFADDEN. I agree with the gentleman to some extent there.

Mr. LAYTON. Will the gentleman yield?

Mr. McFADDEN. I yield to the gentleman from Delaware.

Mr. LAYTON. Is it intended to divert any funds in the United States to these depositaries?

Mr. McFADDEN. Only as the needs of the Government in the settlement of matters pertaining to these countries are involved. I do not understand that it is the purpose of the Treasury to take from this country any funds except what may be necessary for settlement of accounts locally in those countries where these depositaries are to be designated and where in special cases the funds are not already in hand in those countries.

Mr. JONES of Texas. Merely as a matter of language in the adoption of the amendment you use the word "institutions" in the first part. Should you not use it also in the latter part?

Mr. McFADDEN. It might improve the phraseology a little bit.

Mr. Speaker, does the gentleman on the other side desire some time?

Mr. WINGO. Yes; I would like to have some time.

Mr. McFADDEN. How much time would the gentleman like to have?

Mr. WINGO. Give me five minutes.

Mr. McFADDEN. Mr. Speaker, I yield to the gentleman from Arkansas five minutes, and I reserve the balance of my time.

The SPEAKER. The gentleman from Pennsylvania reserves the remainder of his time, and yields five minutes to the gentleman from Arkansas.

Mr. WINGO. Mr. Speaker, this bill is a practical necessity. Of course, the committee thought it should be adopted. The Government, of course, in handling its funds in foreign countries ought, as far as possible, to use American financial institutions or their branches.

Mr. KING. Mr. Speaker, will the gentleman yield?

Mr. WINGO. Yes.

Mr. KING. What institutions does the gentleman refer to that are permitted to act as depositories under this act?

Mr. WINGO. Well, it is possible that there would be some in South America. One practical illustration comes to my mind. The gentleman from Pennsylvania [Mr. McFADDEN] will correct me if I am in error; it has been quite a time since the hearings were had on this bill. One situation that will be covered is our deposits for Panama Canal operations. As I recall now, the depository, an American institution, is just now outside the zone. As a matter of fact, there is very grave doubt whether the Treasury has authority to use that depository as it is being used at the present time outside the zone.

Mr. DENISON. I think that authority exists by special act.

Mr. WINGO. There is some doubt about it, as to whether or not it goes far enough. The gentleman may be right. The hearings were so long ago my mind is hazy on the details. In the war we did undertake to authorize the Secretary of the Treasury to use foreign depositories for disbursements.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. WINGO. Yes.

Mr. SNELL. That has never been done before in time of peace, has it?

Mr. WINGO. I do not think we have ever undertaken to authorize it down there in time of peace, but it has been done and is being done.

Mr. SNELL. Under this bill could you maintain a depositary in any South American country? Is that your idea?

Mr. WINGO. Yes. This is intended to give the Secretary of the Treasury the necessary leeway and authority, but I do not think any Secretary of the Treasury would send funds to a foreign bank without some necessity for it. But take naval stations, for example. This not only covers foreign countries, but it covers our insular possessions, our outlying territory.

Mr. SNELL. What are we doing in Hawaii, for instance?

Mr. WINGO. I think we are doing it there now without authority. This will grant authority where in some instances unquestionably it does not now exist, and it will legalize practices that have grown up heretofore. For illustration, there is very grave doubt in the minds of lawyers whether or not we could authorize England, say to-morrow, if she is going to pay interest to the United States, to do anything else than actually transfer that interest to the United States by a draft or actual cash. But if we have a depositary over there for the purpose of receiving funds, if this commission desires to designate a certain depository to receive them, and it should appear to the Secretary to be to the advantage of the United States to receive that deposit as designated in a foreign country on account of the exchange situation, and if the Secretary of the Treasury should know that if it would be to the interest of the United States to do that, there is nothing wrong in giving him, a high official of the United States Government, the head of our Treasury Department, the discretion to do it. That is why I, for one, believe the discretion should be given to the Secretary.

Mr. LAYTON. Mr. Speaker, will the gentleman yield?

Mr. WINGO. Yes.

Mr. LAYTON. But that is a very large discretion to be lodged in an official.

Mr. WINGO. Oh, yes; but whether you want to be or not, we are part of the world, and our Government has certain transactions that must be conducted abroad. If it were nothing but the foreign debt that is due to us, if we never had a warship in foreign waters or in our insular possessions, there might still be occasion to use a foreign depositary. It should not be required that they should come to Congress every time the Treasury or this foreign refunding commission wants a depositary designated. You do not do that in the United States.

Mr. LAYTON. How did we get along during the last 140 years?

Mr. WINGO. Oh, well, we have gotten along just as we got along without railroads and telephones and electric lights and automobiles and everything else. We should enable the United States Government to empower its own chief financial officer in the interest of the United States to use a foreign depositary.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. WINGO. Yes.

Mr. SNELL. Has the committee any idea of how many places would be named as depositories?

Mr. WINGO. Well, I have an idea that one of them would be in Germany. It has been announced that we will keep some troops there indefinitely. You would make a depository down there in the Canal Zone in the territory just over the line. You would legalize a present depository in the Philippine Islands and in the Hawaiian Island, and in Alaska.

Mr. SNELL. You do not think there is any legal authorization for such a depository at the present time?

Mr. WINGO. There is some dispute about it. At first I had the impression that you gentlemen have.

Mr. SNELL. With respect to the foreign debt, what advantage would it be to us?

Mr. WINGO. I think the gentleman as a business man can conceive of a situation on account of exchange conditions where the Treasury of the United States or this debt commission might find it to the interest of the United States to let the payment be made in the first instance to a depository of the United States in London and then send it over here. We might get a benefit by it, and I am going to assume that the Secretary of the Treasury is not going to take money out of this country as a matter of favor, but that he is going to confine it to the purposes and benefit of the United States.

Mr. LAYTON. Might we not get a loss?

The SPEAKER. The time of the gentleman has expired.

Mr. McFADDEN. I yield 10 minutes to the gentleman from Wisconsin [Mr. A. P. NELSON].

Mr. A. P. NELSON. Mr. Speaker, at the time this bill was originally considered and unanimously reported by the Committee on Banking and Currency I gathered some data from the Treasury Department, and after listening to the discussion that has taken place here to-day I think it appropriate to state at this time the facts therein contained, because I think such facts will help to clarify the situation and enable Members to understand some of the underlying reasons why this bill ought to be passed.

In the first place the recommendation came from Secretary Houston in his report of 1920, in which he very strongly recommended that depositaries of this kind should be designated by our Government in order to facilitate the orderly transaction of our business in foreign countries.

The same recommendation was again reiterated by the present Secretary of the Treasury, Mr. Mellon, in a written communication to the chairman of this committee and also to myself. Therefore we have the recommendation of two Secretaries of the Treasury who are charged with the responsibility of seeing that the business of this Government in foreign countries is properly carried on. If I may be permitted, therefore, I will quote from the memorandum given to me in May, 1921, which is just as apropos to-day as it was then, because there has been no change in the conditions so far as the relationships of our Government in foreign countries are concerned except those which had to do strictly with war activities; and if you will study the bill and the report upon it you will find that Congress should to-day make some deliverance upon this subject that will make it proper in every way for the Secretary of the Treasury to designate in foreign countries depositaries for our consular and diplomatic officers and for our Postal Service in foreign countries. In the first place, then, let me say that it is not only convenient but practically necessary that there be Government depositaries in certain foreign countries and in the Territories and insular possessions of the United States, for the purpose of furnishing United States disbursing officers with adequate financial facilities, both as to disbursements and deposits. Disbursing officers of the Army and of the Navy stationed outside the continental limits of the United States frequently require supplies of cash for pay rolls and other expenditures, and they, as well as officers of the Diplomatic and Consular Service, and occasionally of the Postal Service, have deposits to make for credit of the Treasurer of the United States. The absence of depositary facilities from time to time causes great inconvenience, particularly to consular officers. I wish the House to note this particularly.

Second, the only authority existing at the present time for designation of United States depositaries in foreign countries is found in section 8 of the act of September 24, 1917, as amended by the act of April 4, 1918, and in section 4 of the act of September 24, 1918. The authority of the first-named act is limited in two respects: First, it authorizes the designation of depositaries to provide for current disbursements only; second, the authority is limited to six months after the termination of the war between the United States and the Imperial German Government.

Of course, that authority has now terminated. The authority of the second-named act is also limited, first, to the designation of depositaries with which may be deposited all or any part of the avails of any foreign credits or foreign currencies, and, second, to the period of the war and two years after its termination.

Mr. JONES of Texas. Will the gentleman yield?

Mr. A. P. NELSON. I would like to complete my statement first.

Third, the authority for the designation of depositaries in the Territories and insular possessions of the United States is found in section 5153 of the Revised Statutes, the act of June 6, 1900 (depositaries in Cuba, Porto Rico, and the Philippine Islands), the act of July 1, 1902 (depositaries in Philippine Islands), and sections 25 and 25a of the Federal reserve act.

The authority granted by section 5153 of the Revised Statutes is limited to national banks only. It frequently happens that there is no national bank in the particular locality in the territory where a depositary is needed.

It is also possible that there are no American banks in some localities where it is necessary for us to transact foreign business. Hence this act is simply to make provision in a general way and in a concrete and specific way for the orderly transaction of our business in foreign countries.

The acts of June 6, 1900, and July 1, 1902, cover only Porto Rico and the Philippine Islands.

Section 25 of the Federal reserve act, known as the Edge Act, grants authority to national banking associations to establish branches in foreign countries or dependencies or insular possessions of the United States, and to act, if required to do so, as fiscal agents of the United States. In view of the language used elsewhere in the Federal reserve act, authorizing the use of the Federal reserve banks as depositaries and as fiscal agents of the United States, it is doubtful whether fiscal agent authority is authority for the designation of depositaries. I want you to note this statement.

Section 25a of the Federal reserve act provides that the Secretary of the Treasury may use Edge Act corporations organized under this section as depositaries in Panama and the Panama Canal Zone, or in the Philippine Islands, and other insular possessions and dependencies of the United States.

Fourth, it will be seen, therefore, that the existing authority for the designation of depositaries in foreign countries and in the Territories and insular possessions of the United States is much restricted, and that as to foreign depositaries even the existing authority has now expired. The language of the joint resolution will take care of the situation, and at the same time provide proper safeguards, for it limits the Secretary's authority to such depositaries as may be necessary for the transaction of the Government's business.

Under the language of the joint resolution now before us it is not intended to deposit our home funds in foreign countries. The purpose is merely to provide a place where the ordinary and necessary Government business in foreign countries may be properly taken care of, and not compel the consular or diplomatic offices to be without any place properly designated by the United States authorities where they may deposit funds that are temporarily in their hands or charge, in the legitimate transaction of the business of our Government. Hence it appears to me that this resolution merely provides the designation of depositaries in foreign countries by the Secretary of the Treasury for the purpose of facilitating and safeguarding our governmental business in foreign countries.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. A. P. NELSON. Yes.

Mr. GRAHAM of Illinois. I wonder if the gentleman would be willing to accept an amendment placing a limitation of a certain number of years on this authority, for instance, two, three, or five years, or whatever time may be thought to be wise, so that we can try this thing out and not make it unlimited authority, but for the present, place a limitation on it, and then if it is found that it works satisfactorily we can extend it by action of Congress at some future time? Personally I am somewhat averse to making this legislation continuing indefinitely in the future. Had not we better try it for a number of years?

Mr. McFADDEN. If the gentleman will yield, I think he is magnifying the importance of this, for it is only used in minor transactions.

Mr. GRAHAM of Illinois. I do not know whether I am or not; nobody knows. Had we not better limit it; is it not safer?

Mr. KING. They have been doing it for a year and a half.

Mr. GRAHAM of Illinois. It may be that they are doing it. I am not advised about the situation except as to general legislation; in matters of this kind I think it is safer to limit it to a certain period.

Mr. A. P. NELSON. The gentleman knows that we are now conducting certain governmental business in foreign countries, and this is merely to facilitate and improve such business transactions.

The SPEAKER pro tempore (Mr. WALSH). The time of the gentleman from Wisconsin has expired.

Mr. KING. Mr. Speaker, this is a very ancient and honorable bill, one of the heirlooms from the former administration upon which we have spent much time, effort, and thought. The recommendations of the former Treasurer, Mr. Houston, no longer contain the force and volume which they once contained when addressed to Congress. It might be well to suggest for the enlightenment of the few that are here this morning that this bill is a complement to the Edge Act which was passed by this House at the time or a little before this bill came out of committee, which was expected to make a great success in foreign trade, stabilize exchange, and bring about reconstruction. It was not long before they appeared before the committee and desired this bill passed. Why? Because they want the words "U. S. Depository" put over the door of the banking corporation as a suggestion to the public that it is used as a United States depository, therefore it must be a very safe and good banking institution.

Now, that is one of the purposes of this bill. There is nothing reprehensible in it. I am only offering additional reasons why the House should pass the bill without much dis-

cussion. But I could not let the time go entirely by and be consistent without mentioning this fact, and it is only for the purpose of assisting the committee and assisting these great Edge corporations which would revolutionize the world and put us all on our feet that I desire to make remarks. I say let us help the Edge banks out; they need assistance. Pass this little bill, which has been on the calendar for more than a year, and help them in that way.

Mr. A. P. NELSON. In what particular does this assist the Edge banks?

Mr. KING. By making them United States depositories. They will all put the words up over the doors of the bank, and the Government will put its money into these international banks. Now, we are being regaled by all sorts of propaganda for internationalism, and it is proper to establish these outposts for the benefit of internationalism.

Mr. WINGO. Will the gentleman yield?

Mr. KING. Yes.

Mr. WINGO. What bill is it the gentleman wants to get up?

Mr. KING. I am not asking to get up any bill; I am speaking in behalf of this bill.

Mr. WINGO. Oh, the gentleman is speaking in behalf of this bill. I misunderstood.

Mr. KING. The gentleman from Arkansas is very frequently disturbed.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. McFADDEN. Mr. Speaker, how much time have I used?

The SPEAKER pro tempore. The gentleman has used 28 minutes.

Mr. McFADDEN. I yield 10 minutes to the gentleman from Maine [Mr. HERSEY].

Mr. HERSEY. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. The gentleman from Maine asks unanimous consent to speak out of order. Is there objection?

There was no objection.

Mr. HERSEY. Mr. Speaker, there is now pending before the Judiciary Committees of both the House and Senate a joint resolution introduced in the House by the gentleman from New York [Mr. LONDON] providing for the recommendation of Congress to the President of amnesty and pardon for political prisoners in the United States (H. J. Res. 60).

This resolution sets forth that there is grave doubt as to the constitutionality of the espionage act and the acts amendatory thereof, and recommends to the President of the United States, the Attorney General of the United States, and the Secretary of War the wisdom of granting immediate pardon and amnesty to these prisoners.

On May 16 last the gentleman from New York [Mr. LONDON], who in Congress is the representative of the Socialist Party, addressed the House upon this matter and, among other things, he said:

> I want to present to the House, now that you are all singing the praises of those who love peace, of those who advocate international concord, of those who seek the abolition of war, the question of amnesty for the men who had the courage to speak their true convictions about war during the war.
>
> There are hundreds of them in jail. There are 113 political offenders of the kind I have described in the Federal jails. There are hundreds of them in the State prisons, over which Congress has no jurisdiction. The men on whose behalf I speak have been convicted under section 3 of the espionage act.
>
> * * * * * * * *
>
> The children of some of these prisoners have been for some time in Washington. The President has refused to see them. I have a sort of suspicion that the President has been advised by his friends not to see them. It is very likely that he could not have a sort of suspicion that the President has been advised by advisers, the Wall Street clique, the open-shop supporters, the enemies of every progressive thought, see to it that the President should not be influenced by the plea of the children, and that the appeal of the victims of the espionage law should not reach his heart.
>
> * * * * * * * *
>
> It is evident that the interests which surround the President just now are too strong for him to consider this proposition. I want the Congress to act upon it.

There has been much propaganda and ridiculous agitation in the country over socialistic draft evaders, conscientious objectors, and those who opposed the draft during the war in favor of the release of all prisoners who were convicted during the war of the violation of the espionage act.

This agitation and propaganda from socialistic bodies and cheap newspapers might well be overlooked by this Congress, but when statements such as those made by the gentleman from New York, on the floor of the House, with such a disregard of the facts, it is time that his challenge was accepted and the real facts put before the people of this Nation.

The gentleman from New York [Mr. LONDON], when he made his speech before the House, was perfectly familiar with the extended hearings held on this resolution before the two Committees on the Judiciary of the House and Senate. He also attended those hearings and testified himself, and he knew full well that there is no such thing as a "political prisoner" or a "conscientious objector" now among the 113 in prison, for whom he recommends a presidential pardon.

Let me briefly review the facts that have led up to the speech of the gentleman from New York. When the armistice was declared there were in Federal prisons about 17,000 persons convicted under the espionage act and other war statutes. Attorney General Gregory issued to all the United States attorneys the following:

> DEPARTMENT OF JUSTICE,
> *Washington, D. C., February 1, 1919.*
>
> CIRCULAR NO. 931.
>
> *To all United States attorneys:*
>
> You are undoubtedly aware of an agitation now current demanding a "general amnesty for all political prisoners." In the view of this department, section 3, title 1, of the espionage act was enacted to prevent willful obstruction of the prosecution of the war and was not directed against individual beliefs and opinions as such, and the department has sought to conduct its prosecutions on this basis. It therefore recognizes no such class of persons as "political offenders," and it is not in favor of any general amnesty.
>
> Nevertheless it may be that during the war some individuals in close cases have been convicted upon inadequate evidence of their willful intent to interfere with the war program, and others have undoubtedly received sentences unduly severe.
>
> In the interest of justice these mistakes, if any, should be corrected. With this consideration in mind, I some time since directed that my department make a study of all cases which have arisen under said section, with a view to presenting to the President for Executive clemency, by way of commutation or reduction of sentence, any cases which clearly merit such treatment.
>
> In making this study I desire your personal opinion and advice. Will you, therefore, immediately send the department a frank and informal expression of your views upon the justice of the verdict and sentence in each case of conviction under this section where the term of the sentence remains unexpired, together with your recommendations, if any, concerning commutation, pardon, or reduction of sentence? In reviewing the justice of the verdict, you will please apply the test of sufficiency of evidence to prove a willful intent and not any such tests as the general disloyalty or dangerousness of the defendant. In connection with your report and recommendations upon each of these cases, will you please confer with the trial judge and transmit any suggestions or recommendations as the trial judge may be willing to make?
>
> Also please fill out and return for each such case the attached docket entries, one to be made out for each defendant. If more than one defendant is involved in a case, and your recommendations are identical for all, one docket entry will be sufficient for such case.
>
> Respectfully,
>
> T. W. GREGORY, *Attorney General.*

Attorney General Palmer testified before the Senate Judiciary Committee that he came into office the 5th day of March, 1919, and found these reports were coming in to the Attorney General's office from the district attorneys, and Senator STERLING asked him this question: "Did you carry on the policy inaugurated by your predecessor?" and he answered:

> Yes; we continued that, and have continued it up to the present time. There have been many cases where applications for pardon in due form have been filed. You know, of course, that the Department of Justice, acting for the President in the matter—he being the sole pardoning power—has framed certain rules and regulations which have long been in force in the Department of Justice. For instance, a pardon will not be considered unless an application, either in the form prescribed by the regulations or one similar to it, is received. Upon the receipt of such an application the regular procedure is to request the district attorney and the trial judge for their opinion. The President does not consider any application for pardon unless either the district attorney or the judge makes a favorable recommendation. Neither does he consider an application for pardon unless innocence be alleged as a reason, until the parole period has been reached, that is to say, one-third of the sentence.

He further testified:

> Attorney General PALMER. The total number of cases handled by the Department of Justice under war-time statutes, as shown by the dockets kept by the department in Washington, based upon the reports which I have mentioned, has been 17,900. Of these 2,924 have been disposed of otherwise than by convictions. Five thousand seven hundred and twenty have resulted in convictions and 9,259 are pending.
>
> As for the details of those cases, the largest number, of course, are the cases arising under the selective service act, under sections 5 and 6, of which 2,144 have been disposed of otherwise than by conviction, 4,812 have resulted in conviction, and 8,846 are still pending.

He also said to the committee:

> Now I hand you a statement covering 581 cases of persons convicted under the espionage act, giving the name of the defendant, the nature of the case, the date of the sentence, and the judgment; and where the sentence has been commuted or changed, that fact appears under the heading, "Circumstances of execution of sentence."

He further testified that 199 of these 581 cases were pardoned by President Wilson after the cases had been fully reviewed by the Department of Justice and the President and a recommendation for pardon made by Attorney General Palmer.

Attorney General Palmer was a man of great legal ability and, I believe, of sterling honesty. I think he fairly and courageously performed his duty, and his recommendations for

pardon were made after a full consideration of all the facts; and whatever may have been the political faults of ex-President Wilson, it is well known that in cases for pardon brought before him he exercised great kindness of heart and always gave the benefit of doubt to the prisoner.

When President Harding took the oath of office and Attorney General Daugherty became a member of the Cabinet, the Department of Justice, at the request of the American Federation of Labor, reviewed all the remaining cases of persons in prison convicted under the espionage act, and recommendations were made by the present Attorney General to President Harding, and the President reviewed all the evidence in these cases and issued many pardons, even for Debs, for it is well understood that there has been no man in the White House since Lincoln that has been so approachable, has such a large heart for all unfortunates, and who has exercised so much kindness and mercy in the matter of pardon, as Warren G. Harding.

The hearings before both Judiciary Committees of Congress disclose the fact that there are now in prison, of all these 581 cases convicted under the espionage act, but 113. These remain in prison after their cases have been fully reviewed by the Department of Justice and by two Attorneys General and by two Presidents, and the record shows that these are not political prisoners. They are not convicted for expressing their opinions, but they were indicted, tried before juries, convicted, and their sentences affirmed by the courts of appeal under section 3 of the espionage act, which act reads as follows:

Whoever, when the United States is at war, shall willfully make or convey false reports or false statements with intent to interfere with the operations or success of the military or naval forces of the United States, or to promote the success of its enemies, and whoever when the United States is at war shall willfully cause or attempt to cause insubordination, disloyalty, mutiny, or refusal of duty in the military or naval forces of the United States, or shall willfully obstruct the recruiting or enlistment service of the United States, to the injury of the service of the United States, shall be punished—

And so forth.

Mr. KEARNS. Will the gentleman yield?

Mr. HERSEY. Gladly.

Mr. KEARNS. Would a man or woman be convicted under section 3 of that act for criticizing the Government or criticizing the President for official action?

Mr. HERSEY. No; and the court has so ruled.

Mr. KEARNS. Are not many of these prisoners to-day now in prison for doing that very thing?

Mr. HERSEY. Not one of them.

The gentleman from New York [Mr. LONDON] approves and advocates the picketing of the White House by the children of these 113 prisoners, men who have been found by the Department of Justice and the President of the United States not worthy of pardon, and not safe to go at large. I have hitherto expressed my opinion of picketing as a disgraceful means, however used, to secure legislation. I know of no more disgraceful, unpatriotic, and unfair method than that now used by these elements of discontent to force a pardon for these prisoners from the President.

A morning Washington paper has the following:

The children's crusade for amnesty will picket the White House to state its case "on banners carried by the women and children," it was announced last night by Mrs. Kate Richards O'Hare of St. Louis, commander in chief of the crusade.

Mrs. O'Hare issued a statement in connection with her announcement, saying:

"Over 30 wives and children of the men in prison have been waiting week after week in Washington to see the President and tell him why all the men should be freed. Their right of petition has been denied. The President has turned them away 20 times without any good reason. This is an appeal in the name of the American right of free speech, which so many politicians seem to have forgotten. We do not intend to let them forget it. The President's refusal to see us forces us to state our case at the White House gates on banners carried by the women and children. We will not leave Washington until we have succeeded in getting the administration to meet this issue squarely."

Socialism, the father of bolshevism, can never ascend to power in the United States through the efforts of the gentleman from New York [Mr. LONDON] or the picketing of the White House by the children of convicts. It is time that the Members of Congress accept the challenge thrown down by the gentleman from New York and in Congress and on every public platform and in every place meet the issue squarely of socialism against civilization. It is the solemn duty of every true American to register on every occasion a protest against these anarchistic methods to destroy the Republic. [Applause.]

Mr. MCFADDEN. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Speaker, 51 Members of the House of Representatives have signed a petition asking the President to grant amnesty to the 113 political offenders to whom the gentleman from Maine [Mr. HERSEY] has referred. I assume that he is not among those who have signed that petition.

I am astonished that a gentleman of his ability should resort to the cheap and vulgar method of denouncing the amnesty movement as socialism, Bolshevism, and anarchism, instead of employing argument. He read section 3 of the espionage act—a French word, hard to pronounce, and representing a system which was perfected by Napoleon. Under this section a jury of business men, a jury of laymen, were called upon to interpret the meaning of a speech, of a book, or of a circular. During the excitement of war they were called upon to render deliberate judgments as to the possible implication of language which they frequently did not understand.

Mr. WARD of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. LONDON. Yes.

Mr. WARD of North Carolina. I heard a United States Senator in a speech in the Senate the other day say that one man was convicted and imprisoned for repeating a speech which he, the Senator, had made, and I wish to ask the gentleman from New York if he knows whether that man or such a man is among those now in prison and whom he thinks should be pardoned?

Mr. LONDON. I want to say to the gentleman from North Carolina that Jefferson would have been sent to jail; that the reading of the Declaration of Independence could have been interpreted as an act to incite opposition to the draft; that the reading of the Bible, the recital of the Ten Commandments might have been construed by ignoramuses as opposition to the draft.

Mr. WARD of North Carolina. If the gentleman will permit, I suggest that his answer is not quite satisfactory, or to the point.

Mr. LONDON. I beg the gentleman's pardon. I do not know whether the particular individual to whom the gentleman has referred is now in jail, but I do know that among the 113 political offenders there are men who have been sentenced to 20 years' imprisonment, and that many of them are so firmly convinced of the justice of their principles that they refuse to sign a petition for clemency. They say that they have committed no crime, that they have no hatred in their hearts, that they were advocates of international peace, and that they would rather rot in jail than petition for mercy and be forgiven the commission of a crime which they have not committed. I think men who are capable of such martyrdom deserve respect, deserve that their cases be analyzed and studied. Every man owes it to himself to search his own soul and find whether he did his full duty during the great crisis that confronted mankind during the war. The men convicted under section 3 and now in jail are political offenders.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. LONDON. Mr. Speaker, will the gentleman from Pennsylvania yield me two or three minutes more?

Mr. MCFADDEN. Mr. Speaker, I yield two minutes more to the gentleman from New York.

Mr. LONDON. Mr. Speaker, during the hearings I defined a political offender as one who had come in conflict with wartime laws by reason of his sincere advocacy of a religious doctrine, of a political philosophy, or of an economic theory. All of the 113 cases are covered by my definition of a political prisoner.

Where does the gentleman find the authority for the statement that these men are not political offenders? He admits that they have been convicted under section 3 of the espionage act, and section 3 is the elastic, the gutta-percha section of that act, which permitted the conviction of any man who happened to be in the minority during the war.

Mr. Speaker, it requires courage in ordinary times to be in a minority, but when the world is mad with the fury of war, the man who has the courage to proclaim a principle which is true for all time is the first victim of the mob. The patriotic fervor during the war was such that it was utterly impossible for any judge or jury to do justice in the ordinary sense of the word. I am a pacifist at heart. I detest war, but many a time during the war I found rising within me hatreds such as I thought myself incapable of. I can see how the average juror would find it practically impossible to give a square deal to a man who was charged with having made a strong, radical statement which appeared to him, the juror, as opposition to the Government and as endangering the country.

Mr. HUSTED. Mr. Speaker, will the gentleman yield?

Mr. LONDON. Yes.

Mr. HUSTED. Did not these men who were convicted advocate opposition to the execution of the Federal statutes?

Mr. LONDON. No; let me tell the gentleman what happened.

The SPEAKER pro tempore. The time of the gentleman from New York has again expired.

Mr. LONDON. Will the gentleman from Pennsylvania yield me three minutes?

Mr. McFADDEN. I yield three minutes to the gentleman.

Mr. LONDON. These men, most of them, were men who were advocating certain unpopular doctrines prior to the war.

Mr. HUSTED. Was it not more a question of opposition to the execution of the laws than the declaration of any particular doctrine or opinion which they may have held which led to their conviction?

Mr. LONDON. Some of them persisted in advocating their doctrines in spite of the fact that we had a war. Gentlemen should not forget that even in this Congress the war was not taken seriously until the beginning of 1918. I recall that in this very Congress a conservative Member made a motion that the enlisted men should not be called upon to serve abroad until an opportunity was given to them to volunteer. It was in effect a motion that they should not be sent abroad except when they volunteered, and this fool motion received 115 or 117 votes in the House. Such was the sentiment in the House. Resolutions were introduced in the House that men of German birth should not be called upon to serve. All sorts of similar resolutions were introduced in the House and in the Senate. A speech delivered along these lines outside of Congress would have exposed the man who delivered it to conviction and imprisonment under the Federal statutes.

These men are the victims of a war psychology, of war insanity. Let us admit that we are not normal in war times, and we are not. Every civilized government admits it. After war amnesties are granted. Take, for instance, the French commune. The French communards organized a revolution against their Government while Paris was surrounded by the enemy. The uprising was suppressed with brutality. But as soon as the Republic of France began to feel that it was out of danger amnesty was granted by the Government. Amnesty was granted after the Civil War here by our Government. The first act of amnesty by the American Government took place after the whisky insurrection. After every political upheaval civilized governments grant amnesty. Such has been the course of every European Government since the last war.

Under leave granted to extend my remarks, and as a reply to the statement made by the gentleman from Maine that all the cases involving convictions under the espionage act have been thoroughly examined by the previous and by the present Attorneys General, I submit the following extracts from the CONGRESSIONAL RECORD, dated January 25, 1922, page 1671:

PROSECUTIONS UNDER ESPIONAGE AND OTHER WAR ACTS.

Mr. BORAH. Mr. President, I have here a resolution of inquiry directed to the Attorney General which I desire to submit and for the immediate consideration of which I ask unanimous consent. The information called for by the resolution, I think, will not require any extra effort upon the part of the Department of Justice, for, as I understand, the information is already available.

Mr. CURTIS. I ask that the resolution may be read before unanimous consent is given for its consideration.

The VICE PRESIDENT. The Secretary will read the resolution submitted by the Senator from Idaho for the information of the Senate.

The reading clerk read the resolution (S. Res. 226), as follows:

"*Resolved*, That the Attorney General be, and he is hereby, directed to furnish the Senate with the following information in regard to persons prosecuted by the Government under the espionage act or for conspiracy to violate war laws, where such persons are either in prison or on parole, or whose cases are still in the courts, either untried or on appeal:

"1. The names and home addresses of each of the defendants.

"2. The statutes under which each indictment was brought, with synopsis of the offense charged.

"3. The date and place of each conviction wherever trials were had.

"4. The sentence, showing the time of expiration.

"5. The appeals taken, if any, and the result thereof.

"6. Action taken by the Executive in commuting sentences and by the pardon board in paroling defendants, or any review of the case resulting in unfavorable recommendations for commutation or parole."

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

Mr. STERLING. I do not know that I understand the first part of the resolution. I inquire does it relate to those persons who are at present confined under sentence?

Mr. BORAH. Yes.

The resolution was considered by unanimous consent and agreed to.

And from the CONGRESSIONAL RECORD, dated February 3, 1922, page 2091:

PROSECUTIONS UNDER ESPIONAGE AND OTHER WAR ACTS.

The President pro tempore laid before the Senate a communication from the Attorney General in response to Senate Resolution 226, directing the Attorney General to inform the Senate relative to prosecutions under the espionage law or for conspiracy to violate war laws, agreed to January 25, 1922, which was ordered to lie on the table.

Mr. BORAH subsequently said: Mr. President, I ask the indulgence of the Senate for but a moment with reference to a letter which has just come to the Senate from the Attorney General. A few days ago I submitted a resolution asking for certain information with reference to the conviction of persons under the espionage act, with reference to those who are charged with crime and not yet tried, and so forth. The Attorney General in his letter says:

"In reply I beg to advise you that the department is not in possession of all of the information requested, nor is it readily obtainable. In fact, it is doubtful whether in some respects the information can be obtained at all. Certainly it will be necessary to circularize the United States attorneys throughout the country, and even that, in all probability, will be insufficient."

The Attorney General closes by saying:

"The department will further consider these questions and an effort will be made to comply with the request of the Senate as fully as practicable and consistent with the public interest, but a considerable delay is inevitable, and I may say its cost at this time to the department will be a substantial item."

I had understood, Mr. President, when I introduced the resolution that this information was now in the hands of the Attorney General. I had that information from such a source that I thought it was reliable. I only wish to say that I have no desire to impose upon the Attorney General work which will lead to the expenditure of a large amount of money. I do not see how obtaining the information asked for in the resolution would lead to such an expenditure, and I do not desire that, but I should like to have such information as the Attorney General now has in his possession, which can be sent to the Senate, I am sure, without any considerable cost, or, indeed, at practically none at all. I feel that if all of the information which is now in the possession of the Attorney General or the Department of Justice is sent to the Senate it will be a practical compliance with this resolution.

The information subsequently furnished—Senate Document No. 159, Sixty-seventh Congress, second session—by the Attorney General reads like a catalogue, and fails to furnish the real information which would enable the reader to determine the merits of these cases.

The real question in all these cases is not whether the defendants were convicted under section 3 of the espionage act, but what were the acts charged against them, what did they say, what did they write, what did they do, what facts were proven against them?

A careful reading of the hearings had on Senate Joint Resolution 171, Sixty-sixth Congress, third session, and on House Joint Resolution 60, Sixty-seventh Congress, second session, before the Committee on the Judiciary of the House of Representatives will bring the reader to the inescapable conclusion that the victims of the espionage act now in prison or under indictment should be immediately relieved of all penalties and restored to full civic rights.

The SPEAKER pro tempore. The time of the gentleman from New York has again expired.

Mr. LONDON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. McFADDEN. Mr. Speaker, I ask that the Senate joint resolution be read for amendment.

The SPEAKER pro tempore. Does the gentleman desire to offer an amendment?

Mr. McFADDEN. Line 8, after the word "prescribe," I desire to offer this as a committee amendment: "*Provided*, That in designating such depositories American financial institutions shall be given preference wherever, in the judgment of the Secretary of the Treasury, such institution is safe and able to render the service required."

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amend Senate joint resolution, on page 1, line 8, after the word "prescribe," by striking out the period, insert a colon, and adding: "*Provided*, That in designating such depositaries American financial institutions shall be given preference wherever, in the judgment of the Secretary of the Treasury, such institution is safe and able to render the service required."

The question was taken, and the committee amendment was agreed to.

The Senate joint resolution as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. McFADDEN, a motion to reconsider the vote by which the Senate joint resolution was passed was laid on the table.

Mr. McFADDEN. Mr. Speaker, I ask that House Joint Resolution 94 be laid on the table.

There was no objection.

AMENDING FEDERAL RESERVE ACT.

Mr. McFADDEN. Mr. Speaker, I ask to take up Senate bill 831.

The SPEAKER pro tempore. The gentleman from Pennsylvania calls up the bill which the Clerk will report.

The Clerk read as follows:

An act (S. 831) to amend the proviso in paragraph 10 of section 9 of the Federal reserve act amended by the act of June 21, 1917, amending the Federal reserve act.

Be it enacted, etc., That the proviso in paragraph 10 of section 9 of the Federal reserve act amended by the act of June 21, 1917, amending the Federal reserve act, be amended as follows:

Strike out all after the word "than" in the sixth line of said proviso and insert in lieu thereof the following:

"That which could be borrowed lawfully from such State bank or trust company were it a national banking association," so that said proviso when amended shall read as follows:

"*Provided, however*, That no Federal reserve bank shall be permitted to discount for any State bank or trust company notes, drafts, or bills of exchange of any one borrower who is liable for borrowed money to such State bank or trust company in an amount greater than that which could be borrowed lawfully from such State bank or trust company were it a national banking association."

Mr. McFADDEN. Mr. Speaker, this is an amendment to paragraph 10 of section 9 of the Federal reserve act as amended by the act of June 27, 1917, the purpose of which is to place the State banks and trust companies who are members of the Federal reserve system on the same basis that national banks who are members of the Federal reserve system are. The statements in the report are very lucid, and with the permission of the House I think I shall read this, as it contains a complete explanation of what we are proposing to do.

As the law now is, if the regular line of credit of the borrower from a member State bank is not more than the 10 per cent limit, as fixed by section 9 of the Federal reserve act, Federal reserve banks may rediscount for State member banks to the same extent that they may for national banks. If, however, the regular line of credit of the borrower from a member State bank is more than that 10 per cent limit, then the Federal reserve bank can not rediscount any of that regular line of credit.

The Federal Reserve Board is in favor of this bill, and a portion of the communication signed by Governor Harding, which explains its provisions, is as follows:

"Section 13 of the Federal reserve act authorizes a Federal reserve bank to rediscount for any member bank, whether a national bank or a State member bank, the notes, drafts, and bills of any one borrower up to but not in excess of 10 per cent of the member bank's capital and surplus, and provides that this 10 per cent limitation shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

Mr. WALSH. Will the gentleman yield for a question?

Mr. McFADDEN. I will.

Mr. WALSH. I would like to know where this proviso that is sought to be amended is found in the act of June 27, 1917? That is an amendment to section 19 of the Federal reserve act. Now, I have examined the act of June 21, 1917, and I do not find in paragraph 10 such language.

Mr. McFADDEN. I will say the gentleman raised that question a while ago, and I am having it looked up at this time. It may be a typographical error in printing. Before we get through the consideration of this bill I shall be able to answer the gentleman fully on that point. I hope the gentleman will wait till then. I want to answer correctly.

Mr. GARNER. Will the gentleman yield?

Mr. McFADDEN. I do.

Mr. GARNER. Is this proposed law intended to remove an inequality existing at the present time between national banks and State banks as to their——

Mr. McFADDEN. It is.

Mr. GARNER. Does the inequality exist in favor of the national banks or the State banks?

Mr. McFADDEN. In favor of the national banks.

Mr. GARNER. This is to put the State banks on an equality with the national banks in borrowing power from the Federal reserve system?

Mr. McFADDEN. When members of the Federal reserve system. And I will say to the gentleman that this benefits more particularly the little banks to the west and southwest, and it is a very desirable amendment.

Mr. GARNER. It ought to have been in the original law.

Mr. McFADDEN. I agree with the gentleman in regard to that, but there are a great many things that should have been in the original law that were not in.

Mr. GARNER. But the original law is the best ever framed in this country; give it credit for that.

Mr. WINGO. Mr. Speaker, I deny that there is any discrimination in the original law, but by subsequent acts of Congress over my protest. The original law put both on an equality.

Mr. GARNER. There seems to be a difference of opinion between two very distinguished gentlemen.

Mr. WINGO. The gentleman from Pennsylvania will not say there is a discrimination in the original law because I think that was covered by section 5200, but it was by an error, not by the Banking and Currency Committee, but in a revenue act coming from the Ways and Means Committee.

Mr. GARNER. I am glad to have the certificate of the gentleman from Arkansas that the original act did not discriminate against State banks, because it ought not to discriminate.

Mr. McFADDEN. The gentleman is quite correct. The gentleman from Arkansas was present when the Federal reserve act was formulated, and I know that he has always been a friend interested in the rural communities and would see that they were properly provided for. The gentleman is correct.

Mr. WINGO. There should not be an impression that anybody attempted deliberately to discriminate. Here is where the trouble came in: The rights of State banks as member banks were fixed by the original Federal reserve act. Subsequently certain changes were made by war-time revenue laws. The first change was we undertook to change the 10 per cent rule. Then subsequently that particular act was amended by an amendment to the Federal reserve act that met an erroneous ruling of the Federal Reserve Board. And in the amendatory act you failed to take care of the State banks, as I contended at the time.

This bill confesses my contention by giving the State bank members equal rights.

Mr. McFADDEN. I will read:

The provisions of section 5200 of the Revised Statutes authorize a national bank, subject to the conditions and limitations therein prescribed, to make loans to a single borrower in excess of 10 per cent of the bank's capital and surplus by discounting certain kinds of paper therein described, including notes secured by shipping documents, warehouse receipts, and other such documents conveying or securing title covering readily marketable nonperishable staples, including live stock, and notes secured by bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States. Consequently a national bank may have outstanding loans to a customer, represented by notes of the kinds just described, in excess of 10 per cent of its capital and surplus, and the Federal reserve bank may, nevertheless, under the provisions of section 13, rediscount for that national bank the paper of that customer up to 10 per cent of the national bank's capital and surplus, provided, of course, the paper is eligible. On the other hand, if a State member bank with the same capital and surplus has made loans to one of its customers in the same amounts and of the same character, the Federal reserve bank is prohibited under the terms of section 9 from rediscounting for that State member bank any of that customer's paper.

That is the situation we are trying to correct here, so that the State banks and trust companies will have the same advantages when they are members of the Federal reserve system that the national banks have now.

Mr. WINGO. Will the gentleman yield there?

Mr. McFADDEN. I will.

Mr. WINGO. I have not looked up the act of June 21, 1917. Evidently there is an error, because the history of this is that the amendment to the Federal Reserve Board act was to meet the warehouse paper ruling of the Federal Reserve Board.

Mr. McFADDEN. I think the gentleman is correct. I have not a copy of that amendment before me.

Mr. WINGO. That was subsequent to 1917. The first change made there was made in a war-time revenue bill which undertook to loosen up section 5200. And in that amendment the trouble has come. After that there was an amendment to the Federal reserve act to cover the warehouse situation and meet the decisions of the board on that, and so I think really the draftsmen of this bill had in mind that last act, because that was the last law on the subject, which wiped out and made the change that was made in the revenue act. I think that is evidently where the gentleman will find it. If he will get the date of the last act, the one covering the warehouse situation, he will find it is there.

Mr. McFADDEN. Answering the inquiry of the gentleman from Massachusetts [Mr. WALSH], I will now say that the amendment that I will offer at the proper time to correct the situation which he raises is on page 1, line 4, after the word "by," by inserting the words "section 3 of."

The SPEAKER pro tempore. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McFADDEN: Page 1, line 4, after the word "by," insert the words "section 3 of."

The SPEAKER pro tempore (Mr. WALSH). The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The SPEAKER pro tempore. The Chair's attention has been directed to the fact that in volume 40 of the statutes the word "than" occurs in the fifth line, while the bill refers to the sixth line.

Mr. McFADDEN. Mr. Speaker, I move to strike out in line 6 of the bill the word "sixth" and insert "fifth."

Mr. WINGO. We have not yet reached the amendment stage.

The SPEAKER pro tempore. The Clerk will report the amendment.

Mr. WINGO. I thought that gentlemen were to be recognized for debate.

The SPEAKER pro tempore. The gentleman from Pennsylvania finished debate and sent an amendment to the desk. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. MCFADDEN: Page 1, line 6, strike out the word "sixth" and insert in lieu thereof the word "fifth."

The SPEAKER pro tempore. The Chair will state that this is a House Calendar bill, and, of course, under the rules an amendment may be debated for an hour. The gentleman from Pennsylvania [Mr. MCFADDEN] concluded his explanation of the bill and submitted an amendment.

Mr. McFADDEN. I do not wish to take time away from the gentleman from Arkansas [Mr. WINGO]. Can he utilize the time under the amendment?

Mr. WINGO. I am going to exercise all the ingenuity I can under the rules to find time, in view of the situation. The gentleman not less than 30 minutes ago stated that we could have time under general debate.

Mr. McFADDEN. I was suggesting that it come up at the proper time, but the Speaker put the motion. It was not my intention to deprive the gentleman of time. The RECORD will show that I offered that in proper language.

The SPEAKER pro tempore. Does the gentleman from Pennsylvania yield time to the gentleman from Arkansas?

Mr. McFADDEN. How much time does the gentleman want?

Mr. WINGO. I think the gentleman had better explain his amendment first and I will try to get recognition in my own right.

Mr. McFADDEN. The amendment does not need much explanation. It corrects a mere oversight in the drafting of the bill.

Mr. WINGO. Where does the change come in?

Mr. McFADDEN. The last amendment comes in on line 6. After the word "the," strike out the word "sixth" and insert the word "fifth."

Mr. WINGO. That is on the first page of the bill?

Mr. McFADDEN. Yes.

Mr. WINGO. Can the gentleman tell me the correct date of the act he is amending?

Mr. McFADDEN. June 21, 1917.

Mr. STEVENSON. Will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. STEVENSON. I will call attention to the fact that as printed in this volume it says when this amendment is adopted it will be to strike out all the rest of line 5, and that will only take it down to "such State bank or," and leaves the words "trust company" in line 6 in there, and it is not intended to strike out "State bank or trust company." You are going to strike out "sixth" and insert "fifth" and the balance of line 5 and the first two words in line 6. I do not know why they mixed it up that way.

Mr. McFADDEN. I suggest that the gentleman prepare a proper amendment and offer it.

Mr. WINGO. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. WINGO. I think the gentleman is satisfied that the act of June 21, 1917, is not the last act that was passed?

Mr. McFADDEN. Offhand, I presume the gentleman is correct. I have not a copy of the law here.

Mr. WINGO. I may be in error in my recital of the fact, but I think the gentleman's memory will bear me out that that is true. Of course, years pass very quickly—and I notice in the report you quote some one—I do not know whether it is the Federal Reserve Board or the attorney for the board. My recollection is you settled the warehouse proposition by the warehouse act two or three years ago.

Mr. McFADDEN. It is my impression that it was that long ago.

Mr. WINGO. And as I recall, that covers section 5200 as amended.

Mr. McFADDEN. Evidently in considering this bill, which was a bill that was drafted in the Senate, the committee have assumed that this portion of the bill which referred to the part of the law which was being amended was properly drawn and did not consider it carefully, but did consider the main facts in the amendment to the bill.

Mr. WINGO. I have an idea that the Senate took what was sent down to them from the Treasury.

Mr. McFADDEN. I can not say as to that, but evidently some one who was not familiar with the law drafted the preamble.

Mr. WINGO. I never looked into anything regarding it before except the subject matter, and I have not undertaken to verify that date, but I fear it is an error.

Mr. STEVENSON. Mr. Speaker, will the gentleman yield?

Mr. WINGO. Yes.

Mr. STEVENSON. I think this is probably the last interference with this particular part of the section. The act which broadened the loans on warehouse products was passed in 1919, according to my recollection, but it did not change the provision of law relative to rediscounts that could be allowed to member banks that were not national banks. I do not think it dealt with that particular section at all, so that I think this section stands now as it is in the law. But I think I can get it quickly and verify my impression.

Mr. WINGO. The reason for bringing this up was that the loosening up of section 5200 took place subsequent to the enactment of the Federal reserve act. The language that was used in the amendatory act applied only to national banks. As I recall, there have been two acts that affected this. One was in one of the war revenue acts and the other was the warehouse paper amendment.

Mr. McFADDEN. I think the original one was to permit loans to be made on Government bonds or securities, which was necessary to permit the financing of governmental loans. The other was what the gentleman just referred to, the warehouse act, which was passed in 1919.

Mr. WINGO. Section 5200 originally applied to national banks only.

Mr. McFADDEN. Yes.

Mr. WINGO. And at the time the Federal reserve act was enacted there was embodied in the State bank member provision an exact copy of the restriction in section 5200 as it then applied to national banks.

Mr. McFADDEN. Yes; to make it applicable to State banks.

Mr. WINGO. I say the restriction in the Federal reserve act was an exact copy of the restriction placed on national banks. Then the amendment to section 5200, which applied strictly to national banks, did not carry with it a provision taking care of State bank members.

Mr. McFADDEN. That is what is proposed to be covered by this amendment.

Mr. WINGO. The last amendment to the State bank member provision to the Federal reserve act was passed in 1917, and that is probably the reason why the draftsman used this reference instead of referring to later bills.

Mr. McFADDEN. In the interval we can look that matter up as regards this correction.

Mr. WINGO. Mr. Speaker, while the gentlemen are doing that I will speak in opposition to the amendment, purely in a pro forma manner, to fill in the time, as there are some things I wish to discuss anyway.

The SPEAKER. The gentleman from Arkansas is recognized for an hour.

Mr. WINGO. Mr. Speaker, the gentleman from South Carolina [Mr. STEVENSON] says he will get it straight, and he always gets straight every legal proposition that he goes after. In the meantime I want to submit a few rambling remarks while the legal gentlemen are getting after that matter with reference to this amendment.

This bill has been pending on the calendar nearly a year. It should have been passed last Congress. The only thing that prevented its passage then was a mistaken movement that was on foot to drive State banks out of business. Those who are responsible for the administration of the banking and currency laws under this administration are a part and parcel of that movement. It has been thought that for 50 years Congress had acted upon the assumption that a national bank was not authorized to have branches. Members who were present will remember that time and time and time again bill have been called up on this floor to authorize the national banks to have branches, and the gentleman from Illinois [Mr. MANN], I think it was, always opposed throwing the bars down entirely, but did agree upon a compromise that he and I worked out by which a bill at one time was passed through the House the effect of which was to have permitted branch banks in the city of Chicago and the city of New York to meet peculiar situations that prevailed there. But nobody had ever suggested until this administration took charge that national banks could establish a national branch banking system in the United States. This administration recognized that that was the law, because the present Comptroller of the Currency at one time raised the question before the Committee on Banking and Currency, and when he found out that there would be a very strong and strenuous resistance to his efforts to turn the American banking system into the British and Canadian branch banking system he then commenced studying the statutes, and if the current rumor among the members of the committee is true he has either rendered a decision or is going to. I noticed a statement in a St. Louis paper the other day to the effect that he had done so, holding that the United States national banks could have such branches.

There is no authority for such a ruling. It is contrary to his own interpretation of the law when he appeared before the Committee on Banking and Currency. It is contrary to the philosophy of the American banking system, and it has back of it and is only a part, Mr. Speaker, of this movement, which is well organized, to absolutely destroy the State banking system in the United States.

Now, why do they oppose little State banks, Mr. Speaker? Their first excuse was that the small State banks could not come into the Federal reserve system. Under the present administration and under the former administration of the Federal reserve system especially, the small country banks were prevented from coming under the system. One bar was a discrimination that was sought to have been removed by this act and which should have been removed a year ago. But what was the real objection of these gentlemen? They say these little country banks are really not banks. They have about the same respect for the little country banks—these little $10,000, $15,000, and $20,000 banks, these incorporated State banks—that John Wanamaker has for a little grocery store in a country town.

Mr. STAFFORD. The gentleman apparently does not know John Wanamaker.

Mr. WINGO. In other words, John Wanamaker, the great merchant of Philadelphia, does not think that these little grocerymen in the country towns are merchants.

Mr. STAFFORD. As I said before, the gentleman from Arkansas apparently is not acquainted with John Wanamaker.

Mr. WINGO. The gentleman says I am not acquainted with John Wanamaker. Perhaps I am not fair to John. I use him simply as typical of a class. In other words, to change my expression, I will say that these great city banks have the same feeling toward this country bank that the great department store in the city has toward the little shop in the country town. They do not call them merchants at all. Oh, no, they just think they are little warts on the commercial body. Why, gentlemen, they absolutely argue that if you will abolish these little country banks and adopt the English banking system and the Canadian system of branch banks, and let the strong bank in Chicago, for instance, put a little branch in the little country town in Illinois, where there are two or three thousand people, it will give that little community all the banking resources of that big bank up at Chicago. Well, recently, when one of the proponents of this branch banking system was before the Committee on Banking and Currency I challenged that theory and pointed to the fact that in principle the branch banking system had been tried in the South and West and had been found a failure, and I referred to the so-called chain banking system, by which one man or group of men would control different banks by owning a majority of the stock. I have no criticism of the men who are running those banks. I have in mind one man who is one of the closest friends I have. There is nothing to prevent him from doing it except the wishes of the community in which his branch bank is located, because that is all it is. He incorporates it, and he and the stockholders of his large bank own all of the stock, and they dominate and control it. What happens? They say to that little bank down there which they dominate and control, "Here, you do not need all this cash. Send it on up to our parent bank. You have behind you all the resources of our large bank, and if you get into trouble we will come to your rescue."

The reason why he goes out and controls that little bank is not because he wants to be a Santa Claus to that community and give it something, but because he wants to suck the funds from that community to swell the deposits of his main institution in the city. That is the reason why he does it. I do not blame him, because he is but exercising his right to follow his selfish desire to reach out and get all the business he can honestly and fairly.

Now, how has that been broken up? In a good many places it has been broken up, and I have helped to do it, and I will tell you how it has been done. In the first place, the city bank organizes a little local bank, which is really nothing more than a branch of the larger bank, by getting the business men and prominent farmers in the community to take small amounts of stock. They say, "Now, here, you have no bank here, or if you have one it is not very strong, and we would like to have in this town a branch of our big bank, and we would like to help you people. You have not the banking accommodations that you ought to have, and we are not permitted to give you a branch, but we are going to organize a little separate corporation, and we will put up the majority of the capital, and we want you to take $100 or $500 worth," and they get the most influential gentlemen in the community to take a little stock. I knew of one young man who was very popular in the community who possessed considerable influence, but who was something of a spendthrift, and he told them, "I have not got the money." They said, "We will lend you the money on your stock," so they lent him the money, and they controlled that little local institution, owning 51 per cent of the stock. Finally the men of that community woke up to the fact that all of their funds were just automatically drawn out, and that they were nothing but a feeder to the larger bank. Finally they got together and served notice upon the man who had sent his own cashier down there, who did not even give them a local cashier, which they do sometimes. They served notice on him, "You will either sell this stock of this bank to us, so that we can control it legally and be free to make any correspondent arrangement that we want to make, or we will organize another bank in competition with your bank, and you know the community is not large enough to support two banks," and by doing that they were able to freeze out the city bank and set up a little banking institution of their own in that town.

Mr. LAYTON. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. LAYTON. As a matter of fact, under the present system of banking, under which, about all the banks with which I am acquainted must retain a certain amount on deposit, every bank must have a preferred depositary where it can send its funds out of the community in order to be able to put that money out at interest, so as to pay for keeping this reserve on deposit. Is not that the effect of it?

Mr. WINGO. No; that is not necessarily the effect of it. I do not think it is absolutely necessary for them to have an outside depositary to the extent that some of them do. But here is the trouble with these banks that undertake indirectly to have branches. Instead of requiring the little local institution or branch to keep on deposit with them only sufficient funds to meet their exchange and other requirements, they compel them to keep in the parent bank all their funds that are not absolutely necessary for till money, and they restrict them in the extension of credits to local people to a greater extent than they would if that little institution was purely a local institution owned and operated by the local people. In other words, the point I want to make is this: That human nature is naturally selfish; that these people who go and organize these little banks—which are nothing but branch banks, in fact, although they have separate organizations—do not organize them for altruistic purposes. They do it for profit, and their profit requires that they suck away and absorb all the local funds they can and take them to the parent institution.

Now, that is the prime evil of the branch banking system. Oh, I know those who are responsible in this administration are very much enamored with a lot of these English ideas. Recently I talked with an English banker and he said he wished that it were possible for them to set up an independent banking system in England and Canada like they have in the United States instead of the English banking system.

If the gentlemen back of this propaganda at this time—if they have their way they will destroy every country bank in this United States, and they are making their first start with the State banks. The first movement in their plan, frankly admitted, is that they come in and get you to grant to national banks a perpetual charter. They did it under the specious plea that some of the States have made the mistake of granting a perpetual charter to State institutions. Then they came in and got you to authorize national banks, demand deposit commercial banks, to act in a fiduciary capacity, a thing absurd on its face. It is an act that no man can defend who knows the A B C of the philosophy and safety of demand deposit banks. They put over those two things.

Now, this bill pending here is worth something. They can not deny this. It has been held up for over a year, and I venture the assertion that it may be some time yet before this little sop—this little fairness, this little justice to State banks—becomes a law. In one breath they complain that the State banks do not come into the Federal reserve system, and in the next breath they admit their real desire is to destroy the State bank system and turn our national banking system into a branch banking system.

I wish the gentlemen on the floor could wake up to what they are up to, but unfortunately the State bankers are not alive to it themselves. They do not know; they have not talked to some of these gentlemen as I have, but if these State bankers do not wake up and bring it to the attention of their Congressmen and Senators they will find that little by little they will be put out of business.

The specious plea that will be used until they get momentum enough to make the movement irresistible, is that they have got to do it to meet the competition of the State banks. If the

comptroller is going to do what is stated in the papers that he is going to do—permit by direction or indirection national banks to have branch banks—you will see in every State and county in this land a repetition of what you see on the streets of Washington to-day. Go along here and you will find little community banks in the outskirts or the suburbs of the city of Washington, changing their names in some instances, and in other instances advertising on their windows that the stockholders of a certain bank, naming a big bank in the city, control the stock in this bank; they are absorbing the deposits of the little suburban merchant that is putting his deposit there each day. It simply means that the large central bank is using these little deposits, not for the pretended convenience of the suburban community and of the country town, but as an outpost to such from the local community and the country the business and the credit of their surplus funds, which might be used to build up and for the interest of that outlying town or community.

Mr. Speaker, I do not own any stock in any bank on earth. I have no selfish motive. I at first was deceived and thought it was the beginning of a competition between the banks, but I have documentary evidence, I have speeches made, which show a conviction on their part that it is for the public welfare to drive the State banks out of existence, especially the small State banks and the small national banks.

Under this perpetual charter act that you passed the other day, which is now in conference, the only difference between the House conferees and the Senate is that the House says perpetual, and the Senate says 99 years; then, whenever you have a Comptroller of the Currency who believes in the vicious branch-bank system that I have just described, and one of these small outlying banks which has a 20-year charter about to expire under existing law, applies for a 20-year renewal or a perpetual charter, more and more you will find the Comptroller of the Currency saying, "No; your community does not need it, because right across the street the First National Bank of St. Louis, or Chicago or New York, or the nearest big city, has a branch and is capable of rendering greater service to the community than your organization is capable of rendering, and I will not renew your charter." As one man stated to me, it might take 20 years to make the reform, but sooner or later, he said, we will have nothing but branch banks in these small towns and suburban communities.

He says it will give more stability to the banking of the country. Oh, it will give stability, but there is a question about that, for it has just one fault that will make it unstable, and history shows it. You let a run start on one of those branch banks, you let the people of that community find out what may be the fact, that that branch bank has been run crookedly, and it will put a fear in the heart of every depositor in every other branch of that parent bank, and really produce more danger and bring about less guaranty of stability than your present independent banking system.

Mr. Speaker, there is not any better banking institution on earth than the little local bank, whose stock is owned by and whose directors number among them the local merchants, the local doctors, the local lawyers, the local farmers. They know the needs of the community. Their selfish interests are interwoven with the selfish interests of every class of that country town and the surrounding territory. That little local bank in a town in the South and West of under 10,000 people has personal touch with the farmers of the territory, it has sympathy with the needs of those farmers, and will do its utmost within the law and within the bounds of sane banking to meet the needs of the people of that particular community. But, Mr. Speaker, a carpet-bag cashier presiding over a little branch bank, coming from the city in which the parent bank is located, will have an amused contempt, an impatient intolerance with what he regards as the provincial social customs and activities of the little community to which he is sent, and the man who comes to him will have to depend upon the cold question of banking profits, because never will the heart of that carpet-bag cashier be moved with a feeling of intelligent, comprehensive appreciation of his neighbors' needs, but he will regard as an unfortunate the man with whom he deals in a cold-blooded business way, and will demand a pound of flesh in every instance, thinking only of profit and never of the community. That is the failing of this threatened branch-banking system which men want to fasten on the United States.

These men ask, "You will admit that this little bank with a capital of $10,000 is a joke as a bank?" But I will not, Mr. Speaker. All over the wheat belt and the cotton belt you will find village banks with a capital of only $10,000 or $15,000. That is all they need. There may be only one or two stores in that village. It is a trading point, a shipping point for the farmers, nothing but a little local money till and an exchange instrument, and they do not need more capital to meet their little local needs than that. It would be mockery to put down there a bank of large capital, just as it would be a mockery to put a big 10-story office building in that sort of a village. I deny that they are a joke as a bank. I say that they are the backbone of the American banking system.

You say that you want to get these larger State banks into the Federal reserve system. I will tell you how to do it. It was never contemplated by the original framers of the Federal reserve act; there is not a line in the original Federal reserve act that will authorize the present Federal reserve policy of making the member banks bear the "float" themselves. I will say to gentlemen on the other side that I guarantee that gentlemen on this side will join with them if you want to do something for the country banker of the United States, if you want to make it attractive for the State banks to come into the Federal reserve system. I will tell you what you will do that will appeal to every one of them. You pass a law that will repeal this regulation and practice of the Federal Reserve Board—a law which will compel the Federal reserve banks to carry the "float," and not the member banks. Gentlemen ask what I mean by the "float."

Here is what I mean. You walk into a bank and cash a check on a bank in another city. That local member bank will put it in an envelope with other items and send it to the Federal reserve bank for collection. There is an arbitrary rule of the Federal reserve bank that they will not give that bank credit for that check for three days—I believe it is longer on the Pacific coast.

Mr. McFADDEN. Five days.

Mr. WINGO. Say that in New York City you give a check on a bank in San Francisco, you being a citizen of San Francisco. The bank would not get credit for that at the Federal reserve bank until five days had elapsed. Why is that done? Is there any necessity for it? No. Under the system that had been built up out of the experience of bankers for over 50 years, what was the real condition? The little country bank that cashed your check, drawn on a foreign bank in another part of the country, sent that check to its correspondent in the nearest city, and that very evening that it put the check in the mail it charged that city bank correspondent with that deposit, and its statement that night showed that they had that much additional deposit with that bank. What I mean by making the Federal bank carry the "float" is this: Let the little country banker and every bank the very moment it sends an item to the Federal reserve bank enter it on their books as a deposit of the Federal reserve bank, and let the Federal reserve bank, when it receives it, credit the member bank with the item that has been forwarded it. Oh, but you say, some of these checks may be bad and may be protested. True, but the presumption is that every bank which cashes a check for an outsider is protected by an indorser, and if that check is protested and it is returned to the Federal reserve bank, the Federal reserve bank, as under the old correspondent system they used to do, could charge it up to the member bank, and when it got back to the member bank they would go out and call on the local merchant or the doctor or the business man who indorsed it and say that it had charged the amount of the check up to his account, as he had indorsed it. That is the old system, but they have reversed it.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. WINGO. Yes.

Mr. McFADDEN. In respect to what the gentleman says about the float I am not in disagreement. I think myself that the Federal reserve system should carry that float. That burden should not be placed upon the country banks at all, and I would be glad any day to cooperate with the gentleman on the other side to correct that situation, which I think should be corrected.

There is one proposition and that is this: The gentleman is speaking of doing away with the desire of national banks to get rid of trust companies. Can the gentleman give a solution of how we can keep the national banks in the Federal reserve system? What is troubling me and what is troubling the bankers of this country and which affects the Federal reserve system, is because of the fact that State laws apparently are more attractive to many of the national banks and they are leaving the Federal reserve system and taking out State charters. Only this morning my attention was called to the fact that in the great commercial center of Detroit—only three national banks there—that some of these banks are contemplating the taking out of a State charter because of the fact, they claim, they are more liberal than the Federal reserve law.

Mr. WINGO. Now, what is the gentleman's question?

Mr. McFADDEN. My question is, How can you keep the national banks in the Federal reserve system?

Mr. WINGO. Just like you put them in. You took them by the nape of the neck and put them in. If they did not go in voluntarily you took the charter away from them. Now, let me notice an erroneous statement made by the gentleman in his question. I do not mean to say that it was done intentionally, but I did not say the national banks were trying to get rid of these trust companies. I said there are a group of bankers and financiers in this country who believe that you ought not to have a State banking system at all, but it ought to be transferred to a branch banking system. That is what I said. Now, the gentleman spoke about national banks surrendering their charter and taking out State charters. I could answer by referring the gentleman to the last statement made by the comptroller's office, showing that in one of the Western States the State banks were surrendering their charters and taking out national bank charters. But here is the trouble with the gentleman's philosophy. Because some States have made unwise State banking laws, and, as I have said here once before, there is one State of this Union in which a State bank under a State bank charter can do any kind of business under the sun. It can run a millinery shop, a peanut shop, a barber shop, a garage, or anything else. The gentleman says that because that State permits State banks to do that, that you would authorize a national bank to run a barber shop?

Mr. McFADDEN. No.

Mr. WINGO. That is competition.

Mr. McFADDEN. Will the gentleman yield?

Mr. WINGO. I will yield.

Mr. McFADDEN. Not in the least; but the fact remains that, for instance in the State of California, the probabilities are within another year the national banks of that State feel it will be absolutely necessary for them to go to the State banking system. Recently in a contemplated consolidation of banks in Cleveland, Ohio, they were undecided whether they would combine under the national banking system or under the State banking system, and the determining thing with them was just this simple question as to whether or not they could have a perpetual charter.

Last week, fortunately, the House passed a bill giving national banks the right to have a perpetual charter. The Senate has amended that bill putting on a limitation of 99 years. That very specific question confronts the national banks of the country as to whether under the State laws they shall leave the national-banking system. That is attractive in many of the large cities, and, another thing, they are asking that they have the right within those States to branches the same as the State banks have.

Mr. WINGO. Has the gentleman concluded? Well, now, the gentleman started out with the proposition that I was misrepresenting him by saying that his philosophy was unsound because they offer as an argument in some of the States that they permitted these foolish things. Then he turns around and says that because the State laws permit State banks to do certain things, that certain groups of national banks desire to take out State charters because they could get a perpetual charter.

Mr. McFADDEN. Will the gentleman yield?

Mr. WINGO. Let us get back to the proposition. I deny there is, and the gentleman has not yet shown any argument to justify the deposit commercial bank acting in a fiduciary capacity. No man can defend it, and no man will try to defend it who knows anything about the philosophy of banking. You do not try to defend it. You put it on a basis not of wisdom but expediency. Well, I get back to the original proposition, that instead of our undertaking to encourage evil banking laws in the States we ought to frown them down, because the very moment you give one preference to a national bank that very moment in every State in the Union the State banks are going to their legislatures and they will say: "You had better go them one better; we have got to have that in order to meet competition." Do you put it upon wisdom? No, but a basis of competitive expediency. Because a State may authorize a State bank to run a barber shop, would you allow a national bank under the same principle to run a barber shop? That is the end of the argument. It is upon the one question of expediency.

Of course, under the present Secretary of the Treasury the men who think it their duty to represent and defend the farmer's needs can expect very little consideration. Under the present administration those who have faith in the country banks of America get scant courtesy. Under the present administration, those who believe in the soundness of the farm credits of this country, and recognize the necessity for the freest marketing of those credits, get scant courtesy. Under the present administration, whenever the question of rural credits is to be considered in our committee in order to be sure that none of the so-called radical gentlemen, like some of the gentlemen from some of the Western States, who were Republicans, and myself, can get through their progressive ideas, the Republican chairman goes to the State of New York and gets Mr. MACGREGOR and puts him at the head of the committee to consider and frame a credit system for the farmers of the West and South.

Mr. DUNBAR. Will the gentleman yield?

Mr. WINGO. I will.

Mr. DUNBAR. Is the gentleman aware that the chairman of the Banking and Currency Committee, Mr. McFADDEN, is one of the largest farmers in the House?

Mr. WINGO. He is the same kind of a farmer that you and I are. He farms with his mouth.

Mr. DUNBAR. I beg your pardon. He cultivates his farm. His income is largely derived from the products of his farm, and why should he be questioned?

Mr. WINGO. I used to think the gentleman was a farmer, but by your statement he is not. For it is impossible for a man to be an active farmer and act as chairman of the committee and a Member of the House and be in the House as closely as is the gentleman from Pennsylvania.

Mr. DUNBAR. I think you will find that most of the members of the Banking and Currency Committee not only look like farmers but they are Members who have the interest of the farming industry at heart.

Mr. WINGO. I suppose the gentleman is talking about Mr. Mellon now, is he not?

Mr. DUNBAR. No. I did not have any reference to him.

Mr. WINGO. He is whom I was talking about. Why did he interrupt me?

Mr. DUNBAR. You were talking about the chairman of the Banking and Currency Committee.

Mr. WINGO. The gentleman does not mean to say that the other Republicans of the Banking and Currency Committee dominate the policy of this Republican administration?

Mr. DUNBAR. I think very largely we have had our say, and to a considerable extent have dominated the policy.

Mr. WINGO. Let us see what you did.

Mr. DUNBAR. We have reported a bill to extend the charter of national banks for 99 years instead of 20 years.

Mr. WINGO. You did that for the benefit of the farmer? [Laughter.] Proceed.

Mr. DUNBAR. Of course, nearly every American farmer who has an estate to be settled will, under the new arrangement, want a national bank to administer the affairs of the estate.

Mr. WINGO. They may do that in Indiana, but not in Arkansas.

Mr. DUNBAR. Another thing which the Banking and Currency Committee did was to authorize the increase of credits, not only in joint-stock land banks but also in farm-land banks.

Mr. WINGO. I am glad the gentleman reminded me of that. You gentlemen will remember that when we had that proposition up of deposits for the farm-land banks I prophesied then you would not meet the requirements.

I said that Members of Congress would receive protests from farmers that their loans were held up for months. Then you said that the amount you provided would be ample. Later on your excuse was that you could not sell bonds. Then, when I was able to show that I could bring gentlemen that would buy those bonds at par, free from any commission, and was ready to back it up with a deposit that was sufficient, what was your excuse? It was that you did not have the machinery to pass on the applications fast enough. I said then that you ought to give them a greater capital deposit, a greater revolving fund, and a greater machinery by which you could handle the business more expeditiously. Did you do it?

Mr. DUNBAR. Will the gentleman yield?

Mr. WINGO. No. I want to get the record straight on that. Is there any gentleman that denies that I called your attention to what would be the effect? You said I was playing politics then. I knew what I was talking about. Farmers have made bona fide applications for loans, and they have had to wait over six months, and farm land banks have sent notices to the local associations in many instances refusing to furnish the local associations with more application blanks, because they said they did not have the funds and could not catch up with the accumulated business. In more than one county in the West, right after the local association could not get action on an application, and after the applications had been sent in, they said the appraiser was too busy to get around, and after they had waited a sufficient length of time, and the farmer thought he would not get his loan, along came a representative of some insurance company or mortgage com-

pany and said, "I understand you could not get your loan from the land bank, but I will get it for you from my concern if you pay me the customary commission." And they did it. You understand that situation; what is going on? They say now that they have not the force. They admit the money market will float every bond that is necessary, but now they have not the force and can not get the papers out fast enough.

They say, "We have got to have the mortgages and notes in order to issue the bonds, and have not got them." You gentlemen are in charge. Why do not you give them sufficient funds? Why do not you give them sufficient force? Why do not you give them enough floating capital, so that they can be independent of this syndicate that holds them up for a quarter of 1 per cent commission? I can tell the gentleman from Indiana why it is. It is because of the activity of the same gentlemen who are controlling the financial administration of this administration, headed by Mr. Mellon, of Pittsburgh, although the gentleman from Indiana thinks he and others are exercising a controlling and dictatorial influence over that policy.

Mr. DUNBAR. How many bonds have been sold since that amendment?

Mr. WINGO. How many does the gentleman say?

Mr. DUNBAR. One hundred and forty-five million.

Mr. WINGO. What was the last?

Mr. DUNBAR. About twenty or thirty millions.

Mr. WINGO. Then you did not have enough bonds to cover 50 per cent of the applications. Why did not you put out enough bonds to get the necessary money to meet pending applications? I ask the gentleman why they did not do it?

Mr. DUNBAR. I will answer that by stating to the gentleman what Mr. Lobdell stated to the committee, and that was——

Mr. WINGO. When?

Mr. DUNBAR. And that was that there were so many applications for loans by people who did not have adequate security to offer for their loans that so much time was used in the consideration of people who did not have an adequate security to offer that sometimes those who had the security to offer had to wait longer than members of the board would have them wait.

Mr. WINGO. Now, I thank the gentleman for his contribution. He is simply giving corroborating testimony. He says they have not enough force to sift out the good applications from the bad. An application has got to be indorsed by the local loan committee and the stockholders of the local institution have got to get back of the loan to the extent of their own subscription to the stock, and on the face of it one man can go over these applications—100 of them a day—and on the very face of them be able to tell which ones are good and which ones are bad, so that he can send out the good ones to an inspector.

Mr. DUNBAR. Mr. Speaker, will the gentleman yield right there?

Mr. WINGO. I want corroboration, but I do not want any more just now from the gentleman. The gentleman admits that they have not force enough down there to separate the false applications from the good, and he admits that the good have to wait so long that they get tired and have to go to a private loan agency. But the question that the gentleman was asked to answer was this: Why did they not issue more bonds to meet the bona fide applications, about which there can be no question? He did not answer that, but the reason for it is that Secretary Mellon has publicly and privately stated that in his judgment there is a certain fixed limit as to what ought to be put out on the market of farmer loan bonds. I am not blaming Mr. Lobdell and I am not blaming the Farm Loan Board; I am not blaming them for the restrictive policy that has driven out of the Farm Loan Board system the best men who were in it, the policy that has driven out Mr. Lever, the ablest member of the board, and compelled him to leave the board and enter the service of a private concern. The statements of the board itself show that you are not putting out half enough bonds to meet the clear-cut applications of bona fide honest farmers?

Mr. DUNBAR. Mr. Speaker, will the gentleman yield there?

Mr. WINGO. Yes.

Mr. DUNBAR. On what does the gentleman base his last assertion?

Mr. WINGO. I base it on the record books themselves, the statements of the Farm Loan Board, and the investigations that I have made.

Mr. DUNBAR. Where did the gentleman obtain those records?

Mr. WINGO. Most of them have come to the gentleman's desk, although the gentleman has probably not read them. Has the gentleman ever investigated the number of applications that have come to the banks and are held up?

Mr. DUNBAR. They have never appeared in the evidence of anyone who has testified before the Committee on Banking and Currency.

Mr. WINGO. Let us see. Has the gentleman ever investigated the pending number of applications to any local association?

Mr. DUNBAR. No. Where has the gentleman obtained the official information?

Mr. WINGO. I have got it from the men who are running the banks, from the men who are running the associations, and I have got it from the papers and letters that come to my desk.

Mr. DUNBAR. You have never obtained it from anybody that appeared before the Committee on Banking and Currency, and so far as concerns the reading of every circular letter that a Congressman receives in 24 hours, a whole day would not be long enough for the reading of them.

Mr. WINGO. The gentleman dodges. He would make a pretty good witness for this administration. I am not asking the gentleman to read every circular that he receives. The assertions that the gentleman has made here are a challenge to every man who has read the official records. He admits as a Member of Congress that he has not read those statements at all. The facts are admitted.

The only dispute about it is the justification for it. The board does not deny it. The board gave the excuse that the gentleman repeated a while ago, and then after having given the excuse, he denies the conditions that have made necessary the excuse. A while ago the gentleman admitted the facts and gave an excuse, but when the excuse could not be substantiated he denied the existence of the facts that he had formerly admitted.

Mr. DUNBAR. Does not the gentleman remember that members of the Federal farm loan banks have appeared before the Committee on Banking and Currency and have testified that they have a sufficiency of funds?

Mr. WINGO. Who and when?

Mr. DUNBAR. In order to meet the demands of the time?

Mr. WINGO. Who and when?

Mr. DUNBAR. Judge Lobdell, about six months ago.

Mr. WINGO. All right. I do not think you can find any statement where Judge Lobdell stated that. The gentleman must have been sleeping or dreaming it. Judge Lobdell did not state that. He is not to blame for it. The Secretary of the Treasury of the gentleman's party and the administration is responsible for it.

Mr. DUNBAR. The gentleman has a louder voice than I have, and he can drown the sound of my voice with his.

Mr. WINGO. Yes; I happen to have the floor.

Mr. DUNBAR. I want the gentleman to refer to the hearings that were had before the Committee on Banking and Currency. If he will do so he will find that what I have said will be proved by the hearings that he will read.

Mr. WINGO. I was present and examined Judge Lobdell myself on at least one occasion.

Mr. DUNBAR. Did he not say that they had a sufficiency of funds, and did not Mr. Lever say so?

Mr. WINGO. No; Judge Lobdell has never taken the position that the gentleman from Indiana now takes. He took the position that the gentleman from Indiana first took, not the one that the gentleman from Indiana now takes.

Mr. DUNBAR. Can the gentleman point to any occasion when any member of the Federal loan bank has appeared before us and said, "We have not got money enough or force enough to function"?

Mr. WINGO. Yes.

Mr. DUNBAR. Why not put it in the RECORD?

Mr. WINGO. What good would it do? What attention would the gentleman pay to it? It would not be of any use to put it in the RECORD. The gentleman would deny the next moment that it existed. If the gentleman will go and investigate the bank that is operating in his own district, he will find they have not sufficient funds to meet the demands of all applicants. The gentleman should go and get the reports from his bank.

Mr. DUNBAR. The gentleman might put it in the RECORD for the same purpose that he is now making this speech.

Mr. WINGO. What good would it do? It would be like pouring water on a duck's back, because the gentleman will not stand hitched. Nobody knows now, after listening to the gentleman, whether he really believes they have got plenty of funds or whether he really believes what he said a while ago—that they did not have force sufficient to pass on the applications fast enough, and that they have plenty of money. I do not know which position the gentleman will finally take.

Mr. DUNBAR. Does the gentleman think that anyone in the House is more definitely informed by what he has said?

Mr. WINGO. No; I have not been making this speech for the information of the gentleman. The gentleman butted into this. I did not. I stated in the beginning that I was going to kill time while the chairman got certain information, and if the gentleman wanted to avoid the proverbial fate of the innocent bystander he should have gotten out of the way. I have no quarrel with the gentleman, and as an evidence of that I have yielded about half my time to him. I have been making this speech for my own pleasure and not for the gentleman's edification.

Mr. DUNBAR. I am not quarreling with my genial friend, but I did not know he was trying to kill time.

Mr. WINGO. Oh, yes; I have already stated that while the gentleman from Pennsylvania [Mr. McFADDEN] and the gentleman from South Carolina [Mr. STEVENSON] were going over and correcting the manifest error of the man who drafted the bill I would submit a few rambling observations.

Mr. TINCHER. Will the gentleman from Arkansas yield?

Mr. WINGO. I yield to the gentleman from Kansas.

Mr. TINCHER. The gentleman has made one statement that is very interesting to me. I am not informed at all on the subject, but I am very much interested in the gentleman's statement that Frank Lever quit the Federal Farm Loan Board because of the fact that he did not approve of the handling of the Farm Loan Board by Mr. Mellon. I have no prejudice on this matter, and I am very much interested in the gentleman's statement.

Mr. WINGO. Here is another gentleman who must have been asleep. I did not say any such thing, or anything that could be interpreted in that way, or anything that remotely intimated that. The gentleman knows why Frank Lever left the Federal Farm Loan Board. It was for two reasons. I do not presume to give them. Lever did not tell me why, but there were obvious reasons why he should want to quit.

Mr. TINCHER. Perhaps I misunderstood the gentleman. I thought he said that Mr. Lever resigned from the Federal Farm Loan Board because of the attitude of Mr. Mellon.

Mr. WINGO. The gentleman can read what I said and then he will find out that I did not say that.

Mr. TINCHER. Reading what the gentleman said and listening to what he says are not always the same thing.

Mr. WINGO. I will admit that that is true. Sometimes I charm the gentleman and he imagines I have said something and he looks in the RECORD and will not find it there because I have not said it. In some instances he dreams I said something, and sometimes I do say something that appears unnecessary and confusing, and then cut it out of the RECORD or revise it. We both do the same thing.

Mr. TINCHER. I do not admit the soft impeachment so far as I am concerned.

Mr. WINGO. It was not an impeachment but a mere recital of a well-known fact.

Mr. JONES of Texas. Can the gentleman tell us why the Secretary of the Treasury will not permit the sale of these farm-loan bonds when they are above par?

Mr. WINGO. I do not know. I can go down and see President Harding with reasonable ease, and I really suppose I could discuss public questions with the President at greater length and more satisfaction and greater ease than I could even reach the presence of the Secretary of the Treasury. Did the gentleman ever try to get any information out of the present Secretary of the Treasury?

Mr. JONES of Texas. Those gentlemen who are connected with the banking system of the country do not seem to be able to do so, and I do not know why I should make the attempt. It is a fact, however, that farm-loan bonds are selling at above par, and that he could sell them.

Mr. WINGO. If the gentleman had gone down and tried to buy them he would have had to pay 102¼, and the 102 would go to the bank and the quarter would go to a syndicate over here in Philadelphia, even if the bank had sold them to him and the syndicate had never sold him anything.

Mr. JONES of Texas. They could sell them above par, and there are many applications, are there not?

Mr. WINGO. Oh, yes; there is no question about that. I have received a bushel basketful of complaints in my office, giving names and dates. I have letters from the managing officers of the banks, and whenever I get a complaint I sit down and look into it. I do not do like my genial friend over yonder—sit around fanning myself. I look into the complaints that I receive. But, gentlemen, it is distressing the way things are going, and I will not be surprised if more gentlemen connected with the system lose heart and recognize what is the fixed policy of this administration. I understand that President Harding is sincere and that the present Secretary of the Treasury is sincere. They honestly do not believe in such things, and they have good reasons for their belief from their point of view. I do not blame the Secretary of the Treasury or President Harding.

When President Harding was a Senator he gave his reasons for not believing in this kind of thing. One time Mr. Mellon, before the Banking and Currency Committee, undertook to give his reasons, and I refer the gentleman to what he then said. Of course, a man who is one of the wealthiest men in the world, who lives in the heart of a great city like Pittsburgh, and all he sees of the American farm is from the windows of his private car or from the observation end of a Pullman going 90 miles an hour, naturally that kind of a man would be afraid of anything so beneficial as the American farm loan banking system. He does not consider it sufficient to overcome his suspicions against it.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to withdraw the amendment to line 6, page 1.

The SPEAKER pro tempore. The gentleman from Pennsylvania withdraws the amendment.

Mr. McFADDEN. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 5, after the word "amended" insert the words "to read."

Mr. McFADDEN. I will say, Mr. Speaker, that we have carefully considered the error that was committed in drafting the bill in the Senate. The committee inadvertently overlooked that, dealing with the vital part of the bill and assuming that the first part was properly prepared. I have two other amendments that I will offer which will correct the situation.

Mr. WINGO. The gentleman from South Carolina and the gentleman from Pennsylvania have agreed on this, have they?

Mr. McFADDEN. We have.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mr. McFADDEN. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 6, strike out 6 to 11, inclusive.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

Mr. McFADDEN. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 2, line 7, after the word "association," strike out the period and insert a comma and the following: "but the discount of bills of exchange drawn against actual existing value and discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as borrowed money within the meaning of this section.

Mr. WINGO. Will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. WINGO. This will only make the bill comply with the explanation that the Federal Reserve Board really gave to the original bill.

Mr. McFADDEN. That is my understanding.

Mr. WINGO. The Senate committee or whoever was to blame for drafting it wrote the bill so it would repeal existing law?

Mr. McFADDEN. The gentleman is correct, and it came about in this way. The copy of the Federal reserve act issued by the document room is printed differently than is the statute, and evidently the person who drafted the bill followed the document print rather than the statute itself. What we have done here is to correct that with the able assistance of the gentleman from South Carolina.

Mr. WINGO. It includes the part overlooked?

Mr. McFADDEN. Yes.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. McFADDEN, a motion to reconsider the vote whereby the bill was passed was laid on the table.

PENALTY FOR EMBEZZLEMENT TO INCLUDE NATIONAL-BANK EXAMINERS OR ASSISTANTS.

Mr. McFADDEN. Mr. Speaker, I call up the bill (H. R. 9409) to amend section 5209, Revised Statutes of the United States, relating to penalty for embezzlement by Federal reserve officer, agent, or employee, so as to include national-bank examiner or assistants.

The SPEAKER pro tempore. The gentleman from Pennsylvania calls up the bill which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That section 5209 of the Revised Statutes of the United States be, and the same is hereby, amended so as to read as follows:

"SEC. 5209. That any officer, director, agent, or employee of any Federal reserve bank, or of any member bank as defined in the act of December 23, 1913, known as the Federal reserve act, who embezzles, abstracts, or willfully misapplies any of the moneys, funds, or credits of such Federal reserve bank or member bank, or who, without authority from the directors of such Federal reserve bank or member bank, issues or puts in circulation any of the notes of such Federal reserve bank or member bank, or who, without such authority, issues or puts forth any certificate of deposit, draws any order or bill of exchange, makes any acceptance, assigns any note, bond, draft, bill of exchange, mortgage, judgment, or decree, or who makes any false entry in any book, report, or statement of such Federal reserve bank or member bank, with intent in any case to injure or defraud such Federal reserve bank or member bank, or any other company, body politic or corporate, or any individual person, or to deceive any officer of such Federal reserve bank or member bank, or the Comptroller of the Currency, or any agent or examiner appointed to examine the affairs of such Federal reserve bank or member bank, or the Federal Reserve Board; and every receiver of a national banking association who, with like intent to defraud or injure, embezzles, abstracts, purloins, or willfully misapplies any of the moneys, funds, or assets of his trust, and every person who, with like intent, aids or abets any officer, director, agent, employee, or receiver in any violation of this section, shall be deemed guilty of a misdemeanor, and upon conviction thereof in any district court of the United States shall be fined not more than $5,000 or shall be imprisoned for not more than 10 years, or both, in the discretion of the court.

"Any Federal reserve agent, or any agent or employee of such Federal reserve agent, or of the Federal Reserve Board, or any national bank examiner appointed by the Comptroller of the Currency, assistant or clerk to said examiner, who embezzles, abstracts, or willfully misapplies any moneys, funds, or securities intrusted to his care, or which shall come into his possession while making an examination of any bank, or without complying with or in violation of the provisions of the Federal reserve act, issues or puts in circulation any Federal reserve notes, shall be guilty of a misdemeanor and upon conviction in any district court of the United States shall be fined not more than $5,000 or imprisoned for not more than 10 years, or both, in the discretion of the court."

The following committee amendments were read:

On page 3, line 1, strike out "ten" and insert in lieu thereof "five."

On page 3, line 15, strike out "ten" and insert in lieu thereof "five."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. McFADDEN. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. APPLEBY].

Mr. APPLEBY. Mr. Speaker, I will not take the 10 minutes allotted. In the first place, I want to answer the charges presented against the Republican members of the Banking and Currency Committee by the gentleman from Arkansas. I think the RECORD will show that since the present committee has been in existence it has had under consideration more proposed laws and reported more bills favorable to agriculture and business in general than the average preceding Congresses. Such amendments as have been made to the Federal reserve system were offered in good faith and were made with the object of strengthening the Federal reserve system. This bill which we are considering to-day, like a number of others, is designed to encourage the national banks to stay in the Federal reserve system. A great many members of the Federal reserve system are dissatisfied, because they are receiving no interest on the daily balances. We have endeavored to induce trust companies and State banks organized in various States to become members of the Federal reserve system. The bill before us to-day is based on that theory. A great many statements have been made as to what State banks are allowed to do in the various States. The answer to that is this: This Congress has no power to control legislation in the various States, and the unusual liberal charters of some States which have been referred to here to-day Congress has had no part in making. What we, the Republican members of the Banking and Currency Committee, have endeavored to do is to strengthen from every angle the Federal reserve system. It is true that a small percentage—less than 50, 33⅓ I think, to be accurate—of the banks of the country are members of the Federal reserve system. It is not the fault of the present Banking and Currency Committee that there are not more member banks. We are endeavoring with each bill presented by our committee to strengthen the Federal reserve system by getting as many members as possible in it, and we are trying to make it so attractive that the State banks and the trust companies which are now consolidating in the various States under State charters may come into the system and take out national-bank charters.

I resent the statement of my friend across the aisle that there has been any intention on the part of the Republican majority to do anything other than to be conservative in recommending legislation. I believe there should be some amendments to the Federal reserve act. The question of whether the member banks shall have an additional rate of interest paid to those who have subscribed for the stock of the Federal reserve system is a question on which we are not fully agreed. I am in favor of some proposition which will cause a division of profits to be made after all expenses have been fully paid by the Federal reserve system. That has been my purpose as a member of the Banking and Currency Committee. The question of politics has not entered into the matter at all. Secretary Mellon has appeared before the committee, as has the Comptroller of the Currency and numerous other financiers. The idea of the committee has been to get the best possible suggestions pertaining to banking enacted into law and to give the banks of the country, irrespective of whether they are National or State banks or trust companies, a fair and equal chance to become members of the greatest system that has ever been operated in this country.

A statement was made by the gentleman from Arkansas to the effect that the Republican members are in favor of branch banking. That statement is not correct in so far as I am concerned and in so far as many other members of the committee are concerned. The State of New Jersey has gone on record more than once against the enactment of any law which allows a State bank to have a branch in the State. The question became so acute that even after one of the governors of that State vetoed a bill prohibiting it both branches of the legislature passed the bill over his veto. There is no question, so far as the members of the Banking and Currency Committee are concerned, they are not trying to protect big business or big banks as has been intimated. I believe the majority of the committee is in favor of continuing, as am I, the local bank in its community, whether it be a State or a National bank, or a trust company as a home institution. The strength of the banking system of the country is built upon the question of the individualism of the banks. The directors are gathered from the various men in every community. The best men are selected in that way. Better supervision, to my mind, can be had by having business done under one roof. Many troubles can easily come from branch banks that are away from the parent institution. I believe I can safely say that there is very little danger of the present Banking and Currency Committee ever reporting out a banking bill calling for branch banks.

The SPEAKER pro tempore. The time of the gentleman from New Jersey has expired.

Mr. McFADDEN. Mr. Speaker, just a brief word in explanation of this bill. It is an amendment to section 5209 of the Revised Statutes relating to the penalty for embezzlement by a Federal reserve officer, agent, or employee so as to include national bank examiners and their assistants. The law heretofore never has been applicable to national bank examiners or assistants who may abstract from the banks either securities or funds. The bill was introduced at the suggestion of the Comptroller of the Currency, and I believe it is a worthy measure. It has been slightly amended by the committee by cutting down the penalty from 10 years to 5 years in addition to the fine of $5,000.

I now yield 10 minutes to the gentleman from Indiana [Mr. DUNBAR].

Mr. DUNBAR. Mr. Speaker, I wish to state to the gentleman from Arkansas [Mr. WINGO] who has just inveighed against the directors of the Federal farm loan banks, that Judge Lobdell has stated since the gentleman finished his remarks that all applications are now being expeditiously considered and that there are ample funds at his disposal to take care of every legitimate request for a loan that is made, that the loans are being made as promptly as it is possible to do. I think possibly the gentleman has had in mind the chaos that existed in times gone by, and possibly he has been appealed to by some of his constituents and, due to the fidelity and zeal which he always manifests in the discharge of a duty, he became interested, of course, in securing the loans for his constituents and has not yet realized that the trouble and confusion that heretofore existed under the Democratic administration has by Republican business methods been overcome and is now almost negligible, and that the Federal farm loan banks

are functioning as efficiently as the gentleman could wish. I think if he will make an investigation he will find this statement to be true.

Mr. BOX. Mr. Speaker, will the gentleman yield?

Mr. DUNBAR. Yes.

Mr. BOX. I am not sure that I understood the gentleman. Does the gentleman mean to state that all these loans that are safe are now being made, and people are not being denied and applications are not being delayed, that they can get action promptly on meritorious applications for loans?

Mr. DUNBAR. That is the information that I have obtained.

Mr. BOX. I state for the information of the gentleman that the complaint from my own people to the contrary is well-nigh universal.

Mr. DUNBAR. I would suggest that the gentleman confer with Judge Lobdell and find wherein the trouble lies.

Mr. JONES of Texas. I would state that the complaints from my section are that they can not get funds.

Mr. DUNBAR. I would answer the gentleman by saying, as I suggested to the previous gentleman, that he confer with Judge Lobdell and find where the trouble lies.

I wish to state, gentlemen of the Sixty-seventh Congress, that the financial affairs of this Government for the past year have been so administered that by the end of the fiscal year, due to excess of receipts over expenditures brought about by economical supervision of a Republican Congress, we will be able to reduce the Government indebtedness between six and seven hundred million dollars, and will still have the same amount of money in the Treasury on July 1, 1922, that we had in the Treasury on July 1, 1921; and to show that the Secretary of the Treasury has confidence that the public debt of the United States during the present fiscal year will be reduced that amount, I will say that the gross debt of the United States since May, 1921, has been reduced more than $800,000,000.

I can not understand why it has been that, up until the last three weeks, we have daily read statements in the newspapers and from chamber of commerce orators and heard statements upon the floor of the House that we were facing a deficit. I remember when I was first elected to the Sixty-sixth Congress, then the prediction was frequently made that we were facing a deficit. If you will look at the report of the Secretary of the Treasury under the Wilson administration, December, 1920, you will find that he predicted a deficit for the year 1921 of over $2,000,000,000, but instead of there being a gross deficit of over $2,000,000,000 there was a surplus of more than $500,000,000. I remember more than a year ago Mr. Mellon, the Secretary of the Treasury, was daily quoted in the newspapers as saying that there would be a deficit for the fiscal year of 1921 of, I believe, $500,000,000. Instead of there being a deficit of $500,000,000 there was a surplus of more than $500,000,000. I remember, on May 5, that the gentleman from Tennessee, the ranking member of the Committee on Appropriations, made the assertion upon the floor of the House, and his remarks appear in the CONGRESSIONAL RECORD of May 5, 1922:

> There would be a deficit, taking the figures of the Secretary of the Treasury as a basis, of over $785,000,000 for the fiscal year 1923.

This I deny. He also, in another part of his speech, made the remark:

> Unless revenues are increased there will be a deficit in the financial affairs of the Government.

I want to say to the credit of the gentleman from Tennessee that he based his remarks upon the report made by Mr. Mellon, at present the Secretary of the Treasury. To give you an illustration——

Mr. WINGO. Will the gentleman yield before he leaves that?

Mr. DUNBAR. I will.

Mr. WINGO. The gentleman remembers that the chairman of the Committee on Appropriations, the gentleman from Illinois [Mr. MADDEN] the other day in protesting against certain proposals cited figures to show that there would perhaps be a deficit of $500,000,000, did he not?

Mr. DUNBAR. For 1923. Were they his own figures, or were they the figures of the Secretary of the Treasury?

Mr. WINGO. Well, I do not know whether they were his own or those of the Secretary of the Treasury, but the Secretary of the Treasury has been stating practically the same thing.

Mr. DUNBAR. Well, I know the Secretary of the Treasury has, but unless you know what the Secretary of the Treasury is estimating on you can not form any idea of the state of the finances of our Government at the end of the fiscal year.

Mr. WINGO. The gentleman would not blame an unsophisticated Member like myself taking the statement of the chairman of the Committee on Appropriations as being good on a question of deficit, would he?

Mr. DUNBAR. I will take either one as good; but if the gentleman would have a correct conception in his own mind, the gentleman would realize and know upon what they base their calculations and would not talk a deficit. In the Washington Post of May 9 there appeared this article——

The SPEAKER. The time of the gentleman has expired.

Mr. DUNBAR. Can the gentleman give me 10 minutes more?

Mr. McFADDEN. Does the gentleman want more time?

Mr. DUNBAR. I wish 10 minutes more.

Mr. WALSH. Mr. Speaker, this is Calendar Wednesday, and the rule provides that discussion shall be confined to the bill under consideration. I have no objection to the gentleman proceeding for another 10 minutes, but I hope he will ask to proceed out of order.

Mr. DUNBAR. I ask unanimous consent to proceed, out of order, for 10 additional minutes.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. McFADDEN. I yield the gentleman 10 additional minutes.

Mr. DUNBAR. Mr. David Lawrence, in the Washington Star of May 9, had this to say:

> Secretary Mellon sees no immediate prospect of lowering the estimated deficit in Government finances for 1923 of approximately $340,000,000 and gives the impression of fear that the deficit may be increased.

Then on further down the statement is made that the surplus for 1922 will amount to $45,000,000. He is indeed very generous. The receipts, according to the statement issued by the Secretary of the Treasury, from July 1, 1921, to May 31, 1922, 11 months, are $3,636,168,339.59. The estimated receipts for June, 1922, are $440,000,000, making the total receipts for the year of $4,076,168,339.59.

Now, what will be spent out of the $4,076,168,339.59? The operating expenditures to May 31, 1922, are $3,057,837,635.29. The expenditures for June are estimated at $350,000,000, making a total of $3,407,837,635.29 and a surplus for the year of $668,330,704.30.

I have made a very liberal allowance for expenditures during the month of June, and I feel certain that the surplus of the Government for the present fiscal year will amount to more than $700,000,000.

The Secretary of the Treasury, in the last communication which he has sent to Congress and which was sent to a committee of the Senate, revised as of March, 1922, places the excess of receipts over expenditures at but $47,000,000. It is hard to understand why, in the face of existing conditions, the Secretary of the Treasury or any other member of the administration will so try to "bear" the influence of the administration as to give out a statement of that character. I have no doubt but that the Secretary of the Treasury is honest and sincere.

I believe the Secretary of the Treasury to be a man of many parts, hoping in endeavors accomplished, to excel "Alexander the Great," who set out to conquer the whole world, and then cried because there was no more worlds to conquer.

The present Secretary of the Treasury would try to conquer a hundred worlds, and if, in his endeavors he conquered but 99, he would become pessimistic, because of the remaining 1 world unconquered. With the revelation of the power impounded in a gram of radium and with his well-known enterprise and speculative tendencies, I would not be surprised to hear of him financing an expedition to explore the universe; but as there are countless numbers, and as the largest telescope we have leaves no grounds for doubt that countless universes extend beyond our vision, no achievements that he may make will be satisfactory, because he will yearn and pine because of the universe undiscovered and unrevealed.

And so, when he sets out to spend many hundreds of millions of dollars in the reduction of the public debt, fearful that he will not succeed, assumes an air of pessimism, in the hope to inject a hypodermic of ginger in the Government executive heads, so far as civil service will permit, for the purpose of getting better results. Of course, this is very commendable and I would not detract from his fame, his attainments, and his accomplishments. It would be a great thing if we had more executives like him; but he gives too much ammunition to the Democrats. He raises their hopes and inspires dreams impossible to realize. What he needs is an advertising agency and more apparent optimism that will proclaim to the world the glories and achievements of this Republican administration, especially this Republican Congress.

Here is a part of the difficulty: First, he makes his estimates very modestly. The expenditures ought to be kept within the

estimates which he has made, and that is very commendable, and while the excess he estimates at $47,000,000, you will find in his expenditures the sinking fund and other debt requirements chargeable against ordinary receipts amount to $435,000,000. In other words, out of the $800,000,000 reduction in the gross debt of the United States since the 1st of June, 1921, $423,000,000 is chargeable to the ordinary operating expenses of the Government. So that if you would add the excess of receipts of $47,000,000 to the $423,000,000, you would have, according to the Secretary's own estimate, a surplus of receipts over operative disbursements amounting to $470,000,000 for the present fiscal year, or, rather, a reduction in the bonded indebtedness of the United States of nearly $500,000,000. But in addition to that, his estimates have been so conservative that the actual reduction of debt will amount to $200,000,000 more than was estimated by the Secretary of the Treasury two months ago. I submit in tabulated form as follows:

Estimated receipts, June, 1922	$440,000,000.00
Estimated expenditures	350,000,000.00
Surplus for month	90,000,000.00
Excess of receipts for 11 months fiscal year	578,330,704.30
Estimated excess of receipts for fiscal year 1922 over expenditures	668,330,704.30
Estimated receipts, June, 1922	440,000,000.00
Total receipts for year	4,076,168,339.59
Operative expenditures to May 31, 1922	3,057,837,635.29
Estimated expenditures, June, 1922	350,000,000.00
Total	3,407,837,635.29
Amount from ordinary receipts for fiscal year 1922 applicable to reduction of public debt	668,330,704.30
	4,076,168,339.59
Gross debt, June 30, 1921	23,977,450,552.54
Gross debt, May 31, 1922	23,138,838,607.18
Reduction in gross debt, 11 months	838,611,945.36
Cash in Treasury, June 30, 1921	549,678,105.76
Cash in Treasury, May 31, 1922	289,396,864.70
	260,281,241.06
Floating debt, August 31, 1919	4,201,139,050.39
Floating debt, June 30, 1921	2,699,572,950.00
Floating debt, May 31, 1922	1,736,749,000.00

One of the difficulties that this administration has had to deal with is the effect of the large floating indebtedness piled up by the Wilson administration, which on August 31, 1919, amounted to $4,201,139,050.09. Inasmuch as this fell due every four to six months it was a constant menace to the Treasury, but due to the excellent management of the Secretary of the Treasury this was reduced on May 31, 1922, to $1,736,749,000, with a corresponding reduction in interest paid.

The administration of affairs by a Republican Congress seems to have inspired confidence in the directors of the financial world, notwithstanding they blame us, curse us, and try to bring us into disrepute for not reducing the surtax in the upper reaches below 50 per cent.

In their hearts they have confidence in the superiority of the ability of the administration of a Republican Congress. It is natural for them to object. They object to everything that does not come their way. The reason that they have been successful is that they have brains enough to overcome obstacles, and because Congressmen have brains they are chagrined because in all things they do not prevail.

Now, gentlemen, the Secretary has given us another very doleful tale regarding the expenditures and deficits for the year 1923. He tells us that the excess of expenditures for the year 1923 will amount to $359,000,000. In other words, the impression created is that our revenues will not equal our expenditures by $359,000,000. But if you look into the items that compose his report you will find that the fixed debt charges amount to $325,000,000. In other words, after reducing the bonded indebtedness of the United States $325,000,000, then he says we will have a deficit of $359,000,000. But if the bonded indebtedness remains the same, then our deficit would amount to but $30,000,000. And even that, gentlemen, is not substantiated by the items contained in his report. In the estimates that he made for the expenditures of 1923 I claim that this Congress will make a saving in the expenditures which he estimated for the War Department, the Navy Department, and the Shipping Board if the bill goes through, which provides for an arrangement whereby we will pay our shipping owners a bonus or subsidy on the freight they carry.

The $50,000,000 deficiency in the operation of the Shipping Board will all be provided for by the sale of ships. If the subsidy bill goes into effect it will cost the United States Government about $20,000,000 a year; but, you will find it will so stimulate the shipping industry that a ready market will be found for the ships now owned by the Shipping Corporation. This will bring a large revenue into the Treasury of the United States, and instead of contributing to a deficit will add large sums of money to our Treasury assets and will be a considerable item in enabling a further reduction of taxes. The amount he estimates that it will be necessary to pay the railroads can all be provided for by sales of railroad securities owned by the Government. I claim on these amounts there will be some three to five hundred millions of dollars of savings effected. So that instead of running behind next year, as the Secretary of the Treasury claims we will do, I really believe that our excess of receipts over disbursements will amount to more than $300,000,000.

It is said, gentlemen, that next year we will have to pay the railroads $200,000,000. If this is true, it is to our everlasting shame that we have not paid them this year. It has been said by the article of Mr. Lawrence, to which I have just referred, that we have not paid the railroads, and that by reason of the money withheld from the railroads we will show a light surplus this year but a great deficit next year. But, gentlemen, I want to say that, while the $200,000,000 which we will owe to the railroads at the end of this year may not be paid to them, yet there is money in the Treasury sufficient to pay the railroads without any additional item of taxation.

And I want to call the attention of you gentlemen to another fact. We have in our Treasury many securities which can be utilized and probably will be available in the coming year which will help to reduce our indebtedness. We have railroad securities of $223,000,000 which will be sufficient to pay the railroads every dollar that we owe them. And I want to say that this year we have been able to sell more railroad securities than were necessary to pay the railroads the amount that we did pay to them. We have Federal farm loan bank bonds to the extent of $183,000,000. We have securities for war supplies which have been sold.

The SPEAKER. The time of the gentleman has expired.

Mr. DUNBAR. May I proceed for two minutes out of order?

Mr. McFADDEN. I yield two minutes more to the gentleman.

Mr. DUNBAR. We have securities for the sale of war supplies, amounting to $35,000,000, of the War Finance Corporation, the Housing Corporation, the Sugar Equalization Board, the United States Grain Corporation—for $350,000,000—that will now be practically liquidated, amounting altogether to nearly $800,000,000, every dollar of which within the next two years should be available, and many dollars of which will be available next year. So I do not see how it is possible for anyone to be correct in any assertion that might be made that the revenues received for the coming fiscal year will not be adequate to meet our expenses.

But, on the other hand, gentlemen, I want to make this observation, that this so-called "do-nothing" Congress has been able within the last year and will be able in the year to come to reduce the Government expenses to such an extent as will enable the liquidation of $1,000,000,000 worth of our indebtedness. And the credit belongs to Congress; not to the administration.

Within the last year this Congress has reduced the appropriations recommended by the administration more than $500,000,000. This Congress has reduced the appropriations recommended by the chairman of the Bureau of the Budget more than $350,000,000. Instead of this being a "do-nothing" Congress this is a Congress that has had at heart the success of the affairs of our countrymen, the brains to solve perplexing problems, and a Congress that has not only watched the affairs of our Government as administered by our President and his departments, but has reduced the expenses to an extent that entitles them to receive credit from every fair-minded, loyal American citizen.

What this administration needs is an advertising agent. They do not get credit for what they do. This Congress does not get credit for what it does. The only department of this Government that gets any credit for what it does is the new Bureau of the Budget that was but recently established.

The SPEAKER. The time of the gentleman has expired.

Mr. DUNBAR. May I have one more minute in which to finish?

Mr. McFADDEN. I yield one more minute to the gentleman.

Mr. DUNBAR. The only function of this Government that has an advertising agent is the Bureau of the Budget. The head of the Budget Bureau, Mr. Dawes, or some equally capable man, should have been made advertising agent of the

administration by the President in order that the world might know what this Congress and this administration has done for the American people. I admit and know that Mr. Dawes is a good business man, a brave and courageous soldier. He is a man of many capabilities, not the least of which is that of a good advertising agent, and I really wish the President of this great Republic would employ an advertising agent like Mr. Dawes, so that the people of America could know what this Congress and what this Republican administration has done for economy and for the business of the country. [Applause.]

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. WINGO. Mr. Speaker, I yield two minutes to the gentleman from Maryland [Mr. GOLDSBOROUGH], and I ask unanimous consent that he may be permitted to proceed out of order and also to extend his remarks.

The SPEAKER. The gentleman from Arkansas asks unanimous consent that the gentleman from Maryland may proceed out of order and may extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. DUNBAR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. GOLDSBOROUGH. Mr. Speaker, the general public, and particularly that part of the public in close touch with agriculture, with the man of moderate means, with the salaried man, and with the wage earner have recently shown great interest in legislation to stabilize the purchasing power of money. On the general subject the Baltimore Sun on May 25 last spoke editorially as follows:

PROFESSOR FISHER'S DOLLAR.

Representative GOLDSBOROUGH'S introduction to Congress of Prof. Irving Fisher's "stabilized dollar" permits that body, if it will, to study with seriousness the tremendously important questions with which Professor Fisher's proposal deals. Every sort of business activity is involved in them, every worker is affected by them—and now Congress is asked whether it believes that in the stabilized dollar lies some relief from the evils of the present fluctuating standard of values.

Professor Fisher's proposal that a dollar should be based ultimately upon a wide range of consumable commodities instead of upon one unconsumable commodity, gold, can not be ranged with various crack-brained financial schemes of the past. It has been approved by enough competent students of banking and finance to give it a good standing in the field of economic philosophy, and the reputation of its author is alone sufficient to establish it as worthy of attention.

The fact that goods have generally increased in cost during the last few decades, instead of decreasing in accordance with what one supposes are more efficient methods of production, is enough in itself to suggest that some method of stabilizing the dollar is needed in order to make certain that on top of the fluctuations in the value of goods caused by the law of supply and demand there will not be superimposed steady increases in price which are caused solely by the type of monetary system that happens to be in use. It is this steady rise which Professor Fisher wants to check.

Whether his proposal, if adopted, will do what he claims for it without at the same time causing serious breaches in the financial structure of the country is a question which should be settled beyond possibility of error before this or any nation puts it into effect. America, with its foreign trade, must also consider the problem of foreign exchange between countries using the gold and the commodity standard of value. Finance, in the broader sense of the word, is so fundamental to industry and commerce that one dare not tamper with it without clearly understanding the soundness and practicality of the contemplated reforms.

Even though the Fisher plan can not be immediately approved, it is nevertheless true that Mr. GOLDSBOROUGH has at least brought to Maryland the credit of having from one of its Representatives come the request that Congress take under consideration this most important matter. Here is no petty politics, but rather an attempt to deal with a problem of profound importance to the whole country and to the world. If, following Representative GOLDSBOROUGH'S lead, Congress turns its attention to the shrinkage of the dollar and tries seriously to understand why it occurs, that body may even correct some of its curious ideas about the tariff.

Mr. WINGO. Mr. Speaker, I yield five minutes to the gentleman from Oklahoma [Mr. CARTER].

Mr. CARTER. Mr. Speaker, I ask unanimous consent to proceed out of order and to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to proceed out of order and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. CARTER. Mr. Speaker, for the past several months there has been considerable agitation in the southwestern part of the country for legislation fixing the price of wheat, cotton, corn, and other products. What school of political economy such a principle emanates from is beyond my information and understanding. Certainly it is not in harmony with Democratic principles, nor do I think it has any place among Republican policies. While unable to account for the antecedents of this peculiar philosophy, I do know that there is nothing which would prove more perilous and disastrous to the farmer than any attempt to fix the price of his products by the Congress of the United States as it is composed to-day.

Any bill fixing the price of these products would be introduced in the House in the regular way and referred to the Committee on Agriculture. Before it could be considered by the House it would be necessary to have the Committee on Agriculture make a favorable report. Any price that the Committee on Agriculture might recommend would, of course, be subject to amendment when it reached the floor of the House.

Take cotton, for instance. By consulting the records in the document room I find that only two bills have been introduced in the last six years proposing to fix the price on cotton. One, H. R. 11517, introduced by Mr. Emerson, of Ohio, a Republican, on April 18, 1918; the other, H. R. 12737, introduced by Mr. Cox, of Ohio, a Democrat, on August 12, 1918, both in the same year. The Emerson bill proposed to fix the price at 20 cents per pound and the Cox bill at 15 cents per pound. Now, this was back in the summer of 1918, mind you, when cotton was bringing a price of 35 to 40 cents a pound, and it had cost not less than 25 to 30 cents to raise, gather, and market that crop. I cite these two bills as the only two expressions of sentiment with reference to the price of cotton by Congressmen coming from States which do not produce cotton.

When the item fixing the price of cotton is reached, we all know amendments would certainly be offered both increasing and decreasing the price of this product, and we all know fully as well that these amendments when offered would be divided according to the line that defines what is commonly called the North and the solid South. In order to understand what might be the effect of these amendments let us consider for a moment the composition of the present membership of the House, and when that is understood it will be easy to decide what will be sure to happen to the cotton farmer. The present House is composed of 435 Members.

If my memory serves me right, less than 100 of these represent districts producing cotton, but there are 113 of them who come from cotton-producing States, so let us assume they will stand together for the cotton producers. One hundred and thirteen from 435 leaves 322, so there would be 322 representing noncotton-producing States.

There is no mistaking how the Congressmen would vote on this proposition. The issue would be clearly defined and the geographical line of division would run a few miles south of what is commonly called the Mason and Dixon line. Those representing cotton-producing States would naturally contend to have the price of cotton fixed at a point where it would yield the cotton farmer a profit plus the cost of production. Those coming from States which produce no cotton, but which consume cotton, would just as naturally be interested in placing cotton at a price where their clothes would be cheaper and where their factories might procure the raw material as cheaply as possible.

Mr. WHITE of Kansas rose.

Mr. CARTER. I yield to the gentleman from Kansas [Mr. WHITE].

Mr. WHITE of Kansas. The gentleman in his statement does not make it entirely clear to my mind when he speaks of 113 Members representing cotton-producing districts, and says the balance of the membership represent cotton-consuming districts. He does not mean to say cotton-manufacturing districts, does he?

Mr. CARTER. Oh, no; certainly not. I mean that 113 Congressmen come from cotton-producing States and the balance of the 435 come from cotton-consuming States. Now, if my friend will just be patient a moment, let me say it would place the cotton farmer in this situation: The proposition for fixing the price of his principal product would be submitted to a tribunal of 435 men, 113 of these in full sympathy with him and 322 representing constituents antagonistic to him and who desire to get his product as cheaply as possible. It is no reflection on any Member of Congress to say he will represent the interests of his constituents.

Suppose a farmer should drive into town with three bales of cotton on his wagon for sale; one, we will say, strict good middling; one middling; and the other good ordinary. Three cotton buyers approach him to buy his cotton, each wanting one of the different grades, but none wanting all three. They are unable to agree on a price, and finally one of the cotton buyers makes this proposition: "The market does not justify the price you ask for your cotton and we can not pay it, but we are willing to do the fair thing and submit the price to arbitration. There are four of us here. We will all vote on the price of the three bales and let the majority rule." If

the farmer should agree to that we can readily see what would transpire. By a vote of 3 to 1 his three bales of cotton would go for the smallest possible price, certainly far below their actual value. Now, that illustrates what would take place should the proposition of fixing the price of the farmer's cotton be settled by this House.

Mr. WHITE of Kansas. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield.

Mr. WHITE of Kansas. Are not the constituencies to which the gentleman alludes of the 113 Members as truly consumers of cotton as the constituencies of other Members, except those districts where there are cotton factories?

Mr. CARTER. Certainly they are; but their interest as producers is far greater than their interest as consumers. Ergo, these 113 would represent the wishes of the producers and not the consumers; but I repeat, there would be 322 other Congressmen having an intense interest in the consumers, but no direct interest whatever in the producers, and it doesn't take a mathematician or seer to figure the ruin and havoc that would be visited on the cotton farmer under any such foolish proposal as that.

This being granted, the vote, then, of the membership of the House would be as follows: For fixing the price of cotton sufficient to assure a reasonable profit over and above the cost of production, 113; for the lowest possible fixed price of cotton, 322 votes. So it can be naturally seen where the cotton farmer would land. His cotton would be fixed at a price below the cost of production by a vote of almost 3 to 1 in this House. The natural result would be that the farmers would refuse to raise cotton, and not only the South but the whole country would eventually suffer from such an unwise procedure.

So much for the cotton farmer. Now as to the calamity that might befall the wheat farmer, I have only to call attention to the interview of Congressman MARTIN MADDEN, published in the newspapers of January 1, 1921, as follows:

For the first time in history the territory which pays the bulk of Federal taxes will have full working control of the House of Representatives after March 4.

Checking up the new list yesterday, Representative MADDEN, Republican, of Illinois, found that with the opening of the new session the section east of the Mississippi and north of the Ohio Rivers would have a solid Republican voting strength of 228. The House majority is 218. Mr. MADDEN'S figures indicated this section pays 84½ per cent of all taxes, with the South and West, now able to control the House by joint action, paying the balance.

"This will give the Republicans from the tax-paying belt a clean majority hereafter over all other combinations," Mr. MADDEN declared, "and I believe we will soon begin to see a change in sectional or class legislation.

"Under Democratic administrations the South has been in the saddle, and the South paid only 6 per cent of all taxes. Most people have imagined that the landslide put the West on top in the House, but that is wrong.

"By their vote in November the people decreed that the tail no longer should wag the dog of Congress."

Mr. MADDEN is a Republican Representative from the State of Illinois, and is chairman of the most powerful committee in the House—the Committee on Appropriations. So it may reasonably be presumed that he knew whereof he spoke. This interview was read into the RECORD by Hon. MARVIN JONES, of Texas, one week thereafter. Mr. MADDEN was present at the time, and while taking some part in the controversy did not at that time deny the authenticity of the statement.

The majority of the wheat producers live west of the Mississippi River, and a majority of those living east of the Mississippi River and north of the Ohio are consumers of wheat and not producers. The Republican Party controls the House. If Mr. MADDEN'S statement be true that those Republicans north of the Ohio and east of the Mississippi Rivers control the Republican Party, then it follows that these same would control any policy of the House, for the Republicans control the House by more than two to one. So the same thing that applies to the cotton producer would apply to the wheat producer, and the wheat farmer would find himself raising wheat at a price fixed by Congress at less than the cost of production.

Under leave given me to print, I am submitting herewith a statement of my votes cast on measures of major importance which have been considered by the House since I have been a Member of Congress. My reason for giving only the more important measures is that Congressmen have been called upon during the past few years to vote upon such a volume of legislative matters, many of them of minor importance, that any document seeking to give the vote on every question would be so voluminous and complicated as to make same almost worthless to the average busy citizen engaged in the necessity of making a living. If, however, my record should be desired on any particular matter other than those enumerated herein below, I shall be glad to candidly furnish same, with reasons therefor, upon request.

All legislation necessary for a final disposition of tribal affairs of the Five Civilized Tribes and per capita distribution of tribal funds has been properly enacted, and all the tribal property has been disposed of with the exception of a portion of the coal deposits in the segregated mineral land of the Choctaw Nation. The law requires that all these deposits be sold, but the department claims that it has not been able up to this time to receive adequate bids on that portion which is left unsold and promises that just as soon as the financial conditions of the country warrant the coal deposits will be disposed of.

During the last eight years there has been distributed per capita to the Choctaws and Chickasaws under resolutions proposed by me a total of $25,571,610. These payments were made from tribal funds which accumulated in the Treasury as a result of the sales of tribal property. Because of the failure of the department to sell the coal deposits and on account of the shortage of collections of deferred payments on unallotted lands and other tribal property the per capita payment may be somewhat curtailed this year, but just as soon as the coal deposits are sold and normal conditions resumed so payments can be made on other property, the per capita payments should return to their former dimensions.

First. There is enumerated herein below my record on some of the more important measures pertaining to the east side of the State of Oklahoma only. I had the honor of proposing most of these measures and gave my unqualified support to the few which were proposed by others.

1. Per capita distribution of tribal funds since 1912:
Choctaws—per capita, $940; total, $19,677,850.
Chickasaws—per capita, $920; total, $5,893,760.

2. Sale of the surface of the segregated mineral land.

3. Sale of the coal and asphalt deposits of the segregated mineral land.

4. Sale of the Choctaw timber reserve.

5. Sale of the unallotted lands.

6. Amendment confining bank deposits of Oklahoma Indian funds to State and national banks in Oklahoma only.

7. Amendment authorizing Government bonds to be used as surety for deposit of tribal funds.

8. Oklahoma State courts vested with full and final probate jurisdiction in settlement of Indian estates, including the determination of heirship and partition, a jurisdiction enjoyed by no other State in the Union.

9. Three and one-half million dollars in support of rural schools in Oklahoma during the past 14 years.

10. Consolidation of two Indian bureaus at Muskogee under one head, which has eliminated much red tape and duplication of work and unnecessary expense.

11. Amendment prohibiting the department from spending tribal funds until specifically appropriated by Congress, which has saved millions of dollars of the Choctaw and Chickasaw tribal funds.

12. Provision for titles to unsold town lots on the segregated mineral lands.

13. Provision requiring probate attorneys to confine their activities to restricted Indians only.

14. Removal of restrictions on more than half of the allotted lands of the Five Civilized Tribes.

15. State use amendment, which prevents coal under the State penitentiary from being sold in competition with free labor.

I voted for the following measures of general legislation:

1. Federal reserve banking act.

2. Farm credits act, enabling farmers to borrow money at low rates of interest for purchasing and improving their homes. More than $500,000,000 has been loaned to farmers by the 12 farm land banks, $10,000,000 of which was loaned in Oklahoma.

3. Farm loan bank deposits: This authorizes the deposit of $25,000,000 Federal funds to be used by said banks in making farm loans during the time sales of the loan bonds are taking place.

4. Farm loan bonds: Under the authority of this law the Secretary of the Treasury purchased $195,175,000 of farm loan bonds, to be used by the farm loan banks in increasing the amount of money available for loans to farmers.

5. War Finance Corporation: A bill authorizing money to be advanced to banks to be loaned to cooperative organizations of farmers and other financial institutions to assist in the production of farm products, live stock, and in the orderly marketing of same. About $340,000,000 has been loaned under this act.

6. Good roads extension act: Providing a system of cooperation between Federal and State Governments in building good roads. In all, $350,000,000 has been appropriated for building

hard-surface roads and over eight million has been apportioned to the State of Oklahoma. It is a regrettable fact that the present Congress has reduced the good-roads appropriation to $50,000,000 for next year.

7. Agricultural extension act, which extends agricultural educational facilities to the farmer and his family.

8. Bureau of Farm Markets, with the purpose to aid the farmer in marketing his crops.

9. Federal warehouse act, which enables the farmer to store his crop with insurance when prices are inadequate and makes Federal warehouse receipts prime collateral for securing loans at Federal reserve banks.

10. Cotton futures act, to prevent gambling in cotton and manipulation of the cotton market by cotton jobbers.

11. Grain grades act, which establishes uniform grades and classification for grain.

12. Vocational educational act, which provides cooperation with the States in promoting vocational education and training of teachers in vocational subjects.

13. Clayton Antitrust Act, which prohibits interlocking directorates and defines and expands the provisions of the Sherman law. It is designed to open the door of opportunity to the business man of moderate means.

14. Creation of Federal Trade Commission, to investigate and regulate unfair methods of competition, thereby affording further protection to the small business man.

15. The Underwood Tariff Act, reducing the taxes on necessities and increasing the taxes on luxuries.

16. Physical valuation of railroads, which directs the Interstate Commerce Commission to make an actual physical valuation of railroads in order that all water may be squeezed from railroad stock.

17. Act giving labor a seat in the President's Cabinet.

18. Child Welfare Bureau.

19. Resolution submitting prohibition constitutional amendment to the several States.

20. Constitutional amendment providing for direct election of United States Senators by the people.

21. Constitutional amendment for woman suffrage.

22. War risk insurance law, providing insurance at a low rate of interest as well as allotments and allowances for sailors, soldiers, and marines.

23. Sweet bill, which liberalizes the war risk insurance act.

24. Veterans' Bureau act: This creates an independent bureau under the President, known as the Veterans' Bureau, and coordinates under one head hospitalization, vocational training, war-risk insurance, and compensation payments of veterans of the World War.

25. Adjusted compensation to ex-service men.

26. Establishment of a budget system.

27. Coordination of Government bureaus.

28. I supported all measures necessary to the conduct of the war, and when the war was over voted for the resolution to repeal war-time legislation.

29. While not in full accord with its terms, I supported the Porter peace resolution, offered by the present administration, because it was the only proposition presented at that time to end the technical war status.

30. I voted against the Esch-Cummins railroad bill, which guaranteed the railroads a fixed dividend of 6 per cent at a time when nearly every other line of business in the country was operating at a loss.

31. I voted against a large standing Army in times of peace.

32. I voted against a Navy greater than required by the terms of the world conference for a reduction in armament.

33. I voted against the Fordney revenue bill, increasing the taxes on small incomes and reducing the taxes on incomes of millionaires.

34. I voted against the Fordney tariff bill, which, with its American-valuation plan, in my opinion, will raise import duties to the high point of stifling our commerce with the world and further embarrassing the marketing of our farmers' products.

35. I voted against the proposal to surrender securities for foreign debts.

36. I voted against the antilynching bill.

The SPEAKER. The time of the gentleman from Oklahoma has again expired.

Mr. McFADDEN. Mr. Speaker, I yield three minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to proceed out of order. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Speaker, I am very much interested in what the gentleman from Oklahoma said about price fixing. There is one argument against price fixing that the gentleman has not referred to, and that is to be found in the all-sufficient reason that you can not fix the prices of commodities by law or hold them at the prices you fix amid the changing conditions of supply and demand. You may try to do it, but you can no more fix and establish and maintain the price of a commodity by law through the running of the years than you can regulate the laws of gravity——

Mr. CARTER. And ought not to——

Mr. MONDELL. And say how much pull the earth shall have on the apple falling from a tree.

Mr. CARTER. And, if you could, it would not be wise policy to do so.

Mr. MONDELL. Yes; you would have a deuce of a time between conflicting interests.

Mr. CARTER. Yes.

ORDER OF BUSINESS.

Mr. MONDELL. Mr. Speaker, the Committee on Agriculture, having a number of important matters under consideration, does not care to occupy the time of the House to-morrow, as was suggested in the tentative program for the week, and instead we shall consider to-morrow the so-called basket bill, which is the unfinished business before the House.

Mr. QUIN. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. Yes; I yield.

Mr. QUIN. Are you prepared to keep a quorum in this House all day?

Mr. MONDELL. Oh, yes. I know the gentleman from Mississippi is in favor of the measure and will help to keep a quorum present here in order that the bill may be passed. [Laughter.]

Mr. Speaker, I want to ask unanimous consent that at the conclusion of the consideration of the basket bill to-morrow we may take up the consideration of unobjected bills on the Private Calendar, beginning at the place where we left off at the time of their last consideration.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that to-morrow, after the completion of the basket bill, it shall be in order to take up from the Private Calendar unobjected bills, beginning at the place where we left off on their last consideration. Is there objection?

There was no objection.

Mr. MONDELL. I ask unanimous consent that on Friday, after the conclusion of the consideration of matters from the Pension Committees, we may continue consideration of the Private Calendar under the order just agreed to with regard to to-morrow.

The SPEAKER. The gentleman from Wyoming asks further that the same class of unobjected bills on the Private Calendar in order to-morrow may be considered on Friday after the consideration of pension bills. Is there objection?

Mr. WALSH. Reserving the right to object, Mr. Speaker, do I understand that we are going to have two days for claim bills?

Mr. MONDELL. Parts of two days only.

Mr. WALSH. We have passed more private-claim bills in this session of Congress than in the three preceding Congresses, and the Senate has passed less of them. If we send over another batch the Senate will not consider them.

Mr. MONDELL. I want to suggest to the gentleman from Massachusetts that it is not entirely parliamentary to criticize the other legislative body.

Mr. WALSH. Oh, I am commending them. I think all praise and honor should be given them because they have treated those bills in that way.

Mr. WINGO. I do not think you will reach them to-morrow.

Mr. WALSH. If that is the situation I will not object.

The SPEAKER. Is there objection?

There was no objection.

Mr. GARNER. Is it the purpose to move to adjourn from Friday until Monday?

Mr. MONDELL. No; we shall be in session Saturday for a short time; but I know of no reason now why we should continue in session for any length of time.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. McFADDEN. Mr. Speaker, I move the previous question on the bill and amendments to the final passage.

The SPEAKER. The gentleman moves the previous question on the bill and amendments to the final passage.

The previous question was ordered.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

On motion of Mr. McFADDEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted—

To Mr. LEATHERWOOD, for five days, on account of important business.

To Mr. STEVENSON, for 10 days, on account of needing a rest.

To Mr. LONDON, for three days, on account of important business.

ADJOURNMENT.

Mr. McFADDEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 3 o'clock and 58 minutes p. m.) the House adjourned until Thursday, June 8, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

632. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting, with a letter from the Acting Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Interior Department for the fiscal year ending June 30, 1922, amounting to $16,726.85, for the protection of the so-called Oregon and California railroad lands and the Coos Bay wagon road lands (H. Doc. No. 336), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. JAMES: Committee on Military Affairs. H. J. Res. 343. A joint resolution authorizing the Secretary of War to loan cots, mattresses, and blankets for the use of the American Legion at the Michigan State encampment to be held in Iron Mountain, Mich., in July, 1922; without amendment (Rept. No. 1072). Referred to the House Calendar.

Mr. JOHNSON of South Dakota: Committee on Indian Affairs. H. R. 243. A bill providing for the construction of a spillway and drainage ditch to lower and maintain the level of Lake Andes, S. Dak.; with an amendment (Rept. No. 1073). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 11834) granting a pension to Jannie E. Bell, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. McFADDEN: A bill (H. R. 11939) to amend section 5219 of the Revised Statutes of the United States; to the Committee on Banking and Currency.

By Mr. KINCHELOE: A bill (H. R. 11940) to authorize Union and Crittenden Counties in the State of Kentucky to construct and maintain a bridge across Tradewater River at or near the mouth of Cypress Creek, State of Kentucky; to the Committee on Interstate and Foreign Commerce.

By Mr. RIDDICK: A bill (H. R. 11941) defining the crop failure in the production of wheat, rye, barley, oats, and flax by those to whom the Government of the United States loaned money, under the act of March 3, 1921, for the purchase of wheat, rye, barley, oats, or flax for seed, and for other purposes; to the Committee on Agriculture.

By Mr. JOHNSON of Mississippi: A bill (H. R. 11942) to amend section 14 of the Federal reserve act in order to permit the increase of the open-market powers of Federal reserve banks by permitting them to purchase and sell long-time paper secured by shipping documents or warehouse receipts covering agricultural products, or by chattel mortgages on live stock; to the Committee on Banking and Currency.

By Mr. ANDERSON: Resolution (H. Con. Res. 61) providing for the printing of additional copies of the report of the Joint Commission of Agricultural Inquiry; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALMON: A bill (H. R. 11943) for the relief of Lucy L. Wheeler; to the Committee on Claims.

By Mr. BENHAM: A bill (H. R. 11944) granting an increase of pension to John A. C. Hazel; to the Committee on Pensions.

By Mr. DOWELL: A bill (H. R. 11945) granting a pension to Orilla J. Hainline; to the Committee on Invalid Pensions.

By Mr. DUNBAR: A bill (H. R. 11946) granting a pension to Jessie May Robinson; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 11947) granting a pension to Elizabeth Haas; to the Committee on Pensions.

By Mr. HICKEY: A bill (H. R. 11948) granting a pension to James N. Parker; to the Committee on Invalid Pensions.

By Mr. KITCHIN: A bill (H. R. 11949) granting an increase of pension to Mary E. Todd; to the Committee on Invalid Pensions.

By Mr. LOGAN: A bill (H. R. 11950) for the relief of Clarence Benton; to the Committee on Claims.

Also, a bill (H. R. 11951) for the relief of Sullivans Island, S. C.; to the Committee on Claims.

By Mr. MONTOYA: A bill (H. R. 11952) granting a pension to Mary A. S. Taylor; to the Committee on Invalid Pensions.

By Mr. REED of West Virginia: A bill (H. R. 11953) granting a pension to Mary A. Powell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5927. By Mr. BRIGGS: Letter of Rev. W. E. Phillips, rector Grace Church, Galveston, Tex., appealing in behalf of the Armenians; to the Committee on Foreign Affairs.

5928. By Mr. DYER: Resolutions adopted by the board of aldermen of the city of St. Louis, Mo., urging Congress to complete the slack-water system on the Ohio River from Pittsburgh to Cairo, as planned by the Engineering Corps of the United States Army; to the Committee on Rivers and Harbors.

5929. Also, resolution adopted by the board of aldermen of the city of St. Louis, Mo., indorsing the provisions of House bill 10212; to the Committee on the Judiciary.

5930. By Mr. GALLIVAN: Resolution of Greater Boston Chapter, Military Order of the World War, 60 State Street, Boston, Mass., urging Congress of the United States to support the national defense act of 1920, and that it comply with the recommendation of the President of the United States and of his Secretary of War and of his Secretary of the Navy in determining the size and strength of the Army and Navy of the United States; to the Committee on Appropriations.

5931. By Mr. KISSEL: Petition of Peoria County Farm Bureau, Peoria, Ill., relative to the proposed tariff act of 1921 (H. R. 7456); to the Committee on Ways and Means.

5932. Also, petition of Robert E. Brown, Esq., Buffalo, N. Y., relative to conditions in Armenia; to the Committee on Foreign Affairs.

5933. By Mr. MacGREGOR: Petition of Rev. M. S. Howland, of the Lafayette Avenue Presbyterian Church, Buffalo, N. Y., opposing the trusting of the Armenians to the sovereignty of the Turks; to the Committee on Foreign Affairs.

5934. By Mr. NEWTON of Missouri: Resolution adopted by the Brotherhood of the Ebenezer Baptist Church of St. Louis, Mo., in favor of the proposed constitutional amendment to prohibit sectarian appropriations (H. J. Res. 159); to the Committee on the Judiciary.

5935. By Mr. RIDDICK: Petition of citizens of Billings, Mont., urging the passage of the Towner-Sterling bill; to the Committee on Education.

5936. Also, petition of several members of the First Christian Church of Great Falls, Mont., urging that the United States protect the Armenians; to the Committee on Foreign Affairs.

5937. By Mr. ROACH: Resolution by Union Baptist Church of Tipton, Mo., in support of House Joint Resolution 159; to the Committee on the Judiciary.

5938. By Mr. ROSSDALE: Petition of the Fordham Council American Association for the Recognition of the Irish Republic to protest against the murder of innocent men, women, and children in Ulster because of their religious beliefs, etc.; to the Committee on Foreign Affairs.

5939. By Mr. YOUNG: Petition of North Dakota State Federation of Labor protesting against raising money for the soldiers' bonus by a sales tax and advocating that the money be raised from war and excess-profit taxes; to the Committee on Ways and Means.

5940. Also, resolution of Devils Lake Kiwanis Club protesting against the repeal of section 416 of the transportation act; to the Committee on Interstate and Foreign Commerce.

5941. Also, resolution of the Devils Lake Business and Professional Women's Club protesting against the repeal of section 416 of the transportation act; to the Committee on Interstate and Foreign Commerce.

SENATE.

THURSDAY, *June 8, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. McCUMBER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Hale	Newberry	Spencer
Ball	Harris	Nicholson	Sutherland
Borah	Harrison	Oddie	Swanson
Brandegee	Heflin	Overman	Townsend
Calder	Jones, Wash.	Page	Underwood
Capper	Kendrick	Pepper	Wadsworth
Caraway	Ladd	Phipps	Walsh, Mass.
Culberson	La Follette	Poindexter	Watson, Ga.
Curtis	Lenroot	Ransdell	Watson, Ind.
Dial	McCormick	Rawson	Williams
Dillingham	McCumber	Robinson	Willis
Fernald	McNary	Sheppard	
Glass	Myers	Simmons	
Gooding	Nelson	Smoot	

Mr. KENDRICK. I wish to announce the absence of the Senator from Nebraska [Mr. NORRIS] and the Senator from New Hampshire [Mr. KEYES], who are engaged in a hearing before the Committee on Agriculture and Forestry.

Mr. UNDERWOOD. I desire to state that the senior Senator from Florida [Mr. FLETCHER] is detained from the Senate by illness. I desire that this statement shall stand for the day.

The VICE PRESIDENT. Fifty-three Senators have answered to their names. A quorum is present.

STATEMENT BY SENATOR MYERS.

Mr. OVERMAN. Mr. President, our much-esteemed colleague, the senior Senator from Montana [Mr. MYERS], has declined to be a candidate for reelection, which we all regret. He has issued a statement to the people of Montana which is a matter of interest to Senators and to people generally. I ask that the statement may be printed in the RECORD in 8-point type.

There being no objection, the statement was ordered to be printed in the RECORD in 8-point type, as follows:

"During the last several weeks I have received from Montana many inquiries if I would be a candidate for reelection, and I feel the time to answer them has come. Many Montana people have urged me to be a candidate and offered their support, for all of which I am deeply grateful.

"I have given the matter careful consideration, and I have decided not to be a candidate. Upon the expiration of my term my plan is to return to Montana and to endeavor to reestablish myself in the practice of law.

"Here this announcement might appropriately end, but I take this occasion to thank my friends, who have remained steadfast. Their loyalty is deeply appreciated, and I hope my record merits it. If not, it is not because of lack of effort on my part.

"For more than 11 years I have tried to serve faithfully the people of Montana and their best interests. During that time I have given them the best and all there was in me. I have ever been at their service. I have sought service, not publicity; results, not credit. The work has been hard and wearing, and there have been very few days, when not prevented by illness, when I was not at my post, working long hours.

"In matters not political I have ever endeavored to give prompt, faithful, courteous attention to everything in which my aid was sought by any constituent—Democrat, Republican, Socialist—those of any politics and those of none. In such matters I have known no politics, factions, or past differences, but have tried to serve all alike. It has been a pleasure to me to do so. No one has appealed to me for aid in any legitimate matter whose appeal has been ignored.

"In political matters I have nearly always voted with the majority of my party. During both of President Wilson's terms, with one exception, I heartily supported all of his administration measures. For eight years, with one exception, I voted to confirm every nomination to office made by him. During the World War, from start to finish, I ardently supported him in all measures for the prosecution of the war and in preparation therefor. I unwaveringly followed him, as our leader, throughout that great conflict. After the cessation of hostilities I earnestly supported him in his efforts to have us enter the League of Nations, which I sincerely favored.

"Since President Harding's induction into office on administration measures upon which my party divided I have voted to uphold him when I thought it to the interest of my country to do so, otherwise not. Generally, when I did so, I was in company with Senator UNDERWOOD, Democratic leader of the Senate. I put but three things above my party—they are the Constitution, my conscience, the welfare of my country and State.

"Realizing the desperate plight of agriculture since the World War, I have voted for every measure for the benefit of farmers which has come before the Senate. I have supported many measures for the benefit of labor. I have voted for all measures for the benefit of disabled former service men, for whom the Government is now expending $1,000,000 a day, for all of which I voted. I have voted for all measures to promote good morals and clean living.

"I have not during either my first or second term in the Senate taken any stand or given utterance to sentiments or cast votes or made promises with a view to advancing my political fortunes or procuring reelection. My only aim has been to do what I thought right; my only guide has been my conscience. I have tried always to do my duty, be the consequences what they might. I know some things I have done have not been popular. I have not sought popularity. I realize I have not pleased all. I have not tried to do so. However, I have done my best, according to my sense of duty.

"I hope I may be succeeded by some one who will serve the people of Montana and of the country as diligently and faithfully as I have tried in my humble way to do, and who will do so more successfully and effectively. I hope the Democrats of Montana may nominate for my successor some one who may be acceptable to the party and who may be worthy of receiving the votes of a majority of the voters of Montana.

"When I shall return to the people of Montana the trust with which they have twice graciously honored me, I hope and expect to do so without having brought upon it discredit by any act of mine. I have broken no promises. I have given conscientious if not valuable service.

"I was here at my post the first day of my first term, upon the convening of Congress, and I expect to be here the last day of my present term. Meantime I shall continue to serve my constituents as heretofore. Thereafter, to such law business as I may be fortunate enough to get I expect to give the same degree of attention, diligence, and fidelity I have tried to give to public business.

"In conclusion, I thank the good people of Montana for all they have done for me and thank the Democrats of Montana for the honors they have conferred upon me. May the blessings of Providence rest upon Montana."

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed the bill (S. 831) to amend the proviso in paragraph 10 of section 9 of the Federal reserve act amended by the act of June 21, 1917, amending the Federal reserve act, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the joint resolution (S. J. Res. 7) authorizing the Secretary of the Treasury to designate depositaries of public moneys in foreign countries and in the Territories and insular possessions of the United States, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H. R. 9409) to amend section 5209, Revised Statutes of the United States, relating to penalty for embezzlement by a Federal reserve officer, agent, or employee, so as to include national bank examiners or assistants, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 36. Concurrent resolution providing for printing as a House document 1,500 copies of the Journal of the Fifty-sixth National Encampment of the Grand Army of the Republic; and

H. Con. Res. 59. Concurrent resolution providing for printing 3,000 additional copies of Senate Document No. 181, Sixty-seventh Congress, entitled "A letter of the Alien Property Custodian transmitting a report showing the names of all persons employed by the Alien Property Custodian."

ADJUSTED COMPENSATION FOR WORLD WAR VETERANS.

Mr. McCUMBER. Mr. President, I ask unanimous consent at this time to report back from the Committee on Finance the so-called soldiers' compensation bill, the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

The VICE PRESIDENT. Is there objection?

Mr. UNDERWOOD. I shall not object for the moment, as I do not want to interrupt the Senator's statement. I prefer to let him make his statement first.

Mr. McCUMBER. Mr. President, I only desire at this time to say that the committee has sought in the revision of the bill to meet the objections that were urged against its consideration and upon which it was referred back to the Committee on Finance some time ago. The committee have made quite an elaborate report, and I shall ask Senators to carefully consider that report, because it fully explains everything that it will be necessary to understand in the discussion of the bill.

At this time, without presenting the bundle of papers, I wish also to present and have referred to the Committee on Finance a petition containing something over one million names. It is the second installment of a million names of persons who have petitioned for the enactment of the bill into a law.

The VICE PRESIDENT. Without objection the petition will be received and referred to the Committee on Finance.

Mr. WILLIAMS. Mr. President——

Mr. McCUMBER. Will the Senator allow me to finish my statement first?

Mr. WILLIAMS. I beg the Senator's pardon. I thought he had finished.

Mr. McCUMBER. I shall finish in just a moment.

Mr. WILLIAMS. I merely desired to reserve the right to object later.

Mr. McCUMBER. Very well.

Mr. President, at some time in the very near future I hope to be able to lay aside for a day or two the consideration of the tariff bill for the purpose of considering and passing, if possible, the soldiers' compensation bill.

I desire to say at this time that while the pending tariff bill which is under consideration marks the dividing line between Republicanism and Democracy, and in its discussion necessarily there must be partisanship and an attempt to take some partisan advantage if possible, in the soldiers' compensation bill we have nothing but an American bill. I hope we shall be able to dispose of it as an American measure in the same spirit that we voted for appropriations to carry on the war.

In fixing a time to bring up the measure I shall consult with Members on both sides of the Chamber, because there are many on each side whose States are having their primaries, who must be absent at times, and who are desirous of being present when the measure is considered. I shall try to fix a date for bringing it up that will suit the convenience of most Senators upon both sides of the Chamber.

Mr. UNDERWOOD and Mr. BRANDEGEE addressed the Chair.

The VICE PRESIDENT. The Senator from Alabama.

Mr. UNDERWOOD. Mr. President, the Senator from North Dakota has stated that the so-called bonus bill is not a partisan bill, and that is true. There are comparatively few of us on either side of the Chamber who are opposed to its passage, so far as I know, and probably those in opposition are about as many on one side of the Chamber as on the other.

I indicated a moment ago that the Senator could not have the bill taken up by unanimous consent, but that was not with any idea of filibustering the bill, because I realize that the majority of the Senate are entitled to act when they get ready; but I feel so earnestly that the bonus bill, if it shall be passed, will, in the end, not only work injury to the American people but will be an injury to the men whom it proposes to help that I do not want to feel that I myself have given consent to its consideration.

Of course I realize that objection to unanimous consent for the consideration of the bill is a mere matter of form; that the Senator from North Dakota may have the bill taken up and allow the tariff bill to go to the calendar for a few days and then move to take the tariff bill off the calendar without changing the status any more than by having the bonus bill taken up by unanimous consent; but I think I represent the views of those on both sides of the Chamber who intend to vote against the bonus bill when I say that I do not wish, as far as I am concerned, that we shall be parties to the consideration of the bill.

If the Senator from North Dakota is going to have the bill taken up this summer, I see no objection to taking it up to-day or to-morrow any more than taking it up in July or August. I think, however, when the Senator has a bill before the Senate which is intended, on its face, at least, to raise revenue, it is not a very good time to take up a bill which is admittedly going to make a charge against the Treasury of over $4,000,000,000, and which, in my judgment, if the interest is calculated against the claims, will amount to $6,000,000,000 or $7,000,000,000, and especially a bill which will not take effect until next year. If the bill is passed now, the only effect it will have may be a political effect. It is not going to help the ex-soldiers any to pass it this month any more than if it shall be passed in next December, because the resultant effect of the bill will not be accomplished until next year, no matter when it may be passed.

I should be very glad if the bill went over until after the election, so that the American people might have an opportunity to voice their sentiments on the subject. I realize that the American people are behind the soldiers. The soldiers are the heroes of this generation, and they are entitled to be the heroes of this generation; but it is now proposed by Senators to bring before the country a bill that is going to put a charge of from four billion to seven billion dollars on the American taxpayers, and, if I read the bill aright, it is so framed as to pass on that charge from the present to the future. So the young men who are going to receive this bonus, or will receive a certificate for a bonus, after the bill shall have been passed, in all human probability, if they make good in life, will be the men who must ultimately pay this great debt and in the future carry the great burden which it is proposed to put on the American people.

I realize, so far as I am concerned, that any efforts on my part to prevent the passage of the bill will be practically futile; I recognize that what I say represents on the Democratic side of the aisle only a few, and represents only a few Senators on the Republican side of the aisle; but I believe, in the effort of Senators to respond to a call which they think is in the interest of the finest young men who ever followed the American flag, that they are not only making a great mistake for the country but in the end they will do a serious injury to the ex-service men themselves.

Therefore I ask the chairman of the Committee on Finance when he gets ready to bring the bill before the Senate to do so on motion, so that the responsibility may rest on those Senators who are going to sustain the bill and not in any way on the Senators who are opposed to it.

Mr. TOWNSEND. Mr. President, will the Senator yield to me?

Mr. UNDERWOOD. I yield.

Mr. TOWNSEND. I understand that the request of the Senator from North Dakota is merely that he may be permitted to present the report for the purpose of having it printed. I should very much like to have the report printed.

Mr. UNDERWOOD. I may have misunderstood the Senator from North Dakota. I thought he said that he wished to bring the bill up.

Mr. McCUMBER. Oh, no; I merely asked that I might present the report now; and I explained that I wanted to consult Senators on both sides of the Chamber as to what we shall do in the future.

Mr. UNDERWOOD. I misunderstood the Senator. There is no reason why the Senator should not be permitted to present the report by unanimous consent.

Mr. McCUMBER. That is all that is involved in my request.

Mr. UNDERWOOD. I have no objection to that. I merely ask the Senator when he gets ready to bring the bill before the Senate that he will do so by a motion.

Mr. McCUMBER. I shall not seek to bring the measure up, of course, until I have consulted Senators on both sides of the Chamber.

Mr. BORAH. That is, both sides of the question.

Mr. McCUMBER. That is the same thing.

Mr. BRANDEGEE. Mr. President——

The VICE PRESIDENT. The Senator from Connecticut.

Mr. BRANDEGEE. Will the Senator from North Dakota allow me to call up a resolution?

Mr. McCUMBER. Will the Senator from Connecticut merely allow me to submit the report?

Mr. BRANDEGEE. I thought the Senator had presented the report.

The VICE PRESIDENT. Is there objection to receiving the report from the Committee on Finance in accordance with the request of the Senator from North Dakota?

Mr. WILLIAMS. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. WILLIAMS. Does the filing of a report require unanimous consent?

The VICE PRESIDENT. The Chair understands that it now requires unanimous consent, because the Senate has had no morning hour for some time.

Mr. WILLIAMS. Very well. If it requires unanimous consent, I object, because I do not want to be particeps criminis in the remotest manner to any part of this performance.

The VICE PRESIDENT. There is objection.

Mr. McCUMBER. Then, later in the day, I shall again ask unanimous consent that I may submit the report, and I hope the Senator from Mississippi will accord us that courtesy, because it will make no difference in the matter of printing or of time.

Mr. ASHURST. Mr. President, the soldiers' adjusted compensation bill has already been delayed too long. Why does not the Senator from North Dakota move to proceed to its consideration? Contractors have been paid, profiteers have been paid and, in addition thereto, have had their excess-profits taxes removed; but an objection is interposed when a soldiers' adjusted compensation bill is reported. I hope the Senator from North Dakota will show some grit and, notwithstanding the objection of my friend from Mississippi [Mr. WILLIAMS], will move to proceed to the consideration of the compensation bill. This is the time for courage and sand.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from North Dakota?

Mr. BRANDEGEE. The Senator from North Dakota, I think, still has the floor.

The VICE PRESIDENT. The Chair is of the opinion that the Senator from Connecticut has the floor.

Mr. BRANDEGEE. If so, I yield to the Senator from North Dakota.

Mr. McCUMBER. Mr. President, I wish simply to say in response to the observations of my good friend from Arizona [Mr. ASHURST] that there is at least a "gentlemen's agreement" in the Senate that I shall not ask to lay aside the pending tariff bill without giving due notice and consulting with Senators on the other side of the Chamber, and also consult with the leader on the other side of the aisle.

Mr. ASHURST. I was not aware of that agreement.

Mr. McCUMBER. Therefore, I do not wish to move to take up the bill at present.

Mr. ROBINSON. Mr. President, will the Senator from Connecticut yield to me?

Mr. BRANDEGEE. I yield.

Mr. ROBINSON. I thank the Senator from Connecticut.

Mr. President, during the course of the debate on the tariff bill a large number of measures have, by unanimous consent, been reported to the Senate from various committees of the Senate. I do not recall a single instance in which an objection has heretofore been interposed. The only effect of an objection to the filing of the report on the adjusted compensation bill by the Senator from North Dakota at this time will be to force an adjournment for a day, when, of course, during the morning hour, which would result on the following day after an adjournment, he would be able to submit the report.

The question of the bonus for ex-service men has been before the Senate for a long time. In my opinion, it is desirable that the subject be discussed and disposed of. It is a vexing question, not only threatening to enter politics but affecting almost every phase of industry and business. This country would have been better off, business interests in my opinion would have been advanced, by the settlement of the bonus question a year ago. The longer the delay the worse it will be for the country.

I realize that there are two sides to the controversy, and that the opposing viewpoint should be given liberal and free expression in the consideration of the measure, but I hope that my friend the Senator from Mississippi [Mr. WILLIAMS] will not persist in an objection to the submission of the report on the bonus bill by the Senator from North Dakota, and I also express the hope that within the next two or three weeks an agreement may be reached under which the Senate may proceed to the consideration of the bill and dispose of it. If no agreement can be secured, it will be necessary to carry a motion to proceed to the consideration of the adjusted compensation bill.

It is due to the American soldier to act promptly upon the measure. If we are going to decide that he is not entitled to adjusted compensation, we ought to give the decision promptly; if we are going to award adjusted compensation, we ought not to detract from the value of it by an undue delay in granting it.

This statement is made that it may be understood that the objection of my friend the Senator from Mississippi and the views expressed by my friend the Senator from Alabama do not reflect the viewpoint of all on this side of the Chamber. I thank the Senator from Connecticut.

Mr. McCUMBER. If the Senator will allow me, in addition to what he has said and in response to the statement made by the Senator from Alabama to the effect that, as the bill does not go into effect until the 1st day of January, there is no hurry about securing its passage, I desire to suggest that if the bill becomes a law the department ought to have fully six months' time in which to get ready to put the matter into operation.

Mr. ROBINSON. Mr. President, in addition to that, with the indulgence for a moment further of the Senator from Connecticut, there is a feeling that is growing in the minds of American soldiers that ought to be allayed, a feeling that Congress regards the so-called bonus bill as a mere gratuity, and that its enactment will be the result of political fear and not of a sense of justice and necessity for righteous action.

Added to the suggestion just made by the Senator from North Dakota that a very large organization will be necessary in order to put into effect the administration of this measure, is the further consideration, which is of great importance, that there is nothing in the conduct or the record of the proposed beneficiaries of this measure to justify either branch of Congress or any department of the Government in dealing with it in such a manner as to create the impression that whatever relief is granted under the measure is grudgingly given.

Mr. LENROOT subsequently said: Mr. President, I feel very sure that the Senator from Arizona [Mr. ASHURST], who is always fair, will be willing to correct his statement of challenge to the Senator from North Dakota [Mr. McCUMBER] as to moving to take up the bill reported this morning. I am sure he was in error. That motion is not in order.

Mr. ASHURST. Mr. President, it is a fact that such a motion does not lie at this time, because we would first have to adjourn and have a new calendar day. I thank the Senator from Wisconsin for calling my attention to this. I now, however, express the hope that the Senate may adjourn to-day at the close of business and that we may have a new calendar day to-morrow, so that on to-morrow the eligible motion may be made to consider this soldiers' adjusted compensation bill.

This Republic will not endure if its Congress passes bills looking toward paying the profiteer what he claims, then removes the profiteer's excess-profits taxes, and then declines to consider the bill to pay adjusted compensation to soldiers. I thank the Senator from Wisconsin, however, for calling my attention to the parliamentary situation, and I shall rely upon him to-morrow with his parliamentary skill to assist some of us on this side and on the other side in securing consideration of the soldiers' compensation bill and the McNary-Smith reclamation bill.

This Government *owes* no man a living. It is the idler, slacker, and coward who says the Government *owes* him a living; but this Government does *owe* every man and woman in this land a fair *chance* to *earn* a living. Do you catch the distinction? The idler, the sluggard, will say: "The Government *owes* me a living"; but every man and every woman in our land has a right to say: "The Government *owes* me and must give me *an opportunity* to *earn* a living." Unless we pass the adjusted compensation bill and pass the McNary-Smith reclamation bill, we shall have denied many of our citizens the fair opportunity to earn a living.

STATUE OF ABRAHAM LINCOLN.

Mr. BRANDEGEE. I ask unanimous consent to submit a report from the Committee on the Library upon House Joint Resolution 127.

The VICE PRESIDENT. Is there objection? The Chair hears none and the report will be received.

Mr. BRANDEGEE. From the Committee on the Library, I report back favorably with an amendment the joint resolution (H. J. Res. 127) to reerect the statue of Abraham Lincoln upon its original site, and I submit a report (No. 754) thereon.

Will the Secretary, if there is no objection, kindly read the joint resolution?

The VICE PRESIDENT. The joint resolution will be read.

The reading clerk read the joint resolution, as follows:

Resolved, etc., That the Superintendent of Public Buildings and Grounds of the War Department be, and he is hereby, authorized and directed to reerect the statue of Abraham Lincoln upon its original site in front of the courthouse, city of Washington, D. C., upon an appropriate foundation or pedestal in harmony with the statue.

The VICE PRESIDENT. Does the Senator ask for the immediate consideration of the joint resolution?

Mr. BRANDEGEE. I ask for its immediate consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

Mr. BRANDEGEE. Mr. President, there is a committee amendment.

The VICE PRESIDENT. The amendment will be stated.

The READING CLERK. On page 1, line 5, before the word "upon," it is proposed to insert the word "approximately."

The amendment was agreed to.

Mr. BRANDEGEE. Mr. President, this joint resolution was passed, I think, unanimously by the House of Representatives, and it has received the unanimous approval of the Committee on the Library; but I want to call attention to the fact that I am informed that it cost about $2,500 to take down the statue and store it in the basement of the courthouse, where it is at present. No appropriation seems to be made in the House joint resolution directing the Superintendent of Public Buildings and Grounds to reerect it upon a foundation and pedestal which will have to be constructed. I therefore asked Colonel Sherrill to make an estimate of the cost of reerecting it according to the directions of the joint resolution, and he writes the letter which I send to the desk and ask to have read; and then I will offer an amendment to the House joint resolution to provide the funds which it is suggested are necessary.

The VICE PRESIDENT. Without objection, the Secretary will read the communication.

The reading clerk read as follows:

WAR DEPARTMENT, CORPS OF ENGINEERS,
OFFICE OF PUBLIC BUILDINGS AND GROUNDS,
Washington, D. C., June 3, 1922.

HON. FRANK B. BRANDEGEE,
Chairman Joint Committee on the Library,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In accordance with the request made by your secretary, Mr. Lundy, I have to inform you that the estimate of cost of replacing the Lincoln Monument complete, approximately on its old site, including the cost of design and construction of a suitable new pedestal, the foundation work and erection of the monument, is all told $5,000.

Yours very respectfully,

C. O. SHERRILL,
Lieutenant Colonel, Corps of Engineers.

Mr. BRANDEGEE. I call attention to the fact that the committee has recommended that the word "approximately" be inserted before the words "its original site" because the committee was informed that originally the statue or its pedestal stood out a few feet upon the sidewalk, and it is desirable that the statue should not intrude upon the sidewalk; and that much latitude was thought advisable by the committee.

I now offer an amendment to provide the necessary money to pay for the cost of reerecting the statue.

The VICE PRESIDENT. The amendment will be stated.

The READING CLERK. It is proposed to add at the end of the joint resolution the following:

The sum of $5,000, or so much thereof as may be necessary, is hereby appropriated out of any money in the Treasury not otherwise appropriated to pay the expense of the same.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

OHIO RIVER BRIDGE.

Mr. WILLIS. Mr. President, on the 6th of June the Senate unanimously passed a bill authorizing the construction of a bridge across the Ohio River at Steubenville. Meanwhile, an identical bill was passed in the House and came here and was handed down during the absence of the Senator from New York [Mr. CALDER], and consequently his attention was not called to it. The bill is now reported by me from the Committee on Commerce. I am authorized to make a unanimous report from the committee on the bill (H. R. 11646) authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio, and ask for its immediate consideration. It is absolutely identical with the bill which has already passed the Senate.

Mr. UNDERWOOD. Does it conform entirely to existing law?

Mr. WILLIS. Entirely so. It is exactly the same as the bill we passed, based upon Report No. 751.

The VICE PRESIDENT. Without objection, the report will be received. The Senator from Ohio asks unanimous consent for the present consideration of the bill. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Steubenville and Pittsburgh Bridge Co., and their successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Ohio River, at or near the north city limits of the city of Steubenville, Ohio, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That this act shall be null and void unless the construction of said bridge is commenced within two years and completed within five years from the date of the approval hereof.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendments, ordered to a third reading, read the third time, and passed.

FEDERAL RESERVE BANK OF ATLANTA.

Mr. HEFLIN. I ask unanimous consent for the present consideration of the resolution which I send to the desk. It calls on the Federal Reserve Bank of Atlanta for certain information.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 304) was read, considered by unanimous consent, and agreed to, as follows:

Whereas it has been charged upon the floor of the Senate that the Federal Reserve Bank of Atlanta has had printed and distributed in the State of Alabama, at its own expense, a speech delivered in the Senate by Senator GLASS, of Virginia, in which the position of Senator HEFLIN on the deflation policy of the Federal Reserve Board was assailed and criticized; and

Whereas it is charged that the said Federal Reserve Bank of Atlanta, its officials or agents, wrote, or caused to be written, a letter which was sent into the State of Alabama with the speech of Senator GLASS commending the speech and calling on the recipient thereof in the State of Alabama, the State represented in part by Senator HEFLIN, to write the Federal Reserve Bank of Atlanta his opinion of the speech and his position in the matter: Therefore be it

Resolved, That the Federal Reserve Bank of Atlanta be, and it is hereby, requested to furnish to the Senate, in writing, at its earliest convenience, a list of the names and addresses of citizens in the State of Alabama to whom said speech and letter were sent, and all information in its possession called for in the following questions:

1. Was the speech in question of Senator GLASS sent into the State of Alabama by or at the instance of the Federal Reserve Bank of Atlanta?

2. Was a letter written by said Federal reserve bank, or any of its officials, and sent with the speech of Senator GLASS to voters in the State of Alabama; if so, what were the contents of such a letter?

3. At whose instance and expense was the speech of Senator GLASS printed and distributed to voters in the State of Alabama?

4. How was the fund provided, and how much money was expended in printing and sending into Alabama the speech of Senator GLASS and the letter which accompanied it?

5. To how many people in the State of Alabama were the said speech and letter sent?

6. Did the Federal Reserve Board, or any member of it, suggest the sending or have anything to do with the sending of the speech of Senator GLASS and the letter which accompanied it into the State of Alabama?

PRICES OF COAL.

Mr. WALSH of Massachusetts. Mr. President, I desire to take the time of the Senate for a brief period to call attention to the critical situation that is developing in this country as a result of the shortage of anthracite coal and the increase in the price of bituminous coal.

There are two fuels produced and used in this country—bituminous coal and anthracite coal. Two strikes have been in progress since April 1 last, the strike of the bituminous-coal miners and the strike of the anthracite-coal miners. The strike in the anthracite coal regions has resulted in a complete suspension of the production of anthracite coal. No anthracite coal whatever is being produced at the present time. The strike in the bituminous-coal regions has resulted in a possible serious shortage in the supply of bituminous coal in the near future.

I take the time of the Senate this morning for the purpose of impressing the Congress with the critical situation that has developed, and the serious consequences that are likely to follow if some steps are not taken to solve the present difficulties in regard to our supply of fuel. Perhaps I can not impress the seriousness of the situation better than by reading two or three brief letters which have been sent me recently by residents of Massachusetts.

The first letter is from Mr. Robert Robertson, a contractor in the city of Beverly, Mass. He writes me, under date of May 29, as follows:

I wish you would tell me what the situation is on the coal strike. I suffered a great deal in the last coal strike and I wondered what the situation is, and why we do not hear more about it in the newspapers.

I understood a committee was appointed, or was to be appointed, by the National Government to take this matter up.

It seems to me something ought to be done, and I would be obliged for any information you can give me.

Sincerely yours, ROBERT ROBERTSON.

Another letter is from Mr. J. O. Sturtevant, of the Marston-Sturtevant Co., 278 Cabot Street, Beverly, Mass., also dated May 29, as follows:

DEAR SIR: Why is it that there is no direct effort made by the Government to investigate and settle the coal strike? This ought to be done immediately and the facts made public. It is of vital importance to the New England industries as well; and the newspapers seem to be saying little about the coal situation.

Respectfully yours,

J. O. STURTEVANT.

A third letter is from a dealer in anthracite coal in the city of Boston. The letter is dated June 5, and reads:

According to report in Boston papers you confined yourself in your resolution mostly to the "bituminous" situation, which, of course, is commendable. We in Boston think the "anthracite" situation is in a far more desperate condition, as it is used almost entirely for the comfort of the homes throughout New England, and we can truthfully say that the stock of "anthracite" now in Boston could be cleaned up by the 15th of July if the dealers had their entire equipment at work delivering to customers.

Yours sincerely,

D. DOHERTY CO., *Coal and Wood.*

Information of a similar character, namely, that by the middle of July the supply of anthracite coal will be exhausted in New England, comes to me from many reliable sources.

Some facts have been revealed in the last few days which tend to show that improper advantage is being taken of the coal shortage to increase prices. The bituminous operators met in this city a few days ago with the Secretary of Commerce, called here for the purpose, it was announced, of fixing the price of bituminous coal to the consumers. Up to the time of the meeting in Washington of these operators with the Secretary of Commerce there had been practically no change whatever in the price of bituminous coal to those having contractual relations with, and were recognized as regular customers of, the bituminous operators whose mines are now in operation. It is a fact that certain public service corporations and other coal consumers who were obliged to buy bituminous coal in the spot market were charged excessive prices prior to the 1st of June, but these cases are somewhat isolated. From April 1, however, until June 1 the average selling price of the most salable quality of bituminous coal was about, if not less than, $1.75 per ton. That coal delivered in Chicago and the Middle West was selling to the householders of Chicago for about $7 per ton, this including cost at the mines, freight rates, and retail dealers' commissions.

After the meeting of the coal operators with the Secretary of Commerce, announcement was made that a voluntary agreement had been reached whereby the maximum price of bituminous coal was to be $3.50 a ton. Almost overnight, after a meeting with the Secretary of Commerce, bituminous coal advanced in price from $1.75 per ton to $3.50 per ton. It is unbelievable that a public official would be a party to increasing the price of bituminous coal to this extent under the circumstances and in the light of the facts which he has disclosed in his report to the Senate in response to Senate Resolution 298, introduced by me a few days ago.

First of all, the strike in the unionized bituminous coal regions has not as yet seriously affected the supply of bituminous coal. The figures presented by the Secretary of Commerce in response to Senate Resolution 298, and the undisputed figures presented by the brief filed by the retail coal merchants of this country, show that there was on hand 60,000,000 tons of bituminous coal at the time this strike took place April 1.

Mr. OVERMAN rose.

Mr. WALSH of Massachusetts. Let me finish this thought, and I will yield to the Senator in just a moment. The production has been between 4,000,000 and 5,000,000 tons every week from that time to the present time, and the consumption has been from 5,000,000 to 7,000,000 tons. I think the brief of the retail coal merchants states that the consumption may reach 8,000,000 tons. So we have this situation: Coal is being produced in the bituminous coal regions of this country where there is no strike in sufficient quantities to take care of, for the present, the consumption of the country; but because there is a strike in certain coal regions, and because those who have been purchasing from those coal operators whose plants are closed by reason of the strike are obliged to go out into the spot market, exorbitant prices have been charged to the business men forced to go and buy in a spot market.

Now I yield to the Senator from North Carolina.

Mr. OVERMAN. I wish to understand what the Secretary of Commerce had to do with increasing the price in a week from $1.75 a ton to $3.50 a ton? Did he consent to that increase from $1.75 to $3.50 to the consumers of this country?

Mr. WALSH of Massachusetts. I will come to that in a moment. I have no quarrel with the Secretary of Commerce. I think he tried to do a public service. I believe his intentions and motives were of the best. He learned that certain public-service corporations, forced into the spot-coal market, were being charged by these coal operators exorbitant prices, namely, $3.50, $4, and $4.50 a ton, but he failed to appreciate the fact that the price to the regular customers of these operators had not varied during February, March, April, May, and June; indeed, not until the operators met Mr. Hoover here in Washington on Memorial Day, and then an advance of 100 per cent was given the retailers.

Let us consider the facts: Every person who is a regular customer of the bituminous-coal operators whose mines were in operation was being charged $1.75 per ton up to June 1. A few individuals, forced into the spot market, were being asked exorbitant prices, and paid them. Mr. Hoover called the coal operators together, and they met with him in this city on Memorial Day. No other agencies or representatives of the coal industries or the consuming public were invited, though it appears that a telegram was sent to Mr. Hoover from the retail dealers of this country requesting that they have a conference before the price was finally fixed, and he had fixed the date for that meeting, which was the day after Memorial Day, namely, May 31. When the representatives of the retail coal dealers of this country, those who bring the coal to the homes of the American people, arrived in Washington on Memorial Day afternoon they found Mr. Hoover in session with the coal operators, and they were informed by the coal operators that they came too late, that the price was already fixed at $3.50 a ton.

I say only in fairness to Mr. Hoover that he probably intended to fix a maximum price for spot coal of $3.50 a ton. I can not explain his conduct in any other way; but the results that followed were that every coal dealer in American was notified the instant Mr. Hoover met with the operators and agreed to $3.50 per ton that the price for all had been raised to $3.50 per ton, and every single user of bituminous coal, as the result of the meeting of May 30 and 31, has had his coal bill advanced $1.75 per ton.

Mr. ROBINSON. Mr. President, under what authority does the Secretary of Commerce assume to raise the prices?

Mr. WALSH of Massachusetts. Under no authority. I repeat, I think he thought he was doing a public service. I, personally, think he was buncoed. I believe that he was deceived and misled by the coal operators, and I think he ought to do something to undo the harm that has been done, for very serious results have followed.

I have received from coal dealers, who are buying from operators, information which I will put in the RECORD later as to just how and what advance in price took place. Coal dealers all over this country, having contractual and business agreements with operators for prices made before May 30 for $1.75 per ton, found on May 31 that their prices were raised to $3.50 per ton. Of course there is no justification for it. If the consumption of bituminous coal had been greatly in excess of the production, some possible excuse might be advanced for increasing the price, but the cold facts are that the consumption is not as much as the weekly production, plus the supply that was on hand April 1.

What happened was this: Because some dealers and some users of bituminous coal had to go to a different operator to do business they were held up and these extortionate prices have been demanded of them because of the distress in which they found themselves by reason of the strike in the mines owned by the operators with whom they had been doing business.

Mr. ROBINSON. Mr. President, during the war the Government deemed it necessary to regulate the prices of certain basic commodities, and in so far as it could do so conferred power upon certain agencies of the Government to execute its will in that particular. It is astonishing, beyond my power to realize, that a high officer of the Government would presume to act in a matter of that character without any authority of law and to impose upon the consumers of this Nation his individual viewpoint as to what was the proper price for such an indispensable commodity as coal.

The statement which the Senator from Massachusetts is making is very important. It is astonishing to me to learn that without any semblance of authority, and for merely benevolent reasons, the Secretary of Commerce would assume to determine, in conference with the wholesalers of coal, or the producers of coal, what the people of this country should pay for that indispensable product.

Mr. OVERMAN. And be a party to an agreement, without any authority, to increase the price about $2 a ton.

Mr. WALSH of Massachusetts. The agreement into which they entered was and had to be voluntary, but it is my opinion

that it was illegal, and that a committee of this body ought to hear the facts and suggest to the Attorney General that proceedings immediately be instituted against these coal operators.

I want the Senator from Arkansas to realize this situation, too. Understand there is no strike in the region where the coal operators have increased the price. Their cost of production has not increased at all. They are mining coal as cheaply as they did before the strike. Their relationship to the general public is exactly as it was before the strike. And yet because of the demand coming to them from those who have purchased coal from other operators they, without any justification, proceed to profiteer and to extort to the extent of 100 per cent. It is inconceivable. The American people will not tolerate a condition like this. They will not tolerate increasing so suddenly and arbitrarily the price of coal, such an essential to the prosperity of our country and to the happiness and welfare of our people. They will not tolerate increasing the cost of coal 100 per cent overnight simply because a few operators are in a position to hold up the country.

Mr. OVERMAN. And yet they come here and get an agreement with the head of the Department of Commerce to agree to approve this increase. Is not that true?

Mr. WALSH of Massachusetts. That is exactly the situation.

Mr. ROBINSON. Mr. President, will the Senator permit me to interrupt him?

Mr. WALSH of Massachusetts. Certainly.

Mr. ROBINSON. The responsibility of fixing the price of a commodity like coal, something of almost universal use in all the industries of the Nation and indispensable to the comfort of nearly all the people and to the life of many of them, can not be overstated. The power to do that ought to be exercised with some regard to the rights and interests of the people who consume the commodity. It ought not to be exercised arbitrarily and without authority, because it is the power of life and death itself. It is amazing that an officer of the Government, even in a spirit of benevolence and from a desire to render a kindly service to an oppressed people, would attempt to exercise a power of that kind without any authority of law whatever.

Mr. WALSH of Massachusetts. It is quite apparent that the Secretary of Commerce thought, because he was reducing the maximum charge to a few buyers in the spot market, that he was doing a public service, but what must he think of the men with whom he entered into the agreement when they accepted his statement that the maximum price would be $3.50 by raising the price everywhere and to everybody? The price-fixing conference resulted in price raising.

Mr. CARAWAY. Mr. President, what other interpretation could they have put upon his terms if he granted the right to raise prices?

Mr. WALSH of Massachusetts. Their interpretation is that maximum and minimum mean the same thing.

Mr. CARAWAY. Is there not always the temptation to apply the maximum?

Mr. WALSH of Massachusetts. Yes; and the Secretary of Commerce had had previous experience and ought to have realized what the consequence would be. So bold were they in raising their prices that evidence can unquestionably be produced to show that dealers in bituminous coal, who had contracts for 10 or 20 carloads of bituminous coal at $1.75 per ton, were notified after the price-fixing agreement that the contracts were canceled, and that they would now have to pay, under the new agreement with the Secretary of Commerce, $3.50 per ton.

Mr. ROBINSON. Thus giving to that advance the color of governmental authority.

Mr. WALSH of Massachusetts. Absolutely. I do not want my statement alone to be accepted about the situation. I repeat and I emphasize the fact that there is as yet no serious shortage of bituminous coal.

Mr. SUTHERLAND. Mr. President, may I ask the Senator a question?

Mr. WALSH of Massachusetts. Certainly.

Mr. SUTHERLAND. Upon what does the Senator base that statement, which is absolutely without any foundation in fact?

Mr. WALSH of Massachusetts. I thank the Senator for characterizing my statement in that fashion. I am not in the habit of asserting that other Members of this body make unfounded statements without hearing their explanation or hearing from them the evidence upon which they base their statement. I will give the Senator the information. I will give him the information from Secretary Hoover himself. I will read from the report which is on the desk of every Senator, the report of the Secretary of Commerce in response to the resolution which I offered some days ago asking for certain information about the production and consumption and price of bituminous coal. I read:

1. "The present supply of mined bituminous coal."

The latest information we have is a canvass of the situation at the opening of the strike on April 1 by the Department of Commerce and the Geological Survey, partly depending upon various trade associations. No funds have been available for the repetition of this inquiry.

On April 1 the stocks of mined bituminous coal in the hands of consumers were estimated at 63,000,000 tons. In addition thereto there was estimated to be 4,000,000 tons on the Lake Superior and Michigan docks and about 2,500,000 either on tracks or in storage belonging to the operators. There was also an unknown amount of coal in transit on the railways. A guess has been made that it amounts to between 10,000,000 and 15,000,000 tons.

So there were on hand 63,000,000 tons and 2,500,000 tons in addition to that, plus between 10,000,000 and 12,000,000 tons, making about 75,000,000 tons of coal on hand.

Mr. ASHURST. And 4,000,000 tons on Lake Superior.

Mr. WALSH of Massachusetts. Yes; making about 80,000,000 tons in round numbers.

Now, let us confine ourselves to two inquiries: What is the production since April 1 and what has been the consumption?

2. The average weekly production and consumption of such coal since April 1, 1922.

That is the second question I put to the Secretary of Commerce through the resolution to which I have referred. His reply is as follows:

The only statistics as to production are the daily number of cars loaded, and are furnished by the railways as follows:

Week ending—	Estimated tons.	Week ending—	Estimated tons.
Apr. 8	3,825,000	May 20	4,484,000
Apr. 15	3,656,000	May 27	4,856,000
Apr. 22	3,575,000	June 3	4,600,000
Apr. 29	4,175,000		
May 6	4,164,000	Total	37,768,000
May 13	4,433,000		

That is the production. Now, let us see what the consumption is. I read:

There are no statistics of consumption. A rough estimate may be deduced by assuming the consumption to be equal to production based upon car loadings in other periods.

1921.

Week ending—	Tons.	Week ending—	Tons.
Apr. 9	5,684,750	May 14	7,482,250
Apr. 16	6,085,600	May 21	7,461,900
Apr. 23	6,363,150	May 28	7,630,050
Apr. 30	6,512,850	June 4	6,366,650
May 7	6,901,600		

Thus we see that, with all this supply on hand April 1, there has been a production on an average of between 4,500,000 tons and 5,000,000 tons, and there has been a consumption of between 5,000,000 tons and 7,500,000 tons.

Mr. SUTHERLAND. Mr. President, may I ask the Senator a question at that point?

Mr. WALSH of Massachusetts. I yield to the Senator.

Mr. SUTHERLAND. The Senator states that the estimate of production ran up to 5,000,000 tons. I am looking at the same table from which the Senator read his figures, and the highest production shown during the period for the week ended April 8, to and including the week ended June 3, was 4,856,000 and it runs down to 3,575,000 tons. So that the average production for those weeks, from April 8 to June 3, would be between 3,575,000 and 4,856,000, or a little over 4,000,000 tons instead of nearly 5,000,000 tons.

Further than that, the consumption based upon former years runs from the lowest, about 5,000,000 tons, up to the highest, about 8,000,000 tons. The ordinary consumption is about eight or nine million tons a week. So that there is a shortage of about 5,000,000 tons a week.

Now, if the Senator will read just below that——

Mr. WALSH of Massachusetts. If the Senator had not interrupted me, I was about to read it.

Mr. SUTHERLAND. He will see that while there were 63,000,000 tons above ground on April 1, that the stock has been reduced until in the week ending June 3 there would be about 32,000,000 tons, or about one-half as much coal as there was on April 1, and that during the period when ordinary production should have kept up with consumption. So the Senator's statement that there was no shortage of coal was absolutely erroneous.

Mr. WALSH of Massachusetts. Does the Senator agree with me that there are 32,000,000 tons of bituminous coal on hand now?

Mr. SUTHERLAND. I accept the Senator's statement.

Mr. WALSH of Massachusetts. And yet he says there is a shortage of bituminous coal in this country.

Mr. SUTHERLAND. I say that the statement made by Mr. Hoover shows that on April 1 there was a total above ground of about 63,000,000 tons and that has now been reduced in these few weeks to 32,000,000 tons. If the Senator will figure at

that rate of production and consumption up until the 1st of September, he will see what the conditions will be at that time.

Mr. WALSH of Massachusetts. Of course, the supply is lessening all the time. Of course, the amount of coal on hand April 1 has been drawn upon and is decreasing in volume every week as the strike goes on. There is no question about that.

Mr. SUTHERLAND. Does not the Senator know that it is during this period when they stock up on coal and when there should not be that reduction, and the purchasers of coal know, when that reserve stock is being depleted week by week, that in the future, and in the no distant future, there is going to be an absolute famine in the quantity of coal above ground.

Mr. CARAWAY. Mr. President, will the Senator yield to me?

Mr. WALSH of Massachusetts. Will the Senator please let me read the paragraph which I had intended to read when the Senator from West Virginia interrupted me?

Mr. CARAWAY. Certainly.

Mr. WALSH of Massachusetts. The conclusions stated by the Secretary of Commerce, after he gave the tables from which I have quoted, are as follows:

As there has been considerable industrial recovery from the situation of 1921 and less activity than 1920, our rough guess is that the total consumption from April 1 to June 4 is about 65,000,000 tons.

The total consumption up to April 1 was 65,000,000 tons. There were 80,000,000 tons on hand and there were produced each week an average of 5,000,000 tons, making 40,000,000 tons, a total of 120,000,000 tons, and only about 65,000,000 tons have been consumed up to June 1.

Upon this data the stocks of mined bituminous coal remaining on hand week ending June 4 should be about 32,000,000 tons, and in addition the amount of coal in transit may amount to 10,000,000 tons.

So we see from the statement of the Secretary of Commerce that while there has been a steady and constant decline in the amount of bituminous coal on hand, there has been no shortage and there has been no necessity for raising prices except to profiteer. If there be necessity for any Government action, it should be to regulate the distribution of bituminous coal rather than price fixing.

But I am not going to confine myself to the report from which I have just read. I am going to read from the brief of the National Retail Coal Merchants' Association. Let it be understood that the coal operators who have been given permission to increase the price of coal to the industrial plants of America and to the home consumers of coal by 100 per cent are the very concerns who are paying nonunion wages of $4 per day to their miners, while the union mines whose miners are on strike have been selling coal before the strike for the same price; that is, $1.75 per ton, and paying $7.50 per day wages to the mine workers. Let me read that statement:

Not less than 68 per cent of the cost of bituminous coal is directly due to the labor in mining it. Not more than 65 per cent of the miners employed in the bituminous fields are union miners and members of the United Mine Workers of America.

It is the United Mine Workers of America who are on strike. I ought to say that this brief also brings out the fact that in the bituminous coal industry there are an excessive number of employees; it is overdeveloped.

I think the estimate of the figures here is that there are 600,000 miners who have been employed in the mining of bituminous coal when the demand is only for about 450,000 miners to take care of the demand.

The high labor cost in the organized field operating at artificial wage scales creates a situation which makes it impossible for the union mines to compete with the nonunion mines where wage scales are returning to normal. Under the union agreement, which terminated on March 31, 1922, the unionized mines were forced to pay $7.50 per day as the minimum wage rate to common labor.

Yet the union mines were selling bituminous coal up to April 1 for under $1.75 a ton.

As against this, the nonunion mines were paying about $4.50, and with the unionized mines shut down owing to the strike, the nonunion mines are operating full force.

A Geological Survey report of May 14 states that during the week previous 4,500,000 tons of bituminous coal were produced—

That was during the week previous to May 14—

A similar report for the week following, or ending May 27, states that the nonunion production had reached the total of 5,000,000 tons.

That amounts almost to the entire normal consumption, and we know that there has been an increased demand now because of the fear of what will happen in the future by reason of the prolongation of the strike.

Wages in the nonunion fields are based on current competitive and economic conditions, and the union mines can not compete with the nonunion since wages paid in the latter are dependent upon the inexorable law of supply and demand; whereas the United Mine Workers of America is attempting to force the unionized mines to pay an arbitrary wage regardless of conditions and prices under which their product must meet competition.

I think that information covers all available in regard to consumption and production. I have been handed some telegrams from coal dealers in my State with reference to the price now being charged. I have a telegram, although I have not had an opportunity to note its contents until this minute, from W. B. Finney, who is one of the leading coal dealers in the city of Boston, who, in response to a telegram from me, says, in part, that the price of low-grade bituminous coal has been quoted at $1.75 net in March and April.

I have explained the situation, and the question now is, What are we going to do about it? To the people of New England anthracite coal during the winter is an absolute necessity for health and comfort. Yet there is no production whatever of anthracite coal, practically not one ton coming out of the earth. With almost inexhaustible resources of coal, with money plentiful to capitalize the business, yet our people are without relief. Bituminous coal prices, with the assistance of governmental authority, have increased overnight by 100 per cent.

I want to be fair to Mr. Hoover; I am not charging him with any improper motives; but he owes it to himself to call the operators together and ask them for an explanation; and the Senate owes it to itself to summon all the coal operators with their books and papers and to find out what they were charging for bituminous coal up to May 20, and what authority and what right they had to increase their prices 100 per cent on the morning of May 31, after they had obtained the public sanction of the Secretary of Commerce.

The Secretary of Commerce has been fooled and deceived. His good intentions will not help the American consumers of bituminous coal. They can form their judgment of the wisdom of his acts only by results.

What are we going to do about it? How long are we going to say to the American people, what Mr. Hoover said in his report to the Senate submitted in response to the resolution presented by me, that there is no authority of law to settle the coal strike, and that there is no law to stop profiteering? How long will a patient public receive that answer without a protest?

This is no temporary misadjustment of the coal industry. I have been a Member of the Senate for three years, and each year I have been here I have found the exact situation which confronts us now. The same demands have come from my section of the country to do something to let them have coal, to do something to prevent robbery and extortion in coal prices.

Mr. President, private enterprise in the coal industry is on trial. The people will overlook an occasional or temporary misadjustment of an industry, even one producing an essential necessity of life, but constant repetition of trouble between labor and capital and constant profiteering they can not and will not overlook much longer. If this question is not settled, there will be a movement in this country to take the coal industry out of the hands of private enterprise, and, much as that result may be deplored—and I would deplore it—the people will take it into their own hands, for the people must have coal, and they will mine it themselves if private enterprise does not mine it for them.

What is the real trouble here? The coal operators have been unable to get along with their miners; they can not agree upon the share of profits which are derived from the sale of coal; they can not agree as to how those profits shall be distributed.

The public do not care about the profits of the coal operators and they do not care especially about the wages of the miners, but they do care about having this industry serve them coal at reasonable prices. The trouble has been that this industry, so essential and important to our people, has been used solely for profit making and no consideration whatever has been given to service. The day has gone by in America or elsewhere when any industry engaged in the production of an essential commodity can put service to the public after profit making. But the most damnable feature of the present situation is that they have not planned to make their profits over a long period of time, as most industries do, but they have proceeded, because of a strike in another part of the coal industry and a consequent curtailment of production, to extort exorbitant prices.

Mr. OVERMAN. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from North Carolina.

Mr. OVERMAN. I agree with the Senator from Massachusetts that if this kind of thing continues the American people will demand that the Government take over the industry. There is a distinction between coal and oil in this country and the railroads. Coal and oil have been put in the ground by God Almighty for the benefit of mankind, and are we going to sit silent here and allow a few men in this country to organize and profiteer upon the people of America until they suffer and

freeze and die because of the greed of profiteers? The people are not going to submit to such a condition.

Mr. WALSH of Massachusetts. Mr. President, I do not propose to sit here silently and see my people in New England obliged to pay a 100 per cent increase in their coal bills, or obliged to shiver and shake and endure hardships during the coming winter simply because the coal operators and coal miners can not agree.

We have been hearing much about discontent. Why should there not be discontent in view of the hard times through which we have been passing and in view of the terrible business depression in this country? Now, when there is a ray of hope and light and the indications are that there may be some improvement in the future, comes notice to the industries of America that their coal bills are to be henceforth increased 100 per cent and that next winter they will be without coal.

Mr. SUTHERLAND. Mr. President, may I ask the Senator a question?

Mr. WALSH of Massachusetts. Certainly.

Mr. SUTHERLAND. Does not the Senator think it will be better, however, for the consumers in New England to pay the uniform price fixed in the manner which has been suggested than to be subjected to the chance of a runaway spot coal market, in which, under the stress of the continued shortage of coal and the approach of winter, coal may go from $10 to $15, or perhaps more per ton?

Mr. WALSH of Massachusetts. Oh, yes; if every haberdasher except one in this city should be burned out overnight, and a sudden demand should come for straw hats, the one dealer in straw hats might double his price, but it would be unmoral; it would lead to discontent; it would be an abuse of legitimate business practices; and when a similar condition is brought about in reference to the very commodities which we must eat, with which we must clothe ourselves, which we must have for our comfort and even for life itself, it will not be tolerated. Emergencies do not justify unconscionable profits.

I know the sentiment of many of the Members of this body that Government regulation is a failure, Government price fixing is a failure, Government control of distribution is a failure, Government ownership is a failure. In God's name, is there no remedy for a situation like this? Must we tell the people that under the American flag and under the American Constitution and under the laws of our Government, when an emergency arises everybody is licensed to profit where he will, how he will, and in whatever sums he may see fit to extort from the general public? Do you wonder that there is unrest and discontent in this country? Do you wonder that the masses of the people are beginning to lose confidence in the power of their Government to protect them against robbery and extortion, against profiteering, against taking advantage of emergencies to raid their pocketbooks as they are being raided?

Mr. President, the demand for coal for our industries and for domestic use is insistent and will grow more so as the winter months approach. There is hardly a city or village in the whole country where a shortage of coal is not now or will shortly be felt. Our coal resources are abundant. Whether operators or miners are responsible for the prevailing conditions, the general public will begin to care less and less, and will come to the inevitable conclusion that the coal industry is so organized in this country that it is no longer being conducted from motives of service but motives of greed and profit. Whether these motives are more pronounced in the operators than the miners will become immaterial.

Hardly a year passes when we are not confronted with a contest and scramble as to who shall have the most of the profits of this business, the miners or the owners, and between these two conflicting interests the public is squeezed.

Mr. President, I have talked longer than I intended. I want to protest——

Mr. LENROOT. Mr. President——

Mr. WALSH of Massachusetts. I yield.

Mr. LENROOT. I should like to ask the Senator, who is a very distinguished lawyer, whether he believes there is not any remedy short of nationalization of coal?

Mr. WALSH of Massachusetts. Mr. President, I did not intend to convey the impression that the Secretary of Commerce misstated any fact when he said there was no legal remedy.

Mr. LENROOT. And none that Congress could afford short of nationalization?

Mr. WALSH of Massachusetts. Aye, sir; I think there are many remedies. I say that to tell an indignant public, who have been gouged and robbed because of emergencies like this, that we are powerless, is absurd and ridiculous, is a blow at the freedom of our institutions and our capacity to promote the welfare and prosperity of our people. I believe the Government could step in and say: "Unless you settle this strike, unless you come together on mutually satisfactory terms, rather than let our people suffer, rather than have our people profiteered upon, we propose to step in temporarily and conduct this business."

Mr. LENROOT. I agree with the Senator about that.

Mr. WALSH of Massachusetts. Not only that but the Government could step in and control the distribution of the supply, and it could step in and control the price; it could step in and take hold of the mines themselves, which is a condition that we are rapidly facing if the misadjustment that we find existing now in the industry continues from year to year as it is continuing year after year, due to—I am not trying to place the blame—selfishness or greed for profits of either miners or operatives; but I say, as a representative of the public, "I care not; private enterprise is failing to conduct this business satisfactorily."

Mr. LENROOT and Mr. SUTHERLAND addressed the Chair.

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Massachusetts yield, and, if so, to whom?

Mr. WALSH of Massachusetts. I yield to the Senator from Wisconsin.

Mr. LENROOT. I quite agree with the Senator's view, but I did not know that the Senator held the view—I should be very glad if he can substantiate it—that in a crisis of this kind the Government has the power to step in and fix the price or compel operation other than by taking over the industry.

Mr. WALSH of Massachusetts. It so happens, and men like the Senator, who are known to be on the alert to protect the interests of the general public, ought to be all the more on the alert to prevent an apparent abuse of power, because it happens in this instance that the stepping in of Government authority to advise with the coal operators has resulted in this widespread and general increase in the price of coal which did not exist until June 1.

Mr. SUTHERLAND. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. SUTHERLAND. Is the Senator yielding the floor?

Mr. WALSH of Massachusetts. No; I am yielding for a question. I will yield the floor shortly.

Mr. SUTHERLAND. On what information does the Senator base his statement that there is a large increase in the price? The Senator has raised a scarecrow, and is fighting something that does not really exist.

Mr. WALSH of Massachusetts. I call to bear testimony to the accuracy of my statement the distinguished Senator from Idaho [Mr. BORAH], who, with me, talked to three coal dealers day before yesterday.

Mr. SUTHERLAND. I talked to those same three.

Mr. WALSH of Massachusetts. I call to support me two more coal dealers that I talked with this morning, who informed me that the price of bituminous coal up to May 30 was $1.75 per ton.

Mr. SUTHERLAND. The Senator is entirely mistaken about that, and at the proper time I will give him the accurate figures to show what the price of coal was.

Mr. WALSH of Massachusetts. Will the Senator now tell me what the price of bituminous coal was on April 1, the day of this strike?

Mr. SUTHERLAND. I have here the figures from April 3 down to this date, the figures the Senator has been discussing most of the time, at the time when he alleges the price was so largely increased by the action of Mr. Hoover.

Mr. WALSH of Massachusetts. Is the Senator talking about spot prices?

Mr. SUTHERLAND. I am talking about the average coal prices of all kinds, the average market prices. These are official figures, which the Senator can verify by reference to the Bureau of Mines:

Week of April 3	$2.06	Week of May 1	$2.67
Week of April 10	2.19	Week of May 8	2.78
Week of April 17	2.23	Week of May 15	3.16
Week of April 24	2.49	Week of May 22	3.67

The Senator stated that the best grade of bituminous coal was selling at $1.75. I will say for the Senator's information and the information of the Senate that the average price of the best grade of coal—which, of course, is mined in West Virginia—for the week of May 22 was $3.99. That includes all the lower grades of coal, screenings, and, also, domestic lump. The domestic lump coal from those grades of coal, which is the best grade of coal mined in the world, produced in my State, was selling at $5 and $6 a ton, and upon the holding of this conference which the Senator from Massachusetts is complaining about it dropped to $3.50 a ton, which shows that the Senator is very much exercised about a condition that does not exist and never has existed.

Mr. WALSH of Massachusetts. Mr. President, unfortunately I get my opinions and views from the poor consuming public, and not from the coal operators. I suppose they have a limited fund of information about the price of coal; but I did not expect from the Senator from West Virginia such confirmation of my argument, because, on his own statement, these coal operators, paying these cheap wages, without any increase in the cost of production, have increased to the American public the price of bituminous coal from $2 to nearly $4 per ton in two months. That is the conclusion from his own statement.

Mr. BORAH. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, I was going to say that, of course, I have no information about the price of this coal except that which comes to me from men who are in position to know and can only misstate the facts willfully, because they would not misstate them through ignorance.

Mr. SUTHERLAND. I will state to the Senator that I talked to the very same men that he talked to and the Senator from Massachusetts talked to and knew exactly how their statements, well intentioned as they are and representing a very small fraction of the business, are entirely misleading.

Mr. BORAH. It may be, Mr. President.

Mr. SUTHERLAND. The amount of domestic coal sold by retailers is about 10 per cent of the whole bituminous coal business. A few of those men out in Chicago have had contracts and are still enjoying the contractual price of $1.75 a ton, which was fixed down in my State and other States at a time when there was absolutely no business, and to keep the mines going the coal was sold to them at a loss.

Mr. BORAH. Mr. President, I am not sufficiently informed as to all the details of this coal controversy at this time to state what the actual facts may be. I can only state that the information which has come to me came voluntarily. The retail coal dealers sought us out, I presume, because we were members of the Committee on Education and Labor, and made their statements. For instance, there was a gentleman in my office this morning who is an officer of what is known as the American Wholesale Coal Association. They were in session on the 30th day of May in Detroit, Mich. They were also in session on the 31st day of May, their entire association, from different parts of the country. This gentleman stated that upon the 30th day of May the members of their association were purchasing coal at three prices, according to the quality of the coal, ranging from $1.20 to $1.75 and $2.19, and that upon the 1st day of June, while they were still in session, the price having been agreed upon Washington telegraphed to Detroit, not only was the price raised upon them, but in some instances contracts were canceled, and they were compelled to pay $3.50 for that for which they were paying $1.20, $1.75, and $2.19.

I can only say that this gentleman has expressed his willingness to come forward and make a statement under oath before the committee. I am not in a position, under those circumstances, to question the assertion. Other gentlemen called upon us day before yesterday and made similar statements with reference to their experience.

I want to say before I sit down, because I am not going to enter into any discussion of this matter at this time, that if things are not adjusted, of course we will have an investigation, so that we will know the facts, if the facts can be ascertained. I have assumed, as the Senator from Massachusetts has said, that it was the intention of the Secretary of Commerce to put a maximum price upon the coal, and that they, after talking with the coal operators, came to an agreement which was understood, as I understand, to be a maximum price of $3.50 at the mines.

That, however, it was treated as a minimum price by the operators I do not think there is very much doubt. That it was not intended to be a minimum price I think is pretty apparent from all the circumstances; but the facts as they come to us are indisputable that that which was regarded as a maximum price was immediately treated as a minimum price also, and the operators have not only notified those who were purchasing coal at $1.75 that they could not have it at that price, but these people state to us emphatically that contracts have been canceled, and that contracts which call for $1.75 have been canceled, and they are now paying $3.50. To what extent that covers the country we are not able to say at this time, of course, having talked to the representatives of only two or three of these associations.

Mr. NORRIS. Mr. President, I would like to ask the Senator whether the meeting of the wholesale coal dealers' association at Detroit was at the same time Secretary Hoover was in consultation here?

Mr. BORAH. Yes; it was the same date.

Mr. NORRIS. And the result of the conference here with Hoover was the sending of the telegrams to Detroit and other places to increase the price and cancel the contracts?

Mr. BORAH. As the gentleman stated to me this morning, while they were yet in session at Detroit the result of the conference here was telegraphed to the dealers in Detroit, to wit, that the price had been agreed upon at $3.50 at the mine, and, as a result, they were immediately notified, as retailers, that the price of the coal which they had been paying these figures for was $3.50.

Mr. NORRIS. Was the idea conveyed that the dealers who were in session at Detroit were given to understand that this agreement had governmental sanction?

Mr. BORAH. No statement was made to me to the effect that they regarded it as governmental action. I think, however, that in all probability a construction was placed upon it to that effect, not by reason of anything that happened here but from the mere fact that a Government official was in conference.

Mr. NORRIS. What excuse did they give for the cancellation of the contracts? As I understand it, these contracts were regular legal contracts, enforceable at law.

Mr. BORAH. It was so stated to me.

Mr. NORRIS. I do not understand what excuse one party to a contract could give for arbitrarily violating it and changing the price.

Mr. SUTHERLAND. Mr. President, there is absolutely no basis for the statement that any contract was violated by these men, and I am sure the Senator misapprehends the situation, or has been misled by the men who have been talking to him. Contracts for the sale of coal to wholesale dealers and retail dealers out in the cities of Detroit and Chicago are made upon the condition that they require adjustment each month according to market conditions. This conference was held on the 30th day of May. It perhaps is true that on the 31st day of May the operators told their customers that in the ensuing month they would have to pay the market price, which, by agreement held to be in the public interest, and which was undoubtedly in the public interest, had been increased or would be increased, to $3.50. That was not a violation of the contract. It was pursuant to a contract thoroughly understood by these wholesalers and retailers.

Mr. BORAH. I desire to say to the Senator that when he states there is no foundation for the statement I am making——

Mr. SUTHERLAND. I do not say that.

Mr. BORAH. He is himself greatly in error.

Mr. SUTHERLAND. I say, Mr. President, that the Senator has been misinformed.

Mr. BORAH. I have not been misled. I may have been misinformed, but I understand the English language.

Mr. SUTHERLAND. I say the Senator has been misinformed, and he may have misunderstood. I do not say he did misunderstand, but he may have misunderstood. But he certainly has been misinformed. His informants have not given him all the information in making to him a statement of that kind. The contracts with these men read that the price shall be adjusted from month to month, and that they shall pay according to the market price. Many of the contracts are continuous, and those people are getting their coal at $1.75 a ton, or whatever price was named in the contracts.

Mr. BORAH. Mr. President, these gentlemen also stated that the custom was to notify them upon the 25th of each month as to what the price would be the next month. Upon the 25th of May they were not notified. The operators were awaiting the action which was anticipated here in Washington, so the usual custom was broken. They were not notified upon the 25th of May, and they were not notified until the conference adjourned here in Washington, and then they were notified, contrary to custom, on the first day of the month, instead of the twenty-fifth day of the month.

As I said, there can not be any misunderstanding upon my part of the proposition. I am wholly unconcerned in the matter. I questioned them repeatedly as to the effect of the conference here, and I went as much as I could into the details as to why they supposed they assumed to increase that which was intended to be a maximum to make it a minimum price. I know what has happened, if these men are telling the truth, and if they are not telling the truth, we will find it out later. But I have no reason to doubt the statements which they made. I am interested only in securing the facts and working out a solution, if possible, of this problem.

Mr. SMOOT and Mr. SUTHERLAND addressed the Chair.

Mr. WALSH of Massachusetts. Mr. President——

Mr. SMOOT. Will the Senator yield?

Mr. WALSH of Massachusetts. I will be through directly.

Mr. SMOOT. I think we ought to have some testimony from others than interested parties, other than either the coal producer or the purchaser.

Mr. WALSH of Massachusetts. I wish the Senator would take his own time to make his statement. I can not yield at this time. I want to finish my statement, and then the Senator can take the floor and make any statement he wants to.

My statement that coal was being sold for $1.75 per ton is challenged. Of course, there are different grades of bituminous coal selling at different prices. I referred to the average price of bituminous coal. If my statement is false, the telegram which I hold in my hand, from a man by the name of Phiney, of Boston, is false, for he informs me that they purchased bituminous coal in February and March for $1.75 per ton. There can not be any dispute about the fact that bituminous coal was selling at an average price, at the time of this strike, under $1.75 per ton, though there may have been a grade here and there that was bringing a higher price than $1.75 per ton.

Mr. SUTHERLAND. Mr. President——

Mr. WALSH of Massachusetts. I want to finish.

Mr. SUTHERLAND. I do not deny that there was some coal sold at $1.75, and some sold at less than $1.75.

Mr. WALSH of Massachusetts. That was all I was talking about.

Mr. SUTHERLAND. Because these operators, in order to keep their men employed and having operated at a loss down there during a year or so, were still selling the coal at a loss. But that refers only to a very small fraction of the coal business.

Mr. WALSH of Massachusetts. Mr. President, I rose for the purpose of calling the attention of the country to the critical situation so far as the supply and price of coal are concerned. I have no quarrel with the coal operators. I have not attempted to fix the blame between the coal miners and the coal operators.

Mr. SUTHERLAND. Mr. President, the Senator certainly has made some statements that reflect very seriously upon the coal operators, and I think entirely without justification.

Mr. WALSH of Massachusetts. Time will tell. Then I hope the Senator, when he rises on this floor, will state publicly that he will cooperate with the Senator from Idaho and myself in bringing these operators here, putting them under oath, and finding out what they were charging in April, May, and June.

Mr. SUTHERLAND. The coal operators of my State would welcome such an inquiry. They have nothing to fear from the fullest publicity in regard to their prices or any of the conditions of their business.

Mr. WALSH of Massachusetts. Then it gets down to this: The Senator from Idaho and myself have been misled, have been deceived, have been misinformed by our constituents and by men to whom the increased price of $3.50 per ton was directed after the meeting of May 30, and who have to face the public all over this country in asking $1.50 increase in the price of coal. We also were misinformed that coal, in consequence, has increased from $7 to $9. I think the gentlemen who conferred with us are as reputable, though perhaps not as wealthy or as influential, and are as public-spirited as are the coal operators of this country. Certainly they can have no selfish interest. There can be no self-interest on the part of dealers who, knowing how powerful the lash of the coal operators can be and is, come to Senators voluntarily and ask us, as public servants, to protest against a scheme and plan now in operation to extort from the people of this country a 100 per cent increase in the price of coal. My only interest is to stop this price increase and to try and direct public attention to what is going on.

The Senator from Wisconsin asked me what remedy there was. The best remedy of all is publicity. Let us have a hearing. Let us call the roll, find out who these operators are, where they are located, what they have been selling their coal for, and how much they have been profiteering. That is the best means of all.

Mr. SUTHERLAND. I suggest that we bring all other branches of business here and make the same inquiry in regard to all other branches of business. Why single out the coal operators? They are not more guilty of these things than are other business people. The coal operators are perfectly willing to submit to the same kind of an inquiry that is directed to other kinds of business.

Mr. WALSH of Massachusetts. It so happens that the coal operators, unlike any other business in this country that I know of, have been taken under cover by the administration and received the moral sanction of a Government official to increase the price of coal 100 per cent.

If any other business in this country, whatever it may be, comes to Washington and gets the consent of any Cabinet officer or any Senator, or anyone else, to proceed immediately and increase its prices to the general public, then I say investigate it, too. But now we are dealing with the coal operators, and let us finish one at a time.

Mr. SUTHERLAND. Mr. President, the Senator must have watched the course of the coal market in 1920, when there was a shortage, and a sudden shortage, as the result of the strike called in the fall of 1919. The rumor of a shortage in coal largely operates in the same way that a run on a bank operates. You let the story be whispered about in this city that the strongest bank here is in a shaky condition, and that there is a scarcity of money in that bank, and you would destroy it.

Mr. WALSH of Massachusetts. Yes; but those who start and keep up the run do not get any more money as time goes on.

Mr. SUTHERLAND. The Senator thoroughly well knows that in 1920 there was a threatened shortage, just as there is now. The shortage is increasing every week. In 10 weeks the visible supply of coal—not a reserve supply, but the working capital in coal of a great many industries, wholesalers and others—will be wiped out at the present rate of consumption. The Senator must be familiar with what happened in 1920.

The very wise and farseeing action just taken by the Secretary of Commerce was taken in order to prevent what happened before, and it was with the cordial cooperation of coal operators, who might go out in the market to-day and get six or eight dollars a ton and next week more, if they chose to do so, as other people do who are engaged in business when they take advantage of market conditions. Patriotically they have agreed to cooperate with Secretary Hoover in an effort to prevent such conditions as occurred in 1920. I do not know of another industry where the men engaged in it have so willingly subjected themselves to governmental suggestions of that character to keep down prices, in the interest of the consuming public, as have the coal operators.

Mr. CARAWAY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Arkansas?

Mr. WALSH of Massachusetts. I yield.

Mr. CARAWAY. It seems that the Senator from Massachusetts and the Senator from Idaho were misinformed and misled. Instead of being gougers, these coal operators came here to entreat the Government to prevent them from profiteering and to help them keep from raising their prices.

Mr. WALSH of Massachusetts. That is exactly the case.

Mr. CARAWAY. They were afraid the prices were going up, and they came here and asked the Governmnet to keep them from profiteering.

Mr. CALDER. Mr. President, the Senator from West Virginia has complained of the frequency with which the coal industry is brought in here for discussion and why we do not drag in all the other businesses of the Nation. Is not the answer, in part, that this business is the one great necessity of the people, next to the use of water? It is the thing all the people must have.

Mr. WALSH of Massachusetts. And the operators and miners are constantly in trouble.

Mr. CALDER. I quite agree with the Senator from Massachusetts. It is the duty of the Congress and the Government to secure accurate information concerning this most necessary business and particularly to watch over and guard the people's rights in its operation. I agree with the Senator, too, that unless some remedy is found it will not be long before the universal demand of the country will compel the Congress to deal with this subject as they have with water, the other great fundamental necessity of the people.

Mr. SUTHERLAND. And the same result will follow in that case that followed in the case of the railroads. We had Government regulation and control of the railroads for some years, and the Senator must know that we are paying double the cost for transportation, both of freight and passengers, on an average throughout the country. The inevitable result of governmental ownership or operation of coal mines would be to vastly increase the cost of coal to the consumer. If the Senator wants to try that experiment, let him look, if he pleases, at what has already happened when the Government has taken hold of any kind of business and operated it.

Mr. CALDER. It has not increased the price of water to the people.

Mr. WALSH of Massachusetts. The inevitable result is what? You say the Government can not interfere, the Government can not regulate, the Government can not fix prices, the Government can not control distribution. Again you cry out, look at the railroads and see how they were mismanaged.

The inevitable result is distrust upon the part of the people in the capacity of their Government to protect them against extortion and against gross mismanagement of an essential industry, essential to their very life and existence.

It is absurd to say that we are powerless, that we can not listen to complaints; that if we stand here and voice a protest in a matter of vital interest to the consuming public we are to be charged with being too radical, charged with being oppressors of industry and of coal operators. The real friends of the operators are the people who are calling attention to the discontent of the people over the way the matter is being conducted and trying to find some reasonable remedy that will give a living wage to the miner and a decent and reasonable profit to the operators.

Mr. NORRIS. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Nebraska.

Mr. NORRIS. I want to pour a little oil on the troubled waters. I think this is just a misunderstanding here. The Senator from West Virginia [Mr. SUTHERLAND] stated the fact, or what he supposed to be a fact undoubtedly, that freight rates have been doubled under Government operation. The Senator, like he said of another Senator, has been misinformed by somebody. The Government turned the railroads back to the private operators long ago, and it is while they have been operating the railroads that the freight rates have been doubled.

Mr. SUTHERLAND. I will say to the Senator that he must admit that Congress placed in the hands of the Interstate Commerce Commission full control over the rates of our transportation companies and, if those rates have been increased, it must have been by the sanction of the Interstate Commerce Commission, which is acting as an agency of the Government.

Mr. NORRIS. Then the Senator cites, as an illustration for increased rates, Government ownership and Government operation of the railroads. It is a historic fact that this great increase has come under private operation and private ownership of the railroads.

Mr. SUTHERLAND. The Senator must know that that is the nearest approach to Government operation that we now have. We had absolute Government operation for a period of years during the war.

Mr. NORRIS. And when the private parties got their railroads back the first thing they did was to increase the rates.

Mr. SUTHERLAND. With the sanction of the Interstate Commerce Commission.

Mr. NORRIS. I am only stating an historical fact to rebut the statement of the Senator from West Virginia. In giving an illustration of how the Government destroys a thing, he said to look at the railroads; that the Government, operating the railroads, doubled the rates. As a matter of fact the Government may be as bad as he thinks it is and full of sin and have many things to answer for on the judgment day, but the great increase in freight rates came when the Government was not operating the railroads.

Mr. SUTHERLAND. I will ask the Senator whether the increases were not made by Government sanction?

Mr. NORRIS. Certainly they were made with the approval of Government officials. How else would they be made?

Mr. SUTHERLAND. That is just the point.

Mr. NORRIS. Private parties wanted them increased. It was on their demand that the increase was made. They said to the Government officials, "We want to increase the rates," and the Government officials said "Yes." Is the Senator condemning Government officials because they let the private owners of railroads have their way, or what did he mean when he was citing the increase of freight rates under Government operation? He has to concede that it was private operation even though Government officials did consent to it.

Mr. SUTHERLAND. The point I am making still holds that we have more nearly Government control of transportation interests than of any other business in the country. We had absolute operation of the transportation interests for a period during the war. It is true, as the Senator says, that since then the railroads have been turned back to private ownership, and the rates have been increased under private ownership, but always with Government sanction.

Mr. NORRIS. What difference does that make? The private owners asked for the increase. It is private ownership. It is private operation. They got the consent of the Government officials to increase their rates. Is that an argument against Government operation or Government ownership or the Government taking charge of business when it enters into the very vitals of the country and the people?

Mr. SUTHERLAND. The Senator must be aware that we have been paying some very large bills that resulted from Government operation of the railroads. It is conceded pretty generally that Government operation of the railroads was a failure. When the Government undertakes to operate the coal mines or to regulate the price of the coal, which it failed to do during the war satisfactorily to anybody, it will reach the same deplorable result that it did in the case of the railroads when it was wholly in charge of them or when it was partly in charge of the fixing of their rates.

Mr. NORRIS. If the Government took the railroads or if the Government takes over the coal mines it is not because the Government wants to do so. The Government took over the railroads in the war and the cost of operation increased, but it took them over when private operation absolutely failed and laid down and said, "We can not do any better." I am not approving of Government operation during the war. I think there were thousands of mistakes made. Perhaps the war would be sufficient excuse for those mistakes, but it is sufficient to say that the private owners, at the time the Government took over the railroads, were on their backs helpless, and the great railroad systems of the country were absolutely paralyzed and the Government took them over to save its own life.

Nobody is advocating that the Government operate the coal mines except as a necessity. I think, as the Senator from New York [Mr. CALDER] has well said, we must have coal under our civilization and that we have reached a point where it is as important as water. The people must have it. They do not want the Government to take the coal mines, but if to save their lives it must be done, then it will be done and must be done. I for one do not want the Government to operate the coal mines, but before I will see the people freeze I will vote for a proposition to take possession of every coal mine in the United States in the name of the Government and operate it in the name of the Government. We must protect the people, who must have coal in order to live. It would be just as bad to give to a private concern the control over the air we breathe. We must have it. It is an absolute necessity, not because we want to, but because we must if we do.

Mr. KING. Mr. President, will the Senator from Massachusetts permit an interruption?

Mr. WALSH of Massachusetts. I yield.

Mr. KING. I think perhaps a word ought to be said in reply to my good friend from Nebraska with respect to the railroads. The Senator, to use his expression, states that the railroads were upon their backs and imploring or importuning the Government to take them over. That in a sense is true, but I think all of the antecedent causes, in fairness to the railroads, ought to be stated, and the conditions which precipitated the collapse of the railroads, if they did collapse, ought to be adverted to.

Mr. WALSH of Massachusetts. Will the Senator from Utah kindly take some one else's time than mine to do that?

Mr. KING. Oh, very well.

Mr. WALSH of Massachusetts. I do not want to digress into a discussion of the merits and demerits of Government ownership.

Mr. President, there is no need of Government ownership. If the Government or one of its officials with authority gave notice that within three months the coal strike must be settled and coal produced for the consumers in America, and meant it, these coal strikes would be settled and there would be no need of Government ownership or Government control. It is because there is nobody with the courage and the nerve to tell the operators that unless a settlement is made and the American public sold the coal that they must have there will be some drastic action taken.

Mr. SUTHERLAND rose.

Mr. WALSH of Massachusetts. I am not only interested in bituminous coal, I am also concerned about anthracite, and I hope the Senator from West Virginia will not interrupt me when I talk about anthracite, because I do not think they produce it in West Virginia.

Anthracite is not being produced at all. What are you going to say to the people of Wisconsin and of Michigan and of Ohio and of Indiana, of the great Northwest, and what am I going to say to the people of New England this winter when they turn to me as their representative in the National Government, and say "What are you doing to give us coal to keep our children from dying of cold and hunger and disease?" It is a serious matter, Mr. President, and that is why I do not think it is necessary to apologize for taking so much time. A critical situation is here. Anthracite may not be available for purchase by a human being in New England after August 1 next unless something is done, and yet we sit here powerless, with no authority, no law, nothing to be done except to tell our people "Go and die; go and suffer; go and perish, because intelligence and good will is not being exercised by the miners and operators in the coal industry."

Government? Why, the people will be denouncing our Government if we do not do something to stop this terrible tragedy. We must act. We must find out where the remedy is. Every Senator here ought to do his best to suggest some remedy or some solution of this problem. When it comes to bituminous coal we ought to know why the prices have been increased, if they have been increased, and we ought to take some steps to prevent an operator in coal increasing his price simply because the production is falling off.

Mr. President, I am sorry to have taken so much of the time of the Senate, and I apologize to the Senator in charge of the tariff bill. However, I want to ask for cooperation here. I want to ask, in the name of the 100,000,000 consumers of the country, some consideration. I want to stop this squeezing of the public between the operators and the miners.

I do not know where the blame lies. I know that it is selfishness and greed between one or the other. I know that we are all suffering and we are becoming impoverished and business is being injured and our people will soon be obliged to suffer because of a broken-down economic system in the coal industry. It is time to act; and I hope the result of our discussion here this morning will lead the Committee on Education and Labor to summon these people here and find out the facts and take at least the first step in the solution of this question, namely, the utmost publicity.

You are deceiving yourselves, Senators, if you think an intelligent people will continue to stand idly by while this coal shortage and high prices go from bad to worse. The public is going to demand in the conduct of industries of this kind which produce the essentials of life that motives of service be superior to motives of profit. The public is going to demand that good will and intelligence be invoked in the coal industry in order that the public may have the coal industry organized for service and not for profiteering. If such an organization can be brought about, private enterprise will be secure; and those who say that private enterprise is breaking down will find themselves without followers. But if an organization founded upon the necessity and importance of service is not immediately set up it is inevitable that the coal industry will sooner or later be taken out of the hands of private industry. The people will have to mine coal for themselves when the coal industry fails them.

Mr. SUTHERLAND. Mr. President, I hold no brief for the coal operators of my State or any other State. I realize that it is one of the largest industries in my State, the largest industry, perhaps, and that the prosperity of my State largely depends upon it. I am as much interested in the prosperity of the industry because of the men who labor in it, who work in the mines, and because of the interest that all our banking institutions and our commercial institutions of every kind have in it, as I am because of any interest of any coal operator, and much more so.

The Senator from Massachusetts has made some reflections, and some other Senators have joined in those reflections, in a sense, upon the action of the Secretary of Commerce in calling the conference of coal operators in order to make some arrangement by which a reasonable limitation could be put upon the price of this essential product. There was a preliminary conference held by the Secretary of Commerce and various coal operators. As a result of that preliminary conference a considerable decrease was immediately made in the price of coal, amounting to about 50 cents a ton. At the suggestion of President Harding, a larger conference was held, participated in by many coal operators from all over the country. I regard the action of the President and the Secretary of Commerce in calling that conference as certainly justified by the experience of the country under similar conditions two years ago, and as being in the interest of the consumers of coal. If temporarily they might, in some instances almost abruptly, have to pay an increased price for coal, in the long run, if the strike continues any length of time, they will be vastly the gainers because the price will be steadied. Quite a quantity of coal has been sold at $1.75 per ton; some of it has been sold as low as $1.10 per ton.

I call the attention of Senators to a portion of the speech made by Secretary Hoover before the coal operators upon the subject of the prosperity or the lack of prosperity in the coal industry. He said:

> I have some little knowledge, perhaps, of the situation in the coal industry as it has existed during the past 12 months. I am fully aware that the industry as a whole has operated without profit and, perhaps, even at a loss: that prices to the public have been unduly low, so far as the mine operator is concerned; that differences in prices of 10 cents or 15 cents or 20 cents a ton make the difference between profit and loss in coal production. The public does not realize, I believe, that these are the margins for which the operator must contend.

I am sorry the Senator from Massachusetts [Mr. WALSH] has disappeared from the Chamber when I am reading these facts as stated by the Secretary of Commerce, one of the wise, strong men of the country, who is internationally known, a very thorough student of economic conditions, who, after a personal examination into the facts regarding this industry, makes these statements.

The fact is that the coal operators, as a class, have been losing money during the past year; that they have been operating at a loss. Many of them have not been able to run their mines at all during the past year, or they have been able to run them to but a very limited extent; some of them for only two or three days a week. So, at a time when there is some resumption of business these men should be allowed such a return for their coal as will pay their fixed charges during the time when the coal business was slack. If there is any way by which the coal business may be steadied so that it may run uninterruptedly and evenly during the entire year, no one will welcome such a condition more readily than will the coal operators; but the very nature of the business is such that it is probably impossible to do that.

I think a great deal of the criticism in this body and elsewhere in the country arises from a lack of understanding of the conditions that surround the coal business. The coal operator must invest a very large sum of money. In the first place, if he goes into the State of West Virginia or Pennsylvania or some other State and buys coal land of high quality he must pay anywhere from $100 to $2,500 an acre for it. If a shaft is needed to develop the coal, it requires a very large outlay of money in order to prepare the underground workings, to place the mines in operation, and bring a sufficient quantity of coal to the surface to enable the operator to meet his fixed charges. Even in the case of a drift mine it takes a considerable sum of money if all the modern appliances for producing coal in an economical manner are furnished and used. Also, the hazards of the business are great and very costly. It is undoubtedly true that coal has been selling during the past several months, up to the 1st of April and until a recent date, and under existing contracts is still being sold in places, at figures below the cost of production.

I attempted to give to the Senator awhile ago the average market prices of coal. These figures are official, running over a period of eight weeks and showing a somewhat steady increase of price, as the Senator states, but the Senator must consider the question as a sensible, practical man. I know the Senator is entirely patriotic in his efforts, but he, of course, looks at the matter solely from the standpoint of the consuming public in Massachusetts. I know that he does not want to do an injustice to anyone; I have the fullest confidence in his patriotism and in his sense of justice and fairness; but the Senator must know as a practical man that, as in the case of any other marketable commodity, when the quantity of coal above ground decreases and a constant shrinkage appears to be inevitable the price will correspond and will steadily increase.

Mr. WALSH of Massachusetts. Will the Senator permit an interruption?

Mr. SUTHERLAND. I will.

Mr. WALSH of Massachusetts. I understood the Senator to say that the coal operators were for some period of time prior to April 1 mining bituminous coal at a financial loss.

Mr. SUTHERLAND. I did say so, and that is absolutely the fact.

Mr. WALSH of Massachusetts. Will the Senator state whether or not they are still mining coal at a loss?

Mr. SUTHERLAND. The Senator must know that a very large number of mines all over the country and in my State are entirely shut down, that many others are only running a part of the time.

Mr. WALSH of Massachusetts. I am confining my question to those which are now producing bituminous coal and whom I charge with increasing substantially the prices of bituminous coal. Are they still mining coal at a loss?

Mr. SUTHERLAND. I take it that the coal operators who are now mining coal in quantity are not producing at a loss. I hope they are not producing at a loss, for they should not produce at a loss.

Mr. WALSH of Massachusetts. How long previous to April 1 were they producing coal at a loss?

Mr. SUTHERLAND. During the entire year preceding April 1, as the Senator knows, business conditions were such that the mines were not steadily employed. There was a strike on part of the time, and there was disturbance in some fields and business conditions were such that the mines could not be steadily employed; the price of coal was down, and many of them were worked at a loss.

Mr. WALSH of Massachusetts. But the strike in the unionized coal fields has resulted in bringing prosperity and financial gain to all the operators in the nonunion fields.

Mr. SUTHERLAND. I will say, Mr. President, that under ordinary conditions the coal in my State is of such a superior quality that the mines there operate, no matter how many other States may be mining coal, and the mines of West Virginia will get their share of the business if all the other States are mining coal; but they should not, and they do not, mine coal at a loss except when business conditions are paralyzed, as they have been during the past year, but the business is done normally upon a very close margin of profit.

The Senator from Massachusetts referred to an instance of the price of coal being $1.75 a ton. I know the Senator thought that was a fair instance, but that price is not representative at all; in fact, it is an exceptional price, made, no doubt, when the mines were only running on short time, when they were kept going, even at a loss, in order that the miners might be employed and their families might not suffer, and in order that the men might not leave and go to other occupations. However, the coal that was sold at such a price in the various markets would amount to about only 10 per cent of the product. By far the larger quantity of coal is sold in a large way upon yearly contracts; and, because coal is of such character and bulk that it can not be conveniently stored in quantity, it must flow evenly from week to week and month to month in order to keep the boilers going. It is almost impossible for anyone, however wise he may be, to foresee from time to time for several months ahead what the demands of business will be.

It is true that the price of coal has increased somewhat during the 8 or 10 weeks since April 1, but that increase was due to the inevitable law of commerce and trade, as universal in its application as the world is wide, that when the supply of a given commodity is constantly becoming less the price tends to increase. Of course, some of the coal operators who have suffered losses during the past year have naturally been trying, as human beings will do, to recoup their losses and get on the other side of the ledger.

As I said awhile ago, the average price of the best grade of smokeless coal during recent weeks has been $3.99 per ton. Some of the domestic lump coal—and I am referring, of course, to the fancy smokeless variety, which is almost as good as anthracite coal for ordinary purposes—has been selling at from $5 to $6 a ton.

According to the statement of the Secretary of Commerce that there are above ground now only about 32,000,000 tons of coal, if these supplies are being depleted at the rate of about 3,000,000 tons a week it can be seen that in 10 weeks, at about the time when stocks of coal at the head of the Lakes and in New England should be almost at their maximum, we will be faced with an absolute shortage of coal in all the markets of this country. Then we know what will happen. With winter approaching and the time at hand in the fall when the railroads begin to move the crops, inevitably a car shortage will result. If, happily, the coal strike should terminate, as I hope it may, there would then be a scramble for coal; coal would be brought to pit mouths in such quantities that the railroads would be hard pressed to handle it; in fact, they could not handle it; it would be impossible for the railroads of the country at that time to transport sufficient coal to make up for the lack of production and distribution of coal during the summer months.

The Secretary of Commerce has foreseen that at that time there would be a scramble for coal which would cause a skyrocketing of prices and result in injustice to industries and to the private consumers of coal. Therefore he very wisely sought to prevent that situation arising. The coal operators were called in conference with him to devise some way, not to increase their profits, as has been alleged on this floor, but to decrease their profits and to steady their business, and, in order to prevent public criticism, which would be unjustified, they have agreed that the price determined upon would be fair on the average under present conditions, and that price will be adhered to and the consumer of coal in the long run will be the gainer.

Mr. KING. Mr. President, will the Senator permit a question?

Mr. SUTHERLAND. I yield.

Mr. KING. Does not the Senator believe that the policy adopted by Mr. Hoover is going to act to the disadvantage of the retail vendor of coal and to the public? I say the public in order to differentiate them from the industries and from the railroads.

The Senator knows that perhaps from 15 to 20 per cent of the bituminous product is consumed by the public, and that the residue, perhaps 80 or 85 per cent, is consumed by the railroads and the industries. Mr. Hoover seems to have been very much concerned about the prices to be paid by the railroads and the industries, but it occurs to me—and I can not say that I have a matured judgment upon the matter—that he has been too indifferent to the needs of the public and to the results of his policy upon the consuming public. He expects the retailers to meet these increases, and to sell to the public the coal which is allotted to them at the same prices which they would have charged when they were buying the coal under existing contracts for perhaps from $1.75 to $2, or thereabouts, per ton. He expects them to absorb all of these differences. They will have now to pay $3.50 for their coal which they contracted to buy for $2 or thereabouts, or $1.75; and he expects them to sell to the public when they pay $3.50 a ton at the same rate as when they paid $2 or $1.75 a ton. It seems to me that Mr. Hoover has not had sufficient consideration for the public and has been a little too much concerned about the industries and the railroads.

Mr. WALSH of Massachusetts. That is exactly the situation.

Mr. SUTHERLAND. Mr. President, I was not present at the conference, but I have no doubt that the Secretary will take fully into consideration the facts with reference to that phase of the subject. As stated a while ago, many of those wholesalers have continuing contracts which are still in force at the same price. This increase in price affects a margin of 5 or 10 per cent, a very small quantity, which was under contract in such a way that adjustments monthly were made of the price to be paid.

Mr. SMOOT. Mr. President, can the Senator explain why the price of coal on May 22, 1922, was considerably higher than it was on June 5, 1922?

Mr. SUTHERLAND. That shows the effect of this conference.

Mr. SMOOT. For instance, I want to call attention to the fact that the wholesale price of coal f. o. b. the mine at Kanawha, W. Va., on May 22, 1922, was $3.25. On June 5 the same coal was $3. The wholesale price of coal at Logan, W. Va., on May 22, 1922, was $3.25; on June 5 it was $2.85. The wholesale price of coal at Fairmont, W. Va., on May 22, 1922, was $3.50, and on June 5 it was $2.85.

Mr. SUTHERLAND. That shows quite clearly that there has been a very determined effort on the part of the coal operators as well as the Secretary of Commerce, in spite of the opportunity that these conditions afford for taking from the public profits which are very much needed by these men to recoup them for losses sustained in the past year or so, so as to steady this business and to maintain a uniform price. I myself, upon every occasion when I have met coal operators from my State or other States, have told them that I thought they ought to take such action as would prevent a runaway coal market such as we had in 1920, and they have, I think, almost uniformly been of that opinion.

I know, as we all know, that many of these men, like men in other industries, object strongly to governmental interference. Some of these men came to that conference with speeches in their systems, and expected to deliver them, against the proposal of Mr. Hoover; but Mr. Hoover's attitude was so fair and patriotic that these men succumbed, and in the place of hostility he provoked only the most cordial cooperation on the part of these men. I believe that his action was wise, and that the consumer ultimately will be vastly the gainer, and I do not think there is anything that anybody need to fear, Mr. Hoover or anybody else, from the most searching investigation into the facts in this case. In fact, if more of the Senators will inquire carefully into the fundamental conditions surrounding the coal industry, I think that a great deal of the criticism which is heard here and voiced in the public press will disappear.

There are many great difficulties in regard to producing and marketing and distributing coal in a manner that is satisfactory all around. Nobody understands that or appreciates it quite so much as the coal operator does. I have been closely associated geographically with the coal business. I have not any money invested in it. I have not a dollar invested in it, but I do know how the business is conducted. For some years I was in the business myself. I served as a clerk at a coal mine when I first went into West Virginia, and manifested the coal out, and I have been around the mines. For 10 years or more I was directly engaged in the business, and therefore I know something about the conditions that surround it. There are many costs and hazards connected with that business that the people generally do not know, and the men engaged in it are entitled to a fair return to them for the great hazard that there is in the business.

Now and then we hear of some great calamity that occurs at some mine. We read in the morning paper that an explosion has occurred in a mine by reason of the accumulation of

gases. Every device that is possible to detect these things is used. Research departments are carried on by many of these coal operators in an effort to improve all the conditions concerning the workability of these mines; and yet few of us understand, or think, or care, that connected with such an explosion, in addition to the loss of valuable lives—which, of course, is the first consideration—there is a tremendous property loss, involving, perhaps, the total destruction of hundreds of thousands of dollars' worth of property. Somehow or other, those chances of loss must be carried by the industry itself, and these losses that are sustained in the ordinary operation of the business must be carried by the business, just as they are in other businesses.

Mr. KING. Mr. President, the coal situation is one which must be dealt with in a rational and sane manner. It presents rather complex features and involves many factors. Because of the importance of coal to the lives and welfare of the people, the question becomes acute whenever a shortage of coal is threatened. There are so many angles to the matter and so many factors to be considered that a coal-shortage condition presents a most serious situation. It can not be dealt with in an hysterical manner, nor without due regard to all parties involved. There are hazards in the coal business, as stated by the Senator from West Virginia [Mr. SUTHERLAND], and it is probably true that some bituminous operators in the past made no profits. However, that fact would not justify extortionate prices for coal needed by the public. It would be highly improper, if not unmoral, for coal operators to expect within a few months to recoup by charging extortionate prices all their losses over a period of years.

There are, perhaps, 10,000 bituminous coal mines in the United States, 7,000 actively operating when no strikes are in progress. Perhaps five or six thousand of these mines, if operated continuously, would produce sufficient bituminous coal to meet the requirements of the domestic market. Undoubtedly there are too many mines for the needs of the people. If all were operated one-half of the time there would be more bituminous coal produced than the market in the United States demands. Under these conditions many properties have been idle for months in each year, and some mining companies have been unable to meet the competition encountered. Owing to the shutting down of many mines during a part of each year tens of thousands of miners have been without work for like periods each year.

Many persons have engaged in the coal-operating business without experience or knowledge of the trade or the risks and hazards of the enterprise. There have been many conditions which have contributed to confusion and lack of stability and to violent fluctuations and disturbances in all branches of the coal business. This has reacted to the injury and disadvantage of the operators, the employees, and the public. The time has come when there should be greater stability and uniformity in this great industry.

If a considerable part of the employees in the coal business were to seek employment in other activities it would tend to solve the problem.

By that I mean that so long as hundreds of thousands of men are at the coal mines, and are able to obtain work but a few days each week, conditions will be unsatisfactory. It would be much better if those who are employed had constant employment at good wages—living wages—than to have thousands unemployed during much of the time. The situation must be changed, and the coal operators and their employees must enter into some plan to relieve the country from the strikes and lockouts and troubles which so often exist and which so seriously affect the public.

It has been said that many men prefer work in coal mines rather than in other industries, and that results in the overcrowded conditions in coal-mine districts. Be that as it may, there must be some method adopted that will furnish reasonably continuous employment to those who are employed in the digging of coal. During the war the demand for coal increased and, of course, there was profitable employment for a larger number of persons.

It has been difficult to secure readjustments since the war in most industries. That has been especially true of the coal industry. Unfortunately, when the Government had control, under Doctor Garfield, disarrangements of fields of sales resulted. Mines at great expense, for instance, had developed a market in a given State or in a given section of the country. The Government agencies paid no attention to the markets that had been developed at great expense by many of the coal operators, and diverted their coal to other fields. When the Government released control many of these operators found that their markets were gone; the Government had diverted their coal into other avenues and other markets, and they were compelled to seek other markets or to regain their old markets, which in the meantime had been preempted by other coal operators and other vendors. The entire coal business was disarranged, as were all of our industries, as the result of the war. We should approach the consideration of this subject calmly and dispassionately, with a desire to deal justly with the operators, the employees, and the public. We should have all the facts before us before any action is taken. The situation may become so serious as to call for the assertion of Federal authority; therefore we must be fully advised and proceed upon safe and legal and constitutional lines.

I am inclined to think that Mr. Hoover—and yet I do not wish to criticize him—was rather too precipitate in the arrangement which he made.

I think he ought to have called in the public and the retail dealers and conferred with them as well as with the wholesalers and the operators before he fixed the price of $3.50 a ton. The difficulty is that many of the retailers had executory contracts for $1.75 to $2 per ton. Now they are compelled to go out and buy coal at $3.50 a ton.

They had advertised to the public that there would be a reduction in the retail price of coal. Now, they can not fulfill their promises and this will provoke public resentment and prove very injurious to the retail coal dealers. It will not only injure them financially but it will result in a loss of confidence in them by the public. Instead of the public getting coal for the prices named they will be compelled to pay more than they paid before. I have no doubt that Mr. Hoover's purpose was to stabilize and, as the Senator said, to prevent a runaway market, but I believe that he did not fully consider all elements involved.

But, Mr. President, I do not think there is any necessity for the Government seizing the coal mines any more than there is a necessity for the Government to seize the railroads. I believe that the controversies will be adjusted and that the public will soon be relieved from the fear of a coal shortage. Of course, a situation might arise calling for drastic action, but such conditions are not present.

I stated on the floor of the Senate a few days ago that before the war the coal operators sold coal at the mouth of the mine cheaper in the United States than in any other country in the world, unless it was Great Britain. Think of coal at the mines at 95 cents a ton, and from that to $1 and $1.10 a ton. That was the average of pre-war prices, as I recall. I am speaking of the bituminous coal only. The coal operators in the main were men of skill, and they practiced economies that enabled them to produce coal very cheaply. I am advised that many coal operators obtained but small returns upon their investments, and that many never paid dividends upon the capital stock of their companies. Others, because of the large coal measures, the cheapness of operation owing to their geographical situation and their proximity to markets, and because of railroad advantages and other factors which enter into the cost of production, were enabled to produce their coal cheaply, and at the ordinary market prices were enabled to reap handsome rewards. But I think, taking it by and large, the bituminous coal operators of the United States have not made, upon the capital investment, a larger return than has been made in the other industries.

Of course, there are profiteers in the coal business, as there are profiteers in every business. There are profiteering lawyers, profiteering doctors, profiteering merchants, profiteering laborers. Profiteers will exist so long as selfishness and greed and cupidity are attributes and characteristics of the human heart, and we will all possess them to a greater or less degree until the blessed millenial area shall dawn upon us.

When we discuss this whole question, or legislate upon this question, let us address ourselves to it or legislate upon it in a sane and wise manner.

I hope that a speedy adjustment will be made of the controversies now existing that will prove entirely satisfactory to the mine owners and to the employees. We want an intelligent, happy, contented, and patriotic people, and there must exist a spirit of amity and fellowship between the employees and the employers in all lines of business. Labor must be properly rewarded and its contribution to the wealth of the land must be recognized. The dignity of labor must be appreciated, and there must arise a mutual feeling of respect and confidence between all classes—employers and employees—capitalists and those who create wealth with sweat of their brow and the labor of their hands.

A moment ago I interrupted the Senator from Nebraska, and was not able to conclude the sentence which I intended to complete respecting the seizure of the railroads during the war. In

my opinion, we could have avoided that step. I admit it is a moot question. No two men will agree when they argue the pros and cons of the railroad seizure, as to the wisdom of it. In my opinion, which is, of course, very unimportant, if Congress had permitted the railroads to cooperate and collaborate for the period of the war, relieving them from the penalties of the Sherman antitrust law, and had enabled them to provide capital to meet their operating expenses and most imperative improvement and requirements there would have been no occasion for taking over the railroads.

The Government of the United States closed every avenue for procuring money for investment or improvement purposes. It would not permit schoolhouses to be erected. We denied the right of counties and cities to issue bonds for municipal improvements, because the Government was commandeering all available capital for war purposes.

When the railroads were denied opportunity to borrow money in the markets because the Government had made demands for all available capital, of course they were helpless. When we talk about the inefficiency of the railroads and their inability to function during the war and prior to the period of seizure by the Government, we must take into account, in all fairness, the conditions which brought about the situation. The Government was responsible for the inability of the railroads to properly function.

If we had done as I have indicated, in my opinion the railroads would have met the situation, and there would have been no necessity for the Government taking them over. Moreover, under the operations of the War Department and the other departments of the Government, the railroads had but limited control of their own operations. Even before the Government seized them, on account of the priority orders the railroads were unable to meet the demands made upon them by the public. If cars were ordered by a private person for the shipment of his potatoes, of his cattle, or any other products, the railroads might promise to deliver them, but the next day the Government might seize the cars or issue a priority order which would prevent the railroad from furnishing the cars pursuant to contract. Of course under such a situation it was impossible for the railroads to proceed in the ordinary way, and in the end the Government took possession of them and operated them for many months.

During the period of Government operation it increased the wages enormously. It increased the freight and passenger rates and the Pullman rates. Then it superimposed upon the railroads heavy burdens to the extent of hundreds of millions of dollars, which have not yet been liquidated, and when the railroads were turned back to the owners there were burdens upon them, disadvantages and inequalities, which will take many years to straighten out.

So in the consideration of these questions we must endeavor to be fair and to be just and weigh all matters with the purpose of reaching correct conclusions.

Mr. LENROOT. Mr. President, if this strike continues another 30 days, I believe the wisdom of Secretary Hoover will be demonstrated to the country. The operators are but human, and unless there be some agreement upon their part, when this shortage actually does come, we will find coal going to seven, eight, nine, and ten dollars a ton again, as it did in 1920.

But the matter of the price of coal is not the all-important question at this time, and the people of my State, the people of all of the Lake States, and of the States tributary to the Lakes, are in a very different position with respect to this question than the people of the East. We can not wait until the 1st of October to have this strike settled without our people freezing next winter. We can not wait even until the 1st of September to have the strike settled without the people of the great Northwest suffering great hardship not only in the shortage of coal but in other ways. The acute question is the settlement of the strike, and I do not at all agree with the Senator from Utah that we must not think of the Government taking over the mines and operating them if the strike is not settled.

The Senator speaks of our being careful to follow sane and wise legislation in dealing with the subject. The purpose of my questions to the Senator from Massachusetts this morning was to draw out whether it was his opinion, as it was mine, that under the present state of the law there is nothing effectual the Government can do, aside from giving publicity to the matter, in dealing with this question short of operating the mines. For Congress to attempt to do something that the courts will hold Congress has not the power to do is merely making a bad situation worse.

Neither would I have the men who are on strike assume, because of the strictures that have been made upon the operators to-day, that in case it does become necessary for the Government to take over the mines and operate them, the men have thereby won their strike. As the Senator from Massachusetts has indicated, the public is concerned in this question, and it is too true that neither the operator nor the miner is very much concerned about the consumer, so far as this question is concerned. The miner should understand that it is as much his duty to come to a reasonable compromise with the operator as for the operator to understand that it is his duty to come to a reasonable compromise with the miner, and if they shall not do that within the next 30 days I believe it is the duty of this Government to serve notice to all interests that unless they do settle the strike the Government will take possession of a sufficient number of the mines and run them to make up the shortage, not yielding to the demands of the miner, but, after a fair tribunal has been created or appointed by some competent authority to find out what a reasonable wage is, to state that that is the wage that will be paid by the Government, and if the miners are not willing to accept that wage there are enough patriotic Americans who will.

The Senator from Nebraska suggested that if the strike is not settled we ought to take over every coal mine in the United States. If this coal strike is not settled, I hope that will not be done. If this coal strike is not settled, there should be just enough mines taken over to furnish the needs of this country, and both the operator and the miner should understand that if the Government does take over some mines in order to avoid this crisis, neither the operator nor the miner will necessarily profit by that transaction.

One of the operators told me not very long ago that they were indifferent whether the Government took over their mines, that they would get a good price for them, anyway. If the Government took over just enough mines to fill immediate needs and thereafter it became necessary to take over all the mines, the price that would be paid a few years from now would not be nearly as great as it would be to-day.

So, Mr. President, because of the acute situation which does exist and which to my mind fully justifies the discussion this morning, I believe that it ought to be understood by both the operators and the miners that the Government, in the interest of the people, is not going to lie helpless indefinitely, and that it will take such measures as may become necessary in the interest of the people of the United States.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER (Mr. McLEAN in the chair). The Secretary will state the pending amendment to the amendment of the committee.

The READING CLERK. The pending amendment is the amendment of the junior Senator from Massachusetts [Mr. WALSH], on page 83, line 21, in the language proposed to be inserted by the committee, to strike out:

> Cash registers and parts thereof, 25 per cent ad valorem.

Mr. UNDERWOOD. Mr. President, before the vote is taken I desire to say a few words in reference to cash registers. I listened with some interest last night to the brief which the chairman of the committee had read into the record in justification of the action of the committee in taking cash registers off the free list, as they are under the existing law and as provided for in the bill as passed by the House and sent to the Senate and taxing them one-fourth of their value, 25 per cent. I shall not read all of the article, but there are some matters of interest to which I will call attention.

The article presented by the chairman of the committee just before we took a recess last night was a brief by Mr. H. A. Savage, representing the St. Louis Cash Register Co. and the American Cash Register Co. He starts out by saying:

> When the existing tariff laws were passed by Congress, there was but one financially strong cash register manufacturer in the United States, namely, the National Cash Register Co., of Dayton, Ohio. That company enjoyed what amounted to almost a complete monopoly of the cash-register industry. That tariff act imposed no import duty upon cash registers, with a view, no doubt, of encouraging foreign competition and thus protecting the merchants of the United States against the very high prices charged by the one manufacturer above referred to.

That is a fair statement of the conditions which existed when the present law was enacted. There was at that time practically but one cash-register company in the United States. It not only had a monopoly of practically all the business of making cash registers in the United States but to a large extent it controlled the foreign market. At that time, if I recollect aright, under the former Republican law cash registers fell under what was known as the basket clause of the machinery paragraph,

and I think were taxed 45 per cent ad valorem. But the committee in 1913, recognizing the fact that this company was a monopoly and a recognized monopoly, that it was so powerful that it not only controlled the business at home but was able to enter the markets of the world and in many lands control the cash-register business of foreign countries, concluded that it would only be a sham to continue a tax on the product at the customhouse and so it was placed on the free list.

In the face of the fact that the cash-register business has about doubled in the eight or nine years during which the present law has been on the statute books, and that many citizens have gone into the business and invested their money under free-trade conditions, it seems to me quite remarkable that the committee should not only want to overthrow existing law but overthrow the action of the House of Representatives, which, I have no doubt, gave careful consideration to the matter.

I have great respect for the chairman of the Ways and Means Committee of the House, under whose guidance the pending bill was primarily written, but I never heard anyone charge Mr. FORDNEY with being a low-tariff man. I served on the Ways and Means Committee with him for many years and I never saw the time when he was not willing to vote for a protective tariff at all times and on all commodities where there was any justification at all. Yet the committee under his guidance in the House refused to put a tax on cash registers.

The only justification the Finance Committee of the Senate seem to have, so far as they have presented their case to the Senate, for changing the bill and putting a tax of 25 per cent on cash registers, is that certain independent manufacturers of cash registers have come to them and asked for the tax. I have seen no testimony to indicate what is the difference in cost of production here and abroad except the loose statement of people that it is very much less in Germany than it is in America, which, of course, means nothing. Men may make statements of that kind in perfect good faith without any ultimate knowledge of the facts, as I have found time and time again. Statements of that kind have been made before me, and I have cross-examined the witness as to what his knowledge of the facts was.

As a rule I have found that the American manufacturer who made statements of that kind is quite well posted on his own business, usually is a man of ability in his own line, thoroughly informed on what he is doing at home in his own factory, and absolutely ignorant of conditions abroad except what he may have read in some trade journal that is favorable to him, and then has misconstrued the result of the trade journal's information to color his own viewpoint.

Mr. President, so far as I can see there is nothing in the testimony which has been presented by the committee to justify our increasing the tax on the American people, the business men of America, except the testimony of one or two interested parties who give us no concrete facts, no labor costs, no cost of assembling the materials, no cost of transportation, no testimony as to the efficiency of machinery in this country and abroad, but merely an ad captandum statement that the cost of production in Germany is less than it is here.

Mr. President, cash registers are made by machinery. There are various kinds of cash registers, particularly the large ones and small ones, varying in the number of drawers they have and in their operation, but they are purely machine made and made in very large quantities. The parts of those machines are made by machinery, made by organized machinery to produce the parts, and are not made by hand labor. The only hand labor involved to any extent is in the assembling of the parts, which is a minor proposition in cost. No one has suggested that the difference in labor cost here and abroad materially affects the result in the price. Everyone knows that the commodities have been sold for enormous profits, and that the profits are very large up to this time.

Now, the argument on which the Senate of the United States is asked to reverse existing law, to reverse the action of the House of Representatives and put this article on the tax list, is this: The independent manufacturer says that his danger comes from the trust; that if we leave this article on the free list the trust will import from its foreign factories into America the products of its foreign factories and destroy the independents in America; and that if we put a tax on so the trust can not import from its foreign factories into America, then the independents will have an opportunity to combat the trust in the smaller makes of the goods. Of course, if the trust had made up its mind to put the independents out of business by importing goods from its foreign factories into America, it could put them out of business by underselling them in this market.

In real truth and fact, the National cash register, where organized, controls the market. It is sold at a very large profit. Cash registers run in certain well-defined lines. Of course, to start a new form of cash register they have to work out the machinery for that particular form, which they had not done in reference to the smaller articles. It left a field for independent manufacturers, with a great profit in that market, to enter the field for certain smaller classes of cash registers, which they have done. I suppose, for reasons of their own, the National Cash Register Co., the monopoly, have not seen fit to manufacture that class of cash registers.

It is not because of a tariff or the lack of a tariff that they exist; it is because the monopoly has not invaded that field. It is not a question of competition from abroad; it is a question of maintaining high prices and great profits which they want for this particular article; and there is no rime or reason for the proposition unless the majority side are merely going to adopt the system in writing this bill that if anyone who is engaged in a manufacturing enterprise comes here and says that he wants so much tariff at the customhouse, they will either give him what he wants or some proportion of it, regardless of existing industrial conditions in the world.

I know that it is somewhat embarrassing to the party in power not to do that. The party in power has been committed to a protective tariff as one of its policies and principles. It naturally takes the position that the more men who are interested in the theory and the principle of a protective tariff the stronger their viewpoint is, and that when an article is put on the free list and taken out of the family of protection, men are encouraged to believe in a different theory as to customs taxes. I realize that, and, therefore, I am not harshly critical of the position of the committee which represents the party in power in trying to make an omnium gatherum bill and to extend the field of so-called protection, whether it protects or not, so far as it can; but, on the other hand, Mr. President, it seems to me that there is one place where even the Finance Committee, representing the principle of protection, believing in the right to make the American people pay taxes to special interests, should draw the line and can draw the line without surrendering their viewpoint, and that is when it is ascertained that the producer of a particular article is not only a monopolist in the United States but a monopolist who controls the world's market; and that is the case in reference to the National Cash Register Co.

Viewing the subject from the standpoint of whether the industry needs protection, I know of no better test as to whether American industry is able to stand alone and to fight its own battles and succeed, regardless of foreign competition, than whether it can export its products to foreign markets and compete in the open markets of the world with its world rivals. It seems to me it is an argument that can not be answered, that if an American industry can carry its goods into those markets of the world and in material quantities combat for the trade of the world against all comers, it is no longer an infant industry at home and can fight its own battles here without governmental protection in the way of a tariff wall. That is the case with reference to this product.

I read from a Tariff Information Survey, relating to paragraph 165 of the tariff act of 1913, Machinery, No. 1. I quote from page 153, where there are given the exports of certain classes of goods that fall under this paragraph. I wish to say that the following figures are for the calendar year and not the fiscal year.

Of adding and calculating machines in 1919 we exported $3,417,958 worth; in 1918 we exported $1,974,250 worth; in 1919 we exported $3,863,217 worth; and in 1920 we exported $6,790,407 worth. That is what we sent into the markets of the world of the product which was manufactured here. We not only sent it out to the markets of the world, but we sent it out successfully, because we sold nearly $7,000,000 worth two years ago. I have no later figures than those, but I have no doubt that same tide kept up in the open markets of the world.

Of course, it may be shown that from time to time there have been sporadic importations; but if an industry such as that of the National Cash Register Co., with its factories located around the world, wanted to alarm the Finance Committee it could import a few of those machines occasionally and sell them in the American market, probably without loss to itself, for the benefit of the example it set and for the sake of the argument. However, Mr. President, without intending to reflect on members of the Finance Committee, from my viewpoint to levy a tax on the American people, or to attempt to levy a tax on the American people, under circumstances of this kind is unconscionable; there is no justification for it whatever. It is merely to please certain special interests that think they ought to receive this tariff and that they can increase their profits by having it.

I say "increase their profits," because it is manifest that the independents who appeared before the committee, according to the statement which I just read, and which the chairman of the

committee put into the RECORD, have built up their business when cash registers were on the free list. They invested their money in this business under free-trade conditions. This was not a war industry, and it was not necessary to develop it for war conditions. It had nothing to do with the war, but they put their money into it under free-trade conditions. They have prospered, for certainly they are still alive; they are still doing business, and they are evidently making money. The only thing they want now is for the Government of the United States to put a tax at the customhouse, which I understood the chairman of the Committee on Finance to say the other day was a protective tax, to enable them to make more money out of the American people.

It may be the new theory of the Republican Party that taxes should be levied to guarantee profit, but it was not the theory of McKinley and Dingley; it was not the theory of the old-time leaders of the Republican Party, who were always content to say, "We do not desire any tariff taxes levied higher than are sufficient to cover the difference in cost between production abroad and protection at home. Here it is demonstrated by our exports that there is no difference in cost of production at home and abroad except the ad captandum statement of these biased witnesses who gave no facts, no direct information, but merely recited the same old story that "wages are down in Germany and up here." That is not sustained by the facts. Aside from that, even if that were true, the manner in which the American factories are organized and equipped with machinery for the production of this class of manufactures overcomes any difference in the way of cost. The very reports of the Tariff Commission, which I hold in my hand, make that statement.

So, Mr. President, as I said last night, not only as to sewing machines and cash registers, but as to practically every article in this list, there is no justification for increased duties where the rates are increased, and there is certainly no justification for taking these articles off the free list and imposing upon them a tax of 25 per cent.

I should like at this point to call attention to one of the anomalies in this bill. When the present law was being considered in the committee of which I was chairman, linotype machines, which were in this paragraph and taxed at that time 45 per cent, were placed on the free list along with sewing machines and cash registers. The House Committee on Ways and Means left the cash registers and sewing machines and linotype machines on the free list. Everybody who is familiar with the linotype is aware that it is a highly complicated composing machine containing a vast deal of machinery difficult to manufacture and far more intricate than a cash register.

A great deal more labor is involved in its manufacture and it is vastly more difficult to produce. If my recollection is correct, when we placed them on the free list there was more competition, though not enough to justify a tax, in linotypes than there was in cash registers; and yet the present Finance Committee puts the tax back on sewing machines and cash registers. They are not afraid to tax the American woman who uses a sewing machine or the American business man who uses a cash register; but they leave linotype machines in the free list. I can not understand why except that possibly the committee which believes in protection for special interests were confronted by one adversary of whom they were afraid. They were not afraid of the women who use sewing machines; they were not afraid of the American business men who utilizd cash registers; but they did not dare challenge opposition of the great American press.

Therefore they left linotype machines properly on the free list and proposed to strike at that class of American citizens who they do not think have the power to strike back.

Mr. President, I hope that the motion of the Senator from Massachusetts [Mr. WALSH] proposing to remove cash registers from the dutiable list will be agreed to and that they will go back to the free list where they properly belong.

Mr. TOWNSEND. Mr. President, I realize how futile it is to talk to the Senate when there are so few in the Chamber. By talking I have not in view the political effect which my words may have, but I do wish to state the reasons for my vote on this particular item.

In the first place, I deny that this will be an additional tax upon the American people. It is a general statement always made by the opponents of protection, that whenever a tariff is levied it is paid by the American people. Of course that depends very largely upon whether or not they buy the foreign article upon which the tariff is levied. It is possible that they might pay for that particular item more than they otherwise would, but even that is not always true.

I contend also, Mr. President, that we have to raise about five billion dollars in taxes in this country; and if a portion of that is raised at the customhouse, as the Senator suggests, so much better for direct taxation upon the people themselves; but Mr. President, I wish to say just a word or two in reference to this particular item.

I think it is a proper protective duty. It is not asked for by the great National Cash Register Trust. It does not care for a duty. It has a monopoly of the market, and has had for some time. The National Cash Register Co. is practically a monopoly; it has been made for many years, and that without protection; so that was a monopoly which certainly could not be charged to the tariff. A number of years back some independent companies saw fit to start the manufacture of cash registers, all of a moderate price. As quickly as they entered into that business the National Cash Register Co. proceeded to employ means which were condemned by the court as improper for the purpose of putting these independents out of business. They succeeded in greatly disturbing them. They caused organizations and reorganizations and bankruptcies in some cases, but finally these companies got established.

The courts intervened and granted an injunction against the National Cash Register Co., prohibiting it from employing the methods which it had employed in the past; but that did not prevent the National Cash Register Co. from carrying out its designs. It established a plant in Berlin, Germany. It established the plant where it could employ the same priced labor that the German manufacturer employed—not American labor, not paying American taxes, not supporting the American Government, but manufacturing its goods under the low prices paid in Germany. We say that by doing that the decisions of the court can be avoided and indirectly the enjoined practices which were found disreputable and unmoral against its competitors in the United States could be continued.

Of course, the National Cash Register Co. can compete with the Germans and Europeans, employing the lowest-priced labor in western Europe; it can do that with its plant over in Germany without any doubt at all. It can also send its product into the United States, if there is no duty imposed on machines of low value, and absolutely destroy the independent competitors in the United States.

Another thing, Mr. President, ought to be borne in mind, if I am correctly informed, and I think I am. The establishment of the independent factories, when they got to doing business, reduced the price of cash registers to the people of the United States. That was the reason why this great trust wanted to put them out of business, and they were doing it until this order of the court.

It is also true that the great Krupp manufacturing concern in Germany, that was employed before the war and during the war in the manufacture of guns, is now employed in the manufacture of other machines, among them cash registers.

It stands to reason that with labor paid less than a quarter of what is paid in the United States it can enter the American market, and so far as these small concerns are considered, it will mean their destruction, and this will be pleasing to the National Cash Register Co. I do not know, I have doubts, about Germany being able to destroy the National Cash Register Co. I would not make a plea for a tariff to protect the National Cash Register Co. It does not ask for a duty. It does not care for one; but these concerns which our country is interested in building up, these legitimate competitive manufacturers, ought to be maintained here unless we are in favor of monopoly. The Senators on the other side and those who are opposed to a tariff generally have stated as one of their favorite arguments that the tariff encourages monopoly; yet here is a monopoly that would, by the establishment of its plant in Germany, make itself immune from the laws of the United States, and at the same time would nullify any tariff which might be placed upon goods abroad if no tariff is imposed.

So, Mr. President, knowing that few are listening to what I may say and that the argument is void, so far as affecting a vote is concerned, nevertheless I felt that it was my duty to say this much, because I understand what the situation is in reference to these independent concerns. You can put them out of business if you like; you can give the entire field to the National Cash Register Co. if you like; but I do not think it will be for the interest of the American people if you do, and I do not think it will be fair to the consumers, the users of cash registers in the United States; for I repeat that the moment these independent concerns became established, the lower-priced cash registers that are used by the merchants and dealers throughout the United States went down, and the price was lower to the people.

Mr. KELLOGG. Mr. President, will the Senator yield?

Mr. TOWNSEND. I yield.

Mr. KELLOGG. How many so-called independent companies are there manufacturing cash registers in this country?

Mr. TOWNSEND. There are three that I know of. There is the American Cash Register Co., at Saginaw; there is a cash register company at St. Louis—I have forgotten the name of it——

Mr. WILLIS. The St. Louis Cash Register Co.

Mr. TOWNSEND. And I think there is one at Detroit, Mich.

Mr. WILLIS. The Michigan Machine Co.

Mr. KELLOGG. What was the order to which the Senator referred in the National Cash Register case?

Mr. TOWNSEND. The court for the southern district of Ohio made an order on a complaint that was made, and it is in the RECORD. I am glad to give this information to the Senator. It is marked "Exhibit A" in the Senate hearings. It shows what the order was, a most sweeping one. I think the Senator from North Dakota placed it in the RECORD last evening.

I do not care to prolong the debate, Mr. President, because, as I said, I think it is futile. Few are listening and few care about the discussion.

Mr. WALSH of Massachusetts. Mr. President, this question was so fully debated last night that it is not necessary to take any more time; but I think perhaps we ought to enumerate the arguments advanced against this tariff duty and see what weight they are entitled to.

We are seriously asked to levy a tariff duty of 25 per cent ad valorem upon cash registers because some wicked trust has squeezed a little independent manufacturer of cash registers in this country; and in order to give relief to the independent company we are going to bestow a tremendous gift upon that trust. The time to have given relief to the independent cash-register company of Michigan was during the years the Republican Party was in control of Congress and was permitting trusts and monopolies, without any restraint or any law, to organize and flourish in this country. The harm has been done; the trust is here; and a 25 per cent ad valorem duty means more profits, means an increase in the prices which the trust and other manufacturers of cash registers will exact from the public.

There is no dispute about the facts here. No cash registers of any amount have been or are being imported into this country. This trust has manufactured in 40 years 2,000,000 cash registers; and because less than 100 cash registers have come in here from Germany we must increase to the hundred million of people in this country, at least as many of them as want to buy cash registers, the price of these cash registers from $100 to $200 apiece. It is preposterous. You can not defend this duty, and you can not blind the American people to the fact that in levying this tariff duty for the benefit of a small independent company—which, if you please, has been squeezed and abused by this monopoly—you are erecting a tariff wall that will keep every cash register out of this country and leave the public unprotected also against this trust.

As a matter of fact, the little independent company competes with the National Cash Register Co. only in one type, and there are five different makes. The only company that could compete with the National Cash Register Co. in the principal makes of cash registers is the German company, and it has only been able to get in here 90 cash registers.

Let me give you some astounding figures about the increase in the price of commodities in Germany. These figures have been given to me by a man who is willing to make an oath, to give an affidavit, as to the increase in the price of commodities in Germany in the last year. He has given me the quoted price of cash registers landed in New York, the price the importer has been expected to pay.

The style or type is what is known as No. 423, so anybody on this floor can inquire for himself as to whether these prices are accurate or not. The quoted import price of that article on July 1, 1921, was 12,000 marks, equivalent to $48 in gold. On August 8, 1921, one month later, it was 16,000 marks, or $64 in gold. On October 1, 1921, two months later, it was 20,000 marks, or $80 in gold. On November 2, 1921, it was 40,000 marks, or $160 in gold, an increase of 100 per cent between the October price and the November price last year. On March 3, 1922, it was 44,000 marks, equivalent to $176 in gold. On April 1, 1922, it was 56,000 marks, equivalent to $224 in gold, and on April 24, 1922, it was 62,000 marks, equivalent to $248 in gold.

The import price of this one type of cash register from Germany has increased from July 1, 1921, to April 24, 1922, only about nine months, from $48 to $248, about 600 per cent, and those figures are typical of every single article contained in this bill and every single commodity we are asked to fix a duty upon. How absurd, how ridiculous it is, to attempt to quote German prices of last August, September, or October, in view of the startling information contained in the figures which I have just given.

I only refer to that for the purpose of calling attention to the fact that Europe is finding itself; that the prices of commodities in Europe to-day, Germany included, are back to pre-war levels; and that we have no business to frame any tariff bill based upon the prices of cash registers or any other commodity last August. Thus we proceed to fool and deceive ourselves and make a bill that will be a laughing stock to the world as well as to this country.

The committee has proposed a rate of 25 per cent ad valorem on cash registers, so that no cash registers can come in here and the big monopoly in Dayton, Ohio, and three little independent fellows can have the field to themselves. How this committee can find a way of helping the little independent company in Michigan with this tariff duty and put out of business this monopoly is beyond my comprehension or conception. Quite a new idea—the way to destroy a trust is to give it a high protection.

Mr. CARAWAY. May I suggest to the Senator that the same argument is used by the proponents of this item that has been used by some of our good friends who say that whisky will make you cold in summer and hot in winter.

Mr. WALSH of Massachusetts. Mr. President, I quite agree with the statement of the Senator from Arkansas.

Mr. President, I urge the Members of this body to hesitate before they adopt this amendment. I want my Republican friends not to be put in the ridiculous position of trying to explain to every merchant, from the time this bill is passed until it is repealed, that their cash registers are, because of this tariff, going to cost about $200 more. I have not forgotten the argument made that the independent companies fear that the National Cash Register Co. is going to build a factory in Germany. Think how absurd that is, to say that they are going to build a factory in Germany and come into America and destroy their own factory and destroy their own investments of many millions of dollars.

If they build a factory in Germany and employ cheap labor and ship into this country the German-made cash registers, they will close up their factory in Dayton and put it out of business. They can not ship one cash register into this country without injuring their factory in Dayton, without depreciating the value of their stock. We have the statement of the manager of the company that they have no such intention.

The Senator from North Carolina stated the situation accurately yesterday when he said that when one rate after another in this bill has been challenged, the Republican majority have found themselves obliged to fly from one excuse to another, and the last one they produced is the statement that there is going to be a flood of American capital to Germany to build manufacturing plants. They told us that about sewing-machine plants.

I knew they would say that about this commodity, and that is why I took the trouble to telegraph the National Cash Register Co. If the committee had really wanted to make a tariff bill that would get the confidence of the people, they would have brought the representatives of the National Cash Register Co. before them and put them under oath and asked them questions to find out what the facts were. But I have talked longer than I had intended.

Mr. KING. I would like to ask the Senator from Massachusetts, before he concludes, how much of an increase there has been in the price of the domestic products of these cash register companies. What is the difference between the pre-war and the present prices?

Mr. WALSH of Massachusetts. I regret I can not give the Senator that information. It is most difficult, for this reason, that there are no two cash registers which are comparable. They are constantly changing the style and character of the machine so as to put new machines with new patents upon the market. I would say to the Senator that the average price of the machine most in use, I am informed, is between four and five hundred dollars, but the National Cash Register Co. sells most of its machines to department stores, to those who buy the highest type of machines and the best machines, and the prices for those machines go up as high as $2,000—from $400 to $2,000.

I think the Senator will bear in mind that in the discussion last night it was brought out that the National Cash Register Co. does not make the same machine in Europe that is made in America. It is a different type of machine, and it looks to me as if that was done so that no comparison could be made between the foreign prices and the American prices. It looks to me as if it was to prevent the argument being used, what

we know to have been the fact in the past under Republican tariffs, that sewing machines and plows, and possibly cash registers made in America, were sold in London and Paris and other European markets cheaper than they were sold to the American people. The Senator knows it.

I have no time further to contribute. I ask for the yeas and nays upon this amendment offered by me.

The yeas and nays were ordered.

Mr. WILLIS. Mr. President, as I was unavoidably absent from the Chamber during most of this discussion, which has involved a great concern in my State, I feel that I ought to say only a word.

I am very familiar with the National Cash Register concern. I think it is only fair to them to say that, so far as I am concerned, at any rate, they have never made any request at all for this duty. I do not want Senators to get the idea that the duty reported by the committee was fixed at the request or suggestion of the National Cash Register Co. At any rate, they have never indicated anything of that kind to me. But I do say that from the general standpoint of the protective principle, in which I most sincerely believe, it seems to me that the rate proposed by the committee is a fair one.

There have been charges of monopoly in this line of business in the country. I shall not now discuss those, but if those charges be well founded, it appears to me to be highly desirable that the independent concerns which are building up the competitive industry should have a chance to live here.

The cash-register business of this country furnishes employment to some twenty-five or thirty thousand people. It is my recollection that Canada and Mexico have a tariff against the importation of cash registers from this country. I know that Germany has a tariff, which she has recently increased materially, and in view of the fact that there are at least three independent concerns manufacturing cash registers in this country, and in view of the further fact that we know that conditions in Germany make possible production at a very much lower labor cost, it seems to me the rate proposed by the committee, 25 per cent, is a very fair one, and I shall support it, although I repeat that no suggestion or request has come to me from the National Cash Register Co., and I do not think they are interested in this rate at all.

Mr. KING. Mr. President, the argument just made by the able Senator from Ohio is a most astounding one, if I correctly interpret his meaning. He takes the position that we should lay a tariff upon cash registers because there is a monopoly, and in order to help strangle the monopoly at home we must impose a heavy tariff duty upon imported products.

That is the acme of Republican illogicalness and absurdity. We build up monopolies in the United States by tariffs, and then must perpetuate the tariffs in order that possible competition may ultimately be developed among the domestic producers.

Mr. WILLIS. Does the Senator contend that the alleged monopoly enjoyed by the National Cash Register was built up because of the tariff?

Mr. KING. I aver, as was stated by an eminent Republican, that the tariff is the mother of trusts. I know that some of our Republican friends smile in derision when that statement is made, and yet we find that the inordinately high tariff, which prevented competition from abroad, resulted in the domestic producers forming trusts or combinations or organizations so powerful and dominating as to control the prices of the domestic products. I think that the history of our industries will demonstrate that many trusts and manufacturing organizations have assumed monopolistic proportions in the domestic market, because they were buttressed behind high-tariff walls. Tariffs are designed to increase prices; to enable the domestic producer to charge more for his products. Republican tariffs are usually dictated by trusts or giant organizations that wish to maintain high prices and make enormous profits.

Take the Steel Trust as an illustration. The evidence conclusively establishes that it can produce its products at from two to five or six dollars a ton cheaper than any independent steel company in the United States. However, it fixes prices agreeable to the steel producers, and all have made enormous profits. And yet this bill carries tariff rates upon steel products. It is designed to prevent any possible competition, so that it may maintain high prices. I repeat, tariff walls aid domestic producers to exploit the people and develop trusts and monopolies.

Adam Smith perceived in his time that whenever competition from abroad was prevented and permission granted for the domestic manufacturers to get together they would get together, and the result would be an enhancement of prices to the consumers. So the Republicans now are driven to defend this iniquitous bill, the particular irrational schedule which we are now discussing, upon the theory that we have built up a monopoly, the cash-register monopoly, and now, to encourage it not to be too oppressive, we will lay a heavy tariff. The theory is that if we keep out foreign products the domestic monopoly will be a little generous with the people, for fear that it may provoke some one to enter the field against it. The idea is to fight monopolies by strengthening them. If there ever was a preposterous, absurd, and illogical argument in favor of the tariff, it has been offered by the distinguished Senator from Ohio.

Mr. WILLIS. Mr. President——

Mr. KING. I yield.

Mr. WILLIS. The Senator is overlooking the fact that under the present law cash registers are on the free list. So his argument falls to the ground.

Mr. KING. I was merely stating the argument the Senator made.

Mr. WILLIS. And I am stating the argument which the Senator from Utah is making.

Mr. KING. The Senator from Ohio has defended a tariff of 25 per cent ad valorem upon the ground that we have a monopoly here.

Mr. WILLIS. I never admitted in the discussion that we have a monopoly. I did not discuss that. I was not taking that as the basis for discussion. I thought we had better not go into that, because it would involve a good deal of discussion. But the Senator alleges that there is a monopoly, and if there be a monopoly, evidently it has not grown up by reason of a protective duty, because the article is not on the protective list but is on the free list.

Mr. KING. I shall not permit my good friend to escape from the dilemma in which he has placed himself. He adverted to the fact that there was a charge of a monopoly upon the part of the National Cash Register, and he offered as an excuse for the tariff that if there were a monopoly it might encourage domestic competition or, to use his expression, the "independents," if we would impose a tariff, and therefore he said he would vote for 25 per cent ad valorem because he conceived that to be fair.

Ah, Mr. President, we are running the gamut from absurdity to ridiculousness in defense of the schedules found in the bill and the tariff rates fixed. When our Republican friends can not point to an industry as being an infant industry, when they are driven from that because it is a monopoly, and when it is shown that there is nothing in the question of the cost of labor, or that the disparity is so little and the disparity in the price is so great that the labor cost does not figure, then they are driven into the realm of speculation and imagination and absurdity for some alleged justification for their tariff rates.

My good friend from Ohio has come to the rescue of the Republican Party now, as he came to the rescue of the Republican Party in the Newberry case by offering the remarkable resolution which will bear his name for all time, and suggests that we must lay tariff duties now because, if there are trusts in the United States and if we impose tariff duties, it may perchance encourage some independent to fight for their lives.

Well, we are learning. When the wise man said there was nothing new under the sun, he did not visualize the able and distinguished Senator from Ohio. He never heard of Republican tariffs. He never heard and never dreamed in his prophetic moods of the ingenuity and skill and the subtlety and illogicalness of the modern Republican, as his brand is found in the Senate of the United States in the year of our Lord 1922.

Ah, Mr. President, the tariff bill is not only iniquitous and exceedingly ugly in its horrible deformities but it is the most illogical and monstrous economic proposition that has ever been given birth in any civilized or uncivilized country. No language can be found properly to characterize the rates which we find in this tariff bill. Why not be honest, Mr. President; why do not our Republican troglodyte friends who are defending the bill come out frankly before the public and say, "The Republican Party was elected by the trusts and the monopolists and the gougers and the profiteers, and the Republican Party is going to pay its debts? The Republican Party is going to be honest for once. It is going to keep one promise that it made, not to the people, it is true, but the promise which it made to the profiteers and the corporations and the trusts which are robbing and plundering the American people."

But when they offer these pretexts, these tenuous, illogical arguments that are submitted in defense of it, all fair-minded men at once will inquire as to the reasons for such a remarkable measure—one which on its face seems to bear the stamp of the trust and the profiteer.

Mr. President, I warn Republicans if they put a tariff on cash registers upon the arguments which have been submitted, they will be compelled, if consistent, to perpetuate these high-tariff rates upon every domestic product, because the domestic manufacturer will threaten, or pretend to threaten, to go across the sea and erect a plant, or threaten to erect a plant for the manufacture of the domestic article upon which he wants a prohibitive tariff. The only excuse needed for prohibitive tariffs is that we have trusts in the United States, and if we do not give them what they want they will go to Europe and engage in business in competition with their own American enterprises.

What a sound and statesmanlike argument that is! And yet it is offered by Republicans in support of this bill.

I called the attention last night of the Senator from North Dakota [Mr. MCCUMBER] to the Carbide Trust. I am going to tell the Senate something about the Carbide Trust before we get through with it, a trust with which Mr. Herrick, a leading Republican, is connected. It is not prosecuted, there is no proposition to proceed against it, although it is a trust. I called attention to the fact that that trust a number of years ago, when it had an agreement with some manufacturers in Europe to divide some of the markets of the world between them, and the agreement did not work out just as desired, erected a plant in Sweden for the purpose of producing carbide, but not a pound was manufactured. It was a bluff, first, with respect to European producers, and, secondly, the American market.

When we come to discuss the carbide schedule in the pending bill I have no doubt that my Republican friends upon the other side, following the illogical argument of the Senator from Ohio, will say, "Oh, well, the Carbide Trust, it is true, has control of the American market, but let us encourage some independent manufacturer by levying a high tariff. Moreover, if we do not do it, the Carbide Trust, which has a plant over in Sweden, will manufacture carbide and introduce it into the United States." That will be the argument used then, as it is used now, in defense of the rates upon cash registers. Everybody knows that Germany, in the production of cash registers, being compelled, as she is compelled, to go abroad for her raw materials, or substantially all of them, that enter into the production or manufacture or fabrication of cash registers, knowing that she is compelled to go abroad for the primary materials, can not compete with this long-established, economically administered plant operating in the United States.

A tariff rate on this product is tantamount to a steal. Let us use proper language and call a spade a spade. It is not a proposition to give a tariff. It is a proposition to rob the public for a trust. It is a proposition to enable the Cash Register Trust and a few other concerns in the United States to further rob and despoil the American people. Let the Republicans defend it if they can here. They can not defend it before the American people and they will be rebuked for their devotion, as shown by this bill, to special interests and unworthy organizations and corporations.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the junior Senator from Massachusetts [Mr. WALSH] to the amendment of the committee, upon which the yeas and nays have been ordered.

The Assistant Secretary proceeded to call the roll.

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the Senator from Massachusetts [Mr. LODGE] to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

The roll call was concluded.

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. OWEN. I transfer my pair with the Senator from New Jersey [Mr. EDGE] to the Senator from Missouri [Mr. REED] and vote "yea."

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH]; and

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 27, nays 32, as follows:

YEAS—27.

Ashurst	Jones, N. Mex.	Norris	Smith
Capper	Kellogg	Overman	Swanson
Caraway	Kendrick	Owen	Underwood
Culberson	King	Pomerene	Walsh, Mass.
Harris	La Follette	Robinson	Watson, Ga.
Harrison	Lenroot	Sheppard	Williams
Heflin	Myers	Simmons	

NAYS—32.

Brandegee	Jones, Wash.	Newberry	Spencer
Bursum	Keyes	Oddie	Sterling
Cummins	Ladd	Page	Sutherland
Curtis	McCormick	Pepper	Townsend
Elkins	McCumber	Phipps	Wadsworth
France	McKinley	Rawson	Warren
Gooding	McLean	Shortridge	Watson, Ind.
Hale	McNary	Smoot	Willis

NOT VOTING—37.

Ball	Edge	Lodge	Reed
Borah	Ernst	McKellar	Shields
Broussard	Fernald	Moses	Stanfield
Calder	Fletcher	Nelson	Stanley
Cameron	Frelinghuysen	New	Trammell
Colt	Gerry	Nicholson	Walsh, Mont.
Crow	Glass	Norbeck	Weller
Dial	Harreld	Pittman	
Dillingham	Hitchcock	Poindexter	
du Pont	Johnson	Ransdell	

So the amendment of Mr. WALSH of Massachusetts to the amendment of the committee was rejected.

Mr. McCUMBER. Mr. President, I move to amend the committee amendment on page 83, paragraph 372, line 22, after the words "ad valorem," by striking out the words "printing presses, not specially provided for, lawn mowers and."

The VICE PRESIDENT. The question is on the amendment of the Senator from North Dakota to the committee amendment.

Mr. ROBINSON. Mr. President, printing presses, as I understand, are now taxed at the rate of 15 per cent ad valorem. I ask the Senator from North Dakota what is the provision concerning "printing presses not specially provided for" in the House bill?

Mr. McCUMBER. Mr. President, they go into the basket clause.

Mr. ROBINSON. What rate do they bear—35 per cent?

Mr. McCUMBER. Under the Fordney bill they would bear 35 per cent, but under the amendment I have offered they would bear 30 per cent.

Mr. UNDERWOOD. Will the Senator yield for just a moment?

Mr. ROBINSON. I will yield to the Senator in just a moment. Under the House bill, as I understand, the rate would be 35 per cent.

Mr. UNDERWOOD. The latter part of paragraph 393 of the pending bill, as reported by the committee, reads as follows:

if composed wholly or in chief value of iron, steel, lead, copper, brass, nickel, pewter, zinc, aluminum, or other metal, but not plated with platinum, gold, or silver, or colored with gold lacquer, whether partly or wholly manufactured, 35 per cent ad valorem.

The rate of 35 per cent as provided in the Fordney bill has been increased by the Senate committee to 40 per cent ad valorem. The Senator will find what I have quoted on page 91. It seems to me that if the clause is stricken out, paragraph 372, printing presses, will fall in the basket clause, which would involve an increase of the tax on printing presses from 35 per cent ad valorem, as now provided in the bill, to 40 per cent.

Mr. McCUMBER. May I correct the Senator? The basket clause under which the printing presses would fall is found on page 84, line 5, and reads as follows—

all other machines or parts thereof, finished or unfinished, not specially provided for 30 per cent ad valorem.

Mr. ROBINSON. Mr. President, it is apparent that the effect of the amendment proposed by the Senator from North Dakota will be to decrease the rate on printing presses from 35 per cent ad valorem under the pending amendment to 30 per cent ad valorem under the basket clause contained in line 7 on page 84.

Mr. McCUMBER. I can not quite understand the Senator.

Mr. ROBINSON. I say the effect of the amendment now proposed by the Senator from North Dakota will be to decrease the rate on printing presses from 35 per cent ad valorem, as is proposed in the amendment of the committee on page 83, to 30 per cent.

Mr. McCUMBER. Yes; it is a decrease from 35 per cent to 30 per cent, as printing presses would fall under the basket clause.

Mr. ROBINSON. I do not believe that that decrease is adequate. While I appreciate the very small diminution in this

rate which is now proposed to be made by the committee, I shall before taking my seat submit an amendment to the amendment of the Senator from North Dakota which will reduce the rate on printing presses very materially. Under existing law the rate is only 15 per cent ad valorem.

There is very little information respecting this item furnished the Senate in the summary of tariff information provided by the Tariff Commission, but on page 505 I find the following statement:

The production of printing presses in 1914 amounted to $8,396,508, the output of 88 establishments.

On page 506 it appears that the imports of printing presses were $88,301 in 1914 and $3,305 in 1917. Later figures found on page 507 are approximately as follows: Of printing presses for the year 1918 the number imported is not stated, but their value is stated at $22,118, and the revenue collected at 15 per cent was a little over $3,000. In 1919, 171 printing presses were imported, valued at $20,999, and the duty collected was $3,150. In 1920, 58 were imported, valued at $18,994, and the duty collected was $2,849. For nine months of 1921, 63 were imported, valued at $22,126. The amount of the duty is not stated.

With respect to machine tools, which under existing law bear the same rate as printing presses, I find that importations are comparatively small. Imports of machine tools were $306,096 in 1914 and $100,685 in 1915. On page 506 of the book of tariff information is found a summary of information respecting importations of machine tools, substantially as follows: In 1918 the value imported was a little over $300,000; in 1919 a little over $139,000; in 1920 it rose to something more than $432,000, and in nine months of 1921, $178,546.

In view of the very large production and the comparatively small importations I think that a rate of 30 per cent can not be justified. Certainly it is not sustained by any information which has been brought to the attention of the Senate; and the same is true in a larger degree, of course, of the rate proposed in the pending amendment, 35 per cent.

In order to test the opinion of the Senate on this subject, I move to amend the amendment of the Senator from North Dakota, which is a motion to strike out, by making it a motion to strike out and insert, as follows: Strike out the language in the paragraph and insert the same language, with the exception of "15 per cent" in lieu of "35 per cent."

Mr. McCUMBER. Mr. President, while I think that possibly under the rules, as I have made a motion to amend, an amendment would be an amendment in the third degree, I think we can reach the matter in this way——

Mr. ROBINSON. I think that is forceful, although my motion to strike out and insert probably would take precedence of a simple motion to strike out; and the Senator, in order to give me a vote upon my proposed amendment without parliamentary question, will withdraw his amendment for the present?

Mr. McCUMBER. Yes; I was going to suggest that I would withdraw my proposed amendment at the present time, so that the Senate can have a vote upon the amendment offered by the Senator.

Mr. ROBINSON. Very well. I thank the Senator from North Dakota, because if his amendment were agreed to the probability is that there would be no opportunity for testing the opinion of the Senate; and, as I have already stated, I think we ought to have a vote on this proposal. I do not believe there is any ground whatever for justifying any increase in the present rate. I would rather see printing presses placed upon the free list than to impose an unnecessary increase in the existing rate. The present rate is adequate; and therefore I move to strike out "35," in line 24, and insert "15," and on that I shall ask for the yeas and nays.

Mr. McCUMBER. Mr. President, I desire to say, in reply, that I do not anticipate, at least, that there would be any great danger of importation of foreign-made large printing presses that are used in this country. I refer to newspaper presses. We, of course, make a standardized machine in this country. We possibly make it as cheaply as it could be made anywhere else. There are quite a number of little machines of a very much lower price scale that can come into the country, and do come into the country, and while they would not compete to any extent with our machines at the same time they would furnish us a little revenue, possibly; and, as I have stated many times, we are looking for revenue wherever we can get it, even though there may not be any danger of serious competition.

Mr. ROBINSON. Mr. President, will the Senator permit me to make an inquiry in that connection? Have the committee or the Senator from North Dakota investigated the maximum revenue rate with respect to printing presses, and determined what that will be?

Mr. McCUMBER. There is very little coming in; I will admit that, and the revenue would be very small. I will also admit that.

Mr. ROBINSON. So that as the rate now exists—15 per cent—the importations are so small that the revenue is negligible, or comparatively so; and if the rate were increased the probable result would be to tend to prevent importations, or diminish the number of presses brought in.

Mr. McCUMBER. Even if we had the imports of 1923 upon a 30 per cent basis, we would get about from $16,000 to $18,000, and, of course, it takes a great many of those to amount to a million dollars; but this bill covers a wide range, as all tariff bills do, and, taking all of these little matters together, they mount up to quite a sum, and that sum will be needed.

I wanted especially, however, to call the attention of the Senator to this matter so that he may consider it, if he desires to, from the protection standpoint. As I say, in my opinion it is not going to interfere to any extent with those presses which we make here of a standard type and which are rather costly, but I notice by the Reynolds report that we took four invoices of printing presses. They came in from Germany. The average German price was $290.60. The landing charges were $28.64. The selling price of this imported article in the United States was $572.50. The selling price of a comparable domestic article was $606.25. The rate, therefore, required to equalize, allowing a reasonable profit—and the reasonable profit is 25 per cent—would be 57 per cent. The rate we would give here would be 30 per cent, so, of course, it would not be sufficient to cover that; but I am of the opinion that as business revives there will undoubtedly be more imported into the United States. Certainly there will be, in my opinion, if the present high prices in the United States continue; and to what extent they may go down, of course, none of us can say with absolute certainty.

Mr. ROBINSON. Of course the present high prices might be reduced without working any detriment to the public generally. At least I have never understood that when prices become excessive it is consistent with the policy of protection to use tariff rates as a means of maintaining those prices. Protection is justified, if I understand it correctly, on the theory that the industry which it serves is unable to prosper without it if unrestricted competition is permitted, but that principle can not be applied in the case of any commodity or any industry which is already overprosperous.

If the prices being charged for printing presses are to high, that affords a justification for reducing the tariff rather than for increasing it, because upon no theory of protection that I am familiar with should tariff rates be used to permit an industry to receive excessive profits, the object of a protective tariff being to enable an industry to thrive or to live in spite of competition which, but for the protective rate, would destroy it.

Mr. McCUMBER. Mr. President, the Senator's argument would have been exactly in line if we had given a rate of 84 per cent, because, as I state, 84 per cent would measure the difference; but when we give 30 per cent we have made allowance for a very considerable reduction in price, and therefore we are not maintaining the present high price.

Mr. ROBINSON. But may I point out the fact that under the present rate, which is low—15 per cent—there are substantially no importations. Prices in the United States are already excessive; at least, they are high enough.

Mr. KING. More than double, I have been advised by the Tariff Commission.

Mr. ROBINSON. Yes; and therefore this industry can not need protection. There is no justification for it. If you justify the rate at all you must justify it on a revenue basis; and I believe that the effect of this very large increase in the rate would be to shut off the small amount of importations that we are now receiving and to diminish the revenues rather than to increase them.

Therefore I ask for a vote on the amendment to reduce the rate to 15 per cent.

Mr. LENROOT. Mr. President, I voted against the committee on a number of items yesterday and to-day for the same reason that I will vote for the amendment now proposed by the Senator from Arkansas.

Upon the items upon which we have recently voted the figures have shown that our imports were nominal and our exports were very large. Wherever that condition exists I can not justify voting for an increased rate over existing law; and in this particular case, where the imports in 1920 in the case of printing presses were only $18,000 in value and our exports

were over $6,000,000, I can not justify voting for doubling the rate upon printing presses.

The Senator from North Dakota admits that from a protection standpoint the increase is not necessary, but he says the committee is proposing it as a means of securing additional revenue. But, Mr. President, if the imports on a 15 per cent basis amounted to only $18,000 in a year, furnishing a revenue of $2,800, how does the Senator think that doubling the rate will produce a larger revenue? Under these circumstances, doubling the rate will simply mean that there will be no imports at all, and the increased rate will mean a loss of revenue, not an increase.

So, Mr. President, I propose throughout this bill, wherever the figures show that our imports of a commodity are nominal and our exports of that commodity are very large, to vote against the committee on increasing rates over existing law.

Mr. SIMMONS. Mr. President, I am very much delighted to hear the Senator from Wisconsin [Mr. LENROOT] make the statement which he has just made. It is, to my mind, the only sane view of the situation which has confronted the Senate during the last two days, when we have had before the Chamber item after item of which the imports were absolutely negligible while the exports were very large. That situation itself would seem to be abundant answer to the contention of the committee that an increase in present duties is necessary to afford protection to the industry. Heretofore, in the consideration of tariff bills, whenever this situation could be shown to exist with reference to any item in the bill, it was always considered to be a complete negative answer to any claim for an increase in the rate prevailing at the time when the imports vanished and the exports accumulated. But such an answer, truly crushing as it is, has seemed to have very little effect in the discussions of items in the pending bill.

Day after day, on item after item, we have been able to show from the official records the condition which the Senator from Wisconsin now says will impel him to vote against the committee increase. In almost every case the committee has admitted the facts, both with reference to imports and exports, and with reference to the large volume of domestic consumption and production; but, notwithstanding that, on one pretext or another they have brushed away this conclusive argument against their proposition, and, to my amazement, when the votes have been taken, not all, I am glad to say, but a large percentage of the Senators on the other side of the Chamber have voted to sustain the action of the committee. It is a very anomalous situation. It is a condition which has never existed heretofore when we have considered tariff bills, and I have been at a loss to understand it.

And, Mr. President, I do not understand why the majority of the committee, who are assumed to have had these facts before them at the time they wrote these rates into the bill, should have ignored this all-important factor in the framing of these amendments to the bill.

As I have said here before—and I can not repeat it too often—I have been unable to find any reason for this action of the committee except a yielding to the insistent demands of the manufacturers, and I have been unable to understand why the manufacturers made those demands, except upon the theory that, having raised their prices already to the top of the tariff wall, they have felt that it was absolutely necessary to have that wall raised still higher in order to enable them to raise their prices without danger of foreign competition. If there is any other explanation of the reason why the manufacturers, who have been for the past seven or eight years absolutely exempt from foreign competition, under the rates of the present law, should be insisting upon these increases, in the face of the fact that there are no imports, but that there are great exports, it ought to be given. To my mind the committee's action can not be explained on any other theory than that it is for the purpose of giving the manufacturers and profiteers an opportunity to further advance their prices and protect them against foreign competition.

In addition to that, this situation develops a very important fact, a very significant fact, with reference to these rates which has been developed here before. The Senator from North Dakota tells us the price of foreign printing presses when landed here, with profit added, and the profit that is added, we were told yesterday, is 25 per cent, so that the foreign price, plus 25 per cent for overhead and profit, is the price with which the American selling price is compared. That comparison would be justified provided the committee had ascertained that the American selling price does not carry a profit above 25 per cent.

But while arbitrarily fixing that profit for the foreign article, has the committee ascertained that the selling profit of the American jobber and wholesaler is only 25 per cent? Does anyone believe that the American wholesale profit upon the items we have been discussing for the past two days, machines, guns, automobiles, and articles of that character, is only 25 per cent?

The Senator from Utah insists that we should compare the foreign price with the manufacturer's price, and yet he is comparing it with the importer's price, and the importer is the wholesaler. The importer is not the manufacturer of foreign articles; he is the wholesaler of the foreign articles. The manufacturer is not the wholesaler of his articles. He makes a profit. He sells to the wholesaler, who takes the place of the importer with reference to the foreign article, and he adds his profit. I undertake to say that the wholesaler's profits with reference to articles of this character in this country to-day, instead of being 25 per cent, would be more nearly 75 per cent, and to compare the foreign price, with 25 per cent added to it, with the American price, carrying from 50 to 75 per cent profit, is not a fair way of ascertaining the difference between the selling prices of the articles.

Mr. SMOOT. I would agree with the Senator, but the price of the foreign comparable article is compared with the price of the American manufacturer, not with the price of the jobber.

Mr. SIMMONS. Then, why in your calculations are you telling us about the profits?

Mr. SMOOT. The price we compare is the price of the foreign goods coming into this country.

Mr. SIMMONS. Then let us abandon the idea that these things are bought by importers and sold by importers in this market and assume that all the foreign articles are sold with no profit added except the manufacturer's profit, and that the American prices with which you are comparing them are only the manufacturer's prices. Let us take that to be the theory. I do not want to get into any controversy with the Senator about a matter of that sort, because the argument I made applies with as much force to one case as to the other case.

Mr. SMOOT. Mr. President, the Senator had better not say that, because if we had a manufacturer's cost, with 75 per cent added, or 25 per cent added, or any other per cent added, then the difference between the foreign price and the price of the comparable article in the United States would be greater. The Senator knows that.

Mr. SIMMONS. The Senator says I ought not to say that. I do say it. I say that they have taken the foreign manufacturer's price and the American manufacturer's price. We have not been comparing the prices of the industrial countries of Europe with the prices in America; we have been comparing almost exclusively the prices in Germany with American prices, and we have been told that the profits which are being made in Germany are very, very low, that the labor costs but little, and that the manufacturer makes but slight profit. That is the theory upon which they have attempted to sustain the idea that German prices are far below the prices of the other industrial countries of Europe, with cheapness in production and smallness in profits prevailing in those countries.

When we come to compare those with American manufacturers' prices, is there anyone in this body who will stand here and, in the face of the American people, in the face of the well-known fact with reference to prices charged in this country by manufacturers, deny that the manufacturers' prices and profits in this country are not only large but are exorbitant in many lines of industry, and especially in the lines we are now talking about—automobiles, guns, and machines? They are so very large that the people of this country with one voice are crying out against them, and we find the committee with one voice crying out against the low prices of German products.

So you are comparing prices against which the American people are protesting and clamoring as unconscionable, as unjust, as oppressive, with prices these gentlemen are telling us are so low that they enable the country of their production to undersell the world, and to undersell us, who are the cheapest producers of most products that are manufactured in the world, as is shown by the fact that we are rapidly capturing the markets of the world, capturing them even against Germany. We are doing that to-day. We are doing that in South America to-day. We are meeting Germans in competition in South America to-day in the sales of machinery, in the sales of all varieties of products, locomotives, iron, and steel; we are meeting them in South America to-day upon absolutely equal terms, and we are underselling them.

But that does not mean that we are charging the South Americans exorbitant prices. It means that the American manufacturers are charging the domestic consumers in this country extortionate prices, and by reason of the big profits they are making out of the American consumers they are able

to sell their products to the foreigner for a price much lower than they sell the same products to the American people. Yet, in the face of that situation, you come here and say that the great organizations which are carrying on that sort of world trade ought to have further protection in the American market, and ought to be afforded a further opportunity to control prices and be secure from foreign competition.

Mr. McCUMBER. Mr. President, of course I can not argue this case with the Senator from North Carolina because we look at these matters from entirely different standpoints—I as a protectionist, he as a free trader, or the equivalent of a free trader. Therefore we can not meet on any kind of common ground. But I think if the Senator from Wisconsin [Mr. LENROOT] and I, who are both protectionists, understand exactly the same facts upon which any matter is based, there will be very little difference in our conclusion as to what would be a proper protection. I do not, of course, attempt to convince the Senator from Wisconsin that we have not reached a normal condition either in this country or in Europe. I anticipate that he thinks we have reached a condition which is more nearly normal, both in Europe and in this country, than I think we have reached. I do not think we are even beginning to approach a normal condition.

We have to frame the bill upon the assumption that conditions will change, and change in the near future. Of course, if we had reached a normal plane, then I would say that if upon any article which we produce there is almost nothing coming in and we are exporting considerable we certainly do not need any protection. But the first thing I would ask myself, the first thing toward which I would direct my inquiry, would be whether we are both considering the same thing, because we may export a standardized machine that may be worth $3,000, $5,000, or $10,000, and we may not be exporting a single one of the little hand or trade machines for the printing of cards, circulars, and so forth. They may be two entirely different propositions. We may be importing one kind, while we are not importing at all the other kind, and may be exporting the other kind. Now, I think that is exactly the situation in the United States and in Germany.

The only thing that can guide us at all in determining what we may possibly expect is to look over the field, say from 1910 to 1914, a period in which we were as nearly normal as we can expect to get, at least in a good many years to come. The Senator from Wisconsin just made the statement that if we could get only a small revenue from a duty of 15 per cent, therefore we would receive no duty whatever if we raised it to 30 per cent. I invite the attention of the Senator from Wisconsin to that particular point.

In 1910 we had a law which imposed a duty of 30 per cent ad valorem. We imported under that law in 1910, $30,000 worth and received a duty of $9,000. In 1911 we imported $28,343, and in 1912, $31,319. Now notice how they are growing under the 30 per cent ad valorem. In 1913 they jumped up to $54,000 with a 30 per cent ad valorem duty—that is, for the fiscal year ending June 30 of that year. So it would be seen that with an ad valorem duty of 30 per cent, double what it is now, we were receiving a great deal more in imports than I think we are receiving just at the present time, and in addition thereto we were getting about five times the amount of revenue therefrom.

Let us come down to the next year, when we had a 15 per cent ad valorem duty. Our highest importations were $81,000, but we only got $12,256 revenue, while in 1913 we got $16,323 revenue on importations only about two-thirds as great. So I believe that inasmuch as there was a very rapid and steady increase under normal conditions, when those normal conditions return we will continue to get a steady increase under the 30 per cent, the same as we did under the ad valorem rate of 30 per cent during the operation of the Payne-Aldrich law.

So, Mr. President, I believe that we ought to give greater consideration to the fact that our principal competitor is not yet upon her commercial feet. In the first instance, all her ships were taken away from her and she had to depend entirely upon the ships of a foreigner. She is now building light, inexpensive ships for her commerce, and building them at an enormous rate. She is preparing to-day to meet her enemies in the commercial field as she met them at the beginning of the war in overwhelming numbers on the battle field. Without a mighty army to maintain, without the necessity of being at the enormous expense of increasing her navy to meet that of her enemies, with her low wage scale, with every man and woman working 8, 10, and 12 hours a day, she will be in better position to challenge every other country in the world for supremacy in the world's market. I think we ought to give grave weight to these conditions.

If the Senator from Wisconsin and myself disagree upon any matter, it is rather upon the matter of whether or not there is this danger in the near future irrespective of the fact that we are receiving almost no importations to-day.

Mr. LENROOT. The Senator from North Dakota is correct as to where the line of our disagreement lies, except that I do not agree with the Senator from North Dakota that there is danger of Germany becoming more efficient and sending more of her goods to us. But, Mr. President, there are no importations of this article now. A 15 per cent duty will take care of that in part. So far as duties based wholly upon the theory of the future are concerned, as I have said before upon this floor, they are supposed to be the object of the provision in the bill that we will come to later on, which will enable the President under certain circumstances to increase the rates fixed in the bill a maximum of 50 per cent, and in certain cases to apply the American valuation. If that is not the purpose of that provision, then I do not know why it was put in the bill at all. So I am not in favor of trying to translate into figures in the bill at this time all the possibilities which may occur in the future, because that has been taken care of in another part of the bill.

There is another thing which should also be borne in mind when a comparison is made between conditions now and conditions prior to the war. While it is true, I believe, that Germany, because of her lower wage, is producing to-day at a less cost than she did produce prior to the war, it must be remembered too that there is an export tax of 12 per cent on everything that Germany sends out, and when we make a comparison prior to the war with a rate that is being fixed in the bill now it is exactly the same as if the rate under discussion were fixed at 27 per cent if there had been no export tax in Germany.

All of these things must be taken into consideration. I wish to repeat that wherever the figures show that although the imports are small they are increasing, and if they are substantial, I am willing to take that as an indication of what will happen in the future and vote for liberal rates to take care of that situation. But where under a given rate there are practically no importations and very large exportations, and provision is made in the bill to take care of the future, I am not willing to vote for such rates as now proposed on this particular item.

Mr. KING. Mr. President, it is obvious that where tariff rates are laid when there are no importations they can not be justified upon the ground of revenue. They can not be defended upon the theory that infant industries are to be protected, that the difference in labor costs at home and abroad are warrants. If there are no importations then obviously there is no ground for the imposition of a tariff. Why, then, with respect to thousands of items in this bill are there tariff rates? The evidence shows that there are hundreds and thousands of commodities which if imported at all are in quantities so negligible as to be denominated nil.

I called attention the other day to the fact that there are 5,000 items embraced within one schedule, the importations of which were less than $100 each in the year 1914, and yet the schedule fixes rates upon those articles of 50 and 60 per cent ad valorem plus specific rates. What is the reason for this? The reason, of course, is to give domestic manufacturers a complete monopoly, to enable them to increase their prices beyond the limits of fairness and honesty.

If the position of the junior Senator from Wisconsin [Mr. LENROOT] had been the basis of the formulation of this tariff bill, Mr. President, our Republican friends could have gone to the country in a much stronger position and much of the argument which has been made and the criticism in which we have indulged would have fallen upon deaf ears. The Republicans have furnished the Democrats and the opponents of this bill arguments against the bill itself which may not be refuted. If our Republican friends had had the wisdom of the junior Senator from Wisconsin, or had manifested the same sagacity which has been exhibited by the Senator from Nebraska [Mr. NORRIS], or had shown any spirit of progressivism or toleration or sanity in the drafting of this tariff bill, the result in the coming election might be entirely different.

Mr. President, the Senator from North Dakota speaks about conditions being different now from what they were in 1914 and anterior to that time, and because conditions now are different from the conditions then, he justifies these extortionate rates. If the Senator from North Dakota would view the question, according to my conception, in the fair and logical and proper light, he would have seen that the progress toward normal conditions makes these high rates less defensible; in other words, the conditions in September, when the Reynolds report was drawn and which seems to have been taken into consideration in the framing of the tariff bill, are not the conditions

which exist to-day; they are not the conditions which will exist to-morrow or when this bill shall go into operation. Every day as it passes changes the conditions, and changes them to the advantage of the American producer, and under this bill fortifies him against the legitimate demands of the people for reduced prices. This bill seeks to preserve war prices and war profits. It places a weapon in the hands of the domestic manufacturer to wound and hurt the American people.

If the Senator from North Dakota desires to put into application rates that would more nearly be justified by the conditions of 1914 he would have to greatly reduce the rates found in this bill; he would have to take into account the fact that every day the changes in Germany result in increased prices of production; and yet the Senator from North Dakota is carrying into peace times and into the future the conditions of 1915, 1916, 1917, 1918, 1919, and 1920, and of September last, notwithstanding prices in Germany are mounting, that labor costs are rising, and the industrial condition generally shows a complete response to the advancing prices in all avenues of life and business.

Mr. McCUMBER. Will the Senator allow me to interrupt him?

Mr. KING. I yield.

Mr. McCUMBER. I know the Senator desires to be fair.

Mr. KING. If I misrepresented the Senator, it was unintentional.

Mr. McCUMBER. I have stated in each instance that if we had followed the Reynolds report, of course, the rate would have been very much higher—sometimes it would have been two or three times as high to measure the difference—but I have said again and again that in no case have we allowed rates that would measure the difference as shown in the Reynolds report. We have discounted the future in every instance, and in no single instance have we fixed a rate as high as the Reynolds report would indicate it should be to equalize conditions. I know the Senator from Utah does not wish to misquote me upon that matter.

Mr. KING. I certainly do not. I did not intend to do so, and I do not think I did. I say again, however, that the Reynolds report is used as a basis for this bill. I do not mean to say that the Senator from North Dakota has slavishly followed the figures in the Reynolds report, but the Senator in reporting this bill accepted the rates of wages, and so forth, which are stated or reflected in the Reynolds report as then existing, and the difference in the cost abroad and here substantially as indicated in the Reynolds report.

Mr. McCUMBER. In two respects the Senator from Utah is in error, if he will allow me to say so. In the first instance, I desire to say that, of course, there are no wage rates in the Reynolds report, and in guiding ourselves as to the question of wages we had to get the best information which we could as to present wages, and then discount that to a considerable extent. As I have so often stated, unquestionably German wages will go up and wages here will undoubtedly, to some extent, be reduced. The Reynolds report was not taken as a basis; it was simply taken as an evidential fact just so far as it was considered as at all appropriate and not as a basis in any instance.

Mr. KING. I accept the Senator's statement as to the use given to the Reynolds report. It has been referred to repeatedly by the distinguished Senator and by others apparently as justification for the rates which they have urged upon the floor of the Senate; but, Mr. President, I repeat that conditions in Germany are so mutable that each day furnishes an argument for lower rates of duty. With increasing wages and costs of production, the argument for these high rates is destroyed, even for those who are archprotectionists. The Senator from Massachusetts stated a moment ago that last August a given grade of cash register sold at $48 in Germany and the same grade is sold now, or was sold a few weeks ago, at over $250, showing the great advance in cost of materials, of production, and of labor in Germany since August of last year.

It has been stated upon a number of occasions that within the past few months wages have advanced in Germany in the neighborhood of from 40 to 80 per cent; that transportation charges have gone up in the past 60 days more than 40 per cent, and that everything in Germany is responding to the changed financial and economic conditions. Rents will soon materially be advanced, as the cost of transportation has been materially advanced.

Now, Mr. President, with respect to the machines under consideration, we find that the domestic price is more than 100 per cent above the price in 1914. The domestic producers, taking advantage of their monopoly and the lack of competition from abroad, are charging the public substantially what they desire.

I am utterly at a loss to comprehend how the imposition of a duty upon printing presses may be defended in the light of the nominal importations. We will get no revenue from the duty, and the importations constitute no menace by way of competition to the domestic producers, and therefore it looks as if the sole purpose was to license the domestic manufacturers to maintain the present—I shall not say extortionate—high prices, which are double the prices charged before the war. How are we going to bring prices down to normal levels if we frame a tariff law upon the theory that high prices ought to be maintained, and when we enact a law behind which the domestic manufacturer may buttress himself, fearing no foreign competition, and, in most instances, by reason of monopolistic control, fearing no domestic competition?

I called attention yesterday to the fact that already the woolen manufacturers in the United States have advanced the prices of their products, and it was indicated in the same publication that further advances would be made. The American people have been told that these extortionate prices would come down; but our Republican friends are framing this legislation so that present enormous prices may either be maintained or increased. What will be the result when winter comes of the increased prices of woolen goods, clothing, blankets, and a multitude of articles so indispensable to the welfare of the people? Our Republican friends are apparently doing everything they can to resist the movement of the laws of supply and demand. They want to arrest them and to continue this artificial situation—the product of the war and the result of definite combinations in restraint of trade in the United States,

I read in this morning's Baltimore Sun a very illuminating article dealing with the question of antitrust actions which are still languishing. Yesterday I mentioned the fact that many of the corporations of the United States had formed combinations destructive of competition, and that they treated the Sherman antitrust law as a nullity. In the Baltimore Sun of June 8 this statement is made, appearing upon the first page of the paper:

> That antitrust prosecutions have languished in recent times and may be expected to occupy even less attention on the part of the Department of Justice in the future may be indicated by the fact that within the past three years the Federal Trade Commission has sent the records in more than 60 cases of alleged violations of the law to the Attorney General without court action being taken in a single instance.

What is the matter with the Attorney General and the Department of Justice? Why do they not prosecute the corporations which have violated the Sherman antitrust law?

> The commission has gone ahead, within such legal limitations as it may function under, investigating case after case of alleged transgression against the Sherman Act and other enactments in the same direction, but that body is powerless to do more than investigate and make recommendations. It can dissolve no combinations and can send nobody to jail.
>
> ACTION WITH JUSTICE DEPARTMENT.
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> Prosecution of offenders is the business of the Department of Justice and the trial and conviction of those offenders is the business of the Federal courts. The commission may, of course, issue a complaint against an alleged violator of the law, and may state its charges in behalf of that complaint, as has been done in the case of the Bethlehem-Lackawanna steel merger.
>
> Evidence may be exacted by the commission in its inquisitorial proceedings. Persons and papers may be called for and demanded. And if the commission becomes convinced that a defendant company has violated the law an order to "cease and desist" may be issued.
>
> But if the defendant chooses to ignore such an order the Federal Trade Commission is powerless to compel compliance. All that it may do thereafter is to certify the whole record to the Department of Justice and to urge officially and publicly, if it pleases, that court proceedings be instituted. If the department believes it has a case and is inclined to carry such a case to court prosecution follows. Otherwise the matter ends there so far as the Government is concerned.
>
> SO ENDED IN 60 CASES.
>
> And the matter has ended there in no less than 60 cases which the commission has formally laid before the department, according to the department's records. Nor has Attorney General Daugherty been alone in refusing to go into court on the strength of the commission's recommendations.
>
> Attorneys General Gregory and Palmer were equally reluctant, it seems, many of the cases in question having been submitted and laid away to rest in peace during their respective administrations of the Department of Justice.
>
> In justice to those officials, it has been stated that in their judgment there has been little likelihood of successful prosecution of the cases arising before the Federal Trade Commission. There may have been apparent violations of the law, it is pointed out, and many violations of what seemed to be the law 10 years ago, but few violations of what the courts now interpret as the antitrust law.
>
> Prosecuting officials began to see a weakening in the Federal courts' attitude toward the Sherman law about the time the war began. During the period of the war there was declared a sort of truce in the prosecution of combinations in restraint of trade. Combinations were actually invited by the Government itself, the old War Industries Board being the medium through which the Government acted.
>
> But after the war some effort was made, notably by the commission, to call a halt. Many businesses seemed to be running amuck, assuming the old war-time immunity still prevailed. Also there seemed to be some effort on the part of the Department of Justice to restore the conditions as they existed before 1917.

Mr. President, I want to add that following the war the Department of Justice under Mr. Palmer began making investigations with a view to instituting prosecutions. A number of prosecutions were instituted and records were prepared, as I am advised, for the institution of suits against other combinations in restraint of trade. Undoubtedly many actions would have been commenced if Mr. Palmer had remained in office for a few months longer. The writer from whom I am quoting states that the 60 recommendations made by the Federal Trade Commission languished in the Department of Justice, and the trusts flourished. This bill is in the interest of the trusts. It gives them greater license, greater opportunity for the purpose of continuing their illegal practices and their oppressive conduct toward the people.

The Senator from Wisconsin and the Senator from Arkansas have called attention to some figures relative to the paragraph under consideration. I want to direct attention to further facts relating to this paragraph.

Bear in mind that the production of printing presses in the United States in 1914 was more than $8,396,000. The materials used in the manufacture of printing presses are steel, iron, and hard rubber. Germany can not compete with us, nor England, nor any other country in the world, in the manufacture of printing presses. That has been demonstrated by the fact that the importations have been negligible and our exports have been considerable.

These materials are found in sufficient quantities in the United States, except rubber, which is imported. Shop machinery of the type used in the manufacture of large machinery is the greater part of the equipment used in the manufacture of printing presses. Special machinery, machine tools, and a foundry are also part of the equipment. The American manufacturer is at no disadvantage in procuring equipment.

It is known, Mr. President, that in the manufacture of large machinery—indeed, for that matter, all qualities and kinds of machinery—the United States occupies a dominant, a supreme position in the world.

Automatic and special machinery is used to a great extent. By far the greater part of all printing presses are built to special specifications, but the smaller machines are standardized. The foreign practice is the same in this respect. On account of the size and price of the modern printing press, the efficient conduct of the industry requires a large factory, ample capital, and a highly developed organization. These requirements are found in the United States. The capital invested in the manufacture of printing presses is chiefly in large factories, and printing presses are generally sold direct to the consumer.

It is not a new industry, as the record shows, but one which has grown and developed in the United States, having its origin years ago.

The domestic exports, the record shows, are due mainly to the superior design that American printing presses have, and they have been exported to all the markets of the world, although the American manufacturers have some disadvantage in foreign markets owing to their higher manufacturing costs; but, notwithstanding these disadvantages, we have shipped to all the markets of the world, and have been able to compete with foreign producers, and to find a large market for our surplus products.

The exports in 1910 amounted to more than $2,000,000. There was a marked increase in 1911, and a further increase in 1912, at which time the exports reached the sum of more than $3,000,000. After that year exports decreased to $1,431,000 in 1915 and increased in 1917. In 1918 the exports were $1,349,000. In 1919 the exports amounted to nearly $4,000,000.

The imports were first reported separately in 1910, and they amounted to only $30,000. They decreased to $3,000 in 1917. In 1919 they increased to $19,000. Imports of printing presses have been practically negligible as compared with exports.

Mr. President, in the face of that record, and in view of the fact that Germany is utterly unable to compete with the United States, and that no other country is able to compete, the proposition is to impose a tariff!

Even if I were a protectionist I would want foreign competition. I think it is a dangerous thing to leave the domestic manufacturer an unrestricted market, the absolute control of the market. I do not care how honest a man may be; if he establishes a store in a community and has absolutely no competition, the people will suffer from his cupidity; and if the manufacturers of the United States are not subjected to some competition from abroad there will be not only a tendency for combinations but the fact will be that combinations and organizations will arise which will increase the prices above a fair profit to the producers. If a wholesome condition is desired in the industrial field there must be some competition from abroad. There should be imports of from 10 to 15 or 20 per cent. That leaven would tend to leaven the whole lump and produce reasonable prices. It would strike at domestic monopoly aimed at the increase of the domestic price.

I am afraid the able Senators who have framed this bill have been too much concerned for the manufacturer and have exhibited too little concern for the consumer. They have pleaded for the rich, for the powerful, for the great manufacturers. They have not been the advocates of the consumer. Somebody must lift his voice in defense of the consumer; and if this bill becomes a law in the form in which it came from the committee, then the consumer is bound and gagged and placed at the mercy of the producers of the United States.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on the amendment offered by the Senator from Arkansas [Mr. ROBINSON] to the amendment of the committee.

Mr. ROBINSON. I call for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY], and vote "yea."

The roll call was concluded.

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico. Making the same announcement as on the previous vote with respect to my pair and its transfer, I vote "yea."

Mr. STANLEY. I transfer my general pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. HARRISON (after having voted in the affirmative). I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Nevada [Mr. PITTMAN], and allow my vote to stand.

Mr. OWEN. I transfer my pair with the Senator from New Jersey [Mr. EDGE] to the Senator from Missouri [Mr. REED] and vote "yea."

Mr. PHIPPS (after having voted in the negative). I transfer my pair with the Senator from South Carolina [Mr. DIAL] to the junior Senator from Arizona [Mr. CAMERON], and allow my vote to stand.

The result was announced—yeas 28, nays, 27, not voting 41, as follows:

YEAS—28.

Ashurst	Kellogg	Nelson	Simmons
Borah	Kendrick	Norris	Smith
Caraway	King	Overman	Stanley
Harris	Ladd	Owen	Swanson
Harrison	La Follette	Pomerene	Underwood
Heflin	Lenroot	Robinson	Watson, Ga.
Jones, N. Mex.	Myers	Sheppard	Williams

NAYS—27.

Bursum	Keyes	Oddie	Sutherland
Calder	McCumber	Pepper	Townsend
Capper	McKinley	Phipps	Wadsworth
Curtis	McLean	Rawson	Warren
Gooding	McNary	Shortridge	Watson, Ind.
Hale	Newberry	Smoot	Willis
Jones, Wash.	Nicholson	Spencer	

NOT VOTING—41.

Ball	Edge	Johnson	Reed
Brandegee	Elkins	Lodge	Shields
Broussard	Ernst	McCormick	Stanfield
Cameron	Fernald	McKellar	Sterling
Colt	Fletcher	Moses	Trammell
Crow	France	New	Walsh, Mass.
Cummins	Frelinghuysen	Norbeck	Walsh, Mont.
Culberson	Gerry	Page	Weller
Dial	Glass	Pittman	
Dillingham	Harreld	Poindexter	
du Pont	Hitchcock	Ransdell	

So Mr. ROBINSON's amendment to the committee amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The Chair is advised that the amendment on page 83, lines 18 to 23, has not been agreed to.

Mr. UNDERWOOD. That is just the assembling of the various changes. Let the Secretary state the amendment.

The READING CLERK. On page 83, line 18, after the words "ad valorem" and the semicolon, insert:

Sewing machines, and parts thereof, not specially provided for, valued at not more than $75 each, 25 per cent ad valorem; valued at more than $75 each, 40 per cent ad valorem; cash registers, and parts thereof, 25 per cent ad valorem; printing presses, not specially provided for, lawn mowers, and.

The PRESIDING OFFICER. The question is on agreeing to the amendment which has just been reported.

Mr. KING. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. KING. I confess I am a little unable to understand the situation. For my information, what rate of duty is attached to printing presses, not specially provided for, and lawn mowers?

Mr. ROBINSON. Fifteen per cent, the rate I proposed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 84, line 2, to strike out the word "and" and to insert the words:

30 per cent ad valorem; knitting, braiding, and insulating machines, and all other textile machinery or parts thereof, finished or unfinished, not specially provided for, 50 per cent ad valorem.

Mr. UNDERWOOD. I think that is practically two amendments, because the first part of it, down to the semicolon, provides for the tax on the things above, and the amendment from that point provides for the machinery named. I ask that it be separated and submitted as two amendments.

Mr. KING. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. KING. I invite attention to line 24, page 83, providing 35 per cent ad valorem. Was that a Senate committee amendment?

Mr. ROBINSON. That was amended by the amendment which I proposed; the 35 per cent was stricken out and 15 per cent inserted.

Mr. KING. I understood that related to printing presses and lawn mowers. Did it include machine tools?

Mr. ROBINSON. Yes; and parts of machine tools.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 84. Will the Senator from Alabama repeat his request?

Mr. UNDERWOOD. If we vote merely on the amendment as a whole we will vote on two rates at the same time. The first part of the amendment covers embroidery machines, including shuttles for sewing and embroidery machines, lace-making machines, machines for making lace curtains, nets, and nettings, 30 per cent ad valorem. The 30 per cent rate is really the first part of that amendment. Then the amendment provides for knitting, braiding, and insulating machines, and all other textile machinery or parts thereof, finished or unfinished, not specially provided for, 50 per cent ad valorem. As there are two questions involved, I ask that the amendment be separated.

The PRESIDING OFFICER. The Senator from Alabama asks that the amendment be divided; consequently the vote will be on the first section, the 30 per cent rate, down to the semicolon. The question is on agreeing to the amendment.

Mr. KING. May I inquire of the Senator from North Dakota the reason for fixing the rates at 30 per cent ad valorem. I invite attention to the information contained in the Tariff Commission Survey, and I discover there that the American demand for these particular machines has "not been sufficient to encourage any domestic manufacturer to build so highly specialized a machine in competition with the long-established foreign makers, who have developed the machines during the last century and enjoy the advantage of having the world's largest market at their doors. It is noteworthy that during the war, when there was difficulty in obtaining machines from abroad, there was no attempt made to make them in this country."

On the next page it is stated:

There are in the United States approximately 575 Levers lace machines, 500 lace-curtain machines, about 40 bobbinet machines, and perhaps 300 warp-lace machines. None of these machines are made in the United States. Some braiding machines have been made in this country, both by machine makers and by lace concerns.

Materials: Cast iron, steel, and brass are the materials used in the construction of this class of machinery.

Equipment: Shops must be equipped for the production of large and heavy machines, of great complexity and a high degree of accuracy.

Organization: The industry requires a world market as the total demand is limited; the designs are very complex, and manufacturing skill and experience is required. Consequently the machines are high priced.

History of the industry: So far as is known, no lace machines have ever been made in the United States. During the war, when the importers experienced difficulty in obtaining parts, at least one of them carefully considered the possibility of making parts in this country, but decided that, even in the case of the very heavy frame castings, it would not be a commercial proposition. One domestic textile machinery maker formerly made some braiding machines, but in the opinion of one of the large braid makers these machines were so inferior to the German machines that American manufacturers are practically dependent upon Germany for this type of machine. Some of the lace and braid manufacturers, however, have made a number of machines for their own use which they consider satisfactory.

Domestic production and consumption: There is no domestic production of lace machines. The demand is somewhat limited; there would be considerable expense necessary to design and develop so complicated a machine, and competition would be met from the large and long-established firms of England and France.

I read just a sentence or two further:

Under the acts of 1894 and 1897 lace machines were included as manufactures of metal not specially provided for, dutiable at 35 and 45 per cent ad valorem, respectively. By the act of August 5, 1909, lace machines were admitted free of duty until January 1, 1911. After that date the duty reverted to 45 per cent. The act of 1913 reduced the duty to 20 per cent. The temporary removal of the duty in 1909 resulted in a large importation, which greatly stimulated the lace and embroidery industries in the United States.

COMPETITIVE CONDITIONS.

The lace-curtain industry has been established in this country for over 20 years. Practically all of the machines are of English make; a few are French. The fancy-lace industry was not developed in this country to any extent until 1909, when lace machines were admitted free of duty for a period of 17 months.

It would seem from this report of the Tariff Commission that the less impediments that are offered to bringing into this country these machines the better it is for the industry; that we developed the lace industry to give employment to people by having the machines come into the United States. May I inquire of the Senator whether conditions have so changed since the tariff survey was submitted in 1921 as to lead to the conclusion that the report of the Tariff Commission is inaccurate?

Mr. McCUMBER. I did not hear all of the Tariff Commission's report as read by the Senator, but I assume that it is accurate. First, let us accept the proposition just as it is, that we do not make the machines in the United States at all. Therefore, from a protective standpoint let us suppose that we do not need any protection whatever. I do not know myself just where we are going to get revenues to meet appropriations that are being made from year to year in the United States—and we do not seem to be growing any more economical in the matter as the years go by—unless we get some of them from importations.

This product stood a 45 per cent ad valorem duty prior to 1913, and with a 45 per cent ad valorem duty we imported in 1910 $1,387,000 worth and collected a duty of $40,260. In 1911 we imported $1,792,216 worth, and we collected $42,368 revenue. In 1912, with a 45 per cent ad valorem, we imported $619,000 worth, and we collected a duty of $222,000. In 1913 we imported $327,000, and we collected a duty of $147,396. So it pays us a very good return upon the basis of a 45 per cent ad valorem duty.

In 1921 the imports of embroidery and lace-making machines, including machines for making lace curtains, nets, and so forth, amounted to $633,485, almost as much as they were in 1911; in fact, more than that when we had the others. There were imported in 1921 of jute manufacturing machinery, $148,807, and all others, $4,167,297.

Mr. KING. If the Senator will pardon me, I called his attention only to the machine for lace making and the machine for making lace curtains, nets, and nettings, not jute machines and other classes to which the Senator perhaps has referred.

Mr. McCUMBER. Those which I quoted from the table from the tariff survey were just lace machines, embroidery and lace-making machines. The jute manufacturing machinery is found in the next table.

Mr. KING. Was not the Senator in error in stating that until recently the tariff was 45 per cent? I find on page 73 a statement that the act of 1913 reduced the duty to 20 per cent, and the temporary removal of the duty in 1909 resulted in a large importation which greatly stimulated lace and embroidery industries of the United States. It would appear from that statement of the Tariff Commission that there was a period——

Mr. McCUMBER. The Senator will remember that in the 1909 law, in order to get some of the lace machines in the United States, as we did not produce them, certain classes of them were imported free of duty. Some were on the free list and some went upon the list bearing 45 per cent ad valorem duty, but if he will look at the amount that was imported and the amount of duty he will see that about one-half, I should judge at a glance, were bearing a duty of about 40 per cent, and the others came in free. They came in free for a number of years.

Mr. SMOOT. Until January 1, 1911.

Mr. McCUMBER. Yes. In 1913 we had the 45 per cent duty and the divided duty in part of 1912. In 1912 they were partly free and partly 45 per cent duty, according to this report. We got $222,000 in duties that year.

Mr. KING. If the Senator will pardon me, I think he has answered the question I asked.

Mr. McCUMBER. After the free provision was eliminated, as the Senator will see, the importations continued.

Mr. KING. The Senator, then, justifies this rate upon the ground of revenue?

Mr. McCUMBER. Oh, certainly.

Mr. KING. He has not urged it other than for revenue purposes?

Mr. McCUMBER. This is a duty for revenue purposes only. We do not produce the article in the United States. The duty under the Underwood bill was 25 per cent on part of it and 45 per cent on part of it. The bill now raises it only 5 per cent above the Underwood law. We have an amount of importations, I think, which will justly and easily absorb the extra 5 per cent, and especially as it is for revenue only.

Mr. SIMMONS. Mr. President, I do not wish to enter into any extended discussion about the matter, but the revenue collected from this item in 1920 was $138,000. The imports were a little bit larger in 1921, but I have no statement of what the revenues were. They could not have been much over $150,000.

The proposition is to increase the present rate only 5 points. That is not a very large increase, but I want to ask the Senator from North Dakota if he thinks this is a very good time to increase the rate for purely revenue purposes in view of the fact that this machine is used in the manufacture of articles that have connection with the clothing of the people. It is well understood at this time that the prices of this class of materials which constitute a part of the clothing of the people are exceedingly high. I do not want to enter into any discussion about it, but I doubt very much whether it is a wise public policy to be increasing the price of clothing through the tariff bill for purely revenue purposes. I do not care to say more about it.

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). The question is on the first branch of the amendment offered by the committee.

Mr. ROBINSON. I understand the amendment substantially embraces two propositions and by agreement has been divided, the vote being first taken on lace-making machines, and so forth?

The PRESIDING OFFICER. That is correct.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the second part of the amendment of the committee, which the Secretary will report.

The READING CLERK. On page 84, beginning in line 3, insert:

Knitting, braiding, and insulating machines, and all other textile machinery or parts thereof, finished or unfinished, not specially provided for, 50 per cent ad valorem.

Mr. ROBINSON. Mr. President, I do not find any definite information respecting this class of machines. There is nothing in the Summary of Tariff Information that has been brought to my attention which justifies this very high rate; but I presume the chairman of the committee will submit a statement in explanation of the action of the committee seeking to impose a rate of 50 per cent ad valorem. It is my intention to offer an amendment reducing that rate of 25 per cent ad valorem. I will offer the amendment now or withhold it for the present. It does seem that there ought to be some explanation given for the imposition of this very high rate. I ask the Senator from North Dakota what is the rate now imposed for "knitting, braiding, and insulating machines, and all other textile machinery or parts thereof, finished or unfinished, not specially provided for"?

Mr. McCUMBER. The report of the Tariff Commission is not very enlightening upon that paragraph. I suppose the main trouble lies in the fact that most of those machines come in under a basket clause, and it is impossible to say just what proportion are of a specific designation. I have testimony here of one of the witnesses in the form of a brief showing the necessity for the rates which we have placed upon these articles; and our examination indicated that they ought to carry a rate of 50 per cent ad valorem.

Mr. ROBINSON. What is the rate now imposed under the basket clause which embraces these items?

Mr. McCUMBER. Under the present law?

Mr. ROBINSON. Yes, sir.

Mr. McCUMBER. I understand that it is 20 per cent.

Mr. ROBINSON. And it is now proposed to multiply that rate by two and a half?

Mr. McCUMBER. The Payne-Aldrich rate was 45 per cent, and the rate proposed is only 5 per cent over the Payne-Aldrich rate.

Mr. ROBINSON. In line 5, page 84, I move to strike out the numerals "50" and to insert in lieu thereof "25."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Arkansas to the committee amendment.

The amendment to the amendment was rejected.

The next amendment of the Committee on Finance was, on page 84, line 7, before the words "per centum," to strike out the numerals "35" and to insert the numerals "30," so as to read:

all other machines or parts thereof, finished or unfinished, not specially provided for, 30 per cent ad valorem.

Mr. SIMMONS. Mr. President, I recognize the fact that the proposed Senate committee rate is 5 points below the House rate, but the House rate and the Senate rate are both too high. This is a very sweeping clause. After taxing at certain fixed ad valorem rates various machines, including steam engines, locomotives, printing presses, lawn mowers, machine tools and parts of machines and tools, embroidery machines, lace-making machines, lace-curtain machines, knitting machines, braiding and insulating machines, and all other textile machinery or parts thereof, finished or unfinished, 50 per cent, there is this catch-all provision:

All other machines or parts thereof, finished or unfinished, not specially provided for, 30 per cent ad valorem.

My interpretation of that is that absolutely no machine of any sort that is now imported or may hereafter be imported into the United States shall escape taxation at least at the rate of 30 per cent. If I am correct in that assumption, I should like to be advised to that effect. I do not know that I have read a more sweeping clause than that. The machine is not named; we do not know what its character is; we do not know what the cost of the production of it is here and abroad; but if it is a machine, or the part of a machine, under this all-embracing provision it is to be taxed 30 per cent, if it is not taxed otherwise specifically at a higher or lesser rate. I think we are "going some," Mr. President, in this proposed legislation when, without specifying, we are willing to say that all kinds and characters and conditions of machines that may be made by man or used by man, that are or may be imported into this country, shall pay a tax.

There may be some machines that ought to pay a tax; there may be some machines that can be made for very much less abroad than they can be made here, and therefore ought, under the protective principle on which this bill is written, be required to pay a tax; but there may be other machines that can be made here much more cheaply than they can be made abroad; but without regard to whether they can be made in this country for 25 or 30 or 50 per cent less than they can be made in another country, they must be taxed at the rate of 30 per cent.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. SIMMONS. Yes. I am merely discussing this item because I can not get any information from the other side.

Mr. LENROOT. If that be a criticism, does it not apply equally to the present Underwood-Simmons law, which levies a tax of 20 per cent on the same commodities under a basket clause.

Mr. SIMMONS. It may be; but that would not deter me from saying that, to my mind, it is a dangerous provision. It never had occurred to me before. It is a very sweeping provision, and when all the facts with reference to the importations of "all other machines and parts of machines" are taken into consideration, it looks to me like a very rank proposition.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from North Dakota?

Mr. SIMMONS. I am only trying to develop the real facts about this provision. It seems to me it is rather a dangerous provision and it has just been brought to my attention. Here are the facts with reference to our exports.

Mr. McCUMBER. Mr. President——

Mr. SIMMONS. I will ask the Senator from North Dakota to wait until I read the statement which I was about to read from the Tariff Commission. Under the head of "All other machinery and parts of," the figures as to exports for different years are given. It is shown that in 1918 the exports of the articles embraced in this catch-all clause, or basket clause, or whatever it may be called, were $42,299,866; in 1919, $73,426,726; in 1920, $96,657,650; and in nine months of 1921, $58,503,723.

In this clause, covering "all other machinery and parts of," are included machines of which, according to this record, we exported for the nine months of last year $58,000,000 worth, and for the year previous $96,000,000 worth.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from North Dakota?

Mr. SIMMONS. I yield.

Mr. McCUMBER. The Senator just a moment ago stated that his questions were for the purpose of eliciting information, and that he did not receive any information from this side of the Chamber on the subject. I want to remind the Senator, if that was a criticism, that if he will look over his remarks he will find that there was hardly a single comma even in his speech from the time he began to speak on the subject to the present time, and he can hardly accuse me of not being willing to give him the information, unless he is willing to give me a chance to give it. I merely wanted to answer that part of the Senator's statement.

Mr. SIMMONS. I thought I paused long enough, and the Senator did not rise, and then I proceeded with my remarks.

Mr. McCUMBER. I think the Senator will find there is not even a semicolon in his remarks.

Mr. SIMMONS. A pause does not always require a punctuation point.

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from North Dakota?

Mr. SIMMONS. I yield to the Senator from North Dakota with a great deal of pleasure.

Mr. McCUMBER. I think I can give some reasons for the proposed duty.

Mr. SIMMONS. I will be very glad to have the Senator do so.

Mr. McCUMBER. There is a good reason for the duty proposed, just as the Senator from North Carolina in the Underwood-Simmons law had a good reason for levying a duty of 20 per cent upon the same commodities. It is not for protection, we will admit, but we needed money in 1913, and we need twice as much money in 1921 as we did then. While we may export certain kinds of machinery covered generally in the basket clause, and it may possibly exceed in value many times the imports, yet on a close investigation it will generally be found that the exports consist of one kind of machinery and the imports of an entirely different kind, but all come under the general basket clause.

In 1907 there was a 45 per cent ad valorem duty under this clause covering miscellaneous machinery, and we imported $4,978,000 worth and collected $2,240,000 revenue. The next year, 1908, we imported $3,363,000 worth and collected a revenue of $1,648,000. The imports largely increased until in 1910 we imported under this basket clause $8,466,000 worth and collected $3,809,000 of revenue under a 45 per cent duty. In 1911 we imported $6,792,000 worth and collected $2,811,000 of revenue. The imports continued at something over $6,000,000 until we reached 1913–14, when the 20 per cent ad valorem duty under the present law came into effect, and the imports dropped immediately to $4,000,000, then to $3,000,000, then to $1,000,000, and so on, and we collected about one-third as much revenue as we had collected under the previous tariff law.

We do not propose in this bill the high duty of 45 per cent which prevailed from 1907 to 1913, but we are proposing a duty midway between what the Underwood-Simmons law imposed and what the Payne-Aldrich law imposed, namely, 30 per cent ad valorem.

Leaving out the question of protection entirely, I can not believe that we can afford to throw away the revenue that we ought to receive from these importations; and I have an idea that as they came in under normal conditions in as great an amount as $8,466,000 worth under a 45 per cent duty, they will probably, when normal conditions return, come in even greater volume with a less rate of duty, the rate of 30 per cent, and we will derive considerable revenue therefrom.

Mr. SIMMONS. Mr. President, of course, if the Senator is levying these duties for revenue, that is very, very different. We have here a paragraph that contains many different and clearly segregated articles that are taxed. Some of them, we are told, are taxed for purposes of protection; some of them are taxed for the purpose of revenue. As this is a tariff for protection, we can not tell, until the committee advises us, whether these rates are for protection or for revenue, especially when they are all mixed up together in one paragraph, and rates upon half a dozen or maybe more articles are imposed in the same paragraph, some of which are defended on the ground that they are necessary to protect the American producer.

If you are levying this duty for the purpose of protection, then it does not matter at all what is the difference between the cost of the article here and abroad, and you can therefore with impunity apply your duty so as to embrace all articles in the same general classification, even an all-embracing classification; but if you are imposing that duty for the purpose of protection, then if you make a blanket clause of this sort, embracing all machines of every kind and description, and put the same common duty upon all of these different machines, I submit that you will in some instances radically violate the principle under which you are proceeding, and in other instances you will not impose as much duty as you ought to impose to carry out that principle.

Therefore I made the point which I made a little while ago, that it did not seem to me that it was possible to apply correctly the principle of protection to all the machines that were made in his country without any reference to whether those machines were made at less cost or at greater cost here than in other countries, and I think the point was well taken; but, of course, I have to accept what the committee say, that they impose this duty not for protection but for revenue, and upon that basis, if they think it is a proper subject out of which to raise revenue, nothing can be said.

Mr. McCUMBER. Mr. President, will the Senator allow me just one suggestion?

Mr. SIMMONS. Yes.

Mr. McCUMBER. That is, if this is subject to criticism because of its wide range, is not the Underwood-Simmons bill subject to greater criticism, because it states "all manufactures of metal"?

Mr. SIMMONS. Exactly. I have just said that the Underwood rate was undoubtedly imposed for purely revenue purposes, and if imposed for purely revenue purposes it was perfectly logical.

Mr. McCUMBER. That is the only standpoint from which I have discussed this.

Mr. SIMMONS. But if it is imposed for protective purposes—and that was the purpose for which I supposed it was imposed when I spoke first—I said that you could not justify it, because you thereby threw into one class all machines of every kind and character that are or may be imported into this country, without any reference to whether those machines cost less to produce here than they did abroad, and that you could not properly apply the protective principle in that way, although of course you can apply the principle of levying a duty for revenue purposes; and the Senator now says that that is the purpose of this duty.

Mr. SMOOT. Mr. President, I recognize the fact that the Senator from North Carolina is just talking to kill time, but I want to call his attention to the fact that there is no seventy-eight or forty-six million dollars involved in this catch-all clause that we are discussing now.

Mr. SIMMONS. I can not say whether there is or not.

Mr. SMOOT. I can say it.

Mr. SIMMONS. I simply read the figures, and I told the Senator what I read from.

Mr. SMOOT. The Senator read exports, not imports at all.

Mr. SIMMONS. I was not talking about imports; I was talking about exports. The Senator misunderstood me entirely, and I do not want him to misunderstand me.

Mr. SMOOT. I do not want to misrepresent the Senator.

Mr. SIMMONS. Here is what I read——

Mr. SMOOT. The Senator was objecting here to a catchall clause that took in all sorts of machinery of all kinds, and he said that they did not know anything about what fell under that catchall clause, and then he proceeded to read the figures that he did.

Mr. SIMMONS. I read the figures as to exports, not as to imports, as the Senator seems to think. What I stated was that on page 507 of the Summary of Tariff Information, under the head of "Exports," they give the exports of certain machines and locomotives, and finally they say:

Exports have been as follows.

Then they segregate them, and give the exports as to the various machines and locomotives, and at the conclusion of that it says:

All other machinery and parts of—

Which is the language used in the section we are discussing, and it shows that the exports of all other machinery and parts thereof for 1921, nine months, were $58,503,723. That is all I said. The Senator misunderstood me.

Mr. SMOOT. Then, of course, I misunderstood the Senator, if that is the case; but he was complaining about a catchall clause here and said that nobody could tell what goods fell under it.

Mr. SIMMONS. Oh, well, that is another part of the discussion.

Mr. SMOOT. The Senator knows too much about making a tariff bill to criticize a thing like that. There never has been a tariff bill made, there never will be a tariff bill made, that

does not have a catchall clause in every section of it. There has to be. It is necessary to have one, or else you have to particularize every single item that may come into this country from anywhere in all the world, covering every kind of goods that may be made in the country. This paragraph is written just the same as all of the paragraphs covering machinery are written. The great bulk of them are mentioned, and those that do not fall there, of course, are taken care of by the basket clause.

Mr. SIMMONS. The Senator does not mean to tell the Senate, I imagine, because it is thought for purposes of protection that you should specifically protect half a dozen or a dozen or 50 machines, that it is necessary that you should then provide protection as to all other machines.

Mr. SMOOT. In this section there are thousands and tens of thousands of machines protected—not merely one or two items—and I simply wanted to say that the importations under this catchall clause are as follows:

In 1918	$2,116,000
In 1919	1,311,000
In 1920	3,033,000
In nine months of 1921	3,189,000

And it is impossible to say what they were.

Mr. HEFLIN. Mr. President, I want to say just a word. I want to commend the Senator from Utah for his frankness, for his acknowledgment that this bill is intended to catch all. He has referred two or three times to the catchall clauses in this bill.

Mr. SMOOT. I suppose the Senator has never heard of that before in tariff legislation, has he?

Mr. HEFLIN. I have. I have seen it practiced in every Republican measure brought into Congress.

Mr. SMOOT. Yes; and there never was a Democratic measure brought into this body or into the House but that used the same identical word, and everybody knows what it means.

Mr. HEFLIN. No, Mr. President; not "catchall"—not in any Democratic measures.

Mr. SMOOT. Yes; every one of them.

Mr. HEFLIN. We have measures for revenue only, and thousands of things are not caught at all. They are on the free list.

Mr. SMOOT. Well, they are caught there.

Mr. HEFLIN. But the Senator from Utah has a measure here that he says has these catchall clauses in it.

Mr. SMOOT. Every paragraph—every section.

Mr. HEFLIN. Yes; every paragraph and every section—catch all. I said here in a speech yesterday that nobody escaped the taxgatherers as provided for in this bill——

Mr. SMOOT. And every Democratic bill.

Mr. HEFLIN. And the Senator from Utah comes here and proves by his confession just what I have said, and what others on this side have charged—that you "catch 'em all." [Laughter.]

Yes, Mr. President, we have a hundred millions of people in the United States, and there is nothing truer on this earth than that every one of them has to pay a tariff tax under this bill. There is not a man, woman, or child in the United States that will not have to pay some tax under this bill.

Mr. SMOOT. Or under existing law.

Mr. HEFLIN. Not at all. This bill does catch all, and none escape from its terrible provisions.

I can not think of anything that you have left out of this bill. You have provision after provision to increase the fortunes of certain men, and to take that money away from certain other men who have to buy and consume that thing. You are taking no account of the interest of the man who must buy and consume, but only providing for the fellow who is going to sell.

Mr. President, this Government belongs to producers and consumers alike, men engaged in every kind of legitimate business. It does not belong to any particular class of people. This Government ought to stand on the everlasting principle of equal rights to all and special privileges to none. What is this bill? It is chock full of special privilege. It is a perfect patchwork of governmental favoritism. It singles out 4,000 captains of industry and taxes 100,000,000 of people for their benefit. It is written purely and wholly, singly and solely, for their benefit. What good are the American people going to get out of it? Nothing. Where do they come in? Why, they come in when the taxgatherer arrives. They have the proud privilege of contributing tremendous sums of money under the operation of this law to the tariff barons of this country.

Mr. President, nearly every other man in life, except these tariff barons, must rely upon his own skill and energy. He must rely upon his own physical strength. He must fight his own battles or fall. What happens with one of these tariff barons? He does not have to rely on his skill and energy. He goes into a certain business, and he comes down here to a Republican Congress, and he says to the Finance Committee of the Senate and the Ways and Means Committee of the House, "I want my profits increased upon this product. I want a tariff tax levied against an item that comes from some foreign country."

"Is the foreign producer about to injure you in the American market?" he is asked.

"No."

"Do you sell your goods abroad now in competition with him?"

"Oh, yes."

"To what extent do you sell your goods abroad?"

"Oh, I sell thousands and hundreds of thousands of dollars' worth of stuff abroad."

"How much does he sell in our country?"

"Oh, not much; a few thousand dollars' worth. But I want to increase my profit. I want to make a killing. I want to make a fortune quickly, and I am a good fellow. I contributed to your campaign fund. I support the Republican ticket, and I want protection; high protection."

"Well, what rate do you want?"

"Well, such and such a rate."

"Do you think that will shut this fellow out?"

"Well, I think it will do the job."

"All right; we will give you that rate."

Then, what happens? That foreigner's goods stop coming in; they cease to come into the American market. Then, what happens? The man here still sells his goods abroad, and by reason of the tariff tax put up against the foreigner his goods are shut out entirely. This man increases the price of the stuff to the consumer here at home, and the consumer has no relief from it. You have put the price up on him by the operation of the law; and for whose benefit did you do it? You put it up for the benefit of the American tariff baron, who contributes to your campaign fund.

So, Mr. President, it looks as if it comes down to the simple proposition of some men buying the right, under the flag and under the Constitution, to tax somebody else to benefit their private business.

It is wrong; it is against the spirit and the genius of American institutions. It ought not to be tolerated, and I do not believe it will be tolerated when this monstrosity is made known in all its hideous parts to the American people. I do not believe they will stand for what is going on in this Chamber.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. CURTIS. Let the amendment be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The READING CLERK. On page 84, line 7, strike out "35" and insert in lieu thereof "30."

Mr. CURTIS. That is a committee amendment?

The VICE PRESIDENT. It is a committee amendment.

The amendment was agreed to.

Mr. SMOOT. In behalf of the committee I move, on page 84, line 5, after the words "ad valorem" and the semicolon, to add the following:

Cream separators and other centrifugal machines for the separation of liquids, or liquids and solids, not specially provided for, 25 per cent ad valorem.

Mr. SIMMONS. Mr. President, this is a new proposition. We have had no notice of it. I would be very glad to have the Senator from Utah tell us something about the facts with reference to the production and the importations and exportations of those machines. I see that of cream separators we exported in the nine months of 1921 $1,515,000 worth. Of cream separators we imported in nine months of 1921, $334,000 worth. So it seems that our exports are something over twenty times our imports. I do not know the domestic production, but I assume it is very large. It may be that the Senator from Utah can give us some information about it.

Mr. SMOOT. I will ask the Senator from Wisconsin to make whatever statement he wishes to present in regard to this matter.

Mr. LENROOT. Mr. President, cream separators were placed upon the free list by the committee. This matter was called to my attention, cream separators being made in New York and Wisconsin, I believe. They were put on the free list, I was informed by members of the committee, on the theory that they are agricultural implements, though I may be mistaken about that.

Mr. CURTIS. I understood also that they were put on the free list because the only kind of cream separator imported, it was claimed, was not made in this country, but is a particular kind of a separator.

Mr. SMOOT. The de Laval machine.

Mr. CURTIS. Yes; the de Laval machine.

Mr. SMOOT. It is made in Sweden.

Mr. LENROOT. Upon the subject being brought to my attention I looked up the matter of the imports, and I found that in 1918 there were 16,884 imported; in 1919 there were 23,641 imported; in 1920 there were 42,904 imported, valued at $1,344,287. It is true that in 1921 the imports dropped down very greatly, but only in proportion, I think, to the general fall of business, because the farmer had no money with which to buy anything.

The Senator from North Carolina said the exports were several times the imports. The fact is that the imports of separators are substantially greater than the exports. A cream separator is a very complicated machine——

Mr. SIMMONS. Let me interrupt the Senator right there. The Senator probably is not quite accurate, but very nearly so. I read a little while ago from the wrong column. I see that in 1920 the exports were $1,106,000, and in the nine months of 1921 they fell off to $374,000.

Mr. LENROOT. At the same time the exports were $1,106,000, the imports were $1,346,000. In addition to that, if the Senator will notice on the top of page 507 of the Tariff Summary he will see that the imports of parts of cream separators during that year were $211,624.

Mr. SIMMONS. I beg the pardon of the Senate. I did read from the wrong line.

Mr. LENROOT. I felt sure that the Senator inadvertently made a mistake.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 84, line 11, after the word "scoops," to insert "scythes, sickles, grass hooks, corn knives," and in line 15, before the words "per cent," to strike out "25" and to insert "35," so as to make the paragraph read:

PAR. 373. Shovels, spades, scoops, scythes, sickles, grass hooks, corn knives, and drainage tools, and parts thereof, composed wholly or in chief value of iron, steel, lead, copper, brass, nickel, aluminum, or other metal, whether partly or wholly manufactured, 35 per cent ad valorem.

Mr. SIMMONS. Mr. President, I make the point of no quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Heflin	Newberry	Simmons
Ball	Jones, Wash.	Nicholson	Smith
Brandegee	Kendrick	Norris	Smoot
Bursum	Keyes	Oddie	Spencer
Calder	Ladd	Overman	Sterling
Capper	La Follette	Owen	Sutherland
Curtis	Lenroot	Pepper	Townsend
Dial	McCormick	Phipps	Wadsworth
Gooding	McCumber	Rawson	Walsh, Mass.
Hale	McKinley	Robinson	Warren
Harris	McLean	Sheppard	Willis
Harrison	McNary	Shortridge	

The VICE PRESIDENT. Forty-seven Senators have answered to their names. A quorum is not present. The Secretary will call the roll of absentees.

The reading clerk called the names of the absent Senators, and Mr. KELLOGG and Mr. POMERENE answered to their names when called.

Mr. KING and Mr. JONES of New Mexico entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-one Senators have answered to their names. A quorum is present.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts:

On June 3, 1922:

S. 2263. An act to amend the Federal reserve act, approved December 23, 1913.

On June 7, 1922:

S. 539. An act to further amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

NAVAL OIL RESERVE LEASES.

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers and exhibits, referred to the Committee on Public Lands and Surveys:

To the PRESIDENT OF THE SENATE:

On April 29 the Senate adopted a resolution directing the Secretary of the Interior to furnish the Senate with certain documents, correspondence, papers, files, Executive orders, and all contracts for drilling oil wells on naval oil reserves of the United States, with all detailed information relating thereto. I am to-day in receipt of a letter from the Secretary of the Interior in which he advises me of his compliance with the resolution of the Senate, and in which he makes to me a full and comprehensive report, probably not contemplated in the resolution, in which he gives to me the details of the handling of all naval reserve petroleum matters up to the present date, including full explanation of the contracts for the disposition of oil and the necessity for such action as has been taken. The report, with the exhibits thereto attached, I am sending to the Senate herewith, with the hope that they may be referred to the Senate Committee on Public Lands for such ready reference and information as they will afford the committee in making the investigation contemplated by the Senate.

I am sure I am correct in construing the impelling purpose of the Secretary of the Interior in making to me this report. It is not to be construed as a defense of either specific acts or the general policies followed in dealing with the problems incident to the handling of the naval reserves but is designed to afford that explanation to which the Senate is entitled, and which will prove helpful to the country generally in appraising the administration of these matters of great public concern. I think it is only fair to say in this connection that the policy which has been adopted by the Secretary of the Navy and the Secretary of the Interior in dealing with these matters was submitted to me prior to the adoption thereof, and the policy decided upon and the subsequent acts have at all times had my entire approval.

WARREN G. HARDING.

THE WHITE HOUSE, *June 7, 1922.*

ADJUSTED COMPENSATION FOR WORLD WAR VETERANS.

Mr. McCUMBER. I ask unanimous consent to report favorably from the Committee on Finance, with amendments, the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes, and I submit a report (No. 756) thereon.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the report will be received.

Mr. McCUMBER. I simply report it that it may be printed and go to the calendar.

The VICE PRESIDENT. The bill will be placed on the calendar.

Mr. McNARY. I ask unanimous consent to offer an amendment to the soldiers' compensation bill.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

PETITIONS.

Mr. CAPPER presented a petition of sundry citizens of Kansas City, Kans., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. LADD presented a petition numerously signed by officers and members of the Ebenezer Danish Evangelical Lutheran Congregation, of Flaxton, N. Dak., praying for the granting of relief to the suffering peoples of Armenia, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES.

Mr. WATSON of Georgia, from the Committee on Claims, to which was referred the bill (S. 3419) for the relief of James E. Fitzgerald, reported it with amendments and submitted a report (No. 753) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 163) for the relief of Francis L. Flanders, reported it with an amendment, and submitted a report (No. 755) thereon.

Mr. TOWNSEND, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 7544) authorizing the Postmaster General to temporarily reduce the pay of rural carriers for disciplinary purposes instead of suspending them without pay, reported it without amendment and submitted a report (No. 757) thereon.

JESSE C. DENNIS AND WILLIAM RHETT ELEAZER.

Mr. TOWNSEND. I report from the Committee on Post Offices and Post Roads, with an amendment, the bill (S. 2168) for the relief of Jesse C. Dennis and William Rhett Eleazer, and I submit a report (No. 758) thereon.

Mr. SMITH. I ask unanimous consent for the immediate consideration of the bill. It is indorsed by the department and unanimously reported by the committee.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole. The amendment was, on page 1, line 7, to strike out "$5,759.48" and to insert "$4,590," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jesse C. Dennis and William Rhett Eleazer, of the county of Richland and State of South Carolina, the sum of $4,590 in full compensation for loss and damage suffered by the said Jesse C. Dennis and William Rhett Eleazer under their contract for transporting United States mail at Columbia, S. C., said loss having been brought about by the establishment of Camp Jackson in the vicinity of Columbia subsequent to the execution of said contract.

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PEARL RIVER BRIDGE, MISSISSIPPI.

Mr. CALDER. From the Committee on Commerce, I report back favorably, with amendments, the bill (S. 3620) to authorize the construction of a bridge across Pearl River at Tilton, Lawrence County, Miss., and I submit a report (No. 759) thereon. I ask unanimous consent for its immediate consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments were, on page 1, line 4, to strike out "connecting its timber holdings"; in line 5, before the word "River," to strike out "Pear" and insert "Pearl"; and in line 6, after the word "at," to insert "or near," so as to make the bill read:

Be it enacted, etc., That the Natchez, Columbia & Mobile Railroad Co. is hereby authorized to construct a bridge across Pearl River, at a point suitable to the interests of navigation, at or near Tilton, Lawrence County, Miss., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the construction of a bridge across Pearl River at or near Tilton, Lawrence County, Miss."

NIAGARA RIVER BRIDGE.

Mr. CALDER. From the Committee on Commerce I report back favorably with amendments the bill (S. 3458) to authorize the Niagara River Bridge Co. to reconstruct its present bridge across the Niagara River between the State of New York and the Dominion of Canada, or to remove its present bridge and construct, maintain, and operate a new bridge across the said river, and I ask for its immediate consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments were, on page 2, line 2, after the word "river," to insert "at a point suitable to the interests of navigation"; in line 3, after the word "site," to insert "north of and near the site of the present bridge"; and in line 6, after the numerals "1906," to strike out the period and insert a semicolon and the following proviso:

Provided, That before the construction of the said bridge shall be commenced all proper and requisite authority therefor shall be obtained from the Government of the Dominion of Canada.

So as to make the bill read:

Be it enacted, etc., That the Niagara River Bridge Co., a corporation which heretofore, under lawful authority then existing, constructed a cantilever bridge across the Niagara River between the United States and Canada, such bridge having been duly declared by act of Congress to be a lawful structure and an established post route of mail of the United States, is hereby authorized to enlarge, change, and alter its present bridge, or to remove its present bridge and construct, maintain, and operate a new bridge and approaches thereto across the Niagara River, at a point suitable to the interests of navigation, upon the present site or on a new site north of and near the site of the present bridge in lieu thereof, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906: *Provided*, That before the construction of the said bridge shall be commenced all proper and requisite authority therefor shall be obtained from the Government of the Dominion of Canada.

SEC. 2. That for the purpose of carrying into effect the objects of this act the Niagara River Bridge Co. may receive, purchase, and also acquire by lawful appropriation and condemnation in the State of New York, upon making proper compensation, to be ascertained according to the laws of that State, real and personal property and rights of property, and may make any and every use of the same necessary and proper for the construction, maintenance, and operation of said bridge and approaches consistent with the laws of the United States.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONFIRMATION OF ARKANSAS POSTMASTERS.

Mr. ROBINSON. I ask unanimous consent, as in open executive session, for the consideration of certain post-office nominations in the State of Arkansas, which have been deferred for quite a long while.

The VICE PRESIDENT. Without objection, the Secretary will read the names as in open executive session.

The reading clerk read as follows:

Walter G. Baker to be postmaster at Peach Orchard, Ark.
Alice R. Beard to be postmaster at Gentry, Ark.
James A. Skipper to be postmaster at England, Ark.

The VICE PRESIDENT. Is there objection to the consideration as in open executive session of these nominations? The Chair hears none. Without objection, they will be severally confirmed and the President will be notified. It is so ordered. The Senate resumes its legislative session.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKINLEY:

A bill (S. 3692) to provide for the control of the floods of the Illinois River and its tributaries, and for other purposes; to the Committee on Commerce.

By Mr. CALDER:

A bill (S. 3693) to incorporate the Siberian Veterans' Association; to the Committee on the Judiciary.

By Mr. KELLOGG:

A bill (S. 3695) to amend section 5219 of the Revised Statutes of the United States; to the Committee on Banking and Currency.

By Mr. McCUMBER:

A bill (S. 3696) for the relief of John H. Fesenmeyer, alias John Wills (with accompanying papers); to the Committee on Military Affairs.

REGULATION OF RADIO COMMUNICATION.

Mr. KELLOGG. I ask unanimous consent to introduce a bill to amend "An act to regulate radio communication," approved August 13, 1912, and for other purposes, and I also ask unanimous consent to print with the bill a memorandum explaining the various sections.

The bill (S. 3694) to amend an act entitled "An act to regulate radio communication," approved August 13, 1912, and for other purposes, was read twice by its title, and the accompanying memorandum was ordered to be printed in the RECORD, as follows:

The radio bill introduced to-day in the Senate by Mr. KELLOGG, of Minnesota, is indorsed in its substance by the recent radio conference called by Secretary Hoover at the instance of the President.

This conference held open sessions during several days. Many persons appeared before it and discussed various phases of the present situation in radio communication. At the conclusion of the open sessions a technical committee and a legal committee were appointed by Secretary Hoover from the members of the conference. The technical committee considered the technical and scientific problems involved in the suggestions made in the open sessions relative to wireless operation, both by telegraphy and telephony, and worked out detailed recommendations, which were submitted to the Secretary to aid him in regulating the transmitting stations of the country to the end that there might be the maximum of public service with the minimum of interference and resulting confusion and inefficiency of operation. The legal committee was charged with the task of framing a law which would permit and facilitate the putting into effect of the general views of the full conference and the specific recommendations of this technical committee.

The first draft of the pending bill, made by Mr. White, was submitted to the conference, which upon consideration approved it generally, but recommended a number of minor changes. These changes have been incorporated into the pending bill so far as the legal committee felt it possible to do so. This legal committee was composed of Mr. White, chairman; Senator KELLOGG; Mr. Tyrer, deputy commissioner of navigation, of the Department of Commerce; and Mr. Terrell, in charge of the radio division of the Department of Commerce.

The bill presented is not a comprehensive radio law. It leaves the act to regulate radio communication approved August 13, 1912, as the basic law upon this subject. It amends that law only so far as is deemed necessary to make possible the carrying out of the approved recommendations of the conference. Since this act of 1912 the use of radio has grown enormously. At the time of the enactment of that act wireless telephony was practically unknown. To-day the transmitting sets for telegraphy and telephony and receiving sets of both kinds number hundreds of thousands, and the manufacturing companies are still

pressed to the limit of their capacity to meet the increasing demands for instruments. Telephone broadcasting and the other uses to which the art has been put and the great numbers of users of transmitting sets have brought about a congestion in the air seriously interfering with the efficient use of the ether by any interest for any character of service. All persons concerned with radio are unanimous in the judgment that drastic action must be taken to bring order from the present chaos. This conference is of the opinion that the bill proposed holds out the promise of the solution of the difficulties which all users of radio now encounter and suffer from.

The radio art changes overnight. It is neither standardized nor stable. There is to-day no like activity attracting the attention of so many technical and scientific men as this. The research departments of the greatest technical companies of the country are engrossed in its study, and every amateur is a potential Marconi. Improvements in old methods and instruments and radical departures from accepted standards come with every passing day. The members of the conference recognized fully that the recommendations so laboriously worked out by its technical committee might be out of date, demanding drastic revision, in a month's time. In these facts is found the compelling reason for drafting the proposed legislation in most general terms. Statute law can not be speedily changed. It is vital that the provisions of the law and of the regulations thereunder be so framed that the regulations may be changed as the art itself changes. Of necessity there is no way of meeting this unprecedented situation except by conferring in general terms broad powers of supervision, of regulation, and of control upon the designated regulatory body. We have conferred upon the Secretary of Commerce, designated by the basic law of 1912 as the agency of the Government for the control of this means of communication, the powers required in the premises.

The bill, in addition to granting enlarged powers of regulation, undertakes to clarify certain ambiguities in the present law and adds to existing law a number of sections of minor consequence.

Sections 1, 2, and 3 of the pending bill are a redraft of sections 1, 2, and 3 of the radio act of 1912. There is no substantial provision in these sections of the 1912 act which is not incorporated in the present bill.

Section 1, A, does not change in any material respect the provisions of existing law. It asserts Federal control over radio communication between the several States and with foreign countries and requires that no such interstate or foreign communication shall be carried on except under and in accordance with a license granted by the Secretary of Commerce.

Section 1, B, is a vital paragraph of the bill.

The technical committee of the conference has recommended to the Secretary some 20 different classes of stations with appropriate wave allocations to each and has specified the nature of the service to which each class of stations should be limited.

This paragraph of the bill as drawn will authorize the establishment of various broadcasting services which are of such great interest to the public and will also permit all the other classes of service recommended by the conference to be established and safeguarded from improper interference. The 20 classes of stations recommended are not exclusive of others. They cover what seemed to the conference the most necessary to be provided for at this time. Others can be recognized if and as conditions warrant. The Secretary by its terms is authorized to classify licensed radio stations, to prescribe the nature of the service to be rendered by each class of stations, to assign bands of wave lengths, to make regulations concerning the location of licensed stations, the kinds of instruments to be used in them with respect to the external effects of the instruments, the time and methods of operating stations, and generally this paragraph gives authority to make any regulations consistent with law deemed necessary to prevent interference.

Many of the powers of regulation conferred in this section are given by the present law, but they are granted inferentially rather than by direct language.

It should be noted that this paragraph relates only to transmitting stations and to those for which a license is required. This is true of all other sections of the bill. The bill seeks to control sending stations only. The receiving set and operators are not affected.

The relation of the many stations owned by the various departments of the Government to private and commercial stations has presented a perplexing question. It must be conceded that if there is to be effective regulation it must be of all transmitting stations. Nothing is to be gained if a part only of the stations of the country are subject to regulation and another part are free to operate when and where and at such wave lengths as they please. If there is to be order at all, then all stations must be fitted into a regulated and ordered system. The military and naval branches of the Government in particular have contended vigorously and with much justification that their stations ought not to be subjected to civilian control. They have urged that considerations of national defense required that the military and naval stations of the Government must be located where military and naval requirements dictated and must at all times and in all respects be within their control. Private operators and commercial organizations engaged in this business have complained that the military and naval departments of the Government have been arbitrary and ruthless in their disregard of civilian rights and that to free such Government stations from any control meant that there could be no effective regulation of this means of communication in the interest of the general public.

Paragraph C of section 1 attempts to deal with these conflicting interests. It provides, in the first instance, that radio stations belonging to and operated by the United States and used exclusively for official business are not subject to either paragraphs A or B of this section. It provides, however, that the wave lengths which such Government stations use shall be allocated to them by the President. This provision is inserted because of the belief that the President is more likely to properly appraise the legitimate needs of military and naval stations than are the military and naval authorities themselves. It was felt that to the President could safely be given the power to say what wave lengths these governmental stations must have for their proper purposes. The conference was of the opinion that all wave lengths not necessary to these governmental stations should be reserved for general public use. The section further provides that such Government stations must observe such regulations aimed to prevent undue interference with others as the Secretary of Commerce may prescribe, with the further provision that the President at any time may suspend such regulations. The conference believed that Government stations used for other than strictly governmental business—that is, stations broadcasting jazz and speeches and other matter not official in character—should be subjected, in the interests of efficient communication for all, to the same regulation and control as private stations.

Paragraph D of section 1 authorizes the President in time of war or of public peril or disaster to cause the closing of any radio station or to authorize the use and control of any such station by any department of the Government. This provision is not new but is in existing law.

Paragraph B of section 2 is designed to make certain that licenses for stations shall not be issued to aliens or to alien interests. The existing law provides that a license shall be granted only to a citizen of the United States, but it does not guard against a license being issued to a citizen who may be the representative of a foreign government or of a foreign company or to a company of foreign ownership or control organized in the United States.

This subparagraph also prohibits the transfer of a license by the holder thereof without the consent of the Secretary of Commerce.

The concluding subparagraph of paragraph C is of general interest. There has been a somewhat prevalent belief, and there was some evidence to justify the opinion offered to the conference that certain large manufacturers of radio apparatus, through the ownership of essential patents, and through contracts with selling agencies and by other means, were unduly restricting the manufacture and sale of desirable apparatus. In view of this situation the committee believed that it was proper and in harmony with the general theory of the bill with respect to the issuance of licenses to specifically authorize the Secretary to refuse a license to any person or corporation which in his judgment was monopolizing or seeking to monopolize radio communication through the control of the manufacture or sale of radio apparatus. This subparagraph gives this power.

Paragraph C of section 2 vests the issuing of licenses, subject to the limitations of the act, in the sound discretion of the Secretary and limits the life of a license.

The existing law leaves it uncertain whether the issuing of a license upon application is mandatory or not. There was complete concurrence in the conference that the issuing of licenses should be discretionary. The existing law is silent as to the term of the licenses therein provided for. The practice is for the Secretary to issue licenses for one year, but there is nothing in the law to prevent him from issuing a license for 50 years or practically in perpetuity.

It is proposed in this paragraph of the bill to limit the life of a license to 10 years, with a privilege of renewal.

Paragraph D authorizes the Secretary to prescribe the form of applications for station licenses.

Paragraph E authorizes the Secretary to prescribe the form of the licenses, but requires that all licenses shall contain, in addition to other provisions approved by the Secretary, a statement of the condition that the ownership or management of the licensed station shall not be transferred in violation of this act, and that there shall be no vested property right in the license or in the bands of wave length authorized to be used. This provision is deemed to be important. In the present state of the art there are a limited number of available wave lengths. It is essential in the general public interest that the use of a particular wave length under a license therefor shall not ripen into a property right in that wave length as against the general public. It is intended by this provision to make certain that any person using a wave length may do so only during the life of his license, and only so long as the general public interest is served by the allocation of that wave length to him.

Paragraph F provides for the revocation by the Secretary of licenses under certain conditions. The existing law does not give in clear terms this power of revocation. It seems proper and altogether desirable that the Secretary should have ample powers in this respect.

Section 3 relates to operators' licenses. It provides for the issuance of such licenses to proper operators and for the suspension and revocation of the licenses in appropriate circumstances. Existing law provides that operators shall be licensed and also authorizes a suspension of the license, but the provisions in the present law do not seem adequate.

Section 4 of the pending bill is new. It provides in substance that the construction of a station for which a license is required shall not be begun until a permit for the building thereof is first obtained. The reason for this provision is in the fact that it would be extremely embarrassing for the Secretary to refuse a license to a company which had gone ahead and made an investment running possibly to $5,000,000 and which then made application for a station license. There might be many reasons why the license should not be issued, but the Secretary would be confronted with the assertion that the refusal to grant the license would entail the loss of the full investment. While the granting of a building permit does not obligate the Secretary to issue a station license, it is felt the requirement of a building permit for a station covered by this act will have a tendency to prevent ill-considered construction.

Section 5 is a new proposal. It authorizes the establishment of an advisory committee to which the Secretary of Commerce may refer for examination and report various matters relating to the administration of radio laws, regulations, and treaties, and to the scientific problems involved in radio communication. The recommendations of this committee are purely advisory. It is felt that such a committee will tend to bring harmony of view between the various departments of the Government interested in radio and between such governmental users of radio and the private interests of the country.

Section 6 is also a new provision. In the interests of safety at sea it requires that radiotelephone stations, the signals of which can interfere with ship communication, shall keep a licensed operator listening in on the wave lengths designated for distress signals during the entire time the transmitter of such telephone station is in operation.

Section 7 amends various regulations embodied in the existing law. One amendment is of general public interest.

Regulation 15 of section 4 of the existing law in effect gives to the amateur of the country a 200-meter wave length. It was insistently urged upon the conference by representatives of the amateurs that the status of the amateur given him by the act of 1912 should be reaffirmed and that the wave lengths allocated to him should be increased. The conference recommended that there should be allocated to the amateur a band of wave lengths between 150 meters and 275 meters. This has been done, and it is believed that amateurs throughout the country will approve the provision.

The other important provision is section 9, which provides a schedule of fees. These fees run from a nominal charge of 50 cents up to a substantial fee amounting to $300 for transoceanic station licenses.

It is not felt that these fees will be objected to by anyone affected thereby, for all users of radio recognize the benefits to this method of communication which will come through proper examinations and in-

spections and through a wise exercise of the licensing power. It is expected that these fees will cover the cost of administration of the law.

Mr. KELLOGG. The bill was prepared by a committee of experts called together at the request of the President by the Secretary of Commerce, men familiar with radio construction and service, some of them representatives of State universities who had been for a long time studying the subject. They drafted the bill. I can not state that it meets with my approval in every respect, neither am I familiar enough with the technical details to express an opinion upon it. I move that the bill with the accompanying memorandum be referred to the Committee on Interstate Commerce.

The motion was agreed to.

AMENDMENT TO HOUSE RIVER AND HARBOR BILL.

Mr. SHEPPARD (for Mr. FLETCHER) submitted an amendment providing for improvement work on the Suwanee River, from Branford, Fla., to Channel No. 4, near Cedar Key., Fla., intended to be proposed by Mr. FLETCHER to House bill 10766, the House river and harbor authorization bill, which was referred to the Committee on Commerce and ordered to be printed.

HOUSE BILL AND CONCURRENT RESOLUTIONS REFERRED.

The bill (H. R. 9409) to amend section 5209, Revised Statutes of the United States, relating to penalty for embezzlement by a Federal reserve officer, agent, or employee, so as to include national bank examiners or assistants, was read twice by its title and referred to the Committee on Banking and Currency.

The following concurrent resolutions were referred to the Committee on Printing:

H. Con. Res. 36. Concurrent resolution providing for printing as a House document 1,500 copies of the Journal of the Fifty-sixth National Encampment of the Grand Army of the Republic; and

H. Con. Res. 59. Concurrent resolution providing for printing 3,000 additional copies of Senate Document No. 181, Sixty-seventh Congress, entitled "A letter of the Alien Property Custodian transmitting a report showing the names of all persons employed by the Alien Property Custodian."

ADDRESS BY SENATOR M'KELLAR.

Mr. SHEPPARD. Mr. President, I ask to have inserted in the RECORD in 8-point type an address by Senator MCKELLAR.

Mr. CURTIS. May I ask the Senator what the address was on? Was it a political address?

Mr. SHEPPARD. I consider it a matter of public interest. It covers his record in the Senate.

Mr. CURTIS. I am not going to object, but I wish to say that I think it is very bad taste for a Senator to print in the CONGRESSIONAL RECORD the record he has made and mail it out to the people. If anyone wants to do it I do not object, but I do not think it is in good taste at all.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type, as follows:

ADDRESS BY SENATOR M'KELLAR.

To the Democrats of Tennessee:

Deeply appreciative and profoundly grateful to you for having elected me to a first term in the United States Senate, I respectfully ask for a renomination for a second term to that office.

During the past five years I have been your representative in the Senate I have made service to the people of Tennessee my watchword. Have assiduously attended the sessions of the Senate. Have taken part in its debates, have been active before the committees and on the floor, have looked after all departmental matters intrusted to me by my constituents, have helped every Tennesseean having official business in Washington whenever applied to, and have at all times endeavored to the utmost of my ability to perform the duties of the office in a way satisfactory to the people of Tennessee.

My positions and votes in the Senate on all important questions arising in that body during the last five years, which years may be termed five of the most eventful ones in our country's history, have been widely published to the people of Tennessee, and I feel I need call attention to only some of the more important measures.

GENERAL LEGISLATION FAVORED.

I voted for and supported the resolution declaring war and every one of the measures passed by the Congress in furtherance of the war and stood by President Wilson and a Democratic administration in all leading policies throughout that great contest, and, indeed, at all times during his two terms of office.

Voted for the vocational training and agricultural extension act.

Voted for and supported the amendment providing for the election of United States Senators by the people and its corollary, the Federal corrupt practices act, by which limitations were placed around the expenditure of money in congressional and senatorial campaigns, primary and regular, and by which other safeguards were thrown around the ballot

Have favored all temperance legislation.

Have favored all farmers' legislation, notably the Federal farm loan act, the extension of the War Finance Corporation act, the farmers' cooperative act, the Bureau of Markets act, of which I was one of the authors, and the Muscle Shoals fertilizer project, and others, numbering in all some 50 measures.

Have supported legislation in the District of Columbia and elsewhere in the Government service regulating the hours of work of working women.

Supported the Federal Trade Commission act.

Voted for the Federal reserve bank system.

Have favored and earnestly worked for legislation granting Federal aid in the building of roads in the various States.

Have aided and worked for legislation granting Federal aid to schools in the various States, but without interference by the Federal Government with State and local control of such schools.

Have favored the vocational training act, the rehabilitation act, and all legislation for the relief of maimed, crippled, and sick ex-service men and all legislation for the benefit of ex-service men generally, numbering in all some 25 or 30 measures.

Voted for the 8-hour act.

Voted for the parcel-post law.

Voted for the extension of rural delivery.

Have favored all reasonable and proper labor legislation. I refer for details to my record in this regard which has been widely published.

Favored, during the war, the legislation authorizing the establishment of the great power plants and water development at Muscle Shoals, with a view of manufacturing nitrates for war purposes in the event of war, and for cheaper fertilizer to the farmers in times of peace.

Voted for and supported the amendment conferring the right of suffrage upon women of the United States.

Voted for suffrage ten times while in both branches of Congress, and afterwards went to Nashville and urged the Tennessee Legislature to ratify the amendment, and it did, thereby making the amendment effective.

Supported all child-labor legislation and believe that never in the history of our country has there been greater freedom from the evil practices of child labor.

Supported the United States ocean shipping act, and all measures for the building up of our ocean shipping.

Voted for and supported the soldiers' readjusted compensation bill.

Supported all river and harbor and levee improvements.

Served on the Postal Commission and many salary readjustments and other reforms and improvements have been made in the Postal Service through the work of this commission.

I voted against the recent Republican revenue act, against the so-called emergency tariff act, and against the Esch-Cummins Act. During all my term I have never dodged a vote nor evaded an issue.

SOME THINGS DONE IN TENNESSEE'S INTEREST.

While I have at all times actively interested myself in the great national questions that have come up during my term of office I have tried not to lose sight of the particular material and business interests of the people of my State, as I believed it my duty to do.

During the war I aided in securing the Park Field Air Service camp at Memphis, the great powder plant at Nashville, temporary additions to Fort Oglethorpe, near Chattanooga, known as Camp Greenleaf and Camp Forrest, a number of great war plants at Kingsport, and a wood alcohol plant in Wayne County. After the war was over aided in securing the retention of nearly all of these plants in Tennessee, where the most of them are now going concerns. Aided in securing a branch Federal reserve bank at Memphis and another one in Nashville, both of which have been great successes and of the greatest value to the commercial and business interests of the State. Aided in originating and in securing the Reserve Officers' Training Corps, now being utilized by so many of the schools and colleges of Tennessee, and to the great benefit of our youth.

Under educational bills, which I have aided in passing, being a member of the Committee on Education, Tennessee received last year and annually receives $271,445 more than hitherto, distributed generally in as many as 49 counties; the University of Tennessee, however, having the largest apportionment. Incidentally aid was given to Castle Heights School at Lebanon,

Branham & Hughes School at Spring Hill, the Military Institute at Columbia, Massey Military School at Pulaski, the Military Institute at Sewanee, the Military Academy at Sweetwater, Milligan College, and the Cookeville Polytechnic.

Under road bills for which I earnestly worked and which I had an active part in writing and in passing, being the ranking member of the Committee on Post Offices and Post Roads at this time, before which committee such bills come, there have been expended in or allotted to Tennessee the sum of $7,875,840.22 as Federal aid to roads throughout the State.

Have actively aided in securing appropriations for river and harbor improvements on the Mississippi, Tennessee, and Cumberland Rivers.

Recently I aided in securing an agreement by the Federal Government to purchase the Methodist Hospital, at Memphis, for the ex-service men of that locality.

While a Member of the House it will be recalled that I introduced the first amendment looking to the development of Muscle Shoals.

Also secured the passage of a bill which resulted in the erection by certain railroad companies of a great free-traffic bridge across the Mississippi River, connecting us with Arkansas, and, as I believe, the only bridge crossing that river which costs the taxpayers nothing. These constitute the leading measures of interest that I have actively, together with other Representatives, aided in securing for Tennessee.

My office during the war was a bureau for the soldiers and since the war has been a bureau for the ex-service men, and all claims of soldiers for compensation and otherwise coming to my office have been promptly and efficiently handled, as literally thousands of letters to me prove.

FUTURE POLICIES.

There are a number of important questions now before the Congress. As to these the Democrats of Tennessee are entitled to my views. I shall take them up in order.

HENRY FORD SHOULD HAVE MUSCLE SHOALS.

I am and have been, ever since the proposition was made last July, unequivocally in favor of the Government accepting the offer of Henry Ford to purchase the Muscle Shoals property. I have spoken for this contention a number of times in the Senate and elsewhere, and I shall leave no stone unturned to secure the passage of a resolution by the Congress accepting Mr. Ford's offer. I believe it will be of the largest benefit to the farmers generally, and that it will be of greater material benefit to the people of my State than almost any other one thing that could happen.

We have splendid phosphate beds in middle Tennessee. If Mr. Ford gets the plant, these phosphates will be used to make a complete and well-balanced fertilizer, to the great benefit of all those engaged in the phosphate industry in my State. With the cheaper power and light, new factories will arise in Memphis, Nashville, Chattanooga, Knoxville, and all near-by towns, and our State will become a great manufacturing State. The dam will make the Tennessee River navigable from Knoxville to its mouth, giving cheap freight rates for all products, especially phosphates and other fertilizers. Our country will no longer be dependent upon far-off Chile for necessary nitrates, and the War Department will no longer, at great expense, have to keep immense amounts of these Chilean nitrates on storage as now. The value to Tennessee and to the country of Mr. Ford's plans, if carried out, will be inestimable. Incidentally work will be furnished to thousands of those at present unemployed.

THE FARMERS FAVORED.

The condition in which the farmers of our State and of the country find themselves at this time is indeed deplorable. Whatever the causes may be the unhappy fact is that they are unable to sell their crops at prices paying them a profit on the cost of production. Indeed, they have frequently been obliged to sell below the cost of production.

I believe the Government should aid them in bringing about more tolerable conditions. Additional banking facilities should be afforded so that the farmers, live-stock raisers, and those engaged in other kindred industries might be better able to obtain loans at low rates of interest. The Federal farm loan act and the recent extension of the War Finance Corporation act, both of which I strongly supported, have been of value in aiding the farmers, but not to the extent which present conditions make necessary. The acts creating these instrumentalities should be amended and liberalized or other instrumentalities should be created by which loans at low rates of interest can be made to the farmers to tide them over the present emergency.

The cooperative marketing bill which has recently passed the Congress should prove of great aid to the farmers. The marketing of crops is vitally important to the farmers, and we must have facilities which will guarantee to them the fruit of their labor.

I favor, also, the establishment of agencies to finance the marketing of surplus food products abroad. There is no reason why our farmers should not find markets for their products abroad, except our lack of perspective and of enterprise in going out to get these markets. The doctrine of American isolation from world affairs may sound well on the hustings or in the Congress, but it is a hard doctrine on the farmers who have surplus crops which they can not sell.

I also favor the Government taking steps to bring about a substantial reduction in freight rates, for the benefit of the farmers, the freight charges on many products being greater than the prices received by the farmers for such products.

In building roads by aid of the Federal Government, farm-to-market roads as well as great through thoroughfares should be built. I was able to put such a provision in the recent road act.

The movement of population from country to city should be checked in some way. It has become a great national question, and the Federal Government should, wherever it is constitutional and proper to do so, use its best efforts to make country life more attractive. We can best accomplish this by making farming profitable. The farmer is intelligent and industrious, and fully capable of handling his own business. All on earth he needs is a square deal.

FAVOR COLLECTION OF INTEREST ON OUR FOREIGN DEBTS.

The nations of Europe owe us in round numbers $11,000,000,000. The Congress has recently passed an act directing the Secretary of the Treasury and four commissioners to secure interest-bearing bonds for this indebtedness. There has been for a long time a propaganda going on about the cancellation of this indebtedness. I am wholly opposed to its cancellation. I believe that bonds should be taken as soon as possible, and that either the interest, amounting to between four hundred millions and five hundred million dollars annually, should be covered into the Treasury and applied to the general or special expenditures of our Government, or that such bonds should be indorsed by our Government and exchanged for Liberty or other bonds of the United States now outstanding, so as to reduce our national indebtedness and thereby reduce taxes upon the people. If all the bonds are thus used, it would cut our national debt nearly in two.

We should give our debtors as long a time as they desire in which to pay the indebtedness. We should not be hard on them. Nearly all of these nations are spending enormous sums for armies and navies, and there is no reason why such expenditures by them may not be lessened and why they may not use a portion of their army and navy money for the payment of the interest on these debts which were contracted for the purpose of saving their countries. It is a false sentiment in America—a sentiment born of propaganda, in my judgment—that urges the cancellation of these debts. We have done enough for our European friends without getting any material return, and we should require them to observe good faith and fair dealing toward us in the payment of their just obligations, in the same way that we have been fair and just and generous to them.

LEGISLATION FOR EX-SERVICE MEN.

As to ex-service men, they received during the war $33 a month, $15 of which were deducted in most cases in allotments to dependent families and $6 in most cases for insurance, leaving the soldiers $12 net. But whether the amount was $12 or $33 all will agree this was exceedingly small pay, and the Government took their services and gave them no voice in fixing their compensation. I voted to draft these boys and I feel like we ought to be exceedingly fair to them. They did a great work. They saved civilization.

During and since the war the Government paid additional compensation to civilian employees amounting now to $1,080 apiece, aggregating perhaps $100,000,000. After the war was over the Government readjusted the pay of the railroads which had been taken over by it during the war, paying them hundreds of millions of dollars. It also readjusted the compensation of war contractors. The War Department alone paid those war contractors the sum of $487,000,000. The soldiers, of course, could not make war wages or war profits during their service, and civilians left behind made the largest profits and largest wages in their history.

Under these circumstances it must be manifest to all fair-minded persons that the soldiers have an equitable claim for a readjustment of their war compensation.

Therefore, considering the question as a matter of fairness and justice, I have long believed and still believe that the ex-service men are entitled to a readjustment of their compensa-

tion, and that the practical and economical way in which they may be paid such additional compensation is by giving to them a portion of the bonds that are now due us from foreign nations. If a provision was placed in the adjusted compensation bill now before the Congress providing that an amount not exceeding $1,500,000,000 of these bonds should be transferred to the soldiers in lieu of the cash provisions of such bill, we could give the soldiers what is justly due them, and at the same time not place additional tax burdens upon the people now suffering so greatly from overtaxation.

Of course I have supported all legislation for the wounded and sick ex-service men, and for the families of those who lost their lives.

FEDERAL TAXATION SHOULD BE REDUCED.

Our country is groaning under heavy burdens of taxation—Federal taxation, State taxation, and county taxation. Instead of finding new subjects of taxation and instead of placing additional burdens on old subjects of taxation, as our Republican friends are constantly suggesting, I believe that the Congress should rather apply its energies and abilities to reducing the expenditures of the Government, conserving its resources, collecting its obligations, and in these ways reducing taxation. Our expenditures are entirely too great. They can be cut down and they should be cut down. The sums that we now spend annually are extravagant and wasteful to a degree. We should collect every dollar that is owing to us, just as other nations do, and we should stop the reckless expenditure of the people's money. I pledge myself to work for a reduction of Federal taxation.

ADVOCATES FEDERAL AID TO ROADS.

Following the teachings of the great founder of our party—Thomas Jefferson—I have heartily favored the Federal Government participating in the building of roads in our country, and in the future I shall heartily support a continuance of this legislation. In his message to the Congress on the 8th of November, 1808, Mr. Jefferson said:

> Or shall it (the Government revenue) not rather be appropriated to the improvement of *roads*, canals, rivers, *education*, and other great foundations of prosperity and union *under powers which Congress may already possess*, or such amendment of the Constitution as may be approved by the States. (Jefferson's Messages, Nov. 8, 1808, Vol. I, p. 436.)

I believe that Mr. Jefferson was right when he urged that it was the best possible plan of building up our common country and of more firmly cementing and uniting the various States one to the other. Twice in messages to Congress while he was President, Mr. Jefferson urged that the Federal Government embark on road building, and this fundamental of democracy thus laid down by him I cordially approve and indorse.

FEDERAL AID TO EDUCATION A JEFFERSONIAN POLICY.

In advocating Federal aid to education, I am again following in the footsteps of Mr. Jefferson. He was virtually the originator of the public-school system and the State-university system. As will be seen in the excerpt of his message quoted above as to roads, he believed that Congress should be given specific authority to establish schools. I do not go as far as Mr. Jefferson in this particular, but I do believe that the Federal Government can and should aid the States in the education of their youth.

Under no circumstances, however, should it control or attempt to control the State authorities or local authorities in the management and control of the schools, and I shall never support any law which gives the Government control of such schools, public or private. Tennessee has, according to the recent census, 103,000 white illiterates. This is a blot upon the fair name of our State that should be removed.

OCEAN SHIPPING AND FOREIGN TRADE.

In the final analysis our prosperity depends upon our ability to sell our surplus products abroad.

As a result of the war, the United States is possessed of a basic merchant marine in the form of ocean tonnage second only to that of Great Britain. It is an asset that any nation may well be proud to possess. To scrap it, to discard it, or to dispose of it to aliens is uneconomic and unpatriotic. Also, as a result of the war, the production capacity of our fields, mines, and factories is largely in excess of our domestic needs, and if labor is to be kept employed and production maintained it is necessary for us to find foreign markets for our surplus products. To do this successfully we must become ocean carriers, as well as producers, and also buy the products we need from foreign countries to whom we would sell, and this exchange of products should be largely handled in American bottoms.

During the war a great fleet of ocean ships was built up. It is now, due to Republican mismanagement and inefficiency, largely idle. The Republican Shipping Board is endeavoring to sell it, and apparently is not making any effort to put it to work or to keep it at work. I think this attitude is a crime against our country.

The administration's latest program for merchant-marine legislation is somewhat complicated and far-reaching, and has not yet been digested. I shall carefully study this proposed legislation in the light of our economic needs and the national good.

Our foreign trade, which is so closely related to our ocean shipping, represents only about 12 per cent of our total commerce, but it is this margin of profit or loss that measures our prosperity or depression, and my energies will be devoted accordingly to its upbuilding.

FREIGHT RATES MUST BE REDUCED.

Railroad freight rates are too high. In many sections of the country and on many commodities rates are higher than the traffic will bear, thereby restricting the distribution of products, both agricultural and manufactured, to markets in near-by territory of consumption, with result that there is an undue accumulation of production on farms and in factories.

Adequate and efficient transportation is essential to commerce and prosperity, but the cost of its production should be lowered by efficiency in operation and administration, and freight rates should be lowered correspondingly, in order that the products of farms, factories, and mines may move more freely to a larger territory of consumption.

In the interest of the railroads, in the interest of the farmers, in the interest of the shippers, in the interest of the general public, I favor an early reduction of freight rates.

MILEAGE BOOKS SHOULD BE RESTORED.

The sale of mileage books interchangeable on all first-class roads at rates less than the regular fare should be restored, thereby accommodating and stimulating the use by commercial travelers of this pre-war form of transportation. The surcharge on Pullman cars is also a hardship that is restricting travel, and this charge should be modified or discontinued as early as practicable. Owing to the high rates, a great number of traveling men have been forced from the road. Now, every traveling man in the land is a traveling man not only for his own house but for the railroads, and nothing would do more to bring about a revival in all business, including the railroad business, than for the railroads to furnish mileage books to traveling men at reduced rates.

NEWBERRY SHOULD BE UNSEATED.

I believe in honesty in elections. As I stated before, I voted for the corrupt practices act. I regretted that our Supreme Court in the Newberry case saw fit to declare, by a majority of five to four, that so much of that act as applied to primary elections was unconstitutional. Mr. NEWBERRY was adjudged by the courts and a jury of his peers to have been in fact guilty as charged. The Senate itself found that he was in fact guilty as charged. I voted to expel him, believing that his primary election was corruptly purchased and that, whether the office cost $200,000, as he claimed, or $800,000, as others claimed, or any intermediate sum, that such sum was too great a price to be spent for a Senatorship. If I am reelected and the case comes up by a motion to reconsider, I shall certainly vote to have the case reconsidered and Mr. NEWBERRY expelled. Senatorships should not be directly or indirectly purchased.

OPPOSES THE DYER ANTILYNCHING BILL.

I shall oppose the Dyer antilynching bill as vigorously as I know how. It is an unconstitutional and vicious invasion of the rights of the States. I am opposed to lynching and favor the strict enforcement of the law in every case, but law enforcement in all such cases must be had by the States.

CONCLUSION.

In conclusion, I have at all times stood for what I conscientiously believed was right, have always stood for the fundamental principles of democracy as I understood them, and, as I have been taught to believe them, have always stood upon my party's platform, have loved and worked for my State and its people, and have given all my time, all my energies, and all my abilities to a strict performance of the duties imposed upon me.

If I have been faithless to my party or to the best interests of my State, if I have been inefficient in my service, if I have lacked in character and ability in the performance of the duties that have been imposed upon me, then I say it is the duty of the Democrats of Tennessee to vote against me and send a representative to Washington who can perform in a satisfactory and faithful way the duties of the great office I now hold.

On the other hand, if my fellow Democrats have found my service in the Senate to be efficient, if they approve my official

acts, if they indorse my record, if they believe that by reason of my experience that I can do good service, if they think that the high places on committees which have been awarded to me and which can not be held by a new man until after years of service will be to their interest, if they feel that my firm allegiance to the Democratic Party and to a great Democratic administration is deserving of their approval, if they believe I have been faithful in the discharge of my duties, I would regard it as the highest honor that has ever been paid me to have an indorsement for a renomination.

KENNETH MCKELLAR.

APPENDIX NO. I.

WHAT SENATOR M'KELLAR HAS AIDED IN DOING FOR FARMERS.

Since I have been a Member of Congress the following are some of the farm measures that I have advocated and aided in passing:

1. To investigate and encourage the adoption of improved methods of farm management and farm practice.
2. For carrying out the provisions of the act establishing a Bureau of Animal Industry and to enable the Secretary of Agriculture to collect and disseminate information concerning live stock, dairy, and other animal products.
3. Providing for investigation and experimentation in the dairy industry.
4. Authorizing the preparation and dissemination of reports on animal industry.
5. For inspection as to contagious diseases of animals and their prevention and quarantine when necessary.
6. For investigating animal tuberculosis and its prevention, independently of or in cooperation with farmers' associations and State and county authorities.
7. For investigation and experimentation in animal feeding and breeding and husbandry, including cooperation with State agricultural experiment stations.
8. Providing for the development of live-stock production in the sugar-cane and cotton districts of the United States.
9. For collecting and distributing, by telegraph or otherwise, information as to supply, demand, commercial disposition, quality, and market prices of dairy and poultry products.
10. Providing for investigating the preparation for marketing, handling, grading, packing, pressing, drying, storing, transportation, and preservation of poultry and eggs.
11. Authorizing bulletins on hogs and cattle raising of the South.
12. For investigating the disease of hog cholera and its control and eradication.
13. For carrying out the provisions of the meat-inspection act.
14. Authorizing the Secretary of Agriculture to secure information as to the number of different classes and grades of marketable live stock.
15. For the investigation of plant diseases.
16. For investigation of insects affecting fruits, orchards, vineyards, and nuts.
17. For collecting and distributing information concerning the market prices and commercial movements of fruits and vegetables.
18. For investigation of insects affecting southern field crops, including insects affecting cotton, tobacco, rice, and sugar cane.
19. Also potato, sugar beet, cabbage, onion, tomatoes, and peas.
20. For the investigation and improvement of cereals and methods of cereal production and study of cereal diseases.
21. To enable the Secretary of Agriculture to carry into effect the provisions of the United States grain standards act.
22. For the investigation and improvement of grades of alfalfa, clover, and other forage crops.
23. To enable the Secretary of Agriculture to investigate the relative utility and economy of agricultural products for food, clothing, and other uses in the home, with special suggestions of plans and methods for the more effective utilization of such products for these purposes.
24. For removing the tariff tax on bagging and ties and agricultural implements.
25. Also aided in drafting the bill to establish the Bureau of Markets, giving valuable assistance and information to both producer and consumer.
26. Investigating and reporting on the utilization of water for farm irrigation.
27. To carry into effect provisions of the act to establish experimental stations in connection with the colleges established in the several States.
28. Authorizing the Secretary of Agriculture to enforce the provisions of the act providing for cooperative extension work between the agricultural colleges of the several States.
29. Authorizing the Secretary of Agriculture to make studies among the farmers of the United States in the matter of rural credits and other forms of cooperation in the various communities and to diffuse among the people useful information growing out of these studies.
30. For exploration and investigation to determine possible sources of supplies of potash, nitrates, and other natural fertilizers.
31. For investigating, demonstrating, and promoting the use of standards of the different grades, qualities, and conditions of cotton, and for investigating the ginning, grading, stapling, baling, marketing, compressing, and tare of cotton.
32. For farmers' cooperative demonstration, and demonstration of the best methods of meeting the ravages of the cotton-boll weevil.
33. Aided in passing the Federal farm loan bank system.
34. Aided in passing the Smith-Lever Agricultural Extension Act.
35. Advocated and aided in passing laws providing for the publication and distribution of Farmers' Bulletins.
36. Aided in passing the cooperative farm marketing act.
37. Aided in passing the extension of the War Finance Corporation act.
38. Aided in establishing the Farm Loan Board, under which loans are made directly to farmers at low rates of interest.
39. Providing that surplus Army trucks and other machinery left over after the war should be placed in the hands of the State and county authorities for the purpose of building roads.
40. Aided in passing the bill building ships by which farmers' products can be shipped in American bottoms all over the world.
41. Aided in putting the amendment on the Federal road act by which farm-to-market roads were provided for.
42. Legislation authorizing the establishment of the great power plants and war development at Muscle Shoals, with a view of manufacturing nitrates for cheaper fertilizers to the farmers in times of peace.
43. For all measures extending the rural free delivery law.
44. Aided in passing the parcel post law.

APPENDIX NO. II.

SENATOR M'KELLAR'S RECORD ON SOLDIERS AND EX-SERVICE MEN.

I have uniformly favored all soldiers' legislation. Among the more important laws in which I have taken part in passing may be stated the following:

First. For additional pay to enlisted men in Regular Army and in the National Guard.

Second. For the creation of family allowances to soldiers during the war.

Third. For legislation building up the National Guard.

Fourth. For legislation authorizing additional pay to holders of medals of honor.

Fifth. For the discharge of those having dependents in certain cases.

Sixth. For the payment of $60 in cash to each soldier of the war honorably discharged.

Seventh. For the increase of travel pay to those discharged after March 11, 1918.

Eighth. For the retention of uniforms and other equipment by the soldiers.

Ninth. For the establishment of entertainment houses at all posts.

Tenth. For the law allowing drafted men to be assigned for special training to educational institutions.

Eleventh. For law making ex-service men eligible for commissions in the Regular Army.

Twelfth. For law making ex-service men eligible to officers' schools.

Thirteenth. For permitting soldiers abroad to mail letters free of postage.

Fourteenth. For permitting soldiers to retain civil-service eligibility until after demobilization.

Fifteenth. Authorizing hospital care for discharged, sick, and disabled patients of War Risk Insurance Bureau.

Sixteenth. For law giving wives of soldiers hitherto disqualified the right to serve as Government employees.

Seventeenth. For law protecting the civil-service rights of soldiers during the war, specifically providing that no attachment and no execution should issue against their property while away. Also providing that mortgages should be suspended and life insurance protected and no taxes paid.

Eighteenth. Providing that honorably discharged soldiers should have preference in clerical appointments in departments and also on work on rural post roads and in national forests.

Nineteenth. For law giving applicants for civil-service positions a preference in examinations.

Twentieth. For law establishing vocational training schools for ex-soldiers.

Twenty-first. For laws creating all necessary hospitals for soldiers.

Twenty-second. For law increasing pay for disabled, sick, and wounded soldiers.

Twenty-third. For law providing for rehabilitation of wounded and maimed soldiers.

Twenty-fourth. For appropriation for medical treatment of war-risk insurance patients.

Twenty-fifth. For medical aid, etc., for discharged and disabled soldiers.

Twenty-sixth. For preference in clerical employment of wives of injured soldiers.

Twenty-seventh. For preferred right for two years of discharged soldiers in the late war to make homestead entries on open public lands.

Twenty-eighth. For law providing that soldiers might go to school in France after the war was over in certain cases.

Twenty-ninth. I voted for the adjusted compensation bill when it was before the Senate.

Thirtieth. I have served on the Committee on Military Affairs during my entire terms in Congress, now about 11 years. I was in the service of the Senate Committee on Military Affairs during the war and have had much to do with the shaping and passing of all legislation for the benefit of soldiers. My office is and has been a bureau for Tennessee soldiers from the beginning of the war until now, where their claims are looked after and their wants attended to.

APPENDIX No. III.

SENATOR M'KELLAR'S RECORD ON WOMAN SUFFRAGE.

Women are permitted to vote in Tennessee and elsewhere solely and alone by reason of the passage of the suffrage amendment to the Constitution by the Congress of the United States. It is true there was a State law passed in Tennessee several years ago granting women the right to vote for municipal officers and for President of the United States, but they had no right under that law to vote for Senators and Congressmen. The point I wish to emphasize is that the women of Tennessee could not vote for United States Senator, but for the amendment to the Constitution of the United States, for which I voted and which I advocated.

I have advocated equal suffrage for more than 20 years.

I first voted for this amendment while a Member of the House on January 12, 1915.

After coming to the Senate, on May 6, 1918, I voted again for the amendment.

On October 1, 1918, I voted indirectly four times for the amendment.

On February 10, 1919, I again voted for the amendment.

On May 26, 1919, I again voted for the amendment.

On June 3, 1919, I again voted for the amendment.

On June 4, 1919, I again voted for the amendment, when it finally passed.

I was a member of the subcommittee of seven which drafted the Democratic platform at San Francisco in June, 1920, and voted for the resolution urging the adoption of the suffrage amendment by the States, and specifically urging that Tennessee adopt it. Thirty-five States had then ratified the amendment, and shortly afterwards the Governor of Tennessee called a meeting of the legislature for the purpose of having Tennessee become the thirty-sixth State. I was urged by President Wilson, Governor Cox, the Democratic nominee for the Presidency, and many others to go to Nashville and aid in urging the Tennessee Legislature to ratify the amendment. I spent about three weeks of my vacation there in thus urging the legislature to ratify. It was ratified by Tennessee, and Tennessee's ratification has been upheld by both the Supreme Court of Tennessee and the United States Supreme Court.

In the meantime, in addition, at invitations of the Legislatures of Delaware and Maryland and of the supporters of suffrage, made addresses before both of those bodies in 1920 favoring suffrage, using my vacations for this purpose.

I simply ask the women of Tennessee to remember that it is this constitutional amendment and no other law under which they are permitted to vote for a United States Senator.

WHITE HOUSE POLICE FORCE.

Mr. WARREN. I ask unanimous consent to report from the Committee on Public Buildings and Grounds favorably, with amendments, the bill (S. 3659) to create the White House police force, and for other purposes, and I submit a report (No. 760) thereon. I ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Is there objection to its present consideration?

Mr. CURTIS. I do not like to object, but I think the bill ought to go to the calendar in order that we may see just what it is. I understand that it establishes a separate force——

Mr. PHIPPS. If the Senator will permit me, I should like to have the report read. It is very short.

Mr. CURTIS. I would prefer to study it myself.

The VICE PRESIDENT. Objection being made, the bill will be placed on the calendar.

Mr. WARREN subsequently said: Mr. President, the bill which I reported a few moments ago went over on objection. The Senator from Kansas [Mr. CURTIS], who made the objection, is willing to withdraw it, and I ask unanimous consent for the present consideration of the bill.

Mr. CURTIS. I withdraw my objection to the bill.

Mr. HARRISON. Let the bill be read.

The VICE PRESIDENT. The Secretary will read the bill by title.

The READING CLERK. A bill (S. 3659) to create the White House police force, and for other purposes.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. WARREN. I ask that the committee report on the bill may be read.

The reading clerk read the report (No. 760) submitted this day by Mr. WARREN, as follows:

The Committee on Public Buildings and Grounds, to which was referred the bill (S. 3659) to create the White House police force, and for other purposes, having considered the measure, reports it to the Senate favorably, with recommendation that it be passed with the following amendments:

Page 2, line 22, after the word "force," insert the words "and he shall be furnished with uniforms and other necessary equipment similar to the uniforms and equipment furnished the United States park police."

Page 5, line 10, after the word "and," insert the words "for the purchase of uniforms and other."

The purpose of this bill is to provide an efficient police force to guard the Executive Mansion and grounds, such force to be under the control of the President and under the direct supervision of an officer designated by him. The force is to be recruited from members of the Metropolitan police and the United States park police, and is to have the same consideration as to pay, retirement, and relief funds as those enjoyed by members of the Metropolitan and United States park police forces.

The committee recommends the adoption of the amendments providing for the furnishing of uniforms and other necessary equipment and providing pay for the cost of same.

The Executive Mansion and grounds have heretofore been policed by a force of 54 Metropolitan policemen, and the effect of this bill will be to reduce that number to 36 policemen, thus effecting a reduction of approximately 40 per cent in cost.

The VICE PRESIDENT. The Secretary will state the amendments to the bill.

The first amendment of the Committee on Public Buildings and Grounds was, on page 2, section 3, line 22, after the words "Metropolitan police force," to insert "and he shall be furnished with uniforms and other necessary equipment similar to the uniforms and equipment furnished United States park police"; so as to make the section read:

SEC. 3. (a) That no person shall be appointed a member of the White House police force at a grade lower than the grade held by him as a member of the Metropolitan police force or of the United States park police force at the time of his appointment.

(b) A member of the White House police force shall receive a salary at the rate provided for the corresponding grade in the Metropolitan police force, and he shall be furnished with uniforms and other necessary equipment similar to the uniforms and equipment furnished United States park police, and he shall be entitled to the same leave allowances as a member of the United States park police force.

(c) The President may transfer a member of the White House police force to the organization of which he was a member at the time of his appointment to such force.

The amendment was agreed to.

The next amendment was, on page 5, section 7, line 10, after the word "equipment" to insert "for the purchase of uniforms and other"; so as to make the section read:

That the amounts necessary for the payment of salaries and for the purchase of uniforms and other equipment of the White House police force shall be disbursed by the officer in charge of public buildings and grounds, and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading and read the third time.

Mr. WILLIS. Before the bill is finally acted upon I should like to have some Senator explain it. What does it propose?

Mr. PHIPPS. Mr. President, primarily the purpose of the bill, as stated in the report which has been read, is to reduce the number of the police force which has been guarding the Executive Mansion and grounds since the beginning of the war. The proposed change is in accordance with the desire of the Chief Executive, and after due consideration on the part of those with whom he has conferred, presumably his Cabinet officers and others. The bill is designed to establish a force of policemen who will be under the direct control of the President of the United States instead of under the Commissioners of the District of Columbia. The present reduction of the force will be from 54 to 33 employees, but later it is expected that the force will be still further reduced.

Mr. WADSWORTH. I desire to ask the Senator from Colorado a question. As I understand, the policemen who are now assigned to duty in connection with the White House and vicinity are members of the District of Columbia police force?

Mr. PHIPPS. Yes; they are members of the Metropolitan police force.

Mr. WADSWORTH. And now it is proposed that they shall be segregated and taken away from the jurisdiction of the commissioners and put under the direct control of the Chief Executive?

Mr. PHIPPS. That is true.

Mr. WADSWORTH. May I ask the Senator if the number of District policemen are in the meantime being increased?

Mr. PHIPPS. I will say to the Senator from New York that in the expectation of having a separate force provided for the White House the increase in the number of Metropolitan police asked for by the commissioners, and generally recommended, was not granted in full. The pending District of Columbia appropriation bill carries an increase of 25 policemen, although 75 had been recommended and approved by the Budget.

Mr. WADSWORTH. That is the point I wanted to bring out. Then this bill will not result in a net increase in the number of policemen in Washington?

Mr. PHIPPS. Oh, no; it will not.

Mr. McCUMBER. Mr. President, will the Senator from Colorado explain to me why it is necessary or proper to have one class of policemen with one kind of uniform and one kind of badge, and another class of policemen wearing a different uniform and a different kind of badge?

Mr. PHIPPS. The uniform will be practically the same as that of the park policemen. We have Capitol policemen, who are not under the control of the District Commissioners and who wear on their uniforms the insignia, "U. S. Capitol police." It is simply to distinguish them and to indicate under whose control they are operating, as I understand. It takes close inspection to see the difference between the uniforms of the United States Capitol police and the regular Metropolitan police.

Mr. McCUMBER. If the difference in uniform merely consists of the letters that are to be worn upon the collars, that is one thing; but, as I understand, it is proposed to appropriate for an entirely different kind of uniform. I do not know whether it is anywhere nearer the same, and I do not know what is meant by an appropriation for uniforms, when, so far as anything that has been explained is concerned, the same kind of uniform which the policemen are now wearing may be used with a mere change of letters.

Mr. PHIPPS. That may be true; but at the same time the uniforms for the Metropolitan police are furnished by the District.

Mr. WARREN. This bill states that the uniform shall be the same as those of the park policemen.

Mr. PHIPPS. The bill has had very careful consideration during the past year by those who are interested in it. I believe the bill to be a good one, and it has received the approval of the committee.

The VICE PRESIDENT. The question is, Shall the bill pass?

The bill was passed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 84, line 11.

Mr. McCUMBER. Mr. President, I ask to return now to the amendment on page 72, line 21, paragraph 354.

The VICE PRESIDENT. Without objection, the Senate will return to paragraph 354.

Mr. McLEAN. Mr. President, on behalf of the committee, I move, in line 21, to strike out the numerals "50," between the words "dozen" and "cents," and insert the numerals "40."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The READING CLERK. On page 72, line 21, in the committee amendment it is proposed to strike out "50" and insert "40."

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment as amended.

Mr. JONES of New Mexico. Mr. President, this is a rather unusual procedure. No explanation is being offered at all for the duties imposed by the committee. The increases are stupendous, and we are asked to vote without any information whatever. I can not conceive that Senators have any idea of just what these amendments propose. They are enormous increases. I think I shall first direct attention to the increases which are proposed in the first item of pocketknives.

The present duty on the cheaper knives is 35 per cent and ranges up to 55 per cent. Under the Payne-Aldrich law the duty averaged 76 per cent, and under the proposal of the committee on knives costing less than $3 per dozen the average duty is 186 per cent, and on all pocketknives of the different values stated in the paragraph the average duty is 165 per cent. I call attention to the fact that the duties imposed embrace not only ad valorem rates but also specific rates as well, and on knives that are valued at not more than 40 cents per dozen the duty is 2 cents each and 50 per cent ad valorem. On that class of knives there is absolutely no competition with any domestic manufacturer, for such knives are not made in this country. That is a cheap grade of knife costing less than 40 cents a dozen. They are knives that retail at 5 cents apiece, and to impose any such duty as is suggested will exclude such knives from the American market.

Senators may wonder what sort of a knife it is that can be retailed at 5 cents apiece under existing law in this country. I have a couple of samples of them here [exhibiting], and to impose this sort of a duty of 2 cents each, or 24 cents a dozen, and then add 50 per cent ad valorem duty to that, simply means that the American boy can no longer buy a knife of that kind for 5 cents. To Senators who are accustomed to dealing in millions and who have recently become accustomed to dealing in billions of dollars, perhaps this does not amount to anything. We are willing to overlook the boy who counts his pennies, and we are either going to take his pennies from him or deprive him of getting a pocketknife.

For the purposes of the boy of tender years, one of these knives is just as good as a better knife. It answers all the purposes, and there is not a boy of 6 or 7 years or even older who would not be pleased to have a knife of this kind rather than none at all.

That is what this amounts to. You have heard the slang expression about things being as easy as "taking candy from a child." I never before thought that the great United States Government, through the action of its Congress, through legislation, would undertake to deprive a child of candy, to take candy from a child to impose the extra pennies as a tax upon these knives and deprive the child of his few sticks of candy. That is what this bill will do. It will make these knives sell probably for a dime instead of 5 cents. It will take more pennies to buy one of these knives, and that is what we attempt to do in the name, I suppose, of protecting American industry!

As has just been suggested, the boy who uses such knives as this is not yet a voter. Some Senators present, I hope, will live until the present users of these knives become voters. They may remember, if they are properly advised as to the facts, how you deprived them when they were boys of getting a knife. There are a lot of boys in this great country of ours who struggle to get pennies. They sell newspapers on the streets trying to make a fraction of a penny profit on a paper. You find them engaged in doing other chores to get a few pennies, and you find even boys of maturer age doing various chores to get a few pennies, a few nickels, a few dimes.

Here is a product that is not manufactured at all in the United States, and the only result of this legislation will be to deprive the American boys of these cheap knives and have them keep on saving and saving their pennies until they can get together money enough to buy a knife which is produced in this country at a higher price. Of course, it will be a better knife, but this knife will answer the purpose of the boy just as well as the more expensive one.

Mr. President, I want to have a separate vote on these boys' knives, and I may say something regarding the price.

These knives are sold to-day at a higher price than they were prior to the war. A good deal has been said here about

the low prices of these foreign commodities; but in the case of these particular knives that I have shown you, this one knife in 1914 sold at 42 pfennigs a dozen, or 11¼ cents in United States money. That was when the mark was valued at 23.8 cents. By the way, the price list upon these knives which I have here is dated May 17, 1922; and those same knives now are quoted at 45 marks per dozen, or 16½ cents, and you propose to add a duty of 31 cents on these knives that cost 16½ cents, or at the rate of 190 per cent.

Here is another knife that cost in 1914 53 pfennigs, or 13 cents a dozen. The late price on that knife is 50 marks per dozen, or 18 cents per dozen. You are proposing to put upon that knife a duty of 34.8 cents a dozen, or 190 per cent, and no such knives are made in the United States.

Mr. President, on page 72, line 12, I move to strike out "2 cents each and," so that the duty upon these knives will be 60 per cent. I move to strike out the specific duty.

Having made these few rather caustic remarks, I presume now that we will be able to get some information on this subject from the other side of the Chamber.

Mr. McLEAN. Mr. President, I have a suspicion, and I think it is well founded, that Senators on the other side of the Chamber who have studied this schedule have had more information on it than they like, and that is one reason why the distinguished Senator from New Mexico [Mr. JONES] confined his objections to this paragraph to a 5-cent knife or a 2-cent knife. I do not know whether he had one in his possession or not. I will try to get one. I think if he had a sample of that knife he would vote for an embargo against any importations of that particular article.

Mr. JONES of New Mexico. I have a sample.

Mr. McLEAN. Because, if a boy has any knife at all, he wants one that will cut cheese, and I will assure the Senator that that knife will not do it.

Mr. President, before I call attention to the rates fixed by the committee, I want to give the Senate an idea of the condition of this industry.

There are 27 cutlery factories—that is, factories making pocketknives—in the United States. They are located in Connecticut, New York, Pennsylvania, Ohio, New Jersey, and Massachusetts. During the year 1921 they operated on a basis of one-third of production capacity. Of the 27 factories above enumerated, all but two have been engaged in the manufacture of pocketknives for many years, and the competition has been and is exceedingly keen in this industry. The 25 factories have a total investment of something over $7,000,000, and in 1921 they aggregated an operating loss for the year of $664,000. Sales dropped from $11,000,000 in 1920 to $3,800,000 in 1921.

Mr. POMERENE. Mr. President, may I ask what the source of that information is?

Mr. McLEAN. This is given to me by the gentleman who represents these concerns.

I will say to the Senator from Ohio that the figures of the imports of these articles show that this industry is being buried alive. Let us take the recent importations. The importations of pocketknives during the month of March, 1922, were 100,256 dozen, an increase of imports over March, 1921, of 56,000 dozen. For the nine months ending March 31, 1922, the importations of pocketknives were 644,000 dozen, an increase over the corresponding period of the year before of 326,937 dozen, or 103 per cent.

Mr. POMERENE. Can the Senator give the value of those knives?

Mr. McLEAN. I will give the value. I call the attention of the Senator from New Mexico to this, that, figured at the March rate of importations, the annual imports would total 1,203,000 dozen, or more than twice the total sales of American pocketknives during the year 1921. When we come to the more recent importations, we find that in April of this year there were imported 123,000 dozen, an increase of 25 per cent over the March imports.

I do not intend to occupy the time of the Senate a great while in explaining the necessity for these rates. They are not what the manufacturers asked for by any manner of means. Some of these concerns are located in Connecticut, and I was interested in getting them a reasonable protection. I told the committee that I wanted the experts who were familiar with this line of goods to get the prices, foreign and domestic, and equalize as nearly as they could the difference in the production costs. So far as I was concerned, that was all I asked for, and I want the Senate to understand that that is all I want as to any article contained in this tariff bill.

This particular industry, as I have said, is being destroyed, and unless something is done, and done right away, the manufacturers of these articles will be driven out of business, because it is evident that this industry in Germany is united. They have determined to make an onslaught on the penknives, the razors, and the scissors that we make in this country.

Mr. POMERENE. I want to ask the Senator whether he is able to give the amount of the imports for the several foreign countries, as, for instance, Great Britain, Germany, France, and so on; or are they lumped?

Mr. McLEAN. Most of them come from Germany. Of course, as the Senator knows, there are special knives which come from England, but the importations are few.

If the Senator from New Mexico has studied the Reynolds report—if it is reliable, and the arithmetic of the experts is correct—he knows that these rates are more than justified. Take, for instance, the first article in the Reynolds report. The foreign valuation is $4.48 a dozen. The American selling price of the comparable article is $12 a dozen, and so on down the list. I do not want to take the time of the Senate to read this list. The experts have gotten some more recent figures, bringing the averages down to date, and I will read some of those into the record.

Take table No. 1, which was prepared by the experts, and on that item No. 665.

Mr. POMERENE. Are these tables from the report of the Tariff Commission?

Mr. McLEAN. No; the figures were gathered for me by the experts.

Mr. POMERENE. The experts connected with the committee?

Mr. McLEAN. Certainly; the same experts who assisted the Senator from Alabama [Mr. UNDERWOOD] in drafting the rates in the Underwood-Simmons bill, so far as I know. I think they are conscientious men.

Mr. POMERENE. I am not criticizing them. I am simply asking for the information, so that we may know what weight to attach to them.

Mr. McLEAN. In the matter of item No. 665, the domestic landed price was $1.12 a dozen. The selling price of the comparable domestic article was $4.67 a dozen, so the difference would be 317 per cent.

Item No. 6066 is the pair of knives I have in my hand. The landed cost, without duty, according to the Reynolds report—which is the report, as the Senator knows, upon which we based our rates tentatively—was $5.75 a dozen. The landed price of that knife in April was $2.55 a dozen. Three hundred and fifty per cent would not cover the difference.

Mr. CALDER. The Senator referred to a higher figure of landed cost. When was the Reynolds report made? The Senator read two different landed costs.

Mr. McLEAN. The first was August.

Mr. CALDER. August, 1921?

Mr. McLEAN. Yes. The price of the domestic article comparable to this knife to which I have just called the attention of the Senate is $13 a dozen.

Here is another knife, No. 307. The landed cost, as reported in August, was $5.52 a dozen. The landed price of this knife in April was $2.02 a dozen. The price of the comparable domestic knife was $13.50 a dozen.

Mr. KELLOGG. Were those importations from Germany?

Mr. McLEAN. Yes; most of these importations are from Germany, and I do not know but what they all are. I would like to have the Senator from New Mexico look at the knives I have here on my desk, and if he will, I think he will realize that the comment which I made when I took the floor, that the only knife of which there is not a comparable article produced in this country and about which any complaint can be made, is the knife that is imported into this country at 25 cents or less per dozen.

I think it must be clear to the Senator that that cheap trash which comes into this country in the first place ought not to be permitted to come at all, but if it does it should bear the same comparative rate of duty that the other classes bear, and that is all we have asked for.

I could complete this list, Mr. President, and call attention to knife after knife. Here is No. 5611, the landed cost of which is $10.20 a dozen. The American selling price of the comparable article is $24.50. The landed price of the next one is $7.51 a dozen. The comparable domestic price is $17.05 a dozen.

I will say to the Senator that the profit allowed, both on the foreign knife and on the domestic knife, in estimating these rates, was 20 per cent. It has been brought to my attention, and I do not believe it can be disputed, that some of the large importing houses, like Henkel's, who have a large factory in Germany and a large store in this country, import these knives at not more than 5 per cent, just enough to cover the carrying

charges, and that as a result of this competition they have driven the American producer entirely out of the market. The domestic producers' storehouses contain large quantities of goods which they can not sell, and they will have to go out of business entirely unless they can get adequate protection.

Mr. JONES of New Mexico. Mr. President, I would like to argue this paragraph a part at a time. The Senator from Connecticut, in reply to what I had to say about this particular grade of knife, merely made the statement that such cheap knives ought not to be permitted to come into this country at all. That was his only reply, just as I assumed it would be. He wants to deprive the American boy of this cheap knife.

He may think that boys ought to have a more expensive knife, but I want to say that 73 per cent of all the pocket-knives imported into the United States have been valued at 50 cents per dozen or less. Somebody in the United States differs from the distinguished Senator from Connecticut. He has read of the hundreds of thousands of dollars of importations, but 73 per cent in quantity of all the knives that had been brought into the country prior to the war were knives such as I have exhibited at 50 cents a dozen or less.

Mr. McCORMICK. Mr. President, did the Senator say prior to the war?

Mr. JONES of New Mexico. Yes; prior to the war.

Mr. McCORMICK. Is the condition different to-day?

Mr. JONES of New Mexico. I think not, but we assume prior-to-the-war conditions as somewhat normal, and regarding that period the Tariff Commission made its report.

Mr. KELLOGG. I suppose the Senator will admit there is a difference in the rate of exchange as between to-day and prior to the war?

Mr. JONES of New Mexico. The Senator, of course, is quite right about that, and I expect to refer to that a little later. However, I think we might as well understand now as well as later the competition that exists in the cutlery business of the country. The people of the United States do not make any cheap knives—I mean very cheap knives. Therefore there is no competition. The Tariff Commission says so:

> Under the act of 1909 73 per cent of the knives imported were valued at under 50 cents per dozen. These are extremely cheap knives, retailing at 5 or 10 cents apiece.

As to those knives, as I said, there is no competition. Now, it is just a question whether or not we are going to deprive the American boy of that kind of a knife, those knives which retail at 5 and 10 cents apiece. The Senator from Connecticut will tell us that none of them are manufactured in his State or in the United States. He has already told us that the only thing to do is to exclude them from the United States.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER (Mr. McNARY in the chair). Does the Senator from New Mexico yield to the Senator from Connecticut?

Mr. JONES of New Mexico. I gladly yield.

Mr. McLEAN. The 2-cent knife would cost about 5 cents without the duty. I imagine they would charge about that. With the duty they can sell that knife for 7 cents. So the American boy can buy a 7-cent knife now.

Mr. JONES of New Mexico. Now the Senator is changing his ground. I think the position of the Senator as previously stated is much stronger than his present position. He now says that he is willing for the American boy to have a knife, but he wants to make him pay more for it. That really is taking candy from a child. It is making him pay more for it—for what purpose? Not to build up an infant industry or any other industry, because he knows that knife will not be made in this country if he puts an extra tax of 2 cents apiece on it.

Mr. McLEAN. He can get a good American knife for 10 or 12 cents, something that he can whittle with. He can not whittle with this knife. He can get a good American knife for about 12 cents with which he can whittle.

Mr. JONES of New Mexico. I do not know whether the Senator has examined these knives or not. If he has, I think that he will conclude there are thousands and hundreds of thousands of boys in this country of ours who would rather have one of these knives than none at all.

Mr. LENROOT. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Wisconsin.

Mr. LENROOT. How much did the Democrats tax the boys for the knives which the Senator now exhibits?

Mr. JONES of New Mexico. My recollection is it was 35 per cent.

Mr. LENROOT. Was it not more than that?

Mr. JONES of New Mexico. No; 35 per cent.

Mr. LENROOT. Why did the Democratic Party tax this poor boy 35 per cent who can only afford a 5-cent knife?

Mr. JONES of New Mexico. It was done, of course, for the purpose of raising a little revenue.

Mr. LENROOT. Is it the idea of the Democratic Party that they would take the pennies of a boy who could not afford more than a 5-cent knife?

Mr. JONES of New Mexico. We did not take many of them.

Mr. LENROOT. Oh, but the Senator said 73 per cent of the imports were knives of that character.

Mr. JONES of New Mexico. Seventy-three per cent of the imports were knives of a value of 50 cents a dozen or less.

Mr. McLEAN. That was before the war.

Mr. JONES of New Mexico. May I ask the distinguished Senator from Wisconsin if he wants to take from the boy 2 cents on each one of these knives and 60 per cent ad valorem, when the present duty is 35 per cent? Does he want to increase the duty that much?

Mr. LENROOT. Well, if it was a crime, the Democrats approved of it. It is a matter of degree, that is all.

Mr. JONES of New Mexico. No; Mr. President, the distinguished Senator from Connecticut said that his purpose in putting the duty on here is to exclude the knives altogether and force the boy to buy the American knife at a higher price.

Mr. McLEAN. Certainly, I want the boy to have something he can cut with. I have two of those knives here now. I do not know whether they are similar to the pair the Senator has or not.

Mr. JONES of New Mexico. Very likely they are.

Mr. McLEAN. I think perhaps I had better take back what I said about these knives, because a boy could not cut his finger with them, and that certainly would be an advantage.

Mr. JONES of New Mexico. Mr. President, I do not suppose the Senator from Connecticut when he was a boy ever thought of the value of a penny. I do not suppose it was necessary for him to think about it. But I remember as a boy cutting a cord of wood of 4-foot length, cutting each stick in two, in order to get a dime. I remember cutting a whole cord of wood in order to get a dime!

Mr. McLEAN. And when he got the dime, why invite him to throw it away? That is the point. He is nothing but a boy. He does not know any better than to buy this stuff. He takes it home and, as I said before, the one thing that he can not do with it is to cut.

Mr. JONES of New Mexico. Mr. President, the Senator from Connecticut may convince some people, but I do not believe he is going to convince many that these knives are not worth all they sell for. That they are useful and answer a very good purpose is beyond question. The Senator is proposing a tax of 2 cents apiece on knives which were imported prior to the war at 11½ cents a dozen and now at a little over 16 cents a dozen. He would impose a duty of 2 cents each and 60 per cent ad valorem, making a duty of 190 per cent, which would result in taking these knives off the market. That is just what would happen. It would take them out of the 5 and 10 cent stores of the country.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. Certainly.

Mr. LENROOT. The Senator has, because I have seen it, one of the knives to which the Senator from Connecticut refers. I want to ask the Senator whether he has tried to sharpen a lead pencil with that knife?

Mr. JONES of New Mexico. No; I have not; and I do not suppose it is ever intended for that purpose.

Mr. LENROOT. Does the Senator think that a boy should be induced to buy a 5-cent knife which will not even sharpen a lead pencil?

Mr. JONES of New Mexico. There is no question that he could sharpen a lead pencil with it if he wanted to do so.

Mr. LENROOT. I suggest that the Senator try it. I have been trying it, and can not do it.

Mr. JONES of New Mexico. The Senator is not an adept at sharpening lead pencils.

Mr. McLEAN. The Senator from New Mexico does not even want the boy to have a lead pencil, because I think he voted for a tariff on graphite, so that if he had his way the boy could not have any lead pencil to sharpen, and the knife would not do him any good.

Mr. JONES of New Mexico. If we take off this 2-cent duty he could have a knife and two pencils for his 7 cents instead of only the knife. The Senator perhaps never had occasion when he was a boy to think of the value of something of this sort. A great many Senators will remember the old Barlow knife. As just remarked by a Senator sitting near me, no matter what

kind of a knife the boy has, he is delighted with it, and there is no mistaking the fact. All the Senator has to do is to return in his memory to his own boyhood days. Any kind of a knife was the wish of the boy. Yet the Senator wants to take these knives out of the 5 and 10 cent stores of the country in order to force the boy to spend a quarter or more for a knife which he can lose just as readily as one of these knives.

Mr. McLEAN. He would not lose the knife the Senator is talking about. He would throw it away as soon as he got home, if not before.

Mr. JONES of New Mexico. The Senator says he would throw it away. Have the boys been throwing them away?

Mr. McLEAN. I have not any doubt of it.

Mr. JONES of New Mexico. Seventy-three per cent of the knives imported are of this quality, and yet the Senator says they are thrown away. That is his guess. Of course he would throw it away. Doubtless he was more fortunate in his boyhood days than hundreds of thousands of other boys, but the boys whom I have known do not throw their knives away. I never knew a boy yet to throw any kind of a knife away.

Mr. McLEAN. No; he would probably swap it "sight unseen" to some other boy and they would both be decidedly cheated in the exchange.

Mr. JONES of New Mexico. That is what is going to be done. You are going to take that knife off the market and deprive the boys of the opportunity to get a 5 or 10 cent knife.

Mr. McLEAN. The Senator insists upon misrepresenting the exact facts regarding that matter; for that 2-cent knife may be sold for less than 7 cents to the boy and still allow a profit under the proposed rate, so that when the boy has a dime he can buy a knife and a pencil also under this bill.

Mr. JONES of New Mexico. If he has 7 cents instead of 5 cents.

Mr. McLEAN. Yes.

Mr. JONES of New Mexico. Mr. President, the argument of the Senator from Connecticut does not appeal to me. At this point I think I might just as well discuss somewhat generally the knife question. The Senator from Connecticut has already done so. The competition in knives is confined almost entirely to two grades.

I think I will read from the Tariff Commission Survey in regard to the matter.

> The most marked difference between the product of the American manufacturers and foreign knives sold upon the American market is the difference in grade. The great bulk of the imported knives are of the cheapest grade—those scheduled below 50 cents per dozen—in which the American manufacturers do not compete. Under the act of 1909, such knives formed 73 per cent of the quantities imported and 34 per cent of their value. This import is thus supplementary. Approximately $515,000 yearly fell under the higher classifications made by this act—about 12½ per cent of the value of production in 1914. Forty-two per cent of the value of the total import was valued at over $1.25 per dozen under that act; 58 per cent at over $1 per dozen under the act of 1913, to June 30, 1918.

As to this particular knife, as I have said, there is no competition, nor is any competition claimed. The great competition comes in the higher grade knives. The medium grade the American manufacturer produces in great quantities, using machinery in a great many ways and turning out a good knife at a reasonable price. I am not going to ask to have these duties removed; I am perfectly willing to have reasonable duties upon cutlery, but we do not want the duties to be excessive.

The Senator from Connecticut has referred to the fact that according to the prices even the proposed rate of duty will not be sufficient to equalize the difference in the prices. He is right about that if the prices remain where they were when those samples were imported into the United States.

Before we discuss that matter, however, I am inclined to take a vote; but it occurs to me that perhaps several Senators are at dinner at this time; and so I think I might as well proceed with the discussion.

The Senator from Minnesota [Mr. KELLOGG] has referred to the difference in exchange. I should like to say a few words about the question of the difference in exchange. The German mark to-day is worth about one-third of a cent. Its par value is about 23.8 cents. It does not follow, however, that that means that goods in Germany are worth one-sixtieth or one-seventieth of the price of goods in the United States. It does not mean that at all. The important question is the purchasing power of the mark in Germany. If wages had gone up as fast as the mark has declined, then it would make no difference whatever whether or not there was a depreciated currency.

Mr. KELLOGG. Will the Senator yield to me?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. KELLOGG. The Senator knows that wages have not gone up there, does he not?

Mr. JONES of New Mexico. Wages have not gone up to that extent, but the wages have gone up and are still going up.

Mr. KELLOGG. But wages in Germany are very small in proportion to the wages paid in this country, are they not?

Mr. JONES of New Mexico. Well, of course, "small" is a relative term and is rather indefinite.

Mr. KELLOGG. Men who receive $3 or $4 a day here would earn in Germany about $3.50 or $4 a week, would they not?

Mr. JONES of New Mexico. I quite agree that there is a vast difference between the cost of production of pocketknives in this country and in Germany.

Mr. KELLOGG. Will the Senator also tell us whether or not it is true that the purchasing power of a mark in Germany, so far as living expenses are concerned, is about three times as great as its purchasing power in buying gold?

Mr. JONES of New Mexico. No.

Mr. KELLOGG. It is not true?

Mr. JONES of New Mexico. If the Senator means in buying the gold metal, he is right about that.

Mr. KELLOGG. So that a mark in Germany can buy in rent and clothing and food a good deal more than it will buy of gold?

Mr. JONES of New Mexico. Yes. And it is that purchasing power of the mark that measures exchange difficulty.

If the prices of goods go up so that you can buy only a proportion that represents absolutely the decline in the mark, you have not accomplished anything, but what we have to consider is the difference in the purchasing power or rather what is called the purchasing power parity of the mark in Germany and in the United States.

Mr. SMOOT. And that only aggravates the situation, I will say to the Senator, because if one mark of German goods comes into this country it represents one-third of a cent in gold—and I could say a hundred marks or a thousand marks and the illustration would be the same—but if the German can get one-third of a cent in gold he can take that one-third of a cent in gold and purchase in Germany three times its American value in labor, three times as much in rent, three times as much in food, three times as much in clothing, and three times as much of any other commodity the price of which is regulated by the Government of Germany. To-day he can purchase a little over three times, I will say to the Senator. Therefore, the German laborer has every advantage in the world over the American laboring man, because not only is the mark depreciated until it is only a third of a cent, but with that third of a cent the German manufacturer can buy three times the value of the mark in gold.

Mr. JONES of New Mexico. The Senator, I am sure, has his reasoning mixed. The scientists who have studied this question and worked it out and expressed themselves on the subject take a different view from that of the Senator from Utah.

Mr. SMOOT. I have a letter from the greatest statistician, I think, in Germany, in which he outlines the whole situation and states exactly what they are doing in Germany and what the conditions there are.

Mr. JONES of New Mexico. I have here a periodical issued by the United States Department of Commerce—and it is the latest report from the department on the subject—and, while it is not prepared by Mr. Klein himself, there is an introduction to it by Mr. Klein, who is the head of the bureau, and here is the reasoning of Mr. Klein on the subject:

> The ability of Germany to underbid competing nations in the world's market has been largely due to the situation of the German mark. The common belief is that the depreciation in the exchange value of the mark below the gold parity is responsible. However, a more detailed study of German prices proves that the advantage which the German manufacturers have enjoyed in export trade is derived not from the fact that the current exchange rates for the mark are low as compared with the gold parity, but that the rates are low with respect to the purchasing power parity.

Mr. SMOOT. That is exactly what I have stated. I approve every word of that statement. It is not the one-third of a cent of gold which the German gets for one-third of a cent of goods exported to the United States; that would not cause so much difference. The difference comes when they get that one-third of a cent in gold and then buy one cent's worth of food, clothing, labor, and rent in Germany. Therefore, the American laboring man does not only have to meet the competition with the one-third of a cent in gold, but he has to meet three times that amount because, under the laws and regulations in Germany, the German laboring man receives three times the gold value, and, therefore, to begin with, the American laborer is at a disadvantage to that extent.

Mr. JONES of New Mexico. I believe now that I understand the position of the Senator. I did not understand him a while ago. What the Senator has now said, if I understand him, is in agreement with my own thoughts on the subject, that the advantage in the export trade by reason of the depreciated mark is not due simply to the difference in exchange but to the difference in the purchasing power.

Mr. SMOOT. Absolutely; and that is against the American laboring man wherever that purchasing power is greater than the gold value of the mark.

Mr. JONES of New Mexico. I did not understand the Senator awhile ago, but I do now, and I agree; our minds are in accord on the subject.

I proceed with this for the benefit of those who have not given some thought to the question. Beginning where I left off—

The latter—

That means the purchasing power parities—

are found by comparison of the internal purchasing power of the mark in Germany with that of other currencies in their respective countries and therefore represent the real exchange value of the mark.

The exchange of the goods purchased by using the mark.

The external value of German currency, determined on international money markets and fixed day by day by the transactions and agreements of buyers and sellers of marks, fluctuates widely in comparatively short periods of time, due to political as well as economic causes. The internal value of the mark in Germany depends largely on the relation between the buying power of the German public as expressed in marks and the amount of goods offered for sale. The manufacturing cost in Germany depends, of course, on this internal value. The external and internal values of the mark do not remain the same. A rapid fall in the external value of the mark is accompanied by a much slower increase in wages and other production costs. There is, therefore, a lag between the external and the internal value. The advantage of the German manufacturer and exporter is derived from this lag, which is accentuated by another very important factor, namely, direct and indirect subsidies to industry—

Such as the maximum rent law and the grain subsidy and low transportation rates on the street railways, and so forth. These subsidies are causing the huge Government deficit.

The essential point to be remembered is that this condition, with its corresponding advantage to the German exporter, is a temporary one. On the one hand, the continued depression of the German mark below the purchasing power parity will bring the country into complete bankruptcy. On the other hand, a reorganization of German finances, necessitated largely by reparations demands, will bring with it stability of German currency. As soon as this occurs an internal readjustment will take place in which the internal and the external value of the mark will tend to be equalized. Then the advantage now held by German manufacturers will largely disappear.

Mr. President, I have referred to that for the purpose of getting before the Senate the fact that this advantage derived from the difference in exchange is necessarily a temporary one. As to a great many commodities in Germany now, the German mark is above parity. The price of the goods measured in marks at the international exchange price has risen above the difference in the exchange; or, in other words, while the mark has depreciated in an international sense to the extent of about one sixty-seventh of its former value, the prices as measured in marks in Germany of a great many of these commodities have increased in a greater proportion than the mark has fallen in the international market, and an equilibrium will be found sooner or later. When the lag stops, then the advantage to the exporter from this difference in exchange ceases, and it is ceasing rapidly.

Mr. SMOOT. The Senator will admit, however, that that never can take place until Germany repeals her laws regulating the amount that shall be paid for rent, for food, for clothing, and for labor.

Mr. JONES of New Mexico. That is quite true; and those subsidies, so called, are being removed right along. Transportation costs are increasing in Germany, and as new houses are being built in Germany they are not rented at the pre-war mark prices.

Mr. SMOOT. They are rented the same under the law, because there has been no change in that law, nor will there be any change in the rent schedule until Germany repeals the law.

Mr. JONES of New Mexico. Of Course, the Senator is right about that.

Mr. SMOOT. So it is with labor; so it is with clothing; so it is with food; and so it is with rent.

Mr. JONES of New Mexico. Oh, the Senator knows that those subsidies are being changed right along. The price of bread has increased.

Mr. SMOOT. That depends upon the price that the Government pays for those articles from abroad. If the Senator has read the law, he will know that; and the only reason that they have changed is because of the fact that the price of the commodity itself, or the article that enters into the commodity, has changed in a foreign country, and it is always based upon the value paid, either for the article—in the case of bread, of course, it would be on flour, because the bread is never imported, but the flour is—it is based upon the value that the Government of Germany had to pay in gold for that product. The basis of the law itself has not been changed, but there is the change that I have stated, and, of course, that change applies to all the world in the case of flour, we will say, or wheat, or commodities of that kind.

Mr. JONES of New Mexico. They are changing those prices right along. The cost of food is increasing right along; the whole index of living is increasing right along, and rapidly, by leaps and bounds; and there are only a few things where the Government absolutely fixes the price to the home purchaser. The cost of living in Germany is increasing, as I say, by leaps and bounds, and I shall be glad to give some figures on the subject.

Mr. SMOOT. If that is the case, it has been very recently, Mr. President, because I have a brother-in-law living in Germany now, and I get a letter from him about every month, and he takes particular pains to let me know just how they are living, and also conditions in Germany generally, and the price of goods; and if that is the case, I will say to the Senator it is since I received the last letter.

Mr. JONES of New Mexico. I will give the dates and the figures. Even this periodical which I have here, from the Department of Commerce, does not undertake to come up later than 1921, but in regard to wages themselves, wage earners in the building industry in 1914 received 65 pfennigs per hour. In July, 1921, they received 700 pfennigs per hour, and in December, 1921, 1,300 pfennigs per hour.

I do not mention that for the purpose of contending that they are receiving high wages, but what I do mention it for is to show the enormous increases in marks, in their home money, which are going on. I am not going to contend that the laborers in Germany are receiving high wages, measured in commodities at home or abroad. I do not intend to make that contention; but what I am contending for is that this situation is merely temporary, that it is moving rapidly toward that equilibrium of prices and purchasing power which existed prior to the war.

Mr. SMOOT. It would have to change very rapidly when we find that draftsmen and helpers, assistant photographers, and laboratory assistants are now receiving $6.19 a month. That is about the same as that class of labor receives in the United States in a day, and this is a statement that I have received from our Department of Commerce; and it is so startling in its nature that I do not want to make it public until I have had it checked up, because I can hardly believe that these figures are correct. Therefore, before I make them public, I want the Department of Commerce to recheck every one of them to see that there is not some mistake in them.

Mr. JONES of New Mexico. There is no question but that the wage laborers over there are receiving small wages measured in money and measured in the necessities of life. There is no question about that; but so far as this difference in exchange and in purchasing power is concerned, what I am contending for is that they are rapidly approaching normal conditions.

Here is just what is occurring as to the cost of living:

If we take 100 as the average index basis for the year 1920 we find that in October, 1921, that index number was increased to 184, nearly 100 per cent; but, now, mark the very rapid increases following October, 1921.

In November it increased to 249; in December to 303; in January, 1922, to 320; in February to 352; in March to 435; in April to 525.

That referred to the wholesale prices. The index of retail prices of common commodities in the budget of a family of five, taking 1904 as 100, shows that in October, 1921, it had increased to 1,146; in November to 1,397; in December to 1,550; in January, 1922, to 1,640; in February to 1,989; in March to 2,300.

Mr. SMOOT. Compared with 1914?

Mr. JONES of New Mexico. Compared with 1914.

Mr. SMOOT. Then, to make it equal, instead of 2,300 we would have perhaps 6,800.

Mr. JONES of New Mexico. About 6,700. But the Senator will observe the rapidity with which it is increasing. For instance, since October, 1921, up to March, 1922, it had doubled in those few short months.

We find that some commodities have gone up more than that. That is, the general index cost of living we have been talking about, the cost of living a good many items of which are within the subsidy, and, of course, have not increased as much as commodities that are not governed by a subsidy or controlled by the Government.

Take hematite iron. The pre-war price was 79.50 marks. January 1, 1919, it was 314.5 marks; May 1, 1920, it was 2,350.5 marks; then in May, 1921, it was 1,816 marks; November 1, 1921, it was 2,700 marks; December, 1921, it was 3,891 marks; March 1, 1922, it was 4,744 marks; April 1, 1922, it was 6,264

marks. That 6,264 marks is over pre-war prices 18 per cent, after allowing for the full difference in international exchange.

As to pig iron No. 1, it is 13 per cent above the pre-war price, after making full allowance for the difference in international exchange.

Pig iron No. 2 is 16 per cent above; and when we come to ingots we find they are 30 per cent above; blooms, 33⅓ per cent above; and sheet bars are 26 per cent above. All of those metal commodities have more than recovered the difference in the exchange and reached prices beyond.

The same thing is true in regard to coal. The price of cotton yarn is more than a hundred times its pre-war price. The same may be said of cretonne.

So, Mr. President, these prices are fast finding their levels. Here is the list of prices of building materials. It would be illuminating to show these very rapid increases, but I will not take the time to read them now, but merely ask that they be inserted in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JONES of New Mexico. My purpose in developing this thought to the extent I have done is to show that it can be demonstrated that the duties levied in this bill do not meet the German situation. The cost of labor over there is very low. The prices of the articles cited by the Senator from Connecticut are very low. The Senator from Connecticut will not contend that even the rates proposed by this bill are sufficient to meet the difference in the cost of production in Germany and in the United States. I ask him if he does so contend?

Mr. McLEAN. I stated that the rates which have been recommended by the committee do not equal the difference in the production costs here and abroad. They approximate it, but they do not equal it.

Mr. JONES of New Mexico. Do they even approximate it?

Mr. McLEAN. Yes; as to some of the numbers of knives, they do. The Senator knows that for some reason the prices of these articles have decreased since last August, and I have a report of the wages paid laborers in Germany who are engaged in making these knives. The Senator knows that in the report of the Tariff Commission they say:

> The structure of these knives is complicated, and they are demanded in almost endless variety. In addition, the industry is one requiring highly skilled hand labor which commands higher wages than are paid in Europe. The nature of the product, which largely resists the use of machine processes, renders inapplicable our characteristic advantages in production.

The report which I have, which is dated last month, May 22, states that in the manufacture of these goods the German cutler gets 960 marks per week. From this must be arbitrarily deducted a Government tax of 10 per cent, and in addition 22 marks for health and accident insurance, a total deduction of 118 marks. This makes the net weekly wages of the best grade of German workmen $2.95. That report was made in May.

Mr. JONES of New Mexico. I am quite convinced that if you put it upon the basis of actual cost of production of some of these lines of goods in Germany, these rates will not make that difference, that there is a much greater difference than indicated in some other lines. The Senator indicated prices varying 300 and 400 per cent. These duties proposed do not amount to 300 and 400 per cent.

Mr. McLEAN. We believe, as the Senator from New Mexico believes, that conditions will change somewhat, and for that reason we have not put these duties as high as conditions would require if we wanted to give complete protection. We hope that the German people will be permitted to earn more, and so consume more, and have more than they have now. We want to help them in every way we can, but as long as they are willing to work for "rag" money, we have to protect ourselves in a degree, and hope that the time will come when they will see the folly of doing that, and that the wages will be comparatively increased.

Mr. JONES of New Mexico. Mr. President, it appears that as to some of the goods imported the difference in prices amounts to 300 and 400 per cent. These duties do not amount to that much. Therefore you do not meet the situation by the imposition of even these very high rates of duty.

Mr. McLEAN. If the Senator will offer an amendment raising them, I think he will get some votes on this side of the Chamber.

Mr. JONES of New Mexico. I expected just some such remark as that. My reply is that that is not the remedy at all. We are importing cutlery from England. We are importing it from France. I ask the Senator if the duties proposed by the bill will not be prohibitive so far as England is concerned?

Mr. McLEAN. The Senator must know that under existing conditions any rate that will give adequate protection against Germany and Austria and those central European countries will operate as an embargo against the cheaper grade of goods from England. Of course, there is cutlery which comes from England which people in this country will have no matter what it costs.

Mr. JONES of New Mexico. I think the Senator has made the correct answer.

Mr. KELLOGG. I did not understand the Senator from Connecticut to say that these would operate as an embargo on England.

Mr. McLEAN. On this class of goods. Of course, we can not get complete protection against German goods.

Mr. KELLOGG. What the Senator intended to say was that a duty operating as a complete protection against the Germans would be an embargo.

Mr. McLEAN. Certainly; that is the answer I intended to give.

Mr. KELLOGG. I did not understand the Senator to say that the duties the bill imposes would act as an embargo.

Mr. McLEAN. This cheap ware does not come from England. They make good stuff, and especially in the middle western part of the country. Anybody who wants a Sheffield knife will have it no matter what it costs, and I presume there are jackknives made in England which people will have no matter what they cost.

Mr. JONES of New Mexico. If I understand the Senator, he means that the duties proposed by the committee are sufficient to amount to an embargo against England and France as to most of these goods, but they are not sufficient to give protection against Germany. I think that is an accurate statement of the situation.

Mr. McLEAN. I call attention to the fact that of course these cheap knives are not made in France or England.

Mr. JONES of New Mexico. The Senator is correct about that. As to these cheap goods, they are made only in Germany.

Mr. McLEAN. I think in some of these lines probably the Englishmen would import some goods here, but what we have to do is to protect our manufacturers against the flood of German goods which is coming.

Mr. JONES of New Mexico. Now, Mr. President, let us see whether such a procedure is necessary. Let us see whether it is advisable or not. If there were no other forces at work, these duties would not do that; they would not prevent the flood from Germany; but there are other forces at work which prevent such floods because the flood is not here. It is now three and one-half years after the war, and if there were not other forces at work, the flood would be here, but it is not here. There are other reasons for it.

Germany is prostrate in many ways, the general impression to the contrary notwithstanding. Germany has not been able to produce as much of commodities since the war as she was producing before the war. She is able to produce only about one-half of what she was producing before the war. Her export trade does not begin to reach the pre-war amount. There are forces there at work to prevent this, which regulate this, besides the mere differences in costs. They can not produce at any price any great flood of goods for export.

Mr. McLEAN. The Senator is not now talking about cutlery?

Mr. JONES of New Mexico. I am talking a good deal about cutlery.

Mr. McLEAN. Does not the Senator think that an importation of 1,203,000 dozen exceeds the importations of any year in the history of the country?

Mr. JONES of New Mexico. As to the amount, the Senator is right. I should not have applied it to cutlery alone. What I contend is that they have to import a lot of things about these knives. They have to import the handles and some of the metals that go into the manufacture of the knives. They can not get the coal, they can not get the steel, which they had before. The large importations of knives which have come in since the war doubtless have come largely because the shelves of this country were depleted and there was a greater demand in the country for them. But the Senator knows that Germany is not flooding this country with goods ordinarily. Her exports to this country are not what they were before the war.

Mr. McLEAN. If we undertake to discuss every schedule in the tariff bill when we are discussing each paragraph as we take it up, if the discussion of each paragraph is to involve a discussion of all the other schedules in the bill at the same time, I can imagine it will be some time before the bill passes. Of course, I realize the Senator's purpose in discussing these other matters. That is very evident. He discusses them very well. But he must not expect that members of the committee or Senators on this side of the Chamber will engage in a discussion of all the items in the bill as we come to each schedule or

each paragraph, and in addition to that discuss all the other public questions which are now involved in our legislation and which interest the American people.

Mr. JONES of New Mexico. I can quite understand how the Senator from Connecticut, as well as others, gets very tired of hearing the truth and having it applied to the industrial conditions of the country. I can quite understand that.

However, while I am upon this subject I want to call attention to a statement with reference to the situation. I have a recent statement here which brings these matters up to the end of the first quarter of 1922. The statement has become current. It says:

The bugaboo of the United States being flooded with cheap imports from Germany is one that is not substantiated by the figures. Our imports from Germany in 1913, the last peace year, were $190,000,000. In 1920 those imports had sunk to $89,000,000 and in 1921 to $80,000,000. Meanwhile exports from Germany have recovered. They amounted to $345,000,000 in 1913. They have rebounded to $311,000,000 in 1920 and $372,000,000 in 1921. The volume of exports to Germany in 1921 was less than in 1913—

That is, the volume—

because the 1921 price level was some 50 per cent higher than before the war. This heavy preponderance of exports continued in the first quarter of 1922, when we imported $26,000,000 from Germany and exported $86,000,000 to her.

The writer of the article makes this comment:

The real problem is to get German imports moving to this country in sufficient volume to pay for more of our exports.

I have referred to these general matters merely for the purpose of laying the foundation for what I now have to say. Germany realizes the unusual situation and is trying to provide for it. These prices are not going to be so low in the future as they have been in the past. These prices are increasing right along and the time is here when there is not going to be that great disparity.

Mr. McLEAN. What schedule is the Senator talking about now?

Mr. JONES of New Mexico. I am talking about the cutlery schedule.

Mr. McLEAN. I gave the Senator importations indicating positively that the prices had been cut in two since last August.

Mr. JONES of New Mexico. Mr. President, I have here a statement, a part of which I gave to the Senator earlier in the evening, when I made the statement that as to these cheap knives the pre-war price in 1914 was 42 pfennigs, equivalent to 11¼ cents. On May 10, 1922, the price of the same thing was 45 marks or 16⅛ cents, considerably above the pre-war price. On another item which sold for 92 pfennigs in 1914 or 23 cents, on the same article on May 17, 1922, the price was 85 marks or 31¼ cents as compared with 23 cents in 1914. On another item in 1914 the price was 53 pfennigs or 13 cents in gold, and on May 10, 1922, the price was 22½ marks or 18 cents.

Mr. McLEAN. Has the Senator the April importation of the articles in this paragraph and the prices?

Mr. JONES of New Mexico. I am speaking of articles imported that are covered in this paragraph, and I have given the prices.

Mr. McLEAN. The report shows that in April the imports were 123,327 dozen at a value of $103,000. That is about 70 cents a dozen or 6 cents apiece. If they could make them cheaper before the war than they do now, we ought to raise the rate, because when they get back to normal conditions I do not know where this industry will be.

Mr. JONES of New Mexico. I am trying to get the statement clearly made that the prices are increasing and as to many of them now they are higher in gold than they were prior to the war. A great many importations were made. That would show a very much less price than the actual price. The importers bought their mark at a given price; when goods were delivered the mark had depreciated; but under the law they had to take the imported price as the price measured in the mark; or, in other words, the selling price was given in marks as of that time. It was so many marks.

But I will take another knife covered by this paragraph. By the way, I have a sample of that knife here. That [exhibiting] is a good knife; that is a real knife. The price of that knife before the war was 18 marks, 50 pfennigs. On January 1, 1922, it was increased to 725 marks and 40 pfennigs and, counting the mark at one thirty-sixth hundredths of a cent, would cost $2.61. On March 15 the same knife had advanced to $4.08, and may 5 it had advanced to $5.54. The foreign price is advancing at that rate, measured in dollars.

Mr. President, I want to read an affidavit as to what is happening in Germany. The affidavit was executed here in the District of Columbia and reads as follows:

AFFIDAVIT.

DISTRICT OF COLUMBIA, *ss:*

I, Edward Grafmueller, being first duly sworn, on oath depose and say that I am the vice president of H. Boker & Co., of 101–103 Duane Street, New York, N. Y., and that I am an American manufacturer of cutlery as well as an importer; that the firm of H. Boker & Co. has received a letter from its factory at Solingen, Germany, dated May 20, 1922, in which it is stated that a governmental regulation has just been issued providing that all cutlery goods ordered in marks prior to May 10, 1922, that were taken at firm prices and which have been registered may be billed in marks up to September 1, 1922, after which time all orders are to be filled in dollars only at the advances stated, and that all new orders placed from May 10 on can only be billed in dollars at the advances stated; and that the said firm of H. Boker & Co. has been notified that all cutlery coming from Germany after June 1, 1922, will be billed in dollars at the following rates: Knives (excepting those with pearl handles) and all razors and scissors at 25 per cent above the pre-war prices; pearl knives and all table cutlery at 40 per cent above the pre-war prices; and I further say that I believe the information contained in the said letter to be true to the best of my knowledge and belief.

EDW. GRAFMUELLER.

Sworn to and subscribed before me this 3d day of June, A. D. 1922.

[SEAL.] T. C. MEIDINGER,
Notary Public, District of Columbia.

Mr. President, by fixing the rates which are proposed here the German situation is not met. There is created an embargo to a great extent against England, France, and, by the way, an embargo against Czechoslovakia, which has recently reformed her currency, and prices have mounted so high that the goods can not be imported. The situation in Germany is not met; but there is created an embargo against these other countries.

Now, I ask in all seriousness, are you dealing with this situation in an intelligent and businesslike way? Why not find some other remedy? It is not for me to suggest the remedy, but that which the committee proposes is not the remedy to meet the situation. They are simply doing a botch job of it. They are not meeting the German situation as it exists to-day. They are doing an unfortunate thing, creating an embargo against Germany and France. If that be true—and I am sure that it is true—Germany herself is dealing with the situation and is going to require the goods to be exported and billed out in dollars and in prices 25 per cent above pre-war prices.

It is not necessary to rely entirely upon what Germany has done and is doing, but the committee may find a remedy if they will. They may meet this situation to regulate these prices if they want to do it.

What I insist upon, however, is that the remedy proposed by Senators on the other side of the Chamber is futile. It not only does not accomplish what it is sought to accomplish but it will be disastrous to trade between this country and England and France. It is admitted that there will be an embargo on these commodities which meet competition in the American market, although some few articles, as has been stated, will come in from England regardless of price.

However, Mr. President, I think we had better take one step at a time, and therefore I should like to have a vote upon my amendment regarding the cheaper knives.

Mr. JONES of New Mexico. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LADD in the chair). The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Heflin	McKinley	Smith
Brandegee	Jones, N. Mex.	McLean	Smoot
Bursum	Jones, Wash.	McNary	Spencer
Calder	Kellogg	Newberry	Sterling
Capper	Kendrick	Oddie	Sutherland
Curtis	Keyes	Overman	Townsend
Dial	King	Pepper	Underwood
Elkins	Ladd	Phipps	Warren
Gooding	La Follette	Robinson	Watson, Ind.
Hale	Lenroot	Sheppard	Willis
Harris	McCormick	Shortridge	
Harrison	McCumber	Simmons	

Mr. HARRISON. Mr. President, a parliamentary inquiry. What is before the Senate?

The PRESIDING OFFICER. A call for a quorum.

Mr. HARRISON. I call for the regular order.

The PRESIDING OFFICER. Forty-six Senators having answered to their names, there is not a quorum present. The Secretary will call the names of the absentees.

The reading clerk called the names of the absent Senators and Mr. RAWSON answered to his name when called.

Mr. NICHOLSON entered the Chamber and answered to his name.

Mr. KING. Regular order, Mr. President.

The PRESIDING OFFICER. Forty-eight Senators having answered to their names, a quorum is not present.

Mr. McCUMBER. I move that the Sergeant at Arms be directed to procure the presence of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms is directed to request the attendance of absent Senators.

Mr. WALSH of Massachusetts and Mr. FRANCE entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from New Mexico to the amendment of the committee.

Mr. JONES of New Mexico. Mr. President, I want to say just a word. My motion is to strike out the specific duty of 2 cents each on these boys' knives. If it remains, it will prohibit the importation of these knives. I may add that there are none of such knives produced in this country.

On my amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CALDER. May the amendment be stated, please?

The PRESIDING OFFICER. The Secretary will state the amendment of the Senator from New Mexico to the amendment of the committee.

The READING CLERK. On page 72, line 12, the Senator from New Mexico proposes to strike out "2 cents each and," so that if amended it will read:

Valued at not more than 40 cents per dozen, 60 per cent ad valorem—

And so forth.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of Washington (when his name was called). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I have a pair with him for the evening, but I find that I can transfer my pair to the Senator from Arizona [Mr. CAMERON]; and I do so, and vote. I vote "nay."

Mr. McKINLEY (when his name was called). I transfer my pair with the Senator from Arkansas [Mr. CARAWAY] to the Senator from Minnesota [Mr. NELSON] and will vote. I vote "nay."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the Senator from Massachusetts [Mr. LODGE] to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "yea."

The roll call was concluded.

Mr. BALL. I transfer my general pair with the senior Senator from Florida [Mr. FLETCHER] to my colleague [Mr. DU PONT] and will vote. I vote "nay."

Mr. WATSON of Indiana. I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Oklahoma [Mr. HARRELD] and will vote. I vote "nay."

Mr. STANLEY. I transfer my pair with my colleague [Mr. ERNST] to the Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

Mr. McCUMBER (after having voted in the negative). I should like to inquire whether the junior Senator from Utah [Mr. KING] has voted?

The PRESIDING OFFICER. He has not.

Mr. McCUMBER. I have a general pair with that Senator, which I transfer to the senior Senator from New York [Mr. WADSWORTH] and will let my vote stand.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH].

The result was announced—yeas 15, nays 36, as follows:

YEAS—15.

Ashurst	Jones, N. Mex.	Robinson	Stanley
Dial	La Follette	Sheppard	Underwood
Harris	Overman	Simmons	Walsh, Mass.
Harrison	Pomerene	Smith	

NAYS—36.

Ball	Capper	Gooding	Kendrick
Brandegee	Curtis	Hale	Keyes
Bursum	Elkins	Jones, Wash.	Ladd
Calder	France	Kellogg	Lenroot
McCormick	Newberry	Rawson	Sutherland
McCumber	Nicholson	Shortridge	Townsend
McKinley	Oddie	Smoot	Warren
McLean	Pepper	Spencer	Watson, Ind.
McNary	Phipps	Sterling	Willis

NOT VOTING—45.

Borah	Fernald	Moses	Shields
Broussard	Fletcher	Myers	Stanfield
Cameron	Frelinghuysen	Nelson	Swanson
Caraway	Gerry	New	Trammell
Colt	Glass	Norbeck	Wadsworth
Crow	Harreld	Norris	Walsh, Mont.
Culberson	Heflin	Owen	Watson, Ga.
Cummins	Hitchcock	Page	Weller
Dillingham	Johnson	Pittman	Williams
du Pont	King	Poindexter	
Edge	Lodge	Ransdell	
Ernst	McKellar	Reed	

So the amendment of Mr. JONES of New Mexico to the amendment of the committee was rejected.

Mr. JONES of New Mexico. On line 14, page 72, I move to strike out the words "5 cents each and." That relates to knives which cost more than 40 cents a dozen but not more than 50 cents a dozen. The duty proposed to be put upon such knives is 5 cents each, which would be 60 cents a dozen and 60 per cent. Upon this amendment to the amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. BALL (when his name was called). Making the same announcement as to the transfer of my pair as before, I vote "nay."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. McCUMBER (when his name was called). Making the same announcement as to the transfer of my pair as on the previous vote, I vote "nay."

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. STANLEY (when his name was called). Making the same announcement as before, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR].

Mr. JONES of Washington. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. UNDERWOOD. I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

The result was announced—yeas 16, nays 36, as follows:

YEAS—16

Ashurst	Heflin	Pomerene	Smith
Dial	Jones, N. Mex.	Robinson	Stanley
Harris	La Follette	Sheppard	Underwood
Harrison	Overman	Simmons	Walsh, Mass.

NAYS—36.

Ball	Hale	McKinley	Shortridge
Brandegee	Jones, Wash.	McLean	Smoot
Bursum	Kellogg	McNary	Spencer
Calder	Kendrick	Newberry	Sterling
Capper	Keyes	Nicholson	Sutherland
Curtis	Ladd	Oddie	Townsend
Elkins	Lenroot	Pepper	Warren
France	McCormick	Phipps	Watson, Ind.
Gooding	McCumber	Rawson	Willis

NOT VOTING—44.

Borah	Ernst	McKellar	Ransdell
Broussard	Fernald	Moses	Reed
Cameron	Fletcher	Myers	Shields
Caraway	Frelinghuysen	Nelson	Stanfield
Colt	Gerry	New	Swanson
Crow	Glass	Norbeck	Trammell
Culberson	Harreld	Norris	Wadsworth
Cummins	Hitchcock	Owen	Walsh, Mont.
Dillingham	Johnson	Page	Watson, Ga.
du Pont	King	Pittman	Weller
Edge	Lodge	Poindexter	Williams

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

Mr. JONES of New Mexico. On line 16, page 72, I move to strike out the words "12 cents each and." This is the rate fixed on knives valued at more than 50 cents and not more than

$1.25. The committee proposes to fix a duty of 12 cents each and 60 per cent ad valorem. I move to strike out the words "12 cents each and."

The amendment to the amendment was rejected.

Mr. JONES of New Mexico. On lines 17 and 18, beginning with the numeral "20," I move to strike out "20 cents each and," so as to leave the 60 per cent ad valorem duty. That is the rate upon knives valued at more than $1.25 and not more than $3 per dozen.

The amendment to the amendment was rejected.

Mr. JONES of New Mexico. On line 21 I move to strike out "40 cents each and," and I wish to make just this statement: That involves what is known as stockmen's knives. It is one of the best of the imported knives, and at the present price the duty will be absolutely prohibitive. The cost of this knife at the present time, with the present duty, is about $9 a dozen. If you add to that the profit which must be made by the dealers it brings it up above the present American price. It is proposed to make the duty 40 cents each and 60 per cent ad valorem.

I am addressing myself especially to those who are interested in the stockmen of the country when I call attention to this item. It is the regular stockmen's knife, which is used all over the West, and which comes in now at a duty of 55 per cent ad valorem. The committee proposes to put a specific duty of 40 cents each on this article, and to make the ad valorem 60 per cent. I move to strike out "40 cents each and," and upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. McCUMBER (when his name was called). Making the same announcement as before, I vote "nay."

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR].

Mr. UNDERWOOD. I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. BALL. Making the same announcement as before as to my pair and its transfer, I vote "nay."

The result was announced—yeas 15, nays 34, as follows:

YEAS—15.

Ashurst	Heflin	Pomerene	Smith
Dial	Jones, N. Mex.	Robinson	Underwood
Harris	La Follette	Sheppard	Walsh, Mass.
Harrison	Overman	Simmons	

NAYS—34.

Ball	Jones, Wash.	McNary	Spencer
Brandegee	Kellogg	Newberry	Sterling
Bursum	Kendrick	Nicholson	Sutherland
Capper	Keyes	Oddie	Townsend
Curtis	Ladd	Pepper	Warren
Elkins	McCormick	Phipps	Watson, Ind.
France	McCumber	Rawson	Willis
Gooding	McKinley	Shortridge	
Hale	McLean	Smoot	

NOT VOTING—47.

Borah	Ernst	McKellar	Reed
Broussard	Fernald	Moses	Shields
Calder	Fletcher	Myers	Stanfield
Cameron	Frelinghuysen	Nelson	Stanley
Caraway	Gerry	New	Swanson
Colt	Glass	Norbeck	Trammell
Crow	Harreld	Norris	Wadsworth
Culberson	Hitchcock	Owen	Walsh, Mont.
Cummins	Johnson	Page	Watson, Ga.
Dillingham	King	Pittman	Weller
du Pont	Lenroot	Poindexter	Williams
Edge	Lodge	Ransdell	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The READING CLERK. On page 73, line 2, the committee proposes to strike out "40" and insert "60," so as to read:

Cuticle knives, corn knives, nail files, tweezers, hand forceps, and parts thereof, finished or unfinished, by whatever name known, 60 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I do not care to discuss the items covered by this amendment any further than to say that it relates to articles used generally—nail files, tweezers, hand forceps, and parts thereof, finished or unfinished. The House proposes a 40 per cent ad valorem rate. I shall simply content myself by voting against the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 73, line 8, to strike out "35" and insert "60," and in line 10, after the word "maker," to insert the words "or purchaser," so as to make the provisos read:

Provided, That any of the foregoing, if imported in the condition of assembled, but not fully finished, shall be dutiable at not less than the rate of duty herein imposed upon fully finished articles of the same material and quality, but not less in any case than 15 cents each and 60 per cent ad valorem: *Provided further*, That all the articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the shank or tang of at least one or, if practicable, each and every blade thereof.

The amendment was agreed to.

The next amendment of the committee was, on page 73, line 18, after the word "artists," to strike out the word "shoe" and insert the word "shoe" and a comma.

The amendment was agreed to.

The next amendment was, on the same page, in line 21, to strike out the words "or without," and in line 23 to strike out the numerals "16" and insert in lieu thereof "or without handles of any kind, 20," so as to read:

PAR. 355. Table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning, fish, carpenters' bench, curriers', drawing, farriers', fleshing, hay, sugar-beet, beet-topping, tanners', plumbers', painters', palette, artists', shoe, and similar knives, forks, and steels, and cleavers, all the foregoing, finished or unfinished, not specially provided for, with handles of mother-of-pearl, shell, ivory, deer, or other animal horn, silver, nickel silver, or other metal than iron or steel, or without handles of any kind, 20 cents each.

The amendment was agreed to.

The next amendment was on page 73, line 25, to strike out the numeral "8" and insert in lieu thereof the numeral "10," so as to read:

With handles of hard rubber, solid bone, celluloid, or any pyroxylin, casein, or similar material, 10 cents.

Mr. McLEAN. Before going to that amendment the committee desires to offer an amendment on page 73, in line 24, after the word "each," to insert "and 45 per cent ad valorem." I will say that on this item and the next four or five items the ad valorem is 55 per cent, and the purpose of the amendment is to reduce the ad valorem from 55 per cent to 45 per cent.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 73, line 24, after the word "each" and before the semicolon, insert "and 45 per cent ad valorem," so as to read:

PAR. 355. Table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese canning, fish, carpenters' bench, curriers', drawing, farriers', fleshing, hay, sugar-beet, beet-topping, tanners', plumbers', painters', palette, artists', shoe, and similar knives, forks, and steels, and cleavers, all the foregoing, finished or unfinished, not specially provided for, with handles of mother-of-pearl, shell, ivory, deer or other animal horn, silver, nickel silver, or other metal than iron or steel, or without handles of any kind, 20 cents each and 45 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I desire to say just a word about this paragraph.

Mr. McLEAN. Will the Senator permit us to act on this amendment, so that we may know just what the committee has in mind?

Mr. JONES of New Mexico. I simply want to make a statement about this paragraph and what it relates to. I did not understand that the "20 cents each" related to all of these articles, or, rather, I did not understand that it was a committee amendment. I did not understand that the amendment inserting the numerals "20" was a committee amendment and that is the reason why I did not propose an amendment at that point. There is nothing here to indicate that it is a committee amendment. It did not appear so to me.

I want to call attention to the fact that this relates to cutlery of different kinds, to knives such as table, butcher, carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning, fish, carpenters' bench, curriers', drawing, farriers', fleshing, hay, sugar-beet, beet-topping, tanners', plumbers', painters', palette, artists', shoe, and similar

knives, forks, and steels, and cleavers, finished or unfinished, not specially provided for, with handles of mother-of-pearl, shell, ivory, deer, or other animal horn, silver, nickel silver, or other metal than iron or steel, or without handles of any kind. A tariff of 20 cents each is to be imposed upon all of these and now it is proposed to add "and 45 per cent ad valorem."

I supposed the committee had interpreted the paragraph to mean that on the next page the 55 per cent ad valorem would relate back to all of the various items which I have mentioned. I wish to make the statement that this relates to steel table cutlery and kitchen cutlery, the cheap steel cutlery that is used in every household, and with or without any handle, on which they are proposing to place a duty of 20 cents each—on each knife, each fork, a specific duty of 20 cents and an ad valorem duty of 45 per cent.

Mr. SIMMONS. Mr. President, I would like to inquire of the Senator if he can tell the Senate the equivalent ad valorem of this compound duty?

Mr. JONES of New Mexico. It varies, of course.

Mr. SIMMONS. The Senator just spoke of 20 cents specific plus an ad valorem rate of 45 per cent. Can the Senator tell us the ad valorem equivalent of that compound duty?

Mr. JONES of New Mexico. I do not know. It would vary as the prices of the knives vary. Some of them, of course, are very cheap, and the rate must be two or three or four hundred per cent on some of them.

Mr. SIMMONS. If the Senator will pardon me, it is very difficult for Senators to understand and appreciate the extent of this duty when it is expressed partly in a specific rate and partly in an ad valorem rate. If it could be expressed in the ad valorem equivalent, we could have a better conception of the size of the duty.

If the Senator from New Mexico will permit me in his time, I would like to ask whoever on the other side is in charge of this item—I presume the Senator from Connecticut [Mr. McLEAN]—if he can furnish the Senate information as to the ad valorem equivalent of the compound rate which the Senator from New Mexico has just referred to, namely, 20 cents specific plus 45 per cent ad valorem?

Mr. McLEAN. It is about 110 per cent. Of course, that applies to butcher knives. The report shows that on No. 7906 the landed cost was $6.30 a dozen and the domestic selling price of the American article $14.25 a dozen, which would require 126 per cent to equal the difference.

Mr. SIMMONS. But that is not the question I asked the Senator. I asked the ad valorem equivalent of the compound duty imposed upon the foreign product.

Mr. McLEAN. There are a great many products included in the paragraph.

Mr. SIMMONS. But all the products included in the section of the paragraph which the Senator from New Mexico read a little while ago are subject to one rate of duty, namely, 20 cents specific plus 45 per cent ad valorem. That is a matter which might be worked out by the experts very quickly. I presume the Senator has the foreign price. What is the ad valorem equivalent of the two duties combined applied to the foreign price?

Mr. McLEAN. On each article it would differ. To what particular item does the Senator refer?

Mr. SIMMONS. The Senator from New Mexico just read the items. I will ask the Senator from New Mexico to which particular item he referred?

Mr. JONES of New Mexico. Ordinary table steel knives and kitchen knives and forks.

Mr. McLEAN. It depends on the length of the knife and handle and all the items which enter into the value. If the Senator will give me any particular knife, we can figure it out for him.

Mr. JONES of New Mexico. Take just a common steel knife without any handle. The Senator proposes to put a duty on those of 20 cents each and 45 per cent ad valorem.

Mr. McLEAN. I do not think those are covered by this part of the paragraph.

The PRESIDING OFFICER (Mr. GOODING in the chair). The question is on the amendment offered by the Senator from Connecticut [Mr. McLEAN] on behalf of the committee to the committee amendment.

Mr. KING. Mr. President, I hope the Senator from Connecticut will respond to the inquiry of the Senator from North Carolina [Mr. SIMMONS] and tell us the equivalent ad valorem of the compound rate which is provided in the paragraph under consideration. The Senator from New Mexico [Mr. JONES] asked the Senator from Connecticut to give the equivalent of the compound rate upon the ordinary table knife. Take the ordinary table knife that costs in the foreign market 10 cents or 15 cents, what would be the rate on that? Obviously, of course, it would be from 200 to 250 per cent.

Mr. McLEAN. It would depend on the foreign value on which the rate is based. If the Senator from Utah can identify any knife here, and the foreign value, the equivalent ad valorem may very easily be estimated.

Mr. KING. May I say to the Senator that if I properly comprehend this paragraph it embraces not only butcher knives and hunting knives and carving knives but also the ordinary table knife and the ordinary fork, no matter how unimportant and how cheap and how inconsequential they may be. A fork costing 10 cents or 5 cents would have to pay a 20-cent specific duty, which, if it costs 5 cents, would be a 400 per cent duty. Then, in addition to that, it would have to pay 45 per cent ad valorem. Does the Senator mean to justify a rate of that character?

Mr. McLEAN. On an 8-cent knife the rate would be 70 per cent ad valorem.

Mr. KING. On an 8-cent knife a duty of 20 cents would be more than 200 per cent ad valorem. The Senator's adviser is wrong.

If the Senator will pardon me, it is obvious that the knife that sold for 8 cents under a specific duty of 20 cents would carry more than a 200 per cent ad valorem duty.

Mr. McLEAN. I do not think this paragraph includes the kind of a knife about which the Senator from Utah is talking.

Mr. KING. It does not differentiate. It says "knives."

Mr. McLEAN. But it says "with handles of mother-of-pearl, shell, ivory, deer or other animal horn, silver, nickel silver, or other metal than iron or steel."

Mr. KING. It also says "or without handles of any kind."

Mr. McLEAN. Yes.

Mr. KING. The Senator knows that many ordinary table knives and forks would come within the description which he has just read. If the Senator intends to exclude the ordinary table knife and table fork, then certainly it will be necessary to have an amendment, because the language now is sufficiently comprehensive to include them.

Mr. McLEAN. On page 74 the other variety of knife is described definitely and specifically. The clause reads:

With handles of any other material, if less than 4 inches in length, exclusive of handle, 3 cents each; if 4 inches in length or over, exclusive of handle, 10 cents each.

Mr. UNDERWOOD. Mr. President, I have not in mind the details of this particular proposal with reference to knives, but I desire to say that this is the first time I have ever seen a tariff bill come before either branch of Congress where a compound duty was levied and the committee in charge had not worked out the equivalent ad valorem rate. I do not know whether the committee really is ashamed to tell us how high the rate is or whether they do not know; but I think the Senate is entitled to that information. I know it was customary when I assisted in writing tariff bills to have the calculations worked out so as to be able to tell with definiteness the equivalent ad valorem of a compound rate. We have not yet obtained that information in this case, and I think the Senator in charge of the bill should pass this paragraph over until he may obtain the information and advise the Senate so that we may vote intelligently on the subject.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Utah?

Mr. UNDERWOOD. I yield.

Mr. SMOOT. Mr. President, the Senator from New Mexico [Mr. JONES] is mistaken when he thinks that this clause providing for a specific duty of "20 cents each" refers to common, ordinary table knives. Such knives fall in a succeeding clause, where the duty is "3 cents each," which will be changed to 2 cents.

The bracket now being considered covers knives "not specially provided for, with handles of mother-of-pearl, shell, ivory, deer, or other animal horn, silver, nickel silver, or other metal than iron or steel."

Mr. LA FOLLETTE. "Or without handles of any kind."

Mr. SMITH. "Or without handles of any kind." None of the knives which the Senator has described would be included in the phrase "without handles of any kind."

Mr. SMOOT. The phrase "handles of any kind" means handles of other metal or wood or animal horn. Just preceding the words referred to, the clause reads "or other metal than iron or steel."

The ordinary knife and fork that are being talked about fall within the next item, which reads:

with handles of any other material, if less than 4 inches in length, exclusive of handle, 3 cents each; if 4 inches in length or over, exclusive of handle, 10 cents each; and in addition thereto, on all of the foregoing, 45 per cent ad valorem.

Mr. LA FOLLETTE. The bill says 55 per cent.

Mr. SMOOT. I put it the way the committee intends to amend it. That is the item under which the knives referred to would come.

Mr. JONES of New Mexico. That refers to any kind of steel table knife. It would cover the ordinary camp knife, which can be bought by the dozen.

Mr. SMOOT. What refers to that?

Mr. JONES of New Mexico. This paragraph here.

Mr. SMOOT. Not the clause providing a duty of 20 cents each.

Mr. JONES of New Mexico. Why not?

Mr. SMOOT. Because it says that it does not. It says "or other metal than iron or steel."

Mr. JONES of New Mexico. Those words relate to the handle. I do not see how the Senator can give any other interpretation to them.

Mr. SMOOT. I do not see how the Senator can give the interpretation which he gives.

Mr. JONES of New Mexico. That is what it says.

Mr. SMOOT. Of course, all knives have steel blades, but the clause only applies to steel blades "with handles of mother-of-pearl, steel, ivory, deer, or other animal horn, silver, nickel silver, or other metal than iron or steel."

Mr. JONES of New Mexico. Then the words are added "or without handles of any kind."

The Senator can not get any other interpretation from it. The truth of it is the committee has made a mistake in inserting there the words "or without handles of any kind." That is where the mistake has been made. The Senator from Utah never intended any such result as that, but that is the effect of the provision if it is left in there.

Mr. SMOOT. The provision was put in, I think, on the recommendation of one of the examiners from New York, and if the Senator will wait for just a moment I will look it up and see if the provision should come here or in a succeeding clause.

Mr. McLEAN. Of course, a knife without a handle does not go into domestic use. They are imported in that form, and the handles are put on in this country.

Mr. UNDERWOOD. It seems to me that until the committee can definitely inform the Senate what this paragraph means we ought to take a recess to-night and give them an opportunity to prepare themselves, so that to-morrow morning we may ascertain exactly what is proposed to the Senate. We can not find out what the language means and we can not find out what the equivalent ad valorem rate is, and certainly the Senate is not prepared to vote on this paragraph at this time.

Mr. SMOOT. I thought I had with me a table of the ad valorem rates of each one of the brackets, but, as I had not intended to discuss the paragraph, I find I have it not with me. There are, however, a number of other items which we may consider.

Mr. POMERENE. Mr. President, let me put a question to the Senator from another viewpoint. Here are two or three dozen different articles, including table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning, fish, and other knives. From the standpoint of price, what articles are included? Does the bracket cover knives that are worth 10 cents apiece or $10 apiece? There is a specific duty imposed of 20 cents each and then an ad valorem duty. Twenty cents apiece in the case of $10 knives would not amount to anything, whereas in the case of 10-cent knives 20 cents apiece would amount to a great deal; in fact, it would amount to 200 per cent.

Mr. SMOOT. That is true, but there are no 10-cent knives with the kind of handles which are described.

Mr. POMERENE. I do not know as to that.

Mr. SMOOT. I know.

Mr. POMERENE. I do not know why the Senator should insist on making that statement, when the language of the amendment is "or without handles of any kind." It refers to certain kinds of handles and then says, "other than iron or steel." There might be a corncob handle, for that matter.

Mr. SMOOT. It does not say that at all. The only question——

Mr. POMERENE. The handle could be of corncob so far as this language is concerned.

Mr. SMOOT. A knife with a corncob handle would not fall under this bracket.

Mr. POMERENE. Why does the Senator say that? The language would include such a knife.

Mr. SMOOT. What language, I will ask the Senator?

Mr. POMERENE. The language of the text. I do not know tariff bills, but I know the English language, I think.

Mr. SMOOT. If the Senator will tell me to what he has reference then I will endeavor to tell him whether the language means what he thinks or not.

Mr. POMERENE. This paragraph describes a very large number of articles of various kinds, of knives and forks, and so forth. Then it describes the handles in this language:

> With handles of mother-of-pearl, shell, ivory, deer or other animal horn, silver, nickel silver, or other metal than iron or steel, or without handles of any kind.

And a specific duty of 20 cents each is imposed.

Mr. SMOOT. I will say to the Senator that the only question there may be is as to the amendment to which reference has been made, and I shall ask that that be looked into. I have not paid any especial attention to this paragraph, and it may be that the amendment suggested relates to the cheaper grade of knives. As to those, however, the ad valorem rate would apply, and a duty of 2 cents or 3 cents each would not make so much difference, while a duty of 20 cents each would make a considerable difference.

Mr. POMERENE. I think the discussion demonstrates conclusively that the proponents of this paragraph do not understand what it means.

Mr. SMOOT. The Senator can draw his own conclusion about that.

Mr. POMERENE. I think everybody has drawn that conclusion.

Mr. UNDERWOOD. Mr. President, it seems very clear that this section does not refer to mother-of-pearl knives only. It starts out by saying:

> Table, butchers', carving, cooks', hunting, kitchen—

And then goes on with a whole lot of other knives—

> with handles * * * or without handles, * * * 20 cents each.

And then it adds the ad valorem of 55 per cent.

Mr. SMITH. Mr. President, if the Senator from Alabama will allow me, it says "finished or unfinished" before it gets down to the question of handles.

Mr. SMOOT. That is the same as the existing law.

Mr. SMITH. I am just saying that it includes all kinds of knives, and says "with handles" of a certain kind, or without any handles at all, "finished or unfinished," 20 cents each.

Mr. SMOOT. In that case they would simply leave out about one rivet and it would not be finished, and all they would have to do would be to put a rivet in a handle to finish it. That has always been the case, and the Senator from Alabama would not object to that.

Mr. UNDERWOOD. I am not objecting to the words "finished or unfinished"——

Mr. SMOOT. No; of course the Senator is not.

Mr. UNDERWOOD. But what I am trying to find out is what the section means. I never heard of a kitchen knife without a handle, and yet this provides for taxing kitchen knives without handles 20 cents each.

Mr. SMOOT. I will say that kitchen knives have been shipped over here without handles.

Mr. SIMMONS. Mr. President, the Senator from Alabama overlooks the fact that later in the same paragraph, after these specific rates, 20 cents in some cases and 10 cents in other cases, there is this:

> And in addition thereto, on all of the foregoing, 55 per cent ad valorem.

Mr. SMOOT. Oh, no; he did not overlook that.

Mr. UNDERWOOD. No; I called that to the Senator's attention; but for an ordinary kitchen knife a 20-cent tax is some tax, because you can buy them at a 10-cent store.

Mr. SMOOT. But the ordinary kitchen knife does not fall under this language.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Dakota?

Mr. UNDERWOOD. I yield. I will yield the floor if the Senator desires.

Mr. McCUMBER. No; it is not necessary. The Senator has just stated that he had never heard of a kitchen knife coming in without a handle.

Mr. UNDERWOOD. I said that I had never heard of a kitchen knife without a handle when it was in reality a kitchen knife.

Mr. McCUMBER. They are shipped in without handles.

Mr. UNDERWOOD. I realize that many knives are shipped in without handles.

Mr. McCUMBER. In 1921, in nine months, there were 13,249, of a value of $18,221, that were shipped in without handles.

I am perfectly free to say to the Senator from Alabama that I think he is right in stating that this is not very clearly expressed and that those who have reported this bill did not clearly understand just what this language "or without handles of any kind" might be construed to mean.

Under this head we have the more expensive knives. They are often shipped in, and then the pearl handles or the silver handles are perhaps made in this country and are attached; and the idea was to put the duty upon those which were shipped in which were of a better quality, of course, the expensive knives that are used in this country. They come in quite extensively, too; but there is no question in my mind, after reading the matter over again, that the way it is written it would apply, as suggested by the Senator, to a 3-cent kitchen knife as well as it would to a very expensive one; and for that reason I suggest that we pass over that one particular amendment.

Mr. SMOOT. Why does not the Senator move to disagree to the amendment and ask that the Senate reject it?

Mr. McCUMBER. I want some kind of a duty upon the blades that come in without handles.

Mr. SMOOT. But it says "finished or unfinished."

Mr. McCUMBER. And as we have not taken care of it in the rest of the paragraph I suggest that we allow the matter to go over, and we will place that kind of a paragraph or something that will cover it at the end of the paragraph on the next page.

Mr. SMOOT. I call the Senator's attention to the fact that this says "finished or unfinished"; so that with the striking out of those words, "or without handles of any kind," then the specific duty and the ad valorem are provided, and it would be covered whether it was finished or whether it was unfinished. Of course the Senator from Alabama knows that that language must be used, because if it were not used they could simply, as I say, leave one little rivet out of the handle and it would not be dutiable.

Mr. UNDERWOOD. The Senator from Utah is clearly right. When you use the words "finished or unfinished" of course there is no necessity for putting in this paragraph the language, "or without handles of any kind," because if they are without handles of any kind they are unfinished; but that is not really the main thing that concerns me about this paragraph. I was satisfied that the committee had made a mistake in writing the paragraph, but what I am interested in and what I think the Senate is entitled to information about is what is the average run of the rates of duty that are carried in this paragraph.

Of course I know that there are some high-class knives where the rate of duty will be low, and there are some very common kinds of knives where I guess—I have not the information, but I must assume—that the rate of duty is going to be tremendous; and I think the committee, on an item as important as this is, ought to furnish the Senate with a statement showing the range. We do not ask for every knife, but there must be some high-class knives that come in here, and some very cheap knives; and we certainly are entitled to know what the compound rate of duty amounts to in ad valorem terms on the common knives and what it amounts to on the high-class knives.

Mr. McCUMBER. Mr. President, if the Senator will allow me; first, I will correct the error of both the Senator from Alabama and the Senator from Utah in assuming that if we will strike out the words "or without handles of any kind," we will meet the situation; and then I will give the Senator the information as to some of the equivalent ad valorem duties on the values that we have.

Mr. UNDERWOOD. That is really the important proposition.

Mr. McCUMBER. Let us take the first one, because I wish also to satisfy the Senator from Utah that we do not meet the situation by merely disagreeing with the proposition of the amendment "or without handles," because we are describing these:

All the foregoing, finished or unfinished, not specially provided for, with handles of mother-of-pearl, shell, ivory, deer, or other animal horn, silver, nickel silver, or other metal than iron or steel.

The Senator says that if we strike out "or without handles of any kind," we will meet that situation; but we have dealt heretofore only with those with handles. Therefore, if we are going to have any provision in the paragraph relating to the importation of any kind of blades without handles, we will have to insert it in there somewhere.

Mr. UNDERWOOD. But the Senator, if he will read the language of his own committee, struck out the words "or without handles" above.

Mr. McCUMBER. I know it, and that is the reason why it leaves it "with handles."

Mr. UNDERWOOD. You just changed the place where it was necessary for it to go in.

Mr. McCUMBER. I say you would have to make still another amendment. Now, I will call the Senator's attention to one or two instances in the Reynolds report, and give him the equivalent ad valorem duty as the bill would now stand, with the amendment offered by the Senator from Connecticut.

We will take first the butcher knives from England. That would be equivalent to about 100 per cent. In the case of the kitchen and table knives, the equivalent ad valorem would be 66 per cent.

Mr. UNDERWOOD. What is the value of the table knife when it comes in?

Mr. McCUMBER. $11.97 a dozen.

Mr. UNDERWOOD. Of course, a knife valued at $11.97 a dozen is a very high-class knife, but what I am asking about are these kitchen knives. What is the value of those?

Mr. McCUMBER. I am taking just these that we have here. I have something a little lower down that I think will cover that. The butcher knives I have given the Senator, about 100 per cent. The cook knives from France, that come in at $6.93 a dozen, would amount to about 53 per cent ad valorem under the rates as given here. These are the only ones I have.

Mr. UNDERWOOD. The Senator must be wrong; it can not be 53 per cent, because he provides in this paragraph a 20 per cent specific duty and then 55 per cent ad valorem, and yet the Senator works it out below his ad valorem rate.

Mr. McCUMBER. Oh, no; cook knives are only 3 cents, I think, and as amended only 2 cents—2 cents each and 45 per cent ad valorem.

Mr. UNDERWOOD. The cook knives, as far as the paragraph reads in the bill that is printed before me, are taxed at 20 cents each and 55 per cent ad valorem.

Mr. McCUMBER. Four inches or under—that is, simply the blade—they are 3 cents each, which we amended to 2 cents each, with a 45 per cent ad valorem duty.

Mr. UNDERWOOD. What the Senator is doing on that piece of paper over there may be all right——

Mr. McCUMBER. The piece of paper takes in the actual importations, and just exactly what they are imported for, and just exactly what this compound rate would be equivalent to on an ad valorem basis.

Mr. UNDERWOOD. It is very evident that either the Senator is very wrong or I am very wrong, and I think the Senate is entitled to find out what this paragraph means. Let me read it to you:

PAR. 355. Table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning, fish, carpenters' bench, curriers', drawing, farriers', fleshing, hay, sugar-beet, beet-topping, tanners', plumbers', painters', palette, artists', shoe, and similar knives, forks, and steels, and cleavers, all the foregoing, finished or unfinished, not specially provided for, with handles—

With the words "or without" stricken out of the House text—

of mother-of-pearl, shell, ivory, deer, or other animal horn, silver, nickel silver, or other metal than iron or steel, or without handles of any kind, 20 cents each.

Now, that includes cook knives.

Mr. McCUMBER. No, Mr. President; it does not. That includes the higher-priced table knives. It is the knives that are generally silver-plated, with silver handles, and the more valuable class of table knives. They are not the kitchen knives. Kitchen knives come in the next paragraph after that.

Mr. UNDERWOOD. But if the Senator will just wait a minute; these rates are bad enough in themselves, and if the Senator really has made a mistake in classing kitchen knives among high-class knives, for heaven's sake do not let us make the American people suffer from an undisclosed mistake. I have read the whole paragraph, and there is no other rate above what I have read.

Mr. McCUMBER. No; the Senator has not read what appears on page 74.

Mr. UNDERWOOD. But there is a semicolon after the words "20 cents each."

Mr. McCUMBER. Yes.

Mr. UNDERWOOD. And so all in the language above "20 cents each" is included in the 20-cent tax. It can not be otherwise. You can not put these table knives and butcher knives and cook knives in any other tax than 20 cents each, because you have separated them from any other place in the bill by this semicolon. Then you add the 55 per cent ad valorem, and then you report to the Senate that some of these knives carry a rate of only 53 per cent. Now, evidently the committee has made some mistake in ascertaining what its taxes are, and I think we are entitled to an explanation of it.

Mr. McCUMBER. Possibly the committee may have made some mistake; but I am certain of one thing, and that is that the committee made no mistake in assuming that a pearl-handled knife was not a kitchen knife.

Mr. UNDERWOOD. What did you put the kitchen knife in there for, then? Why did you say "kitchen knives"?

Mr. McCUMBER. There is the whole paragraph, and we are dealing with several kinds of knives in the paragraph. When you come to the description of those things which we generally denominate kitchen knives, you will find that we have given a rate, instead of 20 cents each, of 2 cents each. That is a kitchen knife generally with a wood handle, and certainly not designated as a silver-plated knife or a knife with a pearl handle that can not be put into hot water at all.

Mr. UNDERWOOD. Then the Senator has his bill punctuated entirely wrong.

Mr. McCUMBER. Oh, no; he has not.

Mr. SMITH. May I ask the Senator from North Dakota if there are silver-plated handles on drawing knives which are used to draw shingles with. They are in the same category. Then you have curriers' knives, with which you rake the hair off the hides of animals. Do you silver plate those? Then you have a hay knife here, and you have a fish knife. You have no semicolon there.

Mr. SMOOT. The Senator will see the semicolon after "20 cents each."

Mr. SMITH. I know there is one there, and that ends the whole thing. That includes the whole category. The contention is that drawing knives, the curriers' knives, and all the knives in everyday use, take the 20-cent rate, if they have handles or are without handles.

Mr. SMOOT. Oh, no.

Mr. SMITH. I may not understand your method of drawing a tariff bill; but, as the Senator from Ohio says, I do understand the English language and its punctuation.

Mr. SMOOT. If the Senator understands the English language, he ought to read the bill and see what it provides.

Mr. SMITH. I read it and see what it provides, but I do not accept the interpretation of the Senator from Utah.

Mr. SMOOT. Let us see just what it does provide. There are three classes of knives, and the classes are separated by semicolons.

Mr. SMITH. Let us see.

Mr. SMOOT. It reads, "similar knives, forks, and steels, and cleavers, all of the foregoing, finished or unfinished, not specially provided for." They are certainly provided for otherwise, and I call the Senator's attention to where they are specially provided for, "with handles of mother-of-pearl, shell, ivory," and so forth.

Mr. McCUMBER and Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. McCUMBER. I ask the Senator from Utah to yield to me.

Mr. SMOOT. I yield to the Senator from North Dakota.

Mr. McCUMBER. In all probability if we are going to close at 10 o'clock to-night, as we usually do, we shall hardly finish this matter, and I ask unanimous consent at this time that when the Senate closes its session to-day it shall recess until to-morrow at 11 o'clock.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCUMBER. Now I ask the Senator from Utah if he will not yield for a short executive session, and then let us recess until 11 o'clock to-morrow.

Mr. SMOOT. I have the floor.

Mr. McCUMBER. I know the Senator has, but I ask if he will not yield to me to make a little statement?

Mr. SMOOT. Certainly.

Mr. McCUMBER. We have been holding evening sessions for quite a long time. We have been holding them because it is generally 2 or 3 o'clock, or after 3, sometimes, before we get to the tariff bill at all. It is not agreeable to any of us, I know, to hold these long night sessions and work as hard as we do, and I suggest that if we can have less discussion of extraneous matters in the morning I would like to have at least a gentlemen's agreement that we shall close at 6 or half past 6, and not hold evening sessions, provided we can do something during the day. I am willing to try that a while. If we can not make any better headway, of course we shall have to hold night sessions.

Mr. SMOOT. The Senator does not ask that now?

Mr. McCUMBER. No; I am not asking it now; but I simply want to make the suggestion. I hope that to-morrow we can get along without holding an evening session at all.

Mr. SIMMONS. Mr. President, I would be glad if Senators on this side of the Chamber would hear me just a moment. I am speaking without any understanding whatever with Senators on the other side, but I really believe that we would accomplish more toward expediting the bill if our sessions were confined to daylight and we could commence at 11 and recess at 6, instead of commencing at 11 and closing at 10.

Mr. SMOOT. Why does the Senator make that statement?

Mr. SIMMONS. I really believe we would accomplish more, and I want to join with the Senator from North Dakota in the expression of the hope that as far as possible, though I know we can not do it altogether, we eliminate the discussion of extraneous matters and confine ourselves to the tariff bill. I think it ought to be acted upon as speedily as possible, and I hope that the program outlined by the Senator from North Dakota will be adopted, changing the hours so as to run from 11 to 6, and that on both sides of the Chamber we eliminate, as far as practicable, the discussion and consideration of all matters not pertaining to the pending bill until we get through with it.

Mr. SMOOT. Let it be understood, also, that we will cut out all speeches which are mere repetitions.

Mr. SIMMONS. I am not giving any assurances; I am not attempting to bind anybody at all. I am simply expressing a hope.

Mr. SMOOT. I agree with the Senator.

Mr. HEFLIN. Mr. President, we are not agreeing to anything; we are just having suggestions.

Mr. SIMMONS. That is all I said. I was just expressing a hope.

Mr. SMOOT. I so understood the Senator.

Mr. HEFLIN. The Senator from North Carolina is expressing the hope expressed by the Senator from North Dakota.

Mr. SMOOT. And I join in the hope.

Mr. HEFLIN. The Senator from Utah said: "Let it be agreed that we cut out so and so." We are not agreeing to anything. If you would change the bill, it would save a lot of time.

Mr. SMOOT. That is the Senator's opinion, we know; he has said it a good many times.

Mr. HEFLIN. And I am going to say it a good many more times, too.

Mr. SMOOT. I hope the Senator will allow me to proceed. I do not think there will be a vote on this paragraph to-night, and perhaps it will be discussed again to-morrow.

Mr. SMITH. Very likely.

Mr. SMOOT. In the meantime I want to address the Senators who say that there is no classification, and that the words "unfinished, not specially provided for," do not mean anything in the paragraph.

There are three different descriptions of knives provided for here under these three different rates, and they are separated by semicolons. The kitchen knives and tables knives fall under the second rate of duty which, when the Senate committee amendments are agreed to, which I hope will be done, will be 2 cents each, and 45 per cent ad valorem.

At the same time I want to say that I now have the figures which were worked out on these items, and I can tell Senators just what the equivalent ad valorem is upon each of the different brackets, taking the average rate of knives falling within those brackets. As to the first one, at 20 cents each and 45 per cent ad valorem, the equivalent ad valorem is 136 per cent. As to the second one, 2 cents each and 45 per cent ad valorem, the equivalent would be 77 per cent ad valorem. As to the third, over 4 inches in length, 10 cents each and 45 per cent ad valorem, the equivalent is 67 per cent ad valorem.

BRIDGE OVER PEND OREILLE RIVER, WASH.

Mr. JONES of Washington. Mr. President, I favorably report from the Committee on Commerce without amendment the bill (H. R. 11265) to authorize the maintenance of a bridge constructed across the Pend Oreille River at the town of Usk, in the State of Washington, and I submit a report thereon (No. 761). I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the bridge specified in an act approved August 7, 1919, entitled "An act to authorize the construction of a bridge across the Pend Oreille River at the town of Usk, in the State of Washington," having been constructed without approval of the plans by the Chief of Engineers and the Secretary of War, be, and is hereby, declared a lawful structure, to be maintained and operated subject to the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906: *Provided*, That unless plans of the said bridge shall have been submitted to the Chief of Engineers and the Secretary of War for their approval and

shall have been approved by them within six months after the date of the approval of this act, this authority shall then cease and be null and void.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 20 minutes spent in executive session the doors were reopened.

PRESIDENT HARDING'S ADDRESS AT THE DEDICATION OF THE LINCOLN MEMORIAL.

Mr. McCORMICK. I ask unanimous consent to have printed in the RECORD in the regular RECORD type President Harding's address at the dedication of the Lincoln Memorial on May 30, 1922.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type, as follows:

PRESIDENT HARDING'S ADDRESS AT THE DEDICATION OF THE LINCOLN MEMORIAL, WASHINGTON, D. C., MAY 30, 1922.

Mr. Chief Justice, it is a supreme satisfaction officially to accept on behalf of the Government this superb monument to the savior of the Republic. No official duty could be more welcome, no official function more pleasing. This memorial edifice is a noble tribute, gratefully bestowed, and in its offering is the reverent heart of America; in its dedication is the consciousness of reverence and gratitude beautifully expressed.

Somehow my emotions incline me to speak simply as a reverent and grateful American rather than one in official responsibility. I am thus inclined because the true measure of Lincoln is in his place to-day in the heart of American citizenship, though more than half a century has passed since his colossal service and his martyrdom. In every moment of peril, in every hour of discouragement, whenever the clouds gather, there is the image of Lincoln to rivet our hopes and to renew our faith. Whenever there is a glow of triumph over national achievement there comes the reminder that but for Lincoln's heroic and unalterable faith in the Union these triumphs could not have been.

No great character in all history has been more eulogized, no towering figure more monumented, no likeness more portrayed. Painters and sculptors portray as they see, and no two see precisely alike. So, too, is there varied emphasis in the portraiture of words; but all are agreed about the rugged greatness, the surpassing tenderness, the unfailing wisdom of this master martyr.

History is concerned with the things accomplished. Biography deals with the methods and the individual attributes which led to accomplishment.

The supreme chapter in history is not emancipation, though that achievement would have exalted Lincoln throughout all the ages. The simple truth is that Lincoln, recognizing an established order, would have compromised with the slavery that existed if he could have halted its extension. Hating human slavery as he did, he doubtless believed in its ultimate abolition through the developing conscience of the American people, but he would have been the last man in the Republic to resort to arms to effect its abolition. Emancipation was a means to the great end—maintained union and nationality. Here was the great purpose, here the towering hope, here the supreme faith. He treasured the inheritance handed down by the founding fathers, the ark of the covenant wrought through their heroic sacrifices and builded in their inspired genius. The Union must be preserved. It was the central thought, the unalterable purpose, the unyielding intent, the foundation of faith. It was worth every sacrifice, justified every cost, steeled the heart to sanction every crimsoned tide of blood. Here was the great experiment—popular government and constitutional union—menaced by greed expressed in human chattels. With the greed restricted and unthreatened, he could temporize. When it challenged Federal authority and threatened the Union, it pronounced its own doom. In the first inaugural he quoted and reiterated his own oft-repeated utterance—"I have no purpose, directly or indirectly, to interfere with the institution of slavery in the States where it exists. I believe I have no lawful right to do so, and I have no inclination to do so." He believed in maintaining inviolate the rights of the States, but he believed no less firmly in the perpetuity of the union of the States. The union, having been contracted, could not be dissolved except by consent of all parties to the contract. He recognized the conflicting viewpoints, differing policies, and controverted questions. But there were constitutional methods of settlement, and these must be employed.

In the first inaugural address he stressed the great general principle that—

"in our constitutional controversies we divide into majorities and minorities. If the minority will not acquiesce the majority must, or the Government must cease. There is no other alternative, for continuing the Government is acquiescence on one side or the other. If the minority in such case will secede rather than acquiesce, they make a precedent which in turn will divide and ruin them. * * * Plainly the central idea of secession is the essence of anarchy. A majority held in restraint by constitutional checks and limitations, and always changing easily with deliberate changes of popular opinions and sentiments, is the only true sovereign of a free people. Whoever rejects it does of necessity fly to anarchy or despotism."

Here spoke the statesman, proclaiming deliberate public opinion as the supreme power of civilization, easily to be written into law when conviction should command. It ought to be tonic to the waning confidence of those of to-day who grow impatient that emphasized minority views are not hurried into the majority expressions of the Republic. Deliberate public opinion never fails.

Later, closing his first inaugural, when anxiety gripped the Nation, there spoke the generous, forgiving, sympathetic man of undaunted faith:

"I am loath to close. We are not enemies, but friends. We must not be enemies. Though passion may have strained, it must not break our bonds of affection. The mystic chords of memory, stretching from every battle field and patriot grave to every living heart and hearthstone all over this broad land, will yet swell the chorus of the union when again touched, as they surely will be, by the better angles of our nature."

But he appealed in vain. Passion was aflame and war was made the arbiter. Americans fought Americans with equal courage and valor. There was an ambiguity in the Constitution which only a baptism in blood could efface. One may only speculate on what another might have done, but Fate seems to have summoned the one great hero best fitted to lead to the Union's salvation.

His faith was inspiring, his resolution commanding, his sympathy reassuring, his simplicity enlisting, his patience unfailing. He was Faith, Patience, and Courage, with his head above the clouds, unmoved by the storms which raged about his feet.

No leader was ever more unsparingly criticized or more bitterly assailed. He was lashed by angry tongues and ridiculed in press and speech until he drank from as bitter a cup as was ever put to human lips, but his faith was unshaken and his patience never exhausted. Some one sent me recently an illumined and framed quotation which fell from his lips when the storm of criticism was at its height:

"If I were trying to read," he said, "much less answer all the attacks made on me, this shop might as well be closed for any other business. I do the best I know how, the very best I can; and I mean to keep on doing it to the end. If the end brings me out all right, what is said against me will not amount to anything. If the end brings me out all wrong, 10 angels swearing I was right would make no difference."

He knew, of course, before the assassin robbed him of fuller realization, that the end was bringing him out all right. He knew when swords were sheathed and guns laid down, that the Union he saved was riveted anew and made forever indissoluble. He knew that in the great crucible of fire and blood the dross had been burned from the misdirected patriotism of seceding States and the pure gold restored to shining stars in dear Old Glory again. He knew he had freed a race of bondmen and had given to the world the costly proof of the perpetuity of the American Union. But I can not restrain the wish that he might somehow know of the monuments to his memory throughout the world, and that we are dedicating to-day, on behalf of a grateful nation, this matchless memorial, whose 48 columns, representing 48 States in the concord of union, testify that the "end brought him out all right."

Reflecting now on the lampooning and heedless attack and unjustifiable abuse which bruised his heart and tested his patience, we may accept its expression as one of the abused privileges under popular government, when passion sways and bitterness inspires, but for which there is compensation in the assurance that when men have their feet firmly planted in the right, and do the very best they can and "keep on doing it," they come out all right in the end, and all the storm does not amount to anything.

He rose to colossal stature in a day of imperiled Union. He first appealed, and then commanded, and left the Union secure and the Nation supreme. His was a leadership for a great crisis made loftier because of the inherent righteousness of his cause and the sublimity of his own faith. Washington inspired belief in the Republic in its heroic beginning, Lincoln proved its quality in the heroic preservation. The Old World had wondered about the New World experiment, and was quite ready to proclaim its futility when the Civil War was threatening, but Lincoln left the Union unchallenged for all succeeding time. Not only was our Nation given a new birth of freedom but democracy was given a new sanction by that hand of divinity itself which has written the rights of humankind and pointed the way to their enjoyment.

Abraham Lincoln was no superman. Like the great Washington, whose monumental shaft towers near by as a fit companion to the memorial we dedicate to-day, the two testifying the grateful love of all Americans to founder and savior—like Washington, Lincoln was a very natural human being, with the frailties mixed with the virtues of humanity. There are neither supermen nor demigods in the government of kingdoms, empires, or republics. It will be better for our conception of government and its institutions if we will understand this fact. It is vastly greater than finding the superman if we justify the confidence that our institutions are capable of bringing into authority in time of stress men big enough and strong enough to meet all demands.

Washington and Lincoln offered outstanding proof that a representative popular government, constitutionally founded, can find its own way to salvation and accomplishment. In the very beginning our American democracy turned to Washington, the aristocrat, for leadership in revolution and the greater task of founding permanent institutions. The wisdom of Washington and Jefferson and Hamilton and Franklin was proven when Lincoln, the child of privation, of hardship, of barren environment and meager opportunity, rose to unquestioned leadership when disunion threatened.

Lincoln came almost as humbly as the Child of Bethlehem. His parents were unlettered, his home was devoid of every element of culture and refinement. He was no infant prodigy, no luxury facilitated or privilege hastened his development, but he had a God-given intellect, a love for work, a willingness to labor, and a purpose to succeed.

Biographies differ about his ambition, but Herndon, who knew him as did no other, says he was greatly ambitious. I can believe that. Ambition is a commendable attribute, without which no man succeeds. Only inconsiderate ambition imperils.

Lincoln was modest, but he was sure of himself, and always greatly simple. Therein was his appeal to the confidence of his country. When he believed he was right a nation believed him to be right and offered all in his support.

His work was so colossal, in the face of such discouragement, that none will dispute that he was incomparably the greatest of our Presidents. He came to authority when the Republic was beset by foes at home and abroad, and reestablished union and security. He made that gesture of his surpassing generosity which began reunion. Let us forget the treachery, corruption, and incompetence with which he had to combat, and recall his wisdom, his unselfishness, his sublime patience. He resented no calumnies upon himself; he held no man his enemy who had the power and will to serve the union, his vision was blinded by no jealousy. He took his advisors from among his rivals, invoked their patriotism and ignored their plottings. He dominated them by the sheer greatness of his intellect, the singleness and honesty of his purpose, and made them responsive to his hand for the accomplishment of the exalted purpose. Amid it all there was a gentleness, a kindness, a sympathetic sorrow, which suggest a divine intent to blend mercy with power in supreme attainment.

This memorial, matchless tribute that it is, is less for Abraham Lincoln than for those of us to-day, and for those who follow after. His surpassing compensation would have been in living, to have his 10,000 sorrows dissipated in the rejoicings of the succeeding half century. He loved "his boys" in the Army, and would have reveled in the great part they played in more than a half century of the pursuit of peace and concord restored. How he would have been exalted by the chorus of the Union after "the mystic chords" were "touched by the better angels of our nature"! How it would comfort his great soul to know that the States in the southland join sincerely in honoring him, and have twice since his day joined, with all the fervor of his own great heart, in defending the flag! How it would soften his anguish to know that the South long since came to realize that a vain assassin robbed it of its most sincere and potent friend when it was prostrate and stricken, when Lincoln's sympathy and understanding would have helped to heal the wounds and hide the scars and speed the restoration! How with his love of freedom and justice this apostle of humanity would have found his sorrows tenfold repaid to see the hundred millions to whom he bequeathed reunion and nationality, giving of their sons and daughters and all their fortunes to halt the armed march of autocracy and preserve civilization, even as he preserved the Union!

More, how his great American heart would be aglow to note how resolutely we are going on, always on, holding to constitutional methods, amending to meet the requirements of a progressive civilization, clinging to majority rule, properly restrained, which is "the only true sovereign of a free people," and working to the fulfillment of the destiny of the world's greatest Republic.

Fifty-seven years ago this people gave from their ranks, sprung from their own fiber, this plain man, holding their common ideals. They gave him first to service of the Nation in the hour of peril, then to their Pantheon of Fame. With them and by them he is enshrined and exalted forever.

To-day American gratitude, love, and appreciation give to Abraham Lincoln this lone white temple, a Pantheon for him alone.

PRESIDENT HARDING'S ADDRESS AT MEMORIAL SERVICES TO CONFEDERATE DEAD.

Mr. McCORMICK. At the request of the junior Senator from Mississippi [Mr. HARRISON] I ask unanimous consent to have printed in the RECORD in the regular RECORD type the address by the President delivered at Arlington, Va., on June 5, 1922, on the occasion of memorial services to the Confederate dead.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type, as follows:

HARDING ADDRESSES VETERANS OF GRAY AT ARLINGTON JUNE 5, 1922.

The President of the United States, himself the son of a Union veteran, joined with the gray-garbed, gray-haired veterans of the Confederacy who stood with bowed heads at the gravesides of their comrades in "The Lost Cause," yesterday in Arlington Cemetery, and paid their annual tribute of love for those who have gone on the last long march.

BENEATH ENTWINED BANNERS.

Standing beneath the stars and bars as they hung close beside the Stars and Stripes, President Harding uttered a prayer of gratitude of a reunited Republic that the Nation weathered successfully the storms of the great civil struggle to be drawn into a more closely riveted Union.

SPECTACLE SELDOM PARALLELED.

It was a spectacle seldom paralleled in the history of the Nation. Coming as it did in the spring of a year which has seen massive memorials dedicated to that great martyr President, Abraham Lincoln, who guided the destinies of the Union, and to that magnanimous leader of a victorious army, Ulysses Simpson Grant, when veterans of the gray stood with veterans of the blue, the annual tribute to the Confederate dead took on a deeper significance.

The act of reunion was completed, for the veterans and the sons of the gray stood with the guardian of the fold from which they sought to flee, and gave an unqualified pledge of loyalty.

President Harding did not hesitate to laud the courage of the men who fought for the Confederacy, although he cautioned, "I did not mean to say that the Confederacy was right, although I am glad to say to you that I believe you thought it was right."

The opening words of the President's informal remarks at the exercises, at which he first planned to be only a spectator, sounded the keynote of the occasion which brought the sons and daughters of friend and foe in the great Civil War to the gravesides of the Confederates. Addressing the gathering as "My countrymen all," the President called attention to himself as the son of a Union soldier.

SPIRIT OF LINCOLN RECALLED.

"Whether I come to-day as the son of a veteran of the Grand Army of the Republic," he said, "to bestow a vocal tribute on those who perished in the cause they believed to be right, or whether I come as President of the United States to speak my gratitude to those who have helped to reestablish peace and concord, it matters little."

The spirit of the martyred Lincoln, whose memory is enshrined forever in the marble temple that stands across the placid Potomac from the great city of the dead, must have looked down with a feeling of unlimited thanksgiving on his successor as he spoke the words which typified the spirit of a united and indivisible Nation. "I know their sentiment," he declared, "and life is better and sweeter for such feeling and such sentiment."

It remained for the present leader of the Union to formulate into articulate speech the tribute higher than which no man can give to a former antagonist. "Those who fought for the Confederacy were as sincere human beings as could be," said Mr. Harding.

TRIBUTE TO SONS AND DAUGHTERS.

To their sons and daughters he added a word of tribute. "Speaking as the son of one who fought in the Union cause, I want to say that I have only gratitude, commendation, and the sincerest tribute a man can utter for their sons and daughters who have lived in the great aftermath and ably assisted in turning disunion into union, turning discored into concord and reclaiming for posterity all those things so essential to the welfare of this Republic.

"It is my privilege to see the manifestations of this reconsecration of the Southland. There come to my mind such names as dear old Joe Wheeler, whom I saw go to the front to defend his country, and Fitzhugh Lee, who headed the first troops that entered Havana in the Spanish-American War. And in that conflict let me say that we of America were brought into complete accord."

HIS TRIBUTE TO THE GRAY.

Tribute to the spirit of the veterans and sons of the gray in turning defeat into rebuilding of the Nation was likewise spoken by the President, who declared he wished to pay "the greatest tribute to you of the gray," and his tribute was one for the man who bore up as a loser. "It is easier to forgive and forget if you are on the triumphant side," said Mr. Harding, "but it takes a bigger heart to forgive and forget if you have gone down to defeat in the lost cause. I would like to see more of this fellowship and comradeship which marks a united America."

Pointing to the frequent evils which grow out of not understanding the other's viewpoint, Mr. Harding applied the lesson to the rift in the Union. The discovering Spaniard who visited our shores and after touching a point, known now to be but a short distance inland, went home and said he had explored the country entire, he indicated as showing the spirit of lack of understanding among peoples.

BOTH VIEWPOINTS LEARNED.

"In that conflict" he told the Confederate gathering, "we learned one another's viewpoint." The President was unable to restrain himself from taking occasion to revert to the sight which moved him to digress from his address at the dedication of the Lincoln Memorial, when he called attention to the veterans of the blue and the gray who joined in honoring the martyr President.

"There I saw flanking the flag these veterans of the gray and abreast of them, flanking the flag on the other side, the veterans of the blue. It was a memorable sight, and it gave a little added glory to the flag," he declared.

There is no more sectionalism, Mr. Harding declared with some emphasis. "Our interests are interdependent in North, South, East, and West," he said. During the time of the war he pointed out that the Southern phase was largely an economic one, and in the North there was but another phase of the same situation.

RECESS.

Mr. CURTIS. I move that the Senate take a recess, the recess being under the order previously entered, until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 10 o'clock and 15 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Friday, June 9, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 8 (legislative day of April 20), 1922.

UNITED STATES ATTORNEY.

Henry M. Holden, of Texas, to be United States attorney, southern district of Texas, vice D. E. Simmons, resigned. To become effective July 1, 1922.

UNITED STATES MARSHAL.

James E. McClure, of Illinois, to be United States marshal, southern district of Illinois, vice Vincent Y. Dallman, resigned. Effective July 1, 1922.

PROMOTIONS IN THE REGULAR ARMY.

To be colonels.

Lieut. Col. William Elliott, Quartermaster Corps, from May 2, 1922.

Lieut. Col. Andrew Jackson Dougherty, Infantry, from May 8, 1922.

Lieut. Col. Oliver Stevens Eskridge, Infantry, from May 10, 1922.

To be lieutenant colonels.

Maj. Charles Keller, Infantry, from May 2, 1922.
Maj. Howard Russell Smalley, Cavalry, from May 3, 1922.
Maj. John Scott, Infantry, from May 8, 1922.
Maj. Smith Aaron Harris, Infantry, from May 10, 1922.
Maj. Noble James Wiley, Infantry, from May 12, 1922.

To be majors.

Capt. Irving Howard Engleman, Infantry, from May 2, 1922.
Capt. William M. Cravens, Coast Artillery Corps, from May 3, 1922.
Capt. Frederick Joseph de Rohan, Infantry, from May 8, 1922.
Capt. Frederick Schoenfeld, Quartermaster Corps, from May 10, 1922.
Capt. Earl Jay Dodge, Infantry, from May 11, 1922, subject to examination required by law.
Capt. Arthur Paul Thayer, Cavalry, from May 12, 1922.

To be captains.

First Lieut. Leonard Louis Davis, Coast Artillery Corps, from November 27, 1921.
First Lieut. Harold Leo Stiebel, Coast Artillery Corps, from November 27, 1921.
First Lieut. Webster Fletcher Putnam, jr., Coast Artillery Corps, from November 29, 1921.
First Lieut. Merle Halsey Davis, Ordnance Department, from December 1, 1921.
First Lieut. George Berry Dobyns, Coast Artillery Corps, from December 4, 1921.
First Lieut. Henry Devries Cassard, Coast Artillery Corps, from December 4, 1921.
First Lieut. Edward Hanson Connor, jr., Infantry, from December 9, 1921.
First Lieut. Neal Creighton, Air Service, from December 10, 1921.
First Lieut. George Peter Toft, Quartermaster Corps, from December 11, 1921.
First Lieut. Alonzo Maning Drake, Air Service, from December 15, 1921.
First Lieut. Charles Raymond Melin, Air Service, from December 16, 1921.
First Lieut. Victor Herbert Strahm, Air Service, from December 16, 1921.
First Lieut. Robert Jesse Whatley, Infantry, from December 16, 1921.
First Lieut. Waldo Sebastian Ickes, Finance Department, from December 18, 1921.
First Lieut. Ira Robert Koenig, Air Service, from December 18, 1921.
First Lieut. Harry Allen Sanford, Philippine Scouts, from December 19, 1921.
First Lieut. Earl Wells, Philippine Scouts, from December 22, 1921.
First Lieut. Raynor Garey, Field Artillery, from December 22, 1921.
First Lieut. Philip Schneeberger, Air Service, from December 22, 1921.
First Lieut. Gouverneur Hoes, Infantry, from December 23, 1921.
First Lieut. Victor Schmidt, Coast Artillery Corps, from December 24, 1921.
First Lieut. George Franklin Parris, Air Service, from December 24, 1921.
First Lieut. Fred Bidwell Lyle, Field Artillery, from December 24, 1921.
First Lieut. Karl Shaffner Axtater, Air Service, from December 25, 1921.
First Lieut. Clinton Bowen Fisk Brill, Quartermaster Corps, from December 26, 1921.
First Lieut. William Joseph Flood, Air Service, from December 28, 1921.
First Lieut. Francis Dundas Ross, jr., Infantry, from December 28, 1921.
First Lieut. Frank Edward Monville, Quartermaster Corps, from December 30, 1921.
First Lieut. George Merrill Palmer, Air Service, from January 1, 1922.
First Lieut. Charles Rawlings Chase, Cavalry, from January 1, 1922.
First Lieut. Loren Francis Parmley, Cavalry, from January 2, 1922.

First Lieut. Erle Fletcher Cress, Cavalry, from January 4, 1922.
First Lieut. Lynn Packard Vane, Coast Artillery Corps, from January 4, 1922.
First Lieut. John Austin Pixley, Coast Artillery Corps, from January 6, 1922.
First Lieut. Otta Marshall, Coast Artillery Corps, from January 7, 1922.
First Lieut. Edwin Cleveland Callicutt, Coast Artillery Corps, from January 8, 1922.
First Lieut. Ray Harrison Green, Quartermaster Corps, from January 9, 1922.
First Lieut. Hugh Williamson Rowan, Chemical Warfare Service, from January 11, 1922.
First Lieut. Russell William Goodyear, Quartermaster Corps, from January 12, 1922.
First Lieut. Lewis Rinehart Pfoutz Reese, Air Service, from January 12, 1922.
First Lieut. Byron Turner Burt, jr., Air Service, from January 15, 1922.
First Lieut. Earle Gene Harper, Air Service, from January 21, 1922.
First Lieut. Philip Gilstrap Bruton, Corps of Engineers, from January 28, 1922.
First Lieut. Eugene Joseph Minarelli FitzGerald, Infantry, from January 29, 1922.
First Lieut. Charles Earl Whitney, Ordnance Department, from January 31, 1922.
First Lieut. Lotha August Smith, Air Service, from February 5, 1922.
First Lieut. Edward Higley Guilford, Air Service, from February 5, 1922.
First Lieut. Junius Augustus Smith, Air Service, from February 11, 1922.
First Lieut. William Henry Carthy, Air Service, from February 22, 1922.
First Lieut. Horace Leland Porter, Corps of Engineers, from February 22, 1922.
First Lieut. Arthur Leo Lavery, Coast Artillery Corps, from February 22, 1922.
First Lieut. Ernest Andrew Thompson, Signal Corps, from February 22, 1922.
First Lieut. William Andrew Gray, Air Service, from February 22, 1922.
First Lieut. Franz Joseph Jonitz, Quartermaster Corps, from February 22, 1922.
First Lieut. William Valery Andrews, Air Service, from February 24, 1922.
First Lieut. George Stetekluh, Quartermaster Corps, from February 24, 1922.
First Lieut. Frank Marion Barrell, Quartermaster Corps, from February 25, 1922.
First Lieut. Stanton Higgins, Cavalry, from February 28, 1922.
First Lieut. Holden Spear, Quartermaster Corps, from February 28, 1922.
First Lieut. Frank Merrill Bartlett, Air Service, from February 28, 1922.
First Lieut. Benson Glenwood Scott, Field Artillery, from March 2, 1922.
First Lieut. Redding Francis Perry, Cavalry, from March 2, 1922.
First Lieut. Walter Arthur Metts, jr., Field Artillery, from March 2, 1922.
First Lieut. Frank Camm, Field Artillery, from March 5, 1922.
First Lieut. Robert Morgan Burrowes, Infantry, from March 6, 1922.
First Lieut. Richard Oscar Bassett, jr., Infantry, from March 7, 1922, subject to examination required by law.
First Lieut. Percy Stuart Lowe, Coast Artillery Corps, from March 9, 1922.
First Lieut. Lewis Alonzo Murray, Corps of Engineers, from March 12, 1922.
First Lieut. Rene Edward deRussy, Coast Artillery Corps, from March 14, 1922.
First Lieut. Marion Gardner Putnam, jr., Air Service, from March 23, 1922.
First Lieut. Clyde Grady, Infantry, from March 27, 1922.
First Lieut. Walter Drake Williams, Air Service, from March 29, 1922.
First Lieut. William Henry Payne, Quartermaster Corps, from March 29, 1922.
First Lieut. Thomas Tilson Conway, Infantry, from April 1, 1922.
First Lieut. Edgar Ambrose Jarman, Infantry, from April 2, 1922.
First Lieut. Regeon Victor Love, Coast Artillery Corps, from April 4, 1922.
First Lieut. Svening Johannes Bang, Cavalry, from April 5, 1922.
First Lieut. Allan Sheldon Willis, Infantry, from April 6, 1922.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

FIELD ARTILLERY.

First Lieut. Frederick Brenton Porter, Infantry, with rank from March 2, 1920.
First Lieut. Clark Hazen Mitchell, Infantry, with rank from October 9, 1919.
First Lieut. Thomas Francis Hickey, Infantry, with rank from July 1, 1920.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 8 (legislative day of April 20), 1922.

COAST AND GEODETIC SURVEY.

Angus Raymond Jessup to be aid, with relative rank of ensign in the Navy.

POSTMASTERS.

ARKANSAS.

Guy H. Langley, Monette.
James A. Skipper, England.
Alice R. Beard, Gentry.
Walter G. Baker, Peach Orchard.

FLORIDA.

William H. May, Tallahassee.

INDIANA.

Hugh A. Fenters, Macy.
Clarence E. Sparling, Osgood.

KENTUCKY.

Luther P. Maxey, Adairville.
Leonard J. Hammel, Bonnyman.
Ward H. Metcalfe, Brooksville.
Harvey H. Pherigo, Clay City.
Carl H. Boone, Leitchfield.
Tom H. Brown, Millersburg.
Zephaniah Harrel, Rockport.

MAINE.

George W. Hopkins, Howland.
Carroll H. Clark, Ogunquit.
Cynthia R. Clement, Seal Harbor.

MASSACHUSETTS.

Harry E. Gaylord, Hadley.

MISSISSIPPI.

Ellen V. Montgomery, Potts Camp.
Benson L. Myers, West Point.

NORTH CAROLINA.

Luther J. Tucker, Maxton.
Chester C. Lord, Montreal.

SOUTH CAROLINA.

Andrew L. Dickson, Calhoun Falls.
Samuel W. Parks, Fort Mill.

TENNESSEE.

John B. Elliott, Athens.
John V. Allmon, Gleason.
Link Monday, Kimberlin Heights.
Jacob L. Shoun, Kingsport.
John S. Wisecarver, Mohawk.
Masie F. Patterson, Woodbury.

WEST VIRGINIA.

Harvey A. Henderson, Minden.
Edward E. Reyburn, Vivian.

REJECTION.

Executive nomination rejected by the Senate June 8 (legislative day of April 20), 1922.

POSTMASTER.

Benjamin J. Mixson to be postmaster at Orangeburg, S. C.

HOUSE OF REPRESENTATIVES.

THURSDAY, *June 8, 1922.*

The House met at 12 o'clock noon and was called to order by Mr. WALSH, Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our heavenly Father, Thou art God who dwells in the infinite strength of divine love. We thank Thee that it is Thy nature to come to the help of Thy earthly children. Interpret unto us again Thy ways of righteousness and truth. We bless Thee that Thy mercy is big enough to cover all sin, to heal all wounds, and to comfort all sorrow. The Lord bless our country. May we be a united people—the very right arm of our Government. In this hour, with problems affecting the welfare of all and questions shaping the future of the Republic, O give great wisdom to our President and all associated with him in authority, and bestow calm judgment and broad charity to guide the great work committed to their care. In Thy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

Mr. HENRY, by unanimous consent, was given leave of absence for two days, on account of important business.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed without amendment bills of the following titles:

H. R. 11646. An act authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio; and

H. R. 11407. An act to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920.

JOURNAL OF THE FIFTY-SIXTH NATIONAL ENCAMPMENT, GRAND ARMY OF THE REPUBLIC.

Mr. KIESS. Mr. Speaker, I offer a privileged resolution from the Committee on Printing.

The Clerk read as follows:

House Concurrent Resolution 36 (Rept. 1074).

Resolved, etc., That there shall be printed as a House document 1,500 copies of the journal of the Fifty-sixth National Encampment of the Grand Army of the Republic for the year 1922, not to exceed $1,700 in cost, with illustrations, 1,000 copies of which shall be for the use of the House and 500 copies for the use of the Senate.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

EMPLOYEES OF THE ALIEN PROPERTY CUSTODIAN.

Mr. KIESS. Mr. Speaker, I present the following privileged resolution.

The Clerk read as follows:

House Concurrent Resolution 59 (Rept. 1075).

Resolved by the House of Representatives (the Senate concurring), That there shall be printed 3,000 additional copies of Senate Document No. 181, Sixty-seventh Congress, entitled "A letter of the Alien Property Custodian Transmitting a Report Showing the Names of All Persons Employed by the Alien Property Custodian," of which 1,000 copies shall be for the use of the Senate document room and 2,000 copies for the House document room.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

SUBSTITUTE TELEPHONE OPERATOR.

Mr. A. P. NELSON. Mr. Speaker, by direction of the Committee on Accounts I present the following privileged resolution.

The Clerk read as follows:

House Resolution 359 (Rept. 1076).

Resolved, That there shall be paid out of the contingent fund of the House, from April 22, 1922, and during the remainder of the present fiscal year, compensation not exceeding the rate of $2.50 per diem for the services of a substitute telephone operator.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

Mr. GARRETT of Tennessee. My attention was distracted for the moment, will the gentleman from Wisconsin state what this is?

Mr. A. P. NELSON. There has been appropriated each year $500 for the purpose of hiring extra telephone service. That has been exhausted and it is necessary to provide approximately $175 additional in order to make provision for the payment of the substitute telephone operators to July 1, 1922.

Mr. HICKS. Is this to take care of the vacation period?

Mr. A. P. NELSON. No; it is to put an operator in the place of those who are sick and must have substitutes to take their places. The annual appropriation of $500 is not sufficient to take care of the unusual sick list of this year, and this additional amount of about $175 is necessary to carry us to July 1 of the current year.

Mr. GARNER. Will the gentleman yield?

Mr. A. P. NELSON. Yes. I will yield.

Mr. GARNER. This is the first resolution of this character that has been necessary, because the $500 has been sufficient heretofore to pay the substitutes. I presume if they do not have as much sickness next year this extra amount will not then be necessary.

Mr. A. P. NELSON. That is the understanding of the committee.

Mr. GARNER. Has the chief telephone operator recommended the passage of this bill?

Mr. A. P. NELSON. Yes; and it is the unanimous report of the committee. I wish to say further that the telephone operators are giving most excellent service, endeavoring to make it as far as possible under the conditions a service of real efficiency.

The resolution was agreed to.

LYDIA SHORT.

Mr. A. P. NELSON. Mr. Speaker, by direction of the Committee on Accounts I present the following privileged resolution:

The Clerk read as follows:

House Resolution 362 (Rept. 1077).

Resolved, That there shall be paid, out of the contingent fund of the House, to Lydia Short, widow of Levi E. Short, late an employee of the House of Representatives, a sum equal to six months of his compensation as said employee, and an additional amount, not exceeding $250, to defray the expenses of the funeral of said Levi E. Short.

Mr. A. P. NELSON. Mr. Speaker, this resolution is the customary resolution recommended by the committee on the death of an employee. I yield to the gentleman from New York [Mr. MACGREGOR].

Mr. MACGREGOR. Mr. Speaker, this resolution has reference to the funeral expenses and death of an employee of the House. Perhaps many of you knew Levi Short. He was on the old soldiers' roll and had been upon one of the doors of the House for many years. He served in the Civil War, enlisting prior to the attainment of his majority, going into the service at the age of 16, running away from home for the purpose of enlistment. With the consent of the House, I would like to place in the RECORD a few words with reference to his service to his country.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. MACGREGOR. Mr. Speaker, Levi E. Short, who has been for many years on the soldiers' roll of the House of Representatives, has answered the final roll call and taps have been sounded at the end of a useful and worthy life.

He was one of the fast-thinning ranks of the boys in blue who answered the trumpet call of duty in '61, and his life history was typical of the young men of those days of strife and turmoil.

He was the youngest of the family, a lad of 16, at school. His father and brother were in the Army at the front, and his mother clung to the one remaining man child of the family with all of a mother's devotion, and pleaded with him to stay with her when the restless urge of the day stirred patriotic longings in his boyish breast.

He finally enlisted but, as he was a minor, his mother haled her boy back from the camp and sent him back to school.

He tried to obey, but the "battle cry of freedom" proved stronger than a mother's pleadings and he left school one day at recess, leaving his books on his desk, went down the river and enlisted under an assumed name.

He was but a lad of 16, but in less than a week he had joined his regiment at the front, the old "Fighting One hundredth Infantry of New York," and before two weeks in the Army, with no drill nor camp preparation, he was in battle and served to the end of the war.

After the war he settled down in Buffalo, N. Y., and was prominent in the strenuous political battles of the period right after the Civil War. He came to Washington a score of years ago with Colonel Alexander and has remained here ever since.

He was always active in behalf of his comrades and had become an expert in pension matters, so much so that veterans not only from his home town but from all parts of the country wrote to him for advice, aid, and counsel, and he was ever ready to aid a stricken comrade or a comrade's widow.

So he lived his simple, kindly life. To help a friend, to succor a comrade, was his greatest joy. A devoted husband and a tender, solicitous father, he was a splendid example of that noble type we call an "American citizen."

And now he sleeps the last sleep with the comrades that have gone before. A well-rounded life, full of honor, has ended. The loyal friend of those who knew him, the trusty comrade of his war-time pals, the wise counsellor of a host of younger men, the husband and the father, has gone ahead leaving a memory fragrant with love and full to the brim of all that is noble and pure in humanity. May the soul of Levi Short rest in peace.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

LOAN OF COTS, ETC., TO AMERICAN LEGION.

Mr. JAMES. Mr. Speaker, I ask unanimous consent for the present consideration of H. J. Res. 343, authorizing the Secretary of War to loan cots, mattresses, and blankets for the use of the American Legion at the Michigan State encampment to be held at Iron Mountain, Mich, in July, 1922.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent for the present consideration of H. J. Res. 343. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to loan to the executive committee of the American Legion at Iron Mountain, Mich., having in charge the arrangements for the State encampment of said order, to be held in Iron Mountain, Mich., in July, 1922, such blankets, mattresses, and cots as may be required at said meeting: *Provided*, That no expense shall be caused the United States Government by the delivery and return of such property, the same to be delivered to said executive committee at Iron Mountain, Mich., at such time prior to the date of such meeting as may be agreed upon by the Secretary of War and the chairman of said executive committee: *Provided further*, That the Secretary of War shall, before delivering such property, take from the said chairman of said executive committee a good and sufficient bond for the safe return of said property in good order and condition, the whole transaction to be without expense to the Government of the United States of America.

The SPEAKER pro tempore. Is there objection?

Mr. GARNER. Mr. Speaker, reserving the right to object, is this a unanimous report from the committee?

Mr. JAMES. It is.

Mr. GARNER. This is in the established or regular form of resolutions authorizing the use of blankets, and so forth, by the various soldier organizations throughout the country?

Mr. JAMES. Yes.

Mr. GARNER. Then if I understand this, this will probably be the established policy of Congress whenever a State legion has an encampment in any one of the States of the Union. Congress will pass a joint resolution authorizing the Secretary of War to furnish them with cots, blankets, and so forth, under certain limitations such as this resolution provides.

Mr. JAMES. I do not know about the policy in the future, but our committee has reported out quite a few resolutions worded just as this is.

Mr. GARNER. Has the gentleman's committee ever declined to report any resolution where a State legion or the G. A. R. or other regular soldiers' organizations have asked for it?

Mr. JAMES. It has not.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

There was no objection.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the House joint resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. JAMES, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

FIXING STANDARD SIZES FOR FRUIT AND VEGETABLE BASKETS, ETC.

The SPEAKER pro tempore. Under a previous order entered, the bill (H. R. 7102) to fix standards for hampers, round stave baskets, and splint baskets for fruits and vegetables, and for other purposes, is in order to-day, and the Chair will recognize the gentleman from Indiana [Mr. VESTAL] to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of that bill.

Mr. QUIN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Mississippi makes the point of order that there is no quorum present. It is clear that there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will close the doors, and the Sergeant at Arms will bring in absentees. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Dunn	Kline, N. Y.	Sabath
Andrew, Mass.	Edmonds	Knight	Sanders, Ind.
Ansorge	Evans	Kreider	Sanders, N. Y.
Arentz	Faust	Kunz	Schall
Bankhead	Fenn	Larson, Minn.	Sears
Beck	Fess	Lineberger	Shreve
Bell	Fields	Linthicum	Sinclair
Black	Fisher	Longworth	Smith, Mich.
Bland, Ind.	Fitzgerald	Luce	Smithwick
Blanton	Focht	Luhring	Snyder
Boies	Fordney	Lyon	Steagall
Brennan	Foster	McClintic	Stedman
Britten	Frear	McFadden	Steenerson
Brooks, Pa.	Free	McPherson	Stevenson
Burdick	Freeman	Maloney	Stiness
Burke	Fuller	Mann	Stoll
Burtness	Funk	Mansfield	Strong, Pa.
Butler	Gallivan	Merritt	Sullivan
Cantrill	Glynn	Michaelson	Sumners, Tex.
Carter	Goodykoontz	Miller	Swank
Chandler, N. Y.	Gould	Moore, Ill.	Sweet
Clark, Fla.	Graham, Ill.	Morin	Taylor, Ark.
Classon	Griffin	Mudd	Taylor, Colo.
Cockran	Harrison	Nelson, J. M.	Taylor, Tenn.
Codd	Haugen	Nolan	Temple
Cole, Iowa	Hawes	Padgett	Ten Eyck
Connell	Hays	Paige	Tilson
Connolly, Pa.	Henry	Park, Ga.	Treadway
Cooper, Ohio	Hill	Parker, N. J.	Tyson
Cooper, Wis.	Hooker	Parks, Ark.	Upshaw
Copley	Hudspeth	Patterson, N. J.	Vare
Coughlin	Hutchinson	Perkins	Vinson
Crowther	Ireland	Perlman	Voigt
Curry	Jefferis, Nebr.	Porter	Volk
Darrow	Johnson, S. Dak.	Rainey, Ala.	Ward, N. Y.
Davis, Minn.	Kahn	Ransley	Wason
Dempsey	Kelley, Mich.	Rayburn	Weaver
Dickinson	Kennedy	Reber	Winslow
Doughton	Kindred	Rhodes	Wood, Ind.
Drane	Kinkaid	Riordan	Woodyard
Drewry	Kitchin	Robsion	Wurzbach
Driver	Kleczka	Rouse	Yates

Mr. VESTAL. Mr. Speaker, I move to dispense with further proceedings under the call.

The question was taken; and on a division (demanded by Mr. QUIN) there were—ayes 132, noes 13.

Mr. QUIN. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER pro tempore. The gentleman from Mississippi demands the yeas and nays. Those in favor of taking the vote by the yeas and nays will rise and stand until counted. [After counting.] Five Members have risen, not a sufficient number, and the yeas and nays are refused.

Mr. QUIN. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. HICKS. Mr. Speaker, I make the point of order that that is dilatory. The roll has just been called and disclosed the presence of a quorum.

The SPEAKER pro tempore. The Chair will state that it does not require a quorum to dispense with further proceedings under the call.

Mr. QUIN. Mr. Speaker, I appeal from the decision of the Chair.

The SPEAKER pro tempore. The gentleman from Mississippi appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand as the decision of the House.

The question was taken, and there were—ayes 146, noes 1.

So the decision of the Chair stood as the decision of the House.

So the motion to dispense with further proceedings under the call was agreed to.

The doors were opened.

Mr. VESTAL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7102, the basket bill.

The question was taken; and on a division (demanded by Mr. QUIN) there were—ayes 116, noes 13.

Mr. QUIN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Mississippi makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and eighty-two Members present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absentees, and the Clerk will call the roll. The question is on the motion of the gentleman from Indiana that the House resolve itself into the Committee of the Whole House on the state of the Union for further consideration of the bill H. R. 7102.

The question was taken; and there were—yeas 197, nays 55, answered "present" 1, not voting 176, as follows:

YEAS—197.

Ackerman	Bacharach	Bird	Bowers
Andrews, Nebr.	Barbour	Bixler	Brooks, Ill.
Anthony	Beedy	Blakeney	Brown, Tenn.
Appleby	Begg	Bland, Va.	Browne, Wis.
Atkeson	Benham	Bond	Burdick

Burroughs	Greene, Mass.	Luhring	Robertson
Burton	Greene, Vt.	McCormick	Rodenberg
Cable	Griest	McDuffie	Rogers
Campbell, Kans.	Hadley	McKenzie	Rose
Campbell, Pa.	Hammer	McLaughlin, Mich.	Rosenbloom
Carew	Hardy, Colo.	McLaughlin, Nebr.	Ryan
Chalmers	Haugen	McLaughlin, Pa.	Schall
Chandler, Okla.	Hawes	MacGregor	Scott, Mich.
Chindblom	Hawley	Madden	Shaw
Christopherson	Hayden	Magee	Shelton
Clague	Herrick	Mansfield	Siegel
Clarke, N. Y.	Hersey	Mapes	Sinnott
Clouse	Hickey	Mead	Smith, Idaho
Cole, Ohio	Himes	Michener	Snell
Collins	Hoch	Millspaugh	Speaks
Colton	Huddleston	Mondell	Sproul
Crago	Hukriede	Montague	Steenerson
Cramton	Hull	Montoya	Stephens
Cullen	Humphreys	Moore, Ohio	Strong, Kans.
Curry	Husted	Moores, Ind.	Summers, Wash.
Dale	James	Morgan	Swing
Dallinger	Kearns	Murphy	Tague
Denison	Keller	Nelson, Me.	Taylor, N. J.
Dowell	Kelly, Pa.	Nelson, A. P.	Thompson
Dunbar	Kendall	Newton, Minn.	Timberlake
Dyer	Ketcham	Newton, Mo.	Tincher
Edmonds	Kiess	Norton	Tinkham
Elliott	King	O'Brien	Towner
Ellis	Kirkpatrick	Ogden	Vaile
Fairchild	Kissel	Osborne	Vestal
Fairfield	Kleczka	Parker, N. Y.	Volstead
Fish	Kline, Pa.	Patterson, Mo.	Walters
Free	Knutson	Petersen	Watson
French	Kopp	Pringey	Webster
Frothingham	Kraus	Purnell	White, Kans.
Fulmer	Lampert	Radcliffe	White, Me.
Gahn	Lawrence	Rainey, Ill.	Williams, Ill.
Garner	Layton	Raker	Williamson
Garrett, Tenn.	Lea, Calif.	Reece	Woodruff
Gensman	Leatherwood	Reed, N. Y.	Wyant
Gernerd	Lee, Ga.	Reed, W. Va.	Young
Goldsborough	Lee, N. Y.	Rhodes	Zihlman
Gorman	Lehlbach	Ricketts	
Graham, Pa.	Logan	Riddick	
Green, Iowa	Lowrey	Roach	

NAYS—55.

Almon	Dominick	Lankford	Rucker
Aswell	Dupré	Larsen, Ga.	Sanders, Tex.
Barkley	Echols	Lazaro	Sandlin
Bowling	Favrot	London	Steagall
Box	Garrett, Tex.	McSwain	Sumners, Tex.
Brand	Gilbert	Martin	Thomas
Buchanan	Hardy, Tex.	Moore, Va.	Tillman
Bulwinkle	Jacoway	O'Connor	Tucker
Byrnes, S. C.	Jeffers, Ala.	Oldfield	Ward, N. C.
Byrns, Tenn.	Johnson, Ky.	Oliver	Wilson
Collier	Johnson, Miss.	Overstreet	Wingo
Connally, Tex.	Jones, Tex.	Pou	Wise
Crisp	Kincheloe	Quin	Woods, Va.
Davis, Tenn.	Lanham	Rankin	

ANSWERED "PRESENT"—1.

McArthur

NOT VOTING—176.

Anderson	Evans	Langley	Sanders, N. Y.
Andrew, Mass.	Faust	Larson, Minn.	Scott, Tenn.
Ansorge	Fenn	Lineberger	Sears
Arentz	Fess	Linthicum	Shreve
Bankhead	Fields	Little	Sinclair
Beck	Fisher	Longworth	Sisson
Bell	Fitzgerald	Luce	Slemp
Black	Focht	Lyon	Smith, Mich.
Bland, Ind.	Fordney	McClintic	Smithwick
Blanton	Foster	McFadden	Snyder
Boies	Frear	McPherson	Stafford
Brennan	Freeman	Maloney	Stedman
Briggs	Fuller	Mann	Stevenson
Britten	Funk	Merritt	Stiness
Brooks, Pa.	Gallivan	Michaelson	Stoll
Burke	Glynn	Miller	Strong, Pa.
Burtness	Goodykoontz	Mills	Sullivan
Butler	Gould	Moore, Ill.	Swank
Cannon	Graham, Ill.	Morin	Sweet
Cantrill	Griffin	Mott	Taylor, Ark.
Carter	Harrison	Mudd	Taylor, Colo.
Chandler, N. Y.	Hays	Nelson, J. M.	Taylor, Tenn.
Clark, Fla.	Henry	Nolan	Temple
Classon	Hicks	Olpp	Ten Eyck
Cockran	Hill	Padgett	Tilson
Codd	Hogan	Paige	Treadway
Cole, Iowa	Hooker	Park, Ga.	Tyson
Connell	Hudspeth	Parker, N. J.	Underhill
Connolly, Pa.	Hutchinson	Parks, Ark.	Upshaw
Cooper, Ohio	Ireland	Patterson, N. J.	Vare
Cooper, Wis.	Jefferis, Nebr.	Perkins	Vinson
Copley	Johnson, S. Dak.	Perlman	Voigt
Coughlin	Johnson, Wash.	Porter	Volk
Crowther	Jones, Pa.	Rainey, Ala.	Ward, N. Y.
Darrow	Kahn	Ramseyer	Wason
Davis, Minn.	Kelley, Mich.	Ransley	Weaver
Deal	Kennedy	Rayburn	Wheeler
Dempsey	Kindred	Reber	Williams, Tex.
Dickinson	Kinkaid	Riordan	Winslow
Doughton	Kitchin	Robsion	Wood, Ind.
Drane	Kline, N. Y.	Rossdale	Woodyard
Drewry	Knight	Rouse	Wright
Driver	Kreider	Sabath	Wurzbach
Dunn	Kunz	Sanders, Ind.	Yates

So the motion was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Stiness with Mr. McClintic.

Mr. Kahn with Mr. Cantrill.

Mr. Treadway with Mr. Cockran.

Mr. Miller with Mr. Fisher.

Mr. Paige with Mr. Sullivan.

Mr. Sanders of Indiana with Mr. Driver.

Mr. Kennedy with Mr. Gallivan.

Mr. Larson of Minnesota with Mr. Stevenson.

Mr. Fess with Mr. Rayburn.

Mr. Burtness with Mr. Briggs.

Mr. Funk with Mr. Padgett.

Mr. Michaelson with Mr. Bell.

Mr. Rossdale with Mr. Doughton.

Mr. Burke with Mr. Smithwick.

Mr. Morin with Mr. Vinson.

Mr. Fitzgerald with Mr. Hooker.

Mr. Robsion with Mr. Linthicum.

Mr. Olpp with Mr. Wright.

Mr. Hutchinson with Mr. Swank.

Mr. Glynn with Mr. Drewry.

Mr. Henry with Mr. Bankhead.

Mr. Perkins with Mr. Park of Georgia.

Mr. Dickinson with Mr. Deal.

Mr. Johnson of Washington with Mr. Fields.

Mr. Kline of New York with Mr. Griffin.

Mr. Vare with Mr. Kitchin.

Mr. Strong of Pennsylvania with Mr. Black.

Mr. Ansorge with Mr. Carter.

Mr. Langley with Mr. Clark of Florida.

Mr. Fenn with Mr. Ten Eyck.

Mr. Krieder with Mr. Harrison.

Mr. Yates with Mr. Kunz.

Mr. Lineberger with Mr. Lyon.

Mr. Temple with Mr. Williams of Texas.

Mr. Frear with Mr. Tyson.

Mr. Cooper of Ohio with Mr. Upshaw.

Mr. Fuller with Mr. Drane.

Mr. Coughlin with Mr. Stoll.

Mr. Nolan with Mr. Riordan.

Mr. Knight with Mr. Sears.

Mr. Winslow with Mr. Taylor of Colorado.

Mr. Parker of New Jersey with Mr. Sabath.

Mr. Beck with Mr. Blanton.

Mr. Evans with Mr. Sisson.

Mr. Patterson of New Jersey with Mr. Weaver.

Mr. McPherson with Mr. Taylor of Arkansas.

Mr. Hicks with Mr. Hudspeth.

Mr. Davis of Minnesota with Mr. Kindred.

Mr. Codd with Mr. Rainey of Alabama.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. A quorum is present; the Doorkeeper will open the doors. The ayes have it, and the House accordingly resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7102, and the gentleman from New York [Mr. HICKS] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7102, with Mr. HICKS in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7102, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 7102) to fix standards for hampers, round-stave baskets, and splint baskets for fruits and vegetables, and for other purposes.

The CHAIRMAN. When the bill was considered some time ago we had finished the reading of a certain portion of the bill. Nothing is pending, and the Clerk will read.

Mr. JONES of Texas. Mr. Chairman, I offer an amendment. Page 6, strike out subsection A of section 3.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 6, line 24, strike out subsection A of section 3.

Mr. VESTAL. Mr. Chairman, I make the point of order that there was no amendment pending at the time that section 3 was read, and we had finished reading section 3 when we adjourned, but there was no amendment pending.

Mr. JONES of Texas. I desire to say in answer to the gentleman that several of us were trying to secure recognition when the gentleman having the bill in charge was recognized to move that the committee rise. The Clerk had not started to read section 4, and section 3 is pending before the committee, and there were three or four Members on their feet seeking recognition.

The CHAIRMAN. The Chair feels in view of the fact that the committee rose without opportunity having properly been

given to offer an amendment that the amendment is in order and overrules the point of order.

Mr. VESTAL. I think the gentleman is right—that he was on his feet.

Mr. MONDELL. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Texas.

I think there is some ground for argument against the establishment of uniform standards of measures.

There is some ground for argument against the establishment of these standards, but I think there is much more ground for argument in favor of the establishment of standards in the interest of the producer and in the interest of the consumer; and let me suggest to my friend from Texas that if we are to have standards, of course they must be accurate standards, and they must be defined to a subdivision of an inch. You can not get away from that. If we are to have standards at all they must be standards that are defined accurately.

But I did not rise particularly, Mr. Chairman, to discuss the amendment; it was to call to the attention of the Members of the House the fact that it looked for a time this morning as though we were on the verge of a single-handed, personally conducted filibuster.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield for a question?

Mr. MONDELL. In just a moment. The gentleman from Texas who has just risen is not conducting that filibuster, and has no part in it. He is in good faith discussing the bill and its provisions. But I think, in view of the fact that it looks as though there was a filibuster on the horizon, it is the duty of all those on both sides who are in favor of the establishment of proper standards to remain here and keep a quorum in the committee. There may be differences of opinion as to the provisions of the bill, and I am sure that the Members of the House will give careful consideration to amendments that are offered and proposals of modification. But I am sure that we are all interested in having these questions settled one way or another, and the only way we can do that is by maintaining a quorum, by being here until this measure shall have been disposed of in accordance with the best judgment of the House. I want to appeal to gentlemen to remain, so that should there be a disposition to filibuster, that disposition may be discouraged.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. If I have the time I will yield.

Mr. JONES of Texas. I thoroughly agree with the gentleman that the standards should be accurately measured. I do not object to measurements of one-hundredth of an inch, but what I object to is that a man is not permitted to sell in any other container than those particular measures.

Mr. MONDELL. I think there is some ground of argument in favor of allowing the producer to sell in a variety of shapes, providing the content be the same. But the difficulty about that is that you leave the door open to fraud by inviting a multiplicity of containers. The purchaser can never be very certain just what he is purchasing unless you have some standards.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. VESTAL. Mr. Chairman, I rise to oppose the amendment of the gentleman from Texas [Mr. JONES]. I think the gentleman is mistaken in what this bill purports to do, in the first place. This bill does not purport to do anything except to establish standards by which the people of the country—and he says he talks for the American people—by which the people of the country will not be deceived as they have been deceived for years past. As a matter of fact, in the city of Cincinnati within the last two or three months more than 60 people have been arrested for using deceptive measures in that city.

Now, what we propose to do here is to make a general standard, so that there can be no opportunity for anybody who wants to do an honest business to deceive. Now, the gentleman from Texas says the measurements are brought down within a fraction of an inch. Of course, we make the standard that way, but there are tolerances so that no one who fails to come within half an inch is going to be prosecuted. This bill provides for tolerances.

Mr. JONES of Texas. It provides that there may be tolerances.

Mr. VESTAL. It provides that the Secretary of Agriculture shall fix tolerances. Of course, there will be tolerances. The gentleman knows that. This bill is not supposed to be so framed that a man who violates a measurement within half an inch is going to be prosecuted.

And another thing: This bill puts the burden on the manufacturers of the country. They are all in favor of it. They are anxious to have a standard. They are anxious to do this. If we make it unlawful to manufacture other than the standard sizes set out in the bill, there can be no complaint by the purchaser. He does not have to pay more for the standard basket. There is no royalty on these baskets. Anybody can manufacture these baskets who wants to. If a man is going to sell fruits or vegetables in a market he has to use a standard basket.

Mr. JONES of Texas. You require that he can only use a certain kind of basket.

Mr. VESTAL. If he wants to sell in the market he ought to sell in a standard basket, and I will say to the gentleman that the legislature of his State passed an act similar to this one.

Mr. JONES of Texas. Perhaps it was based on it.

Mr. VESTAL. Yes; and the law of the gentleman's own State will not permit any but a standard basket to come into the State.

Now, why not by Federal statute make a standard whereby the consumer will not be deceived by short-weight baskets? That is the whole proposition. Nobody who wants to do an honest business will be hurt. It is only the fellow who wants to do a dishonest business who will be hurt.

Mr. JONES of Texas. The gentleman says that under the law passed a little while ago—the unfilled basket law—they have been arrested. Why is not that law sufficient?

Mr. VESTAL. You are having different standards in different States probably. Let us have one Federal standard all over the United States, so that the man or the woman who goes down to the market and buys a basket of berries and buys what is supposed to be a quart will know that that measure has not a false bottom in it, but is a full quart.

Mr. JONES of Texas. That is the provision of the other bill.

Mr. VESTAL. No; that is in the standard container act that we passed here. Nobody would go back on that bill now. Now we have started to take it up from the quart measure to the 2-bushel basket. There is nothing in this bill that will hurt anybody who wants to do an honest business anywhere.

Mr. HUSTED. Mr. Chairman, will the gentleman yield?

Mr. VESTAL. Yes.

Mr. HUSTED. As the law now stands, is it not true that if you buy a basket of fruit the quantity of fruit you will receive for your money will depend upon the State in which you buy it?

Mr. VESTAL. Absolutely.

Mr. Chairman, in view of the fact that this bill has been up before and was passed by the Committee of the Whole House once with amendments—in view of the fact that the bill now before the committee is practically the same bill that we passed before as amended, I do not think we ought to take up a lot of time in discussing these sections, and I move that all debate on this amendment and all other amendments to this section be now closed.

The CHAIRMAN. The gentleman from Indiana moves that debate on this amendment and all amendments to this section be now closed.

The question being taken, on a division (demanded by Mr. QUIN) there were—ayes 88, noes 3.

Mr. QUIN. I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Mississippi makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and three Members present, a quorum. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The question being taken, the amendment was rejected.

Mr. QUIN. Mr. Chairman, I move to strike out the last word.

Mr. MONDELL. Debate is closed on this section.

The CHAIRMAN. The Chair will say to the gentleman from Mississippi that debate on this section has been closed. The Clerk will read.

The Clerk read as follows:

SEC. 4. That the Secretary of Agriculture shall in his regulations under this act prescribe such tolerance as he may find necessary to allow in the capacities and specifications for hampers, round stave baskets, splint baskets, and parts thereof set forth in sections 1, 2, and 3 of this act, in order to provide for reasonable variations occurring in the course of manufacture and handling. If a cover be used upon any hamper or basket mentioned in this act, it shall be securely fastened or attached in such a manner, subject to the regulations of the Secretary of Agriculture, as not to reduce the capacity of such hamper or basket below that prescribed therefor. Each of the standard hampers, round stave baskets, and splint baskets mentioned in this act shall be truly marked by the manufacturer thereof, as his guaranty within the meaning of, and in accordance with, section 6 of this act, with its standard capacity content in legible letters and figures, to wit, 1 peck, one-half bushel, five-eighths bushel, 1 bushel, 1½ bushels, 2 bushels, 4 quarts, 8 quarts, 12 quarts, 16 quarts, or 24 quarts, as the case may be. The provisions of this act shall apply only to hampers and baskets made of wood or of which wood is the principal material.

Mr. VESTAL. Mr. Chairman, on page 10, line 25, the word "tolerance" should be "tolerances." I offer that amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. VESTAL: Page 10, line 25, strike out the word "tolerance" and insert in lieu thereof the word "tolerances."

The amendment was agreed to.

Mr. VESTAL. I offer another amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. VESTAL: Page 11, line 18, strike out the words "The provisions of this act shall apply only to hampers and baskets made of wood, or of which wood is the principal material," and insert in lieu thereof the following:

"The provisions in sections 1, 2, and 3 of this act, covering specifications and dimensions, shall apply only to hampers and baskets made of wood or of which wood is the principal material; but hampers and baskets which are not made of wood or of which wood is not the principal material shall not depart from the respective capacities therein prescribed."

Mr. VESTAL. Mr. Chairman, I do not care to take more than a minute in discussing this amendment. The bill as drawn provides that the act shall apply only to hampers and baskets made of wood or of which wood is the principal material. There might be such a thing as baskets made of other materials being placed upon the market, and my amendment provides that those other baskets shall not depart from the capacity content as set forth in sections 1, 2, and 3 of the act.

Mr. QUIN. Mr. Chairman, I think the gentleman from Indiana [Mr. VESTAL] is right in this amendment. While I am against this hamper provision, cutting out the seven-eighths hamper, I am convinced that the specifications should not prohibit the manufacture of hampers or baskets of other material, just so that the contents are not interfered with.

Under this bill without the amendment offered by the distinguished chairman [Mr. VESTAL] they could not use any other material except that specified herein; but it is absolutely necessary, in fairness to all portions of the country, that the amendment offered by the gentleman from Indiana [Mr. VESTAL] be adopted.

This measure as it comes before this House is a deceptive one. This Congress has passed all of the legislation that is necessary in the container act to insure fair dealing. Here you come up with a bill that does not affect the container which goes to the consumer. The vegetables from the farms in the United States are placed in hampers, baskets, or crates and sent by carload or train lots to the centers of the country for distribution.

Mr. HOCH. Will the gentleman yield?

Mr. QUIN. I have not time. The producer does not sell to the wholesaler by the crate. He sells in carload lots. But when the good housewife goes to buy her vegetables for to-day she does not ask for a bushel hamperful, she does not ask for a seven-eighths hamper, but she asks for so many tomatoes; she asks for 5 cents' or 10 cents' worth of beans.

Who in the world ever heard of a family going up and buying a bushel hamper of tomatoes for one meal or one day. Why, that is for the hotel or big boarding house. So you can see the opportunity for deception that is endeavored to be practiced in this humbuggery that they are putting out here now. You are injuring and hampering the farmers and endeavoring to fool the ultimate consumer. I just call the attention of the majority to some of the effects of the legislation they have enacted that is now reacting against them. Did you hear that howl out yonder in Iowa day before yesterday? There was a man running for the United States Senate in a Republican primary on a Democratic platform. [Laughter.] He stood up on the platforms throughout the State of Iowa, which is 75 per cent Republican, and denounced the Esch-Cummins Act, one of the chief authors of which is a Member of the United States Senate from that very State. He spoke for the American people—the farmers and the plain men and women. He told them that the Republican organization in Congress had taken the excess-profits tax off from the rich and powerful. He told them they were trying to put a sales tax on the poor. He told them the plain people must pay the taxes which this Republican organization and administration had taken off of the big corporations and trusts and combines.

Mr. VESTAL. Mr. Chairman, will the gentleman yield?

Mr. QUIN. I will give you all the time you want before I get through. As a result he told them that the legislation of this Republican administration was a humbug and a fraud upon the American laboring man and farmer. He demonstrated to the fair Republicans in the State of Iowa that the Republican organization in Congress and the administration were passing legislation for the benefit of the rich and powerful.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUIN. I ask for five minutes more.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent that his time be extended five minutes. Is there objection?

Mr. LAYTON. I object unless the gentleman will confine himself to the amendment.

Mr. HOCH. I object.

The CHAIRMAN. The gentleman from Kansas objects.

Mr. RAKER. Mr. Chairman, I move to strike out the last word. Mr. Chairman and gentlemen of the committee, there can be no doubt that legislation which makes honest containers and compels people to mark and sell that which they say they are going to sell is right. The purchaser is entitled to get what he asks and pays for. He should not be cheated and deceived. But I am wondering whether or not the committee had given this matter full consideration in two important particulars, provisions of which I want to call attention to.

On page 13 it provides:

Any individual, partnership, association, or corporation that willfully violates this section shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $100, or imprisonment not exceeding 60 days, or both.

Now, I believe this is the first time that any legislature ever attempted to pass a law imprisoning a partnership, association, or corporation, and I wonder why the committee in this bill, where we are trying to get honest containers, has sought to inject this class of legislation that everybody knows can not be enforced, never has been enforced, and never will be enforced, and put an entire association, partnership, or corporation in prison. There is a way to punish the partnership, association, or corporation by fine. The individuals, like others, can be individually prosecuted and punished, but not the partnership, association, or corporation by imprisonment. I think it must have been a mistake on the part of the typewriter or the printer or some one who was engaged in the preparation of the bill. I think the chairman will concede that.

Mr. MORGAN. Will the gentleman yield?

Mr. RAKER. Yes.

Mr. MORGAN. I will state to the gentleman that the purpose of that language was to reach the partnership or corporation, and the imprisonment applies to the individual.

Mr. RAKER. The gentleman does not contend that you can arrest or imprison a partnership or association, does he?

Mr. MORGAN. The members of a partnership.

Mr. RAKER. The gentleman does not claim that you can imprison a corporation?

Mr. MORGAN. The fine relates to the association or corporation, and imprisonment relates to the individual.

Mr. RAKER. Let us not make ourselves ridiculous before the legal profession of the world by saying that you can arrest and imprison a partnership, an association, or a corporation. The statement of it is enough. Now, I am going on to something else. On page 16, beginning on line 3, is this provision. It is one that allows the department to violate every law of personal right and of property in individuals, partnership, association, or corporation. The provision reads as follows:

For said purposes the authorized officers and agents of the Department of Agriculture may visit factories, stock rooms, and other places of business where such hampers, baskets, or parts thereof are manufactured or held for sale or shipment, or offered for sale, may enter cars, vessels, other vehicles, and places under the control of carriers engaged in the transportation of such hampers, baskets, or parts thereof.

Here is a blanket law permitting the Department of Agriculture, without a search warrant, without any offense having been alleged to have been committed, to enter any building, any room, any house, any factory, any vessel, or any car in interstate commerce or otherwise and anywhere.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAKER. Mr. Chairman, I ask for four minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAKER. The general purpose of the legislation to be sought here compelling the seller to give the buyer what he pays for is all right, but clearly this provision does not intend to lay aside the protection of the individual in all places. There is not a single, solitary door of a room, private or otherwise, that an agent of this department could not walk up to or batter down, if necessary, and go in without any warrant of law.

Mr. WARD of North Carolina. Will the gentleman yield?

Mr. RAKER. Yes.

Mr. WARD of North Carolina. The gentleman is right about it. No bill with such a provision ought to pass any legislative body. But I rise to suggest with reference to the indictment of a corporation.

Mr. RAKER. I was alluding to the imprisonment of a corporation.

Mr. WARD of North Carolina. My judgment is that it is not unusual to pass a provision of that sort with reference to corporations. Of course, you can not imprison a corporation or association, but you can indict a corporation, and the fact that the imprisonment is in the same sentence does not impair it, because the imprisonment relates to the individual and not to the corporation.

Mr. RAKER. You can indict an association or a corporation, I do not question that, but of course it is impossible to imprison a partnership, association, or a corporation.

Mr. WARD of North Carolina. Certainly it is.

Mr. RAKER. And I am calling the attention of the committee to it, so that it may be amended. Now, in reference to the last provision in regard to search and seizure, it does not require an authorization, it just gives them a blanket order to go anywhere in the United States into any building, car, room, any place where they think—they do not have to say they believe—but where they think they can find these unlawful containers. Certainly you do not want to pass a law that gives any department authority to send its agents, for instance, to a train at Pittsburgh going west that has a lot of baskets on board, where they can stop the train, say they want to go in, order them to open the doors, and allow them to inspect them. You do not require any search warrant or anything else. Now, it is such legislation as that that makes the people dissatisfied. You start in with a bill designed to give proper legislation, to give certain relief from unlawful practices, and then in the same bill you sweep away every human right a man has to protect his place of business or the sanctity of his home.

Mr. KING. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Yes.

Mr. KING. Was it not that same condition and activity on the part of the Government along those lines of which the gentleman has spoken that succeeded in ousting the last Democratic administration?

Mr. RAKER. Oh, to answer my friend, I would say that that was the complaint, but it was an unjustifiable complaint. The search and seizure exercised was against those who were trying to destroy the Government, which the gentleman believes in maintaining. We had to have drastic laws, and we had to enforce them, where a man was not patriotic and was attempting to break down our Government and the enforcement of our laws. The cases are comparable. But even in war times you had to have a search warrant. Now, in peace times, you want to violate all right of the person by search and seizure, without proof, order, or warrant. It will not do. This must go out of this bill.

The CHAIRMAN. The time of the gentleman from California has again expired. The question is on the amendment offered by the gentleman from Indiana [Mr. VESTAL].

The amendment was agreed to.

Mr. DUNBAR. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DUNBAR: Page 11, line 10, after the word "hampers," strike out the comma and insert "and." After the word "baskets," strike out the comma. On line 11, strike out "and splint baskets."

Mr. DUNBAR. Mr. Chairman and gentlemen of the committee, I have here before me a sample of a splint basket—two of them. I represent the manufacturer who makes these baskets and sells them. He makes something like 60 different types of baskets, hampers, and containers. He does not object to any regulation which may specify the cubic contents of any container or hamper which he manufactures. He does not object to marking the cubic contents of any basket or hamper which he manufactures and which it is possible for him to mark. These baskets I have here are made out of sycamore wood, out of beech wood, or any cheap sort of wood that can be obtained. The splints are very thin. You can almost tear them with your fingers like a piece of paper. When these baskets are manufactured they are so wet that it would be impossible to mark them with any legible letters, and because of their being wet, the sap and the moisture being in the wood, the ink of any mark that you would put upon them would simply run down the side and make the marking illegible. These baskets are so cheap that the manufacturer sells them, one for the sum of 52 cents a dozen and delivers them 350 miles, and the other at 60 cents a dozen delivered 350 miles from the point of manufacture.

When these baskets are first manufactured they are not in condition for shipment. They are stacked up two or three dozen high and put into a drying room, and then by the use of steam the baskets are dried. After they have gone through the drying process they are shipped to the purchaser. What would be necessary in order to mark these baskets? First, you would have to put them into your drying room, and then after they were dried out, take them out of that room, take them apart, and stamp them with whatever stamp was required.

These baskets are made in sizes from 4 quarts up to one-half bushel. Some time ago we passed legislation specifying the dimensions of climax baskets, but, as I understand it, we never required such a basket to be marked for the simple reason that many of them are made out of wood of this sort. I believe that this bill provides that all climax baskets of 4 quarts even now shall be exempted from marking.

This manufacturer makes 100,000 dozen of these baskets a year, and I submit that to put him to the additional labor, trouble, and expense of marking the baskets is altogether unreasonable.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. DUNBAR. Mr. Chairman, I ask unanimous consent to proceed for one minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DUNBAR. He does not object to complying with any requirements which we make in respect to the size of the basket, nor does he ask to be exempt from stamping any of the other containers that he manufactures, but to stamp these baskets is a physical impossibility when the basket is made.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. DUNBAR. Yes.

Mr. LONDON. To what extent do the standards set up by the bill conform to the standards in actual use? I mean in general use.

Mr. DUNBAR. I do not know.

Mr. LONDON. Do the standards set up by the bill differ substantially from the standards now in existence?

Mr. VESTAL. No. They use the same standards that we put in the bill, and we are exempting all of the standards except those mentioned in the bill.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. VESTAL. Mr. Chairman, I move to strike out the last word. There are 75 different sizes of hampers used in the United States to-day. This bill proposes to establish 6 instead of 75, to cut out all of the rest of them so that the manufacturer will manufacture only 6 different sizes.

Mr. LONDON. The bill makes it unlawful——

Mr. VESTAL. To manufacture any other except those six, and all of the manufacturers desire it, because they can do away with all of their forms, and they can manufacture much more cheaply. We have in some States this sort of condition. We have the 32-quart basket, which is the bushel, and they manufacture the 32-quart baskets. Somebody conceived the idea that he could make his basket in a certain form to look like the 32-quart and have it contain only 31 quarts. Therefore, they started in on the 31 quarts. Then some other fellow thought that he could beat that a little bit, and he made one that held only 30 quarts, which looked just like the 32-quart basket. They even got down as low as 27½ quarts, and they are selling them in the country for 32-quart baskets. We propose to cut out the 30, the 31, the 29, the 28, and 27, and make the 32-quart container a standard basket, and it will reduce the cost of manufacture and ought to reduce the cost to the consumer.

Mr. LONDON. There is another question I want to ask. To what extent are these baskets employed in interstate commerce?

Mr. VESTAL. Oh, very largely.

Mr. LONDON. The gentleman means that goods are transshipped in those baskets?

Mr. VESTAL. Oh, yes; vegetables and fruits.

As to the amendment offered by my colleague from Indiana, I can state, of course, that there might be in this particular case that he mentions some little hardship upon the manufacturer, but I do not believe it is right to exempt just the splint basket when all manufacturers are desirous, and his own manufacturer is desirous, of stamping every other basket except the splint basket.

Mr. LONDON. Will the gentleman permit——

Mr. VESTAL. It is true it is only an added precaution. Now, I can readily see that if a manufacturer is prohibited

from manufacturing any sort of basket other than a standard basket, it probably does not need to be marked. It is only an added protection to the purchaser and the ultimate consumer. Of course, there is this protection. There is the protection to the consumer from having the basket marked by the manufacturer. If somebody in the retail trade, for instance, would put upon the market a basket that was a short basket, all they would have to do would be to trace that basket to the manufacturer, and the consumer is not held responsible for having put that basket out on the market. We try to help the consumer all the way along the line. We put the burden on the manufacturer, and the manufacturer is willing to bear it. There is not a manufacturer in the United States that I know of that is opposed to this bill except a few manufacturers down in some of the Southern States who would like to have a seven-eighths bushel basket made a standard. That is the only exception we have found in regard to the manufacturers. If I had time—and I do not want to take up time—I had a letter the other day from a manufacturer out in the Middle West, and he wrote me asking about this bill and when I thought the bill would come up. He said that he had an order for a lot of 14-quart baskets, and he said he did not want to manufacture those baskets if they are not standard. I wrote to him that I hoped the bill would be passed in a short time. Before he received my letter he wrote me again, and he said, "Mr. VESTAL, it does not make any difference; this same firm found a manufacturer who would manufacture a 13½-quart basket that looks like a 14-quart basket, and therefore we have lost the business." But if you have standard baskets, hampers, and so forth, the manufacturer will increase the scope of his territory for sales all the while. He can sell in any State in the Union, and it seems to me—I may be wrong about it—but it seems to me that no one could object to a standard basket that would give to the consumer what he purchases, especially when it will serve to reduce the cost to the consumer.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUIN. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Mississippi makes the point of order that there is no quorum present. The Chair will count. [After counting.] Eighty-six gentlemen are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll and the following Members failed to answer to their names:

Anderson	Fairfield	Kreider	Rouse
Andrew, Mass.	Faust	Kunz	Rucker
Ansorge	Fenn	Lampert	Ryan
Arentz	Fess	Langley	Sabath
Bacharach	Fields	Larson, Minn.	Sanders, Ind.
Bankhead	Fish	Lehlbach	Sanders, N. Y.
Beck	Fisher	Lineberger	Schall
Bell	Fitzgerald	Linthicum	Scott, Mich.
Benham	Focht	Little	Sears
Black	Fordney	Logan	Shaw, Ill.
Bland, Ind.	Foster	Longworth	Shreve
Blanton	Frear	Lyon	Sinclair
Boies	Freeman	McClintic	Slemp
Brennan	Fuller	McFadden	Smith, Mich.
Briggs	Funk	McKenzie	Smithwick
Britten	Gahn	McLaughlin, Pa.	Snyder
Brooks, Pa.	Gallivan	McPherson	Steagall
Burdick	Glynn	McSwain	Stedman
Burke	Goodykoontz	Madden	Stevenson
Burtness	Gould	Maloney	Stiness
Burton	Graham, Ill.	Mann	Stoll
Butler	Griffin	Mansfield	Strong, Pa.
Byrns, Tenn.	Hardy, Tex.	Martin	Sullivan
Cantrill	Haugen	Merritt	Swank
Clague	Henry	Michaelson	Sweet
Clark, Fla.	Hill	Miller	Taylor, Ark.
Classon	Himes	Mills	Taylor, Colo.
Cockran	Hogan	Moore, Ill.	Taylor, Tenn.
Codd	Hooker	Morin	Temple
Cole, Iowa	Hudspeth	Mudd	Ten Eyck
Connell	Humphreys	Nelson, J. M.	Tillman
Connolly, Pa.	Hutchinson	Nolan	Tilson
Cooper, Ohio	Ireland	O'Brien	Treadway
Cooper, Wis.	Jacoway	Padgett	Tyson
Copley	James	Paige	Upshaw
Coughlin	Jefferis, Nebr.	Park, Ga.	Vare
Crowther	Johnson, Wash.	Parker, N. J.	Vinson
Darrow	Jones, Pa.	Parks, Ark.	Voigt
Davis, Minn.	Kahn	Patterson, N. J.	Volk
Deal	Kelley, Mich.	Perkins	Ward, N. Y.
Dempsey	Kennedy	Perlman	Wason
Denison	Kiess	Porter	Weaver
Dickinson	Kincheloe	Pringey	Winslow
Doughton	Kindred	Rainey, Ala.	Wise
Drane	Kinkaid	Ransley	Wood, Ind.
Driver	Kirkpatrick	Rayburn	Woods, Va.
Dunn	Kitchin	Reber	Woodyard
Echols	Kleczka	Riddick	Wurzbach
Edmonds	Kline, N. Y.	Riordan	Yates
Evans	Knight	Robsion	Zihlman
Fairchild	Kopp	Rosenbloom	

The committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. HICKS, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 7102, finding itself without a quorum, under the rule he caused the roll to be called. Whereupon 228 Members responded to their names, and he presented the list of absentees for entry in the Journal.

The SPEAKER pro tempore. The committee will resume its sitting.

The committee resumed its sitting.

Mr. WINGO. Mr. Chairman, the very able and genial gentleman from Indiana [Mr. DUNBAR] has called attention to just one of the incongruities of this bill. Of course, any intelligent man who knows anything about the manufacture of the baskets that he displayed knows that it is practically a physical impossibility to comply with the requirement in the basket he exhibited, and if you were to comply with that requirement it would add from 25 to 50 per cent to the cost of the basket. You must remember, Mr. Chairman, what the object of the bill is and under what power Congress seeks to enact this kind of law. You must remember that under the Constitution the Congress has the power to fix the standards of weights and measures, and it is under that constitutional authority that the pretense is made of enacting this law. The Constitution nowhere gives the Congress the power to fix the container or the shape or quality——

The CHAIRMAN. The committee will be in order.

Mr. WINGO. Those gentlemen have already gotten their orders from certain organizations and they are going to swallow this, Constitution or no Constitution, and, therefore, I do not care whether they listen or not. Mr. Chairman, I was saying that nowhere in the Constitution is the Congress given the power to fix the composition of the container, the shape of the container, or its color or its texture. The difficulty in discussing a bill of this kind is that those who have little respect for our system of government, or, to be more charitable, are lacking in information as to the character of our dual system of government, do not stop and think about these things. They just see the evil, and they see that local courts and local communities have failed to remedy the evil, so they rush to Washington and to the Congress.

Now, of course, gentlemen, I agree that the frauds complained of ought to be eradicated. And I have in my own way done all I could to bring about prosecutions for such deceptive practices as are referred to by the supporters of this bill. I challenge any lawyer within the sound of my voice to deny that he can prosecute in the State courts of any State in this Union every fraud that you seek to prevent and every evil you seek to eradicate by this bill. All you need is a grand jury with courage, and a prosecuting attorney, or whatever you call your local prosecuting officer, with the courage and intelligence, and a petit jury of backbone, to correct it. That is all you need.

Now, gentlemen, that is not the real object of your bill. I am not deceived about it. You can not drag any herring across my path and say that there are manufacturers opposing it. It is a manufacturers' bill. If I consulted the question of political expediency, I would be for it. The biggest fruit man in the world lives in my district, and he is my personal friend. He does not know any more about the Constitution than I do about growing peaches, and I do not know anything about that. He wants to eradicate this evil, and does not know that he could do it in the State courts if he wished to do so. But, gentlemen, I am trying—I do not know whether I will have the courage to keep it up or not—I am trying to get back to where I wish I had started, and that is to have some respect for the division of powers in our Government, and I can do it in this bill without any charge of selfishness. But, gentlemen, I know the uselessness of crying out against something like this. I beg you lawyers, you men who know something about the philosophy of government, to read the provisions of this bill. I believe if there is any man in this House that will conscientiously read it and forget the pressure that has been brought to bear for it, he can not vote for it unless certain provisions are eliminated. The gentleman practically admitted a while ago that 75 types of baskets will be reduced to 6 by this bill. Does the Constitution give me the right, a citizen of Arkansas, by my vote, to say to a Pennsylvania manufacturer that he shall cease the manufacture of a bona fide, honest article of commerce that is neither deceptive in its construction or in the quantity of its contents? That is what you do by this bill. And I am not going to do it, gentlemen. Oh, I know there are few Members here, and when the roll is called

more will come in and, following the committee, vote for the bill. That is the reason for most of the evil legislation we have here in Congress. This House is conscientious. It is a wonder that it, considering the volume of its business, does not make more errors than it does. But are you going to place an increasing burden on the taxpayer by this bill?

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WINGO. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to proceed for five minutes more. Is there objection. [After a pause.] The Chair hears none.

Mr. WINGO. Has the American Congress come to that point where it says that it is willing to give some little agent appointed by the Federal Government the right to enter a vehicle or to enter a warehouse or a freight shed without charging that there are fraudulent baskets in there? He just wants to test it and earn his salary. Possibly nobody has complained, but he will have a right to hold up a shipment when the grower is waiting for baskets in which to ship his fruit or vegetables. You do not have to do it if you pass the other part of the bill. At least save some semblance of respect for that provision of the Constitution which has to do with search and seizure——

Mr. REED of West Virginia. It is claimed that the provision as to search for baskets is even more drastic than our friend VOLSTEAD'S provision as to search for booze.

Mr. WINGO. There is no question about it. It comes in here without any semblance of a claim of basing it on a fraudulent action or any violation of the law. Is it just an ordinary test to see if they comply with the law? No. But to see if they comply with some regulation made hereafter by a bureau down here. You do not have to do that in order to carry out the main purposes of your bill. Do not do that.

I wish it would be possible to standardize everything in this country. I wish it would be possible to standardize shoes. God forbid a government that would say you would have to wear one of six types of shoes. Somebody might say you should standardize ladies' hats. God forbid a government that would fly into such Bolshevism where by law you would restrict a woman in the choice of hats. [Applause.] That would be parallel to what you do in this bill. You make it unlawful for a man to manufacture a basket and stamp it with its honest contents. And if a man happens to buy it, unless he gets a written certificate from the manufacturer, he can be prosecuted.

Mr. CLARKE of New York. Do you not think a part of this is to insure getting a full quart instead of a full bushel basket? [Laughter.]

Mr. WINGO. I do not think it is. As I started to say, you not only pile up the expense of additional cost that the gentleman from Indiana called attention to but you are creating other bolshevistic inspectors, and these inspectors have to break into a place and test and make a showing of earning their salary, have they not? You are going to the limit in this tendency sooner or later, and the American people will wake up after a while to what you are doing.

The people will find out after a while that in the philosophy of English jurisprudence, in the philosophy of the common law, all they need is an honest court, and a courageous grand jury, and a courageous local State judge, and a courageous local prosecuting officer, and a courageous, intelligent petit jury to remedy most of these evils they complain of. What this country needs is not more law. It needs a more honest, intelligent, sincere enforcement of the laws you already have.

Mr. MOORE of Virginia. Having a courageous court and a courageous jury, will not the gentleman explain how you are going to put in jail or the penitentiary a corporation?

Mr. WINGO. Address that to these gentlemen. The provision in this bill as to imprisoning an association or a partnership to a lawyer is not any more ridiculous than other provisions I called attention to.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. HUSTED. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, this is not the most important bill that has been before the Congress, but it is a bill which I think should be passed. I believe it is in the interest of honesty, of efficiency, and of economy. At one time I happened to be a member of the committee which has reported this bill for the consideration of the Committee of the Whole, and I heard a good deal of the argument at that time. It was quite convincing.

Now, there are baskets which are designed to defraud and do defraud, and there are other baskets which are not designed to defraud but which do deceive the public. And the requirements as to the content of baskets, whether they are bushel or half-bushel baskets or peck baskets or quart baskets, are not the same in the different States throughout the country.

In some States the contents are larger than in others, so that if you are buying a bushel basket of a certain product the actual quantity that you get depends upon the State you buy it from. I remember an illustration was given of a man buying a certain kind of seed grain, and the price quoted in one State was very much less than that quoted in another State, and the seed grain was supposed to be of uniform quality. But when the man got his grain he found that he paid the most in the State which charged the least, because of the difference in the quantity of the grain in the container.

It is also in the interest of efficiency, because you are going to be able to get baskets more quickly delivered of any definite size if you pass this bill than you can at the present time. Under present conditions the manufacturers of baskets are compelled to carry a lot of odd sizes because there are a great many different sizes in common use, and in order to meet the demands of his customers he is compelled to carry at great expense these odd sizes in order to make prompt delivery of orders.

Mr. LONDON. Mr. Chairman, will the gentleman permit a question?

Mr. HUSTED. Yes.

Mr. LONDON. How many States have similar legislation?

Mr. HUSTED. I do not know how many States have. There are States that have. How many I do not know.

There is another matter: It is really in the interest of economy to pass this legislation, because if the manufacturer has to carry a lot of odd sizes it is going to cost him more to make baskets than if you reduce the number to a few common standards. It is not going to cost him as much. He will not have to carry as much raw material in stock and he can make his goods at less cost, with less overhead and less labor, and with less machinery than he is compelled to use at the present time.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. HUSTED. Yes.

Mr. JONES of Texas. I notice that the original basket act prohibits the manufacture and shipment of these baskets in interstate commerce. Does not the gentleman think that is a better way to get at a proposition of this kind rather than by prohibiting the sale by the individual of every basket of fruit that is sold around in the local communities? This original basket act prohibits the manufacture and shipment of baskets that do not conform to the prescribed measures.

Mr. HUSTED. I think we can within our powers here pass legislation to protect the public from baskets that deceive, whether they are designed to deceive or not. There are many of these baskets that are not designed to deceive, that are innocently used, which do deceive the purchaser.

Mr. JONES of Texas. Would not the better way to get at that be to prohibit the shipment and manufacture of certain sizes of containers rather than the product? What would prevent the fruit grower from using crates and little boxes of different sizes?

Mr. HUSTED. The necessities of the trade control that. The producer has got to use what the public demand, or he can not sell his fruit. No manufacturer can arbitrarily change the customs of the people.

Mr. JONES of Texas. A great deal of fruit is sold in crates.

Mr. HUSTED. That is so; but even when the fruit is sold in crates it is sold in baskets in the crates.

Mr. DUNBAR. Mr. Chairman, will the gentleman yield?

Mr. HUSTED. Yes.

Mr. DUNBAR. Is the gentleman aware that under a provision of this act none of the Climax baskets under a quart need be stamped, and there is no protection offered to the poor man?

Mr. MORGAN. The bill specifically provides the sizes of containers under one section.

Mr. HUSTED. I am not a member of the committee, and have not heard all of the discussion, and I have not read the hearings. It is possible that this bill shall be amended in some respects. But I am contending for the general principle. I believe that the general principle is absolutely right, and I believe that some of the most important work that is being done in this country to-day for the assistance of business is the standardization work which is being carried on now under the direction of the Bureau of Standards. Of course, we do not want to standardize shoes, and we do not want to standardize women's hats, but there are certain limits within which standardization work can be done, and it is in the interest of

the people that it should be done. It means economy, it means efficiency, it means less cost, and it is in the interest in this case of common honesty. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. VESTAL. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. DUNBAR].

The question was taken, and the Chairman announced that the "noes" appeared to have it.

Mr. DUNBAR. A division, Mr. Chairman.

The CHAIRMAN. A division is asked for.

Mr. MORGAN. Mr. Chairman, may we have the amendment read again?

The CHAIRMAN. Without objection, the amendment will again be read.

The Clerk read as follows:

Amendment offered by Mr. DUNBAR: Page 11, line 10, after the word "hampers," strike out the comma and insert "and"; after the word "basket" strike out the comma; on line 11 strike out "and splint baskets."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Indiana [Mr. DUNBAR].

The committee divided; and there were—ayes 6, noes 37.

So the amendment was rejected.

Mr. QUIN. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Mississippi makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and nine gentlemen are present, a quorum.

Mr. GARRETT of Tennessee. Mr. Chairman, I move to strike out on page 11, beginning in line 10, all after the word "therefor," down to and including the end of the section.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Tennessee.

The Clerk read as follows:

Amendment offered by Mr. GARRETT of Tennessee: Page 11, line 10, after the word "therefor," strike out the remainder of the section.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. GARRETT of Tennessee. Mr. Chairman, is debate closed on this section?

The CHAIRMAN. Debate is closed on this section. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The question was taken, and the Chairman announced that the "noes" appeared to have it.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for a division.

The CHAIRMAN. The gentleman from Tennessee asks for a division.

The committte divided; and there were—ayes 24, noes 40.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. VESTAL and Mr. GARRETT of Tennessee.

The committee again divided, and the tellers reported—ayes 25, noes 53.

Accordingly the amendment was rejected.

Mr. QUIN. I make the point of order that there is no quorum present.

Mr. BEGG. I make the point of order that the point of no quorum made by the gentleman from Mississippi is dilatory, and I refer the Chair to the ruling made by Mr. Speaker GILLETT on July 24, 1919.

Mr. QUIN. The vote just taken discloses that there is no quorum present.

Mr. BEGG. On July 24, 1919, Speaker GILLETT held a motion made by the gentleman from Michigan [Mr. CRAMTON] to be purely a dilatory motion on the ground that the Chair was satisfied that the purpose of the motion was solely to delay proceedings.

Mr. WINGO. Mr. Chairman, I hope the Chair will not permit himself to sustain the point of order. Since the Chair counted there have been some proceedings, and at the time the Chair counted there were only nine more than a quorum. There has been a division, there have been tellers upon an important amendment, and certainly the Chair ought not to hold the point dilatory; but the Chair, I presume, will count for himself, which is his prerogative, if he is not willing to take the count of the tellers.

Mr. BEGG. Mr. Chairman, I will say in reply to the gentleman from Arkansas that on this same precedent which I have cited to the Chair the same condition prevailed—that is, some business had been transacted in the way of counting a quorum and putting a motion.

Mr. WINGO. I think if the gentleman will read the citation——

Mr. BEGG. If the gentleman from Arkansas will just listen, the Chair at that time found that the point was dilatory; that it was evident to the Chair, as well as to the House, that the purpose of the motion was only to delay proceedings. There is no constitutional right involved in the gentleman's point of no quorum in the Committee of the Whole. The only purpose that can be accomplished is to delay the proceedings, and I submit to the Chair that the precedents are numerous when the Chair has held that motions similar to this are dilatory.

Mr. WINGO. Will the gentleman yield for a question now?

Mr. BEGG. Yes.

Mr. WINGO. Will the gentleman tell the Chair what the facts were upon which Speaker GILLETT ruled? Had there been a division in the committee and also a teller count disclosing less than a quorum?

Mr. BEGG. If the Chair wants to hear the facts, I will refer the Chair to the precedent.

The CHAIRMAN. If the gentlemen are willing, the Chair will ascertain whether or not a quorum is present, because in the opinion of the Chair there probably is a quorum present. [Laughter.]

Mr. DUPRÉ. The Chair seems to be anticipating his count. [Laughter.]

The CHAIRMAN. There was no quorum voting on the count by tellers, but the Chair observed that there were about 20 gentlemen who did not pass between the tellers. So the Chair is of the opinion that a quorum is present. The Chair will count.

Mr. BEGG. If the Chair does not rule on this, that point can be made all the afternoon.

Mr. WINGO. I make the point of order that the point made by the gentleman from Ohio is dilatory.

The CHAIRMAN. The Chair will ascertain whether or not a quorum is present. [After counting.] One hundred and eight Members present, a quorum.

The Clerk read as follows:

SEC. 5. That in order to provide for the more economical use of space in packing or transportation, or for the greater conservation of material or labor in manufacture or handling, or of the contents in course of shipment of hampers, round stave baskets, and splint baskets for fruits or vegetables, or parts thereof, the Secretary of Agriculture, whenever he finds it necessary, may, in his regulations, prescribe specifications and tolerances with respect to the strength of the material used, or the dimensions thereof, for such hampers, round stave baskets, splint baskets, or parts thereof, in addition to, differing from, or superseding those set forth in sections 1, 2, and 3 of this act, but not departing from the respective capacities therein prescribed. Such specifications and tolerances shall not be made effective until a period of at least six months shall have elapsed after public notice shall have been given, following an opportunity afforded the interested public for a hearing.

Mr. GARRETT of Tennessee. Mr. Chairman, I move to strike out the last word. I think possibly an opportunity will come at a later stage of the proceedings to have a vote upon the amendment which I offered a few moments ago in good faith, to strike out a certain part of the section which has just been passed.

I am not resisting this bill, but I do not see how I could vote for the bill with the provision in it which I attempted to strike out; that is, the provision requiring these boxes and baskets that come within the provisions of this act to be stamped. That will impose a hardship, not upon the manufacturer, because, of course, he will have to pass the cost along to the consumer of the baskets and ultimately to the consumer of the fruit that is in the basket. It will impose a hardship upon the purchaser of the fruit. There is no way now known by which in the manufacture of these baskets a statement of the contents can be automatically stamped upon them. It will have to be done by hand with a rubber stamp or some other process. In other words, every box or basket that is made will have to be hand touched, and it will probably add half or a quarter of a cent to the cost of every basket that is manufactured, which, of course, has got to be passed along to the ultimate consumer.

Mr. VESTAL. Will the gentleman yield?

Mr. GARRETT of Tennessee. I yield to the gentleman from Indiana.

Mr. VESTAL. I may be mistaken about it, but I understand that in practice every basket-manufacturing concern in the United States puts a stamp on the basket by machinery at the

time the basket is made, and that it will cost nothing extra to stamp these baskets at the time they are made. I may be wrong about it, but that is the information I have.

Mr. GARRETT of Tennessee. I will say to the gentleman that I think he is wrong about it. I hold in my hand a letter from one of the largest manufacturers of this class of articles with whom I am familiar. It is a letter from the firm of B. C. Jarrell & Co., of Humboldt, Tenn., which is one of the greatest fruit and vegetable shipping points in the United States or in the world. This factory is located there. This letter says:

> The marking or stamping of the size of the package on each package can not be done automatically, but will have to be done by hand, at a very considerable added cost of the package, which expense, of course, will have to be borne, if the provision is retained in the bill, by the consumers of the packages.

That is the provision I undertook to have stricken out. The letter continues:

> If it becomes unlawful for any other sizes of packages described other than those covered by the specifications to be manufactured, we see no reason why the size of the container should be marked on it. We believe there should be a provision made in the bill penalizing any manufacturer who after the law becomes effective shall make containers other than the sizes specified in the bill, which are covered by the provisions of the bill, and if that is done no manufacturer in the country would be guilty of making off sizes, regardless of the pressure that might be brought to bear by consumers who would desire to use off-sized or snide packages.

Then he goes on to say that if he has to stamp them it will add to the cost of the containers. Your bill makes it unlawful to manufacture a package of a different size, and then you have a provision here that requires them to stamp the container.

Mr. VESTAL. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. VESTAL. I think the gentleman was not in the Chamber when the question was up for discussion. I made the statement then that it was simply an added protection. I am not so much concerned about this particular provision in the bill, but having the information that I had from a number of manufacturers that it would cost no more, I thought it would be an added protection to the man who handled the packages, the retailer, to be able to trace the package or basket back to the manufacturer if it contained less than the standard requirement.

Mr. QUIN. Mr. Chairman, I move to strike out the last two words. This question about stamping the baskets which the farmer is using in shipping in carload lots is not at all interesting to the farmers of this country. I want to tell the Republican organization one thing that the farmers are interested in. For six long years they have been begging and knocking at the doors of Congress for you to turn the Muscle Shoals project in Alabama into a fertilizing factory, so that the farmers can get cheap fertilizers for their farms. For six long months the Military Affairs Committee of the House, of which I am a member, has been working away, sitting all day, and has finally brought out a report for you to consider, and now it is time for you to bring forward a rule in the House that the Congressmen, the Representatives of the people of the United States, vote on the question whether or not the proposition shall be turned over in the manner recommended by the minority of our Military Affairs Committee to this great wizard, Mr. Henry Ford, who is desirous of running this great enterprise whereby 500,000 people will be employed and the streams of the Tennessee River and others employed in transporting on its bosom from Alabama, Tennessee, and Georgia coal, iron, steel, lumber, and the fertilizing products of this great nitrate plant—which is standing idle awaiting for the dams which are to be completed—which will be taken into the Ohio and the Mississippi Rivers and the tributaries, down the Mississippi to the Gulf of Mexico, thus to the heart of the United States and to all the markets of the world. I call upon the Republican side, with 230 majority, to bring in a rule and let the Representatives say whether or not you will turn over the development of this great plant to Mr. Ford for the benefit of the American people. Let the farmers know if you will pass that bill, and let Henry Ford take from the air nitrogen and make fertilizer and get it to the farmers at a price of about one-half of what they have to pay now.

Mr. MONDELL. Mr. Chairman, a point of order. Knowing the great interest that the gentleman from Mississippi has in this bill, I must insist that he discuss the bill.

Mr. QUIN. Mr. Chairman, the Republican leader does not want the House to know what my committee, the Committee on Military Affairs, with 15 Republican members and 6 Democrats, have been engaged in since the 7th day of February. [Laughter.] We even went down to Alabama and inspected this great plant and visualized it personally. After all the study and hard work, after coming forward to this House with the report of 12 in favor and 9 against reporting the bill, and 10 of us for including the Gorgas steam plant and transmission line, and 11 against that provision that Ford demands, and I say he should have, he is unwilling that I should state the facts and urge the Republican Rules Committee to bring out a rule for the consideration of the most important measure that has been before Congress within the last 50 years. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. QUIN. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from Mississippi asks for five minutes more. Is there objection?

Mr. VESTAL. I object.

Mr. WINGO. Mr. Chairman, I offer the following amendment. I move to strike out on page 11, lines 21, 22, 23, 24, 25, and on line 1, page 12, down to and including the word "thereof," and in line 3 on page 12 strike out the words "specifications and."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

> Amendment by Mr. WINGO: Page 11, line 21, strike out all of lines 21, 22, 23, 24, 25, and on page 12, all of line 1 down to and including the word "thereof," and in line 3 on page 12 strike out the words "specifications and."

Mr. VESTAL. Mr. Chairman, I am willing to accept that amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The question was taken, and the amendment was agreed to.

Mr. VESTAL. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto close in five minutes.

The CHAIRMAN. The gentelman from Indiana asks unanimous consent that all debate on the section and amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. DUNBAR. Mr. Chairman, I move to strike out the last word. The gentleman from Indiana in charge of the bill was very magnanimous when he admitted that there was virtue in the reasons I gave why the splint baskets which I exhibited should not be stamped. But in the interest of the general good he thought that the bill providing for stamping of all baskets should be insisted upon in order that the bill's principal virtues might be maintained. I want some information from the gentleman from Indiana in reference to what is contained in section 5. Now, you provide for tolerances. In manufacturing a splint basket the tolerance required is very large, more than the tolerance that might be required in other forms of baskets. As was stated by the gentleman from Texas a splint basket made out of sycamore wood will contract or expand with the amount of moisture contained in the splint so as to make a difference in the size of the basket of at least 10 per cent. How would any tolerance be provided for in a basket containing 4 quarts, when by its being wet or dry there would be a difference of 10 per cent in the cubic contents of that basket?

Mr. VESTAL. Oh, I do not think there would be any trouble at all in the Secretary of Agriculture, through the Bureau of Markets or whatever agency he has, providing tolerances that would be perfectly acceptable to the manufacturer of baskets. I do not know what that tolerance would be, but certainly there ought not to be any question about the tolerance.

Mr. DUNBAR. Then would it be the gentleman's idea that the Secretary of Agriculture would provide a tolerance for a basket made out of one substance and a basket made out of another?

Mr. VESTAL. Those things all have to be taken into consideration.

Mr. DUNBAR. And there would be, therefore, a larger tolerance for baskets made from splints than there would be for baskets made of staves?

Mr. VESTAL. Certainly.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. ROGERS. Mr. Chairman, I move to amend in lines 8 and 9 by striking out the words "specifications and."

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amendment offered by Mr. ROGERS: Page 12, lines 8 and 9, strike out the words "specifications and."

Mr. ROGERS. That is simply the corollary to the amendment of the gentleman from Arkansas.

Mr. VESTAL. I accept the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. WALSH having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed with amendments joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

H. J. Res. 127. Joint resolution to reerect the statue of Abraham Lincoln upon its original site.

FIXING STANDARD PRICES FOR FRUIT AND VEGETABLE BASKETS.

The committee resumed its session.

The Clerk read as follows:

SEC. 6. That it shall be unlawful to manufacture for sale or shipment, sell, offer for sale, or ship, or to import or cause to be imported into the continental United States hampers, round stave baskets, or splint baskets for fruits or vegetables, either filled or unfilled, or parts of such hampers, round stave baskets, or splint baskets that do not comply with this act: *Provided*, That this act shall not apply to baskets or other containers having capacities less than 4 quarts which comply with the provisions of the act approved August 31, 1916, entitled "An act to fix standards for Climax baskets for grapes and other fruits and vegetables, and to fix standards for baskets and other containers for small fruits, berries, and vegetables, and for other purposes" (39 U. S. Stat. L. 673), and the regulations thereunder. Any individual, partnership, association, or corporation that willfully violates this section shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $100, or imprisonment not exceeding 60 days, or both: *Provided*, That no person shall be prosecuted under the provisions of this act when he can establish a guaranty signed by the manufacturer, wholesaler, shipper, or other party residing within the United States from whom the hampers, round stave baskets, or splint baskets, as defined in this act, were purchased, to the effect that said hampers, round stave baskets, or splint baskets are correct within the meaning of this act. Said guaranty, to afford protection, shall contain the name and address of the party or parties making the sale of the hampers, round stave baskets, or splint baskets to such person, and in such case such party or parties making such sale shall be amenable to the prosecution, fines, and other penalties which would attach in due course under the provisions of this act to the person who made the purchase.

Mr. VESTAL. Mr. Chairman, I offer to amend, page 12, line 21, after the word "quarts," by inserting the word "or." That was left out by inadvertence.

The CHAIRMAN. The gentleman offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. VESTAL: Page 12, line 21, after the word "quarts," insert the word "or."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. OSBORNE. Mr. Chairman, I move to strike out the last word, for the purpose of asking the chairman of the committee a question. On the Pacific coast, particularly in my own State of California, the measurements by which fruits and vegetables are dealt in are different from those treated in this bill. For instance, we have no dealings whatever in bushels or pecks or anything of that sort. Our sales are usually upon the pound basis, or we sell, say, citrus fruits, oranges, and so forth, in boxes containing a certain number of oranges to the square foot. Is there anything in the bill that would interfere with the way in which the business of the Pacific coast in these matters is done?

Mr. VESTAL. In other words, in selling by the pound, as the gentleman says they do in his State.

Mr. OSBORNE. Yes.

Mr. VESTAL. Absolutely not.

Mr. CLOUSE. Mr. Chairman, I move to strike out the last two words. Section 6, now under consideration, is manifestly unconstitutional. Doubtless other provisions of the act are likewise unconstitutional. Congress might have authority to prohibit the transportation of a basket or an article in interstate commerce, but the bill under consideration is not predicated upon the fact of whether or not the article is to be used in interstate commerce. It absolutely prohibits the manufacture of this basket anywhere in the United States and for any purpose. The power of Congress to fix weights and measures does not extend to that point. If some firm is engaged in the manufacture of baskets in New York State, in the apple section, or in Virginia, in the fruit section of that State, or in my own State, so long as its article or commodity is to be used within the confines of the State, Congress has no power, nor should it have any power, to regulate its sale. Otherwise you would absolutely destroy the State's right to control its internal affairs, too much of which has already been done.

I do not think, in the first place, that this bill is needed at all. I think the same thing could be accomplished by enacting a law providing that hereafter it shall be unlawful for any producer or dealer in commodities such as are contemplated by the passage of this bill, and I mean by this only to the extent that it is interstate commerce, to offer for sale or sell those products for a certain quantity when, as a matter of fact, they fall short of such quantity. If you do that you will have obtained the object of the bill, and left to the several States jurisdiction within their own borders.

I happen to know something about the manufacture of containers. In my own county there is a firm engaged exclusively in the manufacture of containers. The chief manufactured product of that concern is egg cases and fillers. They are perhaps the largest manufacturers of those articles in the country. They manufacture many containers of other character and type. They have their machinery installed, already set up, for the purpose of manufacturing these according to specifications which they now have. When this bill is passed, what is the result? They must replace the machinery now installed by other new and additional machinery at great expense, which, of course, would be passed on to the consuming public.

The unconstitutionality of the act in question is so patent as that it should not be necessary to comment thereon, and I do not further than to refer you to the case of DeWitt against the United States (9 Wallace), which has been cited approvingly in many cases since in which similar questions were involved.

Mr. RAKER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. RAKER: Page 13, line 2, beginning with the word "any," strike out the remainder of line 2, and all of lines 2, 3, 4, 5, and 6 down to and including the word "both."

Mr. RAKER. Mr. Chairman, I imagine the chairman of the committee is perfectly willing to have this matter stricken out.

Mr. VESTAL. Oh, certainly not. The gentleman will be taking out all of the penalty provisions of the bill. This very same language is employed in the pure food and drugs act.

Mr. RAKER. If you have been foolish once, you do not want to be foolish again. The gentleman realizes the fact that you can not imprison a corporation.

Mr. VESTAL. Oh, certainly, we understand that, and the judge trying the case would understand the provisions of the bill and what they mean. He would certainly construe the law as it should be construed and not construe it as being drawn for the purpose of endeavoring to put a corporation in jail.

Mr. RAKER. The gentleman admits that this last provision for imprisonment not exceeding 60 days does not apply to a partnership, an association, or a corporation.

Mr. VESTAL. Certainly I do.

Mr. QUIN. Mr. Chairman, I make the point of order that there is no quorum present. This is a very important section.

The CHAIRMAN. Does the gentleman make the point of no quorum?

Mr. RAKER. I hope the gentleman will not take me off my feet.

The CHAIRMAN. The gentleman from Mississippi makes the point of order that there is no quorum present.

Mr. WILLIAMSON. Mr. Chairman, I make the point of order that that motion is dilatory.

The CHAIRMAN. The Chair will have to overrule the point of order. The Chair will count. [After counting.] One hundred and one Members are present, a quorum.

Mr. RAKER. I had not quite completed what I started to say when the point of no quorum was made, and I would like to proceed for four additional minutes.

The CHAIRMAN. The gentleman from California asks unanimous consent to proceed for four minutes. Is there objection?

Mr. BEGG. Mr. Chairman, I object.

Mr. RAKER. My time is not exhausted, Mr. Chairman, I have a minute left.

The CHAIRMAN. One minute.

Mr. RAKER. I would like to ask the gentleman a question. For instance, in California we are shipping figs in boxes about 15 inches long and a foot wide, depending upon the size of the figs; and pears, plums, peaches in all kinds of containers. Does the gentleman say this would not affect that?

Mr. VESTAL. Absolutely not.

Mr. RAKER. When they ship in boxes?

Mr. VESTAL. Absolutely not.

Mr. RAKER. And in sacks, for instance, where we ship potatoes and such things?

Mr. VESTAL. Absolutely not. If they use the basket or a hamper they must use the standard, but it does not compel them to use the hamper or the basket, splint or round stave.

Mr. RAKER. The gentleman is quite certain of that, because we are very much interested.

Mr. VESTAL. Absolutely.

Mr. RAKER. And it means a great deal to us. So we may be able to tell our people that as long as they use the present methods and do not use the container—hamper or basket—they will not be hampered any?

Mr. VESTAL. The gentleman is correct.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from California.

The question was taken, and the amendment was rejected.

Mr. WILLIAMSON. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMSON: Page 13, line 6, strike out all of line 6 and insert in lieu thereof "$500."

Mr. WILLIAMSON. Mr. Chairman, I recognize that the objection which has been raised to this particular provision by the gentleman from California [Mr. RAKER] and others is well taken, and in order to obviate that objection I have offered this amendment which simply makes it possible for the court to impose a fine up to and including $500. It strikes out the provision which seeks to impose imprisonment on partnerships and corporations, to which objection has been raised. It is clear that no such sentence could be enforced by the court in any event. My amendment raises the fine that may be imposed from $100 to $500, which will be sufficiently drastic to accomplish the purposes of the bill.

Mr. VESTAL. Mr. Chairman, we are willing to accept the amendment.

The question was taken; and the amendment was agreed to.

Mr. VESTAL. Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close.

Mr. GARRETT of Tennessee. Does the gentleman propose to insist on that, as I desire to move to strike out the section and to speak for a minute or two?

Mr. VESTAL. Well, say in seven minutes, I will amend my motion.

Mr. JONES of Texas. I would like to have about two minutes of time.

The CHAIRMAN. The gentleman from Indiana moves that all debate upon this section and all amendments thereto close in seven minutes.

The question was taken, and the amendment was agreed to.

Mr. JONES of Texas. Mr. Chairman, I have a perfecting amendment which I desire to offer.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 13, line 2, after the word "any," strike out the word "individual" and insert in lieu thereof the word "dealer."

Mr. RAKER. Mr. Chairman, I offer an amendment, to strike out all of lines 7 to 21, inclusive.

Mr. GARRETT of Tennessee. Mr. Chairman, the gentleman from Texas offered a perfecting amendment, and I suppose it will be voted on.

The CHAIRMAN. Yes; the question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. GARRETT of Tennessee. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 12, beginning on line 13, strike out all of section 6.

Mr. GARRETT of Tennessee. Mr. Chairman, I do not see how the Congress possibly has the authority to prevent the manufacture of a container such as comes within the purview of this bill, and I would like to ask the gentleman from Indiana if there is any legal authority of any sort that he can quote that would sustain that position?

Mr. VESTAL. I have understood, I will say to the gentleman from Tennessee, that within the past 8 or 10 years the question of the constitutionality of measures of this kind has been thoroughly discussed in this body, and that at least other bills have been passed of the same character as this. I will be frank to say that I have no authority that I can give to the gentleman at all upon a question of this kind other than the Constitution itself. I have been given to understand that the question of the constitutionality of the matter has been thoroughly discussed in the House, under probably the standard container act and the standard barrel act. Those bills have never been questioned.

Mr. GARRETT of Tennessee. I do not recall whether those bills provided that they could not manufacture a barrel. I recall the bills went a good long way, but I do not think those bills provided it would be an offense to manufacture a container. It might provide, as the gentleman from Tennessee [Mr. CLOUSE] suggested, although I think it would be going a long way, that they could not be shipped in interstate commerce. When you undertake to say that the manufacturer of baskets, unless he makes them out of certain splints——

Mr. VESTAL. We do not say that.

Mr. GARRETT of Tennessee. I do not mean making them out of certain splints. That is incorrect. However, it may mean that, because here you provide in regard to importation either of filled or unfilled hampers or parts of such hampers. You could not bring in a splint, even, that was to go into the manufacture unless it was to go into the manufacture of a basket that is described in this bill. You could not import a piece of lumber from Canada that was to go into the manufacture of a basket unless it was to be a basket of the size defined in this bill, if this act is constitutional. I think the act is going a long way.

The CHAIRMAN. The time of the gentleman from Tennessee has expired. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. QUIN. I think we ought to have a division.

The CHAIRMAN. The amendment is agreed to.

Mr. QUIN. I asked for a division.

The CHAIRMAN. Division is asked for.

The committee divided, and there were—ayes 10, noes 37.

So the amendment was rejected.

Mr. RAKER. Mr. Chairman, I offer the following amendment: Strike out all of line 7, down to and including the word "purchase" in line 21.

The CHAIRMAN. The gentleman from California offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RAKER: Page 13, beginning at line 7, strike out the remainder of section 6.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. RAKER. Mr. Chairman, I ask unanimous consent that I may proceed for two minutes.

Mr. MORGAN. I object, Mr. Chairman.

Mr. RAKER. You ought to give an opportunity to discuss this.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. QUIN. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Mississippi makes the point of order there is no quorum present. The Chair will count. [After counting.] Seventy-eight gentlemen are present, not a quorum. The Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Anderson	Copley	Griffin	McFadden
Andrew, Mass.	Coughlin	Hardy, Tex.	McKenzie
Ansorge	Crowther	Haugen	McLaughlin, Nebr.
Arentz	Darrow	Hawes	McPherson
Bankhead	Davis, Minn.	Henry	McSwain
Barkley	Deal	Hill	Maloney
Beck	Dempsey	Hogan	Mann
Bell	Denison	Hooker	Mansfield
Benham	Dickinson	Hudspeth	Martin
Black	Doughton	Hukriede	Merritt
Blakeney	Drane	Hutchinson	Michaelson
Bland, Ind.	Drewry	Ireland	Miller
Blanton	Driver	Jefferis, Nebr.	Mills
Boies	Dunn	Johnson, S. Dak.	Montague
Brand	Echols	Johnson, Wash.	Montoya
Brennan	Edmonds	Jones, Pa.	Moore, Ill.
Briggs	Evans	Kahn	Morin
Britten	Fairchild	Kelley, Mich.	Mott
Brooks, Pa.	Faust	Kennedy	Mudd
Brown, Tenn.	Fenn	Kindred	Nelson, J. M.
Browne, Wis.	Fess	Kinkaid	Newton, Minn.
Burdick	Fields	Kitchin	Nolan
Burke	Fish	Kleczka	Padgett
Burtness	Fisher	Kline, N. Y.	Paige
Butler	Fitzgerald	Knight	Park, Ga.
Cannon	Focht	Knutson	Parker, N. J.
Cantrill	Fordney	Kreider	Parks, Ark.
Chandler, N. Y.	Foster	Kunz	Patterson, Mo.
Chandler, Okla.	Frear	Langley	Patterson, N. J.
Clark, Fla.	Freeman	Larson, Minn.	Perkins
Clarke, N. Y.	Fuller	Layton	Perlman
Classon	Funk	Lehlbach	Porter
Cockran	Gallivan	Lineberger	Pringey
Codd	Garrett, Tex.	Linthicum	Rainey, Ala.
Cole, Iowa	Glynn	Longworth	Ramseyer
Connell	Goodykoontz	Luhring	Ransley
Connolly, Pa.	Gould	Lyon	Rayburn
Cooper, Ohio	Graham, Ill.	McArthur	Reber
Cooper, Wis.	Graham, Pa.	McClintic	Riddick

Riordan	Shaw	Strong, Pa.	Vinson
Robertson	Shreve	Sullivan	Walters
Robsion	Sinclair	Swank	Ward, N. Y.
Rodenberg	Sinnott	Sweet	Wason
Rosenbloom	Sisson	Taylor, Ark.	Weaver
Rouse	Smith, Mich.	Taylor, Colo.	Wheeler
Rucker	Smithwick	Taylor, Tenn.	Williams, Ill.
Ryan	Snell	Temple	Winslow
Sabath	Snyder	Ten Eyck	Wood, Ind.
Sanders, Ind.	Sproul	Tilson	Woodyard
Sanders, N. Y.	Stedman	Treadway	Wright
Sandlin	Stevenson	Tyson	Wurzbach
Schall	Stiness	Upshaw	Yates
Sears	Stoll	Vare	Young

Thereupon the committee rose; and the Speaker pro tempore having resumed the chair, Mr. HICKS, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill H. R. 7102, finding itself without a quorum, he had caused the roll to be called; that 217 Members had answered to their names—a quorum—and that he presented the list of absentees for insertion in the Journal and RECORD.

The committee resumed its session.

Mr. DUNBAR. Mr. Chairman, I move to strike out the word "Provided," in line 19, page 12.

The CHAIRMAN. The gentleman from Indiana offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. DUNBAR: Page 12, line 19, strike out the word "Provided."

Mr. DUNBAR. I wish to ask the gentleman in charge of the bill——

Mr. WILLIAMSON. Mr. Chairman, I make the point of order that debate has been closed.

The CHAIRMAN. Debate has closed.

Mr. VESTAL. I understood there was just an amendment. Debate has been closed on the section and amendments thereto.

Mr. DUNBAR. If there is no vote and no voice, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to withdraw his amendment. Is there objection? [After a pause.] The Chair hears none. The Clerk will read.

The Clerk read as follows:

SEC. 7. That any hamper, round stave basket, or splint basket for fruits or vegetables, whether filled or unfilled, or parts of such hampers, round stave baskets, or splint baskets, not complying with this act, which shall be manufactured for sale or shipment, offered for sale, sold, shipped, or imported, may be proceeded against in any district court of the United States within the district where the same shall be found and may be seized for confiscation by a process of libel for condemnation. Upon request, the person entitled shall be permitted to retain or take possession of the contents of such hampers or baskets, but, in the absence of such request or when the perishable nature of such contents makes such action immediately necessary, the same shall be disposed of by destruction or sale, as the court or a judge thereof may direct. If such hampers, round stave baskets, splint baskets, or parts thereof be found in such proceeding to be contrary to this act, the same shall be disposed of by destruction, except that the court may by order direct that such hampers, baskets, or parts thereof be returned to the owner thereof, or sold, upon the payment of the costs of such proceeding and the execution and delivery of a good and sufficient bond to the effect that such hampers, baskets, or parts thereof shall not be sold or otherwise disposed of or used contrary to law. The proceeds of any sale under this section, less legal costs and charges, shall be paid over to the person entitled thereto. The proceedings in such seizure cases shall conform as near as may be to the proceedings in admiralty, except that either party may demand trial by jury of any issue of fact joined in such cases, and all such proceedings shall be at the suit and in the name of the United States.

Mr. VESTAL and Mr. QUIN rose.

The CHAIRMAN. The gentleman from Indiana [Mr. VESTAL] is recognized.

Mr. VESTAL. Mr. Chairman, this section 7 is in the same language exactly as was in the bill when it passed the House at the last session, after quite a good deal of discussion. It is in the exact language of the section used in the pure food and drugs act, and in view of the fact of so much discussion already having been had on this bill and upon this section and in general debate, I move that debate on this section and all amendments thereto be now closed.

Mr. MOORE of Virginia. Mr. Chairman, let me ask the gentleman to reserve his motion so as to enable me to make an inquiry of him in good faith.

Mr. VESTAL. I shall be glad to.

Mr. MOORE of Virginia. It seems to me that this section would impose a real hardship upon a producer hauling to the market in his own vehicle, in his own wagon or his own automobile, his fruits and vegetables packed in hampers that do not correspond with the descriptions and definitions in this bill. If he did that, say, took a load of vegetables or fruits to the city of Chicago in hampers that are at variance in size and construction with the provisions of this bill, then under the plain provisions of section 7 the containers would be subject to condemnation. I do not think my friend can escape that conclusion. Whatever may appear in any other legislation that we have adopted, that is the conclusion from section 7, and if we are going to adopt the language of section 7 there ought to be a proviso that would exempt such a condition as I have illustrated.

Mr. VESTAL. In answer to the gentleman from Virginia, I do not agree with him—I may be wrong about it—except in this case: If a producer produced vegetables and placed them in certain hampers or baskets, round stave baskets or splint baskets—that is, the basket mentioned in this act—and expected to sell those vegetables in the market in those hampers or baskets, then, of course, he would be amenable here. But if he carried his products to market in any sort of a container—a wooden box, or a washtub, or boiler, or anything of that kind—he has a perfect right to do it. It is only when the man uses the baskets and hampers mentioned in this act that they must be of the standard prescribed by the language in this act.

Mr. MOORE of Virginia. I am, of course, talking about hampers exclusively. The farmers who raise fruits and vegetables, and whom I have in mind, would use hampers. The section is so drawn that as soon as the supposed farmer reached the limits of Chicago, or even if waylaid by an inspector outside the limits of Chicago, would be subject to the condemnation of his hampers. Now, in order to justify the construction that you apply to section 7, something must be read into it that is not written in it. You say the intention is—and I have no doubt the intention is—not to impose any burden upon the producer unless he undertakes to sell. But nevertheless the language as it is written in this bill does not express that intention, but gives the right to condemn just so soon as it is found that the hampers are not in accordance with the provisions of this bill.

Mr. VESTAL. Now, let me say this to the gentleman: Supposing that were true, what hardship would it impose upon anyone? Because the producer can only buy standard hampers when this bill goes into effect, and it will not go into effect until November, a year after the passage. He can not buy anything but standard hampers, and if he uses hampers he can not buy anything but standard hampers, and if he uses baskets he can buy only standard baskets.

Mr, MOORE of Virginia. You are now talking about something else, as to how much hardship will be imposed on the producer. There are unnumbered producers throughout the country who have hampers that they have accumulated during a period. They are permitted now to use those hampers, of whatever their character. They will not be allowed to continue to use those hampers to convey their produce to market if section 7 is adopted.

Mr. VESTAL. The gentleman would not contend that they could use those hampers for the next 10 years?

Mr. MOORE of Virginia. They can use them while they are usable. Why should we put a burden upon the people who need the most relief?

Mr. JONES of Texas. Mr. Chairman, I would suggest to the gentleman that he could only buy hampers conforming to the Government standard.

Mr. VESTAL. Mr. Chairman, I renew my motion that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Indiana moves that all debate on this section and all amendments thereto be now closed. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 8. That this act shall not prohibit the manufacture for sale or shipment, offer for sale, sale, or shipment of hampers, round stave baskets, splint baskets, or parts thereof, to any foreign country in accordance with the specifications of a foreign consignee or customer not contrary to the law of such foreign country; nor shall this act prevent the manufacture or use of banana hampers of the shape and character now in commercial use as shipping containers for bananas.

Mr. QUIN. Mr. Chairman, I move to strike out the last two words from this paragraph.

The CHAIRMAN. The gentleman from Mississippi moves to strike out the last two words.

Mr. QUIN. Mr. Chairman and gentlemen, this is at present the shipping season of vegetables from the Southern States. It is no small business. It is an immense business. In the district that I have the honor to represent one town alone, Crystal Springs, is now averaging 75 cars of tomatoes per day. In that same Copiah County there are five or six different towns where from 10 to 25 cars of tomatoes are being shipped, and several other counties in the seventh Mississippi district

are shipping many cars each day; and by the way, they are the best tomatoes in the United States. [Laughter.] These gentlemen who think that the size of a hamper has anything to do with what those farmers are producing or what the consumer is getting are sadly mistaken. The Crystal Springs tomato is advertised in this city. I got off the car the other day and saw some and offered to buy some. The dealer said, "They are 5 cents apiece." They were not in any hamper or basket in which they were shipped. I bought 10 tomatoes for 50 cents. It would have taken a John D. Rockefeller to have bought a bushel of those tomatoes. [Laughter.] The farmers down there receive about one-fourth of 1 cent for each tomato. You Republicans are endeavoring to hamper the farmer by increasing the cost of the baskets in which he ships his products and increasing the price of the fertilizer by which he can produce those products—those tomatoes and beans and butter beans and potatoes—at cheaper prices. You enact an iniquitous Esch-Cummins railroad bill compelling the farmer to pay 182 per cent more for his freight than he paid before the Republican Party, at the behest of organized wealth, put that oppressive burden on the farmer.

And, by the way, under that same iniquitous bill your board created under that bill, by its decision the other day, took away annually from the poor men working, and sweating in the railroad car shops $60,000,000 that they ought to have to go into their home to feed their wives and children and buy shoes and clothes and books for them to use in school and fuel to keep them warm in cold weather. Under that iniquitous legislation which you passed, instead of reducing freight rates your board came along and took away 5 cents an hour from the lowest-paid labor employed by the railway systems of the United States. Do you tell me that the election in Iowa did not mean something? Has that board, under the Esch-Cummins Act, done anything to reduce the high salaries of the presidents and high officials of the railroads or cut out their useless and clumsy expense charges so as to give cheaper freight rates? It meant that the Republican Progressives, joining hands with the masses of the people, marched in solid phalanx with their majestic tread to the ballot box and voted against this Republican organization in Congress, the same as they did in Pennsylvania and Indiana. They voted in protest against the oppressive hand that you have laid upon the people within the last two years. My Republican friends, if you keep on with the class and type of legislation that you are pushing through all the time the people will march against you in November, and again the Democratic hosts will triumph at the polls and come into power and legislate for the people. The time is at hand; the day of judgment is near; and you will find yourselves in a position where you can not any more ride roughshod over the rights of the people. [Applause.]

Mr. VESTAL. Mr. Chairman, I move that all debate on this section and amendments thereto be now closed.

The CHAIRMAN. The gentleman from Indiana moves that all debate on this section and amendments thereto be now closed. The motion was agreed to.

The Clerk read as follows:

SEC. 9. That this act shall not be understood or construed as in any way repealing the act of July 28, 1866 (Rev. Stat. U. S., secs. 3569, 3570), legalizing the use of the weights and measures of the metric system.

Mr. REED of New York. Mr. Chairman, I desire to ask the gentleman from Indiana a question. I come from a district where they raise a very large quantity of grapes, and, of course, they are interested in the grape baskets and containers. Those grape baskets have been standardized. Do I understand that this act in any way interferes with them?

Mr. VESTAL. Not at all. On page 12, line 19, it is provided that this act shall not apply to baskets or other containers holding less than 4 quarts or that comply with the provisions of the act approved August 31, 1916, and that was the Climax grape basket act.

Mr. DUNBAR. Did not the Climax act provide that none of those baskets of that size should be stamped?

Mr. VESTAL. I believe the gentleman is right about that.

Mr. DUNBAR. Then this bill restricts the Climax basket act?

Mr. VESTAL. No; it does not interfere with that at all.

Mr. DUNBAR. Under the Climax basket act could not a container containing more than 4 quarts be exempt from being stamped?

Mr. VESTAL. Yes.

Mr. DUNBAR. What is the reason that a container of less than 4 quarts is not required to be stamped?

Mr. VESTAL. I am not prepared to state that reason.

Mr. DUNBAR. Does not the gentleman believe that the poor man buying 2 quarts should have the same protection under the law as the man buying a bushel?

Mr. VESTAL. I think you will find that all these small baskets are marked, although they are not required to be marked.

Mr. DUNBAR. Will the gentleman tell me why they are marked if they are not required to be marked?

The CHAIRMAN. The time of the gentleman has expired.

Mr. VESTAL. I have an amendment I desire to offer. Some question has been raised by different Members whether or not the metric system might be employed in these different measurements, and in order to be sure about it I move to strike out section 9.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. VESTAL: Page 15, line 11, strike out all of section 9.

The amendment was agreed to.

Mr. UNDERHILL. Mr. Chairman, I ask unanimous consent to proceed out of order for one minute.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to speak out of order for one minute. Is there objection?

There was no objection.

Mr. UNDERHILL. Mr. Chairman, I thought it might interest Members of the House to know that arrangements have been made whereby the municipal swimming pool, under the shadow of the Monument, will be open mornings at 6.30 o'clock, and that Members of Congress and their families can have the use of the pool from 6.30 until 7. I advise all to try it, as it will fit you for the day's work.

The Clerk read as follows:

SEC. 11. That the Secretary of Agriculture shall prescribe such regulations as he may find necessary for carrying into effect the provisions of this act, and shall cause such examinations and tests to be made as may be necessary in order to determine whether hampers, round stave baskets, and splint baskets, or parts thereof, subject to this act, meet its requirements. For said purposes the authorized officers and agents of the Department of Agriculture may visit factories, stock rooms, and other places of business where such hampers, baskets, or parts thereof are manufactured or held for sale or shipment, or offered for sale, may enter cars, vessels, other vehicles, and places under the control of carriers engaged in the transportation of such hampers, baskets, or parts thereof, and may take samples of such hampers, baskets, or parts thereof, the cost of which samples, upon request, shall be paid to the person entitled.

Mr. VESTAL. Mr. Chairman, I desire to offer an amendment to the section. On page 16, line 3, after the word "requirement," strike out the period and insert a comma, and strike out the balance of line 3, lines 4, 5, 6, 7, 8, 9, and the first two words on line 10.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. VESTAL: Page 16, line 3, after the word "requirement," strike out the period and insert a comma, and strike out the remainder of line 3, lines 4 to 10, inclusive, and strike out the words "parts thereof" on line 10.

Mr. VESTAL. I offer this amendment to take out the question of search and seizure.

Mr. WINGO. That takes out all with reference to search and seizure?

Mr. VESTAL. Yes.

Mr. WINGO. I commend the gentleman for his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The amendment was agreed to.

The Clerk read as follows:

SEC. 13. That sections 6 and 7 of this act shall become effective at but not before the expiration of one year following the 1st day of November next succeeding the passage of this act.

Mr. VESTAL. Mr. Chairman, I ask unanimous consent that the Clerk have authority to renumber the sections.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent that the Clerk be authorized to renumber the sections. Is there objection?

There was no objection.

Mr. VESTAL. Mr. Chairman, I move that the committee do now rise and report the bill, with sundry amendments, to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WINGO. I suggest to the gentleman that there was an amendment of mine which the gentleman accepted, and it included the word "section" and the figure "5." I suggest that the word "section" and the figure "5" should be retained, and I ask unanimous consent to reinsert the section and figure.

The CHAIRMAN. The Chair is informed that it was retained.

The motion of Mr. VESTAL was agreed to; accordingly the committee rose, and the Speaker pro tempore [Mr. WALSH] having resumed the chair, Mr. HICKS, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee had had under consideration the bill (H. R. 7102) to fix standards for hampers, round-stave baskets, and splint baskets for fruits and vegetables, and for other purposes, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. VESTAL. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The motion was agreed to, and the previous question was ordered.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

There was no demand for a separate vote.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. GARRETT of Tennessee. Mr. Speaker, I move to recommit the bill with instructions to the committee that it be reported back forthwith, with an amendment striking out all after the word "thereof," in line 10, page 11, down to and including the word "material," at the end of the section.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GARRETT of Tennessee moves to recommit the bill to the Committee on Coinage, Weights, and Measures, with instructions to that committee to report the same back forthwith, with an amendment, at page 11, line 10, after the word "thereof," to strike out the remainder of the section.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. GARRETT of Tennessee and Mr. LONDON) there were 82 ayes and no noes.

So the motion to recommit was agreed to.

Mr. VESTAL. Mr. Speaker, I report back the bill (H. R. 7102) with the following amendment:

On page 11, line 10, beginning with the word "each," strike out the balance of the section.

The SPEAKER pro tempore. The gentleman from Indiana reports back the bill H. R. 7102, with an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. VESTAL reports the bill back to the House with the following amendment: Page 11, line 10, after the word "thereof," strike out the balance of section 4.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken and the bill was passed.

On motion of Mr. VESTAL, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LEAVES OF ABSENCE.

By unanimous consent, leave of absence was granted to—

Mr. LUCE, on account of illness in his family.

Mr. APPLEBY, for four legislative days, June 9 to 13, inclusive, on account of attending unveiling exercises Princeton Battle Monument and the exercises at Rutgers College commencement.

EXTENSION OF REMARKS.

Mr. JACOWAY. Mr. Speaker, I ask unanimous consent to extend and revise my remarks on the Ward sugar resolution.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to revise my remarks upon this bill.

The SPEAKER pro tempore. The gentleman has the right under the general rules of the House to revise the remarks that he has made. If he desires to extend them——

Mr. RAKER. I do not.

ORDER OF BUSINESS.

The SPEAKER pro tempore. Under the order previously entered into, it is now in order to call the Private Calendar, beginning where the last call terminated on April 21, 1922.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 37 minutes p. m.) the House adjourned until to-morrow, Friday, June 9, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. McFADDEN: Committee on Banking and Currency. H. R. 11939. A bill to amend section 5219 of the Revised Statutes of the United States; without amendment (Rept. No. 1078). Referred to the House Calendar.

Mr. SINNOTT: Committee on Public Lands. H. R. 11363. A bill granting a portion of the rents, royalties, and bonuses received from lands within naval petroleum reserves to the States within the boundaries of which said reserves are located; with amendments (Rept. No. 1079). Referred to the Committee of the Whole House on the state of the Union.

Mr. CURRY: Committee on Territories. H. R. 11589. A bill to provide for the transfer of the lands and buildings of the Federal leprosy investigation station at Kalawao, on the island of Molokai, in the Territory of Hawaii, to the Territory of Hawaii, and for other purposes; without amendment (Rept. No. 1081). Referred to the Committee of the Whole House on the state of the Union.

Mr. CURRY: Committee on Territories. H. R. 11590. A bill to amend sections 34 and 40 of the organic act of the Territory of Hawaii; without amendment (Rept. No. 1082). Referred to the House Calendar.

Mr. DENISON: Committee on Interstate and Foreign Commerce. H. R. 11872. A bill to amend sections 7, 8, and 9 of the Panama Canal act; to amend sections 288, 289, 342, 368, and 461 of the Penal Code of the Canal Zone; and section 2 of the Executive order of July 9, 1914, establishing rules and regulations for the opening and navigation of the Panama Canal and approaches thereto, including all water under its jurisdiction; to amend section 6 of an act entitled "An act extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting health, sanitation, quarantine, taxation, public roads, self-propelled vehicles, and police powers on the Canal Zone, and for other purposes, including provision as to certain fees, money orders, and interest deposits," approved August 21, 1916; and to regulate divorces in the Canal Zone, and for other purposes; without amendment (Rept. No. 1083). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. McCORMICK: Committee on Indian Affairs. S. 2210. An act for the relief of Lucy Paradis; without amendment (Rept. No. 1080). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ROSSDALE: A bill (H. R. 11954) to reorganize and improve the postal service in the city of New York and consolidate the various separate post offices and postal districts within the territory of the city of New York into one postal district, which shall consist of five subdivisions similar in territory and boundaries to the five boroughs constituting the city of New York; to the Committee on the Post Office and Post Roads.

By Mr. HAYDEN: A bill (H. R. 11955) to authorize the Secretary of the Interior to issue a patent to the University of Arizona for 160 acres of land; to the Committee on the Public Lands.

By Mr. HULL: A bill (H. R. 11956) to create a board of adjustment which shall constitute a wage board and board of appeals for employees of navy yards and arsenals and to define its powers and duties; to the Committee on Labor.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND of Virginia: A bill (H. R. 11957) for the relief of Edna E. Curtis; to the Committee on Claims.

By Mr. FRENCH: A bill (H. R. 11958) granting a pension to Hanna A. Rice; to the Committee on Pensions.

By Mr. McARTHUR: A bill (H. R. 11959) granting a pension to Clara H. Hollmann; to the Committee on Pensions.

By Mr. MOTT: A bill (H. R. 11960) granting a pension to Margaret Newell; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 11961) granting an increase of pension to Mary C. McCabe; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Colorado: A bill (H. R. 11962) granting an increase of pension to Charlotte S. Norton; to the Committee on Invalid Pensions.

By Mr. VARE: A bill (H. R. 11963) authorizing the President to appoint Anton Lohmiller to the position and rank of captain Quartermaster Corps in the United States Army; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5942. By the SPEAKER (by request): Petition of North Indiana Conference of the Methodist Episcopal Church, representing a membership of 91,866, in support of the constitutional amendment to prohibit sectarian appropriations, House Joint Resolution 159; to the Committee on the Judiciary.

5943. Also (by request), petition of Presbytery of Fort Wayne, Ind., of the Presbyterian Church in the United States, representing membership of 6,392, in support of the constitutional amendment to prohibit sectarian appropriations, House Joint Resolution 159; to the Committee on the Judiciary.

5944. Also (by request), resolution of the Berkshire (Mass.) Baptist Association, representing 3,582 members, in support of the constitutional amendment to prohibit sectarian appropriations, House Joint Resolution 159; to the Committee on the Judiciary.

5945. Also (by request), resolution of the Presbytery of Portland, Oreg., of the Presbyterian Church in the United States, representing a membership of 8,096, in support of the constitutional amendment to prohibit sectarian appropriations, House Joint Resolution 159; to the Committee on the Judiciary.

5946. Also (by request), resolution of the Presbytery of Kalispell, Mont., of the Presbyterian Church in the United States, representing a membership of 929, in support of the constitutional amendment to prohibit sectarian appropriations, House Joint Resolution 159; to the Committee on the Judiciary.

5947. Also (by request), resolution of the Presbytery of Laramie, Wyo., of the Presbyterian Church in the United States, representing a membership of 473, in support of the constitutional amendment to prohibit sectarian appropriations, House Joint Resolution 159; to the Committee on the Judiciary.

5948. Also (by request), resolution of the Presbytery of Mankato, Minn., of the Presbyterian Church in the United States, representing a membership of more than 5,000, in support of the constitutional amendment to prohibit sectarian appropriations, House Joint Resolution 159; to the Committee on the Judiciary.

5949. Also (by request), resolution of the Presbytery of Olympia, Wash., of the Presbyterian Church in the United States, representing a membership of 3,801, in support of the constitutional amendment to prohibit sectarian appropriations, House Joint Resolution 159; to the Committee on the Judiciary.

5950. By Mr. FROTHINGHAM: Resolution adopted at the one hundred and twenty-sixth session of the New England Conference of the Methodist Episcopal Church by the pastors expressing to President Harding their appreciation of the sympathy he has expressed for the adequate enforcement of the eighteenth amendment and that he prevent interference with the impartial and strict enforcement of the Volstead Act; to the Committee on the Judiciary.

5951. By Mr. KISSEL: Petition of R. Herandez Usera, Madrid, Spain, regarding Porto Rico; to the Committee on Foreign Affairs.

5952. Also, petition of William Wallace Brauer, Washington, D. C., regarding credit to Europe; to the Committee on Foreign Affairs.

5953. By Mr. LEA of California: Petition signed by 199 citizens of Oakland, Calif., protesting against the enactment of compulsory Sunday observance bills; to the Committee on the District of Columbia.

5954. By Mr. RAKER: Petition of Vermont Square Methodist Episcopal Church, by Charles D. Lewis, pastor, of Los Angeles, Calif., urging relief for the Armenians; to the Committee on Foreign Affairs.

5955. Also, petition of the California Society of the Sons of the American Revolution, of San Francisco, Calif., protesting against the reduction of the Army and Navy below the strength recommended by the War and Navy Departments; to the Committee on Appropriations.

5956. By Mr. RYAN: Resolution relative to the Irish resolution introduced by Senator NORRIS relating to the Republic of Ireland; to the Committee on Foreign Affairs.

5957. Also, resolutions adopted by the Greater Boston Chapter, Military Order of the World War, urging Congress to support the national defense act of 1920; to the Committee on Appropriations.

5958. By Mr. TINKHAM: Resolution passed at a meeting of the Massachusetts Baraca and Philathea Union, pledging its unqualified support to all officers, State and National, who justly and fearlessly are working for the complete abolition of the age-long curse of strong drink; to the Committee on the Judiciary.

5959. Also, resolution adopted by the Methodist Episcopal Church, Boston Area, Malden, Mass., expressing to President Harding the appreciation of its members for the adequate enforcement of the eighteenth amendment and hoping that he will use all the power at his command to prevent interference with the impartial and strict enforcement of the Volstead Act; to the Committee on the Judiciary.

SENATE.

FRIDAY, *June 9, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Glass	McKinley	Simmons
Ball	Gooding	McNary	Smith
Borah	Hale	Myers	Smoot
Brandegee	Harris	Nelson	Spencer
Broussard	Harrison	Newberry	Sterling
Calder	Heflin	Nicholson	Sutherland
Cameron	Johnson	Oddie	Swanson
Capper	Jones, N. Mex.	Overman	Townsend
Culberson	Jones, Wash.	Page	Underwood
Cummins	Kellogg	Phipps	Wadsworth
Curtis	Kendrick	Pittman	Walsh, Mass.
Dial	Keyes	Poindexter	Warren
Dillingham	King	Pomerene	Watson, Ga.
Elkins	La Follette	Rawson	Watson, Ind.
Fernald	McCormick	Robinson	Williams
Gerry	McCumber	Sheppard	Willis

Mr. UNDERWOOD. I desire to state that the Senator from Florida [Mr. FLETCHER] is detained by illness. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Sixty-four Senators have answered to their names. A quorum is present.

PUBLICITY FUND OF FEDERAL RESERVE BOARD.

The VICE PRESIDENT laid before the Senate a communication from the governor of the Federal Reserve Board, transmitting, in response to Senate Resolution 302, agreed to June 7, 1922, certain information relative to publicity funds, etc., which was referred to the Committee on Banking and Currency.

PETITIONS.

The VICE PRESIDENT laid before the Senate resolutions adopted by the Travelers' Protective Association of America, at Atlantic City, N. J., favoring the enactment of legislation amending the transportation act of 1920, so as to reinvest State commissions with power to regulate intrastate transportation systems, which were referred to the Committee on Interstate Commerce.

Mr. WILLIS presented a resolution of the Cincinnati (Ohio) Chamber of Commerce, favoring the passage of House bill 9446, providing for the incorporation of the American Institute of Accountants, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the board of directors of the Bankers' Association for Foreign Trade, at Philadelphia, Pa., favoring the enactment of legislation granting a

ship subsidy for the relief of the merchant marine, which was referred to the Committee on Commerce.

WHITE HOUSE POLICE FORCE.

Mr. JONES of Washington. Mr. President, last night the bill (S. 3659) to create the White House police force, and for other purposes, was reported and passed by unanimous consent when I was temporarily absent from the Chamber. I desire to enter a motion to reconsider the vote by which the bill was passed, the motion to be taken up for consideration later on.

The VICE PRESIDENT. The motion to reconsider will be entered.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH of Massachusetts:

A bill (S. 3697) granting a pension to Mary E. Rae; to the Committee on Pensions.

A bill (S. 3698) for the relief of the Staples Transportation Co., of Fall River, Mass.; to the Committee on Claims.

By Mr. POINDEXTER:

A bill (S. 3699) granting a pension to Melissa I. Ticknor; to the Committee on Pensions.

By Mr. BALL:

A joint resolution (S. J. Res. 205) authorizing the transfer to the jurisdiction of the Commissioners of the District of Columbia of a certain portion of the Anacostia Park for tree nursery purposes; to the Committee on the District of Columbia.

By Mr. BALL (by request):

A joint resolution (S. J. Res. 206) changing the name of Sixteenth Street NW. to Presidents Avenue; to the Committee on the District of Columbia.

LOAN OF COTS TO CONFEDERATE VETERANS.

Mr. SWANSON. Mr. President, I introduce a joint resolution which is very urgent and which it is important to pass to-day or to-morrow, and I ask for its present consideration. It provides for the loan of cots for the national encampment of United Confederate Veterans.

The joint resolution (S. J. Res. 204) to authorize the loan by the Secretary of War to the commander in chief of the United Confederate Veterans of cots for the use of the members of the United Confederate Veterans during the sessions of the national encampment of the United Confederate Veterans at Richmond, Va., from June 19 to 22, 1922, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the Secretary of War is authorized to lend 1,000 cots to the commander in chief of the United Confederate Veterans at their national encampment to be held in Richmond, Va., June 19 to June 22, 1922, upon receiving a bond satisfactory to the Secretary of War to indemnify the United States of America from loss or injury to such cots, or any of them, such indemnity bond to be drawn by and approved by the Secretary of War.

Mr. TOWNSEND. Mr. President, I wish to make an inquiry of the chairman of the Committee on Military Affairs. As I understand the joint resolution, it proposes to loan certain Army equipment for an encampment in Richmond, Va. Was the joint resolution reported from the Senator's committee?

Mr. SWANSON. The joint resolution will have to be passed to-day or to-morrow. Last year the same loan was made for the encampment of the Spanish War Veterans.

Mr. WADSWORTH. May I ask the Senator from Virginia if this is for the national encampment?

Mr. SWANSON. It is for the national encampment for the entire South, which meets in Richmond from June 19 to 22.

Mr. WADSWORTH. What does it provide for?

Mr. SWANSON. For the loan of 1,000 cots. It is exactly what has been done heretofore for the national encampments of the Spanish War Veterans, the World War Veterans, and the Civil War Veterans.

Mr. WADSWORTH. I simply desire to remind the Senator and others who may be interested that up to date and for the last two years the Committee on Military Affairs has confined its favorable action upon measures of this sort to those which relate solely to national encampments of the Grand Army of the Republic, the Confederate Veterans, the Spanish War Veterans, and the World War Veterans.

Mr. SWANSON. This is the national encampment for the entire South, which meets at Richmond on the 19th of June. It embraces the Confederate Veterans of the whole United States.

Mr. WADSWORTH. Very well.

Mr. TOWNSEND. I understand that the joint resolution does not come from the Military Affairs Committee, but is introduced on the floor of the Senate?

Mr. WADSWORTH. Such resolutions have always gone to the Committee on Military Affairs.

Mr. TOWNSEND. I am interested in one such joint resolution, as the Senator knows. I have no objection to this one, but I want no discrimination, because I have been turned down on one of them myself. Mine, of course, did not apply to a national encampment.

Mr. SWANSON. There is a law authorizing the loan of Army equipment, but it does not include cots. The War Department can lend tents, but is not authorized to include cots. The Secretary of War stated that he is perfectly willing to loan the cots, but that he would rather have the resolution passed. It is exactly like one which was passed last year.

Mr. WADSWORTH. The Senator is quite correct. The Senate has taken that action for national encampments.

There being no objection, the joint resolution was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a bill and joint resolution of the following titles, in which it requested the concurrence of the Senate:

H. R. 7102. An act to fix standards for hampers, round stave baskets, and splint baskets for fruits and vegetables, and for other purposes; and

H. J. Res. 343. Joint resolution authorizing the Secretary of War to loan cots, mattresses, and blankets for the use of the American Legion at the Michigan State encampment, to be held in Iron Mountain, Mich., in July, 1922.

HOUSE BILL AND JOINT RESOLUTION REFERRED.

The following bill and joint resolution were each read twice by title and referred as indicated below:

H. R. 7102. An act to fix standards for hampers, round stave baskets, and splint baskets for fruits and vegetables, and for other purposes; to the Committee on Manufactures.

H. J. Res. 343. A joint resolution authorizing the Secretary of War to loan cots, mattresses, and blankets for the use of the American Legion at the Michigan State encampment to be held in Iron Mountain, Mich., in July, 1922; to the Committee on Military Affairs.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. KELLOGG. Mr. President, I have been listening to this filibustering tariff debate for six weeks. So far I have not taken five minutes of the time of the Senate on this bill. I have tried to inform myself on the various schedules and to vote as intelligently as possible, in the hope that within a reasonable time a tariff bill might be passed and other needed legislation taken up; but it is apparently hopeless, under the rules of the Senate, where business is done by unanimous consent and where any Senator can talk on any subject at any time he sees fit, to accomplish anything; and I am going to ask the indulgence of the Senate for a few moments to discuss the agricultural schedule.

Over and over again it has been asserted on the Democratic side of this Chamber that we are placing the burden upon the farmer, and great solicitude for his welfare has been expressed, which, in view of the record of the Democratic Party, can not be taken seriously. When in power that party never did anything for the farmer. In 1913, in the Underwood bill, it placed practically all of the farm products in the country upon the free list, while affording some protection to the principal manufactured products of the South and the manufactured products generally throughout the country, and during the entire 12 years of Democratic administration, including the war, not a thing was accomplished for the farmers. On the contrary, under the guise of inducing production of wheat during the war, the price was fixed far below the market price in this country or in the world, while the prices of other products, which the farmer had to buy, were allowed to rise to unreasonable heights. It is perfectly evident why the Democratic Congress, controlled by the Southern States, will not and does not desire to protect the farmer. Cotton, except the long-staple cotton raised in Arizona, has no foreign competition, and the Arizona Senators are in favor of the protection of that.

The great staple products of grain and live stock are raised in the Northern States, and if protected, it has always been by a Republican Congress and not by a Democratic one. In fact,

nearly all the important legislation in the interest of agriculture in the last 10 years has been passed since March, 1921, when the present administration came into power. It is not my intention to review all of that legislation—the Senate is perfectly familiar with it—but let me briefly mention that which has been enacted since March, 1921:

The emergency tariff act.

The packers' control act.

The act regulating future trading on grain exchanges.

The act extending the powers of the War Finance Corporation in order to furnish a market for farm products abroad and to relieve the farmers' credit situation.

An act appropriating $35,000,000 to aid the Federal land banks.

An act authorizing the joint-stock land banks to sell bonds at 5½ per cent without an increase in the rate of interest to the farmers.

The farmers' cooperative marketing act.

An act appropriating $350,000 for extermination of barberry to prevent black rust.

An act to add a representative of agriculture to the Federal Reserve Board.

The emergency tariff act passed by the Republican Congress in May, 1921, restored protection to all the leading farm products, which had existed prior to the Democratic measure of 1913, and the present act continues such protection in the interest of the farmer.

I know much has been said in the Senate to the effect that we are always legislating for the farmer. If anyone is entitled to it, he is. If there is any legislation he wants that I believe in any way will aid him, I am going to vote for it. There is no business in the United States which takes as many risks, in which the labor is so great and the return so small, as agriculture—no business so vital to the needs of the Nation. The farmer takes the risks of the weather, the late frosts in the spring and the early frosts in autumn, the excessive rainfall, the drought, the cold, and the intense heat. If he gets by all these difficulties and dangers, he is confronted with the chinch bug, the black rust or blight in the wheat area, with boll weevil in the cotton fields, and with innumerable bugs and diseases which scientists have discovered but have been unable to prevent. If he gets by all these and is ready to market his crop, he is dependent upon the markets of the world, the wholesalers, commission merchants, and a horde of others, who control his markets. I know whereof I speak. I lived on a farm in Minnesota until I was 19 years old, and for many years performed the ordinary daily labors of the farm. I saw all the difficulties and worries and anxieties which confront the farmer, the hope year after year to reduce the mortgage upon the little farm, which increased instead of decreased.

I do not deny that agriculture has made great strides and can do much more, but, after all, it is the business that furnishes the food for the world and is subject to the greatest risks and discouragements and returns the smallest profit. If I can vote for any tariff bill to protect him, any bill to encourage him, to furnish him adequate credits and aid him in his struggle against the forces of nature, the evils of bugs and diseases and adverse markets, I am willing to do it.

Now, Mr. President, a few words about the present tariff on farm products. The facts are that prior to the coming into power of the Democratic Party in 1912 nearly all the farm products produced were protected. I have a list here, which I ask to have placed in the RECORD, covering wheat, flour, corn, cattle, sheep, potatoes, butter, cheese, milk, and cream. I will not stop to read it but will merely say that the duties in the emergency tariff act on some articles are a little higher than the Payne-Aldrich duties while on other articles they are substantially the same.

The VICE PRESIDENT. Without objection, the list will be printed in the RECORD.

The table referred to is as follows:

Comparison of duties between emergency bill and the Payne-Aldrich bill.

	Emergency.	Payne-Aldrich.
Wheat flour	35 cents per bushel or 20 per cent ad valorem	25 cents. 25 per cent.
Corn	15 cents per bushel	15 cents.
Cattle	30 per cent ad valorem	27½ per cent.
Sheep, 1 year old	$2 per head	$1.50.
Sheep, less	$1 per head	75 cents.
Potatoes	25 cents per bushel	25 cents.
Butter	6 cents per pound	6 cents.
Cheese	23 per cent ad valorem	6 cents.
Milk	2 cents per gallon	2 cents.
Cream	5 cents per gallon	5 cents.

Mr. KELLOGG. Immediately the Democratic Party came into power—and there is no use disguising the fact—they obtained control which did not come from the States that produce the great staple products which furnish the food for the American people. They wrote the tariff act of 1913, and the Northern and the Western States, which do produce all these products, had nothing to say about it. All the farmer asks is that if we are going to have protection, his products be protected the same as others; that he be not made the drudge to furnish the food for the American people, without protection, while the rest of the country receives protection.

I ask unanimous consent to insert in the RECORD at the end of my remarks, without reading, a table showing the rates on farm products in the pending bill, under the Underwood Act of 1913, under the Payne-Aldrich Act of 1909, and under the emergency tariff act.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KELLOGG. Mr. President, what occurred to the American farmer the moment the Underwood bill was passed placing his products upon the free list? We opened the door of our domestic market to all the products of Canada, raised upon virgin soil and cheap land. In 1912, before the Underwood bill was passed, only 47.47 per cent of our imports from Canada came into the United States free of duty. In 1914, the year after the Underwood bill was passed, 80.97 per cent of the imports from Canada came in free of duty, and in 1919, 88.73 per cent of the imports from that country came in free of duty, and this ratio has substantially continued. What are these imports? Principally agricultural products.

I do not object to free trade in lumber, and iron ore, and coal; I am in favor of it and I shall have something to say about that subject when we reach it. But I do object to the country protecting the other industries and placing on the free list the articles which the farmer produces by his toil and the sweat of his brow. If the people of this country want the cheapest food let them do their share in producing it. It is evident that the rural population of this country is decreasing from year to year in proportion to the total population, and I pause to ask the Senate how many years it will be before the farmer will refuse to produce the food to support the American people unless it is profitable.

I know it is argued by the Democratic Senators that because we produce a surplus of agricultural products which must be sold in foreign markets, therefore there should be no protection because the price is made abroad. That is the same old argument which has always been advanced against any kind of protection to the producer who exports any part of his product. We also produce a surplus of manufactured products which must seek their market in foreign countries, and yet it has been the policy of the Republican Party to give a reasonable protection in the domestic market to American industries, and it is a policy which has brought prosperity to this country, and whenever it has been abandoned it has been followed by disaster.

Beginning in 1920 the prices of farm products declined far below the decline in other products in the country or the price of labor, until what the farmer had to sell was on the average lower than all the other products in the country, and his dollar was deflated a greater per cent than the dollar produced in other industries.

I recollect that in the fall of 1921 an estimate was made that comparing the market price of all standard products with the price of wheat, wheat should sell for at least $1.50 a bushel in order to equal the purchasing power in other products which it formerly had. This was demonstrated by the statistics of the Government. It brought disaster to the country, and if it had not been arrested would have been followed by a financial crash unequaled in our history. The emergency tariff act, the farm legislation, and the economic steps taken by the Government, prevented a further decline, and prices are now coming back near to normal and the conditions, though not satisfactory, are improving in the farming communities. And now the Democratic Party wishes to place all farm products on the free list and subject our farmers to the competition of the flood of imports from Canada, Argentina, and other countries.

I have not the time to go through all of these farm schedules, but the figures show not only decreasing imports but increasing prices under the effect of reasonable protection to farm products. As a matter of fact, during 1920, in the months when Canadian wheat was being shipped into this country in enormous quantities free of duty, the price averaged higher in Winnipeg than in Minneapolis for the same grade of wheat, ranging from 15 to 30 cents a bushel higher. It is fair to say that part of that was probably due to the rate of exchange. In the same months in 1921, under the emergency

tariff, the price ranged from 10 to 25 cents a bushel higher in Minneapolis than in Winnipeg.

I know it will be said that so long as both countries export their surplus to a foreign market the tariff can not benefit the farmer; but it does benefit him, for the reason that the millers of the United States will pay a premium for high-grade spring wheat to mix with winter wheat and lower-grade spring wheat, and what I am saying generally about the effect of importations as to wheat and flour applies to the importations of all other products. The United States is the farmers' biggest market. Let me show you what occurred immediately the war embargo was removed from importations of Canadian wheat on September 1, 1920. From 1909 to 1913 the average importation of wheat from Canada to the United States was 940,000 bushels, and the average importation of flour was 132,000 barrels. Beginning September 1, 1920, there was a perfect flood of importations into the United States. During the last four months of 1920—September, October, November, and December—there were imported into the United States either in wheat or the equivalent of wheat in flour 35,074,676 bushels, and in the first three months of the year 1921 14,267,095 bushels, making substantially forty-nine and a quarter million bushels. If we produce a surplus, as we do, will the Senate tell me what that wheat was sent to the United States for if it did not affect the American price and the American market? Of course it did. That grain was not sent to the United States simply to be shipped through to foreign countries.

In addition to the 49,000,000 bushels imported during that time, 41,000,000 bushels were shipped through the United States over the United States railways and waterways to foreign countries, making in the neighborhood of a little over 90,000,000 bushels of Canadian grain. Of course, it is fair to say that the 41,000,000 bushels were simply shipped through and did not come in competition in the American market with American grain. It was shipped through, the same as a large amount of Canadian grain is always shipped through, in bond, and it always will be, because of the facilities for handling it in the United States; but practically 50,000,000 bushels from September, 1920, to March, 1921, inclusive, came in here for domestic use and consumption in competition with American wheat.

At the end of my remarks I introduce a table, compiled by the external trade branch of the Dominion Bureau of Statistics in Canada, showing the Canadian exports of various articles to the United States before and after the adoption of the emergency tariff, and if Senators are interested in this table they will find a tremendous decrease of agricultural imports from Canada in the 10 months of 1922 as compared with the 10 months of 1921, and comparing January, February, and March of 1921 and 1922, under free trade and under the emergency tariff, a general decrease in imports will be found—not in every product but, in the main, in the large items.

What I have said of wheat and flour applies with equal force to other products of the farm, such as live stock, meats, wool, butter, cheese, and other articles on which a duty was levied in the emergency tariff act and in the present bill. We all remember how unsparingly this emergency tariff was denounced by the Democratic minority in the Senate and in the House of Representatives. Mr. KITCHIN, the minority leader of the House, during the debate on the emergency tariff bill, said:

> The policies and principles advocated by the Democratic Party and inspiring the continued maintenance of its organization for nearly 100 years forbid our approval of the pending bill, and impel us to vigorously protest against its passage. * * * We take this opportunity to reassure the Democracy of the Nation that the Democrats and Congress will take no back track on the tariff. * * * To us, Republican protection is no better now than when the Tilden platform of 1876 denounced it "as a masterpiece of injustice, inequality, and false pretense." It is no better now than when the Cleveland platform of 1892 denounced it as a fraud—a robbery of the great majority of the American people for the benefit of a few.

I might remark that no one expects that party to take the back track on the question of the tariff or to ever learn anything from the experience of the past. To that party it is not an economic issue, it is a moth-eaten tradition, because it has opposed protection for 100 years it should continue to do so. That the country has been prosperous, has grown and developed its industries under a tariff, that agriculture has improved, makes no difference. It is opposed to protection because it always has been opposed to it.

Again and again I have heard the argument upon the floor of the Senate within the last six weeks that the Democratic Party is opposing protection in order to increase imports to this country and build up a foreign trade to furnish a market for the farmer. There is nothing to indicate that his market has suffered under the emergency tariff act, and what is the use of taking away from him the greatest market at home in order to find a less desirable one abroad? Of course we must aid in building up our foreign commerce and in finding a market for the surplus of farm products, but we can not do that by taking down the bars and injuring his market at home. But the tariff act of 1913, which put farm products on the free list and reduced the tariff rates on many other articles did not increase our exports. Nineteen hundred and thirteen was the year in which the Democratic tariff bill was passed. The next year our exports had dropped $100,000,000, and the balance of trade in favor of the United States had dropped from $652,000,000 to $470,000,000.

Commencing with the war our exports tremendously increased. The reason of this every one knows. No tariff cut any figure at that time. Enormous quantities of war material and foodstuffs were purchased in the United States, because they could not be procured in any other place, and the foreign commerce of Germany, England, France, and Italy was very largely interfered with, so that our exports were practically measured by what we could produce and sell. These exports continued to increase from 1914 until 1921. Examination of the exports of farm products after the emergency tariff was passed does not show that the farmers have suffered in their foreign market by reason of the tariff. Take Canada, for instance. Our exports to Canada in 1920 were $971,000,000; our imports from Canada, $611,000,000. In 1921 the exports to Canada were $593,000,000, while the imports from Canada were only $335,000,000, showing that our imports decreased very much more rapidly than our exports. Of course all our imports and exports after the war—some two years after the war—when its effect had died out and the purchasing power of the countries had been rehabilitated to some extent, enormously decreased. We must expect that.

In the Argentine our exports in 1920 were $213,000,000, while our imports were $207,000,000. In 1921 the exports to Argentina were $110,000,000, being nearly double the amount of our imports, which were $59,000,000. Of course all our foreign commerce has fallen off since the change of conditions brought about by the war. I do not say that a tariff on all imports could not be made so high as to injuriously affect our foreign commerce, and I am not in favor of building a tariff wall around the United States. I am speaking now of a tariff on farm products, and I believe that the emergency tariff has been of inestimable value to the farmers of this country. Within the last few months there has been a very great improvement in prices on all of these products. When the emergency tariff was before the Senate I submitted a report of the Bureau of Markets, which I now wish to call to the attention of the Senate. It will be found on page 9 of the report of the House committee on the emergency tariff. Among other things, the bureau reported as follows:

> There is a great surplus supply of meats and meat products in the United States, and prices of live stock have been driven to a decline much more rapid than the decline in cost of production, while imports of meats have further depressed the market. This constitutes a menace to the live-stock industry. Live-stock operations (before the war frequently precarious and unprofitable) did not during the war build up a reserve of profits sufficient to offset the present losses due to the current marketing of war stimulated production at less than its cost.

Then the Bureau of Markets, a Government agency, proceeds to give these statistics, and says:

> On the other hand, following the putting of meat on the free list in 1913, imports began a rapid development, which was cut off only by the war, and in 1919–20 show a marked tendency to resume. These facts need to be considered in conjunction with the fact that the Chicago packers control from 50 to 60 per cent of the meats shipped from South America to world markets. With our exports practically no greater than in 1910 and with a strong potentiality for increase of imports, the American farmers urgently need protection for their cattle and sheep products. Imports of mutton and lamb for the years 1917–1919 averaged about 6,000,000 pounds; in 1920 they were 100,000,000 pounds, and had a far more depressing effect on sheep and lamb prices than on consumers' prices of the products.

That the American farmers urgently need protection for their cattle and sheep products has been borne out by the effect of the emergency tariff.

The Senator from Mississippi [Mr. WILLIAMS] the other day read an editorial, I believe from the New York Tribune, in which it was stated that business throughout the United States was improving, citing manufacturing and commercial business generally. That is true; and why? A year ago business was in bad condition, largely because the purchasing power of the farming communities, including the small towns supported by agriculture, had tremendously decreased. The farmer could not pay the cost of production of his farm products, to say nothing about any profit whatever.

Mr. WATSON of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Georgia?

Mr. KELLOGG. I yield.

Mr. WATSON of Georgia. In what part of the country does the Senator say that business is improving?

Mr. KELLOGG. I think generally throughout the country business has improved. I was going to say that it has improved very much in the farming communities. That is the point I was coming to.

What is the cause of the improvement, especially in the West and in the manufacturing and business centers of the country? We are apt to look at the great manufacturers and railroads and banks for improvement in business. As a matter of fact, the real fact is that when the farming communities are prosperous the others are prosperous and when the farming communities are not prosperous the others are not prosperous. You can not build from the top down; you have to build from the bottom up.

Mr. McLEAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Connecticut?

Mr. KELLOGG. I do.

Mr. McLEAN. Does not the Senator think that the prosperity of the manufacturing interests of the country is as important as the prosperity of the agricultural interests?

Mr. KELLOGG. Certainly; and I was going to mention that fact. Of course, it does not do to say that we should have prosperity only among the farmers, although that is the prime necessity, because a nation based upon agriculture with prosperous, independent farming communities who are proprietors is always prosperous. That must go hand in hand with the prosperity of the manufacturing communities, because it is not in the interest of the farmer to buy his products in Europe, simply because he may buy them a little cheaper, because he wishes the great manufacturing centers and the cities for his market; he wishes American labor for his market.

I say, however, that protection of farm products should go along with protection of our manufacturers, protection of our labor, protection of all of our industries, not to the degree of absolute embargo, but to the degree of giving the preference to the American farmer and the American producer, in whatever branch his business may be.

Mr. President, I ask permission to insert at the end of my remarks a table compiled by the external trade branch, Dominion Bureau of Statistics, showing Canadian exports to the United States affected by the emergency tariff during January, February, and March of 1922, and the 10 months ending March, 1922; also a table showing the average price of No. 1 northern spring wheat at Minneapolis and Winnipeg from July 1, 1920, to May 18, 1922.

There being no objection, the tables referred to were ordered to be printed in the RECORD, as follows:

Canadian exports to United States affected by emergency tariff, January, February, and March, 1922, and 10 months ending March, 1922.

[Compiled by the External Trade Branch, Dominion Bureau of Statistics.]

	Tariff number and article.	Unit of quantity.	January.		February.		March.		Ten months ended March—	
			1921	1922	1921	1922	1921	1922	1921	1922
177	Sugar	Pound	1,300	5,600	600	2,903	191,820	2,932	50,697,377	23,715
	Molasses	Gallon	1,287	161,196	19,570	64,107	21,604	103,725	639,596	1,104,525
181	Tobacco	Pound	225	85	162	5,148	1,160	2,368	25,574	11,262
195	Butter and substitutes therefor	do	38,395	185,828	4,660	106,004	19,590	32,352	5,128,435	2,968,589
196	Cheese and substitutes therefor	do	5,771	81,553	169,240	7,904	5,644	397,008	565,537	2,952,120
Ex. 197	Beans not specially provided for	Bushel	696	633	722	225	948	29	6,608	3,545
Ex. 212	Flax seed	do	127,912	6,468	19,068	55,293	14,076	19,413	1,349,063	2,706,656
Ex. 217	Apples	Barrel	888	5,199	666	126	342	821	25,356	486,274
Ex. 465	Corn or maize	Bushel	71	50	1,108		3,403	3,335	6,241	5,535
Ex. 545	Fresh or frozen beef, veal, mutton, lamb, and pork	Pound	2,234,400	931,900	938,700	452,800	1,893,000	1,073,300	34,228,200	24,792,300
	Meats of all kinds, prepared or preserved, not specially provided for	do	120,630	88,402	188,282	27,023	223,922	151,007	2,730,564	1,095,650
547	Milk, fresh	Gallon	68,502	70,696	45,120	91,111	96,206	105,716	1,341,193	1,202,024
	Cream	do	27,498	222,094	21,046	46,850	31,606	73,661	1,154,630	1,495,280
	Milk, preserved or condensed, or sterilized, by heating or other processes, including weight of immediate coverings	Pound	154,336	49,542	1,186,334		1,864,388		13,172,338	1,251,724
Ex. 581	Potatoes	Bushel	229,421	213,823	108,413	276,567	351,023	387,066	2,267,207	1,395,512
Ex. 619	Cattle	Head	11,182	4,212	5,166	1,610	13,233	2,110	279,637	142,706
	Sheep	do	14,757	2,215	315	8,502	1,251	6,323	184,570	97,950
Ex. 644	Wheat	Bushel	4,049,702	21,476	4,247,652	25,157	3,131,237	42,291	42,251,768	11,012,850
	Wheat flour and semolina	Barrel	174,846	55,564	198,712	60,936	198,968	71,063	1,179,541	429,947
Ex. 650	Wool	Pound	1,544,502		397,085	22,417	482,540	117,817	7,047,350	267,380

Average price No. 1 northern spring wheat at Minneapolis and Winnipeg, July 1, 1920, to May 18, 1922.

Date.	Minneapolis.	Winnipeg.	Date.	Minneapolis.	Winnipeg.
1920.			1921.		
July 1		$2.15	Jan. 6		$1.98
July 8		2.15	Jan. 13		2.01
July 15	$2.90	2.15	Jan. 20	$1.76	1.93
July 22		2.15	Jan. 27		1.88
July 29	2.70	2.15	Feb. 3	1.65	1.72
Aug. 5	2.62	2.15	Feb. 10		1.95
Aug. 12	2.90	2.15	Feb. 17		1.92
Aug. 19		2.15	Feb. 24	1.78	1.91
Aug. 26	2.55	2.15	Mar. 3	1.75	1.96
Sept. 2	2.59	2.77	Mar. 10		1.95
Sept. 9	2.67	2.82	Mar. 17	1.76	1.88
Sept. 16	2.58	2.81	Mar. 24	1.70	1.90
Sept. 23	2.50	2.65	Mar. 31	1.49	1.82
Sept. 30	2.36	2.42	Apr. 7	1.62	
Oct. 7		2.20	Apr. 14		1.67
Oct. 14	2.17	2.45	Apr. 21		1.81
Oct. 21	2.13	2.33	Apr. 28		1.80
Oct. 28	2.10	2.33	May 5		1.85
Nov. 4		2.22	May 12	1.53	1.82
Nov. 11	1.82	2.11	May 19		1.88
Nov. 18		2.04	May 26		1.89
Nov. 25		1.80	June 2	1.69	1.96
Dec. 2	1.64	1.97	June 9	1.82	1.93
Dec. 9		1.93	June 16		1.83
Dec. 16	1.59	1.94	June 23		1.90
Dec. 23	1.71	1.95	June 30		
Dec. 30	1.82	1.94	July 2		1.87

Average price No. 1 northern spring wheat at Minneapolis and Winnipeg, July 1, 1920, to May 18, 1922—Continued.

Date.	Minneapolis.	Winnipeg.	Date.	Minneapolis.	Winnipeg.
1921.			1921.		
July 9		$1.84	Dec. 29	$1.32	$1.14
July 16	$1.96	1.88			
July 23		1.85	1922.		
July 30		1.85	Jan. 5		1.12
Aug. 4	1.57	1.76	Jan. 12		1.12
Aug. 11	1.62		Jan. 19		1.17
Aug. 18	1.52		Jan. 26		1.15
Aug. 25			Feb. 2		1.20
Sept. 1	1.43	1.60	Feb. 9		1.52
Sept. 8			Feb. 16	1.57	1.37
Sept. 15	1.56	1.49	Feb. 23		1.44
Sept. 22	1.50		Mar. 2	1.56	1.46
Sept. 29	1.48	1.38	Mar. 9		1.41
Oct. 6	1.64	1.16	Mar. 16	1.48	1.40
Oct. 13	1.36		Mar. 23		1.39
Oct. 20	1.28	1.09	Mar. 30		1.39
Oct. 27	1.28	1.09	Apr. 6		1.36
Nov. 3	1.18	1.02	Apr. 13		1.41
Nov. 10	1.27	1.10	Apr. 20		
Nov. 17		1.08	Apr. 27	1.63	
Nov. 24		1.16	May 4	1.66	
Dec. 1	1.38	1.16	May 11	1.63	
Dec. 8	1.30	1.18	May 18	1.65	
Dec. 15	1.25	1.09	May 25		
Dec. 22	1.33	1.14			

Rates.

Article.	Senate bill.		Act of 1913.		Act of 1909.		Emergency tariff.	
	Par.	Rate.	Par.	Rate.	Par.	Rate.	Par.	Rate.
Cattle:								
Weighing less than 1,050 pounds each	701	1½ cents per pound	619	Free		See below	12	30 per cent ad valorem.
Weighing 1,050 pounds or more	701	2 cents per pound	619	do		do	12	30 per cent ad valorem, except for breeding.
Less than 1 year old		See above		See above	225	$2 per head		
All other, valued at not more than $14 per head.		do		do	225	$3.75 per head		
All other, valued at more than $14 per head.		do		do	225	27½ per cent ad valorem		Do.
Sheep:								
1 year old or over	702	$2 per head	619	Free	228	$1.50 per head	13	$2 per head.
Less than 1 year old	702	do	619	do	228	75 cents per head	13	$1 per head.
Swine	703	½ cent per pound	619	do	226	$1.50 per head		
Wheat	730	30 cents per bushel of 60 pounds.	644	Free (countervailing duty).	242	25 per cent ad valorem.	1	35 cents per bushel.
Wheat flour	730	78 cents per 100 pounds	644	do	243	do	2	20 per cent ad valorem.
Oats:								
Hulled or unhulled	727	15 cents per bushel of 32 pounds.	192	6 cents per bushel of 32 pounds.	238	15 cents per bushel		
Unhulled ground oats	727	45 cents per 100 pounds	192	do	238	do		
Corn or maize	725	15 cents per bushel of 56 pounds.	465	Free	235	15 cents per bushel of 56 pounds.	4	15 cents per bushel of 56 pounds.
Barley, hulled or unhulled	723	20 cents per bushel of 48 pounds.	188	15 cents per bushel of 48 pounds.	230	30 cents per bushel of 48 pounds.		
Rye	729	15 cents per bushel of 56 pounds.	589	Free	241	10 cents per bushel		
Flaxseed	760	40 cents per bushel of 56 pounds.	212	20 cents per bushel of 56 pounds.	266	25 cents per bushel of 56 pounds.	3	30 cents per bushel of 56 pounds.
Potatoes, white or Irish	769	58 cents per 100 pounds	581	Free (countervailing duty).	265	25 cents per bushel of 60 pounds.	7	25 cents per bushel of 60 pounds.
Butter	709	8 cents per pound	195	2½ cents per pound	245	6 cents per pound	21	6 cents per pound.
Cheese:								
Valued at less than 30 cents per pound	710	5 cents per pound	196	20 per cent ad valorem.	246	do	22	23 per cent ad valorem.
Valued at 30 cents or more per pound	710	25 per cent ad valorem.	196	do	246	do	22	Do.
Milk, fresh	707	2½ cents per gallon	547	Free	247	2 cents per gallon	23	2 cents per gallon.
Sour milk and buttermilk	707	1 cent per gallon	547	do		No provision		
Cream	707	22½ cents per gallon	547	do	247	5 cents per gallon	23	5 cents per gallon.
Fresh beef and veal	701	3½ cents per pound	545	do	285	1½ cents per pound	14	2 cents per pound.
Mutton and goat meat	702	2½ cents per pound	545	do	285	do	14	Do.
Fresh lamb	702	5 cents per pound	545	do	285	do	14	Do.
Fresh pork	703	¾ cent per pound	545	do	285	do	14	Do.
Bacon	703	2 cents per pound	545	do	284	4 cents per pound		
Hams	703	do	545	do	284	do		
Shoulders	703	do		See above		See below		
Other pork, prepared or preserved	703	do		See below		do		
Meats of all kinds, prepared or preserved, n. s. p. f.		See above	545	Free	286	25 per cent ad valorem.		
Meats, fresh, prepared or preserved, n. s. p. f.	706	20 per cent ad valorem.	545	do	286	do	14	25 per cent ad valorem.
Reindeer meat, venison, and other game (except birds), n. s. p. f.	704	4 cents per pound	227	1½ cents per pound	285	1½ cents per pound		
Eggs:								
Of poultry in the shell	713	8 cents per dozen	478	Free	256	5 cents per dozen		
Whole eggs, egg yolk, and egg albumen, frozen or otherwise, prepared or preserved, and n. s. p. f.	713	6 cents per pound	203	2 cents per pound		See below		
Dried whole eggs	713	18 cents per pound	204	10 cents per pound	257	15 cents per pound		
Dried egg yolk	713	do						
Dried egg albumen	713	do	4	3 cents per pound	257	3 cents per pound		
Frozen or liquid egg albumen		See above	203	1 cent per pound				
Eggs, yolk of		do	204	10 per cent ad valorem.	257	25 per cent ad valorem.		
Birds, live:								
Poultry	711	3 cents per pound	229	1 cent per pound	289	3 cents per pound		
All other—								
Valued at $5 or less each	711	50 cents each	416	Free	510	Free		
Valued at more than $5 each	711	20 per cent ad valorem.						
Birds, dead, dressed or undressed:								
Poultry	712	6 cents per pound	229	2 cents per pound	289	5 cents per pound		
All other	712	8 cents per pound	227	30 per cent ad valorem.		No corresponding provision.		
All the foregoing, prepared or preserved in any manner, and n. s. p. f.	712	35 per cent ad valorem.		See above		See above		
Horses and mules:								
Valued at not more than $150 per head	714	$30 per head	186	10 per cent ad valorem.	227	$30 per head		
Valued at more than $150 per head	714	20 per cent ad valorem.			227	25 per cent ad valorem.		

Mr. SIMMONS. Mr. President, I have listened with much interest to the remarks of the distinguished Senator from Minnesota [Mr. KELLOGG]. I was very glad to have him express himself, because I had heard from time to time that he claimed to be a friend of the farmer, and in observing his votes since this bill has been before the Senate, I have come rather seriously to suspect that I was mistaken in the supposition in this behalf.

The Senator twits the Democrats for disregarding the interests of the farmer. I recognize that there are quite a number of duties carried in this bill which it is claimed will benefit the farmer, some of them pretty high duties upon his products. Some few of the products upon which these duties are carried will probably be enhanced in price as a result of these duties, but I have a strong conviction—and in that conviction I think the country pretty generally agrees with me—that many of the duties on farm products found in this bill would never have gotten there except for a surrender on the part of the friends or self-proclaimed friends of the farmer upon the other side of the Chamber. These duties have not heretofore been in Republican tariff bills. I am going to let the other side of the Chamber thrash that out.

It is said that the farmer obtained what was demanded in his name by reason of their agreeing to the multitudinous duties that were placed upon practically every manufactured product in this country, and which are crushing in their effect upon the already overburdened agricultural population.

Mr. GOODING. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. SIMMONS. I yield.

Mr. GOODING. If the Senator is referring to what is sometimes called the tariff bloc here in the Senate, I want to say that he is entirely mistaken if he thinks there has ever been any agreement on the part of any Member of the Senate, so far as I know, or its Members or officers, or those who have been looking after the interests of the farmers in that organization. That charge has been made over and over again on the floor of the Senate, and I have denied it, and I deny it again. I say that there never has been any agreement or any understanding on the part of any member of the tariff bloc with regard to any schedules outside of the agricultural schedule.

Mr. SIMMONS. The Senator has denied that before, and others have denied it before, but a denial does not prove any-

thing. I say that the almost universal impression is that the Senate Finance Committee never would have been able to report this bill out, carrying these high rates of duty on manufactured products, if it had not been for the arrangement made by which certain agricultural interests were supposed to be taken care of. If everybody is mistaken about that, I am not responsible; but there is the impression that but for the arrangement by which the agricultural bloc were given all they asked—and they asked and obtained precious little that will be of any benefit to the farmer—these high tariff rates on manufactured articles could not have been written into the bill; and why? Because they place grievous burdens upon the farmer, and those who profess to stand for the farmer would not have consented that those burdens should be placed upon him except upon the condition that he be given what they accepted as bestowing some benefits upon him.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. SIMMONS. I yield to the Senator.

Mr. GOODING. It may be the Senator's impression that there is a combination, but I want to say again that he is entirely mistaken, and I think the votes we have had here on several occasions on different schedules prove very conclusively that Senators are voting their convictions.

Mr. SIMMONS. Mr. President, I say that but for the placating of the agricultural classes, represented here by these duties which are supposed to confer benefits upon the farmer, it would be absolutely impossible for the Finance Committee to pass this bill through the Senate, carrying these high rates of duty upon things which the farmers of this country have to buy and do not produce.

Mr. KELLOGG. Will the Senator yield for a question?

Mr. SIMMONS. I yield. I did not interrupt the Senator, however, when he was speaking.

Mr. KELLOGG. I will not interrupt the Senator. I beg his pardon.

Mr. SIMMONS. The Senator may ask me a question.

Mr. GOODING. Will the Senator be kind enough to yield once more to me?

Mr. SIMMONS. Yes; I yield.

Mr. GOODING. I want to say to the Senator from North Carolina that the average rates given to agriculture and live stock in the Finance Committee bill are not as high as the rates given by the Underwood-Simmons law to the manufacturers within something like 25 per cent. So that they are not very high after all, yet the Senator says they are extremely high.

Mr. SIMMONS. Is the Senator speaking of the rates on agricultural products?

Mr. GOODING. I am saying that the agricultural rates in the Finance Committee bill are not as high on an average as the rates given by the Underwood-Simmons law to the manufacturers of the country; that the rates on an average are not as high.

Mr. SIMMONS. Mr. President, that is an absurd comparison to make. However, there is no doubt about one thing, that the rates given by this bill to agriculture are higher than the rates given by the Underwood bill; and there is no doubt about another thing, that the rates given in this bill to the manufacturing interests of the country are 100 per cent higher than the rates in the Underwood bill. In view of that fact, may I ask the Senator if he can take any pride in the bargain (?) driven for the farmer in this bill?

Mr. GOODING. I am not questioning the difference as far as the manufacturing rates in the two bills are concerned. If the Senator will figure it up, he will find that the average rates given to agriculture are about 21½ per cent, while the average rates given to manufacturers under the Underwood-Simmons bill were somewhere about 24 per cent on an average.

Mr. CARAWAY. Mr. President, how is it, then, that a man who represents the agricultural West can be so enthusiastic for a bill which gives to agriculture only 21 per cent and to manufacturers 75 or 80 per cent? Are the great farmers of the West going to be sacrificed by their friends?

Mr. GOODING. The Finance Committee bill does not give an average of 75 or 80 per cent to the manufacturers.

Mr. CARAWAY. What does it give?

Mr. GOODING. I do not know what the average is, but some of the rates are only 20 per cent, some 15, and some of them are 70 per cent.

Mr. CARAWAY. And some of them 200 per cent.

Mr. GOODING. I do not think they are high enough on an average to protect American industries——

Mr. CARAWAY. Of course not; they ought to be 2,000 per cent.

Mr. GOODING. And that is going to be proven very conclusively before we get through with the debate.

Mr. CARAWAY. You will not prove anything.

Mr. GOODING. Wait and see.

Mr. SIMMONS. As I understand the Senator now, he is contending that the rates given in this bill to agriculture, where anything is done for agriculture, amount to an average of only about 21½ per cent.

Mr. GOODING. Twenty-one and a half per cent, taking all agricultural interests.

Mr. SIMMONS. Notwithstanding the duties this bill carries in favor of the manufacturing industries of this country on what the farmer must buy amount on an average to over 60 per cent, three times the average rate the Senator says this bill gives to argriculture; the Senator, claiming to represent agriculture, agreed, and is carrying out the agreement, to vote for these 60 per cent duties on the things which the farmer has to buy, while only exacting for the farmer—for he got all he asked—a 21 per cent duty.

Mr. GOODING. The Senator has no right to say that I have made an agreement, or that I am carrying out any agreement, because it is not true, and I hope I shall not have to call the Senator's attention to it again.

Mr. SIMMONS. It is a fact, Mr. President, that the Senator from Idaho spoke for the bloc. It is a fact that he got all that he demanded for the farmer. It is a fact that he got only 21 per cent for the farmer, and it is a fact that he has been voting from day to day up to this time, and declares his purpose to continue to vote from day to day to the end of the consideration of this bill, for 60 per cent duties upon the things the farmer buys and which the manufacturers of this country make.

Mr. CARAWAY. Has anybody ever heard him criticize a rate on this bill as being too high?

Mr. SIMMONS. No; and never will.

Mr. CARAWAY. He just announced that it was not high enough to suit him, and yet he never has offered an amendment I have heard of to increase the rates on agricultural products, so evidently the tears he sheds now are for the manufacturer and monopolist in the country, and not for the farmer.

Mr. SIMMONS. He got all he asked for the farmer, and he got only a third as much for the farmer as he has voted for from day to day for the manufacturing interests.

Mr. CARAWAY. He has not gotten as much for the manufacturers as he wanted.

Mr. SIMMONS. Mr. President, I am drifting away from what I started out to say.

Mr. McCUMBER. Mr. President——

Mr. SIMMONS. I shall finish in a minute or two, if the Senator will pardon me, and then he can take the floor. I am drifting away from what I rose to say. It was not my intention this morning to get into a heated discussion, because my physical condition will not permit me to do it, but I do want to say a word or two to my good friend the Senator from Minnesota [Mr. KELLOGG], who has addressed the Senate, and who has almost shed tears over the farmer of this country and his fate.

The Senator says he is a friend of the farmer. He says that whenever he gets an opportunity to vote for the farmer he is going to do it and do it gladly. I want to tell my friend how he may serve the farmers of this country. Voting for this 21 per cent duty, which will be effective to help upon only about 10 or 15 per cent of the articles upon which it is imposed, will not help the farmer much, I will say to the Senator.

It will only help certain relatively small groups of farmers in certain States and will not compensate even those small groups for the additional burdens that this bill heaps upon them. The American farmer, generally, it will not help, and in many instances it will add to his burden. I will tell the Senator how he can help the farmer. In that connection, let me say that the Senator since the bill was taken up has voted already probably something more than 100 times, and every vote he has cast up to this time has been a vote to shoulder upon the farmers of the country a burden of taxation such as they never have been called on to bear before in the history of the United States or in the history of the legislation of any country upon the face of the earth. The Senator apparently is going to continue to do that. He is going to continue to the end to vote for the duties contained in the bill, and when he shall have finished his work of helping the farmer I want to remind him that the aggregate result will be that he has imposed upon the farmer, who represents 50 per cent of the

consumers of the country, an additional burden of at least $1,500,000,000, and against that burden the general farmer of the country will get no benefit, while a few small groups of farmers will get a benefit of probably a quarter of a million dollars.

If the Senator from Minnesota is a friend of the farmer, he has a mighty poor way of showing that friendship. Certainly the groups of farmers thereby benefited will glady accept a duty that will give them a higher price upon the few of the articles which are produced by them; but the farmers of the country are men of sense; they are men of judgment; and they know that while the Senator may vote for these few effective duties on agricultural products, the Senator has from day to day until now voted and will from day to day until the bill is passed continue to vote to pile up burdens upon their backs until, when he gets through, the farmers of the United States will be loaded down by a burden of taxation which no people upon the face of the earth have ever yet had to bear.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. SIMMONS. I yield.

Mr. WATSON of Georgia. In corroboration of what the Senator is saying, I would state that in the Swainsboro Forest-Blade, the county paper of Emanuel County, one of the very best farming counties in Georgia, there are four pages of advertisements in small print of land for sale by the sheriff for taxes. Our people in a typical farming State have been reduced to desperation by taxation, and they are being sold out of house and home at the rate this paper indicates—four pages of advertisements of lands for sale for taxes in one month.

Mr. SIMMONS. Mr. President, all I desire to say in conclusion to the Senator from Minnesota is that, instead of boasting of what he has done for the farmer, he ought to get on his knees and ask for pardon of the farmer for what he has done to him.

Mr. KELLOGG. Mr. President, I do not think I am in the habit of boasting much to the Senate. The Senator from North Carolina charges that the duties on farm products would not have been placed in the bill but for the agreement of the so-called farm bloc that they would stand by the very high duties. The duties in the bill are not as high as the duties in the emergency tariff law enacted by the same Republican Congress when the same farm representatives or representatives of farming States voted for them, and a few of the Democrats did likewise, and no claim was made at that time that any bargain was made as to any other rates.

Of course, Mr. President, it is absurd. No bargain has been made. I have never agreed to vote for any single item in the bill. I have voted against quite a large number of duties that I thought were too high, and I propose to go on to the end voting on each duty as nearly as I can make up my mind to what I think is right. I think everybody else is going to do the same. I do not know of any combination. If there is any, I have not been taken into it.

From the Senator's attitude one would think that it is his opinion that the sole interest the farmer has is to buy his merchandise, his manufactured products, in the cheapest markets the world furnishes to him, even though he makes this country merely a farming country and not a farming and manufacturing country. Of course, it is to the interest of the farmer to have a market in all of the great cities and manufacturing centers and to have this country produce all the manufactured goods it can, because this is his big market.

I am not going to vote for any tariff rate that I think is unreasonably high. I may be mistaken, as I or anyone is liable to be in some of the two or three thousand items contained in the bill. But the Senator from North Carolina is not going to fool the farmers of the country by any such talk as that of this morning. They understand the tariff and know exactly what they want.

Mr. SMITH. Mr. President, of course theoretically it would be necessary, in order to do justice, to place a duty upon the raw materials and upon the farm products commensurate with the duty upon the thing the farmer buys. Academically everyone would see that that would be but fair. If we are to preserve the home market for home industries all who participate in that market should participate upon a basis of equality. One could not argue, if the elements that enter into it were amenable to human law, that he had a right by any provision of law to lay a duty upon what is to be purchased by one class of individuals out of proportion to the duty upon the articles which that individual sold to get the means for the purchase.

When we speak of there being discrimination in the bill against farm products in the percentage of the duty, I have not given that any great concern, nor have I given it any particular study, because I known, as practically every man on the floor of the Senate knows, that a great fundamental law, basic law, natural law, can not be set aside by the temporary enactment of some human law in contravention to it. There is a fundamental basis in our economics that makes it impossible under present conditions—and these conditions seem to be the outgrowth of natural law—for the farmers of the country, producing the basic products of the farm, ever to be benefited to any appreciable degree, any material degree, by any tariff law that may be passed.

In the first place, when the farmer produces his crop, the size of the farms and the conditions under which a given product is produced are so varied, his financial resources are so notoriously wanting, that it is practically impossible for him as a person and individual in interest to take advantage of any tariff that may be placed upon his product. Let us take the matter of wheat. I invite a study of the export and import prices running from 1910 to 1921. Compare what the farmer received for his wheat in the domestic market with the price that the foreigner gave for the domestic grain in the open markets of the world.

Why is this? The fundamental reason, first, is that the farmer, numbered by the millions, with no organization, with practically every crop that he makes hypothecated before it is harvested and expenses incurred that must be met, having no power to fix the price himself in which he can add up the cost of labor, the cost of land, the overhead charges, and then through the power of his reserve capital and his organization say, "This is the domestic price and the Government has protected me from competition by a tariff wall, and though I sell the domestic wheat at $2 a bushel by virtue of the protection I get and the exported wheat at $1.70 a bushel, I have counted my cost and taken advantage of the protection and fixed my price."

But who fixes the price of the American farmer's wheat? I guarantee the assertion that there is not a farmer in America who influences to one one-hundredth of 1 per cent the market price of his wheat. Who does fix the market price of his wheat? The export buyer and the domestic buyer who compete in the same market for the same product. I guarantee the assertion here to-day that the price of American wheat is fixed by the export price. But we have gone afield. What is the use for us even to consider putting a tariff on agricultural products, except those which are made in such small quantities by the individual with such capital that he can take advantage by virtue of his reserve capital to fix the price? Why do the Republicans stand here and talk about extending to the farmers of the country the blessings of a tariff when it is known that the purchaser of that article is the one who fixes the prices and the producer has no word in it?

Mr. KELLOGG. Mr. President, will the Senator yield?

Mr. SMITH. Certainly.

Mr. KELLOGG. I suppose the Senator is aware of the fact that much of the wheat exported from this country is exported in the form of flour, that the Americans are the greatest millers in the world, and that the American millers pay a premium over foreign prices for wheat at the mill and sell the by-products to the cattle raisers and the dairymen in their own section of the country. So the foreign price, the Liverpool price, less the freight, does not fix the price of American wheat in the domestic market.

Mr. SMITH. I wish to ask the Senator a question right there: There may be some little incidental matter which may enter into the question and vary the price, but the Senator from Minnesota does not pretend to say that the farmers of America fix the price of their wheat or have any voice in doing so at all? I shall be delighted to know that there is in the domain of America somewhere some product of universal use which is produced by American farmers the price of which is fixed by the producers of the article. Does the Senator know, will the Senator pretend to say, that the farmers of this country have any influence at all in fixing the price of their grain?

Mr. KELLOGG. Mr. President, for the reason that I did not think the farmer had voice enough in fixing his prices, I supported the cooperative market bill to give him a chance to do so, and I think he is going to do it.

Mr. SMITH. I agree heartily with the Senator from Minnesota as to that.

Now, Mr. President, I want to say here——

Mr. GOODING. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. I yield.

Mr. GOODING. The Senator from South Carolina, of course, believes in the great law of supply and demand?

Mr. SMITH. Yes; but that law has been perverted.

Mr. GOODING. If the Senator believes in that law, I want to ask him if the importation of 40,000,000 bushels of wheat from Canada in six months, when the average importation had been only 1,000,000 bushels a year, had anything to do with bringing down the price of wheat in this country? That is the object of a tariff—to control the supply to some extent and to stabilize prices.

Mr. SMITH. I wish to answer the Senator. I think he has his terminology a little wrong. Owing to modern conditions——

Mr. GOODING. I will take the law of supply and demand.

Mr. SMITH. Wait a minute. I will answer the Senator in my own time, as I have the floor. Under modern conditions it is not the law of supply and demand any more; it is the law of supply and the man. That is the law that is operating now. The millions of bushels of wheat to which the Senator from Idaho referred as being imported in this country come in here under bond, to be ground by American millers and then exported. The Senator from Idaho knows that.

I wish to make the further observation that it will not make any material difference, so far as the fixing of the price is concerned, how much wheat is imported into this country so long as the buyer has the privilege and power to fix the price.

Why, Mr. President and Senators, we all know that the logic of events to-day tends in the direction of organization, combinations and trusts. I will guarantee that a Senator can not walk into a store in the city of Washington and purchase any article of common merchandise which is not controlled by a trust or a combination and the price of which is not practically uniform from the Pacific to the Atlantic and from the mountains to the seaboard. That is true from the smallest to the greatest article. Under the tariff policy of protection to American manufacturers, trusts and combinations have the American market and they divide the territory up. They have their retail organizations, their wholesale organizations, and their manufacturers' organizations, and they have an understanding as to prices and profits and the division of territory in which to distribute their goods.

Mr. GOODING. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. SMITH. I yield.

Mr. GOODING. I desire to ask the Senator from South Carolina if his party was not in control of the Government for eight years; and if the condition of the country is such as he has stated, what his party did to correct it?

Mr. SMITH. I did not catch the Senator's question.

Mr. GOODING. I stated that the Democratic Party was in control of this Government for eight years, and I asked what did that party do to correct the evil which the Senator from South Carolina is describing of combinations and of trusts, which the Senator says control the prices of everything?

Mr. SMITH. The Democratic Party passed what we thought was, and what fundamentally is, and what, properly administered, will yet prove to be, the beginning of the solution of that problem. I believe that our new banking and currency law, which allows a commodity basis for the issuance of currency, if properly administered, will go largely toward relieving the situation to which I have referred. I believe that the land bank law which we passed giving long-time credit at low rates of interest furnishes some material advantage; but before the farmers of this country can compete with their organized capitalized competitors the Government will have to see to it that there is provided a banking and currency system which is adapted to the peculiar conditions under which the farmer labors and produces and which will put him on a basis of equality with the commercial banking world.

Mr. President, we all know that the banking resources of this country are at the command and for the use of commerce. Senators on this floor will say that we can not put agriculture on the same basis as the ordinary commercial activities in the banking system as we now have it; that it is necessary to have a quick turnover in the capital of a bank; its assets must be liquid to meet the daily and hourly demands of commerce. It takes 12 months for the farmer to produce a commercial asset to meet the liabilities incurred in the production of his crop. If he attempts to store his produce and to hold it by borrowing money, even from the Government, there comes a cry that it is a frozen asset and must be forced upon the market. There are no banking resources in this country by which he can meet the peculiar conditions under which he produces, while every ingenuity known to the brain of man has been invoked to perfect the plan by which the manufacturers of ordinary commercial articles may be adequately financed.

Mr. CARAWAY. Mr. President, may I suggest to the Senator that the man who manufactures is able to stop production or to limit production whenever his business ceases to be profitable; but the farmer, after he commences to work, has no way of quitting his crop in the midst of the season in order to limit his production without ruining himself?

Mr. SMITH. There is no doubt about that.

Mr. GOODING. I might say that while the farmer may not hold his products against the world, if he is ever to have any benefit of a more adequate system of credit or anything of that kind he must have a protective tariff to protect him as against the world, or he will not be able to hold his products, nor will he have his own market.

Mr. SMITH. Mr. President, we have had an illustration of holding against the world. When prices were breaking—and they broke to the point of bankruptcy—the farmers of this country were calmly told that the reason of that condition was that the world markets could not absorb their goods, and therefore the bankrupt and pauperized prices of Europe must obtain here until Europe ceased to be bankrupt and pauperized, while at the very same time here in this Capitol we were told that we should pass a law by which the manufacturers' article sold in this country should be sold at anywhere from 60 to 75 per cent higher than the price for a similar article which could be purchased abroad.

Mr. CARAWAY. Mr. President, if I may interrupt the Senator further, I think about as good an illustration of what the farmer needs may be found in the emergency tariff act. After it was enacted farm products fell every month, but when we passed a bill through Congress to buy $20,000,000 worth of grain for starving Russia—and I voted for it—when the real object was to get rid of a surplus, grain immediately commenced to rise, which shows that it was the market and not the tariff that the farmer needed. When $20,000,000 worth of grain was shipped out of this country grain commenced to rise, when, as a matter of fact, under the emergency tariff law the price fell every month.

Mr. SMITH. Mr. President, what I am trying to emphasize and impress upon my colleagues is the fact that it is a fundamental truth, which can not be controverted, that the man who has something to sell but who has no resources back of him, who has incurred debts in the production of a commodity, which debts are due and which are almost equal to the market value of the commodity produced by him, no tariff law can benefit him. So long as he must depend upon the price of the purchaser for what he gets for the commodity produced by him the tariff will avail him nothing. What good would it do the shoe manufacturers of this country if we were to impose on shoes a tariff of 100 per cent ad valorem or a specific duty of double the price of his shoes, if when he produced his shoes and had them ready for market he had to depend upon the price of those who purchased his shoes for what he would get for them? To add to that illustration, suppose the buyer of the shoes was not only buying for the domestic market but was also buying for the foreign market and knew that the manufacturer of the shoes had no way of holding them, no resources back of him, no organization, and no power to assert his own right in the commodity.

Take the cotton of the South. Up to a few years ago we produced such a quantity of cotton that we shipped 50 per cent of it abroad. What was the price of American cotton on the local market? What is the price this morning of American cotton on the local market? It is the price of Liverpool cabled here. Who dictates the price of American cotton to-day on the market of America? American buyers buying for export. What does the domestic mill give for cotton? The domestic mill gives the foreign price, less the freight from here to Liverpool. I guarantee that that assertion will hold good in reference to the wheat of the West.

Mr. WATSON of Georgia. Mr. President——

Mr. McCUMBER. The Senator says he will guarantee that——

The VICE PRESIDENT. Does the Senator from South Carolina yield; and if so, to whom?

Mr. SMITH. I yield first to the Senator from Georgia, and then I will yield to the Senator from North Dakota.

Mr. WATSON of Georgia. If the Senator should take the trouble to weigh some of the mercerized goods which the manufacturers put on the market in competition with silk, he would find that the pound of cotton for which the farmer receives,

say, 20 cents, is transformed by law into a product for the cotton in which the American people pay at the rate of from $50 to $100 a pound.

Mr. McCUMBER. Mr. President——

Mr. SMITH. I yield to the Senator from North Dakota.

Mr. McCUMBER. The Senator has just stated that he will guarantee that the same rule which he says applies to cotton applies also to wheat. I know that the Senator wants to be fair, and I know how close to his heart are the interests of agriculture generally throughout the country; but I want him to be perfectly fair in the discussion of a matter that affects our farmers, as I shall always try to be with anything which affects the cotton producers. I admit—I think we will all have to admit—that the farmer has been largely at the mercy of the manipulators of grain, cotton, and so forth, but the great law of supply and demand has never entirely been destroyed. The Senator from South Carolina has stated that the 49,000,000 bushels of wheat which the Senator from Minnesota stated came in from Canada were imported into this country for grinding and for export abroad.

I want to correct that statement of the Senator, because I know he wants to be corrected if he is in error. Something over 49,000,000 bushels came in for sale and consumption in the United States, and between 40,000,000 and 45,000,000—I have not the exact number in mind—came in, in addition to that, in bonded warehouses, and, of course, was shipped out. To show the actual effect of the emergency tariff, however, while, of course, as the general world market and supply and demand went up and down our supply went up and down to a certain extent; yet, from November, 1921, when we began to handle the 1921 crop, down to the present time, the average price in the United States for wheat in Minneapolis, compared with Fort William, making allowance for the grade, which is a little better under the requirements of the Canadian laws, was about 30 cents a bushel in favor of the American producer. The table which the Senator from Minnesota [Mr. KELLOGG] put in, and which I put in the other day, which shows the comparative prices between the two markets in 1920 in November, and then in 1921 in November, gives an average of over 30 cents a bushel in favor of the American producer as against the Canadian producer.

The Senator knows that Canada has almost no home market compared with her export market, and she pays exactly the same price to export a bushel of grain from Fort William to Liverpool as the American pays to export a bushel from Duluth to Liverpool. The Canadian price is governed by the Liverpool price, less the cost of transportation, while the American price, as shown right up to date in these tables, averages about 30 cents a bushel higher than the Canadian price, due entirely to the tariff which is placed upon it, because if it were not there, of course, the Canadian product would come in just exactly for the same price as the American product from the same point, and would take the market in preference sometimes even to the American product; so the tariff does not operate the same as it does upon your cotton. It does give us an advantage in the case of our wheat.

Mr. SMITH. Mr. President, I did not know that this discussion was coming up, and I have not armed myself with statistics. The fact of the business is, in the broad statement of the case that I have attempted to make this morning, that while there may be locally some incidental advantage, I am here emphasizing this fact: It would not benefit me as a wheat grower to have a tariff placed upon my wheat if I produced enough wheat to supply the domestic demand and had an appreciable surplus to export, if I had no power by organization or reserve capital to fix the price; the tariff would benefit me nothing, because the purchaser of that wheat is going to buy for domestic use at the same price that he pays for the export article.

Mr. McCUMBER. But suppose there was a demand for every bushel of a certain kind of wheat that you produced in the United States, like the milling demand for our hard northern wheat. We do not export any of it. We export some flour, but we do not export a bushel of that hard northern wheat; and there is where people seem to misunderstand the situation. The milling demand takes every bushel, and then it reaches over into Canada, because we have not quite enough; and that is why the tariff does benefit us on 200,000,000 to 250,000,000 bushels of hard spring wheat.

Mr. SMITH. Yes; but that is a case where the scarcity of the article and the law of supply and demand is operating, and not the tariff. Let me show the Senator, to illustrate the point I am attempting to make——

Mr. McCUMBER. Let me correct the Senator right there. The Senator speaks of the tariff. Without the tariff you can reach right over across the imaginary line and tap a granary which has 250,000,000 bushels of the same kind, and immediately convert your deficit into a surplus of, say, 200,000,000 bushels.

Mr. SMITH. Mr. President, take the steel industry of this country, producing practically 80 per cent of the world's consumption of fabricated iron and steel. Its surplus, its exports, are almost equal to the domestic sale; and on the border between Mexico and the United States this was shown a few years ago: In the case of steel rails for use in the building of an international road, the American rails were anywhere from $16 to $18 a ton higher on the American side than just across the imaginary line in Mexico, the same rails, made by the same company. What was the reason of it? The great Steel Trust, armed as it was with reserve capital and organization, could take advantage of your tariff and put up the price to the American consumer to a point where it measured the difference of the tariff, while just across the border it met the competition of the world and sold its surplus at $16 a ton less than its product was sold to the American.

Were the American farmer organized, and had he back of him the financial resources that characterize the manufacturing interests of this country, the tariff might enable him to keep the manufacturing interests from going into his pocket and taking from him the proceeds of his toil and putting it into their pockets; but I guarantee the assertion here to-day that if it were humanly possible to put the same rate of duty and the same protection on everything in America, from the humblest laborer up to the highest phase of manufacturing, so that each and every American citizen would have the same advantage, we would not have this clamor for a tariff law.

Mr. President, we are rapidly approaching the end of the second century of the existence of this country. We boast of our Government and its achievements. During the World War, on such a stupendous scale, we practically fed, clothed, financed, and fought the battles of the world. We boast of our progress and development, and yet the agriculturists of this country are to-day laboring under the same financial handicap as the first one who ever labored under any organized system of finance. We are told that the plan by which the farmer finances his products to-day is not compatible with the banking laws by which commerce is financed; and yet we have perfected the latter plan to a point where it meets the minutest demands of trade.

Mr. BURSUM. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BURSUM. I take it the Senator from South Carolina is speaking in behalf of an extended credit system for the farmer—that is, that he ought to have longer credits, or seasonal credits.

Mr. SMITH. No; I am stating that our legislation for the farmer of this country ought to have gone pari passu with our legislation for commerce, so that to-day, if it were the policy of this Government to pass a protective tariff law, he would automatically be made a beneficiary thereof to as great an extent as the manufacturing and commercial interests of this country; but there is not a man here but knows that that is not true. The farmer has to sell at the behest of the buyer, while the manufacturer sells at his own price. You have provided the farmer with no credit facilities, with no banking facilities, and if he dares attempt to store his stuff in order to distribute 12 months' supply over 12 months he is immediately branded as a profiteer, and you say you have frozen credits, and you can not live while the finances of this country are tied up in the products of the poor fellow who caused them to come into existence. We are told that 30 and 60 and 90 day paper is essential for the progress and development of commerce and that the farmer must sell his stuff.

Mr. BURSUM. Mr. President, as I understand the Senator's statement to the effect that the farmer is obliged to sell his product at a low price, there are no financial arrangements made available for his use, and, therefore, he is unable to bring about an orderly marketing of his product in proportion to the demand——

Mr. SMITH. Just to put it in a word, he has no say in the price of the thing he produces.

Mr. BURSUM. While every man, every producer, every manufacturer can control the sale of his products if he has an arrangement to finance himself so that he can distribute his production in accordance with the demands caused through consumption?

Mr. SMITH. Not only can he distribute it, but he can govern his crop according to his own notions.

Mr. BURSUM. Precisely. Then I take it that the remedy that is sought must be the longer extension of credit—that is, machinery whereby the farmer may obtain, in place of 90-day

loans, 6-month or 9-month loans. How long a period does the Senator believe would meet the situation?

Mr. SMITH. Oh, that is academic. What is needed is a financial system that will meet the peculiar needs of the farmer, giving him as ample credit as the manufacturer, and rating him in his peculiar field along with the manufacturer. In a word, what I am contending is this: You have no right in reason, common sense, or justice, knowing the condition under which the agriculturist of this country produces the wealth of this country, to burden him with a tariff law which can protect and does protect the man who is organized, with the resources and with the power to fix his price commensurate with the protection you give him, while the man who produces the raw material, unorganized, without capital, at the mercy of his creditor, has to pay the bill out of the miserable pittance that the buyer gives him.

That is the plea I am making. In place of attempting to pass a tariff law adding to his burdens this Republican administration ought to address itself to remedying the miserable conditions under which, in 1920, without a word of warning, after he had been plead with to produce to the limit, like a clap of thunder out of a clear sky his paper was discredited in the bank, he was told to sell, credit was denied him, the market tumbled until he found himself bankrupt, having no resources whatever to meet the storm. What was the comparison? I invite Senators here to-day to look at the difference. Agricultural products—cotton, wheat, cattle—went to bankrupt prices, while shoes and clothes and every manufactured article did not decline appreciably from the peak of war prices. Why was that? Because the farmer was without any resources to help himself, while the manufacturer had the cooperation of his organization and the resources of the finances of this country.

Mr. GOODING. Mr. President, I would like to ask the Senator if he knows when the increase in prices of farm commodities commenced? How soon after the passage of the emergency tariff bill was it before every farm product which the emergency tariff bill protected was increased in price?

Mr. SMITH. The market prices began to increase when they had shaken out every poor devil and crucified him, and those few who could hold the balance—and it was a small balance—by mortgaging their places and raking and scraping from private sources, held on to the residuum of wheat and held on to the residuum of cotton until the very competition forced the organization to put the price up a little. That is when it started. They gunned for every man who was holding anything, and when they reached the point where they must fill their orders they gave little premiums in order to get enough to fill their orders. That is when the prices started to rise. I will say to the Senator that there was no emergency tariff on cotton.

Mr. GOODING. Will the Senator yield?

Mr. SMITH. I want to answer the Senator's question. There was no emergency tariff on the cotton of the South, and yet cotton has gone up. And why? Because we made only 7,900,000 bales against a normal production of about 13,000,000 bales.

Mr. GOODING. I ask the Senator if it is not true that the price of cotton has gone up in sympathy with the prosperity the farmers are getting in other lines? Wool has gone up. The two commodities have more or less sympathy, one with the other, and they go up or down together. Then I would like to ask the Senator if it has not been the policy of the Democratic Party for a hundred years to put the raw materials, farm products, on the free list, to give the manufacturers of this country cheap raw material? Is not that the Democratic policy? Has not that been the faith of your fathers for a hundred years? The reason why you put them on the free list was to give the manufacturers cheap raw materials. Your theory is that it is going to give laboring men cheaper clothing, cheaper food, and all that. Is not that correct?

Mr. SMITH. No.

Mr. GOODING. Is not that the policy of the Democratic Party?

Mr. SMITH. I will answer in my own time.

Mr. GOODING. Tell me if, in the light of Democratic wisdom, farm products are not called raw materials? Have they not been called raw materials for a hundred years? Yet you put them on the free list and give the manufacturers the cheap raw materials. That is the issue between the two political parties, and there should not be any feeling about it.

Mr. SMITH. The party to which I belong had sense enough to know that the conditions were such that the surplus of farm products was exported in great quantities, and for revenue, for the sake of helping to support the Government, we did put a tax on certain articles which they did not manufacture here, or, if we did manufacture them, large quantities of which were imported into this country. But the point I want to make, and the point I am making, is that we have made no provision whatever for the real protection of the agriculturist of this country, while we are putting burdens on him, knowing that he can not reimburse himself under any such legislation as is now pending.

I think it would have been of far more interest to the agriculturist of this country if, in place of mocking him with a thing he can take no advantage of, we had addressed ourselves to meeting the conditions under which we know he is now being discriminated against and handicapped, and fearlessly, as honest men, provide that in the produce markets of the world and in the financial markets of the world he should have the same opportunity the manufacturer has.

Mr. GOODING. Mr. President, with about three or four exceptions the Democratic Party has placed a revenue duty, and in some cases a protective duty, on manufactures of every kind and description. They put farming machinery on the free list to give the farmers of the country cheaper farming machinery. The fact is that up to the present time there is no farm machinery made anywhere else in the whole world which the American farmer can use. They put boots and shoes on the free list, and they put barbed wire on the free list, but with those exceptions practically everything the farmer uses upon the farm or in his home is taxed by the Democratic Party. While he is forced to go and sell what he produces in a free-trade market he must buy what he uses upon the farm and in his home in a protected market, and there are only those three exceptions to that rule. That shows the unfairness of the Democratic Party in protecting one industry and forcing the farmers, who make civilization possible, to compete with the cheap labor of all the world.

Mr. McCUMBER. Mr. President, when we closed the session last evening there was a sort of gentlemen's agreement that we would try to-day to hold to the question which was really up for discussion. While all the debate this morning has been on the tariff bill, it has been far afield from the real question under consideration. The great trouble is that when we discuss a schedule days before we reach it we just repeat the same discussion when we do reach it. I appreciate the position of the Senator from Minnesota [Mr. KELLOGG], who has to leave, and wanted to make his address upon the agricultural schedule, but I hope we can now return to paragraph 355.

Mr. SIMMONS. Mr. President, before we do that I want to say to the Senator that I regret very much that we have lost a couple of hours in discussing general matters instead of confining ourselves to the pending paragraph, but the Senator certainly will acquit this side of the Chamber of any blame for it. It was the result of the injection into the debate of a general speech by the Senator from Minnesota.

Mr. McCUMBER. I am not criticizing anyone. I simply want to get down to the paragraph now pending.

Mr. SIMMONS. I want again to appeal to this side of the Chamber, when we return to a discussion of the bill, that we confine our attention to the pending items the balance of the day.

Mr. CARAWAY. Mr. President, before we do that I want about five minutes to discuss a matter, and then I shall be perfectly willing to follow that suggestion.

Mr. McCUMBER. I want to offer an amendment now, and then it will be subject to discussion.

Mr. CARAWAY. Very well.

Mr. McLEAN. Before the Senator from North Dakota submits his amendment I ask leave to withdraw the amendment I offered last night to paragraph 355 on behalf of the committee.

The VICE PRESIDENT. Without objection, leave is granted and the amendment is withdrawn.

Mr. McCUMBER. In the discussion of paragraph 355 we suggested yesterday that there would be the necessity of striking out at least the amendment on line 23, page 73. Striking that out, however, would necessitate quite a number of changes. The committee had already agreed upon making certain of those changes on page 74, but had not yet reported the changes which it proposed.

In a further consideration of the matter this morning it was thought best by the committee, because of quite a number of modifications which it desired to make in that portion of the paragraph which appears on page 74, to rewrite the paragraph entirely, and I am therefore offering as a substitute for paragraph 355, on behalf of the committee, the amendment which I send to the desk.

Mr. KING. Has the Senator any extra copies?

Mr. McCUMBER. Yes. I send the Senator a copy.

The VICE PRESIDENT. The Secretary will read the amendment.

The ASSISTANT SECRETARY. The Senator from North Dakota moves to strike out paragraph 355, beginning at line 14, on page 73, and in lieu to insert:

PAR. 355. Table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning, fish, carpenters' bench, curriers', drawing, farriers', fleshing, hay, sugar-beet, beet-topping, tanners', plumbers', painters', palette, artists', shoe, and similar knives, forks, and steels, and cleavers, all the foregoing, finished or unfinished, not specially provided for, with handles of mother-of-pearl, shell, ivory, deer, or other animal horn, silver, or other metal than aluminum, nickel silver, iron, or steel, 20 cents each; with handles of hard rubber, solid bone, celluloid, or any pyroxylin, casein, or similar material, 10 cents each; with handles of any other material, if less than 4 inches in length, exclusive of handle, 2 cents each; if 4 inches in length or over, exclusive of handle, 10 cents each; and in addition thereto, on all of the foregoing, 45 per cent ad valorem; any of the foregoing without handles, with blades less than 6 inches in length, 2 cents each and 45 per cent ad valorem; with blades 6 inches or more in length, 10 cents each and 45 per cent ad valorem: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk legibly and indelibly upon the blade in a place that shall not be covered.

Mr. CARAWAY. Mr. President, I ask that some one page the Hon. Thomas B. Felder. There is an opportunity available for a man of his peculiar talents. In my heart I feel that I may have been unfair to him. I want therefore to give him the advantage of getting in on the ground floor in this case. His partner, the Attorney General, I am sure, can take him in.

I refer to the Brolaski case. A news item under date of June 2, 1922, from the San Francisco Examiner, reads as follows:

BROLASKI PLEA MEETS REBUFF.

Henry Brolaski is finding difficulty in having Federal and former Federal officials approve his petition for parole.

Brolaski, who was styled the "master mind" of the booze ring, is now serving a two-year sentence in the Federal penitentiary at McNeill Island for conspiring to violate the national prohibition law.

He had been in prison but a day before he made application for parole. It was stated yesterday that United States District Judge M. T. Dooling, who presided at the trial, had disapproved the application, as had former United States District Attorney Frank M. Silva, who prosecuted the case, and Samuel F. Rutter, prohibition director, who secured the evidence which convicted Brolaski.

In view of the attitude of those who prosecuted the case, it is not believed that United States District Attorney John T. Williams will approve Brolaski's plea for parole.

He got in jail, it would seem, on the 31st day of May. On the 1st day of June he made his application for parole. On the 2d day of June the officials who had to do with his conviction disapproved his application for parole. On the 6th of June, the local authorities having disapproved his application for a parole, Brolaski applied to be transferred from the penitentiary to a hospital for treatment and examination. If I am not mistaken as to the date—instead of the 6th it may have been the 7th—the Attorney General, Mr. Daugherty, authorized and ordered that he be removed from the penitentiary to some place where he could be observed and treated. It is the same step that was taken to reach a commutation of the sentence of Charles W. Morse. I am unwilling that the Attorney General shall now double-cross his former associate in the Morse case, and therefore I want Felder paged so he may get in on this case.

Incidentally, I want to appeal also to the Republicans to put soap on the free list. They treated Mr. Morse, so Felder said, with soap so as to give him the symptoms of Bright's disease when he did not have it. I understand Brolaski has tuberculosis of the kidney and I presume the treatment is the same. I hope, therefore, the Republicans will not make it an expensive process. Let us put soap on the free list so Brolaski can have the same symptoms that Morse had, and Felder and Daugherty get the same results. I hope that this appeal shall not fall on deaf ears and that we may at once put soap on the free list, especially if soap is to be used for medicinal purposes to give people the symptoms of Bright's disease when it is found necessary that they must develop a disease to get out of jail.

Mr. President, there is a publicity bureau connected with the Attorney General. I do not know who is at the head of it. I have been told that the man who is running it was loaned to the Attorney General's office by a local newspaper. Anyway, he is a man who is entitled to consideration. The Washington Post of Monday last in big headlines carries this:

Daugherty declares war on Alaska fish pirates. Outlaws, long a menace, must be suppressed, he orders United States attorney and marshal at Juneau. Treasury Department to assist with subchasers, and Department of Commerce will stop illegal canning.

I hope no one will make a mistake. It is not the "canning" of employees for being honest that they are going to stop, because that is a legitimate industry under this administration. They "can" them in the Bureau of Engraving and Printing if they are honest; they "can" them in the Department of Justice if they are honest and want to prosecute grafters. So that I do not want anyone to understand that "they" are going to stop this industry of "canning" where it applies to employees. It is only to "canning" fish that the inhibition goes. Nobody may "can" a fish except the Attorney General. Any head of a department, however, is at liberty to "can" any honest employee, especially if he is a Democrat.

Here is another one of these wonderful headlines in the same paper. I read the entire article:

DAUGHERTY WOULDN'T TAKE A MILLION FOR JOB NOW, HE SAYS.

[By the Associated Press.]

Attorney General Daugherty called on President Harding yesterday about a matter of official detail and was asked, when he came out, for his view upon various reports that he would resign office.

"You can say," he told newspaper men, "that there never was a time when I would have given 30 cents to get the office of Attorney General, but that I would not take a million dollars for it now."

Evidently the Attorney General is getting on to the opportunities of the office. Before he had it and knew what he could do with it he would not give 30 cents for it. As soon as he found out how he could work it, and the advantages there are in it, he would not take a million dollars for it. I am not going to be so imprudent as to ask what wonderful resources have been discovered that the office possesses. If the Attorney General had wanted me to know, of course he would have told the Post and it would have published it.

But I do want Mr. Felder paged, Mr. President, if you please.

Mr. JONES of New Mexico. Mr. President, I am glad to observe that the committee has clarified paragraph 355 and has made some rather substantial reductions, but it seems to me that there is not the necessity for such an increase of duties as the present amendment proposes. The items in the paragraph are largely manufactured in the United States. We export considerable quantities of the various items appearing in the paragraph. It is true the statistics on the subject are not very complete or specific, but we are exporters and my information is from manufacturers that we can and do compete with the world in a good many of the classes mentioned in the paragraph. The articles are made, to a great extent, by the use of machinery. I am told that we do not need any increased duty on the commodities at all. There are some imports of different classes of goods, largely by reason of special design or finish of carving knives and some other kinds of knives, but we have a good trade, not only in our own country but in other countries.

Before the war we were exporting a considerable percentage to Chile and Argentina. By the way, that is the only method we have of knowing the extent of our exports of these commodities. As I said, we have no satisfactory statistics, but the Tariff Commission upon examination of the import trade of Chile and Argentina have ascertained some facts which are illuminating regarding these items. For the year 1912–13 Germany sent 49 per cent of the Chilean imports of knives and forks, the United Kingdom 38 per cent, and the United States 7½ per cent.

Mr. McLEAN. Mr. President, with reference to what year is the Senator quoting?

Mr. JONES of New Mexico. Nineteen hundred and twelve and thirteen, prior to the war. For the year 1913–14 Germany sent 45 per cent of knives and cutlery to Chile, France sent 25 per cent, the United Kingdom 17 per cent, and the United States 4.6 per cent. I refer to that for the purpose of showing that prior to the war we were exporting these products in considerable quantities in competition with the world. Since the war our exports have been very much greater than these figures would seem to indicate. In 1920 we exported of table cutlery $3,458,756, and in the first nine months of 1921 we exported over $1,000,000. Of all other cutlery, the general classification, in 1921 we exported nearly $4,000,000, and in the first nine months of 1921 more than $1,000,000. We do not know what the domestic production is definitely.

Mr. McLEAN. Mr. President, has the Senator any record of the exports for the last three or four months?

Mr. JONES of New Mexico. I have not.

Mr. McLEAN. My information is that we are exporting nothing at this time, but that the market has been entirely absorbed by the German makers of these articles.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. JONES of New Mexico. I yield.

Mr. SIMMONS. I have here a statement just prepared by the experts assigned to me by the department giving the do-

mestic production for these various classifications of cutlery, the exports for 1921, the imports for 1921, the percentages of wages to production value, and the equivalent ad valorem of the Senate committee rates of to-day. I would like to put that table in the RECORD, if the Senator will permit me to read it.

Mr. JONES of New Mexico. I would be very glad to have it.

Mr. SIMMONS. Cutlery and edge tools:

Table cutlery: Production in 1919, $4,862,906; exports, 1921, $1,168,575; imports, 1921, $249,183; per cent of wages to production value, 45.5; equivalent rate Senate bill proposes, 132 per cent.

Razors: Production in 1919 amounted to $24,554,337; exports in 1921 were $2,300,870; the imports in 1921 were $488,634; per cent of wage to production value, 16.1; equivalent ad valorem rate proposed by the Senate committee, 175 per cent.

Knives, except table knives—the first figures I gave included table knives; I now give figures for knives except table knives: The production in 1919 was $9,691,928; exports in 1921 were $1,249,538; the imports in 1921 were $919,366; per cent of wage to production value, 46 per cent; equivalent ad valorem rate proposed by Senate committee bill, 166 per cent.

All other cutlery: Domestic production in 1919 was $14,771,658. The exports are not given for that year, but the imports were $989,960; per cent of wage to production value, 36.7; equivalent ad valorem rate proposed by Senate committee bill, 134 per cent.

Edge tools: Domestic production in 1919 was $12,748,741; exports were $3,864,675. The imports are not given in this table. Per cent of wage to production value, 32.3; equivalent ad valorem rate proposed by Senate committee bill, 40 per cent cent.

I merely cite those figures so that they may go into the RECORD. I presume they are accurate, as the table has been prepared since our discussion last night. I will not say that, for it may have been prepared previously; but it has been given me by the expert who has been assigned to me this morning at my request.

Mr. McLEAN. If the Senator will pardon me, what does the table include? To what does it refer?

Mr. SIMMONS. It includes, first, table cutlery, and, secondly, all other cutlery except table cutlery. It includes razors, and it also includes items covered in the basket or catch-all clause, and applies to the paragraph under consideration.

Mr. McLEAN. The pending paragraph does not include razors.

Mr. SIMMONS. The figures with reference to wages, of course, do not apply to the pending paragraph, but the figures as to tableware cutlery do apply to the pending paragraph.

Mr. McLEAN. The inclusion of razors in the table makes considerable difference.

Mr. SIMMONS. The table merely included one item that is not covered by the paragraph.

Mr. JONES of New Mexico. Mr. President, the table relates directly to the paragraph which we are now discussing.

Mr. McLEAN. If it includes razors——

Mr. JONES of New Mexico. It includes a number of other items.

Mr. McLEAN. Of course, the inclusion of razors would raise the average rate very much above the average rate on the articles which are included in this paragraph.

Mr. SIMMONS. Did not the Senator from Connecticut hear me read the table? The figures with reference to table cutlery are segregated in the table absolutely from those relating to razors; and the table does not average all the items but gives the specific rate upon cutlery other than table cutlery and the specific rate upon cutlery included in the remainder of the paragraph, and also the specific rate on razors.

Mr. JONES of New Mexico. It shows the separate items, and I will read the figures regarding table cutlery alone:

The domestic production in 1919 was $4,862,906. The reason that that year is given is that was the year of the census of those industries and the figures represent the latest available data regarding the domestic production. We have also the figures for the five-year period from 1914, but the figures in the table are for 1919, and they show a very large production of table cutlery.

The imports of table cutlery for the whole year of 1921 were only $248,183, while the exports for 1921 were $1,168,575. That shows that we are exporting about five times as much as we are importing.

Mr. McLEAN. That report is undoubtedly correct, but the Senator knows that conditions regarding this industry have changed very materially within the last three or four months. Imports now are increasing rapidly. For instance, in January, 1922, the imports were $6,450; in February, $36,528; in March, $23,468; and in April, $35,852. I am unable to give the figures as to the quantity of imports, but only as to the value. It will be seen that there have been over $102,000 of imports in the last three months, and, as I understand, the imports have been much greater than that in May, although I have not been able to obtain the exact figures.

Mr. JONES of New Mexico. There may be some reason for the increase in imports, but they do not amount to much. The percentage of increase over 1921 is not so very great.

Mr. McLEAN. Mr. President, there is some force in the Senator's statement, but, as he knows the potential competition is there, and offers are being made, and, as a result, I will say to the Senator the American manufacturers of these products are working on short time and thousands of men are out of employment. The manufacturers can not sell their goods. It is because of the potential competition. The Reynolds report showed and recent reports have further demonstrated that unless adequate and reasonable protection is afforded the imports will increase rapidly and in a short time the foreign producers will control the American market.

Mr. JONES of New Mexico. Mr. President, I am not sure that the Senator now recalls the statement made by me last night regarding the conditions in Germany and the movement which is on foot there to prevent any export of these goods at low prices.

Mr. McLEAN. If the Senator will pardon me—and I do not like to interrupt him unless he is willing——

Mr. JONES of New Mexico. I am very glad to have the Senator interrupt me.

Mr. McLEAN. But it seems to me it is a better way to secure an intelligent consideration of the paragraph. There are two rather important items in this paragraph—butcher knives and cleavers. According to the Reynolds report, one invoice of 8-inch cleavers was landed without duty at $12.57 per dozen. I take it that is a pretty fair quality of knife. In April last the same knife was landed at $8.20 per dozen, showing a decrease of more than $4 per dozen in the price of a standard cleaver since August last.

The Reynolds report shows further that the landed cost of a butcher knife 10 inches in length at the time the report was prepared was $4.15 per dozen, while the landed cost in April, 1922, was $2.70 per dozen. These figures have been furnished me by the experts and officials, and I have no doubt they are accurate. They militate, it seems to me, very strongly against the position taken by the Senator from New Mexico that in this particular line of goods prices are increasing in Germany.

As I said yesterday, it seems to me that in Germany the knife industry and the razor and the scissors industry have concentrated their energy toward driving the American out of the market in those goods. Whatever may be conditions with regard to other industries, they are apparently not only equipped to manufacture these goods at a cost which requires very large rates to equalize the difference but they are doing it and will continue to do it.

I have not very much confidence in the statement the Senator read last night in regard to what Germany may or may not do as to increasing prices. We have got to give them credit for being fairly clever and shrewd in anticipating the enactment of a new tariff law here, and it is natural that this sort of propaganda should be sent to this country for its effect, whatever it might be, when a tariff bill is under discussion. I should want it pretty well authenticated.

More than that, Mr. President, as the Senator said the other night, the "proof of the pudding is in the eating." I do not believe that we can afford to base these rates upon any such assumption when the latest figures show that prices there are going down instead of upward at the present time.

Mr. JONES of New Mexico. Mr. President, we of course have no specific knowledge as to when the trades were made which resulted in the importations referred to by the Senator from Connecticut. Of course, I do not question the accuracy of what he has given to us, but I desire to read a letter regarding recent prices. The letter is dated May 29, 1922, and reads as follows:

Referring to the consideration of the tariff bill, H. R. 7456, and the rates suggested by the Senate Finance Committee on cutlery in paragraphs Nos. 354, 355, 357, and 358, we beg to call your attention to the actual conditions prevailing to-day in the cutlery industry in Germany. From reliable information and from the invoices received recently prices for cutlery in Germany have changed materially in the past 30 days, so that pocketknives cost to-day from 10 to 30 per cent more than the prevailing war price, namely, 1914.

Scissors range from 5 to 25 per cent higher than pre-war prices.
Razors range from 10 to 25 per cent higher than pre-war prices.
Table cutlery, butcher knives, and kitchen knives range from 15 to 40 per cent higher than pre-war prices.

I will ask to insert the whole letter in my remarks at this point. It bears upon some other questions.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

CUTLERY IMPORTER ASSOCIATION,
New York City, May 29, 1922.

Mr. M. R. NICHOLSON,
Washington, D. C.

DEAR SIR: Referring to the consideration of the tariff bill H. R. 7456 and the rates suggested by the Senate Finance Committee on cutlery in paragraphs Nos. 354, 355, 357, and 358, we beg to call your attention to the actual conditions prevailing to-day in the cutlery industry in Germany. From reliable information and from the invoices received recently prices for cutlery in Germany have changed materially in the past 30 days, so that—

Pocketknives cost to-day from 10 per cent to 30 per cent more than the prevailing pre-war price, namely, 1914.

Scissors range from 5 per cent to 25 per cent higher than pre-war prices.

Razors range from 10 per cent to 25 per cent higher than pre-war prices.

Table cutlery, butcher knives, and kitchen knives range from 15 per cent to 40 per cent higher than the pre-war prices.

Pocketknives: Present duty, respectively, 35 per cent and 55 per cent; under Payne-Aldrich bill the duty averaged 76 per cent; under Senate Finance Committee bill under consideration on goods costing in foreign value less than $3 per dozen, 186 per cent; on all pocketknives, duty averages on foreign value 165 per cent.

Scissors: Present duty, 30 per cent; under Payne-Aldrich bill, average duty, 56 per cent; under Senate Finance Committee bill duty averages in foreign value under $1.75 per dozen, 229 per cent; all scissors, average duty 190 per cent.

Razors: Present duty, 35 per cent and 55 per cent; under Payne-Aldrich bill, average duty 88 per cent; under Senate Finance Committee bill, average duty 258 per cent.

In giving the separate average of pocketknives under $3 per dozen, we take under consideration the fact that the large percentage of imports range under $3 per dozen and on scissors under $1.75 per dozen, so that the higher percentage of duties prevails in most cases.

This is an increase on pocketknives over the Underwood bill of over 130 per cent.

This is an increase on pocketknives over the Payne-Aldrich bill of over 110 per cent.

This is an increase on scissors over the Underwood bill of nearly 200 per cent and an increase on scissors over the Payne-Aldrich bill of nearly 135 per cent.

This is an increase on razors over the Underwood bill of over 200 per cent and is an increase on razors over the Payne-Aldrich bill of over 170 per cent.

For your further consideration, as American manufacturers, being fully conversant with the cost of production in American factories, we can state that actual production prices on cutlery in these factories to-day range about 50 per cent over and above pre-war period, and so as to equalize the duty on imported merchandise as against American merchandise, it would only be necessary to add 25 per cent to the duty in the Underwood bill, or to add 10 per cent to the Payne-Aldrich bill so as to cover any differences in the cost of production in Germany as against the cost of production in the United States.

There is also cutlery produced in Czechoslovakia, and the prices to-day in that country are 50 per cent to 100 per cent higher than they were in 1914, so that the present duty would be ample to protect the American industry on goods emanating from that country.

English cutlery, judging from recent quotations, ranges from 50 to 100 per cent higher than pre-war prices and the actual cost in Sheffield, England, of all cutlery is as high without any duty thereon as similar articles of American manufacture are sold in this country.

The enactment of the Senate Finance Committee's rates on cutlery would be prohibitive on almost all classes of imported merchandise, and we hope that the rates will be lowered so as to allow cutlery to be continued to be imported.

Thanking you for giving this your consideration, we are

Very truly yours,

ADOLPH KASTOR,
Of Adolph Kastor & Bros., New York; President Camillus Cutlery Co., Camillus, N. Y.
EDW. GRAFMUELLER,
Vice President H. Boker & Co. (Inc.), New York; Valley Forge Cutlery Co., Newark, N. J.; H. Boker & Co. of New Jersey (Inc.), Hilton, N. J.
HERMANN KIND,
Graef & Schmidt, New York; Newark Cutlery Manufacturing Co., Newark, N. J.

Mr. McLEAN. Mr. President, who signs the letter?

Mr. JONES of New Mexico. I am glad the Senator mentions that. The letter is signed by three large concerns that manufacture cutlery in this country, and also import cutlery.

Mr. McLEAN. I fancy that the importing end is the larger end.

Mr. JONES of New Mexico. They are Adolph Kastor & Bros., of New York; the Valley Forge Cutlery Co., of Newark, N. J.; H. Boker & Co., of Hilton, N. J., and some other names mentioned here.

Mr. McLEAN. Does the letter state the percentage of merchandise handled by these importers that is imported and the percentage that they manufacture in this country?

Mr. JONES of New Mexico. The letter does not state.

Mr. McLEAN. I think it would be interesting.

Mr. JONES of New Mexico. But I have talked with at least two of these gentlemen, and the situation is this, as I gather it from conversation: They manufacture a considerable variety of these articles. They import other varieties, so as to have a complete list of cutlery for the general trade in the United States. I am told that as to most of these importations there is nothing really manufactured in the United States that is comparable. There is a difference in design, or a difference in grade, or something of that sort, which makes them especially desirable. Moreover, there are certain brands which have been manufactured in England and in Germany which have become popular among certain classes of people who happen to know about them, who have used them, and they adhere to the classes to which they have become accustomed.

Mr. McLEAN. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. McLEAN. That is undoubtedly true. The Senator knows that in the case of those high-class knives made by Henckel and Boker and Kastor in Germany, and the Sheffield knives made in England, no reasonable tariff rates make very much difference with the total importations. In the case of that class of goods the people who are in the habit of using them will buy them, and I think there is every reason why we should exact a pretty fair rate of duty and put it into the Treasury of the United States.

If the Senator will permit me, I will call attention to the averages which have been given to me in a statement which has been prepared which includes 12 different items under this schedule.

Take, for instance, No. 214, a 12-inch knife. The domestic selling price was $14.25. The landed cost of the foreign article was $6.30. In the case of No. 3192, the domestic selling price was $17.62 a dozen and the landed cost of the comparable article was $7.97. In the case of an 8-inch knife, No. 12, the domestic selling price was $29 a dozen; the landed cost of the comparable article was $12.57, and so on. The experts who have made these estimates take 12 articles that are fairly comparable with the imported article, and these 12 would require a tariff rate equal to 128 per cent ad valorem to equalize the difference in the cost of production, and the bill gives them but 77 per cent.

So I want the Senator to realize that the committee did take into consideration the fact that conditions in Germany are somewhat abnormal, and we hope and expect that prices may appreciate somewhat; but with the importations of many of these items that are coming in to-day—perhaps not so particularly with regard to some of these knives as with regard to razors and penknives and shears and other things—the competition to-day is so fierce that we must give rates that are somewhat higher; and it seemed to the committee that if our rate is 77 per cent on the average, and the average rate required to equalize the difference in the cost of production is 128 per cent, we are not giving unreasonable protection to this industry.

Mr. JONES of New Mexico. Mr. President, I want to read what these people say about the rate of protection that is required:

For your further consideration, as American manufacturers, being fully conversant with the cost of production in American factories, we can state that actual production prices on cutlery in these factories to-day range about 50 per cent over and above pre-war period, and so as to equalize the duty on imported merchandise as against American merchandise, it would only be necessary to add 25 per cent to the duty in the Underwood bill, or to add 10 per cent to the Payne-Aldrich bill, so as to cover any differences in the cost of production in Germany as against the cost of production in the United States.

There is also cutlery produced in Czechoslovakia, and the prices to-day in that country are 50 per cent to 100 per cent higher than they were in 1914, so that the present duty would be ample to protect the American industry on goods emanating from that country.

English cutlery, judging from recent quotations, ranges from 50 per cent to 100 per cent higher than pre-war prices, and the actual cost in Sheffield, England, of all cutlery is as high without any duty thereon as similar articles of American manufacture are sold in this country.

The enactment of the Senate Finance Committee's rates on cutlery would be prohibitive on almost all classes of imported merchandise, and we hope that the rates will be lowered so as to allow cutlery to continue to be imported.

These people are importers, but they are manufacturers as well, and that is what they have to say. This is under their own signatures. They all join in that, and it is a letter dated May 29, 1922.

As against that, the Senator puts in evidence here some importations; but these statements relate to present prices, and not to importations back in April, which might have been imported pursuant to a contract made some months previous, when exchange had fallen, or something of that sort. We have not the details regarding it, but here are people who are engaged in the business, and they make these statements; and

notwithstanding what the distinguished Senator from Connecticut has said, I think these people are as worthy of belief as any others who have appeared here regarding this matter.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Connecticut?

Mr. JONES of New Mexico. I yield.

Mr. McLEAN. The Senator from New Mexico knows that in fixing these rates the Finance Committee have paid very little attention to what the American manufacturers have said or reported. We have relied upon the customhouse reports, and the prices procured by the 60 men who were appointed for that purpose and paid by the United States. Upon those figures we based our rates. They are much less than the trade requires; and every time that a letter is read here from an American manufacturer, its authority is at once questioned on the other side of the Chamber.

I want to say to the Senator from New Mexico that if the men who wrote this letter had given him the proportion of their interest in imported goods as compared with domestic goods, the letter would have very little effect upon the Senate. I will say further that it is my judgment that the American factories in this country owned by these very men are running on short time to-day, and that their importing business has been exceedingly profitable. I know I had a knife shown me the other day, a Boker knife, a very fine knife, that cost something like $1.75 or $2 in Germany, and was sold in this country for $8.50, and the man who bought it had the receipt. They are making enormous profits on these imported articles. They are buying them so cheaply that the American manufacturer has no customer for his goods. The Senator must remember that the American producer must rely upon these jobbers for a purchaser for his goods; but they buy these foreign goods at such prices and they can sell them at such profits that the American manufacturer has no market at all as long as these enormous importations can be made.

Mr. JONES of New Mexico. Mr. President, the Senator is still relying upon ancient history, and history regarding such an industry as this becomes ancient in a very short time. It is wholly out of date now to talk about conditions as they were last August or last January.

Mr. McLEAN. Mr. President, the Senator began his remarks upon this bill with statistics of 1911, 1912, and 1913, and from those statistics he deduced the fact that protection was not needed at this time. Now, he throws it in my face that I am relying upon ancient history when I am quoting figures given to me from customs officials in April last.

Mr. JONES of New Mexico. I did not mean to offend the Senator at all, or to complain against him.

Mr. McLEAN. Consistency is a rare jewel; but the Senator started his remarks upon this schedule by quoting figures 8 and 9 years old.

Mr. JONES of New Mexico. Mr. President, of course that, as all others at least must have realized, was for the purpose of showing the condition of the cutlery industry in normal times, and when we come to show the conditions in the readjustment period we want to get as nearly up to date as we can. The Senator must realize that these conditions are changing rapidly.

I now produce this letter from these men who are engaged in this industry, and they say that the present prices are from 15 to 40 per cent higher than the prices were in 1914, prior to the war. So, if these statements be true, they demonstrate that the importation incidents referred to by the Senator from Connecticut are now ancient; they relate to a different condition, and what we are trying to do is to bring this as nearly as we can up to date. I refer to that upon the statements of these men, and I am convinced that they would not have deliberately made statements of that sort unless those statements were true, and according to them the prices in Germany, in Czechoslovakia, and in England are higher than they were prior to the war; so that such things could not now occur as the Senator from Connecticut has stated did occur a few months ago.

As I said awhile ago, we have no means of knowing when the trades were made which resulted in those importations, but we have the statement now for the future, which I put into the RECORD last night, that henceforth the prices of products from Germany are to be stabilized, as to certain classes of goods, at the pre-war prices plus 25 per cent; as to others, pre-war prices plus 40 per cent. They are not going to be exported except upon those dollar prices, and the prices now, according to this letter, are above the pre-war prices.

Mr. McLEAN. Any prices that are stabilized by the importer, for the purpose of convincing Congress that protection is not necessary, will be "unstabilized" by the same importer as soon as this bill passes, I say to the Senator. They have absolute control of the market.

Mr. JONES of New Mexico. This simply demonstrates, as I have repeatedly pointed out, the lack of wisdom in trying to deal with that German situation in this fashion. Such duties as this will be absolutely prohibitive, so far as England, France, and Czechoslovakia are concerned. It was admitted last night that that would be the result. Let me call attention again to just what increases are made by the bill.

Mr. McLEAN. Before the Senator goes to that, I would like to call his attention to the fact that no matter what rate we put upon these articles, the German price of the comparable article will be so much lower than the English price that the English article can not be sold anywhere in competition with the German article. If we had absolute free trade, Germany would absolutely control the market in these comparable articles. The Senator must see that.

Mr. JONES of New Mexico. I quite agree that as long as conditions in Germany remain as they have been, that will be the result; but, again I say, the statements of the Senator show that this is an improper way, a disastrous way, to deal with the situation.

Mr. McLEAN. The Senator knows that the bill itself anticipates a change of conditions, by giving the President power under a proclamation, after an examination, to cut the rates 50 per cent. I do not know of any better plan. If the Senator has one to suggest, I would like to hear it.

Mr. JONES of New Mexico. I do not care to take up the time of the Senate now in discussing what other plans might have been suggested. Before the Committee on Finance another plan was suggested, and it is a plan which would work, though it would be a little difficult of application. That plan, which was suggested by Mr. Meyer, would apply particularly to Germany, where we have this difference in exchange. The plan was presented before the committee, and a day or two ago I made another suggestion regarding it. If you want to fix prices and protect the existing American prices, why not do that thing? Why not come out boldly and say that whereas, at the present time, the prices of cutlery in the United States are 50 per cent higher than they were prior to the war, and whereas we want to maintain those prices, and whereas Germany is sending in goods at less than those prices, therefore be it enacted, that there shall be levied a duty upon all importations of these goods equal to the difference in the price of the foreign article and the American article?

I do not say that I would favor a provision of that sort, but I say that if it is your purpose to maintain existing prices in this country and to keep out importations which would tend to reduce those prices, why should you not do something specifically toward that end? Why apply a remedy which will not produce the result? Why not get some other means of meeting the situation?

I admire the talent and ability of the members of the majority of the Finance Committee. I have sat with them day after day. They are men of the highest intelligence; they are men of ability, and it is astonishing to me that such men have not at least undertaken to devise some other plan to meet the abnormal situation in regard to Germany.

Mr. McLEAN. The Senator from New Mexico has evidently given as much thought to this subject as any other member of the Finance Committee, and the only alternative which he suggests he frankly admits he would not vote for himself. I hardly think he ought to accuse the committee of laches in this matter, when the best he can do is to suggest a plan which he would not himself support. We did consider carefully a limitation of the depreciation in currency, but the Senator knows very well why that plan was abandoned. I do not care to go into that. But here we have a plan which is operative, which is in harmony with the policy which has been followed by this country since the first tariff law was enacted, with a feature which permits a decrease in the rates at any time of 50 per cent, and I am sure the Senator will admit that a decrease in the rates of 50 per cent would put them so low that no one could object to them.

Mr. JONES of New Mexico. Mr. President, I do not care to discuss the conferring of power upon the President to enact legislation for the Congress of the United States. The Senator may discuss that theory later, but notwithstanding the Senator's party have a great majority in both Houses of Congress my prediction is that no such provision will ever be enacted into law, or ever be effective as a law of the country. The Senator himself says now that these rates are not sufficient to meet the difference in those prices which he has mentioned, and if those are the prices which prevail he is right about it. But according to the information which I have there is no

such situation existing to-day. The prices have been raised. The prices are now away above the pre-war prices.

The Senator does not tell us how much profit the American manufacturers are making. He does not tell us, and would not attempt to tell us, that the depressed condition of the industry to-day is due to low prices or due in any great extent to this competition. The Senator knows that there is depression all over the country, and for vastly different reasons.

Mr. McLEAN. The estimates I read of the comparative prices of the domestic and foreign articles give to the American and to the foreigner a 20 per cent profit.

Mr. JONES of New Mexico. Of course, the estimates may have been based upon a 20 per cent profit, but there is no pretense that they ever ascertained the cost of production and found what was the profit of the American dealer.

Mr. McLEAN. They spent three months at it, and they were disinterested, capable parties. I assume they were selected with care. They bring forward these estimates, and I submit to the Senator that they are more reliable than a letter written by a German importer, himself a maker of Boker knives, who has a shop in this country and a shop in Germany, and who has every incentive to deceive the Congress.

Mr. JONES of New Mexico. The Senator is talking aside from what I stated. As I understand it, there has been no attempt for three months, or any length of time, to ascertain the cost of production in the United States. The commission, under the direction of Mr. Reynolds, did not attempt any such thing. So the Senator has not any data at all, if I am correctly advised, regarding the cost of production in the United States. There has been no attempt to get it.

Mr. McLEAN. What the American manufacturers have sold in the last year have been sold at a loss, and the estimates were based upon those sales. The foreigner has not sold at a loss, and I think it fair to assume that the estimates made by the experts are more generous to the foreign producer than they are to the American producer.

Mr. JONES of New Mexico. The experts did not make any estimates. They simply allowed to the American dealer the same profit which they allowed to the importer; but there was no attempt by the experts to ascertain the cost of production in this country or the profit which was made by the dealers in this country.

Mr. McLEAN. The statement which I read last night, which represented some 27 of these industries, was based upon a 15 per cent profit. Of course, I referred to American producers. I do not suppose the Senator from New Mexico would feel that their statements with regard to that matter are worthy of credence; I suppose he would feel that they should be disregarded and that the Senate must accept without criticism his statement from a German importer.

Mr. JONES of New Mexico. I would accept any statement made by any of the persons with whom the Senator from Connecticut has been communicating. I do not question their statements at all. What I criticize is, that on analysis the statements do not mean anything. There is nothing in the statement of any witness as to the quantity of his production and his costs. There is nothing as to his overhead. The statement may have been based upon a very small business for the time of which he is speaking. There was no examination. There is nothing upon which any expert would be willing to make a statement as to the actual cost of the product or the profit. The statement has not been analyzed. But here are statements which I have presented which are complete. They cover the whole transaction. Here we have statements as to the actual cost, the prices which they are now charging and receiving.

Mr. President, I wish to make a statement of just what the bill does regarding these different commodities. I have not been able, of course, to figure out the percentage of the duty on the various items. Last night when we closed our work for the day the inquiry had been made as to what the duties amounted to. I should like to have some member of the committee give us a statement regarding the ad valorem rate which will result from the paragraph as now presented by the committee.

Mr. McCUMBER. Mr. President, I shall be glad to give the Senator the information. We will have to divide the paragraph into the several classes and show just what the equivalent ad valorem would be upon the different classes.

The first class carries a duty of 20 cents each and 45 per cent ad valorem. That consists of cutlery with handles of mother-of-pearl. I will take the foreign importation value of $7.50 per dozen. That would give a specific rate of $2.40 a dozen and an ad valorem rate of $3.37, making a total of $5.77, and that upon the basis of the foreign valuation of $7.50 would give 77 per cent ad valorem.

Next are those with ivory handles. The greatest quantity of those come in at $5 a dozen. The specific duty, therefore, would be $2.40 and the ad valorem rate would be $2.25, making a total of $4.65, which would be equivalent to 93 per cent ad valorem.

Next are those of animal horn. The average is $5 per dozen. The specific rate is $2.40 and the ad valorem duty $2.25, making a total of $4.65, which would again give us 93 per cent ad valorem.

Next are those of hard-rubber handles, which come in at an average of $3.50. The specific duty would be $1.20, the ad valorem $1.35, the total $2.55, which would give us an equivalent ad valorem of 85 per cent.

Bone handles averaged $2 a dozen import price; specific $1.20 and ad valorem 90 cents, making an equivalent ad valorem of 105 per cent, the highest of any.

Celluloid handles come in at $3.75 a dozen. The specific duty is $1.20, the ad valorem duty $1.69, and the equivalent ad valorem duty of the compound is 77 per cent.

Casein, without going into the several items, come in at $3 a a dozen and at an equivalent ad valorem of 85 per cent.

Wood handles, which bring in the cheaper classes, bear a rate of 2 cents and 45 per cent ad valorem. They come in at 50 cents a dozen. The specific rate would be 24 cents a dozen, the ad valorem rate 22 cents, bringing the rate up to 46 cents a dozen, which would be equivalent to 92 per cent ad valorem.

Wood handles with blades 4 inches and more in length bear 10 cents specific duty and 45 per cent ad valorem. They come in at $3.30 a dozen, $1.20 specific, $1.48 ad valorem, making a total of $2.68, which would give 80 per cent ad valorem.

We have reduced these down also to three classes which cover the entire list in the paragraph. First we have those of the animal-horn handles. They take 20 cents each and 45 per cent ad valorem. The foreign import value averages $2.63 a dozen, landing charges 72 cents, specific duty 60 cents, ad valorem $1.18, landed cost $5.13 plus a 20 per cent profit, which we have allowed in all these cases, $1.03, which would bring the total up to $6.16. The American selling price of the same article is $6.78. So giving that duty lacks considerable of equalizing the difference.

Now we will take the cheap set; that is, the ordinary cheap kitchen knife with a wooden handle and a blade under 4 inches in length.

Mr. POMERENE. Mr. President, before the Senator goes to that branch of his subject, will he state what would be the ad valorem duty, if the specific and ad valorem duties were reduced to an ad valorem basis?

Mr. McCUMBER. One hundred and thirty-six per cent on the whole class.

Now I will take the wood-handle knife with blades under 4 inches in length. They come in at 2 cents each under the bill, with 45 per cent ad valorem. The foreign value is 72 cents a dozen, landing charges 7 cents, specific duty 24 cents, ad valorem duty 32 cents, the landed cost $1.35 plus 27 cents per dozen profit, which would give $1.62. The American selling price is $1.32, so that would bring it a little above the average of that class. The ad valorem duty is 77 per cent on the average of that class.

Wood handles, with blades over 10 inches in length, and that takes in the more valuable knives, carry 10 cents each and 45 per cent. It will be seen that it does not cover the same class at all, because while one comes in at 72 cents a dozen, the third comes in at $5.27 a dozen. The landing cost is 57 cents, the specific duty, at 10 cents apiece, $1.20, the ad valorem $2.25, which would bring the landed cost up to $9.39 a dozen. Then allowing the importer $1.88 profit would bring his total selling price to $11.27 a dozen, while the selling price of the comparable domestic article is $11.75 a dozen.

I think that covers very fully the question asked by the Senator both as to the ad valorem upon the particular items and also the ad valorem, costs, etc., upon the same items taking in the three particular classes.

Mr. SMOOT. Did the Senator give the equivalent ad valorem of the last item?

Mr. McCUMBER. I do not know that I did, but it is 67 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, it is very clear from that statement that the rates have now been based upon the selling price in the United States. They have tried to put a duty there for the purpose of maintaining the present selling prices in the United States, but without any examination as to whether the present selling prices are high or low. The general

opinion prevails about the country that the prices are too high. The selling prices of cutlery in the United States to-day are too high. But now admittedly here is an attempt to maintain the existing prices as to these articles. We are not being swamped by any large amount of imports.

Mr. McCUMBER. Mr. President, will the Senator yield to me?

Mr. JONES of New Mexico. Certainly.

Mr. McCUMBER. The Senator says the rates are too high. Too high for what purpose? I do not understand what the Senator means by the mere bald statement that they are too high. Does he mean that they are sufficiently high to maintain the present high cost, and that that is too high?

Mr. JONES of New Mexico. I said that was the opinion generally prevailing. I did not make any statement of facts because none of us know the facts.

Mr. McCUMBER. Here is one thing we do know—that while we have taken the Reynolds report for the figures, as a matter of fact cutlery is coming in now. The foreign value, if we would take it of to-day, would be vastly below the amount I have stated, and would require an ad valorem and specific rate combined that would be very much higher than we have given in the bill.

Mr. JONES of New Mexico. Again the Senator, I am afraid, has not been weighing his words. I produced evidence here awhile ago—I think the Senator was in the Chamber at the time—which was to the effect and made in positive form that the foreign prices are not going lower, but that they are going higher notwithstanding the statements made regarding the so-called Reynolds report; and I put into the RECORD the deliberate statement of people that the foreign prices, measured in gold, are higher and that they are going to be kept higher than they were prior to the war.

As to the Senator's statement that a large quantity of these articles is coming in, the term must have been used in a very broad relative sense, because here is what we have now from the last monthly summary of commerce of the United States, including March of 1922, under the head of cutlery. The statement is divided into four parts—pen or pocket knives, razors and parts of, scissors, shears, and all others. Table cutlery will, of course, fall into the "all others" bracket. Here is what we find now about the "all others." In March, 1921, the imports of "all others" was only $39,884; in March, 1922, there was a slight increase to $46,398; but taking the imports for the nine months ending in March, 1921, and the nine months ending in March, 1922, it will be found that there was a slight decrease in the latter period, and that the amount of the imports was small. When it is said that the production here is in millions and that we are exporting articles falling within this very bracket in large quantities, it seems to me that there is undue fear and that there is not substantial reason for such enormous increases in duties as are here proposed.

Mr. President, table cutlery is surrounded by different circumstances, and the United States has a better chance to compete with the remainder of the world in that article than in pocketknives and razors. Inasmuch as we are exporting much table cutlery in competition with the world, and inasmuch as there is little comparability between what is imported and what is produced at home, it seems to me that we ought not to lose our heads and go wild in building up these duties in this way. Such action does not appeal to one's reason. So, Mr. President, I am going to move to strike out all of these specific rates and merely retain an ad valorem rate. That is the situation under existing law. The specific rates are so much apiece for common steel knives and forks, which has a tendency to mislead the public as to what they are. Therefore, after the words "specially provided for" in the amendment proposed this morning by the committee, I move to strike out the words which follow, down to the numeral "45."

The PRESIDING OFFICER (Mr. LENROOT in the chair). The Senator from New Mexico offers an amendment to the committee amendment which will be stated.

The READING CLERK. In paragraph 355, as proposed to be amended by the committee, after the words "specially provided for" it is proposed to strike out the words "with handles of mother-of-pearl, shell, ivory, deer, or other animal horn, silver, or other metal than aluminum, nickel silver, iron, or steel, 20 cents each; with handles of hard rubber, solid bone, celluloid, or any pyroxylin, casein, or similar material, 10 cents each; with handles of any other material, if less than 4 inches in length, exclusive of handle, 2 cents each; if 4 inches in length or over, exclusive of handle, 10 cents each; and in addition thereto, on all of the foregoing."

Mr. JONES of New Mexico. I should like to have the Secretary read the paragraph as it would stand as proposed to be amended.

The PRESIDING OFFICER. The Secretary will read the paragraph as proposed to be amended.

The reading clerk read as follows:

PAR. 355. Table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning, fish, carpenters' bench, curriers', drawing, farriers', fleshing, hay, sugar-beet, beet-topping, tanners', plumbers', painters', palette, artists', shoe, and similar knives, forks, and steels, and cleavers, all the foregoing, finished or unfinished, not specially provided for, 45 per cent ad valorem.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Mexico to the committee amendment.

Mr. UNDERWOOD. Mr. President, I think the modified paragraph as presented by the committee this morning in place of the original paragraph 355 is an improvement both as to language and as to the proposed rate of taxation. The language is more clear and the ad valorem rate is reduced from 55 per cent to 45 per cent, which is somewhat of a help.

Mr. President, this morning a Senator on this floor in discussing some items of the agricultural schedule stated that one reason why the farmers of his State were entitled to protection was that they raised their crops on high-priced land. It was rather startling to hear the statement made that protection in the future on agricultural products must be based, in part at least, upon the value of the land on which the crop is raised, and, accordingly, that the higher speculators, I might say, in one section of the country boom the price of land the more protection must be accorded against competition in food products. That is a new statement of protection so far as agricultural products are concerned, but in a way it is not a new idea in the writing of tariff bills. It has never been so broadly stated by those who advocate the protective theory in reference to manufactured products, but the manufacturer in estimating his cost takes into consideration his capitalization, especially the interest on any bonded indebtedness which he may have, and the greater the amount of his capitalization or his indebtedness in the way of bonds the greater he figures his cost, and the higher the rate must be to afford protection. Of course if the figures are based on actual costs, if there were no watered stock or no simulated capital in the mills and factories of America, there might be some justification for considering the cost equation; but everybody knows that the great industries of this country have grown and developed and made large profits and then sold their plants to others or recapitalized on the basis of the earning capacity of their good years, and then cried for artificial means to enable them to make profits sufficient to pay interest rates on watered or increased capital stock.

I think to some extent that applies to this industry. According to the statement of the chairman of the committee this morning, the rates of taxation on the knives involved in this paragraph run, if I understood him right, from something like 67 per cent as the minimum to 136 per cent as the maximum—67 per cent tax levied on the right of the American people to buy necessities of life, because the 67 per cent tax was levied on common knives, kitchen knives, and the tax was pyramided when it went to table knives, and so on up and down the scale.

A tax of 67 per cent is some tax. Of course, when that gets to the hands of the retailer it is largely increased. We are talking about taxes at the customhouse; but when the retailer buys from the wholesaler, and the wholesaler from the manufacturer, each one of them pyramids every item of cost, and in that item of cost comes the tax to be levied on the American people. So, while I do not pretend to be able to say with accuracy how much the tax is increased in the hands of the retailer, I do not think I would be far afield from a conservative statement to say that the 67 per cent that this committee proposes to levy on the kitchen knife will ultimately reach at least 100 per cent when the consumer, the purchaser in the retail store, pays the tax. Therefore, as I said awhile ago, this is quite a heavy charge on the consuming public.

Of course, this is an item where I recognize that a fair revenue duty could be levied. In many of its features it is a competitive article. There is an inflow of knives from abroad. I am rather inclined to believe that the tax on the low grades of knives will be a prohibitive tax; but if it is a prohibitive tax it cuts out the competition so that the domestic manufacturer can lay it, and even if it does not cut out the competition from abroad it is put here to enable the domestic manufacturer to lift his price to that extent, and I assume that it means that he is going to lift it to the extent of the difference between the existing tariff law and the increased rates, beyond any doubt, or the committee would be doing a foolish thing—putting a tax on the American people and benefiting no one by it.

So we can assume that the tax on this article is going to be paid by the American people. I do not think there is anything shown here to indicate that the competitive conditions between this country and abroad justify a tax of 67 per cent on the

commonest kind of knife that is imported, and one hundred thirty and odd per cent on higher grades of knives. I do not think it is necessary in the interest of American industry on a fair cost of production, and I do not include in that fair cost of production a charge on capitalization of watered stock.

I do not think this tax is at all necessary. I think it is one of those things that are going into the homes of America to make it that much more difficult for American citizens to live. We complain against the pyramiding cost of living; we cry out against the cost of living whenever the consumer knocks at the door of Congress; but when we have in our hands the one opportunity to be reasonable in the matter of advancing the cost of living on the consumers in the homes of America we take advantage of the occasion to put the taxes higher than they have ever been pyramided to before.

Mr. McCUMBER. Mr. President, I shall confine my remarks to just one phase of this case.

The Senator from New Mexico [Mr. JONES] reiterated over and over again that the cost of the article from the competitive country would without question advance very much beyond that of the article mentioned in the Reynolds report. I stated to him in reply that in many instances the cost of the articles contained in the Reynolds report, which dates back to August 1, 1921, has been enormously reduced on the importing basis; and I want to give a few of these figures and put them into the RECORD to show that I am borne out in that statement.

The Reynolds report, for instance, dealing with cleavers, gives a cost without duty of $12.57 per dozen. That was last August. The landed cost without duty to-day is reduced to $8.20, as against $12.57. That does not look very much as though the cost of the foreign country was going up, but rather intimates that it is going down, and that the importer intends to get that market if he can.

Take butcher knives: The landed cost in the Reynolds report—and that is what we made our rate of duty on—without duty was $4.15 a dozen. The landed cost of the same article in April, 1922, without duty was $2.76 a dozen, a little more than one-half.

Taking pocketknives, the landed cost of a certain class, without duty, in the Reynolds report wass $5.75 a dozen. The landed price in April, 1922, of the same knife was $2.55 a dozen, a decrease of more than 50 per cent. In the case of the pocketknife which is numbered here 307 the landed cost without duty under the Reynolds report was $5.52 a dozen. The same knife was imported in April, 1922, for $2.02 a dozen, without duty.

Take razors: Here is No. 101. The landed price without duty last August was $7.51 a dozen. The landed price of the same razor without duty in April, 1922, was $3.15 a dozen, less than one-half.

Take another class of razors. The landed price without duty last August was $4.74 a dozen. The landed cost of the identical razor in April, 1922, was $3.08 a dozen, without duty.

Let us take scissors. The Reynolds report in August, 1921, showed a landed cost of a certain class of scissors at $5.96 a dozen. In April, 1922, the landed cost of the same article was $3.41. Another class of scissors was landed last August at 68 cents a dozen. The same class of scissors was landed in April, 1922, at 32 cents a dozen, or less than one-half.

So, Mr. President, I could go on enumerating a large number of these. All of this has been taken into consideration by the Finance Committee. We are not making our rates entirely on the basis of the Reynolds report. On the contrary, we are giving a duty that is far less, and under present importation prices these duties are not anywhere near sufficient to cover the difference in the selling price of the commodity imported and the like commodity manufactured in the United States.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico [Mr. JONES] to the amendment of the committee.

Mr. UNDERWOOD. Mr. President, there are less than 10 Members of the Senate present.

Mr. McCUMBER. Can we not have a vote?

Mr. UNDERWOOD. I ask for the yeas and nays on the amendment, then.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the senior Senator from Maine [Mr. FERNALD] to the senior Senator from Missouri [Mr. REED], and vote "yea." I ask that this announcement may stand for the day.

Mr. McKINLEY (when his name was called). I transfer my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from Oklahoma [Mr. HARRELD], and vote "nay."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer my general pair with the senior Senator from New Jersey [Mr. FRELINGHUYSEN] to the junior Senator from Rhode Island [Mr. GERRY], and vote "yea."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Pennsylvania [Mr. PEPPER], and vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR]; and

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON].

Mr. BALL. I transfer my pair with the senior Senator from Florida [Mr. FLETCHER] to the junior Senator from Delaware [Mr. DU PONT], and vote "nay."

The result was announced—yeas 22, nays 37, as follows:

YEAS—22.

Ashurst	Jones, N. Mex.	Overman	Underwood
Culberson	Kendrick	Pomerene	Walsh, Mass.
Dial	King	Robinson	Walsh, Mont.
Glass	La Follette	Sheppard	Watson, Ga.
Harris	Myers	Simmons	
Heflin	Norris	Swanson	

NAYS—37.

Ball	Gooding	McLean	Spencer
Borah	Hale	McNary	Sutherland
Brandegee	Johnson	Nelson	Townsend
Calder	Jones, Wash.	Newberry	Wadsworth
Cameron	Kellogg	Oddie	Warren
Capper	Keys	Page	Watson, Ind.
Curtis	Lenroot	Phipps	Willis
Dillingham	McCormick	Poindexter	
Fernald	McCumber	Rawson	
France	McKinley	Smoot	

NOT VOTING—37.

Broussard	Fletcher	New	Smith
Bursum	Frelinghuysen	Nicholson	Stanfield
Caraway	Gerry	Norbeck	Stanley
Colt	Harreld	Owen	Sterling
Crow	Harrison	Pepper	Trammell
Cummins	Hitchcock	Pittman	Weller
du Pont	Ladd	Ransdell	Williams
Edge	Lodge	Reed	
Elkins	McKellar	Shields	
Ernst	Moses	Shortridge	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

Mr. JONES of New Mexico. I move to amend the committee amendment in another particular. I move to change the second phrase in that paragraph so that it will read:

Any of the foregoing without handles, 35 per cent ad valorem.

The amendment to the amendment was rejected.

The amendment as amended was agreed to.

The next amendment was, on page 74, line 16, before the words "per centum," to strike out "35" and insert "45," so as to make the paragraph read:

PAR. 356. Planing-machine knives, tannery and leather knives, tobacco knives, paper and pulp mill knives, roll bars, bedplates, and all other stock-treating parts for pulp and paper machinery, shear blades, circular cloth cutters, circular cork cutters, circular cigarette cutters, meat-slicing cutters, and all other cutting knives and blades used in power or hand machines, 45 per cent ad valorem.

Mr. McCUMBER. I move to amend the committee amendment by striking out "45," on line 16, and inserting in lieu thereof "20."

Mr. JONES of New Mexico. Mr. President, I want to say a word of approval and appreciation of what the committee now proposes to do in regard to this paragraph, to reduce those duties from 45 per cent to 20 per cent. This is an entirely new paragraph, however. The articles mentioned here have never been specifically placed upon the dutiable list, and I would like

to inquire of the Senator from North Dakota what the present rate of duty is on the articles included within the paragraph?

Mr. McCUMBER. The Senator means under the present law?

Mr. JONES of New Mexico. Under the present law.

Mr. McCUMBER. Under the present law the duty is 20 per cent ad valorem under a general basket clause.

Mr. UNDERWOOD. Mr. President, I join the Senator from New Mexico in congratulating the committee in reducing this rate to a reasonable point. I commend them, both for their courage in taking back what they have done and in the fact that it indicates the committee is now giving consideration to the bill.

As the bill was passed by the House this paragraph on planing knives, tannery knives, and knives of that kind, a very common stock of knives, carried a duty of 35 per cent. The Finance Committee raised it to 45 per cent. After further consideration they have proposed to reduce it to 20 per cent.

I do not say this in adverse criticism of the committee for changing its mind; I think it is only a fool who will not change his mind; but some criticism has been made as to the length of the debate on this bill, the length of its consideration, the talk which has been indulged in. As I said in the beginning, I have always been ready to cooperate with the Senator in charge of the bill to eliminate as far as possible and practicable all unnecessary debate, and especially debate that is not germane to the bill before us; but I think the action of the committee in changing materially the paragraph which has just been passed, and making a most radical change in the one we are now considering, shows the necessity and the advantage of fair and free debate on the items of the bill.

Mr. McCUMBER. Mr. President, I suppose I could also congratulate the framers of the Underwood tariff law, because they levied an ad valorem duty of 20 per cent on the importation of an article which does not come into the country at all, and, so far as a close investigation shows, never has come in. It was put under a general basket clause, and on more careful consideration of the matter we decided that at least we could not be criticized if we made the same mistake the Democratic leader made in formulating his bill, and that at least they would let us pass it without making any long debate. So far we have had just about as much criticism when our rates were approximately those of the Underwood tariff law as we have had when we proposed higher duties. It did not seem to have any effect, so far as the debate was concerned.

Mr. UNDERWOOD. I will say to the Senator I am glad we can agree on this rate. Of course, a great many items in the present law fall in basket clauses, and are taxed there, as a great many items in this bill will fall in basket clauses and be taxed; but I say to the Senator that the man who thinks he can write a tariff bill without making mistakes had better not start to write one, because that kind of a man is such an ass that he could not recognize himself in his own mirror. Of course, there were mistakes made in writing the present law and we included rates which did not reflect what the committee thought they would reflect when they went into operation, but from my point of view the greater number of mistakes made in writing the present law were made in putting the rates too high instead of putting them too low. Of course, the Senator will not agree with me in that point of view, because he believes in excessively high rates. I believe in rates that will always produce some reasonable and fair competition through the customhouse, and that the rates ought to be reduced to that point.

I am free to say that in a number of instances, especially in the iron and steel schedule, where we cut the Payne-Aldrich rates in two, we did not produce competition, and therefore I should say we made mistakes in not cutting them enough. I am perfectly willing to accept the criticism, and I merely say that you can not frame a tariff bill without making mistakes. Therefore it is all the more important that all the light which can be fairly and justly and reasonably thrown on these schedules should be put upon them before it is enacted into law.

Mr. McCUMBER. In reply to that, I will say that I am not criticizing the Underwood tariff law at all. It was based upon the theory that it was to raise revenue only, and the framers of that law had no intention of giving protection. It was quite simple and easy to say that a great many articles should go in under the basket clause at a certain ad valorem rate. Therefore they could make but few mistakes from their standpoint. It is a very much more difficult process to hunt out each item in a basket clause and determine what would be a protective duty. That we have tried to do as nearly as we could. We have found in many instances that we have relied somewhat upon the findings of the House without as close an investigation as we should have made into some of their rates, where there was no contest before the committee, and we are trying to correct any possible errors as we go along.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. McCUMBER] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. In paragraph 357, page 74, line 18, the committee proposes to strike out "30" and insert "55," so as to read:

Steel-laid scissors and shears, and blades for the same, finished or unfinished, 10 cents each and 55 per cent ad valorem.

Mr. McCUMBER. Mr. President, the committee has some amendments which it desires to offer. The first is on page 74, to strike out all of the matter beginning with the word "Steel" in line 17 down to and including the word "shears" in line 20 and to insert in lieu thereof:

Nail, barbers', and animal clippers, pruning and sheep shears, and all scissors and other shears.

That will be the first amendment to the committee amendment, and then there will be an amendment changing the rate.

Mr. JONES of New Mexico. May I inquire the purpose of the amendment?

Mr. McCUMBER. It is to get rid of the first portion of the paragraph, "Steel-laid scissors and shears, and blades for the same, finished or unfinished, 10 cents each," and, as we have proposed to amend it, "45 per cent ad valorem," and let it come under the same general duty as other scissors and shears. It is simply to cover a difference in the method of manufacture.

Mr. JONES of New Mexico. Does it accomplish any change in the rate of duty?

Mr. McCUMBER. Then I shall move to change 60 per cent in line 23 to 45 per cent ad valorem, but that will be a separate amendment.

The PRESIDING OFFICER. The Chair desires to call the attention of the Senator from North Dakota to the fact that the word "shears" occurs twice in line 20. To which word does he refer in limiting his amendment?

Mr. McCUMBER. The amendment proposes to strike out down to the last word at the end of line 20.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota to the amendment of the committee.

Mr. JONES of New Mexico. May we have the amendment to the amendment read?

The ASSISTANT SECRETARY. On page 74, line 17, after the paragraph number, 357, strike out:

Steel-laid scissors and shears, and blades for the same, finished or unfinished, 10 cents each and 55 per cent ad valorem; nail, barbers', and animal clippers, pruning and sheep shears, and all other scissors and shears.

And insert:

Nail, barbers', and animal clippers, pruning and sheep shears, and all other scissors and other shears.

Mr. JONES of New Mexico. Am I to understand that the amendment eliminates the specific duty mentioned there?

Mr. McCUMBER. It does.

Mr. JONES of New Mexico. So that these articles, according to the amendment, will bear a duty of 50 per cent.

Mr. McCUMBER. They will bear a duty of 45 per cent.

Mr. JONES of New Mexico. The Senator proposes to strike out "50" and insert "45."

Mr. McCUMBER. Valued at 50 cents per dozen and more they will carry a duty of 4 cents each and 45 per cent ad valorem. I propose to change the 60 per cent in line 23, but that will be a subsequent amendment. I first desire to get the phraseology right. I call the attention of the Senator from New Mexico to the fact that I have not as yet reached the rate, which I shall move separately to reduce.

Mr. JONES of New Mexico. Will the Senator indicate the rate?

Mr. McCUMBER. I have just stated it. It is, in line 23, to strike out "60" and insert in lieu thereof "45"; but that, I say, will be a subsequent amendment. I want to get the phraseology right first.

Mr. JONES of New Mexico. Then, on page 75, will the rate remain the same as printed?

Mr. McCUMBER. No; we will change the 50 per cent in line 7, on page 75, when we get to it, by an amendment reducing it to 45.

Mr. JONES of New Mexico. Mr. President, it seems to me that there should be a division of this paragraph. The industry, as it relates to scissors and shears, is entirely different—at least it was so prior to the war—and there should be some difference or distinction. In this country before the war we did not manufacture any scissors except very cheap cast scissors, I understand. All the good scissors came in from Germany or England. Shears were not only manufactured in this country, but we exported shears to all parts of the world. The United States was able to compete with the world in the manufacture and sale of shears, whereas scissors were not manufactured in this country to any great extent. Now it is proposed to put into the paragraph scissors and shears and impose upon them both the same rate of duty. It strikes me that that is very loose legislation.

Mr. McCUMBER. Will the Senator tell me how he differentiates between shears and scissors?

Mr. JONES of New Mexico. The trade certainly differentiates between the two.

Mr. McCUMBER. But does the Senator understand the basis of the differentiation?

Mr. JONES of New Mexico. Yes.

Mr. McCUMBER. How would the Senator make a duty if we call anything below 7 inches scissors, as they are called in the trade, and if it is above 7 inches in length it is shears. By one one-hundredth of an inch difference it could be converted from shears into scissors or from scissors into shears to meet a trade designation. It does seem to me that inasmuch as the cost of production, and so forth, would be substantially the same in the one case as in the other the duties ought to be the same.

Mr. JONES of New Mexico. No; there is a vast difference in the production. They are made entirely in a different way. The scissors are made of forged steel. The shears have a body of one kind of material and have a plate sheet used for the cutting part of the instrument. They are not only known in the trade by different names, but there is an entirely different method of manufacture.

With regard to shears it seems to me there is no necessity for any duty. At any rate there is no excuse for increasing the present duty. Here is what the Tariff Commission has to say about it:

> The American shears are sent to all countries of the world.

There are no separate statistics regarding scissors and shears. We do not know just what the domestic production is of each, nor do we know the imports or exports of each, but we do have a general history of the industry. Here is what is said about domestic production and consumption:

> Shears and scissors are not specified in the export statistics. A large number of the former are exported and American manufacturers supply the home market. Scissors, on the other hand, have been produced only to a slight extent in the United States, and the market is supplied by importation.

That is the official statement regarding the industry. As to shears, we supply the whole market. There are no importations of shears. Not only do we supply the home demand, but we export shears to every country in the world. That is the statement. Here is proposed a very material increase in the duty on shears.

So far as scissors are concerned the condition has changed somewhat by reason of the war. During the war some concerns in the United States began the manufacture of scissors. They are producing good scissors, and I am advised that they hope to continue the industry, but they do not need the amount of duty specified in the bill, according to their own statements.

The bill prior to its modification imposed a very high duty on scissors and shears, and I am not surprised that the committee is modifying the rate to some extent. I call attention to the fact, however, that the reduction is not in a very large amount.

Here is the tariff history regarding the duties in the paragraph as it was written before the committee proposed this change. The present duty on the items in the paragraph—that is, the items which were dutiable under existing law—was only 30 per cent. Under the Payne-Aldrich law the average duty was 56 per cent. Under the bill as first reported by the committee, on scissors and shears valued under $1.75 per dozen, the rate was increased to 229 per cent and on all scissors the average duty under the paragraph as proposed by the committee in the first instance was 190 per cent.

The committee now modifies its proposal and makes some reduction in the ad valorem rate, reducing it from 60 per cent to 45 per cent; but on cheap scissors and shears, valued at not more than 50 cents per dozen, it retains a specific rate of 4 cents each. That would be 48 cents per dozen, which itself would be equivalent to about 100 per cent on the highest valuation. If the articles were 24 cents a dozen, it would be 200 per cent; at 48 cents a dozen 4 cents each would amount to 100 per cent; but then there is proposed a 45 per cent ad valorem duty in addition. So it seems to me that these rates are excessively high even as the paragraph has now been amended by the committee.

The prices of these scissors have been increased at a very rapid rate. A good pair of scissors was sold before the war for 6 marks and 65 pfennigs. On January that price advanced to 279 marks and 3 pfennigs, and on March 15 it had advanced still further—418 marks and 95 pfennigs. On May 15 there was a still further advance of 25 per cent, showing a very rapid rise in the price of foreign scissors.

Mr. McLEAN. From what report is the Senator from New Mexico reading?

Mr. JONES of New Mexico. From the H. Boker Co.

Mr. McLEAN. That is the same importing firm that gave the Senator the information with regard to knives?

Mr. JONES of New Mexico. It is one of them.

Mr. McLEAN. The actual customs receipts, I will say to the Senator, show a marked decrease in the price of scissors since August 1, 1921. According to the Reynolds report, for scissors 7 inches the landed cost in August, 1921, was $5.96 a dozen, while in April, 1922, the price of the same scissors landed in the United States was $3.41 a dozen. Scissors No. 9300, 5-inch, on August 1, 1921, were landed at a cost of 68 cents per dozen, while on April 1, 1921, the landed cost of the same scissors was 32 cents per dozen.

Mr. JONES of New Mexico. Mr. President, I do not care to repeat the arguments which I have already made on this same subject. It is apparent that the same condition exists in regard to scissors as exists with regard to table cutlery, and so on. Everything that I have said in the discussion of the paragraph covering table cutlery applies here. Certainly what was said with respect to production in Germany and prices in Germany applies. I dissent absolutely from the impression which is sought to be created here that the prices of cutlery coming from Germany are decreasing. The Senator from Connecticut may present figures as to imports and discuss them as much as he pleases, but I have it from direct sources that the prices are increasing and that they are fixed beyond the pre-war prices.

Mr. McLEAN. Let me call the attention of the Senator to the imports of scissors for the four months of January, February, March, and April, 1922. I now read from customs reports. These are not estimates given by importers. In January there were imported 54,000 dozen of them, in round numbers, at a price of $50,000, a little less than $1 a dozen; in February, 1922, we imported 62,000 dozen, in round numbers, of a value of $64,000. That was a slight increase. In March, 1922, we imported 60,000 dozen, in round numbers, at a price of $55,000. In that instance there was quite a decrease in the price. In April, 1922, we imported 59,115 dozen, at a price of $60,813. That shows a very slight increase.

The Senator from New Mexico will observe as to all these importations that the price has varied very little until we come to the later reports, which indicate that in certain lines there has been a marked decrease and no increase of any consequence. The importers who have advised the Senator may give him more accurate information than we get from the invoices that are furnished by the customs officials, but I think he is mistaken.

Mr. JONES of New Mexico. Mr. President, here is a statement that was handed to me, and it gives the number of the scissors. This is the article [exhibiting] that I am talking about, and that article prior to the war cost in Germany 6 marks and 65 pfennigs; on January 1 it advanced in price, as measured in marks, 4,100 per cent, or to 279 marks and 30 pfennigs; on March 15 it advanced 6,200 per cent in marks, to 418 marks 95 pfennigs, and on May 15 there was another advance of 25 per cent.

Mr. McLEAN. Is the Senator giving the cost price?

Mr. JONES of New Mexico. I am giving the cost price in Germany, stated in marks.

Mr. McLEAN. Is it the cost price or the wholesaler's selling price?

Mr. JONES of New Mexico. It is the cost price. I will show just what the landed cost price is. On January 1 the purchase price was 429 marks 30 pfennigs, and with the mark at 0.36 of a cent, which is about one-third of a cent, the foreign cost would be $1.01; the duty was 30 per cent under existing law and the expense of landing was 5 per cent, and the landed cost $1.36. Figured in precisely the same way on March 15 the landed cost, under the existing duty, increased from $1.36 to $2.03, and with the advance on May 15 of 25 per cent the cost would be $2.67.

Mr. McLEAN. Is the Senator giving us figures based on actual importations?

Mr. JONES of New Mexico. I am giving prices which are furnished by this concern.

Mr. McLEAN. Oh, yes.

Mr. JONES of New Mexico. The prices in Germany.

Mr. McLEAN. We do not know whether it includes profit or not.

Mr. JONES of New Mexico. There is nothing added for handling cost at all. The figures merely show the landed cost.

Mr. McLEAN. Of this firm?

Mr. JONES of New Mexico. Of this firm.

Mr. McLEAN. So we do not know whether it is the actual cost of the articles or whether there is a profit or not.

Mr. JONES of New Mexico. There is no profit figured in it at all; it is the landed cost that I have been speaking of, without any cost for handling.

Mr. McLEAN. But the foreign manufacturer does not send them over here at cost; he is supposed to make something, is he not?

Mr. JONES of New Mexico. There is nothing said here as to the profit the foreign manufacturer made.

Mr. McLEAN. As the same concern has a factory in this country, we can assume that it is not doing business at a loss at either end.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. McCUMBER. If the Senator has the number and the name of the maker of the scissors, undoubtedly we can get the landed cost in the United States in a short time, and I should like to find out what it costs landed in the United States, because there is where the competition must be.

Mr. JONES of New Mexico. I will give the number of the scissors so that the figures may be checked up, if the Senator desires to have it done.

Mr. McCUMBER. I should like to examine into the matter.

Mr. JONES of New Mexico. The number is 4042—6 inches.

Mr. McCUMBER. And the manufacturer's name is on the scissors, is it?

Mr. JONES of New Mexico. It is H. Boker & Co.

Mr. McCUMBER. I think we can, if they are imported, secure information as to the exact landed cost in the United States.

Mr. JONES of New Mexico. Mr. President, as I have said, I am perfectly willing that there shall be a reasonable duty upon the scissors and that there shall be somewhat of an increase over the present rate, because during the war concerns began to manufacture them in this country, but I am advised that the rates proposed by the committee are practically prohibitive.

Mr. McLEAN. What is the length of the scissors to which the Senator has referred?

Mr. JONES of New Mexico. Six inches.

Mr. McLEAN. On the list furnished us by the Reynolds report I find as to 6-inch scissors the landed cost is given at $5.96 a dozen and the domestic selling price at $11.75 of the comparable article. It would require quite a high rate to equalize the difference. That is one of the articles, and I think the only one, that requires as low a rate. There are 14 different numbers of scissors and the average spread—that is, the average rate required—is 204 per cent to equalize the difference in cost. We have not given anywhere near that protection, the average being less than 160 per cent.

Mr. JONES of New Mexico. Now, I will proceed just a little further with the report which has been made to me. The landed cost of that pair of scissors would be $2.67 under the present law, and, of course, nothing is added to that price for overhead and profit. The price under the Payne-Aldrich law would be $3.22. The rate proposed in the Senate bill before it was amended would make the cost $5.37, whereas to-day's American selling price is $5.

Mr. McLEAN. The comparable article?

Mr. JONES of New Mexico. No; it is to-day's American selling price of this article that is $5.

Mr. McLEAN. In the case of the same length of scissors, the American landed cost was $5.96 a dozen in August last. That is very much higher than the price quoted by the importer. We give him a great advantage in fixing the rate on the 6-inch scissors, and I understood the Senator to say that these scissors were coming in now for $3 and something a dozen.

Mr. JONES of New Mexico. They are not the same scissors. The Senator must know that.

Mr. McLEAN. They are as good scissors, I imagine, because the landed cost is $5.96.

Mr. JONES of New Mexico. They are not the same scissors that we are talking about.

Mr. McLEAN. There are no better scissors than the Boker scissors, I think.

Mr. JONES of New Mexico. As I say, the people in this country have commenced manufacturing scissors to some extent, and I am perfectly willing that a fair duty shall be put upon them, and a little above the present rate; but there is no excuse for putting an increased duty upon shears. That is the point I wish to emphasize. We are exporting shears to the four corners of the globe; and to increase the duty upon them can have no effect other than to enable the few manufacturers of shears in this country to raise their prices to the American consumer, and compete in the rest of the world at different prices.

Mr. McLEAN. The Senator knows that if there are no importations of shears, and there is any domestic competition, that competition controls the price, no matter what the tariff is. I think he will admit that.

Mr. JONES of New Mexico. Then I will ask the Senator why he seeks to increase the duty on shears? What does he hope to accomplish by it?

Mr. McLEAN. Because there is reason to think that if we do not put a duty on shears the Germans will make shears. They have all the machinery that is necessary, and if they do make shears and we do not put any duty on them, of course they will drive the American manufacturer out of the business; and if there are no imports the duty does not affect the price to the American consumer, outside of the fact that it is almost impossible to differentiate in putting a tariff on this article. As the Senator from North Dakota said, there is no difference between shears and scissors, except as to the length.

Mr. JONES of New Mexico. Oh, yes, there is, if the Senator will pardon me. There is a difference in the method of manufacture. They are manufactured in entirely different ways.

Mr. McLEAN. They are manufactured in two ways, I know. There are steel-laid shears. I do not know whether there are steel-laid scissors or not, but there may be shears that are not steel laid.

Mr. JONES of New Mexico. I think not, if the Senator will pardon me. I think all shears that are to be classed along with scissors are steel laid. They are all steel laid.

Mr. McCUMBER. Mr. President, I think we can possibly correct some little misunderstanding, and that we will be nearer together if we can get the exact facts.

The Senator understands there are two kinds of scissors and shears—that is, in the method of manufacturing. There are what we call the steel-laid scissors and shears and there is the other kind of scissors and shears. We make in the United States both kinds. We do not export anything but steel-laid scissors and shears, but we do make the other kind and Germany makes the other kind as well, and therefore she could import them as well as she could import the scissors. Bear in mind, the only shears that we are exporting are not the usual kind that have been made, but those which have been made in this country only a few years, namely, what are called the steel-laid shears. The others may come in. I do not see how we can differentiate and say that the other countries may not make these shears exactly in the same way that we do, but the only difference is a difference in length.

Mr. JONES of New Mexico. I am satisfied that the experts will have no difficulty in the world in making a distinction here; but, confessedly, there is no demand here for an increased duty on steel-laid shears. We export them all over the world. There are none coming in in competition that I know anything about.

Mr. President, there have been added to this paragraph some items that have been on the free list. Among them are sheep shears and pruning shears. I wonder if the Senators on the other side of the Chamber who are interested in agriculture so professedly are willing to take sheep shears from the free list and put them on the dutiable list? The trade situation is this: We make sheep shears in this country, and we export them to all the sheep-raising countries of the world; but there are other sheep shears, made in Great Britain, that are in common use in this country, and in my section of the country they all use the British sheep shears. They are going to have them whether we increase these duties or not.

Mr. McLEAN. Mr. President, is the Senator in favor of putting a duty on Australian wool?

Mr. JONES of New Mexico. That is wholly beside this controversy. I certainly feel that this is no time for filibustering. We want to discuss this bill and get it passed. We have heard enough about filibustering and about diversions and about talking on things that do not relate to the bill; and I ask the

Senator if he does not think it advisable that we shall talk about sheep shears instead of wool in Australia?

Mr. McLEAN. They go together, and I did not know but that if the Senator was in favor of putting a duty on wool he would be in favor of giving the men who make the sheep shears a little duty; that is all. I did not expect that the Senator would answer the question.

Mr. JONES of New Mexico. Mr. President, I am interested—I will not say delighted, but I am interested—to have heard the distinguished Senator from Connectocut make the remark which just fell from his lips. He says that inasmuch as we have put a duty upon wool, the woolgrower ought to be willing to give a little of it to the producer of sheep shears. Notwithstanding the producer of sheep shears in the United States is exporting his shears to the four corners of the world, they want to give him something more. Simply because the grower of wool is now given a duty upon wool, they want to give him something; and, Mr. President, that is found in practically every paragraph of this bill. You are taking something from these agricultural producers and giving it to somebody else, and that is the way you dupe and deceive the farmers of this country. When you propose to put a duty upon wheat, when you propose to put a duty upon anything else, you use that as an excuse to take something out of their pockets and give it to somebody else.

Mr. McLEAN. If the Senator will calm down and reassume his usual good-natured style of discussing this question, I think he will admit that if his statement is correct, that we are exporting these shears to all the nations of the earth in competition with other makers, the tariff on shears will not make any difference to the domestic user of shears. If we can compete with Germany in all the markets of the world in manufacturing this article, of course the German, if he gets his shears in here, must meet our price, and if anybody pays the duty, of course the German must pay the duty.

Mr. JONES of New Mexico. No, Mr. President; the Senator certainly can not be familiar with the sheep industry of this country. Here is the situation: The growers of wool and of sheep in this country want the specific shears that are made in Great Britain, and the only effect of a duty so far as the woolgrowers are concerned is simply to make them pay more for their shears. You are levying a tax on them, and you give to the American manufacturers the opportunity to raise the price of his shears that are sold in this country. That is what you do; and when the Senator from Connecticut rises here and says, inasmuch as we have put a tariff on wool, that the woolgrowers ought to be willing to give something to the manufacturer of shears in this country, he discredits the intelligence of the sheep growers of the country, who will be taxed in this fashion and for such an ignoble purpose.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from North Dakota?

Mr. JONES of New Mexico. I yield.

Mr. McCUMBER. Did I understand the Senator to say that we were exporting the sheep shears run by hand, the old-style sheep shears?

Mr. JONES of New Mexico. That is what the Tariff Commission reports.

Mr. McCUMBER. I do not so understand. My understanding is that we are simply exporting something which is peculiarly an American make, namely, the power shears, run by power other than hand power, and that the statements as to exports do not apply to these small shears at all. That is my information from the customhouse experts.

Mr. JONES of New Mexico. And that we do not manufacture the hand shears in this country?

Mr. McCUMBER. I say that we are not exporting them.

Mr. JONES of New Mexico. All I know on this branch of the subject is the statement which I read earlier in the discussion, that we are exporting these shears. I can not keep at my hand always the specific references, but I find this statement regarding the sheep shears in the tariff survey, and I do not imagine it would speak of sheep shears in this language if it meant a machine for shearing sheep. We have no definite information as to the exports of these sheep shears, but I do find this, as to the shipments to Chile and the Argentine:

> The United States lead in barbers' clippers, furnishing 62.1 per cent of the Chilean imports, against the United Kingdom's 16 per cent, Germany's 12 per cent; also in sheep shears, furnishing 73.5 per cent of the Argentine imports, against the United Kingdom's 25.9 per cent and Germany's 0.3 per cent.

That is what the Tariff Commission has to say about it, and that is as to sheep shears. It does not mean sheep-shearing machines. There is a vast difference between sheep-shearing machines and sheep shears, and we are exporting to the Argentine 73½ per cent of all the sheep shears used in the Argentine. Then Senators tell me we are not exporting sheep shears, but are exporting sheep-shearing machines. The Senator from North Dakota is misinformed, I am sure.

Mr. McCUMBER. I think not. I think the Senator will find that where this is done on a big scale, as it is down there, we are exporting only the sheep-shearing machines.

Mr. JONES of New Mexico. Then I will ask the Senator what is meant by that language in the tariff survey, where it says that in the imports to the Argentine "the United States leads in barbers' clippers," and gives the percentage, "also in sheep shears, furnishing 73.5 per cent" of the imports. If it does not mean what it says, I should like to have some one tell me what it does mean.

Mr. McCUMBER. The Senator may think it means the little hand shears, but my information is the contrary, that it all.

Mr. JONES of New Mexico. I think the people of the country understand just what "sheep shears" mean, and they do not understand it to mean the sheep-shearing machines.

Sheep shears and pruning shears and animal clippers have been on the free list, as I understand it, as agricultural implements. There is no excuse in the world for taking them off the free list. We are exporting all three of those articles. They are used by the farming industry of this country. They are on the free list, and again I want to appeal to Senators on the other side of the Chamber who profess so much interest in the farmers of this country, are you going to take these shears from the free list and put them on the dutiable list, when we are exporting such shears to the four corners of the earth under existing law?

Mr. McCUMBER. If the Senator will indulge me again, I want to call his attention to the fact that he is in error.

Mr. JONES of New Mexico. I have not the amendment as amended before me, but I wish to strike from it the items which were newly brought into the bill by the Senate Finance Committee. So far as nail scissors, barbers' and animal clippers, pruning and sheep shears are concerned, there is not even a reasonable excuse presented for putting them upon the dutiable list under existing circumstances. I move to strike those words out. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair suggests to the Senator from New Mexico that that is all the committee proposes to insert. A negative vote on the committee amendment will accomplish the object the Senator has in view, will it not?

Mr. JONES of New Mexico. The committee changed the language entirely, as I understand it.

The PRESIDING OFFICER. Let the Secretary report the amendment proposed by the committee.

The ASSISTANT SECRETARY. After the paragraph No. 357, on line 17, the committee proposes to strike out all of lines 17, 18, 19, and 20, and to insert:

> Nail, barbers', and animal clippers, pruning and sheep shears, and all scissors and other shears.

The PRESIDING OFFICER. The Secretary will now state the amendment proposed by the Senator from New Mexico to the amendment.

The ASSISTANT SECRETARY. From the words which the committee proposes to insert the Senator from New Mexico proposes to strike out only the following words:

> Nail, barbers', and animal clippers, pruning and sheep shears and.

Mr. McCUMBER. I will ask the Senator if he will not withhold his call for a quorum and just call for a yea-and-nay vote? That will develop a quorum without calling the roll twice.

Mr. JONES of New Mexico. I do not believe Senators understand just what is involved. There are very few Senators here now, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Brandegee	Harris	McLean	Smoot
Bursum	Harrison	McNary	Spencer
Calder	Heflin	Nelson	Stanley
Cameron	Johnson	Newberry	Sterling
Capper	Jones, N. Mex.	Norris	Sutherland
Caraway	Jones, Wash.	Oddie	Townsend
Cummins	Kellogg	Overman	Wadsworth
Curtis	Kendrick	Page	Walsh, Mont.
Dial	Keyes	Phipps	Warren
Dillingham	La Follette	Poindexter	Watson, Ga.
Elkins	Lenroot	Rawson	Watson, Ind.
Gerry	McCormick	Sheppard	Williams
Glass	McCumber	Shortridge	Willis
Hale	McKinley	Simmons	

The PRESIDING OFFICER. Fifty-five Senators having answered to their names, a quorum is present. The question is on

agreeing to the amendment offered by the Senator from New Mexico [Mr. JONES] to the committee amendment.

Mr. HEFLIN. Mr. President, I wondered as the discussion proceeded upon the schedule about shears and scissors of all kinds, including shears used by the farmers of the country, where the distinguished Senator from Idaho [Mr. GOODING] could be, that Senator who claims to champion the cause of the farmer upon the floor of the Senate, who talks strongly for him and then votes strongly against him when he advocates a small rate of 20 per cent upon some farm product, and straightaway turns and votes to give the tariff barons a 75, 100, and 200 per cent rate. I wondered where the distinguished junior Senator from Idaho could be as the Senator from New Mexico [Mr. JONES] held up before the Senate the various kinds of scissors that will be used by all the farmers' wives of America and millions of women who do not live on the farm. When this high tariff rate was suggested by the Finance Committee of the Republican Party, I wondered why the junior Senator [Mr. GOODING] did not lift up his voice in solemn protest, and I wondered if they had silenced him by promising 5 cents to the farmer in order to take from him by the same taxing process $100.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER (Mr. MCNARY in the chair). Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. HEFLIN. I am always glad to yield to my friend from Kentucky.

Mr. STANLEY. Does the Senator want an answer? The Senator from Idaho was busy at that time. He was fleecing the farmer with those shears.

Mr. HEFLIN. A very apt reply, Mr. President; fleecing the farmer. I have heard of those who farm the farmer, and the Senator from Kentucky has suggested the man who fleeces the farmer.

Mr. President, I have seen and used the kind of shear that is used upon the sheep. They work somewhat like a pair of scissors. That is a shear that is distinguished from a machine shearer. The kind of shearer that works by machine is the shearer in operation now by the Republican side of the Senate, shearing the consumers of America, just like the shepherd shears his sheep. I will say more about that a little later on.

The distinguished Senator from Connecticut [Mr. MCLEAN] for the first time in months I have seen him really enthused and aroused as he was fighting to lay a heavy tax upon the backs of the consuming mass of American people. Oh, how glibly and enthusiastically he did go to his task. How he could see the coupon being clipped by some of his constituents, a few of them, and forgetting all the while the thousands and hundreds of thousands of his people who must pay the additional price for the kind of scissors and shears that they have to buy for use in the routine work of everyday life.

I heard him say, in reply to the Senator from New Mexico, that a certain rate would put some manufacturer here out of business. That, of course, was a fairy tale. I thought of the consumer and how many of them are being put out of business here by the provisions of the bill. But they do not pay any attention to the consumer. He is only one amongst many. He belongs to the rank and file of the great army of the people who make up the population of the United States. But those few fellows who have already grown fat, pompous, and proud under the protective tariffs of the past are now coming back and demanding their rates. After having contributed to the campaign fund of the Republican Party in 1920 they are coming now and demanding that their profits be increased by law, and here you are doing what they tell you to do. They are adding to the tax upon shears when we are exporting them by the thousands, as the Senator from New Mexico [Mr. JONES] has pointed out, and selling them to all the countries of the earth.

There is no need under the sun for a tariff on shears, and yet the Finance Committee on the Republican side put a tariff upon shears in order to build up a wall shutting them out entirely and leaving the consumer of America, who must buy shears, at the mercy of the shear trust or combine of the United States. That is, in short, the story of what you are doing here. The Senator from Connecticut sheds copious tears when he talks about putting a certain manufacturer here out of business. But my heart goes out to the hard-pressed, struggling consumer, multiplied under the Republican administration by the millions. Little by little you are increasing his burdens each day, and he stands out there as you pelt him with your high tariff schedule, with nobody to defend him, nobody to lift a voice in protest against the outrage except the Democrats in this body and now and then a Republican on the other side of the Chamber who will not go with the majority in robbing outright the whole mass of people in the United States.

Mr. President, I saw the junior Senator from Idaho [Mr. GOODING] sit with folded arms and sealed lips when the debate raged about him last night and they were putting a tax of 20 cents each upon a table knife and 20 cents each upon a fork, the knife and fork the people must use as they eat their meals. I saw them raise the price of those products by law, giving the consumer no say at all about it, but using the taxing power in this body to increase the profit of the man who manufactures the steel knife and the steel fork. As they were doing that I said to myself, "Where is that friend of the farmer?" Then, Mr. President, when I saw scissors scheduled for taxation I said, "He will be here now to protest against this thing," but I was mistaken.

I can see the wife of the farmer out in the rural district in the springtime, in the summer time, and in the early fall, sitting on the front porch with her workbasket and her worktable and two or three or four pairs of scissors, small scissors, medium-sized scissors, a still larger pair of scissors, and a great big pair—that is, Mr. President, they used to have four pairs when the Democrats were in power. They could afford to have four pairs then. But now you are putting a tariff tax upon all these scissors and you make it more difficult for them to buy scissors at all. But through it all the Senator from Idaho [Mr. GOODING] was as silent as the tomb.

Mr. WATSON of Georgia. Mr. President——

Mr. HEFLIN. I yield to my good friend from Georgia.

Mr. WATSON of Georgia. I hope the Senator will comment upon the fact that this tax on shears, especially the larger sizes of shears, will increase expenses in every editorial room in America.

Mr. HEFLIN. Certainly. These large shears are used by the newspaper men of the country, used in every editorial and news room in the land—great, big, long scissors. I have a pair in my office twice as long as those used by the Secretary at the desk. They are used to clip papers and some of those big scissors are used to cut light leather and some of them are used to cut tin.

Mr. NORRIS. Mr. President, has it occurred to the Senator that the fellow who clips coupons also has to buy shears?

Mr. HEFLIN. Now, Mr. President, my good friend from Nebraska, who has struck this obnoxious and oppressive tariff bill some body blows, suggests that those who clip coupons must buy scissors. If this tax rate obtains they will be about the only ones, I will say to my friend from Nebraska, who will be able to buy steel scissors. Of course, they can buy them. God knows they ought to be able to buy them. If they are not able to buy them in Wall Street after having over $10,000,000,000 turned into their hands by the deflation policy of the Republican Party, then I do not know who in all the world would be able to buy them. Yes; those men must have them to clip their coupons.

But, Mr. President, I was going on to say that the newspaper office uses not only one pair but several pair of shears, because one fellow is off clipping some article out of a newspaper that he wants to reproduce in his own, and he is cutting various things and shaping up his paper for the press. A whole lot of scissors will have to be used, and the price of all of them will be increased if the Senator from Connecticut [Mr. MCLEAN] has his way. Oh, how he did glow with enthusiasm when he was going out after money from every person that has to buy scissors and shears.

Scissors; shears! Here is a small farmer with a little vineyard that he has started, and must have these big scissors or shears to shear and prune the vine, to clip them and cut them, and this legislation which is proposed by the Republican leaders will make it difficult for him to get these big scissors. He must pay more for them. Here is a man who uses tin in various ways and he takes these big old scissors or shears—I have seen them—and he cuts his tin with them. But the Republicans will put a tax on them and on every kind of scissors that may be thought of and will increase the price of them. When one of these old fellows comes in, too poor under the Republican Party's rule to have a barber shave him, he has to go to a barber shop to have his whiskers trimmed. The barber uses scissors for that and you make it cost the barber's customer more. Then his hair gets very long; he is unable under the reign of the Republican Party to have his hair cut regularly; and he has to have his hair cut with scissors; but the Republican Party make it more difficult for the barber to get scissors and harder on the average man to pay for hair cuts. You increase the price to the consumer on every hand.

All the while, however, the distinguished Senator from Connecticut [Mr. MCLEAN] is harping on a certain class of manufacturers. What will the manufacturer do? What will we do

to protect him? Can he compete with the foreigner? Yes; he is selling his goods abroad and competing with him over there. I ask Senators what about the American consumer, the men and women of America who are working and striving every day to make something on which to live decently and worthily. The Republicans are huddling them together and holding them up and taxing every one of them for the benefit of men who are already rich. They are using the taxing power of a great Republic for that purpose.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. HEFLIN. I am glad to yield to my friend from Georgia.

Mr. WATSON of Georgia. Let me remind the Senator from Alabama that every man who owns a mule and every man who owns a horse has to use shears to roach the mule's neck and roach his feet, and they have to keep the fetlocks of the horse trimmed. Therefore every man or woman who owns a horse or a mule is taxed under this bill.

Mr. HEFLIN. I thank my friend from Georgia for the suggestion, and that reminds me of a story.

Mr. President, the Senator from Georgia reminds me that shears must be used to trim the mane and tail of the mule and to cut off the fetlocks of the horse. That is all true.

Mr. McLEAN. What do they use on the Democratic jackass? [Laughter.]

Mr. HEFLIN. Why, your party in 1920 used gold scissors, studded with diamonds, all furnished by Wall Street. [Laughter.]

It will be recalled that the lowly Nazarene, the Christ of God, the Son of Man, and the Savior of the World, when He was upon earth in the flesh, He chose to ride not upon the elephant but upon the safe and serviceable donkey.

But I was about to tell you what a Republican farmer out in the West said about the Harding administration. As I stated, he was a Republican, and was asked "Are you for Harding?" He replied, "Well, I can truthfully say he put me on my feet." His questioner said: "Then, of course, you are for him?" He replied, "No; I ain't for him. Let me explain. I used to ride in an automobile under the Wilson administration, and now I have to walk. Harding put me on my feet." [Laughter.]

Mr. President, as the Senator from Connecticut was speaking and bemoaning the fate of a certain manufacturer and saying that unless the duty recommended by the committee is allowed he will be put out of business, I thought of the thousands and millions of American consumers which this bill will put out of business. They are to be taxed at every turn of the road. How many of them are being put out of business? Silent, unseen, they fall out of the ranks, with no bugle to sound the note of rescue for them; nobody to give the alarm; nobody to go to the assistance of their failing business. But the Senator from Connecticut demands in all the earnestness of his soul that the profits of this particular manufacturer be increased by an act of Congress. Who is there to plead for the rank and file of the men and women who make up the strength and glory of the Nation when they are put out of business as they are being put out of business every day by this bill of the Republican Party?

The Senator from Georgia [Mr. WATSON] showed me a paper to-day from his State full of deplorable statements. I will tell you what they were in a moment. The governor of the Federal Reserve Board is puppying around and carrying on a propaganda to-day all over the country trying to get himself recommended for reappointment, and hundreds of letters will be written by bankers who are, perhaps, not friendly inclined, but who will recommend him, for although they do not want him yet some of them will write letters for him, because the impression has gone out that he is going to be reappointed. He is trying to create that impression, and they fear that he will be, and he is playing for the appointment. Wall Street, it is said, has decreed that he shall be reappointed, and he is told to say that prosperity is just around the corner. Well, let us see about that. The Senator from Georgia gave the facts of the situation. He has a paper now before him with four pages of notices showing how the consumer has gone down. Those notices show that farmers are having their land sold for taxes. The notices tell us that Bill Jones, a farmer down in Georgia, will be sold out at the courthouse at public outcry next Saturday for nonpayment of taxes. Senators, there are four pages of notices of that kind from one county.

Mr. WATSON of Georgia. Mr. President, in the same county between February and April of this year 400 small landowners were sold out of house and home.

Mr. HEFLIN. Yes; Mr. President, that is the man whose cause I am pleading, the man who can not get aid so as to save his business.

What did Wall Street do? It borrowed money through the Federal reserve banking system, when the people of the South and West were paying interest rates many times larger than Wall Street was paying, and all the gamblers of Wall Street were tided over. What did the farmer of Georgia and Alabama need? After his property values were destroyed he needed somebody to lend him money in order to give him time to get on his feet again, retain his home and his farm and keep his wife and children contented around him and support them in the comfort which he had a right to do and did do under Democratic control, but under Republican control he was not allowed to have the money; credit was withdrawn from him and his land was sold for taxes, and he is gone; he is out of business. I do not intend to sit in the Senate while the agents or mouthpieces of the big manufacturers stand here and call upon Congress to tax the mass of the people of the country, as they are doing, without entering my protest and letting those who read the CONGRESSIONAL RECORD know just what the truth is regarding this tariff measure. It has got to be told here day after day, and it is being told.

The Senator from Connecticut is afraid certain manufacturers will be put out of business. I want to remind him of the farmers of my State who have been put out of business, of the little merchant who has gone down in the struggle, of the little banker who has gone down. When I stood here and made the fight to make the Federal Reserve Board reduce the rediscount rate from 7 per cent to 4½ per cent, the Senator from Connecticut opposed it.

I made a speech here and I introduced a resolution demanding that it be reduced, and it was reduced. I helped to drive the Federal Reserve Board to reduce it. The Senator from Connecticut opposed the reduction of the interest rate. I was seeking to provide money so that those men in Georgia and Alabama and elsewhere, whose homes are being sold for taxes could make loans at a reasonable rate and keep their land. It does good to tell the truth and the whole truth about the records of Senators here.

The Bible says, "Choose ye, this day, whom ye will serve—God or Mammon." Now, on which side are we battling? We are not all on the same side; there are two sides and one of them is the right side and one of them is the wrong side. On which side are you battling over there?

I ask you to look out on that mass of millions of consumers of our country. They have rights in this country.

You have taxed salt and cement and dozens of other things—knives and forks, drinking glasses and window panes, and now you are taxing scissors and shears, and on you go putting a tax on everything on earth that the consumer must have. Why? I am going to tell you why. It is because of the big campaign contributor. In the fall of 1920 Governor Cox said that you had collected the greatest campaign slush fund in history—and you had. William Boyce Thompson, of New York, treasurer of your committee, borrowed on a dummy note $3,000,000 from a Federal reserve member bank. John Skelton Williams has challenged him to deny it and says he will produce the proof, but you have not called on Mr. Williams to produce the proof. Why don't you?

He borrowed that money, of course, with the knowledge of W. P. G. Harding, the governor of the Federal Reserve Board. When your committees were gathering up money for the campaign some of them said: "Well, now, you are asking me to contribute a good deal." They said: "You need not worry about that. You think we are going to win, don't you?" "Why, certainly." "Well, you will get it all back, and many times over, in the tariff." The manufacturer said: "You think they will give me a liberal rate, do you?" They smiled; they were getting in a good humor by that time, and they said: "Oh, yes; they will give you practically what you want. We are going to go to it in a hurry. We are going to have the House overwhelmingly, and the Senate, and the White House, and we are just going to move on, and everything will be lovely, and the goose will honk high." He said: "All right; here is the check"—$250,000, or whatever the amount might be.

Then, when you got in, this man came down. He said: "Now, gentlemen, I suppose you remember me. Perhaps you have forgotten me; but here is a check that I gave, which you gentlemen will recall." They looked at it, and they said: "Why, certainly; how do you do? How do you do?" and shook hands with him twice. "What can we do for you?" He said: "I want that rate that we were talking about. You have not forgotten that?" "Oh, no, no. Well, just write out what you want and we will attend to it"; and he got his rate, and then you tax me to help pay it. You tax these men and women in the gallery to help pay it. You tax every man and woman in the country who has to buy what he pro-

duces to help pay it. You make us pay for the privilege of being plundered. It has gotten now to a point, Mr. President, where you can get a tariff tax levied for a song.

The distinguished senior Senator from Maine [Mr. FERNALD], clever gentleman that he is—I am very fond of him personally—went down there before your Finance Committee when you Republicans were sitting by yourselves, Democrats being excluded then. He went in there and called on you for a certain tariff, and one of the members threw his feet up in another chair and ran his fingers through his long, curly hair, and said: "Sing us a song, and we will give you what you want." He sang a song, and they said: "Give us another one," and he sang two songs, and the press said they gave him the rate he asked for. Now, do you know, Mr. President, that that is the cheapest contribution that I have ever known a Republican to make to obtain a tariff rate at the hands of Congress. I will tell you what the American people are going to make you do after November. They are going to make you take a back seat and sing a very low tune. [Laughter.] That is what is going to happen to you.

Mr. President, when one of these tariff barons contributes $250,000, and is enabled to get, by a tariff rate levied upon the people, a million and a half dollars put back in his pocket, he is ready to contribute to another campaign fund of the Republican Party. Who is it you are talking about here? Not the farmer, not the consumer, but certain manufacturers. What did you do? Why, the Senator from Indiana [Mr. WATSON] tells us that we say each tariff bill is worse than the preceding one. Well, that is true. Every tariff bill that you have presented since you presented the first one has been worse than the one preceding it. The last one was far worse than the first, worse than the one next to it, worse than the one before that, and so on. Now, let us see if you have not gradually gone down in the scale of being with regard to this matter.

In 1908, when Mr. Taft was nominated, the manufacturers got so bold that they would not trust just to telling you what you must do and having you tell them what you were going to do. They said, "You must write it in the bond," and they made you write it in your platform of that year. Now, listen, Senators. They made you write in your platform, "We hereby guarantee a reasonable profit to the manufacturer."

What of the little shopgirl who works long hours to support an old father and mother? What of the boy working in the day and going to school at night trying to get an education? What of the thousands of men and women out yonder in the walks of life doing their best to make an honest living? What of the clerk behind the counter? What of the merchant in the store? What of the farmer in the field? What of the miner with his pick down in the bowels of the earth? What of the doctor, the lawyer, the preacher, the teacher, and all other classes of men and women? You guaranteed nothing to them. You did not guarantee them anything, not one red cent; but you wrote in your platform that you guaranteed to the manufacturer a reasonable profit, and then after that you left him to say what was a reasonable profit, and the sky was the limit.

To show you that you have gone down in the scale of being in this matter you brought in the Payne-Aldrich bill, the worst bill ever written except this one, and this one is ten times over worse than that. What happened when you got that in here? I am not going to quote a Democrat, although the RECORD is full of their denunciations of that bill, from the distinguished leader on our side, my colleague [Mr. UNDERWOOD] and the Senator from North Carolina [Mr. SIMMONS] down among the rank and file of the Democrats in this body and in the other House, but I am going to quote to you a Republican, gone to his reward—peace to his ashes; God bless his memory—I refer to the brave and brilliant Dolliver, able and eloquent Senator from the State of Iowa.

What did he say? A Republican, he stood amongst his brethren on the other side—this great gladiator from the West. What did he say to you? His party—the Republican Party—was in control, and he stood here and looked you in the face, with his hands uplifted—I saw him and heard him—and he said: "Senators, Congress has become a bargain counter."

Can anybody arraign your party in stronger language than that? Can anybody characterize a Congress enacting a robber tariff measure in more scathing terms? That was when the mild-mannered Payne-Aldrich bill was up, and mild it was compared with this bill. Four thousand tariff marauders march in the lines of this bill. Four thousand captains of industry are in command. The Republican side, with the exception of the Senator from Nebraska [Mr. NORRIS] and a few others, are in mass formation, as the Senator from Indiana [Mr. WATSON] said, ready to run over anything that gets in front of them; and here they come, with 4,000 items scheduled, lifting higher and higher the taxes on every man and woman in America.

This is all being accomplished at the bargain counter. The campaign contributor demands his pound of flesh and you have authorized him to cut it out nearest the heart of every consumer in America. He contributes to your campaign fund and he demands that you make the American consumer give him many times the amount that he contributed. Bargain counter? That is what Dolliver said when the Payne-Aldrich bill was here for consideration, and if his spirit could look down from the parapets of the sky to-day, brilliant, conscientious, and eloquent statesman that he was, and see this body, controlled by the party whose banner he carried, making it more of a bargain counter than ever before, he would be unhappy even in the realms of the blest. Here they are, with the Senator from Connecticut [Mr. MCLEAN] chief of the high priests of protection, glorying in the fact that he and those with him can rifle the pockets of the American consumers, all for the benefit of those who grow fat by reason of tariff taxes levied for them upon the every-day necessities of life.

Mr. HARRISON. Mr. President, the papers state that there was a meeting last night in the city of Washington. It was called by Mr. Adams, chairman of the Republican National Committee. At this gathering the object, as stated by the papers, was to procure some campaign contributions; and in this gathering, as revealed by the New York Times, those present were Secretary Weeks, Attorney General Daugherty——

Mr. CARAWAY. Was not Felder there?

Mr. HARRISON. Felder was not there, as the names are printed—William Butler, of Boston; William H. Crocker, of San Francisco; Edward F. Stotesbury, of Philadelphia; Charles D. Hilles, of New York; W. P. Washburn, of St. Paul; William Wrigley, of Chicago; Henry B. Wilcox, of Baltimore; B. H. Kroger, of Cincinnati; Fred B. Patterson, of Dayton; Roy B. Chapin, of Detroit; George S. Stephenson, of Hartford, Conn.; A. V. Davis, of Pittsburgh; Henry B. Scott, of Wilmington, Del.; and W. F. Dillingham, of Hawaii.

Before I conclude I shall have read, if I can obtain unanimous consent, this article, telling what transpired at this conference; but the object of the conference called by the chairman of the Republican National Campaign Committee was to obtain contributions, and those who were invited into this conference in order to make donations for the coming elections for Senators and for Congressmen on the Republican ticket were men representing J. P. Morgan & Co., men representing the great wholesale grocery interests of the country, men representing the chewing-gum interests of the country, on which a tax was laid recently in the revenue bill for the first time, I think, in the history of taxation legislation. One of those present was Mr. Wrigley, who had been generous in the past in the matter of campaign contributions, and donating his electric signs to be transformed from "Wrigley's chewing gum" signs into "Harding and Coolidge for President and Vice President" signs. But the thing that struck me most in the gathering of these men, called by the chairman of the Republican National Campaign Committee to obtain contributions to finance the senatorial and congressional elections in the coming campaign, was the name of the man who to-day controls the policies and is general manager, so to speak, of the interests of a corporation upon whose product we on this side and a few on the other side, including the distinguished Senator from Wisconsin [Mr. LA FOLLETTE] and the two Senators I see before me over there [Mr. JOHNSON and Mr. NORRIS] voted not to place a tax—the cash registers made in this country. They have been permitted heretofore to come in duty free.

The representative of the National Cash Register Co. was at the conference. The rate on cash registers had been considered for two or more days by the Senate of the United States. It is an article which even the chairman of the Ways and Means Committee of the House and his colleagues thought needed no protection, but which received protection upon the recommendation of the Finance Committee of the Senate, an article that all admit is controlled in manufacture, sale, and distribution by a trust. The rate on that article has been for two or three days assailed on this side, and by a few men on the other side, and last night the vote was taken just about the time these men were being corralled by Mr. Adams, chairman of the Republican National Campaign Committee, and the representative of the National Cash Register Co. was in that conference.

The country can place its own interpretation on his presence in Washington during the discussion of the question of whether or not a tariff should be placed upon the importation of cash registers into the United States, and they will form their own

conclusions. But it shows how closely allied is the present Republican administration, through the chairman of the national campaign committee, with the big interests, when we find that he called into a conference Mr. Fred Patterson, one of the largest owners in the National Cash Register Co., from Dayton, Ohio, together with these other leading Republicans from over the country, in order to obtain contributions and raise a fund to fight the coming senatorial and congressional elections.

So I want to incorporate in the RECORD and have read from the desk this very interesting article, which shows what is taking place in Washington while this tariff bill is being considered by the Senate, and the close alliance between the representatives of the special interests, which are out for getting special privileges at the cost of the American people, and the leaders of the Republican Party, just as the votes are being taken in the Senate of the United States. I desire to ask unanimous consent, following the reading of that article, that I may insert, following it, taken from Who's Who in America, the histories of the various gentlemen who are named in connection with this conference called by Mr. Adams last night to raise contributions to reelect a Republican Senate and a Republican House of Representatives.

The PRESIDING OFFICER (Mr. MCNARY in the chair). Is there objection to the request of the Senator from Mississippi?

Mr. WILLIS. I do not object, but I wish to make a brief statement.

Mr. HARRISON. I desire to have the article read first, and then I will yield the floor.

Mr. WILLIS. Let me make a little statement, as I have been called from the Chamber.

Mr. HARRISON. Very well.

Mr. WILLIS. I did not hear all of the statement of the Senator, much to my regret, but I understand that he coupled in some way the name of Mr. Fred Patterson, of Dayton, Ohio, with some conference, about which I know nothing and which I was not privileged to attend. He coupled his name not only with that conference but with tariff legislation, the tariff on cash registers. I thought the Senator would be interested to know what I am about to state.

I chanced to meet Mr. Fred Patterson in the Capitol to-day, and was rather interested to learn, in conformity with what I said on the floor of the Senate yesterday, that not only had he not had any part whatever in the recommendation for a tariff duty upon cash registers—I having said yesterday, as the Senator knows if he was here, that I had heard nothing from that concern upon the subject—but Mr. Fred Patterson is, as a matter of fact, opposed to the tariff on cash registers. I thought that information might relieve the Senator. Mr. Patterson is not interested in the proposed duty at all, and is really opposed to it. He said he would rather there would not be any tariff at all on cash registers.

Mr. HARRISON. May I ask the Senator, since he has injected himself into this discussion, if he did not vote on yesterday to place a very large tariff upon the importation of cash registers?

Mr. WILLIS. Not very large; 25 per cent.

Mr. HARRISON. The Senator, of course, does not think any amount is large, but we thought it was large. He voted for that tariff?

Mr. WILLIS. I did.

Mr. HARRISON. To take cash registers from the free list and put a tariff on them?

Mr. WILLIS. Yes.

Mr. HARRISON. Which is a tax upon everybody who buys a cash register in this country. Of course, the Senator's conversation with Mr. Patterson happened to-day, as I understand?

Mr. WILLIS. It did.

Mr. HARRISON. And the vote was taken yesterday?

Mr. WILLIS. It was.

Mr HARRISON. After the tariff had been placed upon the importation of cash registers the Senator held the conversation?

Mr. WILLIS. Yes.

Mr. HARRISON. Of course, the harm had been done, and it might be natural for Mr. Patterson at this late date to tell the Senator that he was opposed to it. He had never appeared before the committee and expressed those views, however, or said that he was opposed to it. The Senator would not tell the Senate that he had ever told him before the vote was taken that he was opposed to it, but at a later date, to-day, after the vote was taken, after the harm was done, after the tax had been imposed upon the people, he called the Senator out into the cloakroom and whispered into his ear that he was opposed to it.

Mr. WILLIS. Mr. President, the Senator can not describe that about which he does not know. I stated in the debate here yesterday that, so far as I was informed, the National Cash Register Co. have no interest whatever in the tariff.

Mr. HARRISON. Had the Senator ever received an expression from the National Cash Register Co.?

Mr. WILLIS. I had received nothing from them, but I read the tariff hearings, which is more than my friend the Senator from Mississippi does, and I noticed that there were representatives before the committee of other cash-register concerns who made a good argument, but the people from Ohio had said nothing about it one way or the other, and in conformity with what I said yesterday in conversation with Mr. Patterson to-day I learned that not only is he not interested in a tariff on cash registers but that he agrees absolutely with the views expressed by my friend from Mississippi that there ought not to be any tariff on cash registers at all.

Mr. HARRISON. But he agreed with the Senator's vote, did he not?

Mr. WILLIS. I did not ask him whether he did or not.

Mr. HARRISON. The Senator was not interested in that. The thing I am interested in is whether Mr. Fred B. Patterson is the president of the National Cash Register Co. at Dayton, Ohio.

Mr. WILLIS. He is the president of it.

Mr. HARRISON. I thought so.

Mr. WILLIS. And a very good one.

Mr. HARRISON. I ask unanimous consent to have this article read, and also to put into the RECORD the history of these distinguished gentlemen.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered. The Secretary will read as requested:

The reading clerk read as follows:

REPUBLICANS FIND YOUNG MEN IN REVOLT—POLITICAL PROTEST WAVE IS LAID PARTLY TO THIS AND PARTLY TO WOMEN—CONGRESS DELAY A FACTOR—BAD BUSINESS ADDS ITS PART TO PRESENT ACTION, CONFEREES IN WASHINGTON SAY.

[Special to the New York Times.]

WASHINGTON, D. C., June 8.—The political conditions which are disturbing Republican leaders, especially the pronounced trend toward radicalism as reflected in recent primaries, were discussed to-night in a confidential way by members of the Republican National Committee, Cabinet members, and financiers at a dinner following informal conferences held to-day at the call of John T. Adams, chairman of the Republican National Committee, ostensibly to discuss financial questions in connection with the coming congressional campaign.

At this dinner the revolts against machine methods in Indiana, Pennsylvania, and Iowa were discussed. One speaker said that three things were causing the trend away from the old political order. These were, in the order of importance:

Bad business and unemployment.

A revolt against conversatism among young men who saw service in the war, and a lack of party allegiance on the part of women who helped to swell the Republican majority in 1920.

Lack of leadership in Congress.

There was nothing the Republican leaders could do, it was admitted, to overcome the movement away from conservatism, except to restore leadership in Congress.

Some speakers said that the differences between the President and Congress over the bonus were having a bad political effect. Most of those present thought, however, that the party had gone too far on the bonus to postpone action in this session of Congress. But several thought that the President would strengthen himself and the party if he vetoed the bonus bill unless it provided the money to pay.

Reports from the West said there was much criticism there over the delays in enacting the tariff bill. Manufacturing centers also were reported to be clamoring for early action so that business could adjust itself to the new rates.

Word was brought here that Maine was feeling the same political uneasiness as has manifested itself in other States. Until a few days ago the Republican leaders thought Senator HALE would get a large majority for renomination in the primaries on June 20. But now it is said that Howard Davies, a labor leader and radical Republican, who is running against him, is getting substantial support in every part of the State.

Among those present at the dinner were Secretary Weeks, Attorney General Daugherty, William Butler, of Boston; William H. Crocker, of San Francisco; Edward F. Stotesbury, of Philadlephia; Charles D. Hilles, of New York; W. P. Washburn, of St. Paul; William Wrigley, of Chicago; Henry B. Wilcox, of Baltimore; B. H. Kroger, of Cincinnati; Fred B. Patterson, of Dayton; Roy B. Chapin, of Detroit; George S. Stephenson, of Hartford, Conn.; A. V. Davis, of Pittsburgh; Henry B. Scott, of Wilmington, Del.; and W. F. Dillingham, from Hawaii.

Mr. HARRISON. I understand that the order has been made to print in the RECORD the extracts from Who's Who in America and other publications, showing the history of these men.

The PRESIDING OFFICER. It has been so ordered.

The matter referred to is as follows:

[From Clayton C. Hall: Baltimore, Its History and Its People, Vol. II, p. 172.]

HENRY BUCKLEY WILCOX.

Henry Buckley Wilcox was born in Baltimore May 23, 1864. His education was acquired in the public schools of his native city and the Baltimore City College, which he left at the age of 15 years in order to accept a clerkship in a grain commission house, where he remained two years. He became a messenger in the First National Bank of Baltimore in 1881, discharged the duties of this position very capably for two years, then became corresponding clerk in the Farmers

& Merchants National Bank, and July 1, 1883, was advanced to the position of general bookkeeper. His next change of position was to become the cashier of the Equitable National Bank, an office he filled with ability until 1900, when the thought of buying this institution and consolidating it with the First National Bank appeared to him to be an excellent idea. This plan was carried out, and proved the wisdom of Mr. Wilcox's judgment and foresight. He was made cashier of the combined interests in 1900, was elected to the double office of vice president and cashier in January, 1906, and in 1909 was elected to the presidency, an office he is holding at the present time.

His business interests are far-reaching and manifold. He is a director and member of the executive committees of the United States Fidelity & Guaranty Co. and of the Maryland Trust Co.; director in the Queenstown Savings Bank; director in the First National Bank of Onancock, Va..; member of the executive committee of the Baltimore Clearing House; ex-president of the Maryland Bankers' Association. He is a member of the Maryland Club, the Baltimore Country, Baltimore Yacht, and Baltimore Athletic Clubs; a member of Mystic Circle Lodge, No. 109, Free and Accepted Masons; St. Johns Chapter, Beauseant Commandry, Ancient Arabic Order Nobles of the Mystic Shrine, and is a thirty-second degree Scottish Rite Mason. His political affiliations are with the Republican Party, and he was a colonel on the staff of Gov. Lloyd Lowndes. His religious belief is that of the Methodist Church. He is a consistent and liberal contributor to the several local charities. His appearance indicates his fondness for outdoor sports—golf, automobiling, yachting, etc.—yet he is extremely fond of reading and study, and is the possessor of a fine library, in which he spends many hours. He commands the respect and confidence of all who know him, and is noted for his quick perception, sound judgment, and force of character.

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[From Wilmington (Del.) Directory, 1921–22; Trust Companies of the United States, 1921, p. 64.]

HENRY P. SCOTT.

Wilmington Trust Co. Total assets, $13,218,099.94. Total liabilities, $13,218,099.94. Henry P. Scott, president.

GEORGE S. STEVENSON, OF HARTFORD, CONN.

Treasurer Society for Savings (Pratt Street Savings Bank); incorporated 1819. Assets June 1, 1921, $47,014,915.48.

B. H. KROGER, OF CINCINNATI, OHIO.

President the Kroger Grocery & Baking Co. and the Kroger Wholesale Grocery Co. Dun rating, Aa, over $1,000,000; A1 credit, high.

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[From Poor's and Moody's Manual Consolidated, 1921, Industrial Section, v. 1, pp. 24–25.]

ARTHUR V. DAVIS.

Aluminum Co. of America: Incorporated in September, 1888, in Pennsylvania, as the Pittsburgh Reduction Co.; present name adopted January 1, 1907.

Capital stock: Authorized, $20,000,000; outstanding, $18,729,600; par, $100. Dividends in recent years have been paid as follows: 1906, 3½ per cent; 1907, 11 per cent; 1908, 1 per cent; 1909, 2 per cent; 1910–1913, 4 per cent yearly; 1914, 6 per cent; 1915, 6½ per cent; 1916 and 1917, 8 per cent each; 1918, 1919, and 1920, 10 per cent each; payments quarterly, F, M, A, and N, 1. In addition, an extra dividend of 2 per cent was paid December, 1916. Arthur V. Davis, president.

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WILLIAM D. WASHBURN, OF ST. PAUL, MINN.

Washburn, William D., jr., president of the W. D. Washburn, Jr., Farmlands Co., was born April 3, 1863. The family is an old one in this country, the settlement of the first members of the ancestral line in America dating back to earliest colonial days. * * * He was born in St. Paul, but most of his boyhood was passed in Minneapolis, where he attended the public schools. He then continued his educational training in Phillips Academy, at Andover, graduating in 1883. He entered Yale University for his college work, completing his course and graduating with the class of 1888, and since that time has been engaged in journalistic work and in a business career. He entered the employ of the Minneapolis Tribune as a reporter and advanced himself to the position of editorial writer, when he resigned to accept a place on the staff of the Chicago Tribune, but returned to Minneapolis to establish himself in business. Since then his interests have been connected with the flour and lumber industries, and at the present time he is the president and head of the W. D. Washburn, Jr., Farmlands Co., which deals extensively with wild and farm lands and minerals. Mr. Washburn is a Republican in politics and is active in the political work in the State, having been a member of the State legislature during the three terms of 1901, the extra session of 1902, and the regular session of 1905. He is actively interested in the promotion of good government, and is a member of the Civic and Municipal Leagues and was formerly vice president of the Reciprocity League. Mr. Washburn is prominent in the social and club life of the city and is a member of the Minneapolis and Commercial Clubs, the Six O'Clock Club, the Wranglers' Club, the Skylight, and Minikahda Clubs, and the Minnesota and Yale Club, of New York City.

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WILLIAM P. WASHBURN.

Washburn Undertaking Co. (William P. Washburn, Peter Thorhaug, James A. Donaldson), 19 Northeast Fifth Street, Minneapolis, Minn. No credit rating found in Dun and Bradstreets.

[From Who's Who in America.]

Chapin, Roy Dikeman, manufacturer; born at Lansing, Mich., February 23, 1880; son of Edward C. and Ella (King) C.; student University of Michigan, 1899–1901; married Inez Tiedeman, of Savannah, Ga., November 4, 1914. Identified with automobile business in Detroit since 1901; general sales manager Olds Motor Works, 1904–1906; organizer E. R. Thomas-Detroit Co., 1906, and treasurer and general manager of same, 1906–1908; also treasurer and general manager of its successor, the Chalmers-Detroit Motor Co., 1908–1910; president Hudson Motor Car Co. since 1910; president Eastern Realty Co., Chanlett Corporation of New York; director First and Old Detroit National Banks; vice president Lincoln Highway Association, National Automobile Chamber of Commerce; director Michigan State Good Roads Association; chairman highways transport committee of Council of National Defense, Washington, 1917; member Phi Delta Theta. Clubs: University, Detroit, Detroit Boat, Detroit Athletic, Detroit Country, Bloomfield Hills Country, Lochmoor Golf, Aero of Michigan (treasurer), Aero Club of America, Metropolitan and Chevy Chase (Washington), Oglethorpe and Savannah Golf (Savannah, Ga.). Home: Grosse Pointe Farms, Mich. Office: Hudson Motor Car Co., Detroit, Mich.

Crocker, William Henry, banker; born at Sacramento, Calif., January 13, 1861; son of Charles and Mary Ann (Deming) C.; Ph. B., Sheffield Scientific School (Yale), 1882; married Ethel W. Sperry, of Stockton, Calif., October 6, 1886. Engaged in banking since 1883; president Crocker National Bank, Crocker Estate Co.; vice president Humboldt Savings Bank, Pacific Improvement Co.; director Savings Union Bank & Trust Co., Pacific States Telegraph & Telephone Co. (San Francisco), Equitable Trust Co., Mount Morris Bank (New York); president Crocker Investment Co., Provident Securities Co.; director Pacific Mutual Life Insurance Co., Pacific Gas & Electric Co., Empire Mines & Investment Co., Morris Plan Bank; member Republican National Committee, 1916–1920; first vice president Panama-Pacific International Exposition, 1915; thirty-third degree Mason. Clubs: University and Metropolitan (New York), Pacific Union, University, Bohemian, Olympic, Union League (San Francisco). Home: Burlingame, Calif. Office: Crocker National Bank, San Francisco.

Hilles, Charles Dewey, ex-chairman Republican National Committee; born Belmont County, Ohio, June 23, 1867; son of Samuel and Elizabeth (Lee) H.; graduated Barnesville (Ohio) High School; 1885, student, academy, Oxford, Md., 1885–1887; married Dollie Bell Whiley, of Lancaster, Ohio, 1896. Financial officer and superintendent Boys' Industrial School of Ohio at Lancaster, 1890–1902; superintendent New York Juvenile Asylum, Dobbs Ferry, N. Y., 1902–1909; Assistant Secretary United States Treasury, April 20, 1909, to April 4, 1911; Secretary to the President (Taft), April 4, 1911, to March 4, 1913; chairman Republican National Committee, 1912–1916; member firm Dwight & Hilles, resident managers New York Employers' Liability Assurance Corporation, 1913; director Liberty National Bank, Otis Elevator Co.; treasurer New York child labor commission, New York Juvenile Asylum; president National Republican Club; member Loyal Legion, Ohio Society of New York; Presbyterian. Clubs: Union League, Bankers', Metropolitan, Century, Pilgrims', Lawyers'. Home: 301 West One hundred and Sixth Street. Office: 56 Maiden Lane, New York, N. Y.

Stotesbury, Edward Townsend, capitalist; born at Philadelphia February 26, 1849; educated Friends' Central School, Philadelphia; married, first, Frances Bergman Butcher; second, Mrs. Lucretia Roberts Cromwell, of Washington and New York, January 18, 1912. Began as clerk with firm of Rutter & Patterson, wholesale grocers, Philadelphia, later with Harris & Stotesbury, sugar refiners; connected with Drexel & Co., bankers, Philadelphia, many years, becoming partner 1882; now head of Drexel & Co., Philadelphia, and member firm J. P. Morgan & Co., New York; also chairman board of Philadelphia & Reading Railway Co.; officer or director Metropolitan Opera House Co. (Philadelphia), Central Railroad Co. of New Jersey, Coxe Bros. & Co. (Inc.), Fidelity Trust Co., Girard Trust Co., Highland Coal Co., Lehigh & Hudson River Railway Co., Lehigh & New York Railroad Co., and many other corporations; trustee Penn Mutual Life Insurance Co. Has served as president National Horse Show Association of America (Ltd.). Assisted in financing the international Chinese loan, 1909; assumed indebtedness of Philadelphia Grand Opera Co. and formed syndicate to buy out Hammerstein interests in same. Was treasurer Republican national campaign fund, campaigns of Roosevelt, 1904, and Taft, 1908. Donated $50,000 toward New York State Park on Hudson River and has made many contributions to philanthropic and charitable organizations. Interested for many years in rearing thoroughbred horses on his farm, "Wingo," Chestnut Hill, Pa.; paid $14,000 for "Sweet Marie," the world's champion trotting mare (2.02), 1906; was American representative of the International Horse Show at the Olympic Meet, London, 1908; honorary president Road Drivers' Association. Member Philadelphia Stock Exchange. Patron of arts and owner of extensive collection of paintings, sculptures, tapestries, etc. Address: Drexel & Co., Philadelphia.

Wilcox, Henry Buckley, banker; born at Baltimore May 23, 1864; son of William Littleton and Susannah Helen (Perry) Wilcox; educated Baltimore City College, 1876–1879; married Katharine Elizabeth Wirt, of Phillipsburg, Pa., November 5, 1889. Clerk in office of Riddle & Fisher, grain merchants, Baltimore, 1879–1881; runner with First National Bank, 1881–1883; with Farmers & Merchants' National Bank, 1883–1893; cashier Equitable National Bank, 1893–1900, and of its successor, the First National Bank, 1900–1910; president First National Bank, 1910–1916; vice president Merchants-Mechanics' National Bank, December, 1916– ; director Federal Reserve Bank, Richmond, Va., 1916–1918; vice president Chesapeake Paper Board Co., Holmes Electric Protective Co.; treasurer J. E. Smith Co.; director First National Bank (Onancock, Va.), Baltimore branch Federal Reserve Bank; chairman board of finance commissioners city of Baltimore. Military aid to Gov. Lloyd Lowndes rank of colonel, 1896–1900. Member Sons of American Revolution. Republican. Methodist. Mason (32d degree, Knight Templar). Clubs: Maryland, Baltimore Country, Baltimore Yacht. Home: 52 West Biddle Street. Office: South and Water Streets, Baltimore, Md.

Mr. NORRIS. Mr. President, in view of the disclosures which have just taken place between the Senator from Mississippi [Mr. HARRISON] and the Senator from Ohio [Mr. WILLIS], I think we ought to reconsider the vote by which we put a tariff on cash registers. I suggest that because it develops that the principal manufacturing concern in the United States making cash registers and sending them all over the world seems to be opposed to a tariff on cash registers. The president of that company was in this conference called for the purpose of raising funds. How can we expect to raise funds for the Republican campaign committee if the men who are there in the conference, from whom we expect the contributions, are opposed to our actions? It is suicide, Mr. President. We were moved by good motives, no doubt, but we have learned now that we were wrong and we ought to rectify it.

I have wondered how that information got out to the public. Was there a newspaper correspondent there, and did he violate the trust, the same as the newspaper correspondent did the other day at the White House? That makes me think it was the same Senator, the Senator from Mississippi [Mr. HAR-

RISON], who day before yesterday, I think it was, read a news item about what occurred at the White House, where a newspaper correspondent had gone away and told the truth about something, and the same announcement said that he never could get back into the White House, and that the newspaper fellows were going to expel him from their association.

The Senator from Mississippi offered that as a criticism, I suppose, of the administration. He is evidently not friendly with the administration. Nobody has defended the administration from that attack, and it seems to me I ought to do it myself, if nobody else does.

Think of it, Mr. President, a newspaper correspondent found telling the truth; but the culprit is not going to escape. The same announcement that told about his having disclosed what happened at the conference at the White House said that he was going to be tried by some sort of a newspaper court-martial.

In my mind's eye I can see the poor devil now when, trembling in every limb, he stands before that august tribunal and hears the reading of the complaint wherein it is charged that he told the truth about what happened at a White House conference. I can see him again, Mr. President, when with bowed head he humbly pleads guilty to the charge. I can see him further, it seems to me, when with bitter tears of remorse rolling down his cheeks he listens to the judgment that comes from that drumhead court-martial.

I have an idea that when he comes to that trial and hears the judgment for this serious offense it will be decreed that he shall be branded, not with a scarlet letter, Mr. President, but when the fumes and the odor of the burning flesh have disappeared there will be seen upon his forehead the outlines of a small hatchet, which shall be emblematic that henceforth he shall be a member of that ancient organization, the charter member of which was a noted character in our early history, but whose name and teachings have to a great extent been unfortunately forgotten, who in his early youth had the audacity to stand up in front of his own father and say that he could not tell a lie.

I suppose they will render a further decree, because the crime must be punished severely. Probably this felon in the newspaper world will be banished across the ocean to that island over near Holland, whose name I can not remember and which I could not pronounce if I did, there to become a life companion of the former crown prince of Germany and there, Mr. President, with a little hatchet to hack away his life among the growing forests.

Mr. President, such an offense must be punished severely. The precedent it establishes will be disastrous and disgraceful. If such conduct on the part of newspaper men is not punished, the next thing we hear of some one of these men will be telling what happened on the *Mayflower* or perhaps on a senatorial yacht or houseboat. Notwithstanding the criticism of the Senator from Mississippi [Mr. HARRISON], our President performed a great service for the country when he banished from the White House a newspaper man who told the truth when he ought to have told a lie.

Mr. HARRISON. Mr. President, in view of the statement of the distinguished junior Senator from Ohio [Mr. WILLIS], giving to the Senate information that comes to him from Mr. Patterson, head of the National Cash Register Co., I desire to ask unanimous consent to reconsider the vote by which the amendment was acted upon favorably on yesterday which placed a tariff on cash registers.

The PRESIDING OFFICER. There is a motion pending at this time. So the request of the Senator from Mississippi is not in order.

Mr. HARRISON. As soon as that motion is out of the way I shall ask unanimous consent, and if it is objected to I shall move to reconsider the vote to which I have referred.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from New Mexico [Mr. JONES] to the amendment of the committee.

Mr. JONES of New Mexico. Mr. President, there are several Senators here now who were not present when this matter was discussed and I desire to state the purpose of the amendment.

These articles have been on the free list and the effect of my amendment would be to have them put back on the free list. They are made in this country and exported and no justification from an economic point of view has been presented for their change from the free list to paragraph 357 regarding scissors and shears generally.

Upon my motion to amend the amendment I asked for the yeas and nays.

The yeas and nays were ordered and the reading clerk proceeded to call the roll.

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement of my pair and its transfer as on the previous vote, I vote "nay."

The roll call was concluded.

Mr. SUTHERLAND. I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Oklahoma [Mr. HARRELD] and vote "nay."

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. DIAL (after having voted in the affirmative). I am paired with the Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and allow my vote to stand.

Mr. STERLING. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Delaware [Mr. DU PONT] and vote "nay."

Mr. KELLOGG (after having voted in the negative). Has the senior Senator from North Carolina [Mr. SIMMONS] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. KELLOGG. I transfer my pair with the Senator from North Carolina [Mr. SIMMONS] to the junior Senator from Oregon [Mr. STANFIELD] and allow my vote to stand.

Mr. McCUMBER (after having voted in the negative). I observe that the junior Senator from Utah [Mr. KING] has not voted. I transfer my pair with that Senator to the senior Senator from Pennsylvania [Mr. CROW] and allow my vote to stand.

Mr. HARRISON (after having voted in the affirmative). I find that my pair, the junior Senator from West Virginia [Mr. ELKINS], has not voted. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR].

The result was announced—yeas 18, nays 33, as follows:

YEAS—18.

Ashurst	Glass	La Follette	Swanson
Capper	Harris	Norris	Underwood
Caraway	Harrison	Overman	Watson, Ga.
Dial	Heflin	Pomerene	
Gerry	Jones, N. Mex.	Sheppard	

NAYS—33.

Brandegee	Jones, Wash.	Newberry	Sutherland
Bursum	Kellogg	Nicholson	Townsend
Calder	Keyes	Oddie	Wadsworth
Cameron	Lenroot	Poindexter	Warren
Curtis	McCumber	Rawson	Watson, Ind.
Dillingham	McKinley	Shortridge	Willis
France	McLean	Smoot	
Gooding	McNary	Spencer	
Hale	Nelson	Sterling	

NOT VOTING—45.

Ball	Fletcher	Myers	Simmons
Borah	Frelinghuysen	New	Smith
Broussard	Harreld	Norbeck	Stanfield
Colt	Hitchcock	Owen	Stanley
Crow	Johnson	Page	Trammell
Culberson	Kendrick	Pepper	Walsh, Mass.
Cummins	King	Phipps	Walsh, Mont.
du Pont	Ladd	Pittman	Weller
Edge	Lodge	Ransdell	Williams
Elkins	McCormick	Reed	
Ernst	McKellar	Robinson	
Fernald	Moses	Shields	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

The PRESIDING OFFICER. The question recurs upon agreeing to the committee amendment.

The amendment was agreed to.

Mr. JONES of New Mexico. I should like to inquire whether the committee amendment includes any of the specific rates provided for later on in the paragraph? I do not so understand, but I should like to be confirmed in that view.

Mr. McCUMBER. I will state to the Senator that it does not.

Mr. JONES of New Mexico. Very well.

Mr. HARRISON. Mr. President, in view of the fact that certain Senators who are now here were not present when a statement was made by the distinguished junior Senator from

Ohio [Mr. WILLIS] a moment ago, I desire now to rehearse the statement merely for their information.

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Washington?

Mr. HARRISON. In a moment I shall yield.

The junior Senator from Ohio stated that Mr. Patterson, who conferred last night with the chairman of the Republican National Campaign Committee, Mr. Adams, touching the raising of contributions to reelect a Republican Senate and a Republican House of Representatives, saw the Senator from Ohio to-day and told him that he did not favor any tariff duty on cash registers; that he opposed it; in other words, that he was for admitting them free. In view of that revelation, I ask unanimous consent that the vote whereby that part of the amendment touching the cash registers, on page 83, paragraph 372, was agreed to may be reconsidered.

The PRESIDING OFFICER. Is there objection to the request for unanimous consent by the Senator from Mississippi?

Mr. TOWNSEND. Mr. President, the statement which was made by the Senator from Ohio [Mr. WILLIS] was not new. I made that statement on the floor yesterday during the discussion of the cash-register amendment. There is no doubt as to that being the attitude of the Ohio company. It can gain its end by free trade better than it can through a tariff duty, because it has erected a plant in Germany and can there manufacture cash registers, evade German tariff, and destroy competitors in the United States.

Mr. HARRISON. I am very glad to know that the Senator is with me in my request for unanimous consent. So I make it, Mr. President.

Mr. TOWNSEND. The Senator from Michigan is not with the Senator from Mississippi in his request.

The PRESIDING OFFICER. Is there objection to the request for unanimous consent preferred by the Senator from Mississippi?

Mr. TOWNSEND. I can see no good reason in reconsidering the vote whereby the amendment was agreed to. I was in favor of the tariff duty particularly because of the attitude of the National Cash Register Co., which was at that time understood, and I can see no reason for now reconsidering the vote whereby the amendment was agreed to. I object.

The PRESIDING OFFICER. Objection is made.

Mr. HARRISON. Then, Mr. President, I move that the vote whereby the first amendment of the Senate committee to paragraph 372, on page 83, was adopted be reconsidered.

Mr. McCUMBER. I raise the point of order that the Senator from Mississippi did not vote upon the prevailing side on the amendment and is not entitled to make the motion.

Mr. HARRISON. I submit that the rule has been without question that where no record vote has been taken upon the adoption of an amendment the question could not be raised as to how a Senator voted. Since there was no vote taken upon the final adoption of the first amendment to paragraph 372, the question as to how a Senator voted can not be raised.

Mr. McCUMBER. But there was a record vote.

Mr. HARRISON. There was a record vote as to a part of the paragraph 372, on page 83, touching cash registers, but there were some other provisions in the committee amendment; and I am asking for a reconsideration of the vote whereby the first amendment was agreed to, there having been no record vote taken on its adoption as a whole. I think I can find precedent after precedent to sustain my motion. I know that the Presiding Officer has ruled against me several times where I have made such a point of order. So I submit that the point of order should be overruled. I can not understand, in view of the revelation of the distinguished Senator from Ohio as to the position of the president of the National Cash Register Co., who is more interested in it than anyone else—because, as I understand, there are only about three small independent concerns in the country which make cash registers—why we should want to protect cash registers.

The PRESIDING OFFICER. It is the opinion of the present occupant of the chair that, there having been no yea-and-nay vote on the amendment as amended, the point of order is not well taken.

Mr. McCUMBER. I move to lay the motion on the table.

Mr. HARRISON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as to my pair and its transfer as on the former ballot, I vote "nay."

Mr. HALE (when his name was called). Announcing the same transfer of my pair as before, I vote "yea."

Mr. HARRISON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. ELKINS] to the senior Senator from Nevada [Mr. PITTMAN], and vote "nay."

Mr. KELLOGG (when his name was called). I transfer my pair with the senior Senator from North Carolina [Mr. SIMMONS] to the junior Senator from Oregon [Mr. STANFIELD], and vote "yea."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "yea."

Mr. STERLING (when his name was called). Announcing the same transfer of my pair as on the former vote, I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "yea."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the Senator from Massachusetts [Mr. LODGE] to the Senator from Nebraska [Mr. HITCHCOCK], and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the last vote with reference to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL]; and

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH].

The result was announced—yeas 34, nays 20, as follows:

YEAS—34.

Brandegee	Hale	Nelson	Sterling
Bursum	Jones, Wash.	Newberry	Sutherland
Calder	Kellogg	Nicholson	Townsend
Cameron	Keyes	Oddie	Wadsworth
Capper	Lenroot	Poindexter	Warren
Curtis	McCumber	Rawson	Watson, Ind.
Dillingham	McKinley	Shortridge	Willis
France	McLean	Smoot	
Gooding	McNary	Spencer	

NAYS—20.

Ashurst	Harris	La Follette	Sheppard
Caraway	Harrison	Myers	Stanley
Dial	Heflin	Norris	Swanson
Gerry	Jones, N. Mex.	Overman	Underwood
Glass	Kendrick	Pomerene	Watson, Ga.

NOT VOTING—42.

Ball	Fernald	Moses	Shields
Borah	Fletcher	New	Simmons
Broussard	Frelinghuysen	Norbeck	Smith
Colt	Harreld	Owen	Stanfield
Crow	Hitchcock	Page	Trammell
Culberson	Johnson	Pepper	Walsh, Mass.
Cummins	King	Phipps	Walsh, Mont.
du Pont	Ladd	Pittman	Weller
Edge	Lodge	Ransdell	Williams
Elkins	McCormick	Reed	
Ernst	McKellar	Robinson	

So Mr. HARRISON's motion was laid on the table.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The next amendment was, on page 74, line 22, after the word "dozen," to strike out "3 cents each and 35" and insert "4 cents each and 60."

Mr. JONES of New Mexico obtained the floor.

Mr. McCUMBER. Mr. President, will the Senator yield to me for a moment to offer an amendment to the committee amendment?

Mr. JONES of New Mexico. I yield.

Mr. McCUMBER. On behalf of the committee, in line 23 I move to strike out "60" and insert in lieu thereof "45."

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. In the committee amendment on line 23, page 74, it is proposed to strike out "60" and insert "45," so as to read:

Four cents each and 45 per cent ad valorem.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from North Dakota to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. JONES of New Mexico. Mr. President, I desire to have amended the specific duty levied upon those scissors. You will recall that those scissors are valued at less than 50 cents per dozen. Necessarily, they are cast-iron scissors. They are

not only made in this country as cheaply as anywhere in the world, but they are exported from this country; and such an enormous duty upon that article can not serve any good purpose.

The committee have reduced the ad valorem duty from 60 per cent to 45 per cent. I wonder if they will not at least reduce the specific duty by one-half, so as to make it 2 cents each instead of 4 cents?

I move that the numeral "4" on line 22 be changed to read "2."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. On page 74, line 22, it is proposed to strike out "4" and insert "2," so that, if amended, it will read:

Two cents each and 45 per cent ad valorem.

Mr. MCCUMBER. Mr. President, I simply desire to enter in the RECORD a few figures.

Taking up the first of the items in that paragraph, which is hair clippers, and taking the Reynolds report, we have an importation of a foreign value of 58 cents each. The landing cost is 5 cents. Giving a specific duty of 20 cents and an ad valorem duty of 35 per cent, and allowing a profit to the importer of 20 per cent, which would be 12 cents, that would bring the total landed cost, with profits, up to $1.30. The domestic selling price of the comparable article is $1.66.

Taking another item which is still cheaper, the foreign value is 35 cents each. The landing cost is 4 cents. The specific duty is 20 cents, and the ad valorem duty is equivalent to 16 cents. Allowing a profit to the importer of 20 per cent would be 15 cents, and that would make a total of 90 cents, and the domestic cost is $1.66.

The rate required to equalize the first of these would have been 129 per cent. The actual rate given, including the 20 cents each and the 45 per cent ad valorem, is equivalent to 95 per cent. In the case of the second of these it would require 152 per cent to equalize the foreign selling price, with profits, with the American selling price.

The Senator has spoken several times of the fact that these foreign prices are liable to increase; but I call attention to the fact that while according to the figures in the Reynolds report the landed cost without duty last August was 35 cents each, when the same article was landed in April, 1922, it was only 20 cents each; so if we were to make the ad valorem duty measure up to the present requirements, we would have to add 40 per cent to our 95, and make an equivalent duty of 135 per cent.

I bring these facts into the RECORD for the purpose of showing, first, that the compound duties and the equivalent ad valorem are far from what would be required if the prices should be continued either as indicated in the Reynolds report or as indicated in the last importations. We have discounted that condition enormously, and I think the rates are certainly none too high.

Mr. JONES of New Mexico. Mr. President, I do not care to repeat what has been said regarding other items dealt with precisely as the Senator from North Dakota has dealt with this item. I have produced evidence here as to the conditions in Germany which are directly opposed to the inference which the Senator would have us draw from the facts which he has stated. There is no evidence here as to why those increases have been made. There is no evidence as to the value of the German mark when the first transaction occurred, and none as to that value when the second occurred. Unquestionably, however, there was a vast decrease in the value of the mark between the two transactions. But since the last of those transactions prices have trended the other way, and we have the distinct statement here that Germany has passed a law which will prohibit the exportation of cutlery except on a gold basis, and that the prices are going to be fixed; that after the 1st of September none will be permitted to be exported at a lower price, even though contracts have been previously made, but any contracts made since the 15th of May must be made upon the basis of the pre-war price plus 25 per cent in some cases, and 40 per cent in others. These prices are trending upward; and upon every class of cutlery here we have considered thus far I have had the price given from the people engaged in the business, prices brought up to date, and they are increasing rapidly all the time.

It seems to me that we come back again to the old proposition that it is a pitiful spectacle to see the Congress of the United States trying in this peurile fashion to deal with that situation in Germany. It should not be dealt with in that way. It means an absolute embargo as against all other countries.

I do not care to discuss the matter any further. We have talked about these things in connection with the cutlery schedule, and I hope at least that Senators understand the situation and will appreciate just what is being done.

Mr. MCLEAN. Mr. President, the Senator has called attention to the cheap cast-iron scissors. These scissors in August last were laid down in this country at 68 cents a dozen. In April last the same scissors, No. 9300, the 5-inch scissors, were laid down at 32 cents a dozen, less than half of the August cost; and the American price of the comparable article is $2.75 a dozen.

Mr. JONES of New Mexico. Mr. President, will the Senator let us know, then, what rate of duty this will make upon those cast-iron scissors?

Mr. MCLEAN. The rate of duty is far from sufficient.

Mr. JONES of New Mexico. But does the Senator want to put that kind of a duty upon cast-iron scissors, which are made in this country by machinery and which are exported in normal times to the rest of the world in competition with the world—a duty of 4 cents apiece on scissors, which he says will be imported at 22 cents a dozen? There is a duty of 200 per cent, and then it is followed by an ad valorem duty of 45 per cent, making a duty of about 250 per cent upon the little cast-iron scissors; and if the price is what the Senator says it is, my proposal would be 2 cents apiece, or 24 cents a dozen, on scissors that cost only 22 cents a dozen. That would be over 100 per cent, and then there is 45 per cent ad valorem to follow.

Mr. HEFLIN. Mr. President, did I understand the Senator to mean that this would increase the price of a pair of cast-iron scissors 4 cents each, which would be one-third of the cost of a dozen of them?

Mr. JONES of New Mexico. Hardly one-third of the cost of a dozen of them.

Mr. HEFLIN. Four cents is a third of 12. Three times four is 12.

Mr. JONES of New Mexico. Four cents each would be 48 cents a dozen; but the price per dozen is 22 cents, as I understand, which would make the duty itself more than twice the value of the scissors.

Mr. MCLEAN. Thirty-two cents a dozen, I will say to the Senator, was the April cost.

Mr. JONES of New Mexico. Thirty-two cents a dozen? If they are taxed 4 cents apiece, and 12 in a dozen, how much will that amount to?

Mr. MCLEAN. I suppose if they gave them away, or laid them down at 2 cents a dozen for the purpose of destroying the American industry, the rate would be still higher.

Mr. HEFLIN. Mr. President, does the Senator mean to say that this tariff rate would increase the price of these scissors 48 cents a dozen?

Mr. JONES of New Mexico. The duty would be 48 cents per dozen and 45 per cent ad valorem.

Mr. HEFLIN. On top of that?

Mr. JONES of New Mexico. On top of the 48 cents per dozen.

Mr. HEFLIN. Mr. President, it is very plain that the Finance Committee of the Senate are levying taxes here now purely for the benefit of certain manufacturers. I had no idea a little while ago, when I was talking about these steel scissors and the other higher grade of scissors, that they were going to come down and tax cast-iron scissors, the cheapest kind of scissors, the only kind, it seems, that the common people are going to be able to buy under Republican rule. Now you have laid on these cheap scissors a tax of 4 cents apiece, and the tax amounts to a burden upon every person who has to buy these things—a little here, a little yonder, a little over there, a little over here—until the tax sum that each taxpayer has to pay on the necessities of life is going to be something enormous.

Mr. President, when this monstrous bill goes into effect I should like to have some way of ascertaining just how much tax each individual has to pay under it. I wish there were same way, whenever he bought this article or that article, that he could find out what the tariff rate was on it, how much the retailer had put in his price because of the tariff tax, because of the excuse given him to increase his price, and let the consumer figure that out and see how much at the end of the year his expense account had increased. I call upon him to keep such an account.

I want to say to the Senators on the other side, when the good wife goes down to the store to buy various things and

she puts down a list of the manufactured things she has to buy and notes the increase in price by reason of an unjust tariff tax, she will say to the old man as they sit around the fireside, "I must have a much larger expense account. Whereas we bought last year this manufactured article for that much and this for that much, it has been greatly increased by tariff taxes." And the old man will say, "What am I to do? How am I going to meet these increased expenses? What provision did they make for me? Have they made it easy for me to make more money? Have they enabled me to earn more money? What have they done to build me up to meet these burdensome conditions? Nothing; absolutely nothing."

Mr. President, before I sit down, I want to comment on what occurred in this Chamber a moment ago with reference to cash registers. It has been disclosed that last night there was held in this city a conference of some of the very wealthy manufacturers of this country who are to be greatly benefited by this tariff bill. They came here and had a conference with the leaders of the Republican Party, the machine men, who gather up contributions for campaign purposes. They had these men sitting in a council chamber with them way late in the night discussing ways and means for raising money to conduct the congressional campaign, men who are benefited by the provisions of this bill, one of them the chief of the greatest cash-register concern of the United States. The Senator from Mississippi was commenting on the fact that that man was there, of course, expected to contribute a large sum and no doubt did, and the Senator from Ohio has told us that he said to him that he did not want any tariff tax on cash registers. Who ever heard one of these trust barons admit that he had been caught with the goods? Of course, he would not admit it now. He would come down here and expect to contribute, and he would rather not have it go out that he was contributing for that reason, but would like to have people think he was contributing for some other reason, separate and aside from that.

We caught them with the goods, and the Senator from Mississippi rose here, in the Senate of the United States, and asked those who sit here from the various sovereign States of this Union to give unanimous consent to reconsider the vote by which the price of cash registers was to be increased and objection came from the Republican side. Think of that, Senators. Then he moved to reconsider it and you defeated that motion. If the great cash register maker of the United States, who sends his goods into the four corners of the earth, does not want this tax, in the name of high heaven in whose interest do you levy it? Certainly the consumers of cash registers have to pay this additional tax, and certainly they do not want to have to pay it. Now, then, if the man who makes them says he does not need it, why are you levying it? In whose interest do you demand this tax?

Mr. President, it is too plain. A wayfaring man, though a fool, could understand it. The Senator from Ohio and some others were just about to "spill the beans" for these fellows who are going to have the prices of their cash registers increased by reason of this tariff tax do not want this tax taken off.

If you had not levied this tax against the American consumer you would not have gotten the promise of the checks last night. They would have torn those checks up on to-morrow if they had read in the newspapers that we had reconsidered that vote, and had taken the tax off. They would have said, "For that, the whole thing is off," and they would have just torn your checks up and thrown them away. And the robber game goes on.

You are going to increase the price of cash registers, where they gather in the coin from the poor of the country, taxed to death under this bill, and now you come, under the enthusiastic pleading of the Senator from Connecticut [Mr. MCLEAN] and put a tax of 4 cents each on every pair of cast-iron scissors bought in the United States. Who uses those cast-iron scissors? People who are not able to buy the best scissors. You are putting a tax upon the very poorest class of people in the country. It has always been true, and it is true now, that the Republican Party does not levy any taxes against the mighty rich, but you levy your taxes against those who have the least power of resistance, the unorganized mass of people, and then trust to this other crowd to get together, as they did last night, and furnish you money to purchase newspapers to poison public sentiment and form public opinion just before election and fool the people again.

Senators, the signs out in the States are that the people are waking up. God speed them in the business of waking up.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from New Mexico [Mr. JONES] to the committee amendment.

The amendment to the amendment was rejected.

The amendment as amended was agreed to.

The next amendment of the committee was, on page 74, line 24, after the word "cents," to strike out the following:

and not more than $1.75 per dozen, 15 cents each and 35 per cent ad valorem; valued at more than $1.75 per dozen, 20 cents each and 35 per cent ad volorem: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the outside of the blade between the screw or rivet and the handle,

and to insert:

per dozen, 20 cents each and 50 per cent ad valorem: *Provided*, That all articles specified in this paragraph, when imported, shall have die sunk conspicuously and indelibly, the name of the maker or purchaser and beneath the same the name of the country or origin, to be placed on the outside of the blade, between the screw or rivet and the handle of scissors and shears (except pruning and sheep shears), and on the blade or handle of pruning and sheep shears and clippers.

Mr. JONES of New Mexico. Mr. President, on page 75, line 7, I move to strike out "20" and insert in lieu thereof "10."

As I have stated repeatedly, I have been perfectly willing to have reasonable duties imposed on imports, and in this case I am going to try and see if I can not get something high enough to satisfy everybody. I wonder if a rate of 225 per cent would be enough to satisfy the people on the opposite side of the Chamber. That is what I propose now. On scissors valued at more than 50 cents per dozen the committee proposes to place a duty of 20 cents each and 45 per cent ad valorem, so that scissors costing 60 cents a dozen will have a specific duty of 20 cents each imposed on them and 45 per cent, which amounts to 445 per cent. I am willing to meet Senators on the other side with a reasonable rate and so I propose only to change the numeral from 20 to 10 so that the duty would be reduced from 445 per cent to 245 per cent, and upon that I ask for the yeas and nays.

Mr. MCCUMBER. Before taking the vote, so that the RECORD will show the basis on which this duty is laid, I shall first ask to have printed at the conclusion of my remarks a table on scissors, taking 14 importations, and the prices of each of them, showing what the spread is. The spread ranges all the way from the very lowest, which is 97 per cent, the only one less than 100 per cent, up to 518 per cent, as between the American and the foreign importing price.

Then following are the items which I put in the table and ask to have printed, which show the average rate, the foreign value, the landing charges, the specific duty, the ad valorem duty, the landed cost plus 20 per cent, the total, and the domestic selling price.

Taking them all together, the foreign values average $2.18 per dozen. The landing charge is 17 cents. The specific duty is $2.40. The ad valorem rate is 98 per cent, which would make the landed cost $5.73. Adding 20 per cent to that for profit, which would amount to $1.15, we would have a total of $6.83.

The domestic selling price is $6.91. It would therefore require 156 per cent to equalize the average rate. The percentage which we have given is very much less than that, and, as I have already shown, the importing costs are very much less as to some of these at the present time than they were at the time when the Reynolds report was made.

I renew my request to have this table printed.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Scissors.*

Importer's No.	Selling price (dozen).	Profit.	Landed cost (dozen).	Domestic selling price.	Domestic No.	Spread.
		Per cent.				*Per cent.*
9160-7"	$3.75	188.4	$0.98	$3.16	211A	222
9300-3"	2.75	216.2	.68	2.75	4017N	300
117-4"	2.75	172.2	.79	2.15	4007	172
9400-4"	3.00	55.4	1.50	6.20	35N	313
113-5"	3.50	84.2	1.48	5.04	4059-5"	269
582/6"	15.00	97.8	5.96	11.75	348	97
153-7½"	16.66	322.8	3.06	11.40	447½	305
2610GM-7"	16.15	144.3	5.19	10.70	2447	106
951-4SP	4.25	102.3	1.63	6.90	464	145
102-3½P	2.50	100	.97	6.00	464½	518
123-4" P	3.35	100.1	1.30	6.40	364	392
950-3½"	3.60	113	1.31	6.50	773	396
4460-4"	10.00	96.4	4.00	10.97	574½	174
5695-5½"	8.25	99.2	3.25	7.95	815	145
Average			2.29	6.97		204

The spread, as shown in the above table between the landed cost (not including duty) and the domestic selling price, ranges from 97 per cent to 518 per cent, and averages for all the items 204 per cent.

Following are the items included in Table No. 1, averaged, and the rate of 20 cents each and 45 per cent applied, allowing the importer 20 per cent overhead and profit. This rate almost exactly equalizes the competitive difference:

TABLE No. 2.

Bracket.	Rate.	Foreign value.	Landing charges.	Specific duty.	Ad valorem.	Landed cost.	Plus 20 per cent.	Total.	Domestic.
Over 50 cents per dozen.	20 cents each and 45 per cent.	$2.18	$0.17	$2.40	$0.98	$5.73	$1.15	$6.88	$6.91

Mr. JONES of New Mexico. Mr. President, we have several times this afternoon had similar statements made, and there can be only one purpose in making those statements—to have the Senate and the country believe that these prices in Germany are being reduced. I submit that outside of St. Elizabeths, or a few other institutions, there is no person who has studied the situation or attempted to inform himself as to it who believes that prices in Germany are being decreased, measured in gold or measured in marks. Every bit of information we have is to the contrary.

I read here last night from the report of the Commerce Department showing the vast increases in labor, increases in living expenses, increases in iron, increases in cotton yarn, and other commodities, and how rapidly they have been increased during the last few months, and for the Senator from North Dakota, in his sanctimonious way, to repeat that statement that he has been making it seems to me is trifling with the intelligence of Senators and the official information. He, of course, is not telling an untruth, but it shows that the bases of his statements are unfounded, or the inferences from the statements which he makes are unjustified. He takes some prices made up several months ago, when the mark was worth more than it is now. He takes prices since then converted into terms of a mark no one knows the value of; but we do know that prices in Germany are increasing, and every economist in the country appreciates the importance of the increases. Again I am going to call attention to some of these increases. We find that in October, 1921, the index figures of living costs in Germany, taking 100 as the basis in 1920, have been increased to 184; in November, to 247; in December, to 303; in January, 1922, to 320; in February, to 352; in March, to 435; and in April, to 525. Thus, in those few months the cost of living in Germany has increased over 500 per cent.

The price of pig iron prior to the war was 79½ marks. In January, 1919, it was 314 marks; in May, 1920, it was 2,350 marks; in November, 1921, it was 2,700 marks; in December it was 3,891 marks; March 1, 1922, it was 4,744 marks; and on April 1, 1922, it was 6,264 marks.

That is the cost of pig iron and the other various classes of iron, and in the face of that to tell me that the cost of these metal products is decreasing is to trifle at least with my supposed intelligence.

Now, take steel—iron and steel prices, copper and zinc sheet. The record shows they have increased from 100 marks or less up to between 7,000 and 10,000 marks, not only increased as much as the mark has depreciated in value, but increased far beyond that in price measured in marks. Eighty times and 100 times as many marks to buy a ton of steel now as was required prior to the war. These increases have been coming along most rapidly and precipitously and in an accelerated way hardly to be comprehended, and yet Senators would have us get the idea that the cost of these things in Germany is decreasing.

There is no information regarding the economic situation in Germany which would justify any such inference. It shows that the prices which have been reported to the distinguished Senator from North Dakota offer no test. Where is the man who believes that prices in Germany are decreasing as measured in marks or as measured in gold?

Mr. President, on yesterday I asked that the tables to which I referred be published as an appendix to my remarks, but the printer was not able, for lack of time last night, to do so. I now repeat the request, not only as to those tables to which I have referred, but the list over on the next page of this report. It seems to have been a little mutilated by the printer, but it can be made out yet, I am sure. I ask that all those tables which appear in the commerce report of June 5, on pages 647 and 648, be published as an appendix to my present remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From Commerce Reports, June 5, 1922.]

WESTERN EUROPE.

(Alan G. Goldsmith, Chief, Western European Division.)

CURRENCY DEPRECIATION AND PRICE INCREASES IN GERMANY.

(Commercial Attaché C. E. Herring, Berlin, April 22.)

The relation between currency depreciation in Germany (particularly since the sensational mark decline in October and November, 1921) and price appreciation and instability is obvious. However, the impossibility of conducting German industry or trade on anything but a speculative basis under present conditions is not perhaps fully appreciated. The extent to which binding contracts are affected should also be fully understood by American purchasers of German goods, because it has become increasingly difficult during the last few months to guarantee prices for future delivery, or to observe them if promised.

This was a subject of considerable complaint by Americans and other foreigners at the Leipzig Fair, where manufacturers generally declined to offer firm prices, except for limited quantities of goods already in stock. Even where a manufacturer covers his purchases of foreign raw materials immediately by the sale of finished goods, calculated (though not necessarily to be invoiced) in dollars or sterling, other variable factors make future price changes almost inevitable. For instance, in many German industries no wage agreements are made for a longer period than one month. Continual wage advances, together with the steady increase in public-utility rates (which have not yet resulted in an entire elimination of the operating deficits), and the advances in the price of coal and other domestic raw materials make exact calculations most difficult.

A further element of insecurity is the system of levying export supplements, intended to bring the price of German exports closer to the prevailing price in the importing country. Theoretically this principle is justified from the standpoint of national economy, and of course it results also in additional protection for manufacturers in other great industrial nations. The difficulties of effective administration are great, however, and there have lately come to the attention of this office a number of instances in which the export supplements have so increased the price of goods destined for export to the United States that contracts have not been concluded.

EFFECT OF DEPRECIATED EXCHANGE.

American importers of German goods must realize that a system of shifting prices is inevitable in Germany so long as the violent fluctuation and the consistent depreciation of the mark continue. They must also remember that no system of selling in dollar or other high-exchange currencies can relieve German manufacturers of the virtual necessity of changing prices, and that there is an inevitable speculative element in any considerable purchases of German goods for future delivery.

The recent decision of the Leipzig Reichsgericht, obligating parties to accept goods at higher prices, provided the court considers the amount justifiable, increases the insecurity of foreign buyers. They can still protect themselves, of course, against forced acceptance of goods at prices too high for profitable resale or use in their own factories by specific stipulation against a price increase exceeding a certain percentage, now that they can no longer avoid the contract by virtue of a general clause (Preise Freibleibende clause) leaving both seller and purchaser free to avoid the contract if prices are changed. There is no assurance, however, that any American importer can resell German goods in the United States at a calculated percentage of profit, relying upon delivery at an agreed price.

INCREASED COST OF LIVING.

The following table shows the increased cost of living in Germany since last October, together with the fluctuation in the exchange rate of the German mark:

Items.	Basis of comparison.	1921			1922			
		October.	November.	December.	January.	February.	March.	April.
Frankfurter Zeitung index of wholesale prices (77 commodities)	100 (1920)	184	249	303	320	352	435	525
Reichsteuerungszahlen index of retail prices of commodities in budget of family of 5	100 (1914)	1,146	1,397	1,550	1,640	1,989	2,300	.....
Kuczynski budget for family of 4 (weekly expenditure in marks)	28.80 (1914)	386	509	557	548	627	789	.....
Calwer family budget (weekly expenditure for food for family of 4, in marks)	15.81 (1914)	418.12	473.89	514.63	548.85	674.39	778.96	.....
Average exchange rate (marks per dollar)	4.20 (1914)	147.20	255.54	188.67	191.81	207.82	280.00	.....

INCREASE IN PRICE OF PIG IRON.

Since May, 1921, the German price of pig iron has shown a steady increase. The following table shows the price of this commodity in 1921 and 1922, as compared with the pre-war price.

[Marks per ton.]

Items.	Pre-war.	Jan. 1, 1919.	May 1, 1920.	May 1, 1921.	Nov. 1, 1921.	Dec. 1, 1921.	Mar. 1, 1922.	Apr. 1, 1922.	Over pre-war prices.
									Per cent.
Hematite	79.50	314.50	2,350.50	1,816.00	2,700.00	3,891.00	4,744.00	6,264.00	18
Pig iron I	75.50	250.00	1,790.50	1,560.00	2,200.00	3,326.00	4,212.00	5,549.00	13
Pig iron II	70.50	249.00	1,789.50	1,484.00	2,124.00	3,250.00	4,130.00	5,437.00	16

IRON AND STEEL PRICES—COPPER AND ZINC SHEETS.

As in the case of pig iron, the German prices for iron and steel have shown a steady increase during the past few months. This increase is shown in the following table:

[Marks per ton.]

Items.	Pre-war.	Oct. 20, 1921.	Dec. 1, 1921.	Mar. 1, 1922.	Apr. 1, 1922.	Over pre-war prices.
						Per cent.
Ingots	82.50	2,435.00	3,830.00	5,320.00	7,170.00	30
Blooms	87.50	2,655.00	4,130.00	5,770.00	7,775.00	33⅓
Sheet bars	97.50	2,725.00	4,330.00	6,085.00	8,200.00	26
Billets	96.00	2,725.00	4,230.00	5,945.00	8,010.00	26
Shapes	110.00	3,150.00	4,930.00	6,920.00	9,325.00	27
Merchant bars	97–99	3,200.00	5,030.00	7,050.00	9,500.00	44
Hoop iron	105.00	3,585.00	5,530.00	7,750.00	10,580.00	50
Wire rods	117.50	3,500.00	5,430.00	7,515.00	10,265.00	31
Thin sheets	125.00	4,400.00	6,680.00	9,375.00	12,770.00	53
Medium sheets	110.00	4,300.00	6,930.00	8,910.00	12,140.00	65
Heavy sheets	105.00	3,500.00	5,630.00	7,805.00	10,650.00	52

The price of copper sheet was 5,475 marks per metric quintal on October 30, 1921. Since that date the prices have been as follows: November 30, 9,350 marks; December 31, 7,550 marks; January 30, 8,000 marks; February 28, 8,500 marks; March 4, 9,500 marks; March 31, 12,200 marks; and April 22, 11,700 marks.

Although the increase has not been so large as in the case of copper, the price of zinc sheet also was considerably higher on April 22, 1922, than on October 30, 1921. The prices per metric quintal of zinc sheet since last October have been as follows: October 30, 2,079 marks; November 30, 3,826 marks; December 31, 3,826 marks; January 30, 3,319 marks; February 28, 3,319 marks; March 4, 3,619 marks; March 15, 4,340 marks; April 22, 5,405 to 5,445 marks.

PRICES OF COAL, COKE, AND LIGNITE.

The prices in marks per ton of Rhenish-Westphalian coal, coke, and lignite during February, March, and April, 1922, and the price of coal quoted for delivery in September, 1922, as compared with the pre-war coal prices, are shown in the following table:

[Marks per ton.]

Kind of coal.	End of 1913.	February, 1922.	March, 1922.	April, 1922.	September, 1922.[1]
BITUMINOUS COAL.					
Fat coals:					
Pit coal (14 per cent)	12.00	468.10	601.70	713.20	907.50
Large coal I (28 per cent)	13.25–14.00	617.00	791.60	936.90	1,194.30
Nut coal I, II, and III (30 per cent)	14.25	630.90	809.30	957.80	1,221.10
Nut coal IV (30 per cent)	13.75	608.20	780.30	923.70	1,177.40
Cooking coal (14 per cent)	12.25	477.50	613.60	727.20	925.40
Gas and flame coals:					
Gas pit coal (25 per cent)	12.50	491.10	631.10	747.90	1,031.40
Flame pit coal (24 per cent)	11.50	468.10	601.70	713.20	952.00
Nut coal I, II, and III (30 per cent)	14.25	630.90	809.30	957.80	1,221.10
Nut coal IV (30 per cent)	13.75	608.20	780.30	923.70	1,177.40
Large coal (28 per cent)	13.25–14.00	617.00	791.60	936.90	1,194.30
Dry coal:					
Pit coal (12 per cent)	11.50–12.00	463.60	595.90	706.40	898.70
Large coal (30 per cent)	14.25–15.00	634.10	813.40	962.60	1,227.30
Nut coal I and II (12 per cent)	16.75–18.25	705.80	904.80	1,070.30	1,365.50
Nut coal III (30 per cent)	14.50	667.40	855.80	1,012.60	1,291.40
Nut coal IV (30 per cent)	14.00	608.20	780.30	923.70	1,177.40
Anthracite nut I (even)	20.75	690.30	885.10	1,047.20	1,335.90
Anthracite nut II (minus 9 per cent)	24.75	777.10	995.70	1,177.50	1,502.80
COKE.					
Furnace coke (11 per cent)	15.00–17.00	682.70	878.10	1,024.40	1,308.10
Foundry coke (even)	19.00	710.30	913.30	1,059.60	1,355.00
Broken coke I and II (10 per cent)	21.00–21.50	815.70	1,047.70	1,194.00	1,534.10
LIGNITE.[2]					
Middle German Syndicate (32 per cent)	8.35	421.40	478.50	592.00	737.00
Rhine Syndicate (9 per cent)	7.65	279.30	368.80	451.30	555.00
East Elbe Syndicate	9.12				
Niederlausitz Group			478.50	550.00	739.00
Frankfurt Group		457.70	583.50	654.00	866.50
Forster Group			492.00	567.50	754.50
Goerlitz Group		393.20	502.50	579.50	766.50

[1] Prices quoted for delivery in September, 1922.
[2] The prices shown for lignite are average prices. The lignite prices for 1913 are the average for the entire year.

PRICES OF GERMAN CHEMICALS.

While the prices of chemicals have advanced slightly in Germany during the past six months, the advance has been less than in other items. The prices of chemicals since November, 1922, are shown in the following table:

[Marks per kilo.]

Chemicals.	1921		1922				
	Nov. 26.	Dec. 30.	Jan. 30.	Feb. 28.	Mar. 15.	Mar. 31.	Apr. 7.
Salicylic acid	81	72	85	99	110	125	138
Zinc oxide	29	21	26½	28	32	37	37
Sugar of lead	31	27½	29½	29	31½	34	34
Blue vitriol	24	18	21	31	26	30	33
Borax	36	26	28	33½	37½	41	42

PRICES OF GERMAN CHEMICALS—continued.

Chemicals.	1921		1922				
	Nov. 26.	Dec. 30.	Jan. 30.	Feb. 28.	Mar. 15.	Mar. 31.	Apr. 7.
Formaldehyde (40 per cent)	49	45	46	50	53	55	55
Caustic soda	30½	27	24	05½	27½	32½	33
Formic acid (80 per cent)	16	16	(1)	(1)	(1)	21	23
Sulphuric acid (60 per cent)	2	2	(1)	(1)	(1)	3½	(1)

[1] No sales recorded in the Hamburg market.

GERMAN PRICES OF BUILDING MATERIALS.

[Office of American commercial attaché, Berlin, May 2.]

The following are comparative prices of certain building materials in Germany for the period from July 1, 1921, to April 1, 1922:

Items.	July 1, 1921.	Nov. 1, 1921.	Mar. 1, 1922.	Apr. 1, 1922.
	Marks.	*Marks.*	*Marks.*	*Marks.*
Carbolineum, per kilo	2.00–3.50	3.15	5.30	7.15
Coal tar, per kilo	1.70–1.90	2.25	4.85	5.40
Tar board, No. 100, per 10 square meters	44.00	68.00	127.00	193.00
Insulation board, No. 80, per square meter	7.75	(1)	18.00	28.00
Zinc-plated wire netting, per square meter	4.50	9.00	21.00	22.50
Zinc-plated fence wire, 3.1 millimeters, per meter	.27	.60	[2] 18.75	[2] 22.50
Wire nails, 1 inch long, per kilo	6.80	9.65	22.50	24.70
Nails for slate roofing (black), per kilo	10.00	14.30	18.50	18.50
White lead color, ready for use, per kilo	16.00	29.00	35.00–39.00	53.00
Raw linseed oil, per kilo	14.00	27.00	47.50	65.00
Turpentine, pure, per kilo	22.00	46.00	76.00	115.00
Floor varnish, per kilo	27.00–32.00	28.00	56.00	76.00
Plaster of Paris, per sack of 40 kilos	15.00	15.00	29.00	53.75
Plate glass, transparent, quality III, 4/4b, 60 centimeters, per square meter	35.00	42.45	105.40	[3] 134.90
Square timber fir, building quality, per cubic meter at factory	600.00–750.00	1,150.00	2,250.00	4,500.00
Square timber, pine, building quality, per cubic meter at factory	800.00	1,300.00	2,400.00	4,800.00
Roof laths, 52S/300, per 30-meter lot	2.55	5.70	10.15	15.00
Crossed-lath fencing, per square meter	7.00	7.50	14.00	16.00
White limestone, per 10 tons wholesale	2,450.00	2,450.00	5,370.00	7,800.00
Common lime in sacks, per sack wholesale	15.00	20.00	42.00	65.50
Linseed-oil putty (100 per cent), per kilo wholesale	3.20	(1)	8.50	12.00
Cologne glue, per kilo wholesale	21.00	32.00	45.00	50.00–55.00
Lead pressure tubes, per 100 kilos	840.00	(1)	2,830.00	4,197.00
River sand, per cubic meter f. o. b. works	20.00	43.00	85.00	107.00
Sand for mixing concrete, per cubic meter f. o. b. works	30.00	22.00	95.00	107.00
Burned bricks, per 1,000 at works	400.00	400.00	1,050.00	1,200.00
Gravel bricks, per 1,000 at works	420.00	580.00	750.00	1,075.00
Slag bricks, per 1,000 at works	450.00	500.00	700.00	1,200.00
Chamotte, medium, 30/6½ centimeters, per sack	2,750.00	2,400.00	6,250.00	11,300.00
Kauber slates, 1/1, per meter wholesale	399.00	434.00	1,019.00	1,022.00
Portland cement, per 50 kilos	30.75	35.50	81.00	94.00
Flat roofing tile, per 1,000 at works	900.00	840.00–900.00	1,500.00	2,100.00

[1] Statistics not available.
[2] Price per kilo.
[3] Price has been 182 marks since Apr. 14, 1922.

Mr. McCUMBER. I have no objection to the request of the Senator from New Mexico. Possibly by Monday, or sooner, if I can, I will show the rates of exchange, so they can be compared with the tables the Senator has presented.

All I want to say now in reply to the Senator, and then each of us will have spoken twice on the amendment, and I hope we can get a vote, is that what the American manufacturer is most concerned in is not so much what British labor or French labor is getting, but for what they are putting their product down in his market.

In the rates which I have given I have not stated anything that is false. I have taken the record from the importations,

both at the time of the Reynold's report and the latest, which was in April. I have shown in many instances a decrease from the time of the Reynold's report to the time at which the last imports came in. That is the real measure, because there is where the competition is going to be. Just what the future is going to bring forth, of course, I do not know.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico to the amendment of the committee.

Mr. JONES of New Mexico. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as on the former ballot as to my pair and transfer, I vote "yea."

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "yea."

Mr. STANLEY (when his name was called). I transfer my pair with the junior Senator from Kentucky [Mr. ERNST] to the junior Senator from Massachusetts [Mr. WALSH], and vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as on the last vote as to my pair and transfer, I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "nay."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the Senator from Massachusetts [Mr. LODGE] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. KELLOGG. I transfer my pair with the Senator from North Carolina [Mr. SIMMONS] to the Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. HALE. Making the same announcement as before, I vote "nay."

Mr. McCUMBER (after having voted in the negative). I transfer my pair as upon the previous vote and allow my vote to stand.

The roll call resulted—yeas 18, nays 29, as follows:

YEAS—18.

Asburst	Harris	La Follette	Stanley
Borah	Harrison	Norris	Swanson
Caraway	Heflin	Overman	Underwood
Dial	Jones, N. Mex.	Pomerene	
Gerry	Kendrick	Sheppard	

NAYS—29.

Brandegee	Kellogg	Nicholson	Sutherland
Bursum	Keyes	Oddie	Townsend
Calder	Lenroot	Poindexter	Warren
Cameron	McCumber	Rawson	Watson, Ind.
Curtis	McKinley	Shortridge	Willis
France	McLean	Smoot	
Hale	McNary	Spencer	
Jones, Wash.	Newberry	Sterling	

NOT VOTING—49.

Ball	Fletcher	Myers	Simmons
Broussard	Frelinghuysen	Nelson	Smith
Capper	Glass	New	Stanfield
Colt	Gooding	Norbeck	Trammell
Crow	Harreld	Owen	Wadsworth
Culberson	Hitchcock	Page	Walsh, Mass.
Cummins	Johnson	Pepper	Walsh, Mont.
Dillingham	King	Phipps	Watson, Ga.
du Pont	Ladd	Pittman	Weller
Edge	Lodge	Ransdell	Williams
Elkins	McCormick	Reed	
Ernst	McKellar	Robinson	
Fernald	Moses	Shields	

The PRESIDING OFFICER. Upon the amendment of the Senator from New Mexico to the committee amendment the yeas are 18 and the nays are 29. There is not a quorum present. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Hale	McCumber	Shortridge
Brandegee	Harris	McKinley	Smoot
Bursum	Harrison	McLean	Spencer
Calder	Heflin	McNary	Stanley
Cameron	Jones, N. Mex.	Newberry	Sterling
Curtis	Jones, Wash.	Nicholson	Sutherland
Dial	Kellogg	Oddie	Swanson
Fernald	Kendrick	Overman	Townsend
France	Keyes	Pomerene	Underwood
Gerry	La Follette	Rawson	Warren
Gooding	Lenroot	Sheppard	Willis

The PRESIDING OFFICER. Forty-four Senators have answered to their names. There is not a quorum present.

Mr. McCUMBER. I move that the Sergeant at Arms be directed to procure the attendance of those Senators who can not afford to attend to their duties in the Senate.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will carry out the order of the Senate.

The following Senators entered the Chamber and answered to their names:

Ashurst	Broussard	Caraway	Glass

Mr. McCUMBER. Mr. President, I should like to have the Sergeant at Arms report what he is doing in the way of procuring a quorum.

The PRESIDING OFFICER. The Sergeant at Arms will be notified to make a report.

Mr. McCUMBER. If the Sergeant at Arms can not bring Senators here, I desire to have a record of the reasons why he can not bring them here.

The PRESIDING OFFICER. The Chair will state to the Senator that the Sergeant at Arms has been requested to make a report.

Mr. HARRISON. Mr. President, may I ask the Senator from North Dakota a question? I got the impression, and I think a good many Senators did, both on the other side and on this side, that the Senator was going to ask the Senate to take a recess at 6 o'clock this afternoon; and some Senators left under that impression.

Mr. CURTIS. They left at 5.

Mr. HARRISON. They left at 5.

Mr. CURTIS. Yes; they left about 5 or half past 5.

Mr. McCUMBER. If we had had a quorum here up until 10 minutes of 6, we could have recessed.

Mr. President, understanding that there are Senators on the way who will make a quorum in a few moments, I withdraw the request for a report by the Sergeant at Arms.

The PRESIDING OFFICER. The request is withdrawn.

Mr. McCORMICK entered the Chamber and answered to his name.

The PRESIDING OFFICER. Forty-nine Senators having answered to their names, a quorum is present. The question is upon agreeing to the amendment offered by the Senator from New Mexico to the committee amendment. The yeas and nays have been ordered, and the Secretary will call the roll.

Mr. JONES of New Mexico. Mr. President, I desire to withdraw the request for a yea-and-nay vote on this amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and the request is withdrawn. The question is upon agreeing to the amendment offered by the Senator from New Mexico to the committee amendment.

The amendment to the amendment was rejected.

Mr. McCUMBER. I move to strike out "50," on page 75, line 7, and to insert "45."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

NAVAL OIL RESERVE LEASES.

Mr. SMOOT. I ask unanimous consent that the message of the President of the United States, with the accompanying communication from the Secretary of the Interior, be printed in the RECORD in 8-point type.

There being no objection, the message and the accompanying communication were ordered to be printed in the RECORD in 8-point type, as follows:

TO THE PRESIDENT OF THE SENATE:

On April 29 the Senate adopted a resolution directing the Secretary of the Interior to furnish the Senate with certain documents, correspondence, papers, files, Executive orders, and all contracts for drilling oil wells on naval oil reserves of the United States, with all detailed information relating thereto. I am to-day in receipt of a letter from the Secretary of the Interior in which he advises me of his compliance with the resolution of the Senate, and in which he makes to me a full and comprehensive report, probably not contemplated in the resolution, in which he gives to me the details of the handling of all naval reserve petroleum matters up to the present date, including full explanation of the contracts for the disposition of oil and the necessity for such action as has been taken. The report, with the exhibits thereto attached, I am sending to the Senate herewith, with the hope that they may be referred to the Senate Committee on Public Lands for such ready reference and information as they will afford the committee in making the investigation contemplated by the Senate.

I am sure I am correct in construing the impelling purpose of the Secretary of the Interior in making to me this report. It is not to be construed as a defense of either specific acts or

the general policies followed in dealing with the problems incident to the handling of the naval reserves, but is designed to afford that explanation to which the Senator is entitled, and which will prove helpful to the country generally in appraising the administration of these matters of great public concern. I think it is only fair to say in this connection that the policy which has been adopted by the Secretary of the Navy and the Secretary of the Interior in dealing with these matters was submitted to me prior to the adoption thereof, and the policy decided upon and the subsequent acts have at all times had my entire approval.

WARREN G. HARDING.

The WHITE HOUSE, *June 7, 1922.*

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THE SECRETARY OF THE INTERIOR,
Washington, June 3, 1922.

MY DEAR MR. PRESIDENT: On the calendar day of April 21, 1922, there was introduced in the Senate of the United States a resolution offered by Senator LA FOLLETTE, of Wisconsin, by which it was—

"*Resolved*, That the Secretary of the Interior is directed to send to the Senate—

"(a) Copies of all oil leases made by the Department of the Interior within naval oil reserve No. 1, and separately, naval oil reserve No. 2, both in the State of California, and naval oil reserve No. 3, in the State of Wyoming, showing as to each the claim upon which the lease was based or issued; the name of the lessee; the date of the lease; the area of the leased property; the amount of the rent, royalty, bonus, and all other compensation paid and to be paid to the United States.

"(b) All Executive orders and other papers in the files of the Department of the Interior and its bureaus, or copies thereof if the originals are not in the files, authorizing or regulating such leases, including correspondence or memoranda embodying or concerning all agreements, instructions, and requests by the President or the Navy Department as to the making of such leases and the terms thereof.

"(c) All correspondence, papers, and files showing and concerning the applications for such leases and the action of the Department of the Interior and its bureaus thereon and upon all the several claims upon which such leases were based or issued, all in said naval reserves.

"(d) And all contracts for drilling wells on naval oil reserves, date and terms of same, reasons therefor, and the number and date of the drilling of wells on private lands adjacent to oil reserves.

"*Resolved further*, That the Committee on Public Lands and Surveys be authorized to investigate this entire subject of leases upon naval oil reserves, with particular reference to the protection of the rights and equities of the Government of the United States and the preservation of its natural resources, and to report its findings and recommendations to the Senate."

This resolution was adopted by the Senate on April 29.

Notice of the resolution was immediately communicated to myself by telegram, and preparations begun to comply with the "direction" of the Senate. Suggestion was also communicated to me by telegram that the public press be given one of the latest contracts entered into concerning the naval reserves. In telegraphic communications to the department I signified my desire that the direction of the Senate should be fully complied with and my entire willingness to have all of the contracts made public immediately, provided the Secretary of the Navy and yourself acquiesced.

This proviso was made because of the fact that, under your instructions, I have been acting for the Navy, and these contracts embrace military plans of the Navy Department.

Upon my return from my western trip I ascertained that much progress had been made in preparing data directed to be sent to the Senate, and efforts to finally prepare the same have been continuous and most assiduous.

It may not be generally understood, as, of course, it is by yourself, that in handling matters of this character entirely distinct bureaus of this department are called upon not only for advice but for action. It consequently became necessary to search all the files of, first, the General Land Office, the Bureau of Geological Survey, the Bureau of Mines, the personal files of the Secretaries of the Interior, the records of the Mails and Files Division of this department, and so forth. This being also a matter in which the Navy Department, since the incoming of your administration, has been in constant communication with the Department of the Interior, it became necessary that we check up our files and correspondence with the records of the Navy Department.

The results of this work as completed will be found in the photostatic copies, and so forth, of the documents which we are sending to the Senate of the United States, and which aggregate between five and six thousand pages of matter so being delivered.

The records involved date back to the original orders creating naval reserves Nos. 1, 2, and 3, the first two located in the State of California, and the latter comprising what is known as the Teapot Dome, located in the Salt Creek oil field, in the State of Wyoming.

No report from this department has been requested or directed by the Senate, but in view of all the circumstances, and particularly of some speeches which have been made in the Senate of the United States, and public agitation, wild statements in the press, and so forth, I have thought it necessary to prepare this report to yourself that you may, if you see fit, transmit it to the committee of the Senate to which I am delivering the data requested in the resolution.

It may be informing to some of those who apparently have little or no knowledge upon the general subject to review shortly the history of petroleum reserves, including naval petroleum reserves as they have been established and as they exist.

Prior to February 25, 1920, title to the public lands of the United States containing or supposed to contain petroleum could only be obtained under the mining placer law. Under this law 20 acres formed the unit of a placer claim, with 160 acres, or eight units, to an association of eight locators, with no limitation upon the number of 160-acre locations which might be made.

As the value of petroleum was recognized through constantly increasing use, the policy of the administrative branch of the Government developed, and from time to time took the form of withdrawals of public lands supposed to contain petroleum, so that mining claims could not legally be located upon the same after the date of such respective withdrawals.

The first withdrawal of lands for such purpose was in the year 1865 by the then Commissioner of the General Land Office, through a letter to the Humboldt, Calif., local land office, directing that office, unless otherwise specifically instructed, to withhold from disposal portions of two sections of land. The next withdrawals were in the years 1900 and 1901, in California; September 27, 1901, in Wyoming; in 1901 and 1902, in Oregon; and a few others covering considerable areas in California, Oregon, and Wyoming. These withdrawals were all made by the Commissioner of the General Land Office. From time to time restorations were made, until in 1908 the greater portion of the land theretofore withdrawn had been restored. In 1908 and 1909 some withdrawals were made and some lands classified as oil and restored and some lands restored without classification.

In the latter part of 1909—in fact, on September 27—the orders known as the Taft withdrawals were made by the Secretary of the Interior. Those orders covered 3,000,000 acres in California and Wyoming. Subsequent withdrawals were made by the Secretary of the Interior, as follows:

October 12, 1909, 124,000 acres in Utah and 88,540 acres in Wyoming.
December 20, 1909, 87,474 acres in Colorado.
January 18, 1910, 147,887 acres in California.
February 2, 1910, 448,000 acres in California.
February 11, 1910, 9,109 acres in Wyoming.
April 8, 1910, 29,736 acres in Wyoming.
April 14, 1910, 407,314 acres in Utah.
May 4, 1910, 419,901 acres in New Mexico.
January 18, 1910, 3,600 acres in Wyoming.

These were designated as temporary petroleum withdrawals Nos. 5 to 17, inclusive. Some restorations were made during the period.

These withdrawals were all made under the Executive authority of the President of the United States, without direct legislative authority or confirmation.

On June 25, 1910 (36 Stat. 847), Congress enacted a law directly authorizing the President to make withdrawals of lands for classification and for various purposes, and confirming his authority as to the withdrawals already made. Following this, on July 2, 1910, the President confirmed and ratified the outstanding withdrawals and withdrew lands subject to the conditions and limitations of the act. This order covered 2,482,750 acres in California, 87,474 acres in Colorado, 314,720 acres in Louisiana, 419,901 acres in New Mexico, 74,849 acres in Oregon, 581,564 acres in Utah, 255,461 acres in Wyoming. Since that date there have been a large number of additional orders of withdrawal, as well as orders of restoration, all of which have been reported fully to Congress under section 3 of the act of June 25, 1910.

Many restorations were made from time to time as heretofore noted, but the total area remaining in the petroleum reserves under the different orders so reported by this department on December 1, 1921, was 230,400 acres in Arizona, 1,178,392 acres in California, 467,030 acres in Louisiana, 1,345,151 acres in Montana, 84,894 acres in North Dakota, 1,962,768 acres in Utah, 1,120,526 acres in Wyoming, a total of 6,612,138 acres.

[NOTE.—It is to be kept in mind that the areas given include lands title to which is not in the United States.]

There has been no direct ratification by Congress of these petroleum withdrawals.

NAVAL PETROLEUM WITHDRAWALS.

The naval petroleum reserves were created by order of the President, and out of the lands theretofore withdrawn as general petroleum withdrawals, and are as follows:

No. 1, September 2, 1912, 38,969 acres, in Elk Hills, Calif.

No. 2, December 13, 1912, 29,341 acres, in Buena Vista Hills, Calif.

No. 3, April 30, 1915, 9,481 acres, Teapot Dome, Salt Creek, Wyo.

Of course, the President of the United States under his Executive authority and under the provisions of the act of June, 1910, could at any time, when he saw fit, restore any of the lands withdrawn, and immediately upon the date of such restoral such lands, up to 1920, would have become, and such as were restored did become, subject to location and acquisition under the mining laws of the United States by private individuals.

Such large withdrawals of the public domain by Executive order from 1909 aroused great opposition in the public-land States, and Congress considered various bills providing for the disposition of such withdrawn lands, either by directing the restoration thereof or by providing some other method of acquiring title to or the development of the oils supposed to underlie the same, through sale, lease, or otherwise.

Proposed legislation reserving the lands to the United States in toto, or providing for the rental or lease thereof, the funds derived therefrom to be placed in the United States Treasury solely for governmental purposes, was strongly opposed in Congress by those who insisted that the States in which the lands were located should be entitled to at least a portion of the proceeds of such rentals or royalties, in lieu of the rights of the States to tax the same under State and municipal laws, as under the old practice said lands became the property of individual owners under the general mining laws.

The final result of such proposed legislation, opposition thereto, etc., was the compromise act known as the leasing act, under which we are now operating, adopted in February, 1920.

Under the terms of this act, among other things, individuals who claimed title, the right to patent, or equitable interests in any oil lands in the United States, including the withdrawn lands, were directed, within certain limits of time fixed in the statute, to present their claims to the Interior Department for adjudication. Provision was made for equitable consideration where a case made out was not considered strong enough to entitle the parties to a fee simple patent, and even where under the terms of the act equities were not considered strong enough to entitle the parties to prior leases upon the claimed land.

By section 1 of the act of February, 1920, it is provided that "deposits of coal, phosphate, sodium, oil, oil shale, or gas, and lands containing such deposits owned by the United States, including those in national forests, but excluding lands acquired under the act known as the Appalachian Forest act, etc., and those in national parks and in lands withdrawn or reserved for military or naval uses or purposes, except as hereinafter provided, shall be subject to disposition in the form and manner provided by this act to citizens of the United States," etc.

Section 35 provides for the distribution of all royalties, rentals, etc., as follows:

"Ten per cent to be paid into the Treasury to the credit of the miscellaneous fund; for past production, 70 per cent; and for future production 52½ per cent; to be paid into, reserved, and appropriated as a part of the reclamation fund created by the act of Congress of June 17, 1902, and for past production 20 per cent, and for future production 37½ per cent, to be paid by the Secretary of the Treasury after the expiration of each fiscal year, to the State within the boundaries of which the leased lands or deposits are or were located, said moneys to be used by such State or subdivision thereof for the construction and maintenance of public roads or for the support of public schools or other public educational institutions as the legislature of the State may direct: *Provided*, That all moneys which may accrue to the United States under the provisions of this act from lands within the naval petroleum reserves shall be deposited in the Treasury as 'miscellaneous receipts.'"

It is then further provided that all royalty accruing to the United States under any oil or gas lease or permit under this act, on demand of the Secretary of the Interior, shall be paid in oil or gas.

At the request of the present Secretary of the Navy to the Secretary of the Interior, and thereafter directly to the President of the United States, the President on May 31, 1921, directed the Secretary of the Interior to administer such naval reserves for the Secretary of the Navy. The Secretary of the Interior has proceeded under this order, in constant communication and consultation and cooperation with the Secretary of the Navy, and is so continuing at the present time.

Prior to the Executive order just referred to, in the discharge of my duties with reference to private claims within the two naval reserves in California, my attention was called to the drainage of oil and the depletion of the naval reserves in the two California reserves particularly. Evidently the attention of the officials of the Navy Department had finally been directed to the same subject, as shortly prior to the signing of this Executive order the latter department had given notice that bids would be received for the drilling of offset wells in naval reserve No. 1 along the entire north boundary of section 1, to offset the drainage, the extent of which was then unknown, because of the production of Standard Oil wells on the south boundary of section 36. These latter wells had been drilled and producing for some months or more, and were at the time very large and extensive producers of oil.

The bids received by the Navy at that time were, by your direction and that of the Secretary of the Navy, opened in this department, and in consultation with the Navy Department, its experts, and by the assistance of the experts of this department it was finally determined that the bid of the Pan American Oil Co. of 55 per cent royalty for such offset wells was the highest and best bid, and the contract for the drilling was tentatively awarded to that company. Meantime private claimants insisted upon their equitable rights, and there was transmitted to this department directly from your office a petition which had been in the archives of the Executive office for Executive adjustment of such private claims. This petition was filed in the office of your predecessor. At your direction I took the matter up and ascertained that the petition had been filed within the statutory limit and must be passed upon. In so doing I ascertained that the parties petitioners had expended very large amounts of money in the attempt to develop private claims, including all of section 1 and portions of other sections in naval reserve No. 1. My predecessors had determined that these claimants were not entitled to patents, nor to outright leases, and the petition in question had been filed requesting Executive action under the terms of the leasing bill of 1920. I presented to the highest bidders, the Pan American Petroleum Co., this matter, and my desire to obtain a release of all private claims upon school section 1 and other sections, and asked the cooperation of the Pan American Co. in arriving at some solution of the difficulty. It was finally agreed between the private claimants and the highest bidders, the Pan American Co., that if the drilling permits were awarded to the latter company they would, with my consent, surrender 10 of the 22 wells to be drilled in favor of the United Midway Oil Co. claimants upon the same terms of royalty—that is to say, 55 per cent—and the same terms of drilling as to time, etc. I agreed to a part of this course, provided the United Midway Co. would execute good and sufficient quitclaim deeds to the United States for all claim of right, title, interest, or equity in and to all of section 1 and the other sections covered by their claims, approximating something like 900 acres of land, thus obtaining a clear title to the United States as against such claimants and for the benefit of the Navy.

During the course of these negotiations I had reports from the petroleum experts of the Bureau of Mines, constantly in the field taking oil production for the Navy, both in reserve No. 2 and reserve No. 1. Shortly thereafter I made a personal visit to California, and there called into consultation Commander Landis, of the United States Navy, representing that department in oil matters, and our oil experts located at San Francisco and in the Bakersfield district. There was no divergence of opinion—in fact, entire unanimity—that the drainage from wells not owned by the United States Government constituted not only a menace but an actual and long-continuing loss to the Navy of its oils in both reserves, and that immediate steps were necessary to save any oils in any amount for the Government, and particularly for the Navy.

Naval reserve No. 1, in California, contains a total area of 37,760 acres. Subsequent to the setting aside of this reserve, a suit was decided in the Supreme Court of the United States

(251 U. S. p. 115), under which the United States recovered title to something more than eight sections of land as against the Southern Pacific Railroad Co., but the results of which left 6,760 acres out of the total acreage in this reserve in outstanding private titles, principally to the Southern Pacific Railroad and to the State of California. One school section situated near the center of the grant had long since passed to the State, been sold to the Standard Oil Co., and was producing through a large number of oil and gas wells enormous quantities of oil, and had been so producing for years. Another school section just without the boundaries of the reserve had also been acquired by the Standard Oil Co., thoroughly drilled, and was producing through a large number of wells.

Naval reserve No. 2 has a total area of 30,080 acres, of which 20,640 acres are covered by private holdings, the titles to which had long since been decided before the incoming of your administration, with the exception of the final adjudication as to the rights claimed by the one company. Of course it is understood, if not it may be so definitely stated at this point, that the private holdings referred to in both these reserves were being drilled, and many of them had been drilled for very many years.

Under the administration of your predecessor, a lease was made on 120 acres to the Consolidated Mutual Oil Co. in naval reserve No. 2 because, as is shown by the record, the remaining oil deposits were in danger of destruction by water intrusion. Leases were also authorized for similar or other reasons to the Boston Pacific Oil Co.

Prior to March 4, 1921, there had been drilled on patented lands within naval reserve No. 2, in the State of California, 408 oil and gas wells; on Government lands within the reserve, claimed under the mining law, 141 wells. On patented lands immediately adjacent to the reserve there had been drilled prior to March 4, 1921, 142 wells; on Government land adjacent to the reserve 33 wells; and despite wild statements to the contrary, as far as I have been able to ascertain, no marines of the United States Navy had been called out to prevent such drilling for any reason whatsoever, nor had any other force been used to preserve at any cost the oils to the Navy Department. It will be noted that the grand total of wells drilled in this one reserve aggregated 724 prior to the incoming of your administration.

Since March 4, 1921, there have been drilled on patented lands within the reserve 35 wells; on Government land claimed under the mining laws, 15 wells; and on patented lands adjacent to the reserve 8 wells, or a present grand total of 599 drilled wells within the reserve boundaries and 183 wells adjacent to the reserve boundaries. I also desire to call your particular attention to the fact that since the incoming of your administration there has been a total of privately owned wells and wells drilled upon claims under the mining laws within the reserve and immediately adjacent thereto of 58 wells as against a total, above referred to, of 785 wells drilled prior to the incoming of your administration.

In naval reserve No. 1 there had been drilled prior to March 4, 1921, on patented lands 32 wells; on Government land 2 wells, a total of 34. Under your administration there were drilled between March 4, 1921, and May 1, 1922, on patented lands 11 wells, and on Government lands 13 wells within this reserve, a total of 24. The 13 wells mentioned include those drilled under the advertisement of the Navy and those referred to in the matter of the adjustment and final disposition of the United Midway case. During the same respective periods there had been drilled on lands adjacent to the reserve within one-half mile of its boundary prior to March 4, 1921, on patented land 26 wells; on Government land 1 well, total 27. Subsequent to the incoming of your administration there were drilled upon these adjacent lands 29 wells upon patented land, and 8 wells upon Government land. To sum up, there had been drilled within and adjacent to both reserves prior to March 4, 1921, 785 wells, and between March 4, 1921, and May 1, 1922, 119.

In my examination into the question of drainage and losses to which my attention had been directed, as I have heretofore stated, I secured some very interesting data with reference to loss by drainage in various fields in the United States. This data is contained in a photostatic memorandum hereto attached, and marked "Exhibit A," and for those who are interested in this subject I think will furnish valuable information. This shows the effect of drilling on ultimate recovery, the data being obtained through careful study in the field extending over a long period of time. It embraces data with reference to the Adair pool in Oklahoma, the Bartlesville-Dewey district, Oklahoma, the Nowata district in California, the Buena Vista field in California, the Hewitt field in Oklahoma, and various other fields. It contains information as to the effect of distance on drainage, etc.

In connection with this general study I had specific investigations made by experts in the field with reference to the particular naval reserves Nos. 1 and 2 which are now under discussion. The memorandum containing the results of this study I am attaching hereto and marking "Exhibit B." It will be noted, as set forth on page 2 of the memorandum, that the estimate of the loss because of failure to drill necessary offset wells prior to February 25, 1920, in naval reserve No. 2 in California was, in royalty barrels, 1,000,000, and in royalty value, $800,000.

That the loss to the Government from failure to drill all necessary offset wells prior to March 4, 1921, was, in Government oil barrels, 3,400,000; in Government royalty values, $4,400,000. From the last page (3) of this memorandum it will be noted that the estimate of the total loss in reserves 1 and 2 for failure to drill all necessary offset wells between February 25, 1920, the date of the passage of the leasing bill, by which full authority was given by the Congress of the United States to cause such wells to be drilled, and March 4, 1921, was, in Government royalty oil, 2,400,000 barrels; in royalty values, $3,600,000. The combined estimates, based upon figures and all data obtainable and personal close observation of experts in the field checking production of wells, etc., noting the actual losses occurring through the lessened production of subsequently drilled wells under observation, is as shown in the conclusion of the memorandum on page 3, in Government royalty oils on these two reserves, 6,800,000 barrels; and in Government royalty values, $3,800,000.

It should be of interest to note at this point that under date of December 16, 1916, a report was made by one of the very noted oil experts of the United States, Mr. M. L. Requa, to the Navy Department, through Lieut. Commander I. F. Landis, retired, officer in charge naval petroleum reserves in California. Many other wells are being drilled under the command of the Government to protect against salt water and drainage, as herein stated, but as it requires six or eight months to put machinery on the ground and bring in a well, the foregoing data gives the number of wells drilled and production at this time. At the date in question there was in existence what was known as the Naval Liquid Fuel Board, of which Admiral Edwards was chairman, and that at the request of Admiral Edwards Mr. Requa prepared the memorandum in question. Mr. Requa was general director of the oil division of the fuel board, and while holding such position, as he states in a letter to myself, he personally handed a copy of this memorandum to the then Secretary of the Navy and urged that the latter should read it. I am herewith attaching to this report a copy of the Requa communication to Mr. Landis, marked "Exhibit C." I call your attention to Mr. Requa's discussion of the reserves of oil which should be provided for the future uses of the Navy. On page 4 of this report attention is called to the areas of unpatented and patented ground within Naval Reserves Nos. 1 and 2 in California. Particular attention is then called in detail to the conditions existing in these reserves, and that but little of the total area is free from some character of private claim. Mr. Requa states positively that in any event the unassailable holdings are, in his opinion, too scattered; that the development of both patented and unpatented lands has proceeded too far, and the probability of other lands going into private ownership in the adjustment of titles is too great to allow of serious consideration of these lands as a proper naval reserve. Mr. Requa calls attention again, particularly on page 7, to the matter of drainage and to the well-known fact that the area which may be drained by a single well varies with local conditions, and that, at best, the information upon the subject is obscure and involved in doubt. He states, however, that it is possible to draw general conclusions from studies which have been made in various oil fields, and sets forth the results of some of these studies in detail. On page 8 he states in a positive manner that in addition to securing oil lands and the consolidation of the same in blocks, it (the Government) must thereafter devise some efficient system of production, so that it may, at all times, have not only adequate storage on hand but be able to anticipate peak loads.

The point to which I call attention in referring to this exhibit is that as complete report as was possible to make at that date was made to the then Secretary of the Navy by Mr. Requa, as an official of the Government, at the request of his superior, and that the danger and the actual fact of the drainage and depletion was thus called to the attention of the Navy Department of this Government.

In the same connection, attention may be called to a letter of Hon. Franklin K. Lane, then Secretary of the Interior, addressed to various members of the then Cabinet, of which he

was recognized as not the least able, calling the attention of each specifically to the very matter of loss by drainage, and in which letter, among other things, he states:

"It is the universal testimony of the geologists that this land (referring to the California naval reserves), by reason of the let up of the gas pressure by the wells that are being pumped (producing) and the letting in of water and the constant pumping (producing) of patented lands, will be valueless in 15 or 20 years as any kind of reserve."

And he further states, particularly as to reserve No. 2, that—

"There will be no oil there of any magnitude in a few years. The land should be pumped now, or we will never find the oil where it is now."

The letter in my possession is addressed to Hon. D. F. Houston, Secretary of Agriculture, and the last line states that the writer is sending similar letters to Secretaries Baker, Daniels, Wilson, and Redfield. I am filing a copy of this letter herewith, marked "Exhibit D."

In passing from this immediate subject, it may be proper to state that in November, 1921, the reports from our experts in the field were of such a character that when assembled and accurately mapped it appeared that salt water was encroaching so rapidly in various producing areas of Naval Reserve No. 2 that in the judgment of the two departments it became necessary to speed up drilling programs with those holding preferential drilling privileges under the Government, and that successful action was taken to bring about such immediate results.

In July, 1921, it becoming apparent that a more active drilling program was necessary if the Navy was to secure oils from the two reserves, or, rather, should not continue to suffer great losses, the manner of the proper disposition of royalty oils was taken up between the two departments. The Secretary of the Interior in the course of the consideration of this question, suggested the desirability of effecting an exchange of the crude oil received as royalty for naval fuel oil, to be stored, without any cash outlay by the United States; that is to say, through such exchange that the Navy should secure containers, either cement or metal tanks, for the storing of such fuel oil, as well as the oil itself, the general suggestion being along the line that the parties with whom such exchange should be effected should construct such storage tanks at points designated by the Navy at a cost in oil to be agreed upon by the Navy officials, such tanks to be turned over full of naval oil at such points for the use of the Navy. On July 29, 1921, the Secretary of the Navy addressed a letter to the Secretary of the Interior with reference to this matter, adopting such suggestion, and requesting that the Interior Department should proceed as rapidly as possible with such plans. Shortly thereafter the Secretary of the Interior visited California, and in consultation with Commander Landis, who was representing the Navy on the ground, and in consultation with his own experts called upon various oil companies, some of which were paying royalties to the Navy upon oils from the two reserves and others of which were engaged in transportation and storing of oil, and in the general discussion it developed that through such proposed exchange the requested storage could be obtained for the Navy at any points which it may designate, the rates of exchange of crude for fuel oil in tanks, the latter as the property of the United States Navy, to be thereafter arranged. The Secretary of the Interior immediately made report of such negotiations directly to the President of the United States. Upon the return to this city of the Secretary of the Interior this general subject matter was discussed from time to time and a definite program finally agreed upon.

In a few words, as you will recall, Mr. President, the Navy desired tanks and oil, to be provided through such exchange to the amount of 1,500,000 barrels of oil in storage, at points selected by themselves, in the island of Hawaii.

In further consultation, the Navy Department, having no funds with which to secure the necessary preliminary and final construction in carrying out these plans, desired to have made, if possible, a contract, through which dredging harbor work, the removal of thousands of cubic yards of dirt and thousands of cubic yards of rock would become necessary, the construction of docks and wharves, and the construction of cement foundations and embankments, preparatory to the construction of the necessary storage tanks under specifications furnished by themselves. Of course, it will be understood that all this preliminary construction was necessary, because of the physical conditions, before oil could be loaded or unloaded and stored at the desired points. Minute plans and specifications covering more than 55 typewritten pages, accompanied by approximately 26 blue-print maps, plans, etc., were prepared by the naval experts and delivered to the Secretary of the Interior, with request from the Secretary of the Navy that immediate negotiations be entered into for the purpose of ascertaining whether it was possible to secure, through the exchange of fuel oil, the completion of this elaborate program of construction and the delivery of the necessary oil in the finally completed storage tanks. The matter was taken up by the Secretary of the Interior with various oil companies operating in the State of California, several of which submitted bids for all such work and the furnishing of such naval fuel oil. The contract finally accepted and entered into involves what would be the equivalent of a cash expenditure for construction alone of nearly $6,000,000. Of course, a copy of this contract is contained within the files being forwarded to the Senate committee, with the exception of the detailed specifications, blue prints, etc., which will, under no circumstances, be transmitted without your direct order to this effect. It will be readily understood by any considerate person that military policy would preclude such information being furnished unless transmitted by you under the seal of secrecy.

It may be said that in addition to the program already agreed upon, as evidenced by the copy of this contract, the further plans of the Navy call for the delivery of oil and the securing of storage facilities at various points on the Pacific coast and possibly elsewhere within the possessions of the United States.

As you will recall, Mr. President, the legal questions involved in the making of contracts for oil exchange for storage, etc., as just hereinbefore referred to, was discussed upon more than one occasion in at least a casual manner in Cabinet meetings. In considering such questions, both the Secretaries of the Navy and Interior had the advice of their authorized legal counsel and advisers, agreeing upon such legal questions.

On December 14, 1921, the Secretary of the Navy communicated in writing to the Secretary of the Interior, quoting from an opinion of the Judge Advocate General of the Navy, advising affirmatively as to the legality of the proposed contracts. Copies of this correspondence referred to, including the letter of December 14, 1921, are included in the files transmitted to the Senate of the United States.

The geographical situation of Naval Reserves Nos. 1 and 2 has been hereinbefore casually referred to. With reference to the oil development, it may be stated that there exists competition in these fields between some of the large companies of the United States, among others the Standard Oil, the General Petroleum, the Associated Oil, the Pacific Oil, the Union Oil, the Pan American, and others. There are four pipe lines upon Naval Reserve No. 2, with one pipe line owned by the Standard Oil upon Naval Reserve No. 1, other pipe lines adjacent to such reserve, and still another large pipe line building into Naval Reserve No. 1, with the prospects of still a third line entering such reserve.

These respective pipe lines lead to refineries upon the Pacific Coast and thus afford an opportunity for the Navy to dispose of its oil, at competitive bids, upon each of said reserves, to exchange crude oil at the well for fuel-oil certificates calling for delivery at the western seaports; or, if it so desires, to have its oil conducted as it comes from the well through such pipe lines, directly to the coast, at such points as may be reached, particularly Los Angeles and San Francisco.

It may be of interest to remark that the fuel oil obtained upon the western coast is not of the high test generally required by the Navy, but yet can be used, and is used, for naval purposes.

With reference to petroleum reserve No. 3, in Wyoming, of course, it is well understood that the geographical situation is entirely different. In an air line from the Salt Creek field in Wyoming to Los Angeles it is approximately 1,000 miles. By air line from said Salt Creek field to Norfolk, Va., and points north it is approximately 1,700 miles. No pipe lines connecting this field with either coast have ever been constructed. The only pipe lines in the vicinity of naval petroleum reserve No. 3, or in the Salt Creek field, is the one pipe line of the Midwest Refining Co., with a total length of approximately 50 miles, extending through the field and to the refineries of the same company at the city of Casper. To transport the oils from the Salt Creek field, which is now producing, and from that portion of the same known as petroleum reserve No. 3, it would be necessary either to use tanks mounted upon vehicles, which, of course, would be nonsensical, or to extend the present Midwest line a short distance and use it for transporting oils to Casper, from which point, however, the crude oil, or any products thereof, would necessarily be transported then upon tank cars of the railroads touching that place.

The facts, however, are that the present capacity of this pipe line is not sufficient to take the present production of the Salt Creek field. This situation will be discussed later.

In handling the oil properties intrusted by law to the administration of the Secretary of the Interior, as well as in handling the naval reserve properties, first intrusted by law to the same department and later authorized to be administered directly by the Secretary of the Navy, and yet later directed by you to be administered for the Navy Department by the Secretary of the Interior, we have used experts of two bureaus organized under laws of Congress of the United States for the purpose, among others, of assisting in such administration of oil properties.

The Bureau of Geological Survey is that bureau which, among its other many activities and duties, reports upon the geological structure, examines the surface and the formation within a given district. In the California fields, in the Wyoming fields, and in other States of the Union, in any district favorable for oil production, the evidences of the larger pools are generally disclosed by what are known as anticlines, domes, etc.

Where the work of the Geological Bureau ends—that is, in reporting upon the structure and likelihood of the ground containing minerals; on the general formation, and on the most favorable places for prospecting—then with such prospecting begins the work of the experts of the Bureau of Mines.

Naval reserves Nos. 1 and 2, as well as naval reserve No. 3, were finally created by Executive order, as hereinbefore disclosed, upon reports made by the Bureau of Geological Survey.

The Bureau of Mines, through its experts in the field, under the direction of the Secretary of the Interior, has charge of the supervision of drilling operations by lessees and others upon public lands; it is the duty of this bureau to see that possible encroachments of salt water are prevented in such drilling. It is the duty of the Bureau of Mines to check the number of barrels produced by each well in which the Government is interested; to test the oils therefrom, and to see that the proper royalties are received by the Government. In the performance of this last duty, they must make analyses from time to time, and particularly must ascertain the gravity tests of such oils, as the royalties recovered are based upon specific production and upon the gravity percentages. It is the duty of the Bureau of Mines experts to keep constantly in touch and to report upon possible depletion of undrilled areas by the drilling of adjacent wells, and in doing so, to pay particular attention not only to drainage of oil itself as affecting such lands but as to the decrease of the gas supply which may be over a much more extensive area than would be the drawing of the oil itself as contained in the sands. This decrease of the gas pressure may have an important and a very serious ultimate effect not only upon the present flow of oil from a well but upon the final percentage of oil extracted from the sands. These Bureau of Mines officials must familiarize themselves with the character of the oil-bearing sand, as upon its porosity, as well as upon other facts, may depend the rapidity of the depletion of the underground storage, both through the escape of gas and through the drainage of the oil itself.

It is of peculiar interest to note that from the experience of others engaged in the production of oil, and through the research and experiments and experience of the Bureau of Mines experts through actual tests in the field and checking tests in the laboratory, it has been stated, and is generally conceded as an established fact, that through no present known process of pumping, or through the natural flow of an oil well can more than 20 per cent of the oil contents of an oil sand be extracted. These facts have been pointed out in Bulletin No. 148 of the Bureau of Mines, issued in 1917, which bulletin, unfortunately, has proven of interest only to experts and has not been read generally by those who assume to know something of the oil question. This bulletin was written by Mr. J. O. Lewis, then with the Bureau of Mines; later chief petroleum technologist; and now with Smith-Dunn, of Marietta, Ohio, who hold the patents to the so-called Smith-Dunn, or Marietta, process for forcing compressed air into the oil sand and drawing it out through adjacent wells. In this process the air takes the place of the gas, and has definitely established the fact that gas is the principal medium in bringing the oil to the well, and its production, depletion, or waste must be considered in arriving at the possible production and at least at the term of life of the flush production of oil wells.

In considering the naval oil program—that is, the matter of the use of the naval royalty oils from the then production in reserves 1 and 2, and the use to be made thereof—the construction of storage therefor at strategic points and where the oil would not be wasted or lost but could be retained without fear of such loss above a fraction of 1 per cent for 10-year periods, it was mutually agreed between the Secretary of the Navy and the Secretary of the Interior that such program should be worked out first for such two reserves, and should not be extended to naval petroleum reserve No. 3, unless there was danger of loss to the Navy through drainage therefrom. The alarming conditions existing in the first two fields, as hereinbefore related, caused early attention, however, to be directed to the possibilities or probabilities of such drainage of the Teapot Dome, in naval reserve No. 3. There is attached hereto, marked "Exhibit E," a map of the Salt Creek field in Wyoming, showing the legal subdivisions of the lands therein, and over the same the contour lines of the geological formation with particular reference of the Salt Creek Dome proper and the Teapot Dome, supposed to be separated therefrom by a saddle, but supposed to contain, at approximately the same depth, the same oil-bearing sands developed in the main Salt Creek structure. Upon this map will be noted the line showing the division between that portion of petroleum reserve No. 8, now known generally as the Salt Creek, and that portion of the same reserve designated as naval reserve No. 3. This designation was made after examination by the Bureau of Geological Survey, which said examination and a report thereupon were made by Mr. C. H. Wegeman, then one of the principal official geologists.

In a subsequent report made in 1921 Mr. Wegeman, now in the employ of some private corporations operating in the Salt Creek field, called attention of his former associates of the Geological Survey, through a memorandum to that bureau, to the fact that he had made a very recent examination, and to the more accurate geological discoveries then made. In this more recent report, Mr. Wegeman calls attention to his map, published in 1918, and it is a copy of this map which is made Exhibit F, and to which I am now referring. Among other things, Mr. Wegeman calls attention to the fact that in the area crossed by what he now states is a pronounced fault, he had no observations originally showing that the beds dipped to the south. He continues:

"The facts which I had before me at the time of drawing the 1918 map could have been explained either by separate structure, as shown on the map, or by a pronounced fault. I did not at that time have evidence of the presence of the fault and so adopted the explanation of the separate structure."

I am attaching a copy of this last report hereto marked "Exhibit G," but direct particular attention to the fact that Mr. Wegeman states, in September, 1921, that—

"It is obvious that as wells are drilled along the northwest line of the naval reserve, part of the oil produced by those wells will be drawn from the naval reserve itself. As the amount of oil in the sand is reduced and the gas pressure also relieved the water which is present in the sand on the flanks of the structure below the oil will gradually invade the oil sand. It will advance into the lowest part of the structure first * * *. It will creep into the saddle between the two structures on the northwest quarter of section 28 and the east half of section 29. This invading body of water will gradually work its way entirely across the saddle * * *.

"The oil in the naval reserve in sections 21, 20, and 29 will gradually be reduced in amount, due to the drainage of the wells along the northwest line of the reserve (outside the reserve and within the present privately owned or leased area) and the presence of the advancing flow of water."

Mr. Wegeman then calls attention to what will happen in the northern part of section 33 by the invasion of water north of the geological fault, and which he states that he discovered, and summarizes to the effect that all oil north of the line of the saddle will be driven toward the main dome of Salt Creek, as oil is drawn from the sand by the wells then being drilled, and states that there is grave danger that oil will be trapped between advancing bodies of water, and that portion of the reserve north of the fault in section 33 will be drained and the oil recovery made difficult, and the total recovery be decreased by the invasion of water. It seems from this report, and the Heald report herewith also filed and marked "Exhibit H," that oils south of this great fault, if any, will be disastrously affected and losses will be incurred.

Following the consideration of this report, the Secretary of the Interior directed that a geologist be sent upon the ground to make an additional report. The directions of the Secretary were presumably conveyed to Mr. Heald by Doctor Smith, the director of the survey, and upon Mr. Heald's return, he, accompanied by Doctor Smith, made a verbal report to the Secretary. Later this report was reduced to writing and transmitted to the Secretary's office. I call attention to the fact that Mr. Heald finds that part of the reserve in sections 17, 20,

21, 29, 28, and 27 will presumably, but not certainly, ultimately be drained by wells outside the reserve, although he states—

"It is possible that faults known to exist, but whose magnitude and importance are not definitely known, will protect these last-mentioned fractions from drainage or flooding."

He continues—

"That at the present rate of production, a year or more must lapse before any part of the reserve is appreciably damaged," etc.

Mr. Heald then states that—

"If appreciable loss becomes imminent, due to intensive drilling near the line, fractions (within the naval reserve) should be leased in the order given" (by him).

And he concludes with the advice that no further leasing should be done, etc. I am glad to send this report up in full, as attached hereto, as I understand that some parties have claimed that they had information of a very reassuring character, and that because of the advice given, no lease of any area in the Teapot Dome should have been made. In this connection I may state that the Secretary of the Interior and the Secretary of the Navy were anxious to obtain the facts as nearly as they could be approximated from a surface inspection of the ground and for their information in considering such policy as they might mutually agree upon.

The official of the Bureau of Mines representing the United States Government in this district is Mr. F. P. Tough, chief oil and gas supervisor, who has official representatives checking oils, supervising drilling, making tests, collecting royalties, etc., all residing in Wyoming, and who every day during the year are actively in the field in the performance of their duties. To Mr. Tough instructions were given prior to September, 1921, and through him instructions given his subordinates, to make careful examination into the probable drainage of the Teapot Dome, or petroleum reserve No. 3.

Mr. Tough is a graduate of Columbia University in mining engineering, with a course in geology, and for six years was resident geologist for the oil properties of the Southern Pacific interests in California. The conclusion of the oil experts of the Bureau of Mines, communicated both in verbal and written memoranda reports to the Secretary of the Interior, was that much more grave and serious danger of losses by drainage through outside drilling existed and exists than appeared to be understood by the Bureau of the Geological Survey. Their experience upon the ground was and is that where faults occur, as they do occur in the similar structure and in the identical sands supposed to underlie the Teapot Dome within the present producing area of the Salt Creek field, such faults have not interfered at all with drainage and they have not caused a sealing of one pool of oil from another or from encroaching waters. I herewith file, marked "Exhibit I," memorandum report made by Mr. Tough, which brings up to date information heretofore obtained from time to time during our investigation. Because of the actual facts stated as above experienced, particularly as to the wells drilled in the Salt Creek field and the water level in relation thereto, this report, even if it be considered as conflicting with the reports of geologists and others, would be almost conclusive.

[NOTE.—February 18 report of A. W. Ambrose, chief, petroleum technology, Bureau of Mines, attached to Exhibit I as a portion thereof.]

I merely call your attention to the summary of conclusions contained in the last paragraph, wherein Mr. Tough states that from the specific data and evidence as given he considers it highly probable that along the major axis of the saddle between the Salt Creek and Teapot folds, at elevations of 2,100 feet or more above sea level, the second Wall Creek sand will be oil bearing, and therefore oil and not water will be found in this sand in the saddle.

Right here it is important to note, even out of order, that in the area originally supposed by the geologists and reported by them to be within the saddle and supposedly cutting off the one oil pool from the other, or immediately adjacent to such area, a well has recently been drilled which came in with a production of 1,000 barrels per day, and within a week increased its flow to more than 2,100 barrels. This well is located in section 20, township 39 north, range 78 west, within approximately a quarter of a mile of the north line of the Teapot Dome.

Having called attention to the general map with the contour lines superimposed, I ask your consideration now of a diagrammatic sketch marked "Exhibit J."

This is a hypothetical geological cross section of the Teapot Dome as it would presumably be exposed, and as it would be developed if the well formerly drilled by private parties upon the northwest quarter of section 10, township 38 north, and which reached a depth of about 430 feet, should be drilled to a total depth of approximately 4,500 feet.

I file herewith as Exhibit K, to be considered in connection with the two maps preceding, another diagrammatic sketch recently prepared from the geological reports and other information on file in February, 1922, and in this connection to the fact that the dotted line running along above the first Wall Creek sand, then crossing same within the area of the Teapot Dome, and crossing back again, shows the supposed structure and line of these same sands as obtained from information on file prior to February 22, including Wegeman and other original reports.

Exhibit L, following, is yet another diagrammatic sketch which would show the position of these sands as from the reports of Mr. Heald, the more recent report of Mr. Wegeman, and through the information furnished by Messrs. Fisher and Lowry. This sketch is intended to show the supposed faults, and so forth, referred to in these reports, and beyond which Mr. Wegeman and Mr. Heald do not think that the drainage would extend by drilling in the southern portion of the Salt Creek Dome or in the Teapot Dome itself north of such supposed fault.

Allow me to diverge for one moment at this point, Mr. President, to call attention to the fact that the total area in acres of the naval petroleum reserve No. 3, ordinarily known as the Teapot Dome, is a little more than 9,000 acres. Now, referring to the contour lines upon the map marked "Exhibit E," and following the same over naval reserve No. 3, the reports of the experts of this department are to the effect that the producing sands in the Salt Creek field, as known, as now producing, if they extend, as we all believe and hope, under the Teapot Dome, would be covered by an area, not of 9,000 plus acres, the total area of the reserve, but by an area of not more than 5,500 acres, and generally estimated as an area of 4,700 acres, covering the present known producing sands. It is hoped that the sand which has never been reached, shown in the hypothetical geological cross section sketch attached hereto, as believed to occur at a depth of approximately 4,200 feet, may be eventually developed and may be very productive. If so, then it is thought the entire area of 9,000 plus acres in petroleum reserve No. 3 may be actually productive of oil. By reference to the map marked "Exhibit E" and the dividing lines thereupon, and making a simple calculation of the approximate total area now admitted by the geologists to be in danger of and subject to drainage from drilling outside the lines of the reserve, it will be seen that such "danger" area amounts to approximately 2,000 acres. If this area is deducted from the total area of the reserve, the remaining total would be approximately 7,000 acres, while the productive area would be cut down proportionately, or in a larger proportion, as much of it is located upon the known slope of the dome.

I call attention to these facts (because in some quarters the large area supposed to be contained in the contract for lease of these lands has been often referred to) with the comment that the total area covering the known sands is either a little less than or approximately the same in area as the lease area authorized by the Congress of the United States to be made to one individual on Indian lands.

In addition to the supposedly exceedingly valuable property of the Government through its ownership of naval petroleum reserve No. 3, the Teapot Dome, the Government of the United States has vast property interests of present enormous value in its leases north of and adjoining the Teapot Dome area in the Salt Creek structure of the Salt Creek field. Under the provisions of the leasing law, leases have been made, and the production therefrom at the present time is, and for some time has been, 150,000 barrels of crude oil per month. You are aware of the fact that under the terms of the leasing law 10 per cent of the proceeds of this royalty oil must go into the miscellaneous receipts of the Treasury; 52½ per cent into the reclamation fund of the Treasury; and the remaining 37½ per cent be paid over at the end of each fiscal year by the Treasurer of the United States to the State of Wyoming for roads, schools, and like purposes. The situation as to pipe lines, etc., in the Salt Creek field has been casually referred to heretofore. The geographical situation is such that an absolute monopoly in the transporting, refining, and practically in the purchase of all oils in this field, both Government royalty oils and the privately owned oils produced by the lessees paying the royalty, must be handled through the Midwest Refining Co. There is no other outlet; the local market is more than supplied with gasoline, kerosene, etc., by that company, and the consequence has been and is, that by virtue of such geographical conditions, not only the oil production from such leases has been

curtailed to a total of approximately 40 per cent of such possible production per month or per day, but that the price received by such lessees and by the Government and the State of Wyoming has been very much less than prices paid for similar oils in other oil fields more favorably situated in the matter of competition and accessibility.

The Midwest Refining Co., and its associated companies, have always been perfectly frank and open and straightforward in their dealings with the Government in this field. They have recently applied for approval of a proposed plan of readjustment of their holdings in that field, which plan does not appear to be objectionable, but very probably in the interest of economical administration.

In connection, however, with such proposition they very frankly stated that they have been operating under a contract among themselves, and through which contract they were obligated to take and treat of the entire production of the Salt Creek field approximately 75 per cent from the holdings of the three associated companies, which would leave approximately 25 per cent to be taken from others producing oil. They have, in fact, been taking more than 25 per cent, and, as I have just stated, approximately 40 per cent, and they now state that in the rearranging of their business they have agreed among themselves that the production from their lands shall not be less than 55 per cent of the total field production; and I am frank to say that, considering the capacity of their pipe line and refineries, such proportionate allotment to their properties seems reasonable. They state very frankly that the tested production of "Salt Creek to-day is 110,000 barrels per day"; that the "Midwest Refining Co. has for several months been taking 40 per cent of the tested production of each producer," and "the capacity of its pipe lines at 800-pound pressure is 48,000 barrels per day"; that "from all oil fields in Wyoming and Montana the Midwest Refining Co. is purchasing 70,000 barrels per day."

As has just been shown, the undeniable facts, in so far as human judgment can ascertain them from expert evidence and otherwise, are that at least a certain portion of the north part of the naval reserve No. 3—the Teapot Dome—is now, or will be, disastrously affected through drainage by the drilling upon the lands outside the reserve, which drilling is now being carried on from day to day. Such drilling upon such lands is in accordance with the terms of the law itself, and those conducting such operations are protected by the law. This being the case, it is necessary immediately, or it is practically admitted by everyone claiming to know anything of the conditions, that it will be necessary in a comparatively short period of time to protect such threatened area, and that the only feasible method of such protection is to cause drilling operations of offset wells and the consequent production of oil from the Teapot Dome.

Now, what is to be done with such oil? In California we have competitive markets and we have oil pipe lines to the coast, through which the oil can be conducted to refineries, where the same can be refined and the naval fuel oils obtained for the use of the Navy. Or, as just stated, and as heretofore shown, we can sell the oils in the field at competitive prices or we can exchange, under competitive conditions, crude oil for fuel oil.

As shown herein, conditions are not similar in the Salt Creek field. It would become necessary either to add to the present overstocked oils by attempting to dispose of the oils so drawn from Teapot Dome in a market where competitive conditions do not exist, or to provide storage upon the ground for the same. Such storage would be a thousand miles from Los Angeles and 1,700 miles from Norfolk, with no method of transportation to either point, or any other seaport, except by transportation overland in tanks. In the next place, neither the Interior Department nor the Navy Department has any appropriations or funds which could be used or diverted for the construction of such storage. Therefore, the only possible method by which it could be handled would be to sell the oil for such price as it might bring.

The only other alternative would be to allow the present owners or lessees of adjoining lands to drain this area and to use for their own purposes the oils obtained therefrom without compensation to the United States Government or to the Navy.

These were some of the conditions which were necessary to be considered by the Secretary of the Navy and the Secretary of the Interior in determining the course to be adopted with reference to petroleum reserve No. 3.

We are now brought to the consideration of another phase of this case, and I may say a serious proposition, necessary for the mature deliberation and consideration of the Secretary of the Interior. This condition arose through the fact that many locations had been made from time to time by individuals under the then existing laws of the United States upon practically the entire area of what is now known as petroleum reserve No. 3, or the Teapot Dome. Claims have been filed within the periods of limitation prescribed in the statute with the Interior Department by some of such individuals, which claims were generally known and will be treated here as those of the Beljo Co. and of the Pioneer Oil Co. Such claims involved title to or claimed equities or priority rights in the following-described properties, to wit:

The north half of the southeast quarter (N. ½ SE. ¼); southeast quarter of the southeast quarter (SE. ¼ SE. ¼) and northeast quarter of northwest quarter (NE. ¼ NW. ¼) of section four (4); southwest quarter of the northeast quarter (SW. ¼ NE. ¼) and west half of southeast quarter (W. ½ SE. ¼) of section two (2); west half of northeast quarter (W. ½ NE. ¼) and southeast quarter (SE. ¼) of section eleven (11); all section fourteen (14); the north half (N. ½), the southeast quarter (SE. ¼), the north half of southwest quarter (N. ½ SW. ¼), and southeast quarter of southwest quarter (SE. ¼ SW. ¼) of section fifteen (15); northeast quarter of northwest quarter (NE. ¼ NW. ¼) and northeast quarter (NE. ¼) of section twenty-two (22); all section twenty-three (23); all in township thirty-eight (38) north, range seventy-eight (78) west, of the sixth principal meridian, Wyoming.

The east half of northwest quarter (E. ½ NW. ¼) and southeast quarter (SE. ¼) of section twenty (20); all of section twenty-one (21); southwest quarter of the northwest quarter (SW. ¼ NW. ¼) and southwest quarter (SW. ¼) of section twenty-two (22); northeast quarter (NE. ¼), north half of the southwest quarter (N. ½ SW. ¼), and southeast quarter of southwest quarter (SE. ¼ SW. ¼) of section twenty-nine (29); north half (N. ½) of section twenty-eight (28); northwest quarter (NW. ¼), west half of northeast quarter (W. ½ NE. ¼), and southeast quarter (SE. ¼) of section twenty-seven (27); east half (E. ½) of section thirty-four (34); southwest quarter of northwest quarter (SW. ¼ NW. ¼), west half of southwest quarter (W. ½ SW. ¼), and southeast quarter of southwest quarter (SE. ¼ SW. ¼) of section thirty-five (35); north half of northeast quarter (N. ½ NE. ¼) and southeast quarter of northeast quarter (SE. ¼ NE. ¼) of section thirty-two (32); north half of southwest quarter (N. ½ SW. ¼) and southeast quarter of southwest quarter (SE. ¼ SW. ¼) of section thirty-three (33); all in township thirty-nine (39) north, range seventy-eight (78) west, of the sixth principal meridian, Wyoming.

The southeast quarter (SE. ¼) of section twenty-nine (29); south half (S. ½) of section twenty-eight (28); southwest quarter (SW. ¼) of section twenty-seven (27); north half and southeast quarter (N. ½ and SE ¼) of section thirty-three (33); and west half (W. ½) of section thirty-four (34); all in township thirty-nine (39) north of range seventy-eight (78) west, of sixth principal meridian, Wyoming.

The northeast quarter (NE. ¼) of section four (4); all of section three (3); west half (W. ½) of section two (2); southwest quarter of the northeast quarter (SW. ¼ NE. ¼) and the west half of the southeast quarter (W. ½ SE. ¼) of section two (2); all of section ten (10); west half (W. ½) of section eleven (11); west half of the northeast quarter (W. ½ NE. ¼) and southeast quarter (SE. ¼) of section eleven (11); the north half (N. ½), the north half of the southwest quarter (N. ½ SW. ¼), and the southeast quarter of the southwest quarter (SE. ¼ SW. ¼) of section fifteen (15); southeast quarter (SE. ¼) of section fifteen (15); all of section fourteen (14); northeast quarter of the northwest quarter (NE. ¼ NW. ¼) and northeast quarter (NE. ¼) of section twenty-two (22); and north half (N. ½) of section twenty-three (23); all in township thirty-eight (38) north, range seventy-eight (78) west, of the sixth principal meridian, Wyoming.

Two classes of applications were filed by parties claiming rights. At least three of these applications, based upon specific facts, were made under the provisions of section 18 of the leasing act. The other claims were made under the provisions of section 18a of the leasing act.

The first class of these claims—that is, those under section 18—came on for hearing before my predecessor and were decided adversely by him on March 1, 1921, three or four days before the present Secretary assumed the duties of his office. The decision of Secretary Payne is set out in full in the record transmitted to the Committee on Public Lands of the United States Senate. The decision itself recites that the claims were based upon locations made in 1904, several years prior to the withdrawal of these lands by Executive order, and at least one of the locations dates back to the year 1890. Protests against the allowance of the claims was made through the Department of Justice by the Navy Department, the allegations being, among other things, that there was not a producing well on any of said lands, etc. The opinion recites

that a well was begun in December, 1917, and completed to a depth of 355 feet, and that pumping proceeded for 24 hours, with the daily production of 8 barrels of oil; that another well was begun upon these lands at about the same time and was pumped for two days, with a daily production of 6 barrels of oil; that another well was begun in September, 1914, completed to a depth of 456 feet, and that pumping from April 30 to May 3, 1918, disclosed an average production of 10 barrels per day; that another well produced by pumping in 1918, 3½ barrels per day; and that other wells were drilled said to produce oil, but with "no commercial production."

The opinion continues: "The department is not convinced from the showing that possession of these particular claims under the mining laws was continuously maintained, particularly prior to the withdrawal of the lands." He continues: "Decision upon that point, however, is deemed unnecessary at the present time." The opinion then recites the provisions of the section of the act invoked and holds that this was applicable only to wells producing or capable of actual production of oil in paying commercial quantities at the time of the enactment of the leasing act of 1920, and the decision is to the effect that "none of the wells hereinbefore described, in the opinion of the department, meets this requirement."

Following this decision the parties in interest filed a motion for rehearing, which motion was denied by Assistant Secretary Finney, and from such decision, made on April 28, 1921, the parties filed an appeal in the nature of a motion for the exercise of the supervisory power of the Secretary, and with said motion filed additional evidence.

This motion has never been heard and was pending during the time that the policy of the Navy and Interior Departments was being considered, as hereinbefore referred to.

In the meantime no decision had ever been rendered upon the application filed under the provisions of section 18a, which involved a very much larger area of ground. This application was therefore also pending during such consideration, and up to the date of the acceptance by this department of the deeds executed by the claimants to the Mammoth Oil Co. and, in turn, the deeds for the same properties executed to the Government of the United States by the Mammoth Oil Co. when filing its application for a lease contract.

While the motion for a rehearing and the motion for the invocation of the supervisory power, as above referred to, were never heard by the Secretary, I am frank to say that the decision as to the equities or rights of these parties under the statute as handed down by my predecessor did not in all respects coincide with my views as to the law applicable to this case, and certainly not wherein he holds that a production of 8 barrrels and 10 barrels per day is not commercial production such as contemplated in the law to which he refers.

It is a well-known fact that approximately 58 per cent of the total oil production of the United States is from wells producing 5 to 6 barrels and less per day. To have handed down a decision, however, revoking the decision appealed from and pending would necessarily have resulted in the drilling of additional wells immediately by the applicants and claimants. Of course, under such conditions the Navy would have been entitled to its portion of the oil. Equally, of course, it would have been confronted with the problem as to what to do with it. With no pipe lines, no competitive markets, with the congested condition existing such as has been referred to, the naval oils or the proceeds thereof would have brought comparatively small prices—at least 60 cents per barrel less than such oils were worth in competitive markets—and the proceeds would have been turned into the miscellaneous fund of the Treasury.

Therefore, Mr. President, the Secretaries of the Navy and the Interior were, in attempting to formulate the proper administrative policy for the preservation of the interests of the Government in the oils of petroleum reserve No. 3, the Teapot Dome, at the beginning of the year confronted with these conditions, to wit: First, that by deferring productive drilling in naval reserves Nos. 1 and 2 in California great and irreparable losses had been incurred through the drainage of the governmental land by wells drilled upon privately owned or privately held lands; second, that serious, and as we believed, immediate danger of material losses to the Government was impending through the drainage of an area approximating at least 2,000 acres out of naval petroleum reserve No. 3; third, that in the event of an attempt to protect by drilling offset wells in petroleum reserve No. 3 such production could not be effective because of the geographical and commercial conditions existing in the Salt Creek field, as hereinbefore set forth. We realized that conditions were entirely different, as I have explained, in the California and in the Wyoming fields. In the one, to reiterate, we had competitive bidding, competitive prices, competitive pipe lines, and water communication through such pipe lines. In the other, Wyoming, no competitive bidding, a geographical monopoly, no pipe line except to a railroad, and that of insufficient capacity to convey the then daily production by 50 per cent of the total being produced, no pipe lines from the railroad, no pipe lines to the water, and no possibility of the Navy using the oils except through the sale in such restricted and noncompetitive markets, with the proceeds to the miscellaneous fund, or some exchange to be worked out based upon the low price of the crude oils in the Salt Creek field and the acquisition of naval fuel oils when needed.

Therefore, upon more full consideration the Secretary of the Interior was advised to ascertain what best contract could be made to relieve the situation and to avoid the losses in petroleum reserve No. 3, and at the same time, if feasible, to provide a competitive market for the royalty oils of the United States Government already being produced in Wyoming.

Proceeding to a consideration of this subject, the Secretary of the Interior, from December, 1921, through January, February, March, and until approximately the 7th of April, consulted with various independent oil companies or the gentlemen who were at the head of such companies operating in the United States, outlining to each of these parties his purposes, as follows, to wit: To secure the construction of a pipe line leading from the Teapot Dome and the Salt Creek field in Wyoming to a communication with the great pipe lines reaching Chicago, the Gulf points, and the east coast of the United States. This was realized, of course, as rather a stupendous proposition, involving the construction of such line to some point such as Carrollton, Mo., where the connecting pipe lines would be found. The distance is estimated as between 800 and 1,000 miles, and the cost of such pipe line as between fifteen and twenty millions of dollars. The advantages to be obtained are obvious, to wit: In the event the prices to be realized in the field were not satisfactory, or in event the exchange ratio was not considered the proper one, through the pipe line such conditions could be overcome by the transportation of the crude oil itself directly from the well and through the connecting pipe lines to points in Chicago or even to the Atlantic coast, when sale could be made or satisfactory exchange procured.

The second requirement communicated to the various parties with whom the matter was discussed was that competitive field prices should be established in the Salt Creek field, so that as to royalty oils now being produced under contract with the Shipping Board higher prices could be obtained for the United States Government, and more funds for the Reclamation Service, the State of Wyoming, and the miscellaneous fund of the United States Treasury.

The third requirement which the oil men were notified must be met was that in exchange for oil storage reservoirs should be constructed, to be the property of the United States Navy, at such points as that department might select upon the Atlantic coast or in the island of Cuba or elsewhere, such construction not to necessitate a cash appropriation by Congress, which had never theretofore been made for any such purpose.

It may be frankly stated that this entire matter was conducted by the Secretary of the Interior, as indicated, through conference in his office in Washington with representatives of at least three of the great oil companies of the United States outside of what is known as the Standard Oil group.

It may be as frankly stated that no prejudice against any of the Standard Oil companies caused the Secretary of the Interior to refrain from calling those companies in, but he did not so call them simply because of the fact that the Midwest Corporation, in Wyoming, is generally understood to be a Standard Oil subsidiary, and then had and now has a monopoly of the oil production of the entire State of Wyoming.

Another matter which was fully explained to the different oil men and others with whom discussion was had was that there were certain outstanding private claims of record against portions of the area of the Teapot Dome and that in the matter of the consideration of propositions submitted or to be submitted by any companies or individuals in the carrying out of the prime purposes as just set forth equitable consideration would be given to that proposition, accompanied by quitclaim deeds to the United States Government covering all of such private claims.

On about January 1, while at my home in New Mexico spending the holidays with my family, I received a telegram from J. W. Zevely asking if I would remain there a few days longer, as Mr. H. F. Sinclair and himself desired to meet me immediately and present to me an application for a ruling with reference to deferred payments upon Indian lease lands in Oklahoma. Within the time limited Mr. Sinclair and Mr.

Zevely, with their respective wives, traveling in a private car, reached Three Rivers. They presented their particular problem for my consideration and secured from me a telegram to the department in Washington, calling its attention to a possible necessary modification of certain rules then in force.

These parties remained at Three Rivers, my home, for two or three days, residing upon their car and visiting with my family and myself.

The day that Mr. Sinclair left Three Rivers, he for the first time asked me if I were contemplating the opening up of the Teapot Dome. I answered immediately that I was considering the matter, but was yet awaiting final reports from the Bureau of Mines experts in that field upon the danger of immediate drainage. I was then informed that if the policy of the Navy and the Interior Departments was to open up this field he would be glad to consider making a proposition to the Government. I detailed to Mr. Sinclair exactly what I have heretofore set forth and which had theretofore been communicated to two or three oil men, as I have stated.

Shortly after my return to Washington, namely, on February 3, 1922, Mr. Sinclair and his attorney came into my office and presented me a paper stating that it contained an outline of what he was willing to do if he should receive a contract for the development of petroleum reserve No. 3. This memorandum is herewith attached, and marked "Exhibit M."

Various consultations were held between the representatives of the Navy, particularly Admirals Robison and Gregory, and between the Secretary of the Navy and myself, touching these matters, and I communicated to them the outline of the Sinclair proposition. I again had conferences here in my office with various oil men, and I outlined to each of these gentlemen generally the propositions as I was considering them, and to each of them the outline of the memoranda proposition of Sinclair. I particularly stressed the fact that Mr. Sinclair stated that if his proposition was considered favorably he would deliver all outstanding titles to the Government of the United States, and that if the parties with whom I was discussing the matter were not able to make better bids than the parties who might hold the titles, equitable consideration under the same conditions would be given to the latter.

The final conclusion of this matter, after almost continuous consultation between the Navy and the Interior Departments, was the formulation of a skeleton contract setting out the royalties which would be required, the exchange provisions and others, and containing practically the identical terms as finally embodied in the signed and executed contract now held by the Mammoth Oil Co. The details, however, were under consideration for many days, and consultations with other independent oil companies and their representatives were proceeding in the meantime. When attention was called to certain provisions with reference to pipe lines and connections, particularly frank statements were made by such representatives of well-known financial ability that although they could finance the proposition without difficulty, they could not enter into exchange transportation agreements such as were finally demanded and to which Mr. Sinclair acceded. The royalties offered by Mr. Sinclair were more than those offered by either or any other party during these discussions.

The transaction being finally completed, the contracts executed and delivered on April 12, I handed to the Secretary of the Navy his triplicate copy with a brief setting forth the contents of the contract itself, prepared for his ready information at his personal request after he had first gone over with me personally the contract and had executed the same.

Now, Mr. President, I shall refer to a matter which may be considered in the nature of a changed policy, to some extent, in the handling of the oils from the naval reserves and oils for naval use.

In the purchase of oils for current use and in the expenditure of moneys appropriated by Congress for such purposes the Navy Department has been seriously handicapped because such purchases must be made for delivery where they could be available, which, of course, means where the naval fuel oil can be delivered to the naval vessel.

Unfortunately no provision has heretofore been made for the securing of storage reservoirs, to become the property of the Navy, so located and equipped that the Navy might, as a purchaser in the markets taking advantage of a low market, store its oils, to be drawn from such storage as needed. The Navy has been compelled to make contracts with those who had oils for sale, generally covering six months' periods or more, to be taken when the seller proposes to deliver it, and through the temporary use of storage provided by the seller himself.

For the reasons hereinbefore set forth in detail, for the reason just given, and in what by the Navy is conceived to be the interests of true, genuine, efficient, and economical preservation of its own oils, the Secretary of the Navy, I presume under the advice of his experts and certainly with the cordial approval of the Secretary of the Interior, and, as I understand, with your equally cordial approval, evolved the policy of providing metal or other equally efficient storage at strategic points where the oil, as drawn from the naval reserves exchanged for the proper naval test fuel oils, can be stored.

It is an established or admitted fact that fuel oils stored in proper metal containers, or even in cement tanks properly constructed, will lose less than 1 per cent in volume and in quality in a period of 10 years' time. Therefore I may say that unless it had been established beyond any question of a doubt that naval oils in the ground would not be affected by drilling within the same field or neighborhood, it became the decided policy to withdraw such oils. At the same time it was and is the announced policy, meeting with your approval, as I understand it, that such oils, unless in case of vital necessity, shall not be thrown upon the market or used for current needs, but shall be stored as fuel oils to be retained as under the policy of the former administration, except that they should be so stored and retained at available strategic points where in a crisis the same could be and would be immediately accessible and available for the uses of the Navy in the creation of power.

The Congress of the United States has heretofore by legislation enacted no contrary policy. The Congress has created no reserves, nor has it legislated with reference to the same except through the acts heretofore cited in this connection. The Secretary of the Navy and the Secretary of the Interior, as administrative officers, deemed themselves under your direction responsible for the proper administration of the trust imposed upon them. The two departments have in the actions taken, and now reported in detail to you, as heretofore they have been reported and discussed from time to time both privately with yourself and in your Cabinet meetings, administered this trust as they understood it under the law, and as they equally well believed for the best interests of the country and particularly of the Navy.

In closing this extended communication it may not be improper to say that in the matter of the disposition of oils upon the withdrawn lands of the United States criticism has been incurred, and doubtless will from time to time be engendered. The records of this department will show that various contests between private claimants and others have been under consideration from time to time, and fairly well-verified rumor would indicate that a defeated party in said contest has, through some influence wielded in one or another way, been able to secure some benefit at the hands of the party through whom he has been defeated in what possibly he may sincerely have thought to be his rights. It may be possible that such cases have occurred in the Salt Creek field, Wyoming. Rumors have reached this department that one or more parties have claimed to be interested in some manner in all or a portion of the claims hereinbefore described, and to which the Government has by its contract with the Mammoth Co. quieted title in so far as the Government itself is concerned. Rumors of suits to be brought by, for, or against private individuals or companies for violation of some contracts or promises or agreements with relation to some of these claims have reached the ears of the Secretary of the Interior.

While as a lawyer deprecating litigation, and particularly when the object of the same may be other than a final legal conclusion of legal rights, yet it may be if litigation between such parties were to ensue in this case the clearing of the atmosphere might disclose the identity of some parties really in interest in newspaper and other agitation, and may result in disclosing the fact that, while prior to a full understanding of the results reached in the contract relating to the Teapot Dome, many perfectly sincere and thoroughly honest and conscientious people thought there might be something to criticize, as a matter of fact such criticism may have been largely brought about by parties interested in their own financial welfare in forcing not from the Government but from other parties some financial concessions.

I do not feel called upon to apologize for the length of this communication, Mr. President, because every word of it has been written that through you it may be given the widest publicity.

It has not been written in the slightest degree as an attempt at defense of actions or of policies. The writer recognizes no necessity for such defense. It is written in a frank desire that those entitled to know, and the public generally, who are, of course, so entitled, may have an explanation frankly and freely

and fully given of the acts, policies, and motives of at least one, and, speaking for the Secretary of the Navy, of two of the members of your official family.

I am, sir,

Very sincerely yours,

ALBERT B. FALL, *Secretary.*

The PRESIDENT,
The White House.

NAVAL OIL RESERVE LEASES (S. DOC. 210).

Mr. SMOOT. I submit a resolution and ask that it be read.

The resolution (S. Res. 305) was read, as follows:

Resolved, That the message of the President of the United States, with the accompanying communication from the Secretary of the Interior, and illustrations, in response to Senate Resolution 282, requesting certain information concerning naval reserve oil leases, be printed as a Senate document, and that 4,000 additional copies be printed for the use of the Senate document room.

Mr. SMOOT. I will simply state that more than 4,000 copies can not be ordered printed by a Senate resolution because of the fact that the cost would exceed $500. It requires a concurrent resolution of the two Houses to authorize a cost exceeding $500. I ask unanimous consent for the present consideration of the resolution.

The resolution was considered by unanimous consent and agreed to.

RECESS.

Mr. McCUMBER. I move that the Senate take a recess until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 6 o'clock and 50 minutes p. m.) the Senate took a recess until to-morrow, Saturday, June 10, 1922, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

FRIDAY, *June 9, 1922.*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. WALSH].

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Vouchsafe, dear Lord, Thy blessing upon us this day. Enlarge and intensify our thought of service to all the people. Let the highest standards always incite our motives. May all evil be suppressed. Grant that Thy spirit may go forth carrying with it stability to the weak, wisdom to the erring, and strength to the faltering. Arise, O God, with blessing in Thy shadow, for our country waits for Thee and needs the touch of Thy power. In Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate by Mr. Craven, its chief clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2168. An act for the relief of Jesse C. Dennis and William Rhett Eleazer;

S. 3620. An act to authorize the construction of a bridge across Pearl River at Tilton, Lawrence County, Miss.; and

S. 3458. An act to authorize the Niagara River Bridge Co. to reconstruct its present bridge across the Niagara River between the State of New York and the Dominion of Canada, or to remove its present bridge and construct, maintain, and operate a new bridge across the said river.

The message also announced that the Senate had passed without amendment the bill (H. R. 11265) to authorize the maintenance of a bridge constructed across the Pend Oreille River at the town of Usk, in the State of Washington.

MUSCLE SHOALS.

Mr. McKENZIE. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from Illinois rise?

Mr. McKENZIE. Mr. Speaker, as acting chairman of the Committee on Military Affairs I have this morning submitted a report on the bill H. R. 11903, known as the Muscle Shoals bill, and also accompanying that report are the views of part of the minority, prepared by Mr. WRIGHT, of Georgia. Mr. PARKER of New Jersey, one of the members of the committee, has prepared a minority report which I assume a number of other members will wish to sign. Mr. PARKER being absent to-day at West Point, I ask unanimous consent that any member of the Committee on Military Affairs may have five days in which to file minority views.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that any member of the Committee on Military Affairs may have five legislative days in which to file minority views on the bill H. R. 11903. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, may I ask the gentleman if he is in a position where he can inform the House as to the probability as to when this bill will be considered?

Mr. McKENZIE. I will say very frankly to the gentleman from Tennessee that I am not able to give him that information. Personally I would be glad to see an early consideration of the measure.

Mr. GARRETT of Tennessee. Mr. Speaker, this, of course, is a matter of very large portent. There is a great deal of interest here and in the country. I had hoped that the gentleman might be in a situation that he could indicate whether it was purposed to pass—I assume it is to be considered under a rule?

Mr. McKENZIE. That is my understanding.

Mr. GARRETT of Tennessee. Is it the gentleman's purpose to ask for a rule at once?

Mr. MONDELL. Will the gentleman from Illinois yield?

Mr. McKENZIE. I yield.

Mr. MONDELL. It seems to me, Mr. Speaker, that it is impossible for anyone to say just now when this matter can be taken up for consideration. My present thought is that there ought to be some action taken at a reasonably early date, but until we have had a chance to read the reports and digest them and know just what has been suggested, it is difficult for anyone to say just when the matter ought to be taken up for consideration.

Mr. GARRETT of Tennessee. I, of course, am not asking that a date be fixed now, but I thought it perfectly fair that there might be given the House a statement as to the attitude toward it.

Mr. MONDELL. To be entirely frank with the gentleman, I do not think that anyone could properly say now that we would or would not take up the Muscle Shoals matter in the near future. I think that is a matter that must be decided after the reports are before us and have been digested. It is not a simple matter. There is an item on the military bill, put on by the Senate, proposing a continuation of work on the Wilson Dam. There is some question as to whether or no that appropriation ought to be provided and the work go on, or take up the Muscle Shoals reports and dispose of them. There are quite a number of possibilities in the situation, and I do not think anyone would be justified in saying now just what ought to be done or just when it ought to be done.

Mr. GARRETT of Tennessee. Mr. Speaker, if the gentleman will indulge me just for a moment, I do not think that the appropriation put on in the Senate providing for a continuation of the work has a necessary bearing upon the disposition of the report of the Committee on Military Affairs on the Ford and other offers which have been made.

Mr. MONDELL. It might have a very considerable bearing on it if after reading the report the situation appeared to be one with so many troublesome and difficult questions involved in it that we were not prepared to pass finally upon them; it might be found advisable to go on with the work temporarily. I do not want to create the impression that that is my view or the view of anyone. The situation is one in which just at this time I do not believe anyone would be justified in suggesting what we ought to do. The desire of gentlemen on both sides is to dispose of this matter finally just as soon as it is possible to do it in a proper way with proper consideration.

Mr. McKENZIE. If the gentleman will permit, in justice to the majority leader [Mr. MONDELL] it is proper for me to say that when we finally came to a conclusion on this matter in the committee we consulted him about the possibility of getting this up in the House for consideration. He said to me at that time that it would be impossible and improper to make any statement as to when it could be taken up until our reports were filed and Members of the House had an opportunity, at least, to read them.

I think that is perfectly fair, but in order to expedite matters under that law we got busy in our committee and prepared our report with just as great haste as possible. Otherwise, possibly we would not have filed these reports until Monday. But inasmuch as it was a matter of such great importance that Members of the House should have an opportunity to read the reports, I have undertaken the responsibility of filing these reports to-day even in the absence of some of my colleagues on the committee.

Mr. QUIN. Will the gentleman yield?

Mr. McKENZIE. I will.

Mr. QUIN. Do you not think that the Committee on Rules ought to give the Committee on Military Affairs a hearing as to when they should bring this out?

Mr. McKENZIE. It will be taken up to the Committee on Rules.

Mr. OLIVER. May I ask if the opinion of the Attorney General is filed with the report?

Mr. McKENZIE. That was filed with the report. It was included in the report along with the report of the Judge Advocate General of the United States Army.

Mr. GARNER. Will not the gentleman modify his request, so that it will not interfere with the consideration of this report in case it is desired to do so within five days? That is the customary way. I do not want those who are opposed to this measure to have the excuse for delaying its consideration.

Mr. McKENZIE. I have no objection to modifying my request accordingly.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that the members of the Committee on Military Affairs may within five legislative days file minority views on the bill—H. R. 11903—concerning Muscle Shoals, not to interfere with the consideration of the measure. Is there objection? [After a pause.] The Chair hears none.

PENSIONS FOR STATE MILITIA ORGANIZATIONS.

Mr. LANGLEY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 211.

The SPEAKER pro tempore. The gentleman from Kentucky moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 211——

Mr. LANGLEY. And pending that motion——

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. STAFFORD. Has this bill been given any privileged status by a report from the Committee on Rules?

Mr. LANGLEY. I will say to the gentleman from Wisconsin that it has.

The SPEAKER pro tempore. The Chair did not hear the inquiry of the gentleman.

Mr. STAFFORD. It is whether this bill has been given any privileged status by a report of the Committee on Rules.

The SPEAKER pro tempore. The Chair is not aware of any rule being adopted giving this bill a privileged status.

Mr. LANGLEY. I was referring to the general rules of the House.

Mr. STAFFORD. Mr. Speaker, I make the point of order that the motion of the gentleman from Kentucky is not in order, the bill not being privileged.

Mr. LANGLEY. This bill was reported by the direction of the Committee on Invalid Pensions and from the floor.

Mr. MONDELL. Why is it not in order?

The SPEAKER pro tempore. The gentleman from Wisconsin will state the point of order. The Chair did not hear it.

Mr. STAFFORD. The point of order is that the motion of the gentleman is not privileged under the rules of the House. To-day is the second Friday of the month. Under clause 6, Rule XXIV, providing for the consideration of bills on the Private Calendar, we find the following language:

> On Friday of each week, after the disposal of such business on the Speaker's table as requires reference only, it shall be in order to entertain a motion for the House to resolve itself into the Committee of the Whole House to consider business on the Private Calendar in the following order: On the second and fourth Fridays of each month preference shall be given to the consideration of private pension claims and bills removing political disabilities and bills removing the charge of desertion.

I wish to call the attention of the Chair to the fact that the bill for which the gentleman asks unanimous consent for consideration in the Committee of the Whole House on the state of the Union is a public bill, not on the Private Calendar, it being found on the Union Calendar, and therefore does not come within the provisions of clause 6, Rule XXIV, providing for consideration of business on the Private Calendar.

Mr. CAMPBELL of Kansas. Mr. Speaker, the gentleman from Wisconsin evidently has overlooked paragraph 56 of Rule XI of the Manual, as follows:

> The following-named committees shall have leave to report at any time on matters herein stated, namely, the Committee on Rules, the Committee on Invalid Pensions, general pension bills.

That is the committee now reporting, and they are reporting a generai pension bill.

Mr. STAFFORD. Oh, Mr. Speaker, the distinguished chairman of the Committee on Rules confuses the purpose of the clause which has just been called to the attention of the Chair. It gives to the Committee on Invalid Pensions the privilege of making a report, but it does not give the committee the right to have the bill a privileged bill.

Mr. LANGLEY. Will the gentleman yield to me there?

Mr. STAFFORD. Surely.

Mr. CAMPBELL of Kansas. I think the gentleman from Wisconsin is answering himself, if the gentleman from Kentucky will allow him to proceed.

Mr. LANGLEY. I will, except that I want to call his attention to the fact that where the rule provides that a committee shall have the privilege of reporting at any time, that privilege is also extended to the consideration of the measure whenever it is brought up.

Mr. GARRETT of Tennessee. If the gentleman will permit, it seems to me the jurisdiction of the Committee on Invalid Pensions, which is made privileged in the rule, is as to legislation affecting the pensions of soldiers and sailors of the Civil War and the widows of such soldiers and sailors. That means, I had supposed, soldiers and sailors who were mustered into the service of the United States during the Civil War and, of course, the widows of such soldiers and sailors. This bill defines a new class of pensioners, persons who were not mustered into the service of the United States, and has not the privilege which would attach to any bill which would relate to the soldiers or sailors of the Civil War.

Mr. CAMPBELL of Kansas. I call the attention of the Chair to the fact that this class of bills has always been considered under this rule and reported as this bill by the Committee on Invalid Pensions. The militia of the State of Missouri was given a pensionable status under a bill similar to this and considered under paragraph 56, Rule XI—a bill reported from the Committee on Invalid Pensions. That was many years ago.

Mr. GARRETT of Tennessee. Does the gentleman say it was considered as a privileged bill? Of course, I know it came from the Committee on Invalid Pensions.

Mr. CAMPBELL of Kansas. Bills from that committee have always been considered as privileged when they involved general pension legislation.

Mr. GARRETT of Tennessee. My own recollection is—I may be in error about it—that this bill in the past has not been treated as a privileged bill. Of course, it has been hanging around here for 40 years. I do not recall that the question was raised at the last time it was considered.

Mr. CAMPBELL of Kansas. The question of the jurisdiction of the Committee on Invalid Pensions to consider a bill reported as a general bill by that committee has not been raised, because of the sweeping terms of the rule under which it makes its report, and, having reported the bill, it is called up under privilege.

Mr. GARRETT of Tennessee. It is not a question of jurisdiction that is raised here now by the gentleman from Wisconsin. The jurisdiction may be conceded. It is too late to raise that question. But it is a question of privilege and that which it involves. There are many bills over which the committee has jurisdiction that might not be privileged. Other committees at any time have the power to report privileged bills. For instance, the Committee on Ways and Means deals not only with matters that are privileged but also matters that are not privileged. The mere fact that certain matters under the jurisdiction of the Committee on Pensions are privileged does not make everything coming from that committee privileged.

Mr. CAMPBELL of Kansas. The gentleman will note that this is a general bill, specifically covered by the rule; a bill reported by the Committee on Invalid Pensions, and it is now called up as a privileged bill.

Mr. GARRETT of Tennessee. But it is not a bill to grant pensions to soldiers or sailors of the Civil War, or to the widows of soldiers or sailors of the Civil War. It is a bill to grant pensions to another class of persons who claim to have had military service.

Mr. CAMPBELL of Kansas. That is a matter to be decided by the Committee on Invalid Pensions, and having decided that it was within their jurisdiction and that it is a bill of a general character, it comes within the rules.

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. STAFFORD] makes the point of order that the motion of the gentleman from Kentucky [Mr. LANGLEY], namely, that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 211, is not in order at this time, and he directs the attention of the Chair to the provision in clause 6 of Rule XXIV, which pro-

vides in substance that on Friday of each week, after the disposition of such business on the Speaker's table as requires reference only, it shall be in order to entertain a motion that the House resolve itself into Committee of the Whole House to consider business on the Private Calendar in the following order: On the second and fourth Fridays of each month preference shall be given to private pension claims and bills removing political disabilities and bills removing desertion charges, and on every Friday except the second and fourth Fridays the House shall give preference to the consideration of bills from the Committee on Claims and the Committee on War Claims, alternating between the two committees.

The attention of the Chair also has been directed by the gentleman from Kansas [Mr. CAMPBELL] to the provision of clause 56 of Rule XI, which provides that "the following-named committees shall have leave to report at any time on the matters herein stated: The Committee on Rules on rules, joint rules, and order of business"; then, after enumerating several others, "the Committee on Invalid Pensions, general pension bill." The fact that this is the second Friday of the month would not make this motion in order under the provisions of clause 6 of Rule XXIV.

This bill, however, was reported by the Committee on Invalid Pensions on March 27 last, the Chair is advised, as a privileged bill reported from the floor with all points of order reserved. It deals with the pension act of May 11, 1912, by extending its provisions, not to certain specific individuals but to a class of proposed beneficiaries who heretofore have not come under the law relating to pensions.

The present occupant of the chair had occasion to pass upon a question somewhat akin to this when the bill relating to the monthly payment of pensions was reported. A point of order at that time was made, that it was not in order to move to resolve the House into Committee of the Whole House on the state of the Union for the consideration of that bill, because that proposed legislation was not within the purview of the language of clause 56 of Rule XI. The Chair at that time held that that language in the rule, namely, "general pension bills," meant bills or legislation general in character, as distinguished from bills of a private character or bills restricted in their purpose or effect. The precedents seem to hold that the right to report legislation at any time carries with it the right to have that legislation considered at any time, provided it is not in conflict with other rules of the House covering the procedure and precedence of legislation."

The Chair has examined the provisions of this bill—H. R. 211—and is of opinion that it is general in character, in that it adds another class to come within the benefit of the laws heretofore enacted for the payment of pensions; and that while it is not in order under the provisions of clause 6, Rule XXIV, it having been reported from the floor as a privileged bill under the provisions of clause 56, Rule XI, which would seem to be somewhat in conflict with clause 6 of Rule XIV, this latter rule should, in the view of the Chair, be held superior. This being a privileged bill, the gentleman from Kentucky [Mr. LANGLEY], in the judgment of the Chair, is entitled to make the privileged motion to resolve the House into Committee of the Whole House on the state of the Union for its consideration. The Chair therefore overrules the point of order.

Mr. LANGLEY. Mr. Speaker, pending the consideration of my motion, I desire to see what agreement can be reached as to the amount of time for general debate. I see the ranking minority Member [Mr. RUCKER] here, the gentleman from Missouri. I suggest that we limit general debate to two hours, one-half of the time to be controlled by the gentleman from Missouri, the ranking minority member of the committee, and the other half by myself.

The SPEAKER pro tempore. The gentleman from Kentucky asks, pending the motion, that the general debate be limited to two hours, one half to be controlled by the gentleman from Missouri [Mr. RUCKER] and the other half by himself. Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Kentucky [Mr. LANGLEY] that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 211.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. STAFFORD. A division, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Wisconsin asks for a division.

The House divided; and there were—ayes 70, noes 24.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present, and challenge the vote just taken for that reason.

The SPEAKER pro tempore. The gentleman from Wisconsin makes the point of order that there is no quorum present, and objects to the vote for that reason. It is evident that there is no quorum present. The Doorkeeper will close the doors. The Sergeant at Arms will bring in absentees. The question is on the motion that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 211. Those in favor will, as their names are called, answer "yea," those opposed "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 181, nays 58, not voting 190, as follows:

YEAS—181.

Ackerman	French	Lehlbach	Ricketts
Andrews, Nebr.	Gahn	Linthicum	Riddick
Anthony	Gensman	Little	Roach
Atkeson	Gernerd	Luhring	Robertson
Bankhead	Gorman	McCormick	Rogers
Barbour	Graham, Ill.	McKenzie	Rose
Beedy	Green, Iowa	McLaughlin, Mich.	Rucker
Begg	Greene, Mass.	McLaughlin, Nebr.	Ryan
Benham	Hadley	McPherson	Scott, Mich.
Bixler	Hardy, Colo.	MacGregor	Scott, Tenn.
Blakeney	Haugen	Magee	Shelton
Bland, Va.	Hawes	Mapes	Sinnott
Brown, Tenn.	Hawley	Martin	Smith, Idaho
Burdick	Hayden	Mead	Speaks
Burroughs	Hays	Merritt	Sproul
Burtness	Herrick	Michener	Steenerson
Burton	Hersey	Millspaugh	Stephens
Cable	Hickey	Mondell	Strong, Kans.
Campbell, Kans.	Hicks	Montoya	Summers, Wash.
Cannon	Hill	Moore, Ohio	Swing
Carew	Hoch	Moores, Ind.	Taylor, N. J.
Chalmers	Huddleston	Morgan	Thomas
Chandler, Okla.	Hukriede	Mott	Thompson
Chindblom	Hull	Murphy	Tillman
Christopherson	Husted	Nelson, Me.	Timberlake
Clague	Jones, Pa.	Nelson, A. P.	Tincher
Clarke, N. Y.	Kearns	Newton, Mo.	Tinkham
Clouse	Keller	Nolan	Towner
Cole, Ohio	Kelly, Pa.	Norton	Underhill
Colton	Kendall	O'Brien	Vaile
Coughlin	Ketcham	O'Connor	Vestal
Crago	King	Ogden	Voigt
Cramton	Kinkaid	Osborne	Volstead
Cullen	Kirkpatrick	Parker, N. Y.	Walters
Dale	Kissel	Patterson, Mo.	Webster
Dallinger	Kleczka	Porter	Wheeler
Dowell	Kline, Pa.	Pringey	White, Kans.
Dunbar	Knutson	Purnell	White, Me.
Dupré	Kopp	Radcliffe	Williamson
Echols	Kraus	Rainey, Ill.	Wingo
Edmonds	Lampert	Raker	Woodruff
Ellis	Langley	Ramseyer	Wyant
Fairfield	Lawrence	Reece	Young
Faust	Lazaro	Reed, N. Y.	
Fitzgerald	Lea, Calif.	Reed, W. Va.	
Free	Leatherwood	Rhodes	

NAYS—58.

Almon	Fulmer	Lanham	Sanders, Tex.
Aswell	Garner	Lankford	Sandlin
Bowling	Garrett, Tenn.	Larsen, Ga.	Sisson
Box	Garrett, Tex.	Lee, Ga.	Stafford
Brand	Gilbert	Logan	Steagall
Briggs	Hammer	Lowrey	Sumners, Tex.
Buchanan	Hardy, Tex.	McDuffie	Tucker
Bulwinkle	Hudspeth	McSwain	Vinson
Byrns, Tenn.	Humphreys	Montague	Williams, Tex.
Carter	Jacoway	Oliver	Wilson
Collier	Jeffers, Ala.	Overstreet	Wise
Crisp	Johnson, Ky.	Park, Ga.	Woods, Va.
Davis, Tenn.	Johnson, Miss.	Pou	Wright
Dominick	Jones, Tex.	Quin	
Favrot	Kincheloe	Rankin	

NOT VOTING—190.

Anderson	Campbell, Pa.	Drane	Goodykoontz
Andrew, Mass.	Cantrill	Drewry	Gould
Ansorge	Chandler, N. Y.	Driver	Graham, Pa.
Appleby	Clark, Fla.	Dunn	Greene, Vt.
Arentz	Classon	Dyer	Griest
Bacharach	Cockran	Elliott	Griffin
Barkley	Codd	Evans	Harrison
Beck	Cole, Iowa	Fairchild	Henry
Bell	Collins	Fenn	Himes
Bird	Connally, Tex.	Fess	Hogan
Black	Connell	Fields	Hooker
Bland, Ind.	Connolly, Pa.	Fish	Hutchinson
Blanton	Cooper, Ohio.	Fisher	Ireland
Boies	Cooper, Wis.	Focht	James
Bond	Copley	Fordney	Jefferis, Nebr.
Bowers	Crowther	Foster	Johnson, S. Dak.
Brennan	Curry	Frear	Johnson, Wash.
Britten	Darrow	Freeman	Kahn
Brooks, Ill.	Davis, Minn.	Frothingham	Kelley, Mich.
Brooks, Pa.	Deal	Fuller	Kennedy
Browne, Wis.	Dempsey	Funk	Kiess
Burke	Denison	Gallivan	Kindred
Butler	Dickinson	Glynn	Kitchin
Byrnes, S. C.	Doughton	Goldsborough	Kline, N. Y.

Knight	Morin	Sabath	Taylor, Colo.
Kreider	Mudd	Sanders, Ind.	Taylor, Tenn.
Kunz	Nelson, J. M.	Sanders, N. Y.	Temple
Larson, Minn.	Newton, Minn.	Schall	Ten Eyck
Layton	Oldfield	Sears	Tilson
Lee, N. Y.	Olpp	Shaw	Treadway
Lineberger	Padgett	Shreve	Tyson
London	Paige	Siegel	Upshaw
Longworth	Parker, N. J.	Sinclair	Vare
Luce	Parks, Ark.	Slemp	Volk
Lyon	Patterson, N. J.	Smith, Mich.	Ward, N. Y.
McArthur	Perkins	Smithwick	Ward, N. C.
McClintic	Perlman	Snell	Wason
McFadden	Petersen	Snyder	Watson
McLaughlin, Pa.	Rainey, Ala.	Stedman	Weaver
Madden	Ransley	Stevenson	Williams, Ill.
Maloney	Rayburn	Stiness	Winslow
Mann	Reber	Stoll	Wood, Ind.
Mansfield	Riordan	Strong, Pa.	Woodyard
Michaelson	Robsion	Sullivan	Wurzbach
Miller	Rodenberg	Swank	Yates
Mills	Rosenbloom	Sweet	Zihlman
Moore, Ill.	Rossdale	Tague	
Moore, Va.	Rouse	Taylor, Ark.	

So the motion was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Stiness with Mr. McClintic.

Mr. Sanders of Indiana with Mr. Driver.

Mr. Miller with Mr. Fisher.

Mr. Kennedy with Mr. Gallivan.

Mr. Paige with Mr. Sullivan.

Mr. Treadway with Mr. Cockran.

Mr. Kahn with Mr. Cantrill.

Mr. Glynn with Mr. Stevenson.

Mr. Fess with Mr. Bell.

Mr. Patterson of New Jersey with Mr. Oldfield.

Mr. Cooper of Ohio with Mr. Rayburn.

Mr. Brennan with Mr. Connally of Texas.

Mr. Hutchinson with Mr. Padgett.

Mr. Frothingham with Mr. Campbell of Pennsylvania.

Mr. Kreider with Mr. Riordan.

Mr. Knight with Mr. Tague.

Mr. Snyder with Mr. Griffin.

Mr. Winslow with Mr. Byrnes of South Carolina.

Mr. Butler with Mr. Moore of Virginia.

Mr. Funk with Mr. Goldsborough.

Mr. Griest with Mr. Kitchin.

Mr. Lee of New York with Mr. Harrison.

Mr. Snell with Mr. Ten Eyck.

Mr. Goodykoontz with Mr. Collins.

Mr. Fenn with Mr. Barkley.

Mr. Evans with Mr. Mansfield.

Mr. Crowther with Mr. Black.

Mr. Luce with Mr. Lyon.

Mr. Maloney with Mr. Clark of Florida.

Mr. Davis of Minnesota with Mr. Sears.

Mr. Bacharach with Mr. Doughton.

Mr. Morin with Mr. Blanton.

Mr. Olpp with Mr. Parks of Arkansas.

Mr. Fuller with Mr. Smithwick.

Mr. Frear with Mr. Drewry.

Mr. Dickinson with Mr. Kindred.

Mr. Greene of Vermont with Mr. Tyson.

Mr. Johnson of Washington with Mr. Kunz.

Mr. Michaelson with Mr. Swank.

Mr. Beck with Mr. Upshaw.

Mr. Larson of Minnesota with Mr. Weaver.

Mr. Strong of Pennsylvania with Mr. Deal.

Mr. Kline of New York with Mr. Fields.

Mr. Burke with Mr. Ward of North Carolina.

Mr. Codd with Mr. Drane.

Mr. Henry with Mr. Stoll.

Mr. Kiess with Mr. Taylor of Arkansas.

Mr. Perkins with Mr. Sabath.

Mr. Graham of Pennsylvania with Mr. Taylor of Colorado.

Mr. Robsion with Mr. Hooker.

Mr. Lineberger with Mr. London.

Mr. Taylor of Tennessee with Mr. Rainey of Alabama.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. A quorum is present. The Doorkeeper will open the doors.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 211) to extend the provisions of the pension act of May 11, 1912, to the officers and enlisted men of all State militia and other State organizations that rendered service to the Union cause during the Civil War for a period of 90 days or more, and providing pensions for their widows, minor children, and dependent parents, and for other purposes, with Mr. DOWELL in the chair.

Mr. LANGLEY. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. LANGLEY. Mr. Chairman, in previous Congresses I have discussed this question so many times that I shall take very little time now, as several other gentlemen desire to be heard. In order to economize time, I ask unanimous consent that I may revise and briefly extend my remarks in the RECORD on this bill.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. LANGLEY. Mr. Chairman, I have now been a Member of this great body for nearly 16 years. Before I had that honor conferred upon me, while I was first a candidate for Congress, I promised the old militia soldiers and their widows and other dependents in my district that I would use every effort in my power to secure the enactment of the bill which is now before you. [Applause.] Year after year since I have been here this bill has been up for consideration either in the committee or in the House. In the Sixty-fifth Congress it was passed by the House almost unanimously. The bill provides, in brief, that these State militiamen and members of other State organizations who, although not regularly mustered into the United States service, nevertheless rendered service in the suppression of the rebellion under the command of Federal officers, shall be given the benefit of the existing pension laws, which now apply only to the cases of those who were regularly mustered into the United States service.

Inasmuch as a colleague of mine is going to cover the question, I shall not take the time to go into the history of the service of these organizations in detail. The report which I had the honor to submit to this body is quite elaborate and contains an elaborate statement of the character and importance of the service which they rendered to the Union cause. In the State of Missouri there were, as I recall it now, 110,000 of these militia soldiers. In the State of Kentucky there were 75,000. I believe that there was some foundation for the statement made by our deceased beloved colleague, former Speaker Clark, that but for the services rendered by these organizations the States of Missouri and Kentucky would not have remained loyal to the Union, and no one can tell what effect that would have had upon the fate of the Union cause and upon our history. I think the hand of Divinity was in it all. These men were armed and equipped by the Federal Government. In some instances the equipment was paid for first by the several States, but afterwards the United States Government reimbursed the States for those expenses, thereby recognizing the valuable services which they rendered to the cause of the Union.

The existing service pension law requires a minimum service of 90 days, as gentlemen are aware. This bill provides that it must appear that the beneficiary under this act has rendered that much service under the command of Federal officers and while aiding in the suppression of the rebellion. The saddest part of it all to me is that this Government has deferred so long this just recognition of the services of these patriotic men and their widows and dependents, and I feel——

Mr. ROSE. Will the gentleman yield?

Mr. LANGLEY. Yes.

Mr. ROSE. I have often wondered why it was that there has not been some bill presented to Congress providing for a general pension law that would take in all such conditions as the gentleman has called to our attention and do away with the thousands of private pension bills introduced every session and then die a natural death. This is not in any manner a credit to our lawmakers. Is it not possible to have a bill that would reach every person who rendered any service on behalf of the Government of the United States and pension him under our laws?

Mr. LANGLEY. I have been a member of the Committee on Invalid Pensions for 12 years. During that time I have consistently and persistently advocated the liberalization of our pension laws. If I had had my way about it, these militiamen and their widows and dependents would have been pensioned years ago. Our distinguished former Speaker, Mr. Clark, whose memory we all revere, said on the floor when discussing my bill, which passed the House in the Sixty-fifth Congress, that this bill ought to have been passed 50 years ago. As I stated before, I have always been in favor of liberal pension legislation.

Mr. RAKER. Will the gentleman yield?

Mr. LANGLEY. Certainly.

Mr. RAKER. What does this language mean: "Under the command of United States officers during the Civil War, and who actually rendered such service for a period of 90 days or more in any of the said military organizations during said war?" When did that period end, and would it apply to these pensioners?

Mr. LANGLEY. It applies to any service rendered during the Civil War.

Mr. RAKER. When did it end?

Mr. LANGLEY. I think it has been officially determined that the Civil War ended on April 9, 1865. There were portions of the country where belligerent conditions existed longer than that, but that is the date, I think, that has been officially determined by the Secretary of the Interior and by the courts as the end of the Civil War.

Mr. ANTHONY. Will the gentleman yield?

Mr. LANGLEY. I will.

Mr. ANTHONY. In regard to the service provision the bill reads "90 days or more in any of the said military organizations." That term refers to the military organizations.

Mr. LANGLEY. Yes.

Mr. ANTHONY. And it means that they must have served 90 days in a military organization under command of Federal officers.

Mr. LANGLEY. They might have served in different organizations and the total service amount to 90 days, which would give them a pensionable service.

Mr. ANTHONY. I understand. During the Civil War, during Price's raid up into northwestern Missouri, the Kansas Militia was called out and participated in the battle of Westport and served, some 30 days and some 60 days, and rendered valuable service. They had 90 days' service in the organization but only 30 or 60 days under command of Federal officers.

Mr. LANGLEY. They would not come, I think, under the provisions of this bill.

Mr. ANTHONY. I think they ought to.

Mr. LANGLEY. So do I, and I wish to say that if I had my way about it I would reduce the time to less than 90 days. It is a question of how far we can safely go, as the gentleman knows, and get the bill through.

Mr. ANTHONY. I hope the language will be made absolutely clear.

Mr. LANGLEY. That will come up in the consideration of the bill under the five-minute rule. The gentleman understands the difficulty that those who believe in liberal pension legislation have to encounter. I started to say a moment ago that the saddest thing about this matter to my mind is that the Government has waited so long before doing justice to these old fellows—which I am sure this body is going to do them to-day—that they are nearly all gone. Of the 110,000 of the Missouri Militia and 75,000 of the Kentucky Militia, practically all of them have passed across the river. I do not believe—of course it is impossible to determine it accurately—but I do not believe there will be more than 1,000 or 1,200 beneficiaries in the State of Kentucky.

The gentlemen representing the State of Missouri can speak of the situation there, but I do not believe there will be over 1,500 to 2,500 in that State that will be benefited by this bill. Of course, a great many who will come under this bill have drifted into other States, and they are expecting their Congressman to help pass this bill for them. The record of this bill is evidence, to my mind, of the truth of the old saying that republics are sometimes ungrateful.

I am glad to find what seems to be a practically unanimous sentiment in doing justice to these old soldiers and their widows, and I have every reason to believe that this bill when it reaches another body will be passed with no opposition.

Mr. HARDY of Colorado. Mr. Chairman, will the gentleman yield?

Mr. LANGLEY. Yes.

Mr. HARDY of Colorado. What is the amount of pension to be given them?

Mr. LANGLEY. They are to be given the same rate of pension under the same conditions as existing law, the act of May 11, 1912, and if there is any doubt about the act of May 1, 1920, applying to their cases, I am authorized by the committee to offer as a committee amendment a provision to include the act of May 1, 1920.

Mr. ROSE. Will the gentleman yield?

Mr. LANGLEY. Yes.

Mr. ROSE. I was very much pleased to hear the gentleman say that he is opposed to a minimum service of 90 days. I have always been in favor of a very liberal pension to every man who ever served the Government, and once on the floor of this House I made the statement that I would favor a law giving a pensionable status to every soldier if he served the Government for only one day. I think the gentleman has said that he would like to see the time reduced to 90 days, although he has not yet mentioned the minimum that would be satisfactory to him. For myself I would be satisfied with the service of one day. My suggestion was not favorably received by the House, but it struck a responsive chord in the hearts of many soldiers, as can be shown by letters in my possession.

Mr. LANGLEY. I think we ought to do everything in our power for the man who served our Government any length of time, but the gentleman understands the difficulties. I would not like to see an amendment adopted to this bill which would reduce the minimum service lower than that provided in existing law for regularly enlisted soldiers, because it would jeopardize the bill.

Mr. WOODRUFF. Would the gentleman be opposed to an amendment that would make it possible to give a man a pensionable status who had seen a combined service of 90 days under militia officers and Federal officers? I think if the gentleman would agree to that it would put the militiaman upon the same basis as the Regular Civil War veterans, which I think should be done.

Mr. LANGLEY. The gentleman will understand that while I am the ranking member of the committee, I am speaking only as an individual, and I would not at this stage of the proceedings care to agree to any amendment of that kind without conferring with the other members of the committee.

Mr. WOODRUFF. I am sure that if the gentleman would agree to that none of the other members of the committee would object.

Mr. LANGLEY. I am afraid the gentleman is exaggerating the influence of the gentleman in charge of the bill, but personally I see no objection to the amendment he suggests.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. LANGLEY. Yes.

Mr. CHINDBLOM. Did these men render service to the Union cause under militia officers, or was their service to the Union cause rendered while they were under the control of Federal officers?

Mr. LANGLEY. They were under the general control of Federal officers. That is the limitation included in my bill.

Mr. CHINDBLOM. So that the militia service which they may have rendered was not a war service at all?

Mr. LANGLEY. Oh, yes; most of them served in the State, but many of them went out of the State, and I know a number of cases in Kentucky where they went down South and served, but others who remained in the State took the place of those who had to go out of the State.

Mr. CHINDBLOM. Did those in the various States render war service?

Mr. LANGLEY. Unquestionably they did, and the purpose of this bill is to recognize that service. In a great many of the Southern States, including Kentucky, they have passed bills pensioning Confederate soldiers. I have no objection to that; but here are these militiamen in the State of Kentucky, for example, who rendered the same kind of service for the Union cause that these men on the other side rendered for the Confederate cause. Yet the latter are receiving a pension and the former are not, but they help to pay the Confederate pensions. I think that is an indefensible condition of affairs.

Mr. RAKER. Could the gentleman tell us what action Congress took relative to the militiamen during the War of 1812? Were they given a pensionable status?

Mr. LANGLEY. I do not recall. A number of years ago I delivered an address on the historic phases of the pension system, going back to the beginning, but that is a good many years ago, and I confess that I do not recall exactly all the details.

Mr. CLARKE of New York. Can not the gentleman from Kentucky furnish the gentleman from California with a copy of that speech?

Mr. LANGLEY. Yes; I would be very glad to do that, if he wishes it.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. LANGLEY. Yes.

Mr. RHODES. I would like to answer the question of the gentleman from California.

Mr. LANGLEY. I yield to the gentleman from Missouri for that purpose.

Mr. RHODES. I desire to answer the question asked by the gentleman from California. I have reviewed the history of all pension legislation in the United States; and the militia soldier

of every war, from the Revolutionary War down to the Civil War, has always been given the same status that the Regular was given.

Mr. LANGLEY. I am glad to have my friend give the gentleman from California the information he desires.

Mr. Chairman, I reserve the balance of my time and yield five minutes to the gentleman from Missouri [Mr. RHODES].

Mr. RHODES. Mr. Chairman, I am pleased to support the bill H. R. 211 and hope to see it become a law without delay. The first bill I introduced when I came to Congress in 1905 provided for a pensionable status for the militia soldiers of Missouri that cooperated with the Union Army in suppressing the War of the Rebellion. I have had a similar bill before each session of Congress since that time during my term of service and have now a similar bill—H. R. 2257—pending. This bill seeks to extend the provisions of the pension act of May 11, 1912, to all loyal militia organizations in the United States that actually rendered military service under the command of Regular Army officers in suppressing the War of the Rebellion. Because of the unique position Missouri occupied during the Civil War we had a large number of these loyal militia soldiers in our State. While Missouri strongly sympathized with the South, yet she never seceded from the Union during that great struggle from 1861 to 1865. I therefore wish to review the part our loyal militia soldiers of Missouri took during the Civil War in preserving the Federal Union. However, before doing so I wish to give a brief résumé of the history of pension legislation in the United States.

Doctor Glasson, in his work on military pension legislation, defines a military pension to be—

> A regular allowance made by a government to one who has been in its military service, or to his widow or dependent relatives.

It occurs to me that his definition is so comprehensive that no further proof ought to be required of the soldier claiming the right to participate in the benefits of pension legislation than to prove he was in the military service of the United States. Since the Government has the right to demand the service of its citizen in time of war, it is but right that the soldier be cared for by the Government in old age and in adversity. I believe the paying of a pension not only to be a proper act of gratuity, which the world concedes to be right, but the discharge of an equitable obligation. Pensions in our country by various acts of Congress have been classified as "invalid pensions" and "service pensions."

An invalid pension is one granted the soldier on account of wounds or injury received or disease contracted in the military service. A service pension is one granted the soldier who has been in the service of a specified length of time, without regard to the question as to whether or not he incurred injury or disability in the service. Our country at various times has granted both invalid and service pensions to its loyal soldiers. The act of May 11, 1912, partakes of both the invalid and service pension features.

The policy of our Government to grant liberal pensions to its loyal soldiers is older than the Republic. The first general pension law written upon the statute books in the United States was enacted August 26, 1776. The law was consistent with the colonial system of pension legislation which had been practiced in the New World for more than a century. It provided half pay for life or during disability to every officer, soldier, or sailor who lost a limb in any engagement, or being so disabled in the service of the United States as to render him incapable of earning a livelihood. The first colonial pension law was enacted by the Pilgrim Fathers at Plymouth in 1636, and it was the first pension law enacted in America. Its provisions were very similar to the act above mentioned and contained these words:

> Every man who shall be sent forth as a soldier and returned maimed shall be maintained competently during his life.

You will observe the right of the Government to demand the service of its citizen in time of war is clearly set out in this language, as well as the duty of the Government to maintain its dependent loyal soldier. Washington was a strong advocate of pensions and advocated a policy so broad and liberal as to bring within its provisions all Regulars, volunteers, and militia forces, the only requirement being that the soldier must have fought against the common enemy in defense of his country.

Formerly pension laws were more liberal than now. March 23, 1792, a law was enacted providing that judges of courts of record—State, Territorial, and Federal—were authorized to take testimony supporting the claim of a soldier for pension. The judge thus taking the testimony was then required to transmit the same to the Secretary of War, whose duty it was to enter the name of the applicant upon the pension rolls if found worthy. The effect of this law caused much friction between the legislative and judicial branches of the Government.

John Jay, then Chief Justice of the Supreme Court, in passing upon an application for a writ of mandamus relating to a certain claim for pension under the act of 1792, in refusing the writ declared with great boldness the independence of the judiciary as a distinct and coordinate branch of government. Congress soon repealed this act and created other methods by which proof was to be made.

April 10, 1806, Congress enacted its first general and most liberal invalid pension law. The act provided pensions for all volunteers, State troops, and militia forces who served against the common enemy in the Revolutionary War. To this act I invite your special attention for two particular reasons: First, it provided specifically a pensionable status for the militia soldier and established a precedent for recognizing his services along with other loyal soldiers. In the second place, the result of this act was that regulations were established for the first time in the history of our country providing that an increase of pension might be granted by Congress in cases where justice demanded; in other words, that Congress might grant special pension bills.

The important point I wish to make in this connection is, the militia soldier of the Revolutionary War was placed upon the same plane with the volunteer and the regular, and with them given a pensionable status. By act of Congress approved April 24, 1816, Congress enacted an invalid pension law providing pensions for the militia soldiers who served in the United States Army in the War of 1812.

Many acts were passed recognizing the militiaman, and by general law approved February 13, 1871, the militia soldier of the War of 1812 was given a pensionable status. The act contained the following provision:

> "All surviving officers and enlisted and drafted men, including militia and volunteers, who served 60 days in the United States service in the second war with Great Britain" (War of 1812) were given a pensionable status. By act of March 9, 1878, the act of February 13, 1871, was amended by reducing the minimum service from 60 to 14 days, but in other respects was left as in the original act—that is to say, a militiaman who fought in the War of 1812 against the common enemy for 14 days was given a pensionable status. By act of Congress approved January 29, 1887, a pensionable status was granted the militia soldier of the war with Mexico, and contains the following provision: "All surviving officers and enlisted men, including marines, militia, and volunteers, who served 60 days in the Army or Navy of the United States in the War with Mexico shall be entitled to pensions."

Now, Mr. Chairman, I have cited a few of the many instances which show the militia soldier of every war through which our country has gone, except the great Civil War, has been recognized and given a pensionable status. The period of time, however, from the close of each war to the date of the various acts having varied from 23 to 56 years.

From the close of the Revolutionary War to the enactment of the first general militia pension law was 23 years. From the close of the War of 1812 to the enactment of the first general law which gave a pensionable status to the militia soldier of this war was 56 years, and from the close of the Mexican War to the enactment of the general law giving a pensionable status to the militia soldier of this war was 39 years. It has now been 57 years since the gallant Lee surrendered himself and what remained of his once proud army, on the 9th day of April, 1865, at Appomattox Courthouse, to the invincible Grant.

Has not the time fully come when we should recognize the service of the militiaman of the Civil War? To the many great and beneficent acts of the United States thus far achieved in the present century, let us add the recognition of our militia soldiers.

The loyal militia soldiers of Missouri were called into service by virtue of a special agreement entered into between President Lincoln and Governor Gamble, of Missouri. These organizations are known in the official war records as "Militia of Missouri," and of this militia force there were many militia organizations. These war records were completed and published in 1902 under Elihu Root, then Secretary of War, and are unquestionably authentic. These militia forces were under command of Regular Army officers, and that they rendered substantial service in suppressing the War of the Rebellion there can be no question.

By act of Congress dated March 25, 1862, the then existing pension laws were extended to the Missouri Home Guards, one of the militia organizations that was not mustered into the Regular Army.

By special act of Congress, February 15, 1895, the Provisional Missouri Militia was also given a pensionable status. Just why the Enrolled Missouri Militia, the six-months militia, the provisional enrolled militia, the Missouri Militia organized under

General Order No. 3, dated January 30, 1865, and all other loyal militia organizations were never given a pensionable status is not clear to me. In fact, there is no good reason why these loyal militia soldiers should not be accorded the same generous treatment that has been given all loyal militia organizations of all other wars. That is what this bill seeks to do.

Mr. HUSTED. Will the gentleman yield?

Mr. RHODES. I will.

Mr. HUSTED. If these units were actually part of the Union Army, what is the provision of the existing pension laws which excludes them from benefiting?

Mr. RHODES. The provision of existing law which precludes them from benefits is that they were not regularly mustered into the United States Army. In other words, they came into the Army by virtue of general orders issued by the War Department under agreements with the governors of the several States.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. RHODES. I will.

Mr. GRAHAM of Illinois. About what is the estimated number of these survivors?

Mr. RHODES. Well, the best information that we can get is that the total number of persons who would be beneficiaries would be about five or six thousand soldiers and widows.

First, let me call your attention to the agreement entered into between President Lincoln and Governor Gamble, and some of the reasons which made it necessary. To begin with, Missouri did not occupy the same position with respect to the Federal Government as did most of the other States of the Union, because Missouri was the very borderland between the North and the South, and party lines were so tensely drawn every citizen of the State either allied himself with the North or with the South or fled the country. It will be remembered the southern boundary line of Missouri is not only a geographical line which separates Missouri from Arkansas, but is a line which was of historic consequence for more than a quarter of a century prior to the great Civil War, and is recognized by historians as one of the pivotal points on which the peace of the Nation rested for 40 years.

The President realizing the necessity for holding Missouri in the Union, the reasons for which are unnecessary to state, was prompted to deviate from the well-fixed rules of military law and practice in dealing with the Missouri situation. President Lincoln, as Commander in Chief of the Army of the United States, had a right to make such Executive orders affecting the Army as the exigencies required. (See vol. 1, ser. 3, pp. 618–619, inclusive, of the Official Records of the Union and Confederate Armies.)

As a result of this agreement General Order No. 96 was issued by the War Department of the United States, which legalized the agreement, so far as the Federal Government was concerned, and reduced it to the form of military law by which these forces were to be enrolled, armed, equipped, and governed. General Order No. 96 is of record in series 1, volume 3, pages 565–566, inclusive, Official Records of the Union and Confederate Armies.

November 25, 1861, General Order No. 1 was issued by the Governor of the State of Missouri in which he published the agreement entered into between the State and the United States authorities, thus giving official sanction to the agreement on the part of the State of Missouri. (S. Doc. 412, 59th Cong., 1st sess., p. 23.)

The next step in carrying out the agreement was the appointment by the Governor of Missouri of a brigadier general of the Missouri State Militia, which he did within two days, viz, November 27, 1861, by appointing Brig. Gen. John H. Schofield, of the United States Army, who at once assumed command of all the militia of the State—Senate Document No. 412, Fifty-ninth Congress, first session, page 24.

These loyal militia soldiers forced into the United States Army remained in active service until March 12, 1865, thus serving two years and eight months, and many of them furnished their own horses and equipment. In addition to this, the State of Missouri has been reimbursed by the Federal Government for every dollar expended in the organizing, arming, and the maintenance of these loyal militia organizations.

To show you how President Lincoln approved the services of the Enrolled Missouri Militia, one of these organizations that will be given a pensionable status by this bill, I wish to quote from a letter he wrote October 5, 1863—Volume 22, series 1, part 2, page 604, Rebellion Records:

As to the Enrolled Missouri Militia, I shall endeavor to ascertain better than I now know what is its exact value. Let me say, however, that your proposal to substitute national force for the enrolled militia implies, in your judgment, the latter is doing something which needs to be done; and if so, the proposition to throw that force away and to supply the place by bringing other forces from the field where they are equally needed seems to be very extraordinary. Whence shall they come? Shall they be withdrawn from Grant, or Banks, or Steel, or Rosecrans? Few things have been so gratifying to my anxious feelings as when in June last the local force in Missouri aided General Schofield to so promptly send so large a general force to the relief of General Grant, then investing Vicksburg and menaced from without by General Johnston. Was this all wrong? Should the enrolled militia then have been broken up and General Herron detached from Grant to police Missouri? So far from finding cause to object, I confess to a sympathy for whatever relieves our general force in Missouri and allows it to serve elsewhere. I therefore, as at present advised, can not attempt the destruction of the enrolled militia in Missouri. I may add that, the force being under the national military control, it is also within the proclamation in regard to the habeas corpus.

A. LINCOLN.

In addition to this, President Lincoln, by proclamation dated April 16, 1863, suspending the privilege of the writ of habeas corpus in cases of persons in the military and naval service of the United States, brought all these loyal militia forces regularly into service, as shown by General Orders, No. 96, which is as follows:

General Orders, No. 96.

HEADQUARTERS DEPARTMENT OF THE MISSOURI,
St. Louis, September 17, 1863.

The proclamation of the President, dated Washington, September 15, 1863, suspending the privilege of the writ of habeas corpus in the cases of persons belonging to the land and naval forces of the United States, and other persons therein described, will be held to apply to all Missouri Militia called into active service under the orders of the department commander. By command of Major General Schofield.

J. A. CAMPBELL,
Assistant Adjutant General.

Just think of it, Mr. Chairman, soldiers called into active service by proclamation of the President, held in service by military authority, commanded by United States Army officers, and relieved from duty by general orders of the War Department; yet all these loyal militia soldiers have been denied a pensionable status up to this time. They were recognized as part of the great Union Army from 1861 to 1865, and are so recorded in the history of the Rebellion Records.

In addition to the above-mentioned militia organizations in Missouri, we had a number of independent companies that were de facto in the United States Army. I have in mind the John R. Cochran Independent Company C, that was ordered into active service August 10, 1863, and served continuously until July 8, 1865, under various reenlistments under General Orders, No. 3, mentioned at pages 227 and 229, Senate Document No. 412.

Something has been said about the probable cost to the Government on account of the passage of this bill. It will be remembered that it has been 57 years since the close of the Civil War and that but few of the old militia soldiers are living. According to Senate Document No. 412, the total enlistment of loyal militia soldiers in Missouri was about 24,000, with perhaps an additional 1,000 belonging to independent companies. Of this number there were many reenlistments, and of course some did not serve as much as 90 days. Hence it is safe to assume that the total number of these soldiers in Missouri who served as much as 90 days did not exceed 20,000. I have gone to every practical source for information on the subject and am of the opinion that not more than 1,500 of these soldiers are living to-day in Missouri who will be affected by the provisions of this act. There are only about four States in the Union that can be affected by this bill, and as Missouri has more than any other one State it is safe to assume there is not more than 6,000 all told, including widows, in the United States who will be affected by the passage of this bill. Suppose half of this number should go upon the pension rolls immediately at $70 a month and the other half at $50 a month. In that event the total sum would be about $350,000 monthly, aggregating a little over $4,000,000 annually. In the light of present-day expenditures, this is a very small sum indeed, and at the rate these old soldiers are dying this sum will entirely disappear within the next 5 or 10 years, at the outside.

We have expended one and a half billion dollars for compensation, hospitalization, and rehabilitation of our ex-service men since the close of the World War, and Congress will pass a bonus law giving additional adjusted compensation for these soldiers before the present session adjourns. So let us, before it is everlastingly too late, do simple justice to this class of our loyal soldiers who have too long been neglected.

Let there be no misunderstanding as to my position in my reference to what we have done for our World War soldiers. I have cheerfully supported every measure providing for their relief, voted for the bonus law we recently passed, and shall continue to support legislation in the interest of our ex-service men. In fact, I believe it to be the duty of the Government to sympathetically care for our soldiers of all wars. It will require the passage of this bill to constitute a well rounded out system of pension legislation consistent with the policy of this Republic. [Applause.]

Mr. RUCKER. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. LARSEN].

Mr. LARSEN of Georgia. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. LARSEN of Georgia. Mr. Chairman, the late war, so far as I am concerned, coined a new word, "camouflage," but it remained for the present administration, and particularly the Attorney General, to show its practical peace-time application.

To my mind one of the most farcical performances which this country has ever witnessed was the pretended effort made by the Attorney General and his apparently dumb detectives to arrest John L. Phillips, the Republican referee for Georgia, on Saturday and Sunday last. It will be recalled that Phillips surrendered in Washington Monday afternoon.

It is not definitely known whether he came from his home in Philadelphia on that day for the purpose of enabling detectives to perfect the scheme of a fake arrest, in accordance with preconceived plans of the distinguished Attorney General, or whether it was for the purpose of quieting newspaper publicity.

It is practically certain, however, that so far as the Attorney General is concerned the whole scheme was for the purpose of diverting public attention from charges that were being made through columns of the press against himself. If you please, for the purpose of creating a smoke screen between the Attorney General and the public while a breastwork of deception could be erected to shield him from the uncomfortable darts of criticism hurled at him from every quarter of the country.

Yes; the performance of the Attorney General and his so-called detectives was a very remarkable one. It will certainly live in history. It reminds me very much of the name given to one of Shakespeare's plays, entitled "Much Ado About Nothing."

In this connection I desire to say that in my judgment every citizen of this country who attempted or intentionally defrauded his Government during its participation in the recent World War is morally and at heart a traitor, and deserves to be hanged higher than Haman.

It is not my purpose to protect Mr. Phillips or anyone else. If Mr. Phillips is guilty, he should suffer the penalty of the law, and if others are guilty, they should suffer the severest penalties that can be legally imposed. But, Mr. Chairman, it is my purpose at this time to call attention to what I believe is a scheme of the administration, especially of the Attorney General, not so much to prosecute Mr. Phillips as to shield himself from the public criticism that is being so well and fearlessly directed against him. I doubt whether Mr. Phillips will ever be prosecuted. I doubt whether he will be indicted. I doubt whether it is the purpose or intention of the Department of Justice, especially the Attorney General, to indict him. The future alone will determine this question. If he is guilty, I hope he will be indicted, but I doubt whether it was even contemplated that such should be done.

In my time, Mr. Chairman, I ask that there be read by the Clerk of the House an editorial appearing in the New York World, under date of June 7, dealing with the precise question to which I now address myself.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

A PROSECUTION OR A RED HERRING?

John L. Phillips, chairman of the Georgia Republican State committee, has been arrested under warrant of the United States Department of Justice charging him with frauds in the disposal of unused Government war materials; he has not been indicted by a Federal grand jury.

Mr. Phillips is not alone in declaring or in suspecting that the Department of Justice has outpaced its own grand jury in singling out for arrest a Republican politician who has been attacked on the floor of the House by Representative JOHNSON, also a Republican, in order to draw a red herring across a fresh and tempting trail. That trail leads back to the Department of Justice itself, and to its head, Attorney General Daugherty. It is a much more important trail than Mr. Phillips can have left, even if all that is charged against him shall prove true. The whole is greater than its parts; if there is no public confidence in the conduct of the Department of Justice all its works fall into contempt together.

Not often in the past has it been possible to suspect the head of the Department of Justice of instituting criminal proceedings for political purposes; never, perhaps, for the purpose of diverting attention from an Attorney General under attack. The department has criticized as dilatory, as conservative, as reactionary; but within the limits set by its nature and precedents it has been respected as approaching impartiality and disinterestedness as closely as any similar agency in history. To have such a high reputation wrecked, even temporarily, is a blow at the prestige of the Government.

That is the case to-day; it can not be denied, concealed, forgotten or lightened in gravity by any pettifogging device or diversion or delay. Nobody can have, nobody will have, confidence in the doings of the Department of Justice until the charges under which the Attorney General lies are fairly and fully investigated, not excused or ignored or evaded.

Mr. LARSEN of Georgia. Mr. Chairman, the action of the Attorney General and his detectives in trying to arrest Mr. Phillips appears to me to be as nonsensical and ludicrous as the answer of the mountaineer who went down to the seaside to spend a week end. When he got down there he met a lady who inquired of him, "Have you come down for the week end?" To which he replied, "No, madam; I have stomach trouble."

Mr. Chairman, it must be apparent to everyone that the arrest of John L. Phillips was staged with the view of obtaining as much newspaper publicity as possible.

The public was well prepared in advance for what the Attorney General did. For several days we were told that a great sensation was in store for the public; that some prominent official was going to be prosecuted, and prosecuted without gloves. These reports emanated from the Attorney General's office and were published throughout the States. Of course, we did not know who this great public official was. We never suspected, and we had no reason to suspect. But what happened? "The laboring mountain must bring a mouse," so it turned out that a Republican, away down in Georgia where there are no other Republicans to be offended, where there exists no Republican Party and never will, had been arrested. Of course, he was to be arrested as a part of the program, not for the purpose of prosecution, I fear, but for the simple and sole purpose of diverting public attention from the Attorney General.

The Attorney General had promised us some days before, according to reports appearing in the press, that he would start out on a prominent Democrat. Oh, yes; we were prepared along that line as a camouflage for the performance pulled off on Republican Phillips.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. LARSEN of Georgia. I wish the gentleman from Missouri would yield me five minutes more.

Mr. RUCKER. I yield to the gentleman five minutes.

Mr. LARSEN of Georgia. The Attorney General would have it appear that Phillips had been seen in the District Building, where the grand jury is investigating war frauds, several days previous and that he had fled the country to avoid arrest.

In this connection we should remember that on Thursday of last week the Rules Committee of the House rescinded its action favorably reporting the Woodruff resolution providing for a congressional investigation. The distinguished chairman of the committee, after carrying the rule around in his pocket for several days, if not for weeks, without reporting it to the House, changed his position on the matter, as did the gentleman from Minnesota [Mr. SCHALL], and thereby made it impossible for the Congress to order the kind of investigation desired by the country, and to which it is entitled.

With such an investigation the Attorney General would not be permitted to direct the scope of the investigation, the kind of testimony that should be developed. When the investigation was completed the public would feel that no one had been shielded.

The Attorney General would not be permitted to direct the matter in any way, and the public, who is, after all, a good judge of what is or is not proper to be considered in such proceedings, would be given full information and opportunity to see that no guilty party escapes justice.

Mr. CAMPBELL of Kansas. Will the gentleman yield for a question?

Mr. LARSEN of Georgia. For a question.

Mr. CAMPBELL of Kansas. What would be the effect of the judgment of the public, for instance, in the Phillips case, whether they decided him guilty or not guilty, whether he had defrauded or not defrauded, as compared with the result of a verdict of a grand jury?

Mr. LARSEN of Georgia. I understand that the resolutions offered by Mr. WOODRUFF and Mr. JOHNSON provided for a general investigation and not Phillips alone.

Mr. CAMPBELL of Kansas. Or any case.

Mr. LARSEN of Georgia. As it provides for a general investigation it will satisfy the demands of the public, to know and understand that the Attorney General, who is himself under fire, has not the opportunity and will not be given the opportunity to cover up testimony that might show the guilt of various parties throughout the country. We would then know the facts as regards Phillips, Jones, and other parties, both Democrats and Republicans.

Mr. CAMPBELL of Kansas. Will the gentleman yield further?

Mr. LARSEN of Georgia. I will.

Mr. CAMPBELL of Kansas. Does the gentleman think the public more interested in this sensational investigation by congressional committee than in criminal prosecution and any civil action for recovering the property and money?

Mr. LARSEN of Georgia. The purpose of the investigation is to institute criminal prosecutions. It is not for grandstand play. It is for the purpose of seeing that the guilty parties are prosecuted, and the gentleman from Kansas ought to know that fact very well.

Mr. BEGG. Does the gentleman know of any case, either under a Democratic or Republican administration, where a congressional investigation ever resulted in a man going to the penitentiary?

Mr. LARSEN of Georgia. Shall I understand from the question that the gentleman would make the statement that there are none?

Mr. BEGG. The gentleman knows my question. Will he answer it or will he not?

Mr. LARSEN of Georgia. I will answer it. Do not be uneasy about that. Does the gentleman mean to make the statement on the floor of the House that no man whose acts have been aired by an investigating committee has been sent to the penitentiary?

Mr. BEGG. I want the gentleman to tell me what committee of either party ever unearthed evidence that sent a man to the penitentiary.

Mr. LARSEN of Georgia. The gentleman from Ohio displays such a lack of common knowledge of the history of this country that I do not deem it proper to answer him, except further than to say that many a man who has been under the X ray of congressional investigation has been sent to Leavenworth.

Mr. BEGG. Who were they?

Mr. LARSEN of Georgia. The gentleman should read a little history.

Mr. BEGG. Who were they?

Mr. LARSEN of Georgia. Let the gentleman read a little history and then he will be better informed.

Mr. BEGG. It is no answer for the gentleman to make a statement like that. He can not produce the evidence, and he does not.

Mr. GRAHAM of Illinois. Mr. Chairman, if the gentleman will yield, I will say to the gentleman from Georgia that if the gentleman from Ohio will read the evidence before the War Expenditures Committee he will find evidence that would send certain gentlemen to the penitentiary.

Mr. LARSEN of Georgia. Yes. I am quite sure the gentleman from Ohio never read it or he would not have asked the question he did.

Mr. Chairman, the public is deeply concerned in this matter. The public desires to know and will not be satisfied with an investigation made under the instructions and direction of the Attorney General, who himself is under fire.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. LARSEN of Georgia. Mr. Chairman, may I have five minutes more?

Mr. RUCKER. Mr. Chairman, I will give the gentleman five minutes more.

The CHAIRMAN. The gentleman from Georgia is recognized for five minutes more.

Mr. LARSEN of Georgia. Now, I want to call your attention to another performance. A determined effort has been made to bridle the press of this country. I am sorry to say that it has not all been done by the distinguished Attorney General, but the President, the Chief Executive of this country, has in my judgment undertaken to do a thing that Congress itself under the Constitution is not permitted to do. The Constitution provides that Congress shall pass no law that will abridge the freedom of the press, and yet the great Executive of this Government, the man who is supposed to execute the laws, criticizes the press because it has seen fit to comment upon the various charges that have been made against his distinguished Attorney General. The Attorney General is under fire, and the Chief Executive criticizes the papers that would dare to speak out and let the people know; the papers that would transmit to the public the information that is being given day after day in the Congress of the United States regarding his acts and doings.

What do you think of that?

Mr. CAMPBELL of Kansas. Mr. Chairman, will the gentleman yield?

Mr. LARSEN of Georgia. I will yield for a question.

Mr. CAMPBELL of Kansas. The gentleman has criticized the arrest of Mr. Phillips. Is it the contention of the gentleman that there is not sufficient evidence to warrant his arrest or indictment?

Mr. LARSEN of Georgia. I have indeed been very unfortunate if I have so badly failed to make myself understood as the question propounded by the gentleman from Kansas would indicate. I have not undertaken to pass upon the Phillips case. The gentleman heard the testimony in charges made by two distinguished Members of his own party, Messrs. WOODRUFF and JOHNSON, for both of whom I have a very high regard. Both are regarded very favorably not only by the Members of this House but by the people throughout the Nation. According to that testimony I would say yes; there is reason for it. I do not know whether Phillips is guilty or not, but the Attorney General should not try to obtain cheap publicity by waiting until a man goes off to Philadelphia, and when he should know very well where he went, have detectives running around to fake an effort to arrest him. Whoever heard of trying to catch criminals and advertise to the public in advance the intention to do so? Of course Mr. Phillips could have been arrested in Philadelphia, but he arranged his bond and came back to Washington to surrender. Such performance will not shield the Attorney General from the public criticism that is being so ably directed against him.

If he is going to arrest one party, why not arrest all of them? I want to see not only Mr. Phillips but all the others who are under charges investigated. I want everyone, as I said at the outset, who has robbed this Government to be punished. I desire that everyone who has defrauded the Governernment shall be placed under the X ray of investigation. I want the public to know who has defrauded the Government when the investigation is over; that it has been free of bias and prejudice. We can not expect such result of the Attorney General, who himself is under fire. If you will give the House an opportunity to vote on the resolutions of either Mr. WOODRUFF or Mr. JOHNSON of South Dakota, the country will get the investigation that is needed and will know the guilty parties without having to rely on the say-so of the Attorney General, who is himself in disrepute. [Applause.] Mulhall, of Baltimore, the notorious lobbyist; Martin and Lamar, of New York, known as the "Wolf of Wall Street," were all prosecuted and convicted as the result of inquiries begun in Congress. Why not uncover the facts at this time by such method and scatter the cloud of suspicion that hangs over the head of the Attorney General?

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. RHODES. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LANGLEY. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 32 minutes.

Mr. LANGLEY. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. OSBORNE], the only Member of this House who was in the Union Army during the Civil War. [Applause.]

The CHAIRMAN. The gentleman from California is recognized for five minutes.

Mr. OSBORNE. Mr. Chairman and gentlemen of the committee, the necessity for the legislation attempted by this bill is about like this: During the Civil War on several occasions our friends from the South fought their way into the Northern States, into Pennsylvania, and into all the border States, and some great battles were fought as the result. In the East here the Battles of Chancellorsville, Antietam, and Gettysburg were among the most notable. The country was very much alarmed about the progress of our southern friends, and the President called upon the governors of the Northern States for the assistance of their militia. They were called out as regiments of State militia for short periods or emergencies, and they got together as rapidly as possible. As a boy I saw many of these regiments leave Northern States for the front during the war. They were all equipped properly, and were taken South, and in many instances, and in fact in most cases, these regiments were regularly mustered into the United States service. They did good service and some of them suffered heavy casualties. However, the exigency was so great and the time was so short that in many instances, notably in Missouri, Pennsylvania, and other States, they were not so mustered into the United States service.

Now, under the rulings of the Pension Bureau and under the laws no one is eligible to a pension who was not regularly mus-

tered into the United States service and received an honorable discharge therefrom. The men who belonged to these regiments that were not mustered in were at an obvious disadvantage, and I presume that every Member here has had applications for pensions from members of these militia regiments, and, of course, they always met the same result. They can not be granted under present laws. It is the purpose of this bill to place those regiments that were not mustered in upon the same footing as those that were mustered in, where they served under United States officers. They will be subjected to the same restrictions as those now applied to those who were regularly mustered in and also to those who were in the regular national service. That is, they must have had 90 days' service under United States officers. There are now thousands of surviving soldiers who did not serve the full 90 days, and they are ineligible to pensions. It will not make anyone eligible to a pension who failed to serve 90 days, and its only purpose is to put these men who failed to be mustered in, through no fault of their own, on an even footing with those who were regularly mustered in. That is the sum and substance of this bill. It is a worthy bill and it ought to be passed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RUCKER. I yield 10 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, I understand that while I was temporarily absent from the Chamber the gentleman from Georgia [Mr. LARSEN] discussed the J. L. Phillips case about which we have seen so much in the papers in the last few days. It will be remembered that Mr. Phillips was the moving spirit in the firm of Phillips & Stephens, the firm which handled the sale of surplus lumber for the Government following the war. It will also be recalled that in referring to this case Mr. Ernest C. Steward, of the contract audit section, said in a memorandum to his superior officer:

"Although over 15,000 contracts have been investigated and audited by our office, it can be stated beyond argument that the contract in question is one which for criminal ingenuity is surpassed by none."

It must not be forgotten that this same J. L. Phillips was, according to the Government auditors, guilty of defrauding the Government out of more than $1,800,000, and while this sum is small as compared to those involved in some of the other war frauds, yet it is rather a tidy sum, and if it is recovered, as it can be, it will help materially to meet the deficit which the Secretary of the Treasury says is facing us.

I hope the Department of Justice is not going to adopt as a permanent policy the course pursued in the case of J. L. Phillips. Last Sunday morning's Times published an article with a heading 2 inches high across the top of the front page stating that Mr. J. L. Phillips was about to be arrested. It seems they had not found him yet, notwithstanding the fact that he was known to have been in Washington for several weeks at least. I say I hope this is not going to be the permanent policy of the Department of Justice, because if they pursue this particular method of bringing culprits to justice it will probably result in a whole lot of them getting out of the country before the officers of the law can finally overtake them. I want to say, however, that in this particular instance I do not think any damage was done, for the reason that one week before this item was published in the press of Washington it came to me through three different and very reliable channels that Mr. J. L. Phillips had stated to some of his intimate friends that conditions had become such on the hill that he probably would have to be indicted, but that it would not go any further than that. I want to notify the Department of Justice here and now, and I want to notify the Members of Congress, that under the circumstances the J. L. Phillips case is one in which I am taking a great deal of interest, and I shall watch the development in that case very, very carefully.

Mr. Chairman, during the past month there has been a most belated but nevertheless a very feverish attempt upon the part of the Attorney General to whip into shape an organization for the prosecution of the war grafters. One ex-Member of the House and an ex-Member of the Senate, as well as a sitting Member of the House, have been retained to assist in this work. Other eminent members of the legal profession have been retained. Invitations to participate have been extended to still other eminent members of the bar. And it is announced that 50 rooms have been engaged in a building in Washington to house these prosecutors.

All this has been done after 14 months of inactivity upon the part of the Department of Justice. It has been done since April the 11th, the day upon which in a speech in the House I threatened the impeachment of the Attorney General if he did not promptly do his full duty in regard to these cases. It seems to me, Mr. Chairman, and it seems to the people of the country that these feverish preparations now going on have for their immediate object the lulling to sleep of an expectant public. That this eleventh-hour conversion was not without its effect upon the compliant Rules Committee of the House is shown by the action of this committee when on May 31 it met and rescinded its former action in favorably reporting the Woodruff-Johnson resolution calling for an investigation of the War and Navy Departments expenditures, the Alien Property Custodian's office, and the Department of Justice.

To show that an investigation by a select committee is as necessary to-day as it was two months ago, I propose to disclose by submitting a few additional facts. An investigation by a congressional committee must necessarily be of a nonpartisan character, as such committees are made up of members of both parties. The members of these committees are or should be held responsible for their actions in all things by their constituents, and in a matter so closely touching every fireside of the Nation any member would write his political death sentence were he to do other than give to this work the very best that was in him.

The hearings would be open to the public, and the newspapers could be depended upon to carry to every corner of the country the facts developed. A real investigation of any of these cases has in the past and would in the future produce evidence leading to other cases. As an illustration I will cite the experience of Capt. H. L Scaife, who was retained by the Department of Justice to investigate the air contracts and who resigned when he became satisfied it was not the purpose of the Attorney General to permit the Department of Justice to function in the war fraud cases. In making his investigations he found evidence which took him into other fields, and he developed fraud in connection with the Alien Property Custodian Office, the Shipping Board, the Ordnance and Quartermaster Departments of the War Department, and the sale of surplus war stocks. A real investigation, whether by the Department of Justice or a committee of Congress, would have similar results.

I believe the people of the country demand that every man guilty of fraud in connection with war contracts be brought to the bar of justice, and this can not be done without a most thorough and searching investigation. To show no such procedure is proposed by the Attorney General, notwithstanding his very recent display of activity, it is only necessary to quote from a statement he recently gave to the press. It is in part as follows:

> It is not until the audit comes from the department where the matter originated that the Department of Justice has any jurisdiction in the premises. The department has not the right to go to any other department of the Government and examine or audit its books or its claims.

Clearly this does not indicate the searching investigation called for by existing conditions. Instead it bespeaks a determination to investigate and prosecute only those cases officially brought to the Attorney General's attention by the several departments. Crooks on the outside could not long successfully perpetrate frauds upon the Government without the connivance of crooks on the inside. Many of the men in the departments who handled these war contracts are still in these departments, and it is safe to say that none of those who are guilty will bestir themselves to bring their culpability to the attention of the prosecuting power of the Government.

During the past two months in my speeches on the floor I have cited case after case which have lain in the archives of the Department of Justice for periods of time ranging from one month to more than a year without a step being taken to protect the public interest and to bring the guilty to justice. Not one charge I have made has been refuted. They have not even been denied.

Notwithstanding the fact that many months ago the Attorney General was urged to ask Congress for funds to carry on this work, he neglected to do so until after the gentleman from South Dakota [Mr. JOHNSON] and I had called the attention of the country to the deplorable conditions existing in the Department of Justice. Now, in his endeavor to convince the public he means business, he has gathered around him some men in whom I have confidence and some in whom I have not. The conditions would not be different were they all men of whom the entire country would approve, for no matter what their qualifications, no matter how enthusiastically they may enter upon this work, they are only subordinates, and as such must obey the instructions of the man who for 14 long months has failed to bring to the bar of justice one single war grafter and who still reserves to himself the power to say who shall and who shall not be prosecuted.

The action of the Rules Committee in rescinding its action takes from the House the power to say whether it desires a thorough cleaning up of this putrid mess. It takes from the membership of the House the right to go on record in this vitally fundamental matter. It takes from the people whom you gentlemen represent the representation which is theirs under our Constitution and laws, and it will not be countenanced by the American people. And, Mr. Chairman, I wish to prophecy again that when the Members of the House return to their constituencies and have the opportunity of discussing this question with their people they will come back here for the December session with a determination to get to the bottom of this mess. They will come back here convinced that a congressional investigation is the only thing which will do the work in the way it should be done, for such an investigation, properly conducted, would produce the evidence in practically all the war fraud cases, and an aroused public opinion would force the hand of even a reluctant Attorney General. [Applause.]

Mr. KING. Will the gentleman yield?

Mr. WOODRUFF. Certainly.

Mr. KING. Would not the gentleman think that a congressional investigation would be advisable if it should appear upon investigation that men who had been engaged in this crooked business since the war were being assigned by the War Department to assist some of our good friends who have been employed as attorneys to conduct these prosecutions?

Mr. WOODRUFF. Of course the investigation is necessary, for all those facts are known and other facts equally reprehensible will be shown by proper investigation.

Mr. Chairman, I ask unanimous consent to extend my remarks by inserting in the RECORD a letter mailed on May 6 to the Attorney General by the gentleman from South Dakota [Mr. JOHNSON] and myself. We have had the same experience in our correspondence with him as have other Members of this body—we have had no answer to our letter, of which the following is a copy:

WASHINGTON, D. C., *May 6, 1922.*

Hon. HARRY M. DAUGHERTY,
Attorney General, Washington, D. C.

DEAR SIR: In the New York Times of May 5 you are quoted as follows:

"There is little of interest to be said in regard to the articles appearing in the newspapers regarding the discussions in the Senate and elsewhere constituting an attack upon the administration and naturally an attack upon the Department of Justice. This may be expected from time to time.

"The real people behind this movement, aside from the partisans interested, have not yet shown their hands or their heads. Their activities are well known and their purposes are well known. In due time it will all be revealed."

And in private conversation with us you gave the same intimation.

If it is true that any individual, or combination of individuals in the United States or elsewhere is attacking you for personal or political reasons, the facts in the case should be given to the public and all fair-minded citizens will espouse your cause. Neither of us has received any intimation or knowledge from any source of any such unfair attack except through the news report above quoted.

At this time we wish to assure you that if the facts showing such unfair attacks are presented to us, and it can be shown that for personal or political reasons an attack is being made upon you or the Department of Justice, which would be in fact an attack upon the Government of the United States, we will be the first to come to your defense. If you have information such as has been intimated, we feel that you owe it to yourself, the Department of Justice, the administration, and the Government to place these facts before the Congress, and we tender our services for that purpose.

Very respectfully,

ROY O. WOODRUFF.
ROYAL C. JOHNSON.

Mr. Chairman, I wish to state for both the gentleman from South Dakota [Mr. JOHNSON] and myself that not once during our attacks upon the war grafters have we used information given us by other than men who served this country in uniform during the late war. I hardly think the Attorney General will have the temerity to challenge the loyalty or patriotism of men of this class. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. RUCKER. Mr. Chairman, this bill is so obviously just and fair and right that I am not going to take time to discuss it. During the period of time that I have been a Member of this House every single Member from the State of Missouri, I believe, has at some time introduced this identical bill or bills similar to it. Our late Speaker, the lamented Champ Clark, time and time again pressed its passage upon the House. It has been too long deferred. Personally I know many now living in my district who served in these militia or State organizations. They are divided between the political parties, but are all good, valiant, brave, heroic men. Many of them are poor and have been waiting and trusting that the Government which they tried to serve and helped to serve would some day deal out belated justice to them. I am glad that this bill is under consideration, and I hope that it will receive in this House a vote that will inspire the Senate to prompt action when the bill gets there.

Mr. Chairman, in the course of my experience I have learned facts which are doubtless familiar to many other Members on this floor. A soldier may have served 60 days in the Army of the United States as an enlisted man. He may have served 30 days in the militia organization also, serving his country all the time; but his Army service was only 60 days, and therefore he is not pensionable under any statute we have. This bill ought to be amended so as to combine his militia service with his service as an enlisted man.

Mr. BEEDY. Mr. Chairman, will the gentleman yield for a question?

Mr. RUCKER. I yield to the gentleman from Maine.

Mr. BEEDY. How many men will be affected by this bill?

Mr. RUCKER. Very few, comparatively.

Mr. BEEDY. Has the gentleman any estimate?

Mr. RUCKER. No.

Mr. BEEDY. Are there 5,000 or 500?

Mr. RUCKER. I think 15 or 20 years ago it was estimated that there were five or six thousand in the State of Missouri, which I believe has about as many as any State. They all reside in two or three States.

Mr. LANGLEY. When we reported the bill four years ago it was estimated that Missouri, Kentucky, and the remainder of the States would furnish about 2,000.

Mr. RUCKER. Like the other Civil War soldiers they are dying rapidly. The amendment I propose to offer is in line 3 on page 2.

The bill now reads: "in any of the said military organizations during said war." I want to add to that, "or partly in such military organization and partly in the military forces of the United States," so that the several services may be combined.

Mr. LITTLE. Will the gentleman yield?

Mr. RUCKER. I will.

Mr. LITTLE. In the line above that it says, "who actually rendered such service for a period of 90 days or more." I have prepared an amendment which I thought I would offer striking out the word "such," so that it will read "who actually rendered service for a period of 90 days or more."

Mr. RUCKER. That is the same thing as my amendment.

Mr. LITTLE. Mine simply strikes out one word.

Mr. RUCKER. Mr. Chairman, I ask unanimous consent to extend and revise my remarks in the RECORD.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. RUCKER. Mr. Chairman, how much time remains?

The CHAIRMAN. The gentleman from Missouri has 18 minutes remaining.

Mr. LANGLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. HAYS].

Mr. HAYS. Mr. Chairman, the bill now under consideration, H. R. 211, and reported as the Langley-Hays bill, proposes to give a pensionable status to the members of the enrolled militia and their widows or dependent children. Where these State troops served under Federal officers for 90 days or more in defense of the Union and were honorably discharged, it is proposed that they be accorded the same pension privileges as the Federal troops who saw like service.

No one can tell with certain accuracy just how many names will be added to the pension rolls by the passage of this bill. But one thing is sure: These veterans have been falling year by year before the remorseless scythe of time until their number has been pitifully reduced. According to the best estimate I can make from the varying sources of dependable information, not more than 5,000 people are alive to-day who will receive any benefit from the law we propose. When the Civil War was on the members of these militia organizations constituted a considerable percentage of the Union forces; but old age and disease and the wounds of service through 57 years since the close of the war have exacted an appalling toll from their ranks. The surviving members of the enrolled militia who will come within the provisions of the bill, and the widows of their deceased comrades, will probably not exceed 5,000 persons. Of this number approximately 2,500 reside in Missouri, about 1,000 are in Kentucky, and the remaining 1,500 are scattered through the other States that made the border line between the North and the South.

Many of the militia soldiers saw later service under reenlistment as regulars, and they are now entitled to pension con-

sideration as Federal troops rather than as State troops. Many of them rendered valuable service to the Union but were not attached to any United States organization nor under the command of any United States officer, and these would not come under the provisions of the bill. Many of them were in the service less than 90 days and would be barred on that account.

The additional expense to the Government in meeting the requirements of the bill will not be large at the beginning, and it will rapidly decrease from year to year. These people are all old now and not a day passes but some of them are called in death. I am sure the total cost of paying these new pension claims will be small as compared with the present outlay for relief accorded the veterans of our various wars. But the slightness or the greatness of the expense constitutes no valid argument either for or against the measure. The granting of these pensions is but a matter of common justice already too long delayed. If it is wise and right as a matter of national policy to pension needy soldiers who have offered themselves on the country's altar in time of national peril, then the members of these enrolled militia organizations are entitled to recognition. Who would challenge the beneficent wisdom of our pension system? Who would be willing to abandon the system because of the cost? If the pension system is right, and if the soldiers of the enrolled militia rendered the same service as other soldiers who have been granted pensions, why should their claims be discredited? What justice is there in paying one group and refusing another group whose claims are equally worthy?

From the earliest days of our history it has been the policy of our Government to show substantial gratitude to the men who have fought its battles. Our soldiers of every war have been granted liberal pensions. The bill we are considering today is not a proposal to create a new national policy. It does not seek to establish a principle original or unique. The principle involved in the bill has been a national policy with us since the birth of the Republic. General pension laws for the benefit of regular troops have immediately followed every war; and a recognition of the State military organizations has always come, although in somewhat belated legislation. The militia soldiers of the Revolutionary War were given a pensionable status under the act of Congress of April 10, 1806. The militia soldiers of the War of 1812 were given a pensionable status under the act of February 13, 1871. The militia soldiers of the Mexican War were given a pensionable status under the act of January 29, 1887. While a bill substantially like this one was pending in the House on June 3, 1918, Champ Clark made a speech upon it. In his opening sentence he said:

> This bill ought to have been passed 50 years ago.

And he concluded his remarks by saying:

> If the House wants to do justice long deferred, it ought to pass this bill with a whoop.

The Constitution of the United States vests in Congress the right to call into Federal service the State militia or other military organizations of any State. The act of Congress of February 28, 1795, which was reenacted in the last Revised Statutes as section 1642, and again by the act approved January 21, 1903, was construed by a unanimous opinion of the Supreme Court as vesting in and delegating to the President of the United States the authority to call into the Federal service the military organizations of a State. President Lincoln availed himself of this authority very generally in the border States. Such State troops as were called into Federal service were thereafter recognized as regular troops and came within the purview of subsequent pension legislation. The Missouri State Militia and the Provisional Missouri Militia, organized under an agreement between Governor Gamble, of Missouri, and President Lincoln, have been given a pensionable status under section 4722 of the Revised Statutes; and, by a joint resolution approved February 15, 1895, they were accorded all the benefits of the pension act of June 27, 1890. But the provisions of section 4722 afforded no benefit whatever to any member of the enrolled militia of Missouri, or of any other State, nor to any similar State organization.

Subdivision 3 of section 4693 authorized the granting of pensions to State soldiers who were wounded in action while serving under a United States officer, provided such pension claims were presented and allowed prior to July 4, 1874. This particular piece of legislation, however, is not now of any advantage to the ordinary State troops who served with the Union Armies.

Except for the law recognizing State soldiers directly called into Federal military service by President Lincoln, and except for the law which became a practical nullity in 1874, the American Congress has never enacted a line of pension legislation for those valiant and courageous men who went out under Federal officers and helped preserve the Union. The regular soldiers in the Federal Armies during the Civil War who were honorably discharged after 90 days of service, or who contracted disease or sustained injury in the line of duty, have been eligible to pension consideration from the beginning.

This bill does not seek to pension every man who joined a State military organization. In its scope it is limited to those who participated and cooperated with the military forces of the United States; it is limited to those who were under the command of Federal officers; and it is limited to those who had the full 90 days of service required of Federal soldiers who receive pensions.

These particular State troops fought in the same battles with the Federal troops; they were in command of the same officers; they marched side by side with them; they encountered the same foes and endured the same hardships; they showed the same courage and were inspired by the same patriotism. They received the same wounds as their Federal comrades, and many of them met death in battle or from disease contracted in the service. Many of them who are yet living have endured more than a half a century of pain and discomfort and disease from their exposure and privation in the war.

We are only asking to-day that the beneficent purposes of the pension system shall be general in their application. We ask that the benefit of the pension laws shall not be granted to some who are deserving and withheld from others who are equally deserving. We ask that our Government shall not only be generous but that it shall also be just, and that it shall no longer discriminate against these few surviving white-haired veterans who imperiled their lives and their health to save the Union.

In support of our contention that the enrolled militia organizations, in addition to being State troops, were serving the Union cause in the Civil War, I submit the views of President Lincoln. On October 5, 1863, the President wrote a letter to Charles Drake and others, of Missouri, in reply to a demand for the removal of General Schofield as commander of the Department of Missouri, and in reply to a request for disbanding the Enrolled Missouri Militia. The letter said:

> As to the Enrolled Missouri Militia, I shall endeavor to ascertain better than I now know what is its exact value. Let me say, however, that your proposal to substitute national force for the enrolled militia implies, in your judgment, the latter is doing something which needs to be done; and if so, the proposition to throw that force away and to supply the place by bringing other forces from the field where they are equally needed seems to be very extraordinary. Whence shall they come? Shall they be withdrawn from Grant, or Banks, or Steel, or Rosecrans? Few things have been so gratifying to my anxious feelings as when in June last the local force in Missouri aided General Schofield to so promptly send so large a general force to the relief of General Grant, then investing Vicksburg and menaced from without by General Johnston. Was this all wrong? Should the enrolled militia then have been broken up and General Herron detached from Grant to police Missouri? So far from finding cause to object, I confess to a sympathy for whatever relieves our general force in Missouri and allows it to serve elsewhere. I therefore, as at present advised, can not attempt the destruction of the enrolled militia in Missouri. I may add that, the force being under national military control, it is also within the proclamation in regard to the habeas corpus.
>
> (Signed) A. LINCOLN.

The Enrolled Missouri Militia served under the command of General Schofield and his successors from 1862 to 1865; they were armed and equipped by the United States; they were paid by the State of Missouri, but the State was reimbursed for the money thus expended by the act of April 17, 1866.

A hundred facts might be cited to show that the Federal Government recognized the enrolled militia of the States as being in fact, if not technically, a part of the forces fighting to preserve the Union. I will not detail further evidence to that end in this speech but will refer my colleagues to the very comprehensive report made by the Committee on Invalid Pensions in support of the bill. [Applause.]

Mr. LANGLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. ATKESON].

Mr. ATKESON. Mr. Chairman and gentlemen of the committee, I am very much interested in the passage of this bill. My only excuse for inviting your attention for a few minutes to a little sketch which I have prepared is that I conceive it to be an argument in favor of this bill. I will not have time to read it all, but I will read what I think is most interesting at this time, and you will readily see what a peculiar interest I have in the passage of this bill.

Mr. Chairman, the bill under consideration, if it becomes a law, will probably affect the lives of more men and women in the sixth district of Missouri than in any other congressional district in the country. This bill is a tardy effort to do justice to a patriotic, loyal, and worthy class of men and women, too long neglected. But for the honor of the country it is better late than never. During the 57 years which have passed since

the incident at Appomattox the long line of the Enrolled Missouri Militia men has fallen one by one until now only a few remain to be blessed by the provisions of this bill. The loyal men known as the Enrolled Missouri Militia men were not boys when they were enrolled for military duty in the State of Missouri in the sixties. Many of them were at middle life then—married men with homes and families to protect; and, indeed, this was among the reasons for their enrollment and service, with the additional duty from time to time to resist and pursue bushwhackers, marauders, and invasions by the regular forces of the Southern Confederacy. They were not in the regular service of the United States, and yet they frequently served with the regular forces of the United States. They were not required by the terms of their enrollment to go outside the State; but within the State they were subject to all sorts of service—defensive and offensive. Their service and loyalty were so conspicuous that even President Lincoln is on record in approval of the service they rendered in the darkest hours of the Union.

For some unaccountable reason the brave men who mustered and fought whenever called out in defense of public and private property and to resist and drive out the irresponsible marauding forces of the enemy have never been given a pensionable status under the law, and the great majority of these faithful defenders of the Union have crossed over the Styx and now bivouac on the other side. Only a few remain to rejoice over this belated act of a Nation's recognition; and with outstretched hands, both men and women, all old people, many of them grandfathers and grandmothers, are asking this Congress to do this act of justice, thereby redeeming, as far as we can, the long and unpardonable neglect of as brave and worthy soldiers as ever wore a uniform or followed a flag for the right, in defense of home and country.

I have said that probably more of these men and women reside in my congressional district than can be found in any other single district; and I may be indulged a few moments for a brief review of conditions which make this statement plausible.

The sixth Missouri district was really the frontier battle ground of the Civil War—frontier both as to place and time. Long before secession had reared its ugly head; long before the Confederate States of America were organized at Montgomery, Ala.; years before Fort Sumter was fired upon, the war in the West—upon the frontier—known in history as the "Kansas War"—had raged over the virgin, flower-bedecked prairies of eastern Kansas and western Missouri.

Two counties of my district adjoin Kansas, and they were early involved more or less in the Kansas war. Disloyalty flamed up from the unbroken sod everywhere, and it was met everywhere by a determined loyalty to the Union and freedom. The fierce passion of secession ran riot over the sparsely settled plains, and in less than 30 days after Fort Sumter surrendered the Stars and Bars floated from an hundred-foot flagpole planted in the courthouse square of my home city.

When the Civil War actually broke out in 1861 and the irrepressible conflict was actually on, conditions grew worse and worse. The marauders were everywhere in southwest Missouri, foraging upon and terrorizing the loyal people. In north Missouri the notorious "Bill" Anderson was marching to and fro, destroying property and killing people as it suited him and his irresponsible organizations. Quantrell and his men marched out of my district to sack the city of Lawrence, Kans., and marched back into it to scatter to the four winds within and beyond it in Missouri. Hamilton, a soldier of fortune from Georgia, and his men marched out of my district on the 19th day of May, 1858, only a mile or two over in Kansas, and committed what is known in history and song as "The Marais des Cygnes Massacre." These were all irregular bands, of whose murderous deeds it is useless now to speak.

Then the regular forces of the Confederacy invaded Missouri under General Price and under General Shelby. Many real battles were fought, nearly all in the western and southwestern part of Missouri. Colonel Mulligan was captured at Lexington; Siegel was defeated at Carthage; General Lyon was killed at Wilson Creek, near Springfield; and a short time after, at Wilson Creek, just a little way over in Arkansas, was fought the battle of Pea Ridge, where the Confederate general, McCullough, was killed and the splendid army under him and General Price was defeated, and as a result of the campaign ending at Pea Ridge, planned by that heroic patriot and soldier General Lyon, Missouri was saved to the Union.

I quote from McClure's History of Missouri:

> After the battle of Pea Ridge many of the Missourians engaged in the early campaigns in Missouri on the side of the South returned to the State. Many of these operated in small bands and gave the State government and the Union forces in the State much trouble. Some of these bands observed the rules of warfare; others took no prisoners, but murdered people and burned and destroyed property without the slightest regard for any government or rules of any kind. They called themselves Confederates. Raids, massacres, and military reprisals followed one another in rapid succession. Neighbors were suspicious of each other. Brother was turned against brother. No man was safe, and frequently women and children suffered untold miseries. Feeling ran high. Men were almost driven into lawlessness. Many took advantage of the disorder to retaliate personal grudges.
>
> In all this strife two distinct kinds of warfare prevailed. One was the effort on the part of local Confederate leaders to recruit organized companies for service in the South and get them out of the State. These recruiting efforts were the cause of many small but desperate battles in the State, because one object of the Union forces was to prevent such recruiting. The other type of warfare was usually known as guerrilla warfare. It consisted of raids, destruction of property, and murders on the part of guerrilla bands, and the efforts of the authorities to kill or capture these bands. These guerrilla leaders had friends and relatives who aided and often concealed them. The Union forces were on the lookout for those who aided the guerrillas. Both the guerrilla bands and the Union forces were composed largely of citizens of Missouri. The hatred and desire for revenge aroused by this local warfare did not cease with the end of the war. Both groups engaged in the struggle continued to live in the State. For this reason feeling aroused by the Civil War lasted as it did in Missouri.

I mention these facts in passing to show the conditions which gave the Enrolled Missouri Militia a lot of exercise in defending their homes, resisting and pursuing the irregular and irresponsible enemy, as well as the regular and responsible armies of the Southern Confederacy. It requires no imagination to see that the Enrolled Missouri Militia, along with the other loyal army organizations provided for in this bill, endured many hardships in defense of the State and the flag of the Union.

Conditions were so bad in the border counties of Missouri, two of which are in the sixth Missouri district, which I have the honor to represent in this House, that soon after the Quantrell raid upon Lawrence, General Ewing issued his celebrated "Order No. 11," practically depopulating Jackson, Cass, Bates, and Vernon Counties, and they became "no man's land" for the remainder of the war. The people were compelled upon 15 days' notice, except as to a few localities near Harrisonville, Independence, and Kansas City, to go into Kansas beyond the first tier of counties or back into the second tier of counties in Missouri. In a few weeks after this "Order No. 11," now famous in story and art, was issued the homes and property abandoned by the settlers was commandeered or reduced to ashes.

But enough has been said to give some idea of the faithful and patriotic service of the Enrolled Missouri Militia men, and I hope there is no one in this House unwilling to see the few remaining properly recognized by the laws of this great reunited country.

Notwithstanding the bitterness and animosity which existed before, during, and for some years after the war, these ex-Union soldiers and ex-Confederate soldiers are now neighbors and friends, living in peace and love with one another, holding each other in mutual regard and esteem. Every vestige of hate and rancor has disappeared; and even what was formerly regarded as the fateful State line between Missouri and Kansas is now only a common highway, and the people residing on either side of it scarcely know it is a State line.

It is hardly necessary to state that the fierce passions of the war are so completely forgotten and forgiven that the State has for a number of years paid the ex-Confederate soldiers regular pensions; and the last regular session of our legislature, Republican in both branches for the first time since the reenfranchisement of the Confederate soldiers, and the State government Republican in all its branches, appropriated $275,000 deficiency to pay these ex-Confederates their pensions. Now, these men who followed the Stars and Bars and wore the gray, who fought against their neighbors and fellow citizens who followed the Stars and Stripes and wore the blue, in spite of the facts of history, are provided for by the State in some degree; but the men—the Enrolled Missouri Militia men—against whom they marched and fought have been ignored and neglected by the Government whose flag they upheld and whose uniform they wore. Can our country afford to be longer ungrateful or unappreciative of the mere remnant of the loyal Enrolled Missouri Militia and the other loyal organizations provided for in this bill, who defended our flag and helped restore our broken country?

This bill is a righteous bill, and I feel sure this House will see it in that light. Let us do justice before it shall be eternally too late. [Applause.]

Mr. LANGLEY. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. GERNERD].

Mr. GERNERD. Mr. Chairman, I wish to state that I am heartily in favor of this bill. In Pennsylvania we had quite

a number of regiments that were formed to defend against the approach of the Confederate Army as it went into Pennsylvania, and that helped to locate the decisive battle at Gettysburg. I ask unanimous consent to extend and revise my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LANGLEY. Mr. Chairman, I yield three minutes to the gentleman from Missouri [Mr. ROACH].

Mr. ROACH. Mr. Chairman, I entertain no doubt but what this bill will be approved by the House. I have no doubt that it will pass. If there is any delay in the passage of this bill, it will be in the Senate and not in the House. I hope the press of the country will let the people who are interested in this legislation, and who have been interested in it for many years, know who is responsible for the delay, if there is any further delay in its enactment.

This measure should have been enacted into law 50 years ago. I am not as familiar with the history of the splendid, valiant service that was rendered by the other State organizations that are included in this bill as I am with the history of the service rendered by the enrolled militia and other similar organizations of my own State. I do know that as to those organizations in Missouri great credit and honor is due, and this bill is meritorious and should be enacted speedily by this branch of the National Congress, as well as in the Senate. I hope that the Senate will be spurred into taking prompt action on the bill, as soon as we pass it in the House, which I confidently anticipate we shall do within the next hour or two.

I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RUCKER. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. CAMPBELL].

Mr. CAMPBELL of Kansas. Mr. Chairman, I was more than interested in the remarks of the gentleman from Missouri [Mr. ATKESON], who lives across the line from where I live. He revived the stories of the early sixties which have been repeated in my ears ever since I can remember. When I went to Kansas the people were still afraid of the Missourians on the Kansas side of the line, and on the Missouri side of the line they were afraid of the Kansans. The Missouri Militia, as well as the Kansas Militia, were composed of as brave a lot of men as ever fought under any command. They rendered as great service during the war as any troops that were regularly mustered into the service of the United States. Many of them were sent outside of their States. Troops from Missouri and Kansas went down into Arkansas. Troops from Kansas crossed the line into Missouri to join the Regular troops and assist them. The acquaintance that I have had with many of these men personally has been of such a character as to elevate my estimate of the men who participated in that great war. The personnel of the men in the militia was in no sense inferior to those who were engaged as Regular troops. I am glad at this late day to see this bill acted upon here, having a prospect of an early right of way through the House. I hope to see the amendment suggested by the gentleman from Missouri [Mr. RUCKER] agreed to, which provides that the combined service with the Regular troops or in the militia making a total period of 90 days shall entitle a man to the benefits of the bill. The bill is one that has had, as was suggested here a moment ago, consideration in this House for many years. I regret that the mere matter of the numbers involved has from time to time prevented favorable action upon it. It has been thought that it was the duty of the States to make provision for these loyal troops who served under the States. That has probably resulted in delaying action by Congress on this measure. I hope that after its passage through the House it will receive early and favorable consideration in the Senate and soon become a law. [Applause.]

Mr. LANGLEY. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. BEGG].

Mr. BEGG. Mr. Chairman and gentlemen of the committee, again we are consuming a couple of hours' time in general debate on a bill, and the major portion of that general debate is not on the subject matter of the bill at all. We are compelled to sit here and listen to a discussion of the so-called dereliction of the Attorney General for about the fourth or fifth or sixth time. The gentleman from Georgia [Mr. LARSEN] consumed 20 or 25 minutes in suggesting things that the Attorney General might not do, and a careful reading of the gentleman's speech to-morrow I venture the assertion will not discover one single item of fact.

Mr. LARSEN of Georgia. Mr. Chairman, will be gentleman yield?

Mr. BEGG. I can not yield at this time. I shall yield a little later if I can get more than five minutes. The gentleman from Michigan, my good friend, Mr. WOODRUFF, has also made another speech, and you will have to say for that speech, as against the other one, that he does insert some so-called facts in his remarks. But it is not my purpose to defend the Attorney General. I do not think he needs any defense. He has always been able to take care of himself and can now. All appreciate, however, the unfairness of this attack on him at this time, as he is not permitted to come on this floor and answer his critics. Were he accorded that privilege I for one am sure gentlemen who are attacking him would not be permitted to get away with such glaring insinuations of misconduct as they are at present. He is not accorded the same courtesy as is given a prisoner at the bar of justice, namely, to be faced by his accusers.

It is not my purpose to criticize Members of the House because that is not my prerogative, but I want to call the attention of this House to this whole proposition as I see it. When the election was held and the Republicans were sent into the control of affairs of the Government I looked upon my election as an authority to come down to Congress and pass laws which were for the best interest of the whole country, and when that same electorate elected a Republican Executive, with his subordinates of his own choosing, I did not interpret that they sent me down here to accept or undertake to assume the responsibility for the activities of the President's Cabinet. In other words, I mean by that this: The American people, I believe, have confidence in Warren G. Harding's honesty 100 per cent. [Applause.] I believe they have confidence in his ability to-day 100 per cent more than they had when they gave him 7,000,000 votes of majority, and it surely follows that they must have some confidence in the acts of his Cabinet, for they logically become the President's own acts and responsibilities, and up to date against whom have the criticisms been hurled? Certainly not against the executive branch of the Government.

Mr. WOODRUFF. Will the gentleman yield?

Mr. BEGG. I can not yield at this time. I will go further and say I believe the American people have confidence in the acts which are committed by the subordinate officials of Mr. Harding, and if they have not that confidence the position I find myself in is only one of two things. If I bring myself to the point where I am willing to assail the acts of Mr. Harding's administration in an executive way in a year and six months after taking hold of the Government I then ought to be in a position where I am willing to say I am ready to support and help bring about the impeachment proceedings of those men because I know they are crooks. I want to ask the men who are assailing the administration officials, if they are willing to send through the mails what they say in this House?

Mr. WOODRUFF. I will say to the gentleman I will do that——

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOODRUFF. If the gentleman will yield to let me answer, I will tell him I will do precisely that.

Mr. RUCKER. I yield five minutes additional to the gentleman from Ohio.

The CHAIRMAN. The gentleman from Ohio is recognized for five additional minutes.

Mr. BEGG. It is the easiest thing in the world by innuendo and insinuation to arouse the people's suspicion that there is something wrong. As I said in the outset, I hold no brief for Mr. Daugherty; he does not need it. He is a man of courage and conviction, and if he is so culpable and if he is so dishonest as to be guilty of one-half of what has been insinuated against him, Mr. Harding and the American people will find it out before very long. You gentlemen do not need to worry about that responsibility. You have enough to do to satisfy the people with your fitness.

Mr. WOODRUFF. Will the gentleman yield just there?

Mr. BEGG. And it would seem to me the rankest travesty on my own respectability if I, as a Member of this House, would support an administration like the gentleman from Georgia supported the Wilson administration, under which all the crooks flourished, as he now states, and my own Attorney General served two years without starting a single prosecution, for me now to cry "Stop thief."

Mr. LARSEN of Georgia. I do not insinuate, I speak outright.

Mr. BEGG. And insinuates that the Department of Justice has a lot of crooks in its administration from beginning to end.

Mr. LARSEN of Georgia. Will the gentleman yield?

Mr. BEGG. I can not at this time.

Mr. LARSEN of Georgia. I never insinuate anything. I state the facts.

Mr. BEGG. The gentleman did not state a single fact in his speech. I demanded he furnish evidence of the names of the men who have been found guilty and sent to the penitentiary as the result of congressional investigation.

Mr. LARSEN of Georgia. I gave the gentleman the names. These are three—Martin, Mulhall, and Lamar.

Mr. BEGG. The gentleman answered by asking a question of the gentleman from Ohio, and now gives the names of three men who were convicted but not because of any activity on the part of the present critics of the Attorney General.

Mr. WOODRUFF. Will the gentleman yield for just a moment?

Mr. BEGG. I will yield.

Mr. WOODRUFF. I want to ask the gentleman to make it plain to the House that I have not been guilty of any insinuation. The things that I have said are direct charges and not insinuations, and not a thing I have said has been denied.

Mr. BEGG. I squared that in what I said at the start. Let us look at this thing. We went through a war. That war was ended really November 11, 1918. The Democratic administration, with a Democratic Department of Justice, was in control. You went through that administration two and a half years, and I was in Congress when we had a Republican investigating committee, with minority men, who took up the facts. The old administration never as much as sent a department official to make an investigation to ascertain the truth of any of those findings, and, mind you, the Democrats were in power twice as long as the Republicans up to date. Did you, Mr. LARSEN, complain then? You kept still and said "Me, too," every time the President cracked the whip.

But to stand day after day and insinuate because the Department of Justice within 14 or 15 months has not put department officials in the penitentiary it means he is a crook. Give him a full rein, and I will say to you that Harry Daugherty, I know, will not quit on the job regardless of the man accused, but if he is guilty will bring him before the bar of justice.

He will not quit on the job, whether he is a Democrat or Republican.

Mr. KEARNS. Will the gentleman yield?

Mr. BEGG. I yield.

Mr. KEARNS. The gentleman has said that the Attorney General is giving attention to all the men who fleeced the Government during the last administration?

Mr. BEGG. All that were ascertainable from the facts.

Mr. KEARNS. Does the gentleman think that would be possible?

Mr. BEGG. So far as the facts can be ascertained.

Mr. KEARNS. There are so many of them.

Mr. BEGG. That may be true.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. BEGG] has expired.

Mr. LANGLEY. I yield one minute more to the gentleman.

Mr. BEGG. Now, I would like to ask the whole Congress this: Will not the American people have as much confidence in the man who is honestly and fearlessly doing his duty, whether in an executive department or a congressional office? If the legislative end of the Government will attend to its business and pass the laws and let the Executive run this Government the next four years, we will get out of the chaotic condition the country was dumped into by the Democratic administration in the past and will receive the plaudits of a grateful people. Let me say again to my Democratic friends you can not divert the criticism leveled against your party for its dismal failures of your administration by crying crook and grafter against the present Republican administration, which has done more in one year to right your mistakes than you did in over two years following the war. [Applause.]

Mr. LANGLEY. Will the gentleman from Missouri yield to me one minute?

Mr. RUCKER. I yield one minute to the gentleman.

Mr. LANGLEY. Mr. Chairman, I have no desire at the present time to enter into the discussion that we have just been listening to. I have every faith that the Attorney General, who is, I happen to know, a faithful, honorable, efficient officer, will do his duty in these matters as he has heretofore. But what I am interested in most just now is to get this militia pension bill through the House and I hope my colleagues will help me do it. I am proud to see so much sentiment for the bill, which was not the case when I began this fight 15 years ago.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the provisions of the pension act of May 11, 1912, and all acts amendatory thereof, be, and they are hereby, extended to include the officers and enlisted men of the State militia and other organizations of the several States of the Union that participated and cooperated with the military forces of the United States, under the command of United States officers, during the Civil War and who actually rendered such service for a period of 90 days or more in any of the said military organizations during said war, and who were honorably discharged therefrom or otherwise honorably relieved from duty under the order of proper military authority.

Mr. LANGLEY. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The gentleman from Kentucky offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment: Page 1, line 4, after the word "thereof" insert the words "including the act of May 1, 1920."

Mr. LANGLEY. Mr. Chairman, just a moment. I offer this amendment with the authority of the committee, because at the time we agreed upon reporting the bill there was some question raised as to whether this language, "Act of May 11, 1912, and all acts amendatory thereof," would include the act of May 1, 1920, further increasing the Civil War pensions. In order to be safe upon it we decided to include this language.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The question was taken, and the amendment was agreed to.

Mr. ELLIS. Mr. Chairman——

Mr. RUCKER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Missouri offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RUCKER: Page 2, line 3, after the word "organizations," insert "or partly in such militia organizations and partly in the militia forces of the United States."

Mr. RUCKER. Mr. Chairman, just a moment. The purpose of this amendment, I think, is fair. A great many valiant, good soldiers served in the State militia probably 30 days under a Federal officer and then enlisted in the Federal service and served 60 days or less than 60 days. But the 60 days' service in the organized Army of the United States is not pensionable, and you can not combine the militia service with it. The purpose of this amendment is to combine the two, so that if a man served in the militia for 30 days and afterwards enlisted in the Army for 60 days, those two together would make 90 days and entitle him to a pension.

Mr. LANGLEY. I want to say, Mr. Chairman, that I have no objection to that amendment offered by the gentleman from Missouri.

The CHAIRMAN. The question is on the adoption of the amendment.

The amendment was agreed to.

Mr. CAMPBELL of Kansas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

Mr. CAMPBELL of Kansas. On page 2, line 2, strike out the word "such," so that——

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CAMPBELL of Kansas: Page 2, line 2, strike out the word "such."

Mr. LANGLEY. The print of the bill I have here contains that word in line 10, on page 1. I see no objection to the amendment.

Mr. CAMPBELL of Kansas. I have Report No. 837.

Mr. LANGLEY. Anyhow, I have no objection.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. CAMPBELL of Kansas. I think it should come out. I think the reading of the bill might be construed that these men must have service under a United States officer.

Mr. RUCKER. Well, it does. That was the purpose of the bill. Because if they were not serving under United States officers they were not in the forces of the United States. But the amendment adopted by the committee fixed it in such a way that this amendment is not needed, I think.

Mr. CAMPBELL of Kansas. I feel quite certain that the amendment will clarify the intent of the bill.

Mr. RUCKER. The intent of the bill was to make pensionable those who served under a Federal officer in the Army during the war for a period of 90 days.

Mr. ROACH. Will the gentleman yield?

Mr. CAMPBELL of Kansas. I yield for a question.

Mr. ROACH. The word "such," as I read this bill, refers to the particular military organizations in which these veterans had served.

Mr. CAMPBELL of Kansas. Yes.

Mr. ROACH. It seems to me that in order to make it read properly the word "such" should remain in the bill. It refers especially to the several branches of the military organizations in which these men may have served, and it says that "such service," referring back to the military organizations in which they served, "shall be recognized by the Government in the payment of a pension." I believe it should remain in there, because if it is stricken out, if the word "such" is stricken out, it would so cloud the meaning of that language that it might be construed to refer to service in the branch of the regular recognized service as having to be 90 days.

Mr. CAMPBELL of Kansas. I fear that if the word "such" is left in it will be construed to require 90 days' service under a United States officer.

Mr. ROACH. That is just what I fear; that it would be construed to require that if it were stricken out.

Mr. LANGLEY. If the gentleman will permit me, in view of the language offered by the gentleman from Missouri [Mr. RUCKER], the word "such" ought to be left out. It seems to me it is surplusage.

Mr. CAMPBELL of Kansas. I think undoubtedly the word should be taken out, because it then leaves the reading, "and are hereby extended to include the officers and enlisted men of the State militia and other organizations of the several States of the Union that participated and cooperated with the military forces of the United States under the command of United States officers during the Civil War and who actually rendered such service for a period of 90 days or more." That leaves out the word "such."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ELLIS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Missouri offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ELLIS: Page 1, line 8, after the word "States," strike out "under the command of United States officers"; also the comma before and after those words.

Mr. ELLIS. Mr. Chairman, my interpretation of this legislation is that it is intended to confer a pensionable status upon the officers and enlisted men of the State militia and other organizations of the several States of the Union that participated in and cooperated with the military forces of the United States during the Civil War and who actually rendered 90 days' service. I want to reach the exact proposition that the gentleman from Kansas [Mr. CAMPBELL] would reach by striking out the word "such." I want to put it beyond question or controversy, and I believe the Members of this House want to put it beyond question or controversy.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. ELLIS. In a moment. As I understand, this language presents the argument that has been urged for this legislation not only before the committee of this Congress but before committees in former Congresses, to wit, that these men, very many of them, served not only in cooperation with the military forces but actually served under the officers of the United States. That is true, but here is the situation: Some of them served 60 days under the officers of the United States and did not serve the full 90 days under the officers of the United States. Some of them served perhaps 89 days under the officers of the United States. All of them served 90 days either under their own or United States officers in an effort to put down the rebellion. They fall under the definition of this bill in that they were engaged in cooperation with the military forces of the United States and served 90 days.

Now, I do not think that any Member of this House wants to put the burden on any of these men to show that their service for the entire 90 days was under the Regular officers. It would be unjust and unfair. It would defeat in very many instances the very purpose of this bill.

I do not want to take chances on merely striking out the word "such." Let us strike at the very root of the trouble. The bill is well framed, on the idea that there must have been service in cooperation with the military forces of the United States, and that it must have been for a minimum of 90 days. I have no objection to that. But I do seriously object, and I believe every man in this House will seriously object, to putting upon those men or the widows who survive them the burden of proving that that entire 90 days' service was under the officers of the Regular Army.

Mr. RHODES. My friend has stated that the purpose of the bill was to give a pensionable status to those men who cooperated with the Union Army. I would like to ask the gentleman if there were any other conditions under which this service was rendered except under the supervision and control of the United States Army officers? And if that is true, why is it not perfectly proper and wise to permit this provision to remain in the bill?

Mr. ELLIS. I understand there were other conditions. I have always understood, during the 16 years that I have been interested in obtaining legislation on this subject, that there were numerous instances where, in cooperation with the armies of the United States, some of these militia organizations served throughout an entire engagement or several engagements under their own officers. Many of them, of course, in many instances served part of the time under Regular officers. I hope this amendment will find favor with the committee. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. RUCKER. Mr. Chairman, I dislike to put myself apparently in opposition to any provision of this bill, but I must do it, because I am opposed to the amendment offered by my colleague from Missouri [Mr. ELLIS].

I think we have gone quite far enough in this to provide here for a pensionable status for every man who served in the State militia and in the other armies of the United States as much as 90 days. The amendment offered would throw down the bars and make everybody pensionable who rendered any sort of service. It is one thing to make pensionable a good soldier, a brave man, who was loyal to his country. It is another thing—it would be a damaging and demoralizing thing—to pension men who were members of marauding parties and disorganized bodies who perpetrated all kinds of crimes. It would tend to confuse the public mind in communities where such organizations existed and would saddle on the real soldiers the ignominy of the acts and conduct of those men who did things that I do not care to repeat. I have heard of them, and my colleague from Missouri has heard of them. But I am as loyal to the real soldier as any man. If you put that amendment in the bill, the bill is doomed. It will never pass.

Mr. LANGLEY. Is it the gentleman's idea that this will greatly widen the scope of the bill?

Mr. RUCKER. It certainly will.

Mr. LANGLEY. The mere fact that a man cooperated with the military forces of the United States does not necessarily mean that he served with those forces.

Mr. RUCKER. Why, if you and I had gone into somebody's melon patch and taken a watermelon after nightfall we could say we were aiding the Federal troops. It will not do.

Mr. ELLIS. Will the gentleman yield?

Mr. RUCKER. Yes.

Mr. ELLIS. I want to say to the gentleman that if he will read the other requirements, the other specifications here, he will see that there is no danger of any man procuring a pension under this law who is not entitled to it. See what you have provided. You provide that the officers and enlisted men of the militia shall receive these pensions. You require that they must have been enlisted in a militia company or like organization; that they must have participated and cooperated with the military forces of the United States. They must have rendered service for the period of 90 days or more in a military organization. Now, we are concerned only with the one question whether during all of that 90 days' service to their country these men may have served under their own officers or must they all the time have served under the officers of the Army.

Mr. RUCKER. Under every pension law that has been enacted, every essential fact necessary to be shown in order to acquire a pension is a matter of record proof. Every essential fact provided for in this bill would be a matter of record. The Adjutant General has records showing the enlistment and service of every man in the militia. The unorganized or disorganized bodies of men that the gentleman speaks of have no records, and the Pension Department will be called upon to increase its force 100 per cent if this amendment should be adopted.

Mr. ELLIS. But your bill provides that they must be enlisted members of these organizations. They must be enrolled in these organizations.

Mr. RUCKER. They are enrolled.

Mr. ELLIS. They must have served as a part of these organizations.

Mr. RUCKER. But your amendment does not provide that.

Mr. ELLIS. Other provisions of the bill take care of that. This bill does not provide for camp followers, for raiders of

melon patches, or for anyone except soldiers who served 90 days in cooperation with military forces of the United States in putting down the rebellion. If this thing is insisted upon, you may exclude 80 per cent of the deserving militia men or their widows in Kentucky, Missouri, and Kansas who, after the lapse of 60 years, may not be able to establish this requirement as to United States officers.

Mr. RUCKER. Mr. Chairman, just one word. So far as my experience is concerned, it will not exclude one single man, and if the gentleman from Kentucky has excluded his people I know he will be sorry for it.

Mr. CLOUSE. Mr. Chairman, I move to strike out the last word. Of course, I think we are all interested in perfecting this bill so as to meet the ends of justice toward these old veterans of the Civil War. The gentleman from Missouri [Mr. RUCKER] is, of course, a friend to these men, as we all know here on the floor of the House; but I do think that the amendment offered to strike out the language "under the command of United States officers" is very essential. Let me illustrate by an example: At first the State of Tennessee voted to remain in the Union, but later another election was called and the State by a small majority voted to secede and go with the other Southern States. During that awful conflict that was waged for four years there were in the mountain sections of the State independent scout organizations who were not a part of the State militia, and in deed and truth not under the direct command of any military officer of the United States; yet they were rendering valiant service to the forces of the United States, as much so as if they had been on the firing line and in the ranks under command of an officer of the United States.

Mr. ELLIS. Will the gentleman yield at that point?

Mr. CLOUSE. Yes.

Mr. ELLIS. Those very men of whom the gentlemen speaks could not get a pension under this bill as it now stands.

Mr. CLOUSE. With this language in not one of those men, in my judgment, is entitled to the benefits of a pension. I have a case that is now pending before the Secretary of the Interior. Clabe Beatty was a member of Capt. David Beatty's command of scouts operating in the mountains of central east Tennessee. They were acting in conjunction with Federal troops under General Thomas. In 1870 an act of Congress was passed which granted these men an honorable discharge and put them upon identically the same footing as men who had served in the regular military forces. They were cooperating with General Thomas throughout his campaign in that section of the country; and it was essential to have these scouts there, because there were people going about robbing homes, robbing people of their grain, their cattle, their hogs, and their horses and carrying them away. The people in that section of the country were powerless, and General Thomas was anxious to have this company of independent scouts connected with the service, though they were not sworn into the service of the United States Army, and, indeed, under conditions prevailing in Tennessee after the State had seceded they were not members of the State militia. Would you deny these men any benefits accruing under this law? That is what the bill now does. The case I have in mind has been rejected, although they were given the benefit of this special act in 1870, and they have been rejected because the Pension Bureau now holds that in order to entitle a Civil War veteran to a pension he must have served at least 90 days in the military service and received an honorable discharge. These gentlemen to whom I refer can not now receive a pension and can not receive one under this act unless this amendment is adopted.

Mr. UNDERHILL. Mr. Chairman, I move to strike out the last word.

Mr. LANGLEY. May I interrupt the gentleman long enough to ask unanimous consent that debate on this section and all amendments close in five minutes?

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that debate on this section and all amendments thereto close in five minutes. Is there objection?

Mr. LITTLE. I want to offer an amendment and talk about it a few minutes.

Mr. LANGLEY. As I understand, the gentleman from Kansas would have the privilege of offering an amendment. Very well, Mr. Chairman, I will ask that it apply to this amendment only.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that all debate on this amendment close in five minutes. Is there objection?

There was no objection.

Mr. UNDERHILL. Mr. Chairman, the provisions of this bill as presented to the House by the committee are all of such a character that it requires an elastic conscience to vote for the bill even as presented. With the proposed amendment by the gentleman from Missouri attached to it, there would be absolutely no excuse for any Member of the House to vote for such a proposition. In other words, it legalizes highway robbery of the Treasury of the United States. That is about what it does. Furthermore, it is an insult to every Grand Army veteran in this country. You are going to open up the old pension question of pensioning every guerilla, giving him a legal status under the pension law. Where are you going to stop? Some of these were young boys who had a chance to enlist but did not go into the Army. Many of them, to speak plainly, dodged the draft, and yet you are going to legalize their pension status.

Mr. LANGLEY. Will the gentleman yield?

Mr. UNDERHILL. For a short question; I have only five minutes.

Mr. LANGLEY. I am desirous, as I said earlier in the debate, of enacting the most liberal legislation of relief of deserving soldiers and dependents who actually rendered military service required in this bill, but I am not in favor of jeopardizing the bill by adopting an amendment that may defeat it.

Mr. UNDERHILL. I am glad that the gentleman is opposed to the adoption of an amendment which would clearly kill the bill. If the amendment is adopted, the bill would certainly be killed, if not in this body, then elsewhere.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. ELLIS].

The question was taken; and on a division (demanded by Mr. ELLIS) there were—ayes 26, noes 28.

So the amendment was rejected.

Mr. LITTLE. Mr. Chairman, I present the following amendment.

The Clerk read as follows:

Page 2, line 6, after the word "authority," strike out the period and insert "and to include the officers and enlisted men of the Eighteenth Kansas Volunteer Cavalry and the Nineteenth Kansas Volunteer Cavalry honorably discharged."

Mr. LITTLE. Mr. Chairman, between the close of the Civil War and the beginning of the Spanish War in 1898 the United States Government enlisted only two regiments of volunteer cavalry. The gentleman from Kentucky makes a point of order. He did not say what it was, but I presume he means that they do not belong to the Civil War troops nor to the Spanish War troops, and so there is no way in God's world to take care of them.

Mr. LANGLEY. Will the gentleman yield?

Mr. LITTLE. Yes.

Mr. LANGLEY. What I had in mind was that this is a bill dealing with the Civil War legislation, and these men came into the service after the Civil War was over.

Mr. LITTLE. Here are two volunteer regiments, and the only ones in a generation that did not have a Civil War record or a Spanish War service. They do not belong to anything. Nobody cares anything about what happens to them, and the gentleman makes the point of order.

Now, Mr. Chairman, I will reply to the point of order by subpœnaing a witness, and let us find out whether it is right to do anything. I am reading from the official report of Gen. George A. Custer:

In General Custer's official report of this campaign he uses the following language:

"The point at which we found the Cheyenne village was in Texas, on the Sweetwater, about 10 miles west of the State line. Before closing my report I desire to call the attention of the major general commanding to the unvarying good conduct of this command since it undertook the march. We started with all the rations and forage that could be obtained, neither sufficient for the time for which we have already been out. First, it became necessary to reduce the amount of rations; afterwards a still greater reduction was necessary; and to-night most of my men made their suppers from the flesh of mules that have died on the march to-day from starvation. When called upon to move in light marching order they abandoned tents and blankets without a murmur, although much of the march has been made during the severest winter weather I have experienced in this latitude.

"The horses and mules of this command have subsisted day after day upon nothing but green cottonwood bark. During all these privations the officers and men maintained a most cheerful spirit, and I know not which I admire most, their gallantry in battle or the patient but unwavering persistence and energy with which they have withstood the many disagreeable ordeals of this campaign.

"As the term of service of the Nineteenth Kansas Cavalry is approaching its termination, and I may not again have the satisfaction of commanding them during active operations, I desire to commend them—officers and men—to the favorable notice of the commanding general. Serving on foot, they have marched in a manner and at a rate that would put some of the Regular regiments of Infantry to the blush. Instead of crying out for empty wagons to transport them, each morning every man marched with his troop, and—what might be taken as an example by some of the line officers of the Regular Infantry—

company officers marched regularly on foot at the head of their respective companies, and now, when approaching the termination of a march of over 300 miles, on greatly deficient rations, I have yet to see the first straggler."

When Gen. George A. Custer sends the heroes of that great organization before you for decent treatment and recognition they are met with a point of order. Is that a good argument against it? Which side do they belong to, the Spanish War or the Civil War? Where are you going to put them? From 1869 down they have never had any recognition. They have been "unwept, unhonored, and unsung" for 50 years. Gentlemen, here are two regiments. For the first time they come here and really get the opportunity to ask for decent treatment, which you are going to give the militiamen, and they are met with a point of order. I hope the gentleman will withdraw his point of order. I do not believe it is good; but if it is, I suggest to him that he do this honor to General Custer and the two splendid regiments and let them be treated as you are treating other militiamen.

SHERIDAN AND CUSTER.

I have already asked the attention of the House to what General Custer said with regard to the Eighteenth and Nineteenth Kansas Cavalry. I shall now call your attention to the reports on those regiments of Gen. Philip H. Sheridan, the greatest cavalry chief the world ever saw and one of the greatest Indian fighters we ever had on the border. General Sheridan said in his report of November 1, 1869, that in the last six years the Indians along that border had murdered more than 800 men, women, and children. The Seventh United States Cavalry and the Eighteenth and Nineteenth Kansas Regiments carried on the campaign against the southwestern Indians—the Cheyennes, Apaches, Kiowas, and the Comanches. The Eighteenth Kansas Cavalry was organized under a circular of June 21, 1867, from military headquarters for the Division of Missouri, and was mustered in at Fort Harker, Kans., from July 13 to 15, 1867, and mustered out there November 15, 1867. An epidemic of cholera attacked the Eighteenth immediately at Fort Harker, and 20 of them died.

Companies B and C fought the Cheyenne Indians on Prairie Dog Creek on August 21 and 22. Major Armes, of the Tenth United States Cavalry, commended the officers and men in the highest terms. They preserved the State of Kansas from further Indian depredations at that time. On August 30 Maj. H. L. Moore, of the Eighteenth, and his men fought the same Indians again. This gentleman was one of my predecessors in the Congress of the United States, having served in the Fifty-third Congress, and he afterwards served as commanding officer of the Nineteenth Kansas, being lieutenant colonel, I believe. The lieutenant colonels of both the Nineteenth and Twentieth Kansas have served in these halls. The campaign made by the Eighteenth Kansas in 1867 drove the Indians to winter quarters and left the frontier settlements of Kansas in comparative peace.

The following year the Nineteenth Kansas was mustered in by companies from October 20 to 29, 1868, at Topeka, and mustered out at Fort Hays, Kans., April 18, 1869—organized under authority of a telegram from the Secretary of War to Lieut. Gen. William Tecumseh Sherman, dated October 6, 1868. On November 5, 1868, the regiment moved from Topeka toward the Arkansas River, crossing at Wichita, marched southwest, and joined the Seventh United States Cavalry near the junction of Beaver Creek and North Canadian, 112 miles south of Fort Dodge, at the Camp Supply cantonment. Owing to severe snowstorms and the entanglements of the Cimarron Canyons, the regiment reached Camp Supply at the end of the month.

General Sheridan says:

The regiment lost its way, and, becoming entangled in the canyons of the Cimarron and in the deep snow, it could not make its way out and was in a bad fix. * * * It had been subsisting on buffalo for eight or nine days. * * * Officers and men behaved admirably in the trying condition in which they were placed.

General Sheridan tells of their march down the Washita, and says:

The snow was still on the ground and the weather very cold, but the officers and men were very cheerful, although the men had only shelter tents. We moved due south until we struck the Washita, near Custer's fight of November 27, having crossed the main Canadian, with the thermometer about 18° below zero. On the next day we started down the Washita, following the Indian trail; but finding so many deep ravines and canyons I thought we would move out on the divide, but a blinding snowstorm coming on, and fearing to get lost with a large command and trains of wagons on a treeless prairie without water, we were forced back to the banks of the Washita, where we at least could get wood and water. * * *

This was continued until the evening of the 16th of December, when we came to the vicinity of the Indians, principally Kiowas. They did not dream that any soldiers could operate in such cold and inclement weather, and we marched down on them before they knew of our presence in the country.

The result of this campaign was that Santanta and Lone Wolf, chiefs of the Kiowas, were taken prisoners, and by a threat of execution that tribe was forced to report at Fort Cobb, together with the Comanches and Apaches, and finally induced to go on their reservation.

From Fort Cobb the command marched to the base of the Washita Mountains and established Fort Sill, near Medicine Bluff. On the 2d of March following the Nineteenth Kansas Cavalry and the Seventh United States Cavalry, under the command of General Custer, went in pursuit of the Cheyennes. The course pursued was via Camp Radiminski, mouth of Elk Creek, to a point on North Fork of Red River, a few miles above the mouth of Salt Fork.

The Cheyenne trail was struck on Salt Fork on the 6th of March, 1869, and followed to the north along the eastern edge of the Llano Estacado until the 20th of March, when the Cheyennes were caught camped on Sweetwater Creek, about 10 miles west of the eastern line of Texas. This march was made practically without transportation or adequate supplies, and for the last few days the men subsisted on mule meat without bread or salt.

General Sheridan, General Custer, and Colonel Moore, with the soldiers of the Eighteenth Kansas, the Ninteenth Kansas, and the Seventh United States and Tenth United States Cavalry, rescued the women prisoners from the Indians in the Texas Panhandle and drove the Indians far into the Llano Estacado and preserved southwestern Kansas for all time, practically, from Indian assaults. They followed and fought the Indians in driving storms, at times with no resources but the buffalo they killed, and the obligations the Southwest is under to them have never really been acknowledged by the Government of the United States.

The most romantic feature of the campaign was the rescue of the women from Cloud County, Kans., whom they found in the Panhandle among the Indians, whom they beat after a fierce fight. Capt. John Q. A. Norton, of Lawrence, Kans., who is credited with marching alone against a Confederate battery, has told me personally the particulars of that episode, a tale that would do credit to the pen of a Dumas. As General Custer says in report:

In obtaining the release of the captive white women, and that, too, without ransom, the men of my command, and particularly those of the Nineteenth Kansas, who were called into service owing to the murders and depredations of which the capture of these women formed a part, feel more fully repaid for the hardships they have indured than if they had survived an overwhelming victory over the Indians.

Col. H. C. Lindsey, of the Twenty-second Kansas, in the Spanish War, was a sergeant major of the Nineteenth Kansas under Colonel Moore. Captain Norton, a soldier of the Civil War, then in 1869 a young lawyer at Lawrence, and an officer of exceptional courage and capacity and equipment, still lives at Lawrence, one of the foremost citizens of our great State, a soldier and a gentleman of the highest and best type, always gentle, capable, courageous, and chivalric.

THE ONLY VOLUNTEERS FROM 1865 TO 1898.

The Eighteenth and Nineteenth Kansas were the only volunteer soldiers that the American Government raised in a third of a century from 1865 to 1898. They performed a service that had as many difficulties as any of our veterans. They made a campaign as romantic and remarkable as a novelist could depict. They rescued from the horrors of Indian captivity the wives and daughters of those frontiersmen who made for us the great West and brought it into civilization. They have lived in patience for half a century without any fair or just expression of appreciation by this Republic for their excellent services. All that I ask now is that you give to them the same financial consideration that you give to other soldiers of similar accomplishments and similar heroism. Shall the fact that they were the only volunteers to serve their country on the battle field in a third of a century deprive them of just and equitable acknowledgment? Come, gentlemen of the House, let us not quibble about points of order, but let us do justice to those venerable men. Their days are not long upon this earth. Do not let them go before you have treated them with ordinary common sense. Their country has fought two wars since then, and these men have come down to us from a former generation and live that we may do the square thing by them and show that Republicans are not ungrateful.

The Eighteenth and Nineteenth Kansas have been followed by the Twentieth, the Twenty-first, the Twenty-second, and the Twenty-third Kansas, and by the One hundred and thirty-fifth United States and the Two hundred and fifty-third United States. It is over 60 years since the First Kansas, the advance guard of the Kansas army, filed past the great white throne, keeping time to the music of the spheres on every golden brick

in the hallowed streets of the new Jerusalem. Thus we have with us of those early soldiers of the plain only this thin and vanishing rear of the column. They say there is an end for all things mortal. Sometime the silver stars will dim and the luster of the tributes will fade and the hallowed flag will wither in the dust. Sometime the ghosts of the Grand Army of the Republic—and keeping step with them those of the Eighteenth and Nineteenth Kansas—with unseen arms reversed and banners trailing in the dust will march to the muffled music of fairy drums in the funeral procession of the last post of the Grand Army of the Republic, and marching with them off the scene will go the only volunteer regiments raised in this country from the Civil War to the Spanish War. Shall the Congressmen from other States miss this opportunity to stand at attention in respect to them before they go to answer the last great roll call?

Even now I can seem to hear them fighting again the battles in the snows with the Cheyennes, the Kiowas, the Apaches, and the Comanches, as they rehearse the story to their grandchildren and great-grandchildren. There is no greater human interest than that we have in those who have been on the old battle fields.

Come hither, Evan Cameron, and stand beside my knee;
I hear the river roaring down unto a wintry sea.
There's shouting on the mountain side, there's war within the blast,
Old faces throng upon me, old forms go trooping past.
I hear the pibroch wailing amidst the din of fight,
And my dim spirit wakes again upon the verge of night.
'Twas I that led the Highland hosts through dark Lochaber's snows,
What time the tartaned clans come down to battle with Montrose.

Those men must have had such thoughts in mind when the boys went off to Europe; gallant and lofty and noble spirits, they showed a high patriotism that the country should now recognize.

Mr. LANGLEY. Mr. Chairman, I reserved the point of order for the reason that this bill deals only with amendments to the existing pension law relating only to service in the Civil War, and also because our committee has no jurisdiction over a bill which deals, as this amendment does, with the Indian wars subsequent to the Civil War. In the report to the House I embodied the language which the gentleman from Kansas [Mr. LITTLE] read, because it was a splendid record of patriotic service, and if a separate bill were reported, coming from the proper committee, to increase the pension of these men I would gladly vote for it. However, I do not think it is germane to the pending bill, and, therefore, I must make the point of order, much as I regret to do so.

The CHAIRMAN. The Chair sustains the point of order.

Mr. CLOUSE. Mr. Chairman, I move to amend after the word "organizations" in line 6, page 1, by striking out the words "of the several States of the Union."

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CLOUSE: Page 1, line 6, after the word "organizations," strike out the words "of the several States of the Union."

Mr. CLOUSE. Mr. Chairman and gentlemen of the committee, I wish to say that I have conferred with the gentleman from Kentucky [Mr. LANGLEY] and also the gentleman from Missouri [Mr. RUCKER] with respect to this amendment, and I think it is acceptable to both the chairman and to the gentleman from Kentucky.

Mr. LANGLEY. Mr. Chairman, will the gentleman yield?

Mr. CLOUSE. Yes.

Mr. LANGLEY. I can see where this might not affect the bill one way or the other, because the language is already there—

and cooperated with the military forces of the United States.

Prior to that the bill contains the following language:

enlisted men of the State militia and other organizations of the several States of the Union.

If I am correct about that, it would not affect the bill any. Of course these matters come up offhand and men must form their judgment quickly. What advantage does the gentleman hope to gain?

Mr. CLOUSE. With this language stricken out the bill will read:

extended to include the officers and enlisted men of the State militia and other organizations that participated and cooperated with the military forces of the United States under the command of United States officers.

Mr. ROACH. Mr. Chairman, will the gentleman yield?

Mr. CLOUSE. Yes.

Mr. ROACH. What other organizations would be referred to then, National or State?

Mr. CLOUSE. If the gentleman from Missouri will permit, during that awful period in the southern section of the country, and especially in Tennessee, which was the battle ground for many months during the last days of the great conflict, there were various organizations. United States Army officers would designate organizations to go out and scout for information, to keep track of and report the movements of the enemy. They were not inducted into the State militia, because we had no State militia in the State of Tennessee, and under this bill, unless a man is a member of the State militia or of an organization of the State, he could not participate under the provisions of the bill. By striking that language out, if he is either a member of the State militia or an organization such as was used throughout Tennessee, Georgia, Alabama, and the Virginias throughout that conflict, men who rendered just as great service to the Army of this Republic as those who were actually inducted into the service, he could participate in the benefits of the bill.

Mr. ROACH. If we strike out the words "of the several States of the Union," then, unless he was a member of the State militia, the words "other organizations" would not refer to State organizations at all.

Mr. CLOUSE. Absolutely not; but it would refer to any organization that rendered service with the military forces of the United States under a United States officer.

Mr. LANGLEY. Mr. Chairman, will the gentleman yield?

Mr. CLOUSE. Yes.

Mr. LANGLEY. Would the gentleman's amendment change the legal aspect of the bill in view of the language "enlisted men of the State militia and other organizations"? How can you conceive of a State militia and other organizations that are not organizations of the several States of the Union?

Mr. CLOUSE. It does not stop at "other organizations," but "other organizations of the several States."

Mr. LANGLEY. I understand.

Mr. CLOUSE. That relates to a State organization, whether it be military or some other character of organization. The object of my amendment is to strike out the words "of the several States of the Union," so that a member of any organization who can show that he actually rendered service and cooperated with the military forces under the command of a United States officer will share in the benefits of this legislation. If he is not entitled to it, I do not know of any who is.

Mr. LANGLEY. I do not see where the gentleman can help his cause by this amendment, as the bill in its present form takes care of just such a case.

Mr. BOX. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question. Can he tell me at what date the Civil War ended.

Mr. LANGLEY. April 19, 1865.

Mr. BOX. That was a few days after the surrender of General Lee?

Mr. NEWTON of Minnesota. The gentleman from Kentucky does not pretend that the Civil War ended on the 19th of April, 1865?

Mr. LANGLEY. No; I did not mean that.

Mr. NEWTON of Minnesota. That was the date of the surrender of Lee's Army, certainly not the date of the close of the war.

Mr. LANGLEY. There were sections of the country still under a state of war.

Mr. BOX. Mr. Chairman, the point I had in mind is suggested by what the gentleman from Minnesota says. I understand that officially the Civil War ended at a later date than the date of General Lee's surrender. After the General's surrender there came a period of reconstruction. A great number of men did police duty under the military governors and officers of the Union Army in the South during the period of reconstruction. I am wondering if the terms of this bill would include that class of men who served in that period after the surrender of General Lee and before the war finally and officially closed.

Mr. NEWTON of Minnesota. It is my impression, although I have not looked it up for some time, that there was a proclamation, either presidential or congressional, setting a date as the closing of hostilities.

Mr. BOX. Probably in 1866 or 1867.

Mr. NEWTON of Minnesota. I think it was in 1866. It would be my impression that this would run up to the date of 1866.

Mr. BOX. A large number of men of all classes, except that soldiers were rare among them, served under United States officers in the reconstruction period in the South; they seem to be included within the terms of this bill?

Mr. NEWTON of Minnesota. Offhand that would be my impression.

Mr. LANGLEY. I do not think it would include those men. It was not the intention of the author of the bill to include them.

The CHAIRMAN. The question is upon the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 4. That title to pension under this act shall commence from the date of filing application therefor in the Bureau of Pensions after the approval of this act.

Mr. TILLMAN. Mr. Chairman, I move to strike out the last word. I am interested in the question raised by my friend, the gentleman from Texas [Mr. Box], and I want to ask the chairman of the committee, if I may, if he is quite certain that this bill will not allow any of these people a pension who after the war really closed did police duty in the South during reconstruction? I understand they are not to be beneficiaries of this act. Am I accurate in this statement?

Mr. LANGLEY. I will say to the gentleman that they were regular troops, the class to which he refers, and they are not covered by the law to which this bill is proposed as an amendment. The gentleman may recall there were a number of soldiers who took the oath of allegiance after they had served in the Confederate Army and then joined the Union forces, the First, Second, Third, Fourth, and Fifth United States Infantry, if I recall correctly. They were held not to be pensionable because they did not actually serve during the rebellion, although the war was not yet over in some sections of the country. I mention this to illustrate how the Pension Office has been construing the law and why I am sure the law would not include the class he mentions.

Mr. TILLMAN. That is my understanding of the law and of this measure.

Mr. LANGLEY. And I will add, if the gentleman will pardon me, that while I have not all the decisions in my mind now I was for several years a member of the Board of Pension Appeals, and I recall we rendered a decision, or perhaps more than one decision, on this question as to the actual legal date of the close of the Civil War for pensionable purposes; and I think that has also been adjudicated by the courts and that the Pension Office has well-established rulings on that question which will apply to these militia cases.

Mr. TILLMAN. I am very well satisfied with the gentleman's explanation. In truth and in fact the war closed at Appomattox, at least that was the time and place when we got tired of whipping you Yankees and quit fighting. I am anxious to vote for the bill. I did so when it formerly passed the House; it was then advocated eloquently by Speaker Clark, peace to his ashes; but I should not like to vote for a measure which would compensate the parties who went down and fattened upon the prostrate South after the war closed and who merely did police duty. These harpies stole everything that was not fastened down at both ends, and deserve neither respect nor a pension. Many of the men who would become beneficiaries of this measure, if it does not pension the parties above mentioned—and it does not, we are assured—were good soldiers. I have a large number in my district; many came from Missouri and located in Arkansas, and many of the Arkansas men at that time were members of the militia and did good service for the Government. I submitted some remarks upon this bill when it was before the House two or three years ago, and I do not care to repeat those arguments now. I think the bill has merit and should pass.

I regret, however, gentlemen, that you will not permit an amendment, which I have advocated and now advocate. I regret that this measure will not contain the legislation that I have heretofore proposed and now propose, that provision be made for the return to the people of the South, and to the surviving Confederate soldiers, the sixty-eight millions of illegally collected cotton tax, together with a reasonable interest on same. If you want to do one great big act of tardy justice incorporate this amendment in your bill.

As I have stated, there are many men in my State, confined largely to the third congressional district, interested in this measure. Gen. A. W. Bishop, at one time president of the University of Arkansas while I was a student there, was during the War between the States adjutant general of the State of Arkansas and prepared a report which was published and printed in 1867. The following "Historical Memoranda," regarding the Arkansas Militia, is taken from this report:

Prior to the organization of this militia the Union citizens of various parts of the State had acted together for their mutual defense. In the autumn of 1863, in accordance with orders from Major General Schofield, then commanding the Department of the Missouri, several companies of Union men were organized in northwestern Arkansas, the General Government issuing arms and ammunition and when on active duty furnishing them with subsistence. These companies were commanded as follows: In Washington County by Captains Bracken Lewis and Mackay; Benton County, Captain Mizer; Carroll County, Captains Gaddy and Walker; * * * There was also a very efficient company organized in West Fork Township, Washington County. * * *

* * * * * * * *

Captains Lewis and Mackay's companies took part in the defense of Fayetteville on the 3d of November, 1864, and all of these organizations rendered valuable aid to the Government, for which they have received no compensation.

In the spring of 1864, while the frontier division of the Seventh Army Corps were in the field cooperating with General Steele, it became necessary for the defense of Fort Smith and the Union men living in the vicinity to organize there also a local militia. Four companies were thus formed to do duty in the surrounding country, commanded, respectively, by Captains Turner, Smith, Gibbons, and Thomas, the battalion by Maj. Charles C. Reid. Companies were also organized at Ozark and other points on the Arkansas River. These companies likewise have never received pay for their services. At the same time the citizens of Fort Smith were partially organized and drilled, and precautions were taken against an attack upon the town, which was somewhat apprehended when the news reached it of the failure of the Red River expedition, and General Thayer, with the frontier division, was stubbornly falling back with General Steele to Little Rock.

In my home county, Sam Robinson and one of the Gilbreaths; in Madison County, Matt Grubb and others; in Carroll County, Mr. Willis Russell, of Green Forest, the fine old wife of Willis Russell, a former good citizen of that county, will be beneficiaries; in Boone County are several good men; John Starr, in Newton County, also will be a beneficiary; and all of them rendered good service. In other counties in my district are ex-militiamen who will be granted long-deferred justice in the way of a living pension during the few years remaining to them.

Mr. BOX. Mr. Chairman, I ask unanimous consent that I may proceed for two minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none.

Mr. BOX. Mr. Chairman, the class of men that I have in mind are not Union soldiers. The Union man whom the old men in the South respect most is the man of his own kind whom he met on the battle field. They respect each other. They now regard each other almost as comrades. But there was a class of men, a numerous class, who never went with your father nor with mine, who never met either of them on the battle field, who fell in down there when our fathers had gone home to their families and to the work of rebuilding the ruins. These you certainly should not pension. They do not deserve a pension. I have an impression that the war did not officially close until some time, many months, after General Lee's surrender, some time in 1866 or 1867.

Mr. LANGLEY. That is true in certain portions of the country.

Mr. BOX. There were United States Army officers down there with all kinds of militia and police forces under their command. In the main they were a sorry, motley lot. The Union soldiers had gone home as fast as they could. The Confederate soldiers had gone home. Then gathered this class of men, such as always gather in such situations. In those years we had our darkest time. I desire to direct the attention of the chairman to that point, so we may be sure that this class of men will not receive the benefits of this legislation, if it is to be enacted.

Mr. LANGLEY. I will say to the gentleman that in extending my remarks I shall endeavor to include those decisions I have in mind, the exact citation of which I can not now give.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LANGLEY. Mr. Chairman, I move that the committee do now rise and report the bill to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. DOWELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 211, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. LANGLEY. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment; if not, the Chair will put them in gross?

The question was taken, and the amendments were agreed to.

The bill as amended was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. LANGLEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS.

Mr. WALTERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

PRIVATE CALENDAR.

Mr. EDMONDS. Mr. Speaker, I would like to move that bills on the Private Calendar be taken up in the House as in the Committee of the Whole.

Mr. LANGLEY. Mr. Speaker——

Mr. EDMONDS. I believe that was the order of business.

The SPEAKER pro tempore. That was the order of business previously agreed to, that at the conclusion of the consideration of the pension bill it would be in order to continue consideration of the bills on the Private Calendar to which no objection was made. The bills on the Private Calendar are now in order for consideration. The gentleman from Pennsylvania [Mr. EDMONDS] asks unanimous consent that the bills be considered in the House as in the Committee of the Whole. Is there objection? [After a pause.] The Chair hears none.

MILITIA PENSIONS.

Mr. LANGLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LANGLEY. I am inclined to think, upon further consideration, that the title of the bill H. R. 211 should have been amended, in view of one amendment that was adopted. Can I at this time, by unanimous consent, have that corrected and amend the title to conform to the text?

The SPEAKER pro tempore. The gentleman from Kentucky desiring to amend H. R. 211 to conform to the text, without objection the proceeding upon reconsideration can be vacated and the title be amended to conform to the text. Is there objection to vacating the proceedings on motion to reconsider that was laid on the table with reference to H. R. 211? [After a pause.] The Chair hears no objection.

The gentleman from Kentucky [Mr. LANGLEY] asks unanimous consent that the title to H. R. 211 be amended to conform to the text. Is there objection? [After a pause.] The Chair hears none.

On motion of Mr. LANGLEY, a motion to reconsider the vote by which the bill H. R. 211 was agreed to was laid on the table.

PRIVATE CALENDAR.

The SPEAKER pro tempore. The Clerk will call the first bill on the Private Calendar, beginning at the point where the previous call terminated.

THOMAS B. SMITH.

The first business on the Private Calendar was the bill (H. R. 8264) for the relief of Thomas B. Smith.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 8264) for the relief of Thomas B. Smith.

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas B. Smith, of Cheriton, Va., the sum of $185.66, to reimburse him for expenses incurred by him from April 20 to June 6, 1917, for travel performed by him while an ensign with the United States Naval Reserve Force attached to the Seventh Squadron, United States Navy.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. EDMONDS, a motion to reconsider the vote by which the bill was passed was laid on the table.

WILLIAM HOWARD MAY ET AL.

The next business on the Private Calendar was the bill (S. 2746) for the relief of William Howard May, ex-marshal of the Canal Zone; William K. Jackson, ex-district attorney of the Canal Zone; and John H. McLean, ex-paymaster of the Panama Canal, now deceased.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. STAFFORD. Reserving the right to object, as I read the report these three former officials of the Government on the Canal Zone were not under the law entitled to free quarters. Now, you are seeking to grant them the return of money that was taken from their pay for the rent of quarters?

Mr. EDMONDS. That was the decision of the authorities on the Canal Zone, but they went into court, and the court decided that they were not entitled to have the deduction for quarters taken out of their salaries.

Mr. STAFFORD. The gentleman will concede, however, that these three officers were not entitled to free quarters while occupying their respective positions?

Mr. EDMONDS. I will not concede that, because we simply took the report of the court. They went into court and the court agreed that they were entitled to this commutation of quarters.

Mr. STAFFORD. The court did not so hold. The court held that the executive officers did not have the authority to deduct the claim for rent from their salaries, but the court did not hold that they were entitled to free quarters.

Mr. EDMONDS. Is not that the same thing?

Mr. STAFFORD. Oh, no; far from it. The executive officers were exercising authority which the law did not give them the right to exercise, and yet these officers were obligated to pay rent for the quarters they were occupying.

Mr. Speaker, I ask that this bill be passed over.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent that the bill be passed over. Is there objection?

There was no objection.

ELIZABETH MARSH WATKINS.

The next business on the Private Calendar was the bill (S. 841) for the relief of Elizabeth Marsh Watkins.

The SPEAKER pro tempore. Is there objection?

Mr. CRAMTON. Mr. Speaker, reserving the right to object, as I understand the statement of facts in connection with this bill the injury to this girl occurred while she was a student in school?

Mr. EDMONDS. Yes.

Mr. CRAMTON. And it occurred because she volunteered to do certain work which she was not directed or expected to do?

Mr. EDMONDS. Well, she was detailed to do it or was allowed to do it anyhow, and received her injury while doing the work.

Mr. CRAMTON. The report would indicate that she was not detailed to do it, and that she was allowed to do it because there was no one there to forbid her doing it, and it was upon her own motion and initiative.

Mr. EDMONDS. I think that is true.

Mr. CRAMTON. And having received some injury because she was allowed to do something with a piece of machinery that was outside the scope of her employment, without any instruction to do it, it was some years thereafter before any claim was presented. In the meantime she had acquired a husband who was apparently interested in presenting the claim.

Mr. EDMONDS. That might be true.

Mr. CRAMTON. And the claim he presented was for $1,000, and the bill is for $2,500.

Mr. EDMONDS. The committee has made the same allowance for an injury of this kind as they have in other cases. It was thought the woman was pretty severely injured. Here is a picture of her. We feel under the circumstances she was doing governmental work and is entitled to some consideration.

Mr. CRAMTON. But the fact remains that it was not work she was directed to do or expected to do.

Mr. EDMONDS. I think the facts are as stated by the gentleman.

Mr. CRAMTON. And no claim was made for five or six years. And the committee has suggested to more than double the amount.

Mr. EDMONDS. It has passed the House several times, I will say to the gentleman, but never has passed the Senate afterwards. It has now passed the Senate and is up to the House. I reported it myself in 1915.

Mr. STAFFORD. Will the gentleman yield?

Mr. EDMONDS. Certainly.

Mr. STAFFORD. The gentleman says the claimant was performing Government work. As I read the report she was performing work for herself outside of the line of her employment completely.

Mr. EDMONDS. It was not her work. It was work the Government was supposed to perform.

Mr. STAFFORD. It would be a similar case if one of our clerks domiciled in one of the Government dormitories down

here were to go out and do something outside of her duties, using some electric iron or the like for ironing her wearing apparel, using machinery with which she was not acquainted and which was serviceable only to the skilled mechanics under the employ of the Government. Was she not an intermeddler, more or less?

Mr. EDMONDS. I do not know about that.

Mr. STAFFORD. Well, the machinery was in good condition. She got injured because she was monkeying around a machine with which she had no acquaintance at all, and now she is calling upon the Government to reimburse her for injuries received in consequence of her folly.

Mr. CRAMTON. Her husband calls upon the Government six years after the accident.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the bill may be passed over.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the next bill.

JESSE GOODIN.

The next business on the Private Calendar was the bill (S. 2664) for the relief of Jesse Goodin.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, will the chairman of the committee acquaint the House as to the policy of the committee in arriving at the amount of damages in a case of death resulting from carelessness of Government employees, in this case in the operation of a Government utility?

Mr. EDMONDS. This amount is all the people asked for. They did not ask for more, and we felt that that was a sufficient amount, and we gave it to them.

Mr. STAFFORD. What was the amount that the committee determined is a reasonable figure for payment for death in the way of damages occasioned by the fault of some Government employee?

Mr. EDMONDS. Five thousand dollars. That is our limit.

Mr. STAFFORD. I notice here in the next to the last paragraph of the letter of the Secretary of the Navy that—

The bill provides for the payment to the father of the deceased a sum of $2,500. The department has no means of determining whether this amount is reasonable and just under the circumstances, but it is of opinion that it is not excessive.

Mr. EDMONDS. All the parties asked for was $2,500. There were three or four parties injured or killed in this accident. Another bill will follow; it is on the calendar now.

Mr. STAFFORD. Here you are providing $3,000?

Mr. EDMONDS. Yes.

Mr. STAFFORD. What is the explanation of the difference in the amount?

Mr. EDMONDS. In the affidavits and papers presented to us $3,000 was the sum asked for. Three thousand dollars was the sum given by the Senate.

Mr. STAFFORD. Mr. Speaker, I withdraw the reservation.

The SPEAKER pro tempore. Is there objection to the present consideration of this bill?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Jesse Goodin, of Pensacola, Fla., the sum of $3,000 as full compensation for the death of his daughters, Alice and Lillie Goodin, on March 1, 1921, on account of having been struck by United States Navy (*N–10*) seaplane (A 2458) while piloted by John W. Alcorn, ensign, United States Navy.

Mr. EDMONDS. Mr. Speaker, I have an amendment which I would like to offer.

The SPEAKER pro tempore. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. EDMONDS: In line 4, after the word "pay," add a comma and the following: "out of any money in the Treasury not otherwise appropriated."

The SPEAKER pro tempore. The question in on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. EDMONDS, a motion to reconsider the vote whereby the bill was passed was laid on the table.

JOSEPH ZITEK.

Mr. McLAUGHLIN of Nebraska rose.

The SPEAKER pro tempore. For what purpose does the gentleman from Nebraska rise?

Mr. McLAUGHLIN of Nebraska. To proffer a unanimous-consent request.

The SPEAKER pro tempore. The gentleman will state it.

Mr. McLAUGHLIN of Nebraska. On the 21st of April, when the House was considering bills from the Committee on Claims on the Private Calendar, the bill H. R. 8448, Calendar No. 185, was the last bill objected to, carrying $75 for the relief of Joseph Zitek. I was informed that the bill would not come up to-day, and when it was reached I was not here to make an explanation. An explanation was called for and was not given, and the bill was passed over. I want to ask unanimous consent to return to it, so that I can make an explanation, and the bill may be passed.

It is a worthy case. There is no objection to it from the Post Office Department, or from the Committee on Claims, or from anybody else who knows the circumstances.

The SPEAKER pro tempore. The gentleman from Nebraska asks unanimous consent to return to No. 185 on the Private Calendar for the purpose of considering the bill H. R. 8448. Is there objection?

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, a very small amount is involved, $75 only, but there is a principle involved. The gentleman from Nebraska says the Post Office Department has no objection to the payment of this amount. The claimant makes the representation that, by reason of the airship alighting on this field, five or six acres were damaged, whereas in the report of the Postmaster General it is said two or three acres would be a fair estimate. Of course, it is not an amount worth mentioning.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Joseph Zitek, out of any money in the Treasury not otherwise appropriated, the sum of $75.

Such sum is the amount of damages estimated as suffered by Joseph Zitek by reason of the trampling and mowing of his grain incident to the landing in his wheat field on May 29, 1921, of ship No. 170 of the United States Air Mail Service and of ship No. 180 of such service in aid of ship No. 170, the work necessary to the repair of the two ships, their resumption of flight, and the presence of a crowd gathered to view the accident.

With a committee amendment, as follows:

Page 1, strike out all of lines 6 to 10, inclusive; and, on page 2, strike out all of line 1 to line 3, inclusive.

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. EDMONDS. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. EDMONDS: In line 5, after the figure "$75," add the following: "As compensation for damages done to the wheat field of said Joseph Zitek, near Ulysses, Nebr., on May 29, 1921, by airplanes of the United States Air Mail Service."

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill as amended was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. EDMONDS, a motion to reconsider the vote by which the bill was passed was laid on the table.

ANNA M. TOBIN.

Mr. HUDSPETH. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 203, which is the bill (S. 2323) for the relief of Anna M. Tobin, independent executrix of the estate of Frank R. Tobin, deceased.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent to return to Calendar No. 203 for the purpose of considering S. 2323. Is there objection?

Mr. CRAMTON. Mr. Speaker, reserving the right to object, in connection with that bill there appear in the report various references to an itemized statement of the damage done. The only statement given in the report repeatedly is that there was a damage of $1,000, and the bill is for $1,000, but no detailed statement of the actual damage appears anywhere in the report.

Mr. HUDSPETH. This bill passed this House in the last Congress, but failed of passage in the Senate, and I filed with the Claims Committee of the House an itemized statement, which was approved by the War Department and approved by the commanding general, showing that the damage was more than the committee allowed. The committee allowed $600 less than the itemized statement showed to be the damage sustained, which was approved by the War Department.

Mr. CRAMTON. Unfortunately, the report does not carry that itemized statement.

Mr. HUDSPETH. This report does not, but I filed it last year when the bill passed the House.

Mr. EDMONDS. It was in last year's papers, and the statement which the gentleman from Texas has made here is correct.

The SPEAKER pro tempore. Is there objection to returning to Calendar No. 203 for the purpose of considering the bill?

Mr. STAFFORD. Reserving the right to object, I notice that the report shows that the claimant declined to follow the suggestion of the officer before all this damage was done.

Mr. HUDSPETH. In what respect?

Mr. STAFFORD. By declining to permit the commanding officer to put a guard around this property, and that most of this damage occurred after the refusal of the representative of the claimant to permit such guard to be so placed. What equity has a claimant who declines to let the military authorities place a guard about the premises to protect them?

Mr. HUDSPETH. My recollection is that the owners of the property had a guard there that they were paying themselves, but notwithstanding the fact that this guard was there the soldiers depredated and destroyed this property.

Mr. STAFFORD. Let me read to the gentleman the report of the inspector, Major Taggart, of the National Guard, Seventh Division.

At the time of the original damage and complaint General Clements did offer to have the parties found upon the premises make restoration, but in the presence of the offenders the representation was made on behalf of Mrs. Tobin that she did not care that the boys should do this, but was anxious that a guard should be established about the premises for the protection thereof from further injury.

I beg the gentleman's pardon. I got the matter confused.

Mr. HUDSPETH. Yes; she asked for a guard.

Mr. STAFFORD. She asked for a guard, but Major Taggart says in his report:

General Clements is of the opinion that had he been permitted to handle this matter as he thought best, all future trouble should have been avoided and Mrs. Tobin saved the damage to her property and the expense of maintaining a civilian guard.

There was the owner of the property, Mrs. Tobin, declining to follow the suggestion of the commanding officer as to the proper method of guarding her property. Then after the damage is done she comes here and asks for reparation.

Mr. HUDSPETH. My friend is mistaken about that. She went to the general and asked for a guard. The general wanted to bring the boys up and prosecute them at the time.

Mr. STAFFORD. Why should not the general have been permitted to do that?

Mr. HUDSPETH. She did not want the boys prosecuted. She asked that they be not prosecuted.

Mr. STAFFORD. Yes; but the boys were under the command of the general.

Mr. HUDSPETH. That is true.

Mr. STAFFORD. They were in the Army.

Mr. HUDSPETH. But she did not want to have the young men prosecuted. She did ask the commanding officer to furnish a guard.

Mr. STAFFORD. If there is any obligation on the part of the Government it is by reason of the failure of our established officers to properly discipline their troops, but they were not disciplined because of the request of the claimant.

Mr. HUDSPETH. That is true. The kind-hearted lady asked that they be not put in prison, but she did ask the commanding officer repeatedly for a guard to be stationed around her property to protect it.

Mr. STAFFORD. But the inspector says that—

All future trouble should have been avoided and Mrs. Tobin saved the damage to her property and the expense of maintaining a civilian guard.

And now she is charging up to the Government what she thought advisable, after not allowing the commanding general to have his way.

Mr. HUDSPETH. The matter was presented to the board and approved. The War Department approved the claim, which was also approved by the commanding officer at the post.

Mr. STAFFORD. Where do we find any reference to the War Department?

Mr. CRAMTON. Where is there any statement that the War Department approved the amount?

Mr. HUDSPETH. I do not see it in this report, but I know it to be a fact that in a former report that was filed the War Department did approve this claim.

Mr. CRAMTON. Let me read to the gentleman General Sharpe's summary, stating that—

The damage sustained to the property of Mrs. Tobin is in the nature of torts, the depredations referred to being committed by individual soldiers without authority, and a claim for compensation for such damages can not be favorably considered by the department, the individuals who committed the depredations alone being responsible for the damages incurred.

Mr. HUDSPETH. That is true.

Mr. CRAMTON. General Sharpe further says:

The War Department has no jurisdiction in the settlement of claims for damages incurred to private property. Congress alone can grant relief in such cases. If the claim is presented to Congress it should be supported by an itemized statement of the damages incurred and definite information as to the cost of repair for each item claimed for. The papers in the case will be retained upon files of this office and will be furnished to Congress, or any committee thereof, upon due call therefor.

Mr. HUDSPETH. That is a mere statement that the War Department can not pay the claim, but the War Department did approve the claim.

Mr. CRAMTON. There is nothing to indicate that the War Department has approved this claim. The War Department referred the claimant to Congress.

Mr. HUDSPETH. As I say, the War Department approved the justice of this claim.

Mr. CRAMTON. We are entitled to see all of those papers.

Mr. HUDSPETH. If the gentleman had seen the papers that I filed he would see that the War Department approved it.

Mr. CRAMTON. The only papers that I have before me, or any Member of the House has, contains the general statement that there was a thousand dollars claimed.

Mr. HUDSPETH. I can only say that I filed the claim when the bill was before the House, and at that time it showed that the War Department had approved the claim.

Mr. CRAMTON. My reading of the report gives me the feeling that the amount of a thousand dollars is far beyond the actual damage.

Mr. HUDSPETH. The original bill provided for $1,600 and the Senate cut it down to $1,000.

Mr. STAFFORD. Mr. Chairman, I do not think the claimant has such a great equity here——

Mr. HUDSPETH. I think if the gentleman from Wisconsin understood the matter he would not make objection to the consideration of the bill. The soldiers took off this property to build buildings.

Mr. STAFFORD. We have the statement of the commanding officer that if he had been allowed to have his way this damage would not have occurred.

Mr. HUDSPETH. What was his way? He wanted to punish the soldiers, but Mrs. Tobin was very kindhearted and did not want them punished; did not want them sent to prison.

Mr. STAFFORD. The greater damage was done afterwards.

Mr. CRAMTON. At that time there was only damage to the amount of $75.

Mr. STAFFORD. Mr. Chairman, I think this should go over until we can find out what the Secretary of War says about it.

The SPEAKER pro tempore. Objection is made.

ED THOMAS AND PAULINE THOMAS.

The next business on the Private Calendar was the bill (S. 2666) for the relief of Ed Thomas and Pauline Thomas.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Reserving the right to object, the only damage that this claimant received is that she can not turn her left hand.

Mr. CRISP. Mr. Speaker, this is a bill introduced by Mr. SMITHWICK, who is out of the city. If the gentleman will read the report, he will notice that there was an airplane accident at Pensacola through the fault of a naval officer. It struck in a crowd and killed several people. The daughter of these claimants was severely injured and one of her hands permanently injured. The bill was introduced in the Senate carrying $5,000. The Navy Department said they thought the amount was excessive and suggested that the bill be reduced to $2,000, and with $2,000 they would approve of the bill. The bill passed the Senate carrying $2,000. Inasmuch as this claimant was injured without any fault on her part in the city of Pensacola by an airplane belonging to the Government, it seems to me that it is an equitable claim, and I hope my friend will not feel constrained to object. I have no interest whatever in the claim. It is a claim of the gentleman from Florida.

Mr. STAFFORD. The reading of the report indicates to me that $2,000 is rather excessive for an injury to the left hand so that she has difficulty in turning it.

Mr. CRISP. The gentleman is a lawyer and knows that pain, suffering, and anguish is an element of damage.

Mr. STAFFORD. Yes; but we only allowed $2,500 for pain, anguish, and injury where the injured person died. A minute ago we allowed $2,500 of compensation to assuage the pain and injury where two children were lost as a result of this same accident. Of course I recognize that there is some equity here, but I think $2,000 is a little bit excessive.

Mr. CRISP. My friend will recognize that the living will have to suffer more for the injury than one who is dead. The troubles of the one who is dead are over. The one who is living will need something to get along with.

Mr. STAFFORD. Well, this is the left hand.

Mr. CRISP. But the gentleman must recognize that she may be a left-handed person.

Mr. STAFFORD. Mr. Speaker, I thought the amount was a little excessive, but I will not object.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Ed Thomas and Pauline Thomas, of Pensacola, Fla., the sum of $2,000 as full compensation for injuries received and suffered by their daughter, Pauline Thomas, on March 1, 1921, on account of having been struck by United States Navy (*N–10*) seaplane (A 2458) while piloted by John Alcorn, ensign United States Navy.

Mr. EDMONDS. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Line 4, after the word "pay" add a comma and the following: "out of any money in the Treasury not otherwise appropriated."

The committee amendment was agreed to.

The bill as amended was ordered to be read the third time, was read the third time, and passed.

On motion of Mr. CRISP, a motion to reconsider the vote whereby the bill was passed was laid on the table.

QUINCY R. CRAFT.

The next business on the Private Calendar was the bill (H. R. 10677) for the relief of Quincy R. Craft.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk reported the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to Quincy R. Craft, chief of office and fiscal agent, Forest Service, Department of Agriculture, the sum of $346.71, being the amount disallowed by the accounting officers of the Treasury in his account covering expenses incurred in the erection of a building at the Bessey Nursery of the Nebraska National Forest.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. HAUGEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

HENRY M'GUIRE.

The next business on the Private Calendar was the bill (H. R. 10675) for the relief of Henry McGuire.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is authorized to be appropriated for payment by the Secretary of the Treasury to Henry McGuire, or his legal representatives, the sum of $225.23 as full compensation for 9,385 feet board measure of lumber which, upon dates between September 22, 1909, and October 11, 1909, and at the specific request and direction of an employee of the Forest Service, United States Department of Agriculture, was furnished to one Hiram Campbell for use in the construction of a house to replace one owned by said Hiram Campbell which was destroyed on September 19, 1909, by fire originating from brush-burning operations conducted on national forest land by employees of the Forest Service.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. HAUGEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

STEAMSHIP "VINDAL."

The next business on the Private Calendar was the bill (H. R. 8214) to compensate the owners of the American steamship *Vindal* for damages and expenses in repairing said steamship and to make an appropriation therefor.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I wish to inquire of the gentleman who reported the bill the reason why the claimant was not allowed the privilege, as is customary, to seek his redress in a court of admiralty rather than have the committee determine the amount of damages, $3,295.

Mr. ROACH. Mr. Speaker, that was not considered to be necessary by the committee for the reason that the committee itself inquired particularly into the facts and merits of this claim. We sat as a court of admiralty ourselves and determined that the claim is meritorious, should be allowed, and that the claimant should not be put to the expense of employing counsel and going into court with a claim that is so patent upon the face of it that it proves itself.

Mr. STAFFORD. It is customary in these cases to allow the claimant to have recourse to the courts rather than for the Congress or the committee to assess the damages. That is the practice of the Committee on Claims. It may not be the practice of the Committee on War Claims.

Mr. ROACH. It is not the practice of the Committee on War Claims, and it is only one of two reliefs that may be granted to a claimant. Speaking only for myself at this time, I think that where the facts are simple and easy of ascertainment, as they were in this case, and were ascertained, it would be ridiculous to require the claimant to go into court and spend money to establish a claim that establishes itself. This claim was also made the subject of a very careful inquiry by the Navy Department, which made a report to our committee of the material facts bearing upon the claim. That report shows conclusively upon the face of it that the claimants are entitled to every dollar which the bill gives to them.

Mr. STAFFORD. The report that accompanies the bill does not contain any excerpt of or the letter from the Navy Department recommending this claim.

Mr. ROACH. It contains a statement upon the part of the committee that this claim does have the approval of the Navy Department. If the gentleman questions that statement I have the report of the Secretary here in my pocket. I did not want to incumber the record.

Mr. STAFFORD. What is the basis of the committee granting three and a half days' demurrage at the rate of $750 a day?

Mr. ROACH. The ship was actually detained from sailing that number of days, as shown by the report of the Secretary of the Navy. That matter was particularly inquired into in directing our inquiry to the Secretary of the Navy. Some question arose in the minds of the War Claims Committee as to whether or not that amount of demurrage charges was proper, and in order to settle the question definitely a special letter was written to the Secretary of the Navy, who informs us that this ship was under charter, that it was actually detained from sailing for three days and a half, and that that is the contract price in the charter agreement.

Mr. STAFFORD. Mr. Speaker, I withdraw the reservation of objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk reported the bill, as follows:

Be it enacted, etc., That an appropriation of $3,295 be, and is hereby, made to Vindal Co. (Inc.), a New York corporation, owner of the American steamship *Vindal*, payable out of any unappropriated funds in the Treasury of the United States of America, to recompense the said Vindal Co. (Inc.), of New York, for damages and expenses due to a collision between the United States Navy barges *Washington* and *General Knox* and the said steamship *Vindal* while the said steamship was lying at anchor in the harbor of New York on Gowanus Flats, off Fifty-second Street, Brooklyn, on the 30th day of October, 1917, at about the hour of 6 o'clock a. m.; a naval board of investigation convened by the commandant of the third naval district having found that the responsibility for the damage to the said steamship *Vindal* rested solely with the United States Navy barges *Washington* and *General Knox;* that no blame for the said collision attached to the said steamship *Vindal;* and that the claim of damage in the sum of $3,295 is reasonable and just and should be paid; and the proceedings, findings, and opinion of the said board of investigation having been approved by the commandant of the third naval district and by the Secretary of the Navy, and the Navy Department having no funds out of which to pay for the damages caused to the said steamship *Vindal* as aforesaid.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Vindal Co. (Inc.), a New York corporation, owner of the American steamship *Vindal*, the sum of $3,295 in full compensation for damages and expenses due to a collision between the United States barges *Washington* and *General Knox* and the said steamship *Vindal* while the said steamship was lying at anchor in the harbor of New York, on Gowanus Flats, off Fifty-second Street, Brooklyn, on the 30th day of October, 1917, at about the hour of 6 o'clock a. m."

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. ROACH, a motion to reconsider the vote by which the bill was passed was laid on the table.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its chief clerk, announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 204. Joint resolution to authorize the loan by the Secretary of War to the commander in chief of the United Confederate Veterans of cots for the use of the members of the United Confederate Veterans during the sessions of the national encampment of the United Confederate Veterans at Richmond, Va., from June 19 to 22, 1922.

LOAN OF COTS, ETC., TO CONFEDERATE VETERANS.

Mr. MONTAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 204, to authorize the loan by the Secretary of War to the commander in chief of the United Confederate Veterans of cots for the use of the members of the veterans during the sessions of the national encampment of the United Confederate Veterans at Richmond, Va., from June 19 to 22, 1922. To be available, the resolution should be adopted speedily. It is in the usual form.

The SPEAKER pro tempore. The gentleman from Virginia asks unanimous consent that Senate Joint Resolution 204 be laid before the House for present consideration.

The Clerk will report the resolution.

The Clerk read as follows:

Resolved, etc., That the Secretary of War is authorized to lend 1,000 cots to the commander in chief of the United Confederate Veterans at their national encampment to be held in Richmond, Va., from June 19 to June 22, 1922, upon receiving a bond satisfactory to the Secretary of War to indemnify the United States of America from loss or injury to such cots, or any of them, such indemnity bond to be drawn by and approved by the Secretary of War.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object, is the resolution in the usual form providing for the bond to reimburse the United States for any damages which may be done to the loan of this property?

Mr. MONTAGUE. I have not compared the resolution with others that have passed the Congress but the Senator who drafted it informs me that it is in the usual form. It does provide specifically that a bond shall be given to indemnify the United States and save the Government harmless.

Mr. HULL. Where are these cots?

Mr. MONTAGUE. I do not know as to that. They are under the control of the Army.

Mr. HAWES. Should not we know?

Mr. MONTAGUE. It is the property of the Army, and I suppose the Army people have it in charge.

Mr. STAFFORD. Last year and in prior years there was a similar resolution passed for the loan of cots for the national encampment of the United Confederate Veterans?

Mr. MONTAGUE. That is correct. These loans of cots have been made from time to time. Last year I think the number was 5,000, but I doubt this year if we will need 600, but 1,000 is the maximum in the joint resolution.

Mr. STAFFORD. I withdraw the reservation of the right to object.

The SPEAKER pro tempore. Is there objection to the present consideration of this resolution? [After a pause.] The Chair hears none.

The Senate joint resolution was ordered to be read the third time, was read the third time, and passed.

On motion of Mr. MONTAGUE, a motion to reconsider the vote by which the Senate joint resolution was passed was laid on the table.

RELIEF OF DR. O. H. TITTMANN (H. R. 6245).

Mr. NEWTON of Missouri. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from Missouri rise?

Mr. NEWTON of Missouri. Mr. Speaker, I ask unanimous consent that the House return to No. 31 on the Private Calendar.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to return to Private Calendar No. 31, for the purpose of the consideration of the bill. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, that bill has been before the House many, many sessions and has been objected to by Members present and Members absent.

Mr. NEWTON of Missouri. And no one had an opportunity to make a statement in regard to it.

Mr. LEHLBACH. Will the gentleman yield?

Mr. NEWTON of Missouri. I will.

Mr. LEHLBACH. It is my intention when this bill comes up for consideration again, whether now or at any other time, to make a point of order against it, which I think is valid, and it might be well to dispose of the matter at the present time.

Mr. STAFFORD. I wish to say to the gentleman that there has been delay in the consideration of the Private Calendar to-day by reason of the consideration of a pension bill, and there are many Members who are desirous of having their bills considered between now and the adjournment time of 5 o'clock, and I do not think we should take up the time of the House on this bill.

Mr. UNDERHILL. Mr. Speaker, under the circumstances I object.

The SPEAKER pro tempore. The gentleman from Massachusetts objects. The Clerk will report the next bill.

QUITCLAIM AND RELEASE CERTAIN LAND IN THE CITY OF PENSACOLA, FLA.

The next business in order on the Private Calendar was the bill (H. R. 9626) granting a deed of quitclaim and release to the Traders' Brokerage Co., a corporation, of certain land in the city of Pensacola, Fla.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to execute, acknowledge, and deliver, in the name of the United States of America, a deed of quitclaim and release to the Traders' Brokerage Co., a corporation organized under the laws of the State of Delaware, its successors and assigns, of all the right, title, and interest in and to lot 30, block 19, old city of Pensacola, Fla., according to map of the city of Pensacola, copyrighted by Thomas C. Watson in 1906.

The committee amendment was read, as follows:

Page 2, line 1, after the word "Pensacola," strike out "copyrighted by Thomas C. Watson in 1906" and insert in lieu thereof "platted by James W. Exum, deputy surveyor, in 1827.

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. EDMONDS, a motion to reconsider the vote by which the bill was passed was laid on the table.

EDWARD A. PURDY.

The next business in order on the Private Calendar was the bill (H. R. 10234) for the relief of Edward A. Purdy.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit Edward A. Purdy, as postmaster of Minneapolis, Minn., in the sum of $1,948.48, said sum being the balance due the United States Government after a collection of $1,000 had been made on the bond and applied to the shortage of certain postage stamps and cash from the money-order funds embezzled or stolen by Christian H. Mackeprang from one of the branch post offices of the said city of Minneapolis, to wit: That certain branch post office located at No. 1501 Washington Avenue South, in the said city; and that the said Edward A. Purdy be, and he is hereby, released from payment to the Treasury of the United States of the said sum of $1,948.48, and every part thereof as such postmaster, and that his account in connection with the aforesaid station branch post office be credited with the said amount of $1,948.48 by reason of the aforesaid loss caused by the said theft.

The committee amendment was read, as follows:

Page 1, line 12, after the word "Minneapolis," strike out the comma and the remainder of the bill.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. NEWTON of Minnesota, a motion to reconsider the vote by which the bill was passed was laid on the table.

J. W. HARRELD.

The next business in order on the Private Calendar was the bill (H. R. 8025) for the relief of J. W. Harreld.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. HERRICK. Mr. Speaker, I object.

Mr. STAFFORD. Mr. Speaker, will the gentleman from Oklahoma reserve the right to object?

Mr. HERRICK. No; I will not reserve the right to object; I object.

Mr. STAFFORD. Has the gentleman any reason——

Mr. HERRICK. Yes; I have reason, and I object.

The SPEAKER pro tempore. The gentleman from Oklahoma objects.

Mr. STAFFORD. Objects to a claim of his own Senator.

ABRAHAM LEIBOVITZ.

The next business in order on the Private Calendar was the bill (H. R. 6926) for the relief of Abraham Leibovitz.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay and return to Abraham Leibovitz the sum of $500 paid by said Abraham Leibovitz to the United States on a judgment against him on the bail bond of Michael Taylor, who was afterwards captured and returned to the United States officers by said Abraham Leibovitz. The sum of $500 is hereby appropriated for said payment and return of said sum to said Abraham Leibovitz.

The committee amendment was read as follows:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Abraham Leibovitz, of Philadelphia, Pa., which sum was paid by him to the United States on a judgment against him on the bail bond of Michael Taylor, who was afterwards captured and returned to the United States officers by said Abraham Leibovitz."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. EDMONDS, a motion to reconsider the vote by which the bill was passed was laid on the table.

MRS. M. P. RODGERS.

The next business on the Private Calendar was the bill (H. R. 4314) for the relief of Mrs. M. P. Rodgers.

Mr. EDMONDS. Mr. Speaker, the gentleman from California [Mr. RAKER] not being present, I ask unanimous consent that this bill be passed over.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

VALIDATING CERTAIN APPLICATIONS FOR AND ENTRIES OF PUBLIC LANDS.

The next business on the Private Calendar was the bill H. R. 10419, validating certain applications for and entries of public lands.

The SPEAKER pro tempore. Is there objection?

Mr. CRAMTON. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Indiana [Mr. BENHAM] whether there are any of these cases that involve any fraud on the part of the party now to be relieved?

Mr. BENHAM. Mr. Speaker, we are assured by Assistant Secretary Finney, at whose request the bill was introduced, that in every instance the claimant has a claim in equity, but, owing to slight technicalities of law, the department is unable to approve the claim without congressional action.

Mr. CRAMTON. All the items in the bill are recommended by the department?

Mr. BENHAM. Not only recommended by the department, but have been gone over very carefully by the subcommittee, and in any case where there was any objection at all they have been eradicated.

Mr. CRAMTON. Mr. Speaker, I withdraw the reservation.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to issue patents upon the entries hereinafter named upon which proof of compliance with law has been filed, upon the payment of all moneys due thereon:

Additional homestead entry, Blackfoot, Idaho, No. 018220, made by Ora R. Brower, for the heirs of Henry Brower, deceased, on August 15, 1914, under the act of June 17, 1910 (36 Stat. L. p. 531), for the east half of the northeast quarter and east half of the southeast quarter, section 20, township 10 north, range 41 east, Boise meridian.

Homestead entry, Miles City, Mont., No. 033305, made by Susanna McLain, on December 9, 1916, for the west half of the west half of section 10, township 10 north, range 43 east, Montana principal meridian.

Homestead entries, Roswell, N. Mex., Nos. 035320 and 037120, made by Alma E. Squire, for the south half of the northeast quarter, southeast quarter of the northwest quarter, east half of the southwest quarter, north half of the southeast quarter, and southeast quarter of the southeast quarter of section 7, the southwest quarter of section 8, and the northwest quarter of section 17, township 9 south, range 30 east, New Mexico principal meridian.

Additional homestead entry, Pierre, S. Dak., No. 014332, made by Orlo W. Horsley on November 20, 1916, under the act of February 19, 1909 (35 Stat. L. p. 639), for the north half of the northeast quarter and north half of the northwest quarter of section 21, township 3 north, range 30 east, Black Hills meridian.

Homestead entry, Bozeman, Mont., No. 09094, made by Glenn Conklin on June 3, 1914, under the act of June 11, 1906 (34 Stat. L. p. 233), for a tract of land described as homestead entry survey No. 884.

Homestead entry, Durango, Colo., No. 07166, made by Alva John Burch on September 10, 1917, for the east half of section 9, township, 35 north, range 14 west, New Mexico principal meridian.

Desert-land entry, Evanston, Wyo., No. 06098, made by Enger K. Chrisman on March 22, 1919, for lots 4 and 5 of section 29, lot 1 and the northwest quarter of the northeast quarter of section 32, and lots 2, 3, and 4 and the south half of the northeast quarter and the southeast quarter of the northwest quarter of section 33, township 26 north, range 113 west, sixth principal meridian.

SEC. 2. That the entry hereinafter named be, and the same is hereby, validated, and the Secretary of the Interior authorized to issue patent thereon upon submission of satisfactory proof of compliance with the law under which such entry was allowed:

Desert-land entry, Phoenix, Ariz., No. 031411, made by Isabelle S. Forest on January 10, 1920, for the southeast quarter of the northeast quarter, section 23, township 14 north, range 4 east, Gila and Salt River meridian: *Provided*, That the payment of $1.25 per acre required under the provisions of the desert-land law shall be in lieu of the like amount at which this land was appraised when open to entry.

SEC. 3. That the Secretary of the Interior be, and he is hereby, authorized to allow the following application to make entry:

Homestead application, Phoenix, Ariz., No. 039571, filed by Frank D. Thomas for the north half of the southeast quarter, section 9, township 1 south, range 2 east, Gila and Salt River meridian, subject to the reclamation law, and to allow said entryman, in complying with the requirements of the homestead laws, credit for his residence upon, improvement, and cultivation of said land prior to the date of this act.

The following committee amendments were read:

Page 4, after line 21, insert section 4, as follows:

"SEC. 4. That the Secretary of the Interior be, and he is hereby, authorized to accept proof of residence of Mary E. Battles, formerly Mary E. Burdett, upon the homestead entry of her husband, Albert L. Battles, in lieu of residence upon her homestead entry, Portland, Oreg., No. 05473, made August 7, 1918, for the northwest quarter of section 11, township 7 south, range 2 east, Willamette meridian, in conformity with the election filed by her husband under the provisions of the act of April 6, 1914 (38 Sat. L. p. 312)."

The SPEAKER pro tempore. Without objection, the committee amendment is agreed to. The Clerk will report the next amendment.

The Clerk read as follows:

Page 5, after line 13, insert section 6, as follows:

"SEC. 5. That the Secretary of the Interior is authorized to issue a patent to Edwin Gantner upon homestead entry, Newcastle, 025304, embracing the west one-half section 26 and the north one-half section 27, township 52 north, range 74 west, sixth principal meridian, made by said Edwin Gantner, without requiring further residence."

The amendment was agreed to.

The Clerk reported the following committee amendment:

Page 5, after line 5, insert section 6, as follows:

"SEC. 6. That the Secretary of the Interior be, and he is hereby, authorized and directed to allow the additional homestead application of Otha Potter, Havre, Mont., No. 046297, as heir and legal representative of Rufus A. Potter, who was killed in action during the war with Germany, for the northwest quarter, the northwest quarter of the southeast quarter, the northeast quarter of the southwest quarter of section 26, the south half of the south half of section 23, and the east half of the northeast quarter of section 27, township 24 north, range 23 east, Montana principal meridian, subject to the act of Congress approved July 28, 1917 (40 Stat. L. p. 248)."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

Without objection, a motion to reconsider the vote by which the bill was passed was laid upon the table.

The SPEAKER pro tempore. The Clerk will report the next bill.

NOLAN P. BENNER.

The next business on the Private Calendar was the bill (H. R. 3836) for the relief of Nolan P. Benner.

The SPEAKER pro tempore. Is there objection to the consideration of the bill? [After a pause.] The Chair hears none. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay to Second Lieut. Nolan P. Benner, Quartermaster Corps, National Guard of Pennsylvania, for services from August 1, 1917, to December 19, 1917, performed under instructions of commanding general Seventh Division, who, under date of July 20, 1917, ordered said Second Lieut. Nolan P. Benner to report to quartermaster, State Arsenal, Harrisburg, Pa., where he continued in service until notice of discharge, December 19, 1917. Amount of pay for aforementioned services was disallowed by the Auditor for the War Department because the records failed to show that he was held in service subsequent to July 31, 1917.

The following committee amendments were read:

Page 1, line 4, after the word "pay," insert "out of any money in the Treasury not otherwise appropriated."

Line 7, after the word "Pennsylvania," insert "the sum of $656.40."

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. GERNERD, a motion to reconsider the vote by which the bill was passed was laid on the table.

J. W. HARRELD.

Mr. GENSMAN. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. GENSMAN. To return to the bill numbered 223 on the Calendar, H. R. 8025.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the gentleman who objected to this bill is absent from the Chamber. I wish to inquire of the gentleman, although I have no objection to the bill, if there was any reason in fact for the position of the gentleman's colleague [Mr. HERRICK]. Unless that gentleman is present, or the gentleman has conferred with him and he has withdrawn his objection, I do not think it is proper to return to the bill.

Mr. GENSMAN. I understand that this is the Congress of the United States and people are supposed to be present. I am always here, and the gentleman from Wisconsin is always here, and practically all the rest of the Members are always here, and I ask to return to the bill. I recognize the fact, if the gentleman will permit me, that it is personal prejudice against the Senator in this particular case.

Mr. STAFFORD. That may be true, but, nevertheless, under the circumstances I shall object.

EMMETT OTTO COONEY.

The next business on the Private Calendar was the bill (H. R. 9746) for the relief of Emmett Otto Cooney.

The SPEAKER pro tempore. Is there objection to the consideration of the bill? [After a pause.] The Chair hears none.

The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue patent to Emmett Otto Cooney for the southeast quarter of the southeast quarter, section 34, east half of the east half, south half of the southwest quarter and southwest quarter of the southeast quarter, section 35, township 4 south, range 21 east, Willamette meridian, being the land embraced in his homestead entries 013424 and 015142, The Dalles, Oreg., land district, upon which he has submitted satisfactory proof of compliance with the provisions of the homestead law.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

Without objection, a motion to reconsider the vote by which the bill was passed was laid on the table.

RICHARD MURPHY.

The next business on the Private Calendar was the bill (H. R. 9916) to provide for the issuing of a patent to Richard Murphy for a certain tract of land in what is known as the Big Pasture of Oklahoma, and upon which he has made full payment of purchase price.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of this bill?

Mr. WHITE of Kansas. Mr. Speaker, I wish to say, on account of the request preferred by the gentleman from Oklahoma [Mr. GENSMAN], that this bill has to do with a tract of land which he supposed and believed to be in his district. The bill was introduced by himself. It has subsequently transpired that the land is located in the district of his colleague [Mr. MCCLINTIC], and therefore in the interest of Mr. MCCLINTIC I ask unanimous consent that the bill be passed over without prejudice for the present.

The SPEAKER pro tempore. The Clerk will report the next bill.

MEDICAL SOCIETY OF THE DISTRICT OF COLUMBIA.

The next business on the Private Calendar was the bill (H. R. 10973) to amend an act entitled "An act to revive, with amendments, an act to incorporate the Medical Society of the District of Columbia," approved July 7, 1838, as amended.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I do not think this bill should be considered under the Unanimous-Consent Calendar.

Mr. MILLSPAUGH. Mr. Speaker, will the gentleman yield?

Mr. STAFFORD. I will withhold the objection.

Mr. MILLSPAUGH. This bill was presented about two months ago, and was objected to at that time because there was a clause in it that was vague as to the question of a right to establish a medical school. That has been eliminated, and the bill has been redrafted, so that there is no chance for anything of that kind.

This society was incorporated in 1838 as the Medical Society of the District of Columbia, and until 1896 it licensed doctors; but at that time the law was changed so that it could not issue licenses any more, and it became just a medical society for the purpose of keeping the ethics of the profession pure and clean.

Then there were two societies. They consolidated, and they have constructed a building here in Washington. Under the charter as it now stands they have been compelled to hold the title to the building in trustees; and this amendment is only for the purpose of perfecting their charter, so that this real estate, this property, can be held in the name of the society itself.

Mr. STAFFORD. There is nothing in the rules of the House to prevent this bill being called up on District days or days given over to District business.

Mr. MILLSPAUGH. As the gentleman will understand, the District Calendar is very full indeed. I hope the gentleman will not make any objection, because this society has this building practically completed at this time.

Mr. STAFFORD. On Monday this bill can be brought up, if the gentleman and the members of the committee desire.

Mr. Speaker, I am constrained to object.

The SPEAKER pro tempore. The gentleman from Wisconsin objects. The Clerk will report the next bill.

DONATION OF GATES AT HEAD OF WEST EXECUTIVE AVENUE.

The next business on the Private Calendar was the bill (S. 3046) to donate the gates at the head of West Executive Avenue, in the city of Washington, D. C., to the Hayes Memorial Museum, Fremont, Ohio.

The title of the bill was read.

The SPEAKER pro tempore. Is there objection to the present consideration of this bill?

Mr. HILL. Mr. Speaker, reserving the right to object, if these gates are taken down it would seem that the donation of them to the Hayes Memorial Museum at Fremont, Ohio, would be perfectly proper; but I would like to know at first if it has finally been decided that they should be taken down. It seems to me these gates are a proper protection to Executive Avenue, on which the office of the President of the United States is located. I object to that being made an open-traffic street, thus taking away the protection to the executive offices that has been afforded by these gates for a generation.

Mr. BEGG. I would like to answer the question of the gentleman, having made an investigation of the very proposition that the gentleman from Maryland has questioned, namely, Are they to be taken down? I have a letter from Colonel Sherrill, in which he states that the War Department and the city commissioners and everybody connected with the operation of the government of the city have decided that these gates are a menace to traffic and that serious accidents with automobiles are liable to occur there, owing to the big posts. They were going to take the gates down and were going to junk them.

President Harding is a very good friend of Colonel Hayes, who is a son of ex-President Hayes. President Harding, if the Congress will approve, will give the gates to Colonel Hayes for the purpose of erecting them at the Ohio Archæological Park, which is a donation to the State of Ohio from the Hayes estate. The gates will be taken down and will be junked at the expense of the Government unless this bill is passed.

Mr. MOORE of Virginia. Does this bill require the gates to be taken down?

Mr. BEGG. No.

Mr. MOORE of Virginia. I understand the bill is conditional upon the gates being removed?

Mr. BEGG. The bill is for the purpose of permitting the President to give away Government property. The gates will be taken down without congressional action. I will be very glad to read the letter of Colonel Sherrill if the gentleman cares to hear it.

Mr. HILL. I wish the gentleman would read the letter.

Mr. BEGG. The letter is as follows:

WAR DEPARTMENT,
CORPS OF ENGINEERS,
OFFICE OF PUBLIC BUILDINGS AND GROUNDS,
Washington, D. C., April 22, 1922.

Hon. JAMES T. BEGG,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: The proposition of removing the gates at the head of West Executive Avenue has been up for the last couple of years on account of the great congestion of traffic in that avenue.

This matter has been considered by the President, the District Commissioners, the office of Public Buildings and Grounds, and all other agencies directly concerned, and all have agreed that these gates will

have to be removed. When it was determined that they must be removed an effort was made to find some one who would pay something to the Government for the privilege of taking the gates away, but it was found that no one would pay for the privilege, and, on the contrary, they expected us not only to give them the gates but to pay some one for taking them away.

After these bids were received Colonel Hayes came along with a proposal to have them turned over to the Hayes Memorial Museum, and made such a request of the President. The President referred him to me, and I informed the President that I thought there would be no objection to this procedure, in view of the facts above outlined. I feel quite sure that these gates as they are at present are a menace to the safety of the public, and I also feel quite confident that they are of no intrinsic value, and therefore think they should be given to the Hayes Memorial Museum and believe there could be no possible objection to unanimous agreement to turn them over for this purpose.

Very truly yours,

C. O. SHERRILL,
Lieutenant Colonel, Corps of Engineers.

Mr. MOORE of Virginia. If the gentleman will permit, I find that this is mandatory upon the Chief of Engineers. It not only authorizes but directs the Chief of Engineers to give these gates away.

Mr. BEGG. Wait a moment.

Mr. HILL. May I say that I wrote to Colonel Sherrill, and I wrote to the Chief of Engineers about it, because it seemed to me that these gates are a very proper protection to the executive privacy of the President. No attempt is made to take down Temple Bar because of changing traffic conditions. This bill says that the Chief of Engineers is authorized and directed. If these gates are to be taken down, I have no objection to their being turned over as provided in this bill, and if the words "and directed" are stricken from the bill I will not object to its consideration.

Mr. BEGG. I will accept that and offer such an amendment.

The SPEAKER pro tempore. Is there objection?

Mr. MOORES of Indiana. I object.

The SPEAKER pro tempore. The gentleman from Indiana objects. The Clerk will call the next bill.

PUBLIC-SCHOOL SITE IN THE STATE OF WASHINGTON.

The next business on the Private Calendar was the bill (H. R. 10841) authorizing the transfer of 500 feet of Indian land, in the State of Washington, for a public school to which Indian children shall be admitted without payment of tuition.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection?

Mr. CRAMTON. Mr. Speaker, reserving the right to object, I should like to have some information about this school proposition. If the author of the bill is not present, I will ask that it be passed over.

The SPEAKER pro tempore. Without objection, the bill will be passed over and the Clerk will report the next bill.

SENATE BILLS REFERRED.

Under clase 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 3458. An act to authorize the Niagara River Bridge Co. to reconstruct its present bridge across the Niagara River between the State of New York and the Dominion of Canada, or to remove its present bridge and construct, maintain, and operate a new bridge across the said river; to the Committee on Interstate and Foreign Commerce.

S. 3620. An act to authorize the construction of a bridge across Pearl River at or near Tilton, Lawrence County, Miss.; to the Committee on Interstate and Foreign Commerce.

S. 2168. An act for the relief of Jesse C. Dennis and William Rhett Eleazer; to the Committee on Claims.

HORACE G. KNOWLES.

The next business on the Private Calendar was the bill (H. R. 8656) for the relief of Horace G. Knowles.

The Clerk read the title of the bill.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. Will the gentleman withhold that a moment?

Mr. STAFFORD. I will withhold the point for a moment.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to—

Mr. CROWTHER, for two weeks, on account of important business.

ADJOURNMENT.

The SPEAKER pro tempore. The gentleman from Wisconsin makes the point of order that there is no quorum present.

Mr. EDMONDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.) the House adjourned until Saturday, June 10, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

633. Under clause 2 of Rule XXIV a letter from the Secretary of War, transmitting draft of a bill or resolution transferring from the appropriation "Arms, uniforms, equipment," etc., to the appropriation "Arming, equipping, and training the National Guard" for the fiscal year 1922 the amount of $175,000 (H. Doc. 337), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. McKENZIE: Committee on Military Affairs. H. R. 11903. A bill to authorize and direct the Secretary of War to sell to Henry Ford nitrate plant No. 1, at Sheffield, Ala.; nitrate plant No. 2, at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; and to lease to the corporation to be incorporated by him Dam No. 2 and Dam No. 3 (as designated in H. Doc. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes; without amendment (Rept. No. 1084). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANGLEY: Committee on Public Buildings and Grounds. S. 3163. An act to amend an act approved March 4, 1913, entitled "An act to increase the limit of cost of certain buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes"; without amendment (Rept. No. 1085). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WHITE of Maine: A bill (H. R. 11964) to amend an act to regulate radio communication, approved August 13, 1912, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. KELLY of Pennsylvania: A bill (H. R. 11965) to amend the provisions of section 1101 of the revenue act of 1917, by striking out the provision which increased the rate on second-class postage, July 1, 1920, and July 1, 1921, and by making effective the rates provided in said bill for the period between July 1, 1919, and July 1, 1920; to the Committee on the Post Office and Post Roads.

By Mr. RIDDICK: A bill (H. R. 11966) defining the crop failure in the production of wheat, rye, barley, oats, and flax by those to whom the Government of the United States loaned money, under the act of March 3, 1921, for the purchase of wheat, rye, barley, oats, or flax for seed, and for other purposes; to the Committee on Agriculture.

By Mr. GOODYKOONTZ: A bill (H. R. 11967) to enlarge the powers of the juvenile court of the District of Columbia; to the Committee on the Judiciary.

By Mr. FOCHT: A bill (H. R. 11968) to amend an act of Congress approved June 18, 1898, entitled "An act to regulate plumbing and gas fitting in the District of Columbia"; to the Committee on the District of Columbia.

By Mr. MILLSPAUGH: A bill (H. R. 11969) to amend the Code of Law for the District of Columbia and provide for the incorporation and regulation of banks in said District; to the Committee on Banking and Currency.

By Mr. WALSH: A bill (H. R. 11970) to establish a bureau for the study of criminal, pauper, and defective classes; to the Committee on the Judiciary.

By Mr. ANDREWS of Nebraska: A bill (H. R. 11971) for publicity of contributions made for the purpose of influencing general or special elections at which Representatives in Congress and Members of the United States Senate are elected; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. MADDEN: A joint resolution (H. J. Res. 345) creating a commission to prepare plans for and to erect a monument in the city of Washington to the memory of Pietro Alonzo, and for other purposes; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND of Indiana: A bill (H. R. 11972) for the relief of the heirs, assigns, and legal representatives of Peter Lisman; to the Committee on the Public Lands.

By Mr. FOCHT: A bill (H. R. 11973) granting an increase of pension to Caroline Candus Criswell; to the Committee on Invalid Pensions.

By Mr. GOULD: A bill (H. R. 11974) granting a pension to Emma A. Carl; to the Committee on Invalid Pensions.

By Mr. McPHERSON: A bill (H. R. 11975) granting a pension to Mary L. Speer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11976) granting a pension to Cora Wilhite; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11977) granting a pension to Francis S. Gooding; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11978) granting a pension to Martha Kailey; to the Committee on Invalid Pensions.

By Mr. MICHENER: A bill (H. R. 11979) granting a pension to Elsie V. Reinhart; to the Committee on Invalid Pensions.

By Mr. MOORE of Illinois: A bill (H. R. 11980) granting a pension to Mary A. Wylie; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 11981) granting a pension to Adelaide Thacker; to the Committee on Invalid Pensions.

By Mr. SPEAKS: A bill (H. R. 11982) granting an increase of pension to S. Harriet Morris; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5960. By the SPEAKER (by request): Petition of R. W. Kingsley, 43 East Thirty-eighth Street, New York City, urging that before the United States as a Nation may declare war on any other nation the issue must first be submitted to voters of the Republic for their affirmative approval or disapproval; to the Committee on the Judiciary.

5961. Also (by request), resolution adopted by the Greater Chicago Federation, urging the third Sunday in June to be designated as Mothers' Day; to the Committee on the Judiciary.

5962. Also (by request), resolution passed by the council of the city of Pittsburgh, urging Congress to take early action for complete canalization of the Ohio River; to the Committee on Rivers and Harbors.

5963. By Mr. CAREW: Resolution passed by the council of the city of Pittsburgh, urging Congress to complete the canalization of the Ohio River; to the Committee on Rivers and Harbors.

5964. By Mr. CRAGO: Resolution adopted by the city council of Pittsburgh, urging that early action be taken for complete canalization of the Ohio River as planned by the Corps of Engineers of the United States Army; to the Committee on Rivers and Harbors.

5965. By Mr. DAVIS of Tennessee: Resolution of the Tennessee State Dental Society, indorsing Ford's offer for Muscle Shoals; to the Committee on Military Affairs.

5966. By Mr. KISSEL: Petition of Biochemical Food Products Corporation, Chicago, Ill., relative to freight rates; to the Committee on Interstate and Foreign Commerce.

5967. Also, petition of Henry Ford, of Dearborn, Mich., relative to his offer for Muscle Shoals; to the Committee on Military Affairs.

5968. Also, petition of city clerk, Pittsburgh, Pa., transmitting resolution adopted by the council of the city of Pittsburgh, urging Congress to take early action for complete canalization of the Ohio River; to the Committee on Rivers and Harbors.

5969. By Mr. MacGREGOR: Petition of Kate L. Weed and Edith Weed, of Buffalo, urging the United States to do all that justice and mercy require in behalf of the afflicted nation of Armenia; to the Committee on Foreign Affairs.

5970. Also, petition of John W. Wargin, deputy city clerk of Buffalo, transmitting a communication from the commissioner of public affairs re tariff on building material; to the Committee on Ways and Means.

SENATE.

SATURDAY, *June 10, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Hale	McKinley	Spencer
Brandegee	Harris	McLean	Sterling
Broussard	Harrison	McNary	Sutherland
Cameron	Heflin	Nelson	Swanson
Capper	Johnson	Newberry	Townsend
Culberson	Jones, N. Mex.	Norris	Underwood
Curtis	Jones, Wash.	Oddie	Walsh, Mass.
Dial	Kendrick	Overman	Walsh, Mont.
Dillingham	Keyes	Phipps	Warren
Elkins	King	Poindexter	Watson, Ga.
Ernst	Ladd	Rawson	Watson, Ind.
Fernald	La Follette	Sheppard	Williams
France	Lenroot	Shortridge	Willis
Frelinghuysen	McCormick	Simmons	
Gerry	McCumber	Smoot	

Mr. UNDERWOOD. I wish to state that the senior Senator from Florida [Mr. FLETCHER] is absent on account of illness. I ask that this announcement stand for the day.

The VICE PRESIDENT. Fifty-eight Senators have answered to their names. A quorum is present.

PROHIBITION ENFORCEMENT.

Mr. STERLING. Mr. President, quite recently the Manufacturers' Record, one of the leading business journals of the country, made a survey of the country to ascertain the value of prohibition and prohibition enforcement. The survey, I think, was quite complete. I have here a digest of the survey. I think, because of the great public interest in the matter, it ought to be printed in the CONGRESSIONAL RECORD, and I therefore ask unanimous consent that it be so printed.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Dakota?

Mr. UNDERWOOD. I have no objection to printing anything in the RECORD that is for the information of the public, but in order that we may have an understanding of the weight of the digest, because in digesting an article it may be digested one way or another, I would like to ask who did the digesting?

Mr. STERLING. I am not able to say who did the digesting, but I think it is a fair digest because my attention was called to the original article in the Manufacturers' Record. I think it is a fair digest because it gives exact quotations from the article.

Mr. UNDERWOOD. I have no objection to the printing of it except that if we knew who digested the article we might know at what angle the work was built upon.

Mr. STERLING. I am not able to tell the Senator.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

PROHIBITION DECLARED A SUCCESS BY THE LEADING BUSINESS MEN OF THE NATION.

The Manufacturers' Record, one of the leading business journals of the Nation, recently made a survey of the country to ascertain the value of prohibition. Its effect on the economic, moral, and social life of the Nation is printed in May, 1922.

What the New York Evening Post says of the verdict:

"It is a total fallacy, of course, to suppose that prohibition came suddenly or was in any sense a product of the war. The prohibition movement became influential in the Middle West soon after 1880, quickly invaded the South, and had made 32 States 'dry' when the eighteenth amendment was ratified. Counting local option territory, by 1919 no less than nine-tenths the area and two-thirds the people of the United States were 'dry.' Nor was the movement against the saloon a mere 'moral-uplift' movement. On the contrary, the political motive—dislike of liquor influences—was decided, and the economic motive stronger yet.

"It is this economic element that the letters to the Manufacturers' Record emphasize. 'Unmistakable advantages and relief,' writes a Milwaukee farm-implement maker; 'drunkenness has lessened 100 per cent,' says a Tacoma steel manufacturer; 'the effect on labor and the saving of money have been wonderful,' testifies a Denver banker; 'trouble among employees from liquor has almost disappeared,' declares a Pittsburgh oil man; 'there is nothing which has so helped cotton mills,' says a Birmingham mill owner; and so runs the verdict from a hundred cities."

In a careful compilation of all replies received by the Manufacturers' Record on the prohibition question, the tabulation gives the following remarkable results in percentages to the total:

	Per cent.
For prohibition in some form	98.50
Against prohibition	1.50
For strict prohibition	85.50
For beer and wine	7.00
Against Volstead law or present regulations	1.25

	Per cent.
Wants Volstead law modified	.75
Advocates high license or Government control	1.00
Advocates dispensary system	.25
Undecided or noncommittal	2.75

"The most overwhelming answer ever given as to the value of prohibition as an economic and moral factor in advancing the cause of humanity will be found in these letters. With two or three exceptions they all believe in some form of restriction or regulation of the traffic in alcoholic beverages. The effort to break down the prohibition law with wine and beer as the entering wedge is vigorously assailed by educators, business men, and others."

BUSINESS MEN.

Judge E. H. Gary, United States Steel Corporation:

"Yes; results have fully justified prohibition legislation. I indorse the admirable expressions of President Harding on the question."

The expression of President Harding to which Judge Gary refers is as follows:

"In every community men and women have had an opportunity now to know what prohibition means. They know that debts are more promptly paid, that men take home the wages that once were wasted in saloons, that families are better clothed and fed, and more money finds its way into the savings banks. The liquor traffic was destructive of much that was most precious in American life. In the face of so much evidence on that point, what conscientious man would want to let his own selfish desires influence him to vote to bring it back? In another generation I believe that liquor will have disappeared not merely from our politics but from our memories."

Ex-governor and ex-United States Senator, cotton-mill owner, Birmingham, Ala.:

"There is nothing which has so helped cotton mills as the effect of prohibition on the cotton-mill families, and every cotton-mill interest, regardless, should stand by the prohibition laws.

"To repeat, the danger to the eighteenth amendment, to our prohibition laws, to this greatest predicate ever laid for human advancement, is not in the wildcatter, the booze flivver, the booze runner, not the man who makes money from whisky selling, but it is in that supposedly higher class of our citizenship who think they can not do without their gin rickey, their cocktail, their 'here's to you,' and the animal exhilaration that comes around the table or in a party when their tongues are loosened, from that class of people who from the very facts in the case will suffer the greatest consequences from this widespread lawlessness which they alone make possible."

Henry M. Leland, president of the Lincoln Motor Co.:

"In Detroit the favorable effects of prohibition are apparent to even a blind man, and this is despite the fact that we have a large population accustomed to drinking liquor. The salvation of our country is assured, because the great mass of common people obey this as other laws because it is the law of the land."

John B. Lennan, retired business man, Bloomington, Ill.:

"Results were excellent and are improving daily."

William S. Witham, organizer of 150 banks, Atlanta, Ga.:

"I find upon investigation that 90 per cent of our people have at last placed 'liquor' in the mad-dog class. Since prohibition came the pay envelope has gone to the wives and children of men who heretofore threw it on the counter of the flannel-mouth liquorite. I have not seen two drunken men where at least fifty before prohibition disgraced our thoroughfares."

C. C. Stoll, oil refiner, Louisville, Ky.:

"Prohibition was good for Kentucky. Even from a business standpoint I think the enthusiasm and impetus for business has been increased. That it has been of decided advantage to the laboring classes must be clear to all observers."

President W. S. Stone, of the Brotherhood of Locomotive Engineers, Cleveland:

"I find a marked improvement in the number of men who are saving their money and who own their homes or are buying their homes, and I find a decided improvement in the home life of the workers, due to the fact that the women and children have more food, more clothing, and better care in every way. Back of all that, the worker takes his family and goes to the picture show or to the park now, when he formerly spent his evenings in the saloon drinking and spending his money. Drunkenness has decreased at least 75 per cent among the workers."

He further expressed the idea that the "smart set" drinkers are parasites whom liquor is destroying, to the Nation's benefit.

S. S. Kresge, the great 5 and 10 cent store man, of Detroit:

"The result of prohibition is more thrift, bills paid better, homes happier and better provided for."

Manager Sibley, of the Birmingham Clay Products Co., reports that ever since prohibition there has been a steady and marked improvement in the moral, mental, and physical condition of the people, and that from the industrial standpoint alone the employers of Alabama have found prohibition one of their most valuable assets.

J. E. Edgerton, president and general manager of a large woolen mill in Lebanon, Tenn., and president of the National Association of Manufacturers of the United States:

"Thousands of homes have been built which would not have been built and millions of women and children have been provided with food and clothes who would have suffered for these necessities if there were no eighteenth amendment. Except for the absence of the open saloon, these days of reconstruction would be attended by conditions which would make much more difficult the task of rehabilitation."

President E. E. Swift, of National Bank of Auburn, N. Y.:

"There were some sixty-odd saloons in Auburn which were put out of business. Every store which was put out of business has been occupied by some legitimate commercial enterprise, with the exception of a few which are selling soft drinks. Not only this, but rents in the business portion of our city have advanced very rapidly, and owners of the stores formerly used for saloons are getting much more income from these places than ever before, notwithstanding the hard commercial times which we have all passed through during the past year. Notwithstanding a large amount of unemployment in our city, our bank deposits in Auburn have not suffered and the savings deposits have steadily increased."

C. A. Moffett, president Gulf States Steel Co., Birmingham, Ala.:

"Results since prohibition went into effect have shown a wonderful improvement in our employees, a large number of whom are colored people. The efficiency of the labor has been increased to a very large extent and the accidents around our plants have been reduced at least 75 per cent. The improvement has also been shown by a better satisfied class of workmen and their families. Numbers of them are buying homes and their families are much better dressed, and the general feeling of contentment among the wives and children is very marked."

A. B. Farquhar, of York, Pa.:

"Prohibition, notwithstanding violation of the law, which is more or less a passing phase, has proved to be of the greatest benefit to the country. The drinking of alcoholic beverages is, next to war, the greatest curse to mankind."

C. W. Galloway, vice president Baltimore & Ohio Railroad:

"The elimination of the corner saloon has without doubt materially improved the whole general situation, and I believe that is generally conceded. It has also been beneficial with respect to the character of work performed, and it can be fairly stated that in that respect much good has been accomplished."

M. M. McCall, president cotton mill, Opelika, Ala.:

"We think prohibition is of untold benefit both to the individual who is practicing it and to those who are dependent on him for support."

George M. Verity, president American Rolling Mills Co., Middletown, Ohio:

"Less lost time, less accidents, less incompetence, less carelessness and inefficiency, better work, better homes, more thrift, happier families, and sober and safer and more efficient men, who now are finding out what it means to really live where they formerly merely existed."

William U. Follansbee, manufacturer, Pittsburgh:

"Experiences have confirmed and strengthened our belief in the great benefits derived from the abolition of the liquor traffic, and we find a steadily increased acknowledgment thereof from all sections and from peoples in all conditions of life, and none are more appreciative of the benefits than those who are ordinarily designated as working people, as influencing the workmen themselves, their families, and their homes."

President E. T. Weir, Weirton Steel Co., N. Y.:

"Prohibition has been beneficial to the great majority of the employees in our mills; they have been more regular in their attendance at work; there have been fewer accidents; their health has been better; and their financial condition has been much improved."

L. N. Bowers, manufacturer, Binghamton, N. Y.:

"In an enterprise in which I was at the head, employing thousands of miners and laborers, the managers took a straw vote in 1921 among the women only, and in one precinct they cast 186 votes and 183 were for 'dry.' In other precincts they voted more than 95 per cent for the continuation of prohibition."

J. J. Phoenix, president Bradley Knitting Mills, Delevan, Wis.:

"As an employer of labor, it has been my province to watch the effects of prohibition upon our twelve to fourteen hundred people, and we find that the laboring man and his family have directly benefited. Better living, better clothing, cleaner and better social life, happier homes with more contentment, better and steadier workers, averaging more efficient and with less sickness and lost time, are some of the benefits to the workers and society in general."

W. H. Reid, steel manufacturer and banker, Tacoma, Wash.:

"Since prohibition became effective, we have not been troubled with a single disturbance on account of liquor in our plant. Drunkenness has been lessened 100 per cent. I would regard the repeal of this law as the greatest calamity that has ever befallen the United States of America."

A. L. Bell, Ridgeway Dynamo & Engine Co., Ridgway, Pa.:

"Those who formerly drank have more money to spend for useful things and for the pleasure of their families. As to the amount of drunkenness in this community, I give you the word of our chief of police that there is now about one-tenth the drunkenness we had with the open saloon."

R. M. Downie, a manufacturer for 40 years, Beaver Falls, Mass.:

"Prohibition was, in a sense, our principal gain from the Great War, and it is worth our present national debt twice over. Among other things it has moved our whole conception of national morals and conscience up to a level never heretofore attained by any other nation, and has cleared the way for permanent industrial prosperity as nothing else could have done."

A. D. Reynolds, Bristol, Tenn.:

"I wish to say in justice to the former dealers of liquor in Bristol they are making good, law-abiding citizens; some of them are conducting some of our leading business houses and are favorably regarded by our people generally. Several of them have joined our leading churches. I don't know of any instance in which they have encouraged violation of the law."

Louis F. Post, Washington, D. C.:

"The information that comes to me casually indicates a highly beneficial effect, that drunkenness—public drunkenness most certainly—is much less common now than it was when the distillery and the brewery interests had their way."

Charles Thaddeus Terry, of New York:

"It has relieved jails and poorhouses, to a very large extent, of their former occupants and resulted in a consequent decrease, as far as those purposes were concerned, in the taxation burdens of the various communities."

R. A. Schoolfield, a cotton mill man, Danville, Va.:

"The drinking of alcoholic liquor has greatly decreased among the working people, which means that they have increased in efficiency as well as in their living standards, and I can confidently say that the prohibition sentiment is stronger among our people than ever before."

President J. M. Young, of Sweets Steel Co., Williamsport, Pa.:

"Anything that has been said in favor of prohibition in days gone by, in my judgment, has been fully confirmed by the experience through which we are now passing."

David N. Lupton, manufacturer, of Philadelphia:

"Never in all history has any law been passed that has benefited mankind so much."

S. F. Bowser, manufacturer, Fort Wayne, Ind.:

"Only one man has lost his job with us on account of drink. We employ from 1,400 to 1,800 people and when the saloons were in operation out of this great number we would have something like the above happen more or less every week or two. Therefore, you see, the improvement has simply been marvelous."

President W. T. Beatty, of the Austin Manufacturing Co., Chicago:

"The present benefits, however, are worth one hundred times all they cost, and I would as soon think of returning to human slavery as of returning to the domination of the distiller, the brewer, and the saloon keeper."

C. E. Hutchinson, manufacturer, Mount Holly, N. C.:

"The practical results of prohibition in our section have been very beneficial from every point of view."

E. J. Lindsay, of Milwaukee:
"The advantage of the act seems to me beyond question. Drunkenness is not as common as before the act became effective, although there is much of it yet."
Arthur R. Baxter, manufacturer, Indianapolis:
"Having to do with the handling of workmen, I can see the wonderful difference now and before prohibition."
President F. N. Briggs, of the Interstate Trust Co., Denver:
"The effect of prohibition on labor and saving of money formerly spent for liquor has been wonderful. Savings deposits have increased more than 33⅓ per cent throughout the country."
R. H. Scott, Reo Motor Co., Lansing, Mich.:
"Since prohibition went into effect we do not see drunken men on our streets; neither do we hear of drunken men abusing their wives and children."
Charles Yorm, manufacturer, Canton, Ohio:
"On the whole, we are extremely pleased with the results, and we are confident if it was put to a vote of our men in our factory to-day, our factory would vote 'dry' by a large majority."
D. Seltzer, manufacturer, of Bellevue, Ohio:
"From the standpoint of industry alone, we feel that prohibition is more than justifiable, and we will continue to take as strong a stand against liquor as we ever have in the past."
J. C. Haswell, manufacturer, Dayton, Ohio:
"It is the opinion of local financial authorities that a very considerable part of the increase in the savings accounts were due largely to the closing of the saloon, etc."
Edward Freschi, manufacturer, Milwaukee, Wis.:
"I am not a prohibitionist myself, but look upon this matter purely from a scientific and common-sense standponit. I am convinced that the theory that the country in general would be benefited by prohibition has been proven in fact. I am positive that the benefits greatly overbalance the evils."
W. H. Thomas, manufacturer, Dayton, Ohio:
"There is no question in the world, in my judgment, that the adoption of the eighteenth amendment was one of the greatest pieces of advance legislation that has ever been adopted in our country."
Isaac F. North, president American Soda Fountain Co., Boston:
"Looking at prohibition from a purely economic standpoint, I think that all employers of labor, regardless of their personal opinion, will agree that it has been beneficial both to the workmen and business, but in my estimation the moral effect of it outweighs the economic side and is of vastly more importance to the country at large."
Frederick Fosdick, manufacturer, Boston:
"Comparison of arrests at the present time with arrests before the prohibition act went into effect show conclusively a tremendous advantage under present conditions. We are more than satisfied with the results so far of the law."
W. H. Foster, Youngstown, Ohio:
"The families of the working men are better cared for."
Walter B. Knight, cotton manufacturer, Willimantic, Conn.:
"The use of intoxicants has been greatly curtailed and workmen's houses and families are much better cared for."
E. P. Selden, manufacturer, Erie, Pa.:
"Prohibition has been a great success. Money that was formerly used to buy drink is now used for food and clothing and the betterment of the home."
Mayor James Logan, of Worcester, Mass.:
"Give the prohibition amendment a chance with proper enforcement of the law and in my opinion no man who has the best interests of our country at heart would consider for a moment going back to the old conditions."
J. R. Moore, manufacturer hosiery for years at Forest City, N. C.:
"I consider prohibition one of the greatest blessings to the human race that has come about within a generation."
E. C. Spear, treasurer Cheney Biglow Wire Works, Springfield, Mass.:
"So far as the effects of the Volstead Act on the labor situation is concerned, I believe there has been a very great improvement in the condition of the general run of the laboring men."
Huston Quinn, mayor, Louisville, Ky.:
"Savings accounts show a decided increase, e. g., in July, 1919, they totaled $18,000,000, to-day $27,000,000, or an increase of 50 per cent. In 1919, 6,172 persons were arrested for drunkenness, in 1920 the total was 1,053, and the arrests for grand larceny were 478 in 1919 and 313 in 1920."
Aug. W. Smith, president cotton mills, Greenville, S. C.:
"There is no law that has been enacted that has done the good that the prohibition law has. At first I was opposed to the prohibition law, but after seeing the effect on our people I am very much in favor of same."
President A. B. Bryant, of the First National Bank, Gardner, Mass.:
"I am firmly convinced that the Volstead Act has been the greatest step forward, morally and economically, in the history of the country."
Joshua Green, president Puget Sound Navigation Co., Seattle, Wash.:
"I consider prohibition an excellent thing for the entire United States."
Harry B. French, wholesale druggist, Philadelphia:
"Except among the so-called upper class, it seems to me that undoubtedly prohibition has inestimably benefited this country. This is evidenced in increased savings, even in spite of unemployment, increased efficiency, and the larger buying of products for amusement and cultivation."
B. F. Fancher, Fifth Avenue Bank, New York:
"My observation has been that far-reaching and important benefits have already been derived."
Treasurer R. A. Cochran, Maysville Cotton Mills, Maysville, Ky.:
"Before the coming of prohibition we had a saloon within a block of our factory, mainly supported by our employees. The boys are growing up without forming the habit of strong drink."
Treasurer J. P. Reeves, Chicago & Eastern Illinois Railway, Chicago:
"The saloons and central places for drinking are gone, the school for its propagation is shattered, and the habit-forming process reduced. Our American people can only benefit from prohibition."
D. H. Campbell, mining engineer, Iron River, Mich.:
"At our mines for the first nine months after the State of Michigan went dry the number of days of absence from work due to accidents fell off 68 per cent. My conclusions are that conditions are very much better under prohibition than they were under the open saloon."
H. S. Fredenburgh, secretary Gould Manufacturing Co., Seneca Falls, N. Y.:
"We believe that a large volume of savings deposits in this community as well as practically every other community in the United States, at a time when industrial workers are on short time and many out of employment, is indicative of the disposition on the part of these men to save money which was formerly spent for liquor, etc."
Vice President H. W. Coffin, the Alabama (Iron) Co., Birmingham, Ala.:
"Prohibition has been of great benefit to all employers of labor."
President Newton Doremus, Land & Loan Co., Red Bank, N. J.:
"There is a great satisfaction in the fact that the eighteenth amendment has resulted in thousands more of happy homes and a better day for women and children, as shown by the increased attendance in our schools and the higher standard of living enjoyed by them."
C. W. Malsland, rugs and carpets, Philadelphia:
"The ability of the working people to sustain themselves during the extended depression, such as we have had the last 18 months, is very largely due to prohibitory laws. Drunkenness is decidedly uncommon. We have one man in our employ who occasionally comes under the influence of liquor where we previously had fifty."
President Clarence H. Kelsey, Title Guarantee & Trust Co., New York:
"I believe with President Harding, as reported in this morning's papers."
President E. B. Thornton, Bedford Steam Stone Works, Bedford, Ind.:
"Our jail here now has no inmates, while it was full to overflowing when we had saloons. A drunken man in our city is never seen any more."
Asa G. Candler, banker, Atlanta, Ga.:
"None but one who is blind, deaf, and dumb can dispute the statement that prohibition in this or any other community has greatly benefited employers and employees."
President E. O. Gass, Scoville Manufacturing Co., Waterbury, Conn.:
"My experience is that our workmen are, almost without exception, in better condition both to render normal, efficient service and to resist disease. Their family life is better stabilized."
President Wm. J. Montgomery, Eighth National Bank, Philadelphia:
"Savings deposits in the bank with which I am connected are to-day the largest in its history, and I believe this to be the general rule. A man to-day under the influence of liquor is a very conspicuous person, and folks turn about and wonder where he got it. Before prohibition no attention was paid to such a person."
D. D. Bowsher, merchant, South Bend, Ind.:
"Merchants, business and professional men throughout the city, when they are taxed right down to give a careful opinion, is that business is better, collections are better, and the living conditions of hundreds of families are very much better."
Geo. F Cotterill, ex-mayor, Seattle, Wash.:
"There has been and is manifest on every hand abundant evidence of the beneficial effects of prohibition upon labor conditions, savings, betterment of homes, and better care of women and children dependent upon men who formerly spent freely for drink. Prohibition is at least 95 per cent efficient and will go on to 100 per cent with steadfast and determined law enforcement throughout America."
President T. J. Gillespie, Lockhart Iron & Steel Co., Pittsburgh, Pa.:
"Labor is more efficient. Men are saving their money and buying homes and supplying the needs of their families as never before."
Charles W. Garfield, banker, Grand Rapids, Mich.:
"We have innumerable instances in our city of the beneficial results of eliminating the saloons—in the promotion of thrift, better housing, improved domestic conditions, and happier women and children."
C. Edwin Michael, president Virginia Bridge & Iron Co., Roanoke, Va.:
"Prohibition, if reasonably enforced, is a great blessing to our people."
L. M. Bowers, retired (formerly employing many thousands of men), Binghamton, N. Y.:
"The home has wonderfully benefited, especially among the foreign laboring men; wife beating and brawls reduced almost to zero among that class."
William A. Schalpur, manufacturer, Minneapolis, Minn.:
"The crime wave now sweeping the whole world has no connection with liquor. It is the aftermath of the war and affects all nations."
Ex.-Gov. Samuel R. Van Sant, Minneapolis, Minn.:
"Savings-bank deposits show that the laboring people are now saving their money; their children are better fed and clothed and being better educated."
General Superintendent Lawrence, managing five large iron-ore properties in Michigan, says:
"The liquor traffic was a brake on the wheels of progress and like a millstone on the neck of our civilization." And adds that he "has optimism enough to believe that another generation will know but little of the evils of the liquor traffic."

PROFESSIONAL, SOCIAL, AND OTHER LEADING AMERICANS.

Raymond Robins, social worker and economist, Chicago:
"Prohibition has greatly increased the comfort, food supply, savings, and general well-being of the working people of the United States. Money formerly spent for liquor goes for food, clothes, books, the movies, and savings. Every mother can tell you the difference in the increased resources and comfort of the home. Prohibition is one of the oldest subjects of discussion and agitation in American politics. Two-thirds of the States voted dry by popular referendum before the passage of the prohibition amendment to the Constitution. More than two-thirds of each House of Congress voted to submit the amendment. Forty-six States have ratified this amendment. New Jersey came in the other day with a ratification delay of over two years. It was supposed to be the wettest territory in the United States. No political party dares to support repeal of the Volstead Act, much less the amendment. There will be several years of battle to finally break the back of the whisky ring, and then the liquor traffic will be as extinct as the dodo."
Dr. Harvey W. Wiley:
"I think beer is probably the most dangerous to health of all the pure ordinary alcoholic liquors. The bootlegging industry will gradually kill itself by killing off all its patrons. From the viewpoint of public health prohibition has been a wonder worker. I am not a believer in the use of distilled spirits as a remedy. Alcohol is never a stimulant but always a narcotic. My belief is that the death rate in such diseases as pneumonia and influenza is much higher where alcohol is used as an internal remedy than where it is not. Long since the medical profession has ceased to regard alcohol in some of its beverage forms as a remedy for tuberculosis, and it is now practically the universal belief that it is, on the other hand, an aid to speedy dissolution."

Dr. Emory S. Bogardus, Los Angeles:
"Has turned millions of dollars into more productive channels. Apparently one-tenth to one-third as much drunkenness now, dependent upon class of people concerned. The chief change has been the transfer of energy and money from destructive or low producing levels to higher levels."

Ex-Gov. Hugh M. Dorsey, of Georgia:
"Much of the money formerly spent for whisky is now being devoted to the support and education of families and the improvement of home conditions. Drunkenness is by no means as common at the present time as under the open saloon and free liquor-traffic program."

H. S. Dulaney, of Baltimore:
"I am quite sure that the effect of prohibition on the laboring man can not be anything but for his betterment. Drunkenness is not nearly so common as it was under the licensed liquor traffic.

Congressman S. D. FESS:
"Recent surveys made by those unfriendly to prohibition prove that it is a success. The first article of the New York Herald survey admitted that there was a decrease in the consumption of beverage liquor under the eighteenth amendment of 70 per cent. Another survey made through the Cosmopolitan Magazine states that the number of drinkers of intoxicants has decreased from about 20,000,000 under the license system to 2,500,000 under national prohibition. A policy of Government that makes such a showing is not a failure but a success. When prohibition is universally enforced and observed the results will be proportionately greater."

Dr. H. E. Robinson, professor pathology, University of Minnesota:
"That the people who have no self-control or knowledge enough to stay away from harmful stimulants should not be forcefully protected from their own indulgence is a monstrous proposition. We attempt to guard carefully other poisons with the approval of practically the entire body politic. I, for one, am perfectly willing to forego the use of this particular poison for the benefit of the entire race. I am particularly concerned with the effects of alcohol on the descendants of confirmed alcoholics and on the economic welfare of their families. So far as my limited experience can observe, economic conditions amongst the laboring classes are distinctly improved as a result of enforced prohibition. Drunkenness is certainly not as common at the present time as in the past, and while death and serious disabling diseases are quite often seen from drinking improperly prepared alcoholic stimulants, cases of acute alcoholism such as were so common in preprohibition days are practically abolished, except in the very large cities where enforcement of the law has been particularly lax."

Lewis Jerome Johnson, professor civil engineering, Harvard University:
"I believe that the mass of voters and their representatives now realize from their own experience that the liquor business can be granted no place in a would-be orderly society."

Dr. A. M. Barrett, director Psycopathic Hospital, University of Michigan:
"Those who are interested in the care and treatment of mental disorders have uniformly found a marked decrease of disorders due to alcohol during the last few years. To my personal knowledge wards formerly used for the care of alcoholic patients are now used for other purposes. There has been a great falling off in the admission of alcoholic mental disorders to the hospitals for the insane in this country. This fact alone is strong evidence of the benefits brought about by prohibition."

Frank M. Thompson, attorney general, Nashville:
"It has been my observation and I am dealing with the question constantly, that the exclusion of liquor and all intoxicating beverages by law has been a very great advantage to the laboring classes, as well as the manufacturing class."

Lawrence F. Abbott, president Outlook, New York:
"I think it is more than probable that 25 years from now the average American man or woman will no more think of taking alcohol habitually than they now think of taking opium habitually. If this state of things can be brought about in our civilization, it will be an enormous gain for social, moral, and efficient standards of life."

Mary Antin, author and lecturer, Wellesley, Mass.:
"The difficulties that have been encountered in enforcing the prohibition law are in my mind no argument whatever in favor of restoration of the liquor traffic. It was very difficult at one time to clear the seas of pirates, and yet that was not taken as an argument in favor of permitting piracy to endure. All the pains of readjustment that this generation may be subjected to will be but a small price to pay for the inestimable blessing of a world that shall have forgotten it was once under the sway of the drink evil."

Dr. Richard C. Cabot, Boston:
"I favor prohibition as strongly as I ever did, and I am certain that its good results are manifest in Massachusetts, despite the fact that we have as yet no local enforcement law."

Dr. Haven Emerson, former commissioner of health, New York:
"Nothing since the application of modern bacteriology to the control of communicable diseases will have so powerful an effect in reducing the incidence of disease and the general death rate as prohibition."

S. S. McClure, editor of McClure's Magazine:
"The results are favorable to prohibition. Our laws are inadequately enforced in all fields. We do as well in enforcing prohibition as the law against murder."

Ex-president of the University of Minnesota, Dr. Cyrus Northrup:
"There is less drunkenness and less drinking than formerly. More working men have deposits in savings banks. Families are better cared for."

Editor James Schermerhorn, Detroit, Mich.:
"What has been saved and conserved of health, wealth, and fireside content, comprises a more sensational story than anything ever printed about bootlegging. I go about a great deal and seldom see that most offensive of all sights—a besotted American, once an ever-present nuisance. The public drunk has vanished."

Attorney William S. U'Ren, Portland, Oreg.:
"It is impossible to estimate the benefit that prohibition has conferred on the wives and children of all the habitual drinkers, except those who are rich enough to think they can violate the law with impunity. There is not one drunk in Oregon now where there used to be one hundred in the days of the open saloon."

W. A. White, editor Emporia (Kans.) Gazette:
"I am glad to say that prohibition is succeeding in my part of the country."

Mrs. Mary E. Walley, president of the Mount Holyoke College, of South Hadley, Mass.:
"That the betterment of homes and better care of women and children of the men who formerly spent freely for drink are marked."

Editor Richard Lloyd Jones, of the Tulsa Tribune:
"Prohibition has put the country ahead financially and morally and increased efficiency. Credit has improved. Drunkenness is uncommon."

The superintendent of Battle Creek Sanatorium, Dr. J. Harvey Kellogg:
"Prohibition in the highest degree promotes human welfare and business prosperity. Drunkenness is now exceedingly rare, whereas formerly it was very common."

Amos P. Wilder, of the New Haven Journal Courier:
"We have seen the impossible come to pass in our time. One goes to a banquet of perhaps a thousand men and sees them spend hours without alcoholic beverages where five years ago each 'cover' was circled with glasses—spend hours without even mentioning alcohol."

Dr. Rockwell H. Hunt, director of the College of Commerce of the University of Southern California:
"In spite of exhibitions of lawlessness here and there, the beneficent effects of prohibition are being felt more and more. Literally millions of persons have quietly given up drink altogether, thus adding to their happiness and prosperity."

Ellen Hayes, retired professor, Wellesley College:
"Prohibition can already show a record of actual and far-reaching benefit."

President E. J. Stockpale, of the Harrisburg Telegraph:
"Drunkenness is not so common, and while there are unfortunate developments which are attributed to prohibition, these are frequently magnified for propaganda purposes and should not be taken too seriously in any consideration of the subject."

Editor George F. Milton, Chattanooga News, Chattanooga, Tenn.:
"I have noted a very marked improvement wherever I have been as to sobriety, industry, and better citizenship. I have seen the effects of liquor on the mountain whites, whose feuds and assassinations are increased in number by it. I have seen its effects in stirring the most bestial passions of the Negro, thus making the race problem more difficult of solution. With no liquor sold, it is hardly worth speaking of as a problem."

Dr. Eugene Lyman Fisk, medical director, Life Extension Institute (Inc.), New York:
"It is evident that there is more money being spent on the homes and savings are increasing. It is my opinion that we will see an improvement in the conditions as time goes on, as the old topers die off."

Dr. Henry King, President Oberlin College:
"The essential reasons for the policy seem to me still to be practically just what they were when the prohibition of the liquor traffic was up for vote. I have not been able to test from personal observation to any particular extent the comparative success of the enforcement of the law, but I expected that there would be difficulties at that point for some time."

Robert McMurdy, attorney, Chicago:
"My opposition to the liquor traffic has always been largely because of its demoralizing influence upon women. Prohibition has very greatly lessened this evil."

L. P. Hollis, social service and educational director for Victor Monaghant Co., Greenville, S. C.:
"There is no question as to the benefits of prohibition to the workers in our industries. In the South we have noted a wonderful change for the better along all lines of educational and church work, and the operatives are much more steady and of a higher type of character."

Attorney Preston A. Vaught, Mount Carmel, Pa.:
"The eighteenth amendment represents the greatest forward step in this generation and that historians will use it as a marker for a new epoch in the Nation's history."

J. Hammond Smith, School of Engineering, Pittsburgh:
"The enactment of our prohibition laws marked one of the greatest advances in the civilization that the world has ever experienced. The enforcement of these laws is the supreme test of the fundamental principles of our democracy."

Courtnay Guild, Commercial Bulletin, Boston:
"The only disappointment in national prohibition has been the disappointment of those who wished to see it become a flat failure."

President Frank L. McVey, University of Kentucky, Lexington, Ky.:
"In this community prohibition has had a marked effect in bettering the situation economically and morally."

Ex-Congressman A. M. Todd, Kalamazoo, Mich.:
"I intend to do everything I can to maintain the present prohibition law, which I consider the most important act of legislation in America for the present century."

Dr. E. V. McCollum, professor chemical hygiene, Johns Hopkins University, Baltimore:
"The passage of the eighteenth amendment marks the beginning of a new era in American history."

Charles B. Davenport, Carnegie Institute:
"That prohibition has been, despite all difficulties, somewhat effective is shown by the marked decrease in the number of alcoholics in institutions for the insane, the inebriate asylums, and the emergency hospitals, like Bellevue, New York."

Dr. James C. Egbert, Columbia University:
"Tremendous progress has been made in interfering with the unfortunate use of alcohol and that homes are maintained, women and children are cared for in a way of which we had no conception before the passing of the prohibition amendment."

United States District Judge Thomas J. Chatfield, Brooklyn, N. Y.:
"Prohibition has had a good effect upon labor, has caused the saving of much money which formerly was spent in saloons and for liquor, and that the wives and children of the men who formerly spent money for drink have in most instances benefited from the effects of prohibition. Drunkenness is far less prevalent than previously, but the few public cases of drunkenness receive much greater attention and advertising than formerly."

Senator ARTHUR CAPPER, of Kansas:
"I think the law is measuring up to the expectations of its friends. Our people have observed its operation first-hand for nearly half a century, and to-day I believe it is entirely conservative to say that fully 95 per cent of them look upon the prohibitory law as one of the greatest blessings ever bestowed upon the State by legislative enactment."

Dr. A. N. Halcomb, Harvard University:
"It has improved the conditions of home life. Particularly the conditions of life for women and children in homes where the money was formerly spent for drink. In this part of the country drunkenness is less frequent than before prohibition and crimes resulting from intoxication have greatly diminished."

Dr. Charles A. Peck, University of Tennessee, Knoxville:
"There is no comparison between the public drunkenness of the days before prohibition and that at the present time. This is naturally a moonshine district, but so far as I have heard the sentiment of the better class of citizens is in favor of more stringency rather than in favor of relaxing the enforcement of the prohibition laws."
President William Goodell Frost, Berea College, Berea, Ky.:
"The abolition of the liquor traffic is by far the most important forward step taken in our generation. The immediate results for good are much greater than I expected."
Dr. E. E. Montgomery, Philadelphia:
"No longer is it necessary to maintain wards in hospitals for the treatment of the victims of alcohol and those who walk the streets are impressed with the infrequency of drunken men."
President Frank B. Trotter, West Virginia University, Morgantown, W. Va.:
"The benefits of prohibition are seen on every side, and with 1,800 students under my paternal care I find that the discipline now with that number is not nearly so difficult as it was six years ago with 600."
President W. D. Weatherford, Southern College of Young Men's Christian Association, Nashville, Tenn.:
"I do not think I have seen a dozen in the city of Nashville since the national prohibition law went into effect."
Col. L. M. Mans (retired), Rockville, Md.:
"In my opinion drunkenness has decreased throughout every class of society."
Frederic Almy (retired social worker), Buffalo, N. Y.:
"Already savings banks, hospitals, police courts, and charitable agencies show notable changes, and, economically, wet countries will find it difficult to compete with a dry one."
J. E. W. Wallin, director Bureau of Special Education, Oxford, Ohio:
"An enormous amount of good has resulted thus far, but I am convinced that we can not adequately estimate all the influences of prohibition in less than 50 or 100 years."
Executive Secretary Walter S. McLaren, Institute of Politics, Williamstown, Mass.:
"The results of the measure have more than justified my belief that it would bring about an economic, social, and intellectual improvement in all our communities."
A. J. Wurts, professor of research, Carnegie Institute of Technology, Pittsburgh:
"Last summer I saw in the war-stricken towns and cities of Europe men and women of the middle and poorer classes sitting at tables on the sidewalks drinking beer and other liquors. They were spending their money on drink and then asking us for help, and I think we have been the more able to help because of prohibition."
Robert Fletcher, director emeritus Thayer School of Engineering, Dartmouth College:
"Why argue their question forever? We do not argue about murder, adultery, theft, and other crimes. The liquor traffic eventually involves all of these. It has ever been defiant of the laws."
The above quotations are characteristic from the hundreds of statements which were published. This testimony, gethered together by this great business journal, is a convincing document to prove that the eighteenth amendment and laws enacted pursuant thereto are accomplishing splendid results.

WHITE HOUSE POLICE FORCE.

Mr. JONES of Washington. Mr. President, on yesterday I entered a motion to reconsider the vote by which the bill (S. 3659) to create the White House police force, and for other purposes, was passed by the Senate. I am opposed to the bill. I do not think it is necessary, and furthermore I do not like the idea, at least by legislation, of making the President the chief of a police squad in the District of Columbia or anywhere else. However, I am not going to detain the bill here by the motion. It will have to pass the scrutiny of another body of the Congress and I feel that if it should pass that body too, I would be willing to give way in my judgment. I am in hopes that it will not pass the House. Therefore, I shall withdraw my motion to reconsider the vote by which the bill passed the Senate and let the bill take its course in the House.

Mr. KING. Will the Senator yield for a question?

Mr. JONES of Washington. I am through.

Mr. KING. Let me ask for information, does the bill take the control of the White House police entirely away from the District Commissioners?

Mr. JONES of Washington. It does. It makes the President the superintendent and head of that force.

Mr. KING. I am opposed to the bill, too.

Mr. JONES of Washington. It creates a separate police organization in the District of Columbia under the President.

The VICE PRESIDENT. Without objection, the motion to reconsider will be withdrawn.

GOV. W. P. G. HARDING, FEDERAL RESERVE BOARD.

Mr. HEFLIN. Mr. President, I ask unanimous consent to have read some brief extracts from an editorial in the Manufacturers' Record on the reappointment of the present governor of the Federal Reserve Board.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

THE NATION-WIDE PROPAGANDA TO SECURE RENOMINATION OF GOVERNOR HARDING TO FEDERAL RESERVE BOARD ENDANGERS THE SAFETY OF OUR BANKING INTERESTS.

"Business men throughout the country are being solicited by mail to write to the President and to Members of Congress and bring what pressure they can to bear in the interest of the reappointment to office of Gov. W. P. G. Harding, of the Federal Reserve Board. The campaign to create an artificial and untrue impression of a public demand for the retention of this official does not end there. It raises itself, in one form or another, at every convention of bankers, and even at commercial conventions, wherever they may meet. It generally takes the form of a resolution of indorsement and is presented in such a way and at such a time that earnest antagonism to it can not be organized. Moreover, bankers, and business men fear in many cases to speak boldly out in meeting, so great is the menace of later coercion.

"It is contended that the Federal reserve system and honest money are being attacked and that the preservation of neither is possible unless Governor Harding is retained in office. The campaign to keep him in his seat is obviously well financed, we do not know by whom. But we imagine that the reserve banks could easily do this and charge to their expense account, on which we think there is no check except the conscience of their officers.

"In the long history of human blundering, recorded and unrecorded, students will search in vain to find the record of a high financial official who, in any country, in any century, by any test, equaled in the profundity of its disastrous consequences the record of Governor Harding. He is not only indicted by the dead and bankrupt of his own country, but the paralysis of trade the world over, which has doomed millions to anguish, may be laid in large measure, and has so been laid by great economists, to the policies that forever will be identified with the Governor Harding stewardship.

"Time takes the measure of all humans. They can not escape its just and irrevocable verdict. It writes its judgments with the ink of fact on the parchment of current events, where all who have eyes to see can read, and being written so the record stands forever and forever. It is not within the power of the President by a reappointment, or of Bourbonistic financiers through propaganda, to blot out the indelible verdict. There is no authority under the sun that can make the sun stand still, there is no human hand that can hold back the tides, and there is no human brain, no human conspiracy, so subtle and so cute as to confuse the fundamental truth and wipe out from the record of Governor Harding the spots that are all over it. His incompetency has been overmastering. His conspicuous inabilities condemn him to future obscurity, not to further honors.

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"Employed because he was supposed to be a financier, admittedly in the first great test of reconstructive finance he misconceived, misjudged, inaccurately and inadequately assessed the situation and permitted a condition to exist and grow worse which, the board has since admitted, ought surely to have been retarded. But moderation Governor Harding knows nothing about. He is an extremist. The greatest of inflationists, he became the greatest of deflationists.

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"He knew no more than that cotton was bringing more than it used to bring when he banked in Birmingham. 'Our present task,' said a bulletin of the Richmond Reserve Bank, which is subservient to Governor Harding, 'is to proceed with the deflation of credits as rapidly and as systematically as possible.'

"But Congress in its wisdom had set up an agency to prevent just the catastrophe which Governor Harding had decided to bring about. The War Finance Corporation was in operation, and a debacle in prices could not be engineered in its entirety by the Federal reserve system if the corporation continued to function. Accordingly Governor Harding's alter ego, Secretary Houston, we believe illegally and we know disastrously, unceremoniously kicked the corporation and an act of Congress out of the back door at one and the same time. The directors of the corporation, some of them unwilling and coerced by Secretary Houston, on May 10, 1920, adopted this resolution:

"'*Resolved*, That at the request of the Secretary of the Treasury and pending further action by this board, the making by the corporation of further advances for export purposes, except pursuant to existing commitments, be suspended.'

"So sank the knife into the bowels of agriculture and national prosperity. Here was the Governor Harding policy out in the open, and it was a policy of death.

"We need not recount here the general cataclysm that resulted. We can not even discuss how it was that the great producing elements were kept in ignorance of the attack about to be made on them while certain better-informed financial interests made ready for the rainy day. Let readers look back for themselves to the newspaper statements made by Governor Harding when he went to New York in the memorable days of November, 1919, and compare them with his subsequent opposite

policy. Some men have thought that he was a victim lured into the trap.

"Nor can we here dwell on the multitude of incidents which in the aggregate made clear the Governor Harding policy and showed, as if pictured in the skies, the enormity of his economic blundering. Our purpose is rather to show how later events have completely demonstrated his incompetency.

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"Liberty bonds were down in the eighties. Credit was almost not to be had. Commodity prices had dropped until all agriculture was panic-stricken. The mother herds were being killed on the plains. The South was planting what was destined to be one of the smallest crops of cotton in recent years. Bankruptcies were habitual. Not in a century had the people of the Nation been so low in funds, so low in spirit, so desperate, so hopeless. Hundreds of banks were being kept open only by subterfuge. Secret creditors' committees were likewise struggling to keep great corporations alive.

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"Economic conditions were not strangling the world, bad as they were. The world, in fact, was in grave need. It could have consumed more than America could have produced. The strangulation was artificial. It was arbitrary policy that was strangling prosperity. It was artificial policy that was costing this Nation more than the war itself had cost. It was incompetence that had the United States by the throat—colossal incompetence.

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"We say in all sincerity that there is no basic condition today warranting better times and better feeling now than there was in the period of greatest depression except this one thing—financial policy. The sources of credit had been dammed up by Governor Harding.

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"Do not the times, in unanimous accord, cry out that the Jonah of finance be permitted to retire into private life?

"Who prostituted the national honor and put it in the position of repudiating its pledges in regard to Liberty bonds? Who poured filth on their integrity and drove them out of banks?

"Who practiced usury and utilized the infamous graduated interest rate to ruin country banks?

"Who, according to the Supreme Court of the United States, waged war illegally on State banks?

"Who permitted great bank palaces to be erected out of enormous profits taken from stricken industry?

"Who brought the Federal reserve system into disrepute and made necessary a fight by all good men and true against its manifold exactions?

"Between the economic concepts of Governor Harding and men such as President Harding and Secretary Mellon there is a great gulf. The former stands for hard times. He is the doctrine of cheapness. The snarl of whips on sweating backs for profit's sake, a cheap race ground down for cheap production, a belief that only from the poverty of others can a few gain riches and ease—somehow, so do we conceive the Governor Harding concept of fundamentally good conditions.

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"It is, therefore, almost in the nature of an insult for any set of men, be they financiers or not, to ask that President Harding retain in office a man who in his elements is so utterly out of tune with everything that the President himself stands for and believes. The horsemen of the night do not work all in the day. Nor is it fair, on other grounds, that President Harding should harness his administration to a liability of such ponderous size as Governor Harding. In America, justly, it is not the custom to reward failure. Our laurels go to those who have earned them.

"* * * The way to save the valuable features of the Federal reserve system is not to retain in office the one man who more than all others is responsible for the disrepute into which the system fell. That would be but to nurse discontent and to force the whole banking question into a political campaign. If it ever gets there, there can be but one answer. In votes the banking element is not formidable. Only a fool would willingly toss a great technical question of this sort into the political arena. The way to save what is good in the system is to get what is bad out of the system. And the worst thing in the system, recent events have shown, is the governor of it. He has been the trouble maker and disaster's chief henchman."

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Mr. McCUMBER and Mr. HEFLIN addressed the Chair.

The VICE PRESIDENT. The Senator from North Dakota.

Mr. HEFLIN. Mr. President——

Mr. McCUMBER. I yield to the Senator from Alabama. I see he was on his feet.

The VICE PRESIDENT. The Senator from Alabama is recognized.

Mr. HEFLIN. Mr. President, the writer of the editorial which has just been read at the desk is one of the ablest and cleanest Americans beneath the flag. He has devoted his whole life to the public interest, and has worked in season and out for the building up of the South and the West, and, in fact, the whole country, industrially, commercially, and agriculturally. Richard H. Edmonds is the fearless, able editor who pens this indictment against Governor Harding of the Federal Reserve Board. The country is under lasting obligation to Mr. Edmonds for the fight which he has made in exposing and condemning the disastrous and the deadly deflation policy of the Federal Reserve Board.

I wanted the editorial read to-day in the hearing of the press representatives, and I wanted Senators to hear the editorial read, for I want the country to be put upon notice that an organized effort is on foot by the forces of Wall Street, which profited by the distress of the South and the West. They made their millions out of the deflation policy of Governor Harding and they want to bring about his reappointment. I want the country to know that the same robber gang that used the Governor of the Federal Reserve Board to the detriment and injury of millions of American people have now the boldness and the effrontery to seek to have this man reappointed and are moving heaven and earth to that end. I want the people to know, Mr. President, what is going on here. Those back of the propaganda have already sent out the impression through the press that he is going to be reappointed. That is for the purpose of intimidating bankers; that is for the purpose of inducing them to court favor with Governor Harding. Many of the little bankers who have been choked practically to death by this deflation policy now are afraid to fight the reappointment of this man. They do not want him appointed. But the effort is made to make them think that he is going to be reappointed.

Mr. President, if the rank and file of the honest bankers of America could record their honest convictions to-day they would enter a protest against the reappointment of this man, but this other gang is using its power and working hard to overwhelm President Harding with the idea that the business interests of the country want this man reappointed. We shall see who has the ear of the President in this appointment—whether 75 or 80 millions of Americans who have been stricken down and robbed by the deflation policy or whether those who struck them down and robbed them will have his ear.

Governor Harding hails from my State, but I shall fight to the last his confirmation. From every standpoint he is an unfit man for this place. I am convinced that he is the handy instrument and subservient tool of Wall Street. I would not say that if I were not honestly convinced of the fact; but being convinced that he is such a tool, I will not sit silent in my place in this Chamber and permit the control of the greatest banking system ever devised to be again submitted to the manipulation, perversion, and trickery of the man who has served the interests of those who, like greedy vampires, have sucked the lifeblood from the body of American business.

Mr. President, the Washington Times of yesterday had a little notice to this effect:

> Despite rumors to the contrary, W. P. G. Harding is expected to be reappointed to his position as Governor of the Federal Reserve Board.

If he is named the country will have some startling revelations made to it, not in executive session. I am going to speak in the open, on the floor of the Senate, and I want the country to know the names of the Senators from the South and West and elsewhere who vote to confirm this man. I do not believe the President is going to reappoint him. I have reasons for believing that he is not going to reappoint him, and I will state those reasons if his name ever comes upon this floor.

I simply wanted to say this much now, Mr. President, that the country may know what is going on. I have never witnessed anything like it—a man whose policy is condemned by every honest banker in the country and every honest business man who knows the facts. I am not talking about those who profited by his pillage and plunder, those who have grown fat by reason of his policies. Of course they want to keep him in, because he is their agent. No man under the sun has served them so well, or would serve them so well in the future. Of course they want to keep him in; but what of the power that must safeguard the interests of the American people? It is unthinkable that the President would even consider reappointing this man to such a responsible position.

Why, Mr. President, they have gone in this propaganda to the extent of saying that I and some others who fought this man's policies are opposed to the Federal reserve banking system. When they say that they know that they tell that which is not true.

I have never opposed the system. I have never criticized it. On the other hand, I have praised it. I praise it now as the greatest banking system ever devised. A State banker asked me not long ago if I would go into it if I were in his place. I said, "Well, you must decide that for yourself. Under different management I think I would go into it. I think it is the greatest system in the world. It has been maladministered. It has a fellow at the head of it now who has administered it in the interest of a favored few to the hurt and injury of the many." He said, "Well, if they have a new head of this board and get a new start, I believe I will go in."

Mr. President, I stated on the floor of the Senate that bankers have written to me and other Senators have told me that bankers have written to them, saying, "Don't use my name, but this is being done, and that was done, by the Federal Reserve Board. If you use my name, I will be punished in so many ways, so please don't mention by name." Now, the President of the United States, Chief Magistrate of a hundred millions of people, is being asked to reappoint this man that honest bankers are afraid of and that Wall Street demands shall be reappointed. I want the country to know what is going on—that they are moving heaven and earth to try to get him reappointed, and I am hoping and praying that the President of the United States will not even consider seriously the reappointment of this man.

Mr. President, I ask unanimous consent that the editorial I had read may be printed in 8-point type.

The VICE PRESIDENT. Is there objection? The Chair hears none.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I ask now to return to paragraph 358, page 75.

The VICE PRESIDENT. The amendment of the committee will be stated.

The ASSISTANT SECRETARY. The committee proposes, after the numerals of the paragraph 358, to strike out all down to and including the words "provided further" and the comma on line 24, and to insert the following words:

Safety razors, and safety-razor handles and frames, 20 cents each and 30 per cent ad valorem; razors and parts thereof, finished or unfinished, valued at less than $1.50 per dozen, 30 cents each; valued at $1.50 and less than $3 per dozen, 35 cents each; valued at $3 and less than $4 per dozen, 40 cents each; valued at $4 or more per dozen, 50 cents each; and in addition thereto, on all of the foregoing, 60 per cent ad valorem.

Mr. McCUMBER. On line 25, on behalf of the committee, I move to strike out "20 cents each" and insert in lieu thereof "10 cents each."

The ASSISTANT SECRETARY. In the committee amendment, on line 25, it is proposed to strike out "20" and insert "10."

The VICE PRESIDENT. The Senator has a right to modify the committee amendment.

Mr. McCUMBER. Now, Mr. President, I want to make just one general statement of explanation upon these razors. The committee struck out all of paragraph 358, as reported from the House, and the paragraph will now read, as I propose to amend it:

Safety razors, and safety-razor handles and frames, 10 cents each and 30 per cent ad valorem; razors and parts thereof, finished or unfinished, valued at less than 75 cents per dozen, 20 cents each; valued at 75 cents and less than $1.50 a dozen, 30 cents each; valued at $1.50 and less than $3 per dozen, 35 cents each; valued at $3 and less than $4 per dozen, 40 cents each; valued at $4 or more per dozen, 50 cents each; and in addition thereto, on all of the foregoing, 50 per cent ad valorem.

Mr. President, prior to the war there were being imported into this country an immense quantity of very cheap razors that were made for sale, not for shaving. Here [exhibiting] is an example of one of the razors that came into the country and were used mostly by those stores which advertised that for a given number of coupons upon purchases at that particular store there would be presented to the purchaser a razor. It is rather a nice-looking instrument to the view, but it was never intended to shave, and never would shave anything. It is an absolutely worthless thing; and if we could have a high enough duty to exclude it entirely I think it would be a benefit to the American purchaser. It is not even fit for corns. It would not shave anything more than the first attempt. It is made out of Bessemer steel, which is all right to make steel rails, but is absolutely unfit as a steel from which to make razors. It may be that the duties which we propose are somewhat high upon those razors that ought to be excluded entirely.

I desire to insert here a table, which I will mark "Table No. 1."

The VICE PRESIDENT. Without objection, it is so ordered.

The table is as follows:

TABLE NO. 1.—*Razors.*

Importer's No.	Selling price of imported article, United States.	Profit and overhead.	Landed cost.	Domestic selling price.	Domestic No.	Spread.
		Per cent.				*Percent.*
50§	$23.80	182	$5.62	$16.89	1-444	200
3007	10.00	36	4.82	13.30	0-434	176
1150	12.00	117	3.63	13.30	2-434	267
B100	21.00	86.5	7.51	17.05	0-644	127
101	21.00	86.5	7.51	17.05	0-644	127
10	23.52	250	4.74	18.20	9-444	284
1352	10.00	74	3.77	14.80	56-634	292
Average			5.37	15.80		194

The spread between the landed cost (not including duty) of the imported razors and the selling prices of the domestic razors, as shown in the above table, ranges from 127 to 292 per cent, or an average of 194 per cent for all of the items.

Mr. McCUMBER. The table shows the importer's number, the selling price of the imported article in the United States, the profit and overhead of the importer, the landed cost, the domestic selling price, the domestic number, and the spread between the domestic selling price and the landed cost.

Taking the first item, which is No. 50§, the selling price of the imported article in the United States was $23.80 per dozen, the profit and overhead is 182 per cent, the landed cost is $5.62, the domestic selling price is $16.89, the spread is 200 per cent.

In the case of the next number, the selling price of the imported article in the United States is $10 per dozen, the profit and overhead is 36 per cent, the landed cost of that article is $4.82, the domestic selling price is $13.30. That leaves a spread of 176 per cent.

I will not quote any further, but will simply say that the spread ranges from 127 per cent to 292 per cent.

I have here another table, which I will insert in the RECORD, which shows the German import and the English import prices, applying the rates which the committee have finally agreed upon. I ask to have this table inserted in the RECORD at this time.

The VICE PRESIDENT. Without objection, it is so ordered.

The table is as follows:

TABLE NO. 2.

The following table includes the average prices of the items in Table No. 1, grouped according to the rates of duty:

Germany, over $3 and under $4.		Germany, over $4 a dozen.		English, over $4 a dozen.	
40 cents each and 50 per cent.		*50 cents each and 50 per cent.*		*50 cents each and 50 per cent.*	
Foreign value	$3.53	Foreign value	$5.94	Foreign value	$5.94
Landing charges	.18	Landing charges	.51	Landing charges	.51
Specific	4.80	Specific	6.00	Specific	6.00
Ad valorem	1.77	Ad valorem	2.97	Ad valorem	2.30
	10.28		15.42		13.12
Plus 20 per cent	2.30	Plus 20 per cent	3.08	Plus 20 per cent	2.62
	12.58		18.50		15.74
Price of domestic razor, $14.05 per dozen.		Price of domestic razor, $17.30 per dozen.		Price of domestic razor, $13.30 per dozen.	

Plus 20 per cent is for importers' overhead expenses and profit.

Mr. McCUMBER. Taking those imported from Germany at more than $3 and less than $4, the duty on which is 40 cents each and 50 per cent ad valorem, the foreign value is $3.53, the landing cost is 18 cents, the specific duty would amount to $4.80, and the ad valorem duty would amount to $1.77. That would make a landed cost, without overhead or profit, of $10.28. Plus 20 per cent, which we have allowed for overhead and profit, or $2.30, it would give those razors a selling price in the American market of $12.58. The selling price of the comparable American article is $14.05, so that this duty would fall short of giving proper and full protection.

Take the German razor valued at over $4 per dozen. The duty is 50 cents each and 50 per cent ad valorem. On the average of all of these, the foreign value is $5.94. The landing cost is 51 cents, the specific duty is 50 cents each, amounting to $6 on the dozen, and the 50 per cent ad valorem would be $2.97. That would make it $15.42, and if we allowed them 20 per cent profit and overhead, which would amount to $3.08, it would bring the article up to $18.50 per dozen, while the domestic article is selling for a little less than that, namely, $17.30 per dozen. With a little less than 20 per cent, the article would sell for about the same. The English product would be brought to above the selling price of the American product, $15.74 for the English article landed, the domestic article selling for $13.20.

This gives a general view of the proposed duty and its effect upon the general classes of imported razors.

Mr. JONES of New Mexico. Mr. President, I want to express my appreciation for two things this morning: First, that the committee has brought in an amendment of its previous proposal, very appreciably reducing the rates of duty on some of these razors. Secondly, I wish to express my appreciation for something which I have been hoping for since we began the consideration of this bill. The chairman of the Finance Committee has presented to the Senate, in connection with this paragraph, the reasons for the rates of duty which the Finance Committee proposes. This I believe is the first time since we began the consideration of the bill that that has been done. I have rather caustically criticized the hitherto apparent intention of not explaining anything. I have felt that the committee owed it to itself and to the country to give some reason, whether well founded or not, for these very large increases in duty above the rates in the existing law, and in many cases above the rates in any law which we have ever had in this country.

I am going to demonstrate my appreciation by limiting the discussion of these items. I am enabled to do that by the course which the chairman of the committee has pursued this morning. He has given us at the outset the reasons which actuated the committee in doing what has been done, and again I want to express my appreciation for this very considerate act on the part of the chairman of the committee in offering his reasons, and also for the reductions which he has proposed this morning. There are some details, however, which I think it is important the Senate should know, and I shall very briefly refer to them.

In the first place, this paragraph as amended brings into the bill specifically a new item—safety razors and safety-razor handles and frames. Hitherto that class of razors and parts has not been specifically mentioned in any tariff bill. The original proposal of the committee was to impose a duty of 20 cents each and 30 per cent ad valorem, not only on the safety razors but on the safety-razor handles and frames, and now it has changed that to a specific duty of 10 cents each, which, of course, will be recognized as amounting to $1.20 per dozen.

The values of these razors are designated as all the way from 75 cents per dozen up to $4 per dozen, so the importance of this amendment, as it relates to the cheaper grades of safety razors, is very easily seen. In many cases it amounts to a reduction of more than 100 per cent of the foreign cost of the razor.

In considering the subject, I should like to inquire of the chairman of the committee what will be the ad valorem rate upon safety razors in the different classes which are ordinarily imported into this country?

Mr. McCUMBER. Safety razors are coming in now at about 10 cents each, foreign valuation. If we charged 10 cents each, that would be 100 per cent, and if we add 30 per cent, as we have here, it means 130 per cent.

Mr. JONES of New Mexico. The Senator says they are coming in at about a dollar a dozen?

Mr. McCUMBER. No; they are coming in at about $1.20 a dozen. Of course, that includes the case and all, as a Senator near me suggests. The committee have cut that down to 10 cents each and 30 per cent ad valorem, which is equivalent to 130 per cent ad valorem on razors of that price. That is the cheaper class.

Mr. JONES of New Mexico. The reduction of the 10 cents each which the committee proposes this morning of course would be a reduction of 100 per cent. I inquire, further, what the rate of duty is under the present law. Under what basket clause do those safety razors fall under the present law, and what is the present rate of duty?

Mr. McLEAN. Safety razors are found in paragraph 358, the same as other razors. The rate is 55 per cent ad valorem.

Mr. JONES of New Mexico. I want to call attention to the fact that so far as safety razors are concerned we are exporters of safety razors to all the countries of the world. They are made by automatic machines. It is true there have been some importations of safety razors, but they are safety razors of a very inferior quality, I am advised. So far as the general trend of prices of the better class of razors is concerned, I do not believe there is any reason to fear that the American producer can not compete with the world. He has been doing that in the past; he has been competing with Germany in other countries, and is doing it to-day.

It is true that Germany is producing a cheap safety razor that is finding a market in all countries, but that does not prevent the American manufacturer, so far as a reasonably good grade of razors is concerned, from meeting competition anywhere, and that is only in keeping with business conditions in our country. When there is a product which can be manufactured by machinery, and when there can be quantity production, America stands at the front of all the nations of the earth. Our inventive genius, our skill, our aggressiveness, our ability to organize are superior to those of any other nation. Our facilities, our resources, our material are unexcelled anywhere, and as to this article it is not only produced by machinery, but it is produced by automatic machinery, and there is no danger of competition in comparable articles anywhere on earth.

It has been said by the chairman of the committee that the cheaper safety razors ought to be excluded. I am rather inclined to agree with him. I think in many cases they are imposing upon the public by offering such razors. That certainly applies to the cheaper straight-handled razors. Whether it does or not with regard to safety razors, I am not especially informed, but I assume that must be the case. I am informed, as to the cheap blades of the safety razors sent over to this country from Germany, that they are worthless. They are certainly an imposition upon the people of the country, and as to those I am inclined to agree that we should virtually put an embargo upon them. We do not want to have our people deceived by such devices.

But when we come to the medium grades and to the better grades, there is no use in piling up the same kind of a duty there for the same purpose. The committee this morning brings in a reduction of the duty as to the very cheap razors, and I am inclined to think it is justified and should be done; in fact, I do think so, because what is left, I believe, will be great enough to amount virtually to an embargo on the cheap razors.

Mr. POMERENE. Mr. President, the Senator said something a moment ago about an embargo, but I did not understand exactly what it is on.

Mr. JONES of New Mexico. It is on the very cheap razor which, of course, does not serve, I think, any useful purpose in most cases. It has the effect of deceiving the buyers in many cases.

Mr. McLEAN. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. McLEAN. I have one of those razors landed in this country at $1.22 a dozen. If the Senator from Ohio would like to examine it, I will have one of the pages take it to him.

Mr. POMERENE. I was engaged on another matter at the moment and did not understand clearly what the Senator said.

Mr. McLEAN. I thought the Senator from Ohio inquired of the Senator from New Mexico as to the quality of the cheap razor he was discussing. I have one here and I would like to have the Senator examine it if he would like to do so.

Mr. POMERENE. I have not any objection to examining it.

Mr. McLEAN. I do not think it would shave anything but the purse of the man who bought it.

Mr. JONES of New Mexico. I do not know that I am going to make any special objection to the rate which the committee proposes upon the cheap razors. The rates are very greatly reduced from what they were originally. I think the rates were decidedly too high at first, but they have been very materially modified. At this time I am not disposed to make any objection, but when it comes to the better grade I think that the rate of duty is decidedly too large, and I shall offer some amendments there.

As to the safety razors, I do not believe we need any such high duties. I think we can compete with the world in safety razors.

Mr. McCUMBER. At least, if the Senator will allow me, if a safety razor that is worth anything can be brought into this country for 10 cents, landed here at 10 cents, it is not an imposition, I think, upon the average user of the safety razor if he has to pay another 10 cents and then add 3 cents on top of that, which would make it 23 cents. If the razor is worth anything at all, we certainly ought not to complain of the price that would make it cost at wholesale 23 cents and perhaps sell at retail for double the amount at least, or possibly 50 cents. It does seem to me that if it can be sold

for that we ought to have a duty that would arrest their importation. If it is not worth that price, it ought not to be imported at all.

Mr. JONES of New Mexico. The Senator will observe, however, that the rates of duties apply to all safety razors, and when we get up into the class of reasonably good safety razors we undoubtedly compete with the world. To put a duty of 10 cents each ad valorem upon grades which are useful to mankind and which are exported all over the world, it seems to me, is giving an opportunity to the producer of those razors in this country to oppress in a sense the people of the United States who use razors.

Mr. McCUMBER. Of course, if the Senator will again allow me, while we had a patent right upon the razor and it could not be manufactured by anyone else, we could export them all over the world and make enormous profits, and undoubtedly the Gillette Razor Co. did make enormous profits upon the razors under their patent rights. But now that the patent has expired I am very doubtful if that company or any other American company will be able to export any considerable number as against what they can be produced for in the foreign country. My understanding is that it would cost at least three times as much to produce in this country razors of the several kinds as it would cost in Germany or France.

Mr. JONES of New Mexico. Notwithstanding the statement of the Senator, the history is that we are exporting these razors in competition with the world. Just listen to some facts bearing on the razor industry. The last report of domestic production was in 1919, but in that year we produced in this country a little over $24,500,000 worth. We exported $2,300,870 worth and we imported $488,634 worth. That was of razors of all kinds.

Mr. POMERENE. May I ask the Senator to give the production in this country?

Mr. JONES of New Mexico. A little over $24,500,000.

Mr. POMERENE. In what year?

Mr. JONES of New Mexico. In 1919.

Mr. POMERENE. The Summary of Tariff Information states that the production of razors, safety and straight, was valued at over $5,000,000 in 1914. Has it increased so largely?

Mr. JONES of New Mexico. It shows that enormous increase in 1919.

Mr. McLEAN. Has the Senator the figures for 1921?

Mr. JONES of New Mexico. No; I have not the figures for 1921. In fact, no one has. We do not know what the production has been since 1919.

Mr. McLEAN. The Senator knows that this razor was covered by a patent in 1919 and since that time the patent has expired.

Mr. JONES of New Mexico. I take it that will not make any difference in the quantity of production unless it be to increase the quantity. Usually where an item is controlled by a patent it operates to restrict production and keep up the price.

That is the situation regarding the razor industry. I want to call attention to the question of prices and the tendency of those prices, as they come from Germany, of the better grades of razors. Prior to the war a razor which was a good razor—I suppose there is no better on the market, the "Red Injun" brand, No. 101—was sold at 24 marks 30 pfennigs. On January 1 of this year its price had increased in marks 3,600 per cent, or to 899 marks 10 pfennigs. On January 1, with the mark at 36, which is about one-third of a cent, that razor cost $3.23, foreign cost. If we add the present duty of 55 per cent, the amount of the duty would be $1.78. Then allowing 5 per cent for expenses and transportation, which would be 16 cents, the landed cost would be $5.17. On March 15 that razor had advanced 4,400 per cent above the pre-war price to 1,093 marks 50 pfennigs, and, calculated on the same basis, that would give a landed cost of $6.33.

On May 15 there was a further advance of 25 per cent, which would make the foreign cost $3.94, the duty of 55 per cent $2.16, and 20 cents landing cost, which would give a landed cost of $6.30. On May 15 an advance of 25 per cent would make the foreign price $7.22, the present duty $3.97, the landing expense 29 cents, making a landed cost of $11.48. The present American selling price of that razor, according to my authority, is $11.

Mr. McLEAN. May I ask the Senator what his authority is?

Mr. JONES of New Mexico. My authority is H. Boker & Co. (Inc.).

Mr. McLEAN. That is the same importer whom the Senator quoted yesterday?

Mr. JONES of New Mexico. Yes.

Mr. McLEAN. Now, let me call the attention of the Senator to the facts with regard to this particular article. I have them here. It is the "Red Injun" Boker razor, no better made. This razor was imported in August last at $7.51 a dozen. That is without the duty. The authority for that is the Reynolds report. Now, the experts who have the matter in charge report that the same razor was landed in this country in April, 1922, at $3.15 per dozen.

Mr. JONES of New Mexico. May I ask by whom?

Mr. McLEAN. By H. Boker Hardware Cutlery Co., the same authority that the Senator is quoting here and asks us to believe. The fact is they control this brand absolutely. Why they should deem it worth while to try to deceive the Senator from New Mexico in this matter I can not conceive.

Mr. JONES of New Mexico. Mr. President, of course I am at a loss to understand the situation.

Mr. McLEAN. I confess that I am. If the Senator will pardon me, while I am on my feet, here [exhibiting] is another high-grade razor, No. 10. By the authority of the Reynolds report—this is the information we get from the expert who was selected to give to the Committee on Finance as accurate information as could be obtained—this razor was landed in August last at $4.82 a dozen, and in April, 1922, at $3.08 a dozen.

Mr. JONES of New Mexico. Mr. President, I, of course, have nothing of a specific nature to offer in opposition to what the Senator from Connecticut has stated.

Mr. McLEAN. The rates proposed by the committee do not begin to equalize the difference in the production costs in this case.

Mr. JONES of New Mexico. I am constrained to believe, however, that there is something peculiar with reference to the particular importations to which the Senator has referred. We all know that prices generally in Germany have been increasing, and there must be something in connection with those importations peculiar to the transactions themselves. I can not imagine that there has been any such general occurrence as that to which the Senator has referred.

Mr. McLEAN. My information is—and I get it from the same experts who were employed by the Committee on Finance when the Underwood bill was framed, who, I think, are honorable men—that these importations were passed upon by the agent of Boker & Co. for comparability, the very firm which the Senator is quoting.

Mr. JONES of New Mexico. I, of course, have no other explanation than that which I have offered; but I should like very much to get from H. Boker & Co. some explanation of the situation, because the general trend of prices in the industries of Germany is not in that direction, as the Senator from Connecticut must admit, it seems to me. We have indisputable evidence that the trend of prices in Germany is upward on all commodities, and to say that there should have been a reduction in the price of razors, taking the dates of August, 1921, and April of this year, of what I believe amounts to 50 per cent or more in some cases, is inconceivable to me. It certainly is not consistent with the trend of business in Germany.

Mr. McLEAN. These figures were taken from actual invoices of goods which were imported into this country——

Mr. JONES of New Mexico. That may all be true.

Mr. McLEAN. And the Government collected the duty on that basis. I think that Boker & Co. owe the Senator from New Mexico an explanation.

Mr. JONES of New Mexico. I hope there will be an explanation of the colloquy which has just taken place.

Mr. McLEAN. I will say to the Senator, with regard to the cutlery industry, razors, shears, and penknives, that Germany is at this time making a special drive. There is no question about that; the imports so indicate. The imports of razors have almost doubled in quantity since the 1st of January last. In January last there were imported 67,000 dozen; in February there were imported 78,000 dozen; in March there were imported over 102,000 dozen; and in April there were imported 96,000 dozen. I submit to the Senator that the facts demonstrate that Germany is making a special drive upon these industries, and if the Senator has read the testimony which was taken before the Finance Committee of the Senate——

Mr. JONES of New Mexico. I heard the testimony.

Mr. McLEAN. He will realize that the razor industry especially is practically out of business at the present time. The concern in New York which ordinarily employs 700 men has only about 90 men at work at present, and they are working only three days in the week. The firm is just keeping their organization together. That applies to the manufacture of the better razors.

Mr. JONES of New Mexico. But the Senator realizes, does he not, that the present situation is only temporary?

Mr. McLEAN. Mr. President, the Senator must also realize that if the concerns in this country have to quit business and

dissolve, the American consumer will then be at the mercy of the foreign razor monopoly. If the domestic manufacturers are to have any relief at all, they must have adequate protection for the time being. We have been very moderate in the rates allowed; the manufacturers would clearly be entitled to higher rates than we have provided, and we would have been compelled to allow higher rates but for the fact that we have provided in this bill in the event the rates are not high enough that the industry may go to the President of the United States and secure reasonable protection. Reasonable protection is all we want, and the figures demonstrate that the rates here provided are lower than conditions to-day demand. It is too late to save a man after he is dead, and it will be too late to save this industry after the organization has been dissolved and the workers have found employment in other industries.

Mr. SIMMONS. Mr. President, will the Senator from New Mexico pardon an interruption?

Mr. JONES of New Mexico. I yield.

Mr. SIMMONS. I wish to ask the Senator from Connecticut a question. Did I understand him to say that the foreign razors were imported at $3.50?

Mr. McLEAN. The Boker razor was imported at $3.15 per dozen.

Mr. SIMMONS. They were not appraised at $3.15, but were imported at that price?

Mr. McLEAN. They were appraised at $3.15, and the duty was paid on that appraisement, as I am informed.

Mr. SIMMONS. They were appraised at the same rate as they were invoiced, then?

Mr. McLEAN. That is my information.

Mr. SIMMONS. I merely wanted to make the inquiry of the Senator.

Mr. FRELINGHUYSEN. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from New Jersey?

Mr. JONES of New Mexico. I yield.

Mr. FRELINGHUYSEN. Here [exhibiting] is a razor that was imported on September 16, 1921, for 380 marks a dozen. The mark at that time was worth nine hundred and thirty-eight one-thousandths of 1 cent, so that the cost of that razor, foreign value, was $3.56 per dozen. The landing charge in Chicago, or at some other point in the West, was 18 cents. The specific duty at 40 cents each would be $4.80; the ad valorem duty of 50 per cent would be $1.78, making a total of $10.33, plus 20 per cent profit, or $2.06, or a grand total of $12.38 per dozen in this country. The wholesale selling price for the comparable domestic razor is $17.05. So that even with the duty of 40 cents each on razors valued at between $3 and $4, the duty falls short of being sufficient to protect American industry against foreign competition in that razor.

Here [exhibiting] is the invoice of the article. I may add that to-day the spread on that razor is a great deal wider because the mark is worth only about a quarter of a cent.

Mr. JONES of New Mexico. Does the Senator believe that that razor is coming in to-day at any such price as he has mentioned?

Mr. FRELINGHUYSEN. I have a memorandum of a large shipment of razors covered by the same bracket which recently came in which shows a great deal wider spread than in this instance. I think the information will be procurable later. Possibly the Senator would like to see the invoice price of the razor to which I have referred.

Mr. JONES of New Mexico. Mr. President, what is the price of the razor made in the United States which is comparable to the foreign razor to which he has referred?

Mr. FRELINGHUYSEN. The wholesale selling price of the domestic article is $17.05 per dozen.

Mr. JONES of New Mexico. That amounts to nearly $1.50 each and the foreign razor, as I understand, is sold for 134 marks. Is that correct?

Mr. FRELINGHUYSEN. The foreign razor sold for 380 marks per dozen.

Mr. JONES of New Mexico. I think the Senator probably misread the figures. The bill here was for only one-twelfth of a dozen. I think the Senator was mistaken to that extent.

Mr. FRELINGHUYSEN. No; it covers one dozen razors.

Mr. JONES of New Mexico. Here is the way the bill reads:

We sent you by one parcel post one pattern goods, postage 2,50, package 1,50, 4.

I suppose that means 4 marks.

One-twelfth dozen razors No. 1041, five-eighths oval, imitation shell handle, 400; 5021, six-eighths flat, bone handle, 380; 780.

That means 780 marks, I imagine.

One-twelfth of 780, 130 marks.

And adding 4 marks previously mentioned makes 134 marks for the one razor, if I am able to understand this bill.

Mr. FRELINGHUYSEN. The manufacturer who handed me the memorandum stated that the invoice was for one dozen razors at 380 marks.

Mr. WALSH of Massachusetts. What would be the equivalent in gold? It would be less than 1 cent apiece. There must be a mistake about it, for that is impossible.

Mr. FRELINGHUYSEN. Four hundred marks at 1 cent would be practically $4, or, at the equivalent of a little less than 1 cent, $3.56.

Mr. SIMMONS. Mr. President, the Senator said the mark was worth a quarter of a cent—not a cent.

Mr. JONES of New Mexico. The Senator is clearly mistaken, I think, because the bill as I read it means one razor, one-twelfth of a dozen; but, even at that, 134 marks, at 3 marks to the cent, would be about 45 or 50 cents for this razor.

Mr. FRELINGHUYSEN. At the time of that invoice the mark was worth a little short of 1 cent, nine hundred and thirty-eight one-thousandths of a cent; and 400 marks at nine hundred and thirty-eight one-thousandths of a cent is $3.56, which was the price per dozen of this razor. That is the statement that is made.

Mr. JONES of New Mexico. Mr. President, the Senator is certainly mistaken as to the bill being for a dozen razors. It states on its face that it is for one-twelfth of a dozen, and there can be no other explanation for it, it seems to me. Of course, however, the price of the razor as measured in gold at that time was very low, and if the mark was worth 1 cent at that time it has been greatly reduced since; and if these prices in marks had decreased proportionately of course the landed cost of such razors would be comparatively nominal. The general trend of these goods, however, is upward, notwithstanding what may develop here regarding these prices; and I am advised that at the present time these goods are not billed out in marks at all, that they are billed out in dollars, and that the price of the article has been fixed at 25 per cent above the pre-war price.

Mr. McLEAN. Mr. President, where does the Senator get his information?

Mr. JONES of New Mexico. I got that from an affidavit which I put into the RECORD night before last.

Mr. McLEAN. I understand that they are still being billed in marks.

Mr. JONES of New Mexico. They are not being billed in marks now except on a few trades which were made prior to the 15th of May.

Mr. McLEAN. Does this information come from Boker?

Mr. JONES of New Mexico. It does. I put the affidavit in the RECORD the other day.

Mr. McLEAN. His last invoice was billed in marks.

Mr. JONES of New Mexico. That is true, doubtless, on arrangements made before this law went into effect, and the old contracts are to be carried out—the contracts which were made, as I understand, prior to the 15th of May. If those contracts were what are known as firm contracts—that is, fixed contracts, regardless of the variation in exchange or price—they can still be billed out at the price agreed upon in marks before that date; but since the 15th of May no new contracts are being made, as I am informed, for any of these goods to be priced or billed out in marks, and by the 1st of September, even though there may be old contracts, they must be billed out in dollars, and the price will be the pre-war price plus 25 per cent.

Of course, if Senators on the other side of the Chamber are preparing this bill with the view of meeting this *temporary* situation, and are aiming it solely at the prices which have been presented here, I think they should not only go as far as they have gone but, if they are acting upon that kind of a situation, they ought to go even farther. If they are going to deal with it through a tariff, if they want to meet that German situation, and if it is as Senators would have us believe, their rates are not high enough yet. They do not meet that condition; but here is what they are doing: They are putting an embargo upon anything from England or France and they are not meeting the German situation.

Mr. SIMMONS. Mr. President, I want to call the attention of the Senator from New Mexico to the testimony of Mr. H. L. Henry before the committee, combating Mr. Boker's contention in reference to razors. He gives a quotation as to the price in this country, as I understand, of razors comparable with this that Mr. Boker was speaking about, to whose testimony he was replying. I understood the Senator from New Jersey [Mr. FRELINGHUYSEN] to say a few moments ago that the American-made razor with which he was attempting to compare this cheap German razor sold at $17, or something like that, per

dozen. I was glancing over the testimony of Mr. Henry before the committee, and, as I understood Mr. Henry, he was confuting some statements made by Mr. Boker with reference to the prices of German and American made razors, and in the course of his testimony he had occasion to fortify his own testimony as to the price. In quoting the price of the American-made razor Mr. Boker, as I understand, in his testimony sought to compare the German razor. Mr. Henry saw fit to incorporate in the record testimony from the J. R. Torrey Razor Co. to support his contention as to the price of the American comparable razor. Mr. Torrey does not fix the price at $18 or $17 or $16, either, in his telegram. Here it is:

Wishing to check that statement—

That was the statement with reference to the comparison of a German razor that cost $1.17 a dozen in American currency with an American-made razor. Here is what he says:

Wishing to check that statement and testimony, I talked with Worcester, Mass., over the phone last night, and I have here a telegram signed by the J. R. Torrey Razor Co., and I will read it—

Here it is—

Last quotation to Kastor, April 14, 1920, $4.05 per dozen. Last order, August 12, 1918, $3.70. If more information is wanted, wire or phone.

J. R. TORREY RAZOR CO.

As I understand that—and Senators have the book that I am reading from, page 1946 of the hearings before the Finance Committee, Schedule 3—the comparable American-made razor does not sell in this market, according to Mr. Torrey, for $17, but sold for $3.70 in 1918, and $4.05 in 1920.

It is mighty well, in considering these things, to see that you are comparing the foreign article with some American article of something like the same quality, something like the same intrinsic value; and I am quite sure that the Senator from New Jersey, in quoting the comparable American razor at $17, had some razor that was of very far superior quality to the German razor with which he was comparing it.

Mr. JONES of New Mexico obtained the floor.

Mr. FRELINGHUYSEN. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. I yield.

Mr. FRELINGHUYSEN. I stated that the price of the sample which I submitted to the Senate was 380 marks per dozen. This invoice is an invoice submitting two sample razors and quoting the prices—one No. 1041, oval imitation shell handle, 400 marks; another item, No. 5021, flat bone handle, 380 marks; total, 780 marks for a dozen of each of those two types. One-twelfth of 780 marks is 65 marks, or, for two, 130 marks. In other words, this is an invoice quotation price, an official record, showing that Friedrich Ern & Co. offered to deliver those razors in America for 380 marks per dozen in September of 1921—a dozen of them. Three hundred and eighty marks at that time was worth $3.56, according to the computation of the exchange and verification by the appraisers, so that razor was quoted at $3.56 per dozen.

I have in my hand an American razor, comparable in quality and style, handed me by the appraiser. The domestic selling price is $18.20 a dozen. So, in presenting that illustration to the Senate, I am backed up by the invoice selling price; and the sample handed me by the appraiser, the expert who passes on these customs duties, shows that the American manufacturer, at a domestic selling price of $18.20 a dozen, has to compete with a razor selling for $3.56 a dozen, which, with this ad valorem duty, will carry a price of $12.38. I do not believe the Senate wants any better evidence than that.

Mr. SIMMONS. I want to ask the Senator one question, if the Senator from New Mexico will permit me. The Senator has exhibited one invoice, and only one invoice. Has the Senator any more invoices?

Mr. FRELINGHUYSEN. Yes; I have some more. If the Senator will wait until they can be figured, I shall be very glad to present them.

Mr. SIMMONS. I have no objection to waiting.

Mr. JONES of New Mexico. Mr. President, I am glad these colloquies have taken place. If there could be a demonstration of anything, it seems to me it has been demonstrated that the Congress of the United States is following some will-o'-the-wisp. It is out upon an adventure which can not result in any permanent good to the country or to the industries of the country. It shows how futile it is to attempt to deal with this problem by a tariff. It should be dealt with in some other way. It shows also upon what flimsy testimony, upon what uncertain testimony, we are called upon to act.

I just wonder how an unbiased mind would be affected by what has occurred here this morning. Considering the testimony which I have presented, considering the evidence which I incorporated in the RECORD yesterday evening, as to the upward trend, not only the upward trend but the upward course, by leaps and bounds, of prices in Germany, measured in marks and in gold, and considering the statements which have been presented here this morning, I just wonder how an unprejudiced mind is going to view this situation. Can anyone be impressed that this is a solution of the difficulty? Can anyone feel that this is really a hopeful attempt to deal with the difficulty? I wish that all Senators could have heard the colloquies this morning, and then that they should exercise their honest judgment as to what should be done. I do not think the proposals of the committee meet this situation at all. If the evidence which I have produced means anything, it means that you are soon to have an embargo even upon the goods from Germany. Certainly you will have an embargo upon the goods which are usually imported from England and France.

If you accept the statements coming from the other side, and all that they have asked us to infer from them, the country is going to be swamped under this great importation of razors from Germany. They are going to drive out of business every razor-producing concern in this country, and that notwithstanding these greatly increased duties proposed here.

All I can say is that the evidence which we have before us does not warrant action on the subject at this time.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. SIMMONS. Does the Senator understand that the prices given us as to these German razors relate to the finer qualities of razors, such as that exhibited a little while ago by the Senator from New Jersey? That looked like a pretty fine razor. I was engaged in other matters, but I thought I heard something coming from the other side of the Chamber, when we first began the debate this morning, about some of these German razors being so poor that they would not shave at all.

Mr. JONES of New Mexico. Yes; but I am advised that the razor which was being discussed by the Senator from New Jersey is a good razor.

Mr. SIMMONS. It is an American-made razor?

Mr. JONES of New Mexico. The one he produced was a German razor, comparable to a good American razor.

Mr. SIMMONS. It is a razor that will shave?

Mr. JONES of New Mexico. Yes; it will shave.

Mr. SIMMONS. It is a German razor worth, at the foreign price, over $1 a dozen?

Mr. JONES of New Mexico. Yes; the foreign price of that razor is considerably over $1 a dozen.

Mr. SIMMONS. I see in this information furnished by the Tariff Commission, that of razors valued at more than $1 a dozen, in 1918 very few came in, but after the war, in 1920, only $375,000 worth came in, and in nine months of 1921 only $345,000 worth. It does seem to me that if you could buy these German razors, worth over $1 a dozen, as cheaply as they say they could be purchased, as compared with the American price, the American market would probably have been flooded with them this past year—that every importer dealing in razors would have had a pretty good supply for the American market. But it appears that those low prices did not attract very much attention from the importers of razors, in view of the fact that they imported in nine months of last year only a little over a quarter of a million dollars' worth.

The outstanding facts of the situation do not seem to fortify or even to justify the contention made here. There is something wrong about this comparison. That is the trouble about the whole thing; there is something wrong about the comparison of the articles.

But I want to suggest to the Senator from New Mexico, if he has not any further presentation he wishes to make, that we take a vote on this.

Mr. JONES of New Mexico. I merely wish to make one suggestion further—that I do not believe the Senate has sufficient information on which to act at this time. I shall not propose any amendments to this paragraph but shall content myself with voting against the proposals of the committee.

Mr. McCUMBER. Mr. President, I want to put one little statement in the RECORD, as to importations, which, I think, will at least be of interest to those who wish to investigate the subject.

In the calendar year 1921 there were imported into the United States 46,657 dozen razors—not parts of razors, but razors. That, in round numbers, amounts to 659,884 razors of a variety worth less than $1 per dozen. The importing price of the entire amount of razors was 67 cents a dozen, or 5½ cents each.

In the same year there were imported, of razors worth $1 or more a dozen, 119,883 dozen, which amounts to 1,428,596 razors. Those came in at $3.52 a dozen on the average, which amounts to about 30 cents each.

The total amount imported during 1921 was 2,088,480 razors. I have an idea that those which came in at 5½ cents each should not have come in at all, because the razor that is made that cheaply any place upon the face of the earth can not be intended for shaving purposes, but is intended only to increase the amount of sales in a general store by enabling them to offer the inducement of coupons.

I want the Senator to refer to the first three months of 1922. In that period there were imported 91,722 dozen razors, or 1,100,664 razors. If the importations come in for the balance of the year at the same rate we will have imported razors during the year 1922 to the amount of 4,402,656, and if we continue that for a year or two longer every American citizen of the whisk-broom variety can be shaving with a foreign razor.

Mr. President, while I am on my feet, I ask unanimous consent that when the Senate closes its session for this calendar day it shall take a recess until Monday at 11 o'clock.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SIMMONS. Mr. President, I simply want to observe that in the statistics the Senator has just furnished the Senate he grouped all kinds of razors and gave us the total number of razors imported, without reference to the value of the razors. I was not doing that. At the time I took the floor we were not discussing all kinds of razors. We were discussing importations of foreign razors worth over $1 a dozen, and I gave the Senate the information furnished by the Tariff Commission with reference to the importations of that particular razor, the one under discussion.

If the figures are erroneous, I am not responsible for the error. The book was furnished us by the Finance Committee for the purpose of informing us and giving us the facts, and I read it just as it was written. There are several tables, one of "all razors, finished and unfinished." I did not read that. Then there is a table of "razors, finished, valued at more than $1 per dozen." That is the kind of razors we were discussing. I read those figures. The statement is to the effect that in 1920 there were only 67,516 dozen—I presume it is dozen, though it does not state—valued at $375,675. I gave it in round numbers a little while ago. For the nine months of 1921 the figures are 87,687 dozen, valued at $345,108.

Mr. McCUMBER. I think that is right. We have continued it up to the end of the calendar year, and at the end of the calendar year those above $1 per dozen amounted to 119,183 dozen, which multiplied by 12 would give us 1,428,596 razors. Their value, without going into the whole sum, I gave as $3.62 a dozen, or 30 cents each.

Mr. SIMMONS. I do not think that changes my figures very much. I have the importations for 9 months, and the Senator gave them for 12 months of 1921. It appears that they amounted to $433,404 as to the kind of razor about which I have been talking. So the argument I made a little while ago so far as this particular razor is concerned holds good. I think we ought to have a vote on the subject.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 358, on page 76, in line 9, after the word "maker," to insert the words "or purchaser," and in line 10 to strike out the word "die-sunk" and insert the words "die sunk," so as to make the proviso read:

Provided further, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the blade or shank or tang of each and every blade and on safety razors and parts thereof.

The amendment was agreed to.

Mr. McCUMBER. I believe that finishes paragraph 358. I understand that all the amendments to it have been agreed to now.

The PRESIDING OFFICER. All the amendments in paragraph 358 have been agreed to.

Mr. McCUMBER. Then, I ask that we may recur to page 84, paragraph 374, aluminum, aluminum scrap, and alloys.

Mr. JONES of New Mexico. Mr. President, may we not deal with paragraphs 359 and 360 before taking up paragraph 374?

Mr. McCUMBER. I think the committee are desirous of giving those two paragraphs a little further consideration. We try to meet each morning and to cover the paragraphs as much as we can, but we are a little behind. I hope the Senator will let us carry those over.

Mr. JONES of New Mexico. Of course, I defer to the desire of the chairman of the committee.

Mr. McCUMBER. Then, I ask that we proceed with paragraph 374.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 84, in line 18, before the word "plates," insert the word "coils" and a comma, so as to make the paragraph read:

PAR. 374. Aluminum, aluminum scrap, and alloys of any kind in which aluminum is the component material of chief value, in crude form, 5 cents per pound; in coils, plates, sheets, bars, rods, circles, disks, blanks, strips, rectangles, and squares, 9 cents per pound.

Mr. SIMMONS. Mr. President, I am going to ask the Senator from North Dakota to let that item go over. I was under the impression that the Senator from Utah [Mr. KING] had been investigating the item and was ready to discuss it, but I find there was some misunderstanding and that he has not done so. So I will ask the Senator from North Dakota if he will not permit that paragraph to go over. As I said, I was relying upon the Senator from Utah. I thought he had investigated that item and would be prepared to discuss it.

Mr. McCUMBER. The Senator has reference to paragraph 374?

Mr. SIMMONS. Yes. I find there has been a misunderstanding. The Senator from Utah did not have any notice that he was expected to look into it.

Mr. McCUMBER. May I ask the Senator if there is any objection to agreeing to the amendment in that paragraph? The only amendment is to insert the word "coils."

Mr. SIMMONS. Oh, no; not at all. Let the amendment be agreed to.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. KING. Let it be understood, if the Senator from North Dakota will permit, that a motion shall be made when we return to this section, after all the committee amendments have been agreed to, to reduce the rate and that we may reconsider the action of the Senate in inserting the word "coils," and include that in the general amendment for a reduction.

Mr. McCUMBER. That may be understood. I ask now that we may proceed with paragraph 375—metallic magnesium and metallic magnesium scrap.

Mr. SIMMONS. That is the paragraph which the Senator from North Dakota yesterday agreed with me might go over until Tuesday. I presume he has forgotten it.

Mr. McCUMBER. I can not keep track of all the agreements of that character which I make on the floor. If the Senator reminds me that that was the agreement, I will, of course, pass it over.

Mr. SIMMONS. That was our agreement in private conversation and not upon the floor.

Mr. McCUMBER. Very well. Has the Senator from North Carolina any objection to concluding paragraph 376?

The PRESIDING OFFICER (Mr. ODDIE in the chair). The Chair is informed that all the amendments to paragraph 376 have been agreed to.

Mr. SIMMONS. May I ask when paragraph 376 was agreed to?

The PRESIDING OFFICER. On May 22.

Mr. SIMMONS. In other words, it was acted upon at that time?

The PRESIDING OFFICER. It was.

Mr. SIMMONS. Very well.

Mr. McCUMBER. Then let us proceed with the next one—paragraph 376a.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 85, after line 5, the committee proposes to insert a new paragraph, as follows:

PAR. 376a. Bismuth, 7½ per cent ad valorem.

Mr. SIMMONS. With reference to this paragraph I desire to ask the Senator from North Dakota if he will not give the Senate some information. That is a new provision in the bill. There is nothing about it in the House bill. I find no information upon the subject in any of the books that have been available to me. I presume, however, the Senator from North Dakota will have no difficulty in giving the Senate the reasons for putting this article on the dutiable list and at a rate of 7½ per cent ad valorem.

Mr. McCUMBER. Mr. President, I have just sent for the Senator from Utah [Mr. SMOOT], who has this particular paragraph in charge, and I think he will be here in a moment. We can pass that over until he returns, and I will ask that we go on with the next paragraph, if that is satisfactory to the Senator.

Mr. SIMMONS. Perfectly so.

The PRESIDING OFFICER. The next amendment will be stated.

The READING CLERK. On page 85, after line 6, the committee proposes to insert a new paragraph:

PAR. 376b. Cadmium, 15 cents per pound.

Mr. SIMMONS. That is in the same category as 376a. Paragraph 376b is a new subject upon which there is no information so far as I have been able to find. I would like to have some information presented to the Senate before a vote is taken. It is in the same category as 376a. It is a new item, which the Senate committee has engrafted into the bill, and upon which I find no satisfactory information.

Mr. McCUMBER. I will give the Senator a little information. Whether it will be satisfactory, of course I can not say.

Mr. SIMMONS. I do not know that it will be, but I would like for the Senate to have what information the Senator has.

Mr. McCUMBER. I will give such information as I have.

Practically the entire world supply of cadmium comes from Germany and the United States. The production in this country expanded enormously during the war owing to the shortage of tin. Whereas the output in 1914 had increased to only 90,000 pounds annually, 207,000 pounds were recovered in 1917. Since then the production has declined until only about 65,000 pounds were recovered in 1921. This production in output is in part attributable to the increased output of cadmium sulphide, which can be alternatively produced from the same material as the metal. The main factors in the situation are the large stocks accumulated between 1916 and 1918, which have not yet been disbursed, although consumption in the last year or two has exceeded production. The cost of production of cadmium is impossible to ascertain, owing to the fact that each of the five producing companies employ different accounting methods.

Cadmium is a by-product, most of it being obtained in connection with the treatment of zinc ores. It is evident, however, that none of the companies are able to recover the metal at less than $1 per pound, and the American selling price is nominally between $1.10 and $1.25 per pound. Some producers figure their costs for 1921 as high as $1.69 per pound.

Domestic manufacturers have asked the committee for a duty of 25 cents per pound, or about 30 per cent on the American selling price. In their argument they urged that this would be necessary in order to protect the raw-material resources of this country. Large quantities of cadmium have been wasted. The Geological Survey estimates that fully 600 short tons of cadmium accumulates annually in the various plants of this country. Germany has again entered the market and was offering this metal at 75 cents per pound in the latter part of 1921.

While at least 35 cents will be required to balance the price in Germany and the United States, the committee felt that 15 cents per pound would serve to stabilize the American industry, and as soon as consumption becomes a little more normal yield some revenue to the Government. Just prior to the war the average imports of cadmium ranged from 3,000 pounds in 1910 to 6,396 pounds in 1912, falling off again, however, in 1913 and 1914 to less than 2,000 pounds annually.

This briefly prepared statement presents in a nutshell the situation in reference to this metal.

Mr. SIMMONS. Then I understand the Senator does not have the foreign selling price for 1920, 1921, or 1922?

Mr. KING. The Senator from North Dakota stated that there was some of this commodity recently imported at 70 cents, but he did not give the date.

Mr. SIMMONS. Can the Senator from North Dakota give us the date when the importation was made?

Mr. McCUMBER. I have not the date here, though I could probably get it. I said it is stated in this brief résumé that—

Germany has again entered the market, and was offering this metal at 75 cents per pound in the latter part of 1921.

I have not the exact date when that offer was made.

Mr. SIMMONS. But the Senator has no figures as to the amount of the importations?

Mr. McCUMBER. I have not the figures as to importations.

Mr. SIMMONS. Probably I misunderstood him, but I understood him to say that there was some trouble with reference to the exhaustion of the raw material out of which this metal is made.

Mr. McCUMBER. No; I have not said anything about the exhaustion of the raw material.

Mr. SIMMONS. Did not the Senator make a statement, then, with reference to the inadequacy of the supply of the raw material out of which this product is made?

Mr. McCUMBER. I said this:

The production in this country expanded enormously during the war owing to the shortage of tin. Whereas the output in the year 1914 had increased only 90,000 pounds annually, 207,000 were recovered in 1917. Since then the production has declined until only about 65,000 pounds were recovered in 1921.

Mr. SIMMONS. What is our domestic consumption? Has the Senator any information about that?

Mr. McCUMBER. We evidently consumed at that time 207,000 pounds; and the tariff survey shows that in 1920 we produced 129,283 pounds. That was considerably less than the production of 1917, when we produced 207,000 pounds.

Mr. SIMMONS. Was not the production about equal to the domestic demand?

Mr. McCUMBER. There was very little imported, I will say to the Senator; but there was a big demand in 1920 when everything in the line of manufactures was booming.

Mr. SIMMONS. Then, nothing in the present situation as it has so far developed would call for any higher protective duty, but the committee is proposing to put this duty on in anticipation of something that may happen in the future.

Mr. President, I do not want to take up time on this item. I think that is an extremely unwise and unsound basis of tariff imposition, but it runs through this entire bill, and we shall not, I am sure, get that very unscientific and very unsound principle out of the bill. I do not wish to consume time in the discussion of an item of such slight consequence, its total value being very small. While I think the rate is high and that it is unjust to require the American people to pay this additional tax, it will be very small, and I am ready for a vote.

Mr. KING. Mr. President, if the Senator will yield to me for just a moment, I desire to say that it is obvious from the information which has been imparted and from the general information which some may have that there is no occasion for any duty whatever upon this product. It is by-product of the plants that are engaged in the smelting of zinc and lead. We know that we produce in the United States very large quantities of zinc and of lead. There is no reason why our production of zinc ore should not increase and likewise our production of lead ore. As a matter of fact, many of our western mines are only waiting a demand for lead products and for a revival of business, when the lead industry will again, it is to be hoped, enter upon a period of very great activity.

As I have stated, cadmium is a by-product. Certainly when a commodity is a by-product, resulting from the processes incident to the production of some other commodity, it should not carry the same rate of duty that would be imposed if it were what might be denominated a primary or an independent product, one which was manufactured or fabricated or developed or mined because of its own intrinsic characteristics and the use to which it was intended to be put.

Mr. McCUMBER. I want to say to the Senator with reference to the duty that it amounts, according to present prices, to about 13 per cent ad valorem. So far as cadmium being a by-product is concerned, of course it is also a by-product in foreign countries.

Mr. KING. My understanding is that under the act of 1909, and also the act of 1913, cadmium was on the free list.

Mr. McCUMBER. Yes.

Mr. KING. Then, does the Senator now contend that it carries a duty?

Mr. McCUMBER. It is proposed that it shall carry a duty of 13 per cent ad valorem.

Mr. KING. In what act?

Mr. McCUMBER. Under the duty proposed in the pending bill.

Mr. KING. The rate would depend entirely upon the price, of course.

Mr. McCUMBER. I stated the ad valorem rate under the present price.

Mr. KING. It is obviously unfair to select present prices as the basis for the imposition of tariff rates——

Mr. SIMMONS. Present American prices.

Mr. KING. Yes, present American prices, because everybody believes, with the exception of some of the big manufacturers who think they run the country, that there will be a diminution of the wholesale prices of many American products.

I want now to call attention very briefly to some information which I desire to go into the RECORD in connection with the vote upon the pending amendment. This metal, as I have stated, is a by-product, and our zinc and lead deposits in the United States are almost limitless.

It is employed in dentistry, in glass coloring; * * * also as a solder, and to some extent as a substitute for tin.

Cadmium, a by-product of the zinc-smelting industry, is recovered largely from the treatment of various residues and fine dust at zinc and lead smelters.

The fine dust is collected and is utilized in the production of this by-product.

Prior to 1907 Germany was the sole producer, the output in 1913 being 81,993 pounds of metallic cadmium.

But the situation has developed with respect to the production of this commodity much the same as the situation has developed with respect to the production of arsenic. Arsenic was, and is now, a by-product from the smelting of sulphide ores. Prior to certain injunction proceedings in the courts the arsenic was cast into the atmosphere, carried by the winds, deposited upon vegetation, and constituted a menace to the lives of the people; but through the improved methods introduced in many of our smelters it has been arrested, at least in part, and is now a product of the smelting process.

It is the same with cadmium. It also is a by-product of the reduction of lead and zinc ores. It belongs to the residium of the processes employed in the smelting operations of those two metals, and was at one time a waste material, but now, because of its value and the improved metallurgical processes employed in our smelting operations, it is being obtained, and of course there is a market for it. In 1918 six plants were engaged in the saving of this product.

Mr. McCUMBER. Mr. President, will the Senator yield to me, for I have to leave the Chamber in a moment, and I wish to answer one statement which he made a short time ago. I said that under present prices the ad valorem equivalent rate would be 13 per cent. The Senator replied that we could not expect present prices to continue. I find that the last price——

Mr. KING. Mr. President, if the Senator will permit me to correct him, the statement which I made was general. I said that no one, so far as I know, except some of the manufacturers who thought they had the country by the throat, expected that present high prices would be maintained. They, of course, wanted to maintain high prices, but I believed there would be a material reduction in the price of many of the commodities in use now in the United States.

Mr. McCUMBER. I was about to make a statement on the assumption which the Senator himself has made. I agree with him about that, and I stated, I think just a moment before the Senator came in, that cadmium was now being offered at 75 cents. In 1913, just prior to the war, it was coming in at 78 cents. Therefore, 15 cents per pound duty on the price of 75 cents would be equivalent to 20 per cent, and if the price of 78 cents which was in effect just before the war should be restored the ad valorem duty would be about 19 per cent.

Mr. KING. Mr. President, I do not know just what pertinency the observations of my learned friend has to the issue involved.

Mr. McCUMBER. My statement merely had reference to the probability of the product coming in at about what it was prior to the war, and was designed to bring to the attention of the Senator that it is now coming in at a rate a little less than it was in 1913 and to substantiate my statement as to what the equivalent ad valorem duty would be. In any other respect, of course, my observation is not pertinent.

Mr. KING. The point I was about to make was that as science develops, as improvements are introduced into our smelting operations and into the general business activities of the country—and we are not standing still; there is progress in all of our manufacturing development—prices in the very nature of things ought to fall. Only a few years ago it would require in certain lines of industry 200 men to do what one man with improved machinery may now do.

Take it in the cotton mills of Great Britain as an illustration. We have in many of the mills of the United States the finest, most improved machinery in the world, and in some of the mills one man will do very much more work than a larger number of employees in the British mills. So we have developed the cadmium industry in the United States as a by-product, and as our mechanical appliances and our smelting machinery and our metallurgical processes have improved we have gathered up what was formerly a waste product, and are utilizing it now to advantage, just the same as in the case of the by-products of our coke ovens. A few years ago we allowed perhaps the most valuable part of the coal in our coking operations to pass off into the atmosphere, and to-day we are wasting millions and millions of dollars annually in our reduction of bituminous coal to coke. That, I may add, by way of parentheses, is one of the sins of the American people—the sin of waste. We are wasting hundreds of millions annually in the various business enterprises and activities of the United States.

Mr. President, an educational campaign should be carried on against the profligate waste of the American people in their enormous development and progress and growth. We proceed upon the theory that nature is generous and bountiful, and that we may be profligate and wasteful and never be called to account. So here, in the case of this zinc-smelting industry, we have now a by-product; and there is no reason why cadmium produced in the manner I have indicated ought not to be sold at increasingly lower levels, and the rate at which it was sold before the war ought not to be the basis of our calculations in the future.

Let me just complete a little of this statement.

In 1920 the output in the United States was 129,283 pounds, valued at $151,261. Germany and the United States, with England a small contributor, practically supply the world's cadmium output. It is imported as metallic stick and as the pigment cadmium yellow. There were no imports in 1918, 1919, and 1920. During the first nine months of 1921 the imports amounted to but 101 pounds, valued at $216. That is more than $2 a pound, instead of 75 cents a pound, as was stated by the Senator from North Dakota. So, Mr. President, if the value before the war was 78 cents a pound, it is now, it appears here, more than $2 a pound.

Mr. President, this paragraph of course is a new one, introduced by the Senate committee, as I understand. It illustrates that somebody is always on guard here to protect all classes of industries and to insert somewhere in this bill a tariff. As stated in 1909, under the Payne-Aldrich bill, cadmium was free; in 1913 it was free; but we propose now to impose a tariff, the ad valorem equivalent of which no one can tell until we can decide just what the price of the product will be.

Mr. JONES of New Mexico. Mr. President, the Senator has been calling attention to one little item, and it seems clear that there is no information before the Senate regarding that item on which a duty may be based according to any theory of a tariff bill ever advanced by a political party or by Congress.

Mr. KING. I agree with the Senator.

Mr. JONES of New Mexico. Mr. President, since the discussions on this bill began we have endeavored in every conceivable way to find some basic principle for this legislation. We have utterly failed. We have, however, established a situation which shows that there is no uniform basis for this bill.

In the first speech which was made here by the distinguished Senator from North Dakota [Mr. McCUMBER] the statement was made that the majority of the committee had attempted to fix these rates for the purpose of equalizing the difference between the cost of production in the United States and abroad. The discussions had not proceeded far before it became clear to everyone that no such principle had been applied. At certain times, and in connection with certain paragraphs, the statement would be made that the rates did equalize this difference, but the facts which were shown made it clear that they had never attempted to ascertain what the difference in the actual cost of production was.

Then they came to the question of prices, using that as evidence of the difference in cost of production. They have been from time to time driven from that proposition, and we have found in many of these paragraphs, bearing the same rates of duty, brought together in a jumbled mass, a vast number of articles where the production costs vary, but a uniform rate of duty is fixed. It seems to me clear, if anything is clear, that this bill is a jumble of inconsistencies and that it is made up in the main in pursuance of the request of some interested party.

The discussion this morning in regard to cutlery, it seems to me, demonstrated that this situation could not be dealt with equitably at this time regarding the great mass of articles covered by this bill, and so I expressed my approval of a statement made in the leading editorial of the Journal of Commerce and Commercial Bulletin of New York, in which I find this statement:

"This bill ought to be sent back to the Finance Committee with orders to reconstruct it. Study of its terms has shown its dangers. It has also shown the difficulty of revision on the floor. The inefficient patchwork of the Finance Committee is a tribute to cowardice and opportunism, not an evidence of change of heart. Only by general revision from the bottom up will any tolerable or workable measure be obtained."

Mr. President, if no other thing has been accomplished by the discussions upon this bill, that at least has been developed through these discussions and the consideration of this bill; and so I say I agree that that is what should be done. This bill should be sent back to the committee, and kept in the committee until it gets information on which to frame some sort of a scientific bill.

Mr. President, without reading I ask that the editorial from which I have made a short quotation be inserted in full in the RECORD in 8-point type.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[Editorial from the New York Journal of Commerce and Commercial Bulletin of Saturday, June 10, 1922.]

A TURNING POINT IN THE TARIFF.

"Not even the most casual reader of the doings of the Senate with respect to the tariff can question that the administration measure is at the cross-roads of its progress. It can not continue its purposeless and devious travels through legislative byways, but must decide between a turning that will take it more rapidly toward the statute book and a lengthy detour that now seems likely to overwhelm it in a morass of discredit. Advocates of the measure have pointed out that at the present rate the measure can not be adopted during the coming summer or autumn, and the traditional methods of 'speeding up' have largely failed.

"The only thing which has been believed likely to permit such an increase in rate of movement and allow the bill to score some real advance is reform of the schedules. That is now conceded, and hence the announcement made by the Associated Press that the Finance Committee is really rewriting the measure. Even the most besotted Members of the old régime in the Senate see that they can not 'put over' the outrage they had planned. Unquestionably the Finance Committee is making extensive changes from day to day, and it is perforce accepting more of them from other Members who can not face their constituents if they vote for the duties that had been proposed. It is true that some of the most glaring faults of the bill are being corrected here and there. The changes made within the past day or two in rates on some types of machinery afford an example of such modification.

"But can such changes on the floor really repair the defects of this dangerous and disastrous bill? Certainly not. Its fundamental faults do not lie so much in the impossible duties it imposes here and there as they do in the whole substructure of the tariff plan it puts forward. The cunningly concealed methods whereby American valuation will be introduced in a large range of cases, the extraordinary powers granted to the President, who is thus enabled at will to put rates up 50 per cent if he chooses, the scheme of retaliation against foreign countries, constitute a foundation of danger which can not be removed piecemeal. Extensive changes in administrative law and methods like those which have been provided under the guidance of the former lobbyists now members of the Tariff Commission, and by the commission of 'experts' which the Finance Committee employed, can not well be changed on the floor. Mere amendment here and there is not likely to alter their character, but will simply leave them incomplete—perhaps as harmful as ever.

"So, too, of the sporadic changes in rates at various points. A change in duties on machinery does not help much, unless the rates on other commodities, on raw materials used by machinery makers and the like, are also changed. Past experience shows that defacing a tariff bill throws it out of gear, hurts its operation, and only in isolated cases results in really repairing its essential defects. It is a whole, and the various parts of it fit more or less closely into one another. Particularly is this the case where, as in the present bill, there is a large range of rates which affect basic materials of manufacture. The cut in excessive rates on highly finished goods then leaves the producers in the position of having to bear excessive costs of production. And these basic rates have thus far tended to grow worse rather than better in the course of the Senate debate, due to the solidarity of the agricultural bloc.

"What this tariff bill needs is complete reconstruction. Public opinion since the bill first made its appearance has shown that the Nation will not endure it. Mere compromise makes things worse rather than better, and while waiting for the end of the long, dragging debate on the bill, business in a considerable number of fields is suffering. It is losing ground because of uncertainty. There has been little or none of the 'flood of imports' constantly referred to in Senate debates, but such increases as have occurred in a few minor lines, such as cutlery, cheap jewelry, and the like, are due to fears of extreme tariff protection and hasty importations to anticipate it. The tariff debate is bad for business, bad for national finance, and disastrous to the undertaking of new enterprises.

"This bill ought to be sent back to the Finance Committee with orders to reconstruct it. Study of its terms has shown its dangers. It has also shown the difficulty of revision on the floor. The inefficient patchwork of the Finance Committee is a tribute to cowardice and opportunism, not an evidence of change of heart. Only by general revision from the bottom up will any tolerable or workable measure be obtained. It would be far better to do what President Harding was asked to favor—repass the Payne-Aldrich bill—than to go on with the measure which has resulted from the blundering and the political bargaining of the dwarfish epigoni who have found the shoes of the old Senate oligarchy too large for them."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed the joint resolution (S. J. Res. 204) to authorize the loan by the Secretary of War to the commander in chief of the United Confederate Veterans of cots for the use of the members of the United Confederate Veterans during the sessions of the national encampment of the United Confederate Veterans at Richmond, Va., from June 19 to 22, 1922.

The message also announced that the House had passed the following bills, each with an amendment, in which it requested the concurrence of the Senate:

S. 2664. An act for the relief of Jesse Goodin; and

S. 2666. An act for the relief of Ed Thomas and Pauline Thomas.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 211. An act to extend the provisions of the pension act of May 11, 1912, and May 1, 1920, to the officers and enlisted men of all State militia and other State organizations that rendered service to the Union cause during the Civil War for a period of 90 days or more, and providing pensions for their widows, minor children, and dependent parents, and for other purposes;

H. R. 3836. An act for the relief of Nolan P. Benner;

H. R. 6926. An act for the relief of Abraham Leibovitz;

H. R. 8214. An act to compensate the owners of the American steamship *Vindal* for damages and expenses in repairing the said steamship, and to make an appropriation therefor;

H. R. 8264. An act for the relief of Thomas B. Smith;

H. R. 8448. An act for the relief of Joseph Zitek;

H. R. 9626. An act granting a deed of quitclaim and release to the Traders' Brokerage Co., a corporation, of certain land in the city of Pensacola, Fla.;

H. R. 9746. An act for the relief of Emmett Otto Cooney;

H. R. 10234. An act for the relief of Edward A. Purdy;

H. R. 10419. An act validating certain applications for and entries of public lands;

H. R. 10675. An act for the relief of Henry McGuire; and

H. R. 10677. An act for the relief of Quincy R. Craft.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 1911. An act to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916;

S. 2014. An act to provide for the settlement of small holding claims on unsurveyed land in the State of New Mexico;

H. R. 9981. An act making appropriations for the Executive and for sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1923, and for other purposes; and

S. J. Res. 173. Joint resolution authorizing the President to appoint a special mission of friendship, good will, and congratulation to represent the Government and people of the United States at the centennial celebration of the independence of Brazil.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT laid before the Senate resolutions adopted by the Maui Chamber of Commerce, of Wailuku, County of Maui, Hawaiian Territory, protesting against the enactment of legislation to transfer jurisdiction over railroad, telegraph, and telephone companies in the Territory of Hawaii from the Interstate Commerce Commission to the Territorial Public Utilities Commission, which was referred to the Committee on Territories and Insular Possessions.

Mr. KEYES presented a resolution of the board of directors of the Portsmouth (N. H.) Chamber of Commerce, protesting against the adoption of the so-called St. Lawrence power and canal project until all available information determining its relative national and local value has been secured, which was referred to the Committee on Commerce.

Mr. WILLIS presented petitions of sundry citizens of Holgate, Napoleon, New Bavaria, Defiance, and Hamler, all in the State of Ohio, praying for the imposition in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, which were referred to the Committee on Finance.

He also presented a petition of sundry citizens of Lebanon, Ohio, praying for the imposition in the pending tariff bill of only a moderate duty on cotton gloves, which was referred to the Committee on Finance.

NAVAL APPROPRIATIONS.

Mr. POINDEXTER. I ask unanimous consent out of order to report with amendments from the Committee on Appropriations the bill (H. R. 11228) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1923, and for other purposes, and I submit a report (No. 762) thereon.

Mr. UNDERWOOD. Will the Senator from Washington state when he intends to ask the Senate to consider the bill?

Mr. POINDEXTER. I expect to ask to have the bill taken up on Monday next.

Mr. UNDERWOOD. The Senator will ask that the bill may be taken up in the morning hour?

Mr. POINDEXTER. Yes; if it is agreeable, as I understand it is, to the chairman of the Committee on Finance, and if it is agreeable to the Senate, I shall ask to have it taken up then.

Mr. KING. I should like to say to the Senator from Washington that some of us who are on the Committee on Naval Affairs in name know nothing of this bill. We have not had an opportunity, of course, under the new rule to learn what has been going on or to help frame the bill. We have had no voice in its formulation. Obviously there must have been some testimony taken by the subcommittee which framed the bill, in addition to the testimony which was taken in the House of Representatives. I ask the Senator not to press the consideration of the bill on Monday. I suggest that he wait until Wednesday before calling up the bill, in order to give us a chance to procure the testimony and familiarize ourselves with the record. I wish to say to the Senator that if the bill contains some features which I think it does, there will be some opposition to it.

Mr. POINDEXTER. Mr. President, I myself regret that the Naval Affairs Committee did not have jurisdiction to act upon this bill, but I am not responsible for that.

Mr. KING. The Senator from Utah acquits the Senator from Washington, of course, of any responsibility.

Mr. POINDEXTER. That was due to a rule adopted by the Senate, and, of course, we have to comply with that rule. I would have been very glad if the Senator from Utah had been a member of the Appropriations Committee to which the bill was referred. I will say to the Senator that the report which I am presenting now is, with very few minor exceptions, the same as the report of the subcommittee, a printed copy of which I handed to the Senator several days ago.

Mr. KING. The Senator did me the kindness and courtesy day before yesterday to hand me a confidential report, which I am free to say, with the press of business here, I have had no opportunity to examine as yet. Of course, I can infract the Sabbath to-morrow and go through it, as I shall; but I think it would be better if the Senator would give us a little time.

Mr. POINDEXTER. Of course, the Senator realizes the limited time between now and the beginning of the next fiscal year, and also the fact that the bill will have to go to conference after it shall have passed the Senate. I trust the Senator will allow us to take it up, with the understanding that, if there are special matters as to which the Senator desires further information as we proceed with the bill, I shall be very glad to pass them over so as to give the Senator from Utah an opportunity further to examine them.

Mr. KING. Of course, I have no right, probably, to interpose my views in opposition to the views of the committee which have reported the bill; but I suggest to the Senator that it is a bill of considerable importance, involving hundreds of millions of dollars, that there are a number of items in the bill of much importance, according to my view, and it would be better if we should not undertake the consideration of the bill until we are ready. Speaking for myself, I shall be ready on Wednesday to go on with the bill.

The VICE PRESIDENT. The bill will be placed on the calendar.

BILL INTRODUCED.

Mr. SPENCER introduced a bill (S. 3700) to establish a bureau for the study of criminal, pauper, and defective classes, which was read twice by its title and referred to the Committee on Education and Labor.

TARIFF BILL AMENDMENTS.

Mr. GOODING (for Mr. HARRELD) submitted two amendments intended to be proposed by Mr. HARRELD to House bill 7456, the tariff bill, which was ordered to lie on the table and to be printed.

AMENDMENT TO HOUSE RIVER AND HARBOR BILL.

Mr. STERLING submitted an amendment intended to be proposed by him to the bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed, as follows:

On page 17, line 14, strike out the words "Sioux City, Iowa," and insert the words "Chamberlain, S. Dak."

AMENDMENT TO NAVAL APPROPRIATION BILL.

Mr. STERLING submitted an amendment providing that the naval appropriation act approved June 4, 1920, be amended so that any chaplain in the Naval Reserve Force who was more than 50 years of age on the date of said act and who now holds the confirmed rank of commander may be transferred to and appointed in the same permanent grade and rank in the regular Navy not in the line of promotion and not eligible for retirement, etc., intended to be proposed by him to House bill 11228, the Navy Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on June 10, 1922, the President approved and signed the following acts:

S. 745. An act to amend section 24 and section 256 of the Judicial Code; and

S. 2775. An act to extend for one year the powers of the War Finance Corporation to make advances under the provisions of the act entitled "An act to amend the War Finance Corporation act, approved April 5, 1918, as amended, to provide relief for producers of and dealers in agricultural products, and for other purposes," approved August 24, 1921.

FOREIGN DEPOSITARIES OF PUBLIC MONEYS.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 7) authorizing the Secretary of the Treasury to designate depositaries of public moneys in foreign countries and in the Territories and insular possessions of the United States, which was, on page 1, line 8, after "prescribe," to insert:

Provided, That in designating such depositaries American financial institutions shall be given preference wherever, in the judgment of the Secretary of the Treasury, such institution is safe and able to render the service required.

Mr. McLEAN. I move that the Senate concur in the House amendment.

The motion was agreed to.

ED THOMAS AND PAULINE THOMAS.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2666) for the relief of Ed Thomas and Pauline Thomas, which was, on page 1, line 4, to strike out "pay" and insert "pay, out of any money in the Treasury not otherwise appropriated."

Mr. BROUSSARD. I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

JESSE GOODIN.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2664) for the relief of Jesse Goodin, which was, on page 1, line 4, to strike out "pay" and insert "pay, out of any money in the Treasury not otherwise appropriated."

Mr. BROUSSARD. I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

HOUSE BILLS REFERRED.

The following bills were severally read twice by title and referred as indicated below:

H. R. 211. An act to extend the provisions of the pension act of May 11, 1912, and May 1, 1920, to the officers and enlisted men of all State militia and other State organizations that rendered service to the Union cause during the Civil War for a period of 90 days or more, and providing pensions for their widows, minor children, and dependent parents, and for other purposes; to the Committee on Pensions.

H. R. 10675. An act for the relief of Henry McGuire; and

H. R. 10677. An act for the relief of Quincy R. Craft; to the Committee on Agriculture and Forestry.

H. R. 9626. An act granting a deed of quitclaim and release to the Traders' Brokerage Co., a corporation, of certain lands in the city of Pensacola, Fla.;

H. R. 9746. An act for the relief of Emmett Otto Cooney; and

H. R. 10419. An act validating certain applications for and entries of public lands; to the Committee on Public Lands and Surveys.

H. R. 3836. An act for the relief of Nolan P. Benner;

H. R. 6926. An act for the relief of Abraham Leibovitz;

H. R. 8214. An act to compensate the owners of the American steamship *Vindal* for damages and expenses in repairing the said steamship, and to make an appropriation therefor;

H. R. 8264. An act for the relief of Thomas B. Smith;

H. R. 8448. An act for the relief of Joseph Zitek; and

H. R. 10234. An act for the relief of Edward A. Purdy; to the Committee on Claims.

PRICES OF COAL.

Mr. SUTHERLAND. Mr. President, I ask unanimous consent to have printed in the RECORD, in the regular RECORD type, Secretary Hoover's remarks before the coal operators on Wednesday, May 31, 1922, together with certain statements and tables in reference to the coal situation.

There being no objection, the matter referred to was ordered to be printed in the RECORD in 8-point type, as follows:

SECRETARY HOOVER'S REMARKS BEFORE COAL OPERATORS, WEDNESDAY, MAY 31, 1922, IN THE AUDITORIUM, INTERIOR DEPARTMENT, WASHINGTON, D. C.

A conference of coal producers convened at 10 o'clock a. m., pursuant to call issued by the Secretary of Commerce.

The SECRETARY OF COMMERCE (Mr. Hoover). Gentlemen, I have been asked by the President to call this conference for the purpose of consultation with you as to what measures we can properly take to restrain runaway prices, profiteering, and speculation in coal during the present coal strike.

This is not to be a discussion of the strike nor of wage questions, but purely a discussion between the Secretary of Commerce and the producing operators upon the sole question of price and distribution of coal.

You are aware of the facts in the present situation as well as I. At the present moment bituminous coal is being produced at the rate, approximately, of 5,000,000 tons a week. Consumption is somewhere from eight million to eight and one-half million tons a week. We are drawing upon stocks at the rate of three million to three and a half million tons a week. Production will probably increase slightly as time goes on.

But the time has arrived when those unwise virgins who did not accept the recommendations I repeatedly made as to stocking themselves with coal find themselves compelled to go into the market. Distribution is greatly disturbed from its normal channels. There is a tendency to multiply bidding from the public and thus to force up the price of coal against itself.

On the last occasion when there was disturbance in the coal production prices rose at some mines from a range from $6 to as high as $10 and $12 and even $15 a ton for spot coal at the mine, and all holders of coal raised their prices accordingly. Such a condition represents a loss on spot coal to the public running into the millions of dollars a week. It gives to the industry a color of profiteering; and it is my distinct recollection of that period that the charge given the operator was not only laid against many unjustly but that the vast majority of operators considered that in its reactions it was the most disastrous of the things that had happened to him. [Applause.]

It is utterly impossible for each operator to act alone. Many hundreds of operators during that occasion held to their price list, despite the offers that were made to them and despite the fact that coal which they placed on board cars at a comparatively low price was sold under their eyes at double and treble the price at which they had turned it out. I had felt that before such an occasion arises again it was desirable that we take such steps as we can take to prevent its recurrence.

A week ago I called a preliminary conference of some 30 or 40 coal operators to determine what steps might be taken, in their view, and to test out the disposition of producing operators in this matter. Those gentlemen were unanimous and emphatic in an expression of the necessity that restraint of some kind should be placed upon the existing situation, not only in the interest of the public but in the interest of the operators, and the fundamental interest of the whole industry. Upon their suggestion the President directed me to call this larger conference.

The result of the last conference a week ago has been to put a check on the daily rise in price that was in process, and prices have receded from 50 cents to a dollar a ton nearly throughout the country. Prices to-day vary somewhere from $2.50 to $3.50 a ton at the mines in most districts, although there are one or two districts that are still over the $4 level.

What we are interested in, what the public is interested in, is not the question of cents, it is the question of dollars. With the unrestrained operation of the law of supply and demand in a situation of this kind the price of spot coal might easily be carried to $12 or $15 a ton at the mine; and any such situation as that, I believe you will agree with me, must be prevented if we can. [Applause.]

I have some little knowledge, perhaps, of the situation in the coal industry as it has existed during the past 12 months. I am fully aware that the industry as a whole has operated without profit, and perhaps even at a loss; that prices to the public have been unduly low so far as the mine operator is concerned; that differences in price of 10 cents or 15 cents or 20 cents a ton make the difference between profit and loss in coal production. The public does not realize, I believe, that these are the margins for which the operator must contend. [Applause.]

With high freight rates, with high cost of retail distribution, the public has little appreciation of the secondary part that prices at the mines play in the ultimate cost to the individual of coal put in his cellar. Nevertheless, the operator has, in the public mind, the primary responsibility for the price of coal, and it is with a view to summoning that responsibility, in the public interest and in the interest of the industry, that we are meeting here at this moment.

There are some things that the public should understand in respect of this problem:

(1) That it is a problem of the most stupendous difficulty; that it is easy to denounce profiteering; in fact, it is the favorite sport. [Laughter and applause.]

(2) That the vast majority of the coal operators, out of their own interest and out of their sense of public interest, do not wish profiteering in coal. [Applause.]

(3) That where profiteering begins and ends is not a question of demagogic statement; it is a question as to a definite fair price. There is no use of arguing theories when it comes to determine what must be done in a practical world, but it becomes a problem of determining the actual basis upon which fair transactions should take place if actual constructive work is to be done in the situation.

(4) What a fair price may be depends upon conditions in each district and varies not only with each district but with different mines in each district.

(5) That the majority of the coal is sold on contracts established before the strike and that price fluctuation refers only to spot or free coal.

(6) The public should understand that there is not a shred of law or authority to either determine or enforce a fair price; that there is not a single shred of law on the statute books of the United States Government in prevention of profiteering or anything of that character.

(7) That the law itself prohibits coal operators agreeing among themselves as to what a fair price would be, even if the operators should place that fair price below cost of production. We may as well face the fact that a combination in the public interest is just as illegal as one against the public interest. Without entering into the merits or demerits of the local situation that is the actual case.

In times like these, in emergencies of this character, some one has got to take the responsibility, some one must take the leadership and say what is fair. I do not believe that men deserve to hold public office unless they are prepared to accept the responsibilities that arise in emergencies. [Applause, loud and prolonged.]

I therefore am not going to shirk this responsibility by asking you to enter into any agreement or combination amongst yourselves to restrain trade or prices or to do anything else that is wrong in law, whether it is in the public benefit or not. I propose to inquire, with your cooperation, as to the situation in the various districts; I propose to consult with you and to cooperate with you; I am going to take the responsibility upon my own back of saying what is fair, and I am going to ask every individual operator as a public service to adhere to such basis in his district, and that is to be a moral agreement between him and me. [Applause.]

If he should fail to keep that agreement it will be between himself and his conscience. I may have remarks to make about it, but I have no power to enforce it.

I have no desire to assume unnecessary responsibilities, responsibilities that are bound to carry unusual loads of criticism; but there is a question here of protecting the public from losses that might aggregate $15,000,000 or $25,000,000,000 a week; aye,

there is even a greater responsibility than that, and that is to save the business men of the United States from undeserved criticism by reason of being thrust in a position that they can not themselves alone prevent. [Applause.]

There is no question in mind as to the high sense of public service among the business men of the United States; that they want above all things not only to maintain but to demonstrate their right to esteem in the community, and I would be a failure as Secretary of Commerce if in representing these men I did not give opportunity to make such demonstration and to offer such public service. I am, therefore, suggesting to you a cooperation between each of you individually and the Secretary of Commerce. [Applause.]

Last week we prepared, after considerable discussion, a preliminary plan, a plan that I have no doubt would have been effective. That plan, however, has been criticized in that it might contain elements of restraint of trade by coordinate action between ourselves. I will not ask you to enter into any plan that might be subject to that suspicion, even though it be in public interest. The plan proposed then would be more effective than that which I now have to propose. The plan I propose here depends solely upon moral forces and good will.

It becomes necessary, then, that I should propose to you for discussion some alternative to that plan that will free it absolutely from any taint of suspicion or criticism as a conspiracy in law to restrain trade. In doing so I would like to make the emphatic statement to the public that the administration is here seeking cooperation of each individual coal operator in the public interest; that if such cooperation fails it will not be a failure of the administrative officials. I am confident that the vast majority will adhere to the plan proposed. If it will not work in a minority, it will be a failure in authority of administrative officials.

But I do not believe we will fail; in fact, I believe that here will be offered an opportunity to the business men to demonstrate that moral forces can be established that will prove that the arm of the law is unnecessary in the matter of protection of the public interest. [Applause.]

Now, gentlemen, we are all busy people, and I would like to make one or two propositions to you for your views.

(1) That the Garfield prices for run-of-mine coal should be the basis for computing sales prices, with such adjustments as are necessary to include the wholesale selling costs, changed conditions at the mines, and other factors that will be fair to the public and to the operators and will maintain production of coal. Any agreement to adhere to this is a moral agreement between each individual operator and myself.

I know that there is some objection, and some rightful objection, to using the Garfield prices as a base. On the other hand, we have no time, we have no machinery, for determining what is detailed right or wrong in the matter of price. The Garfield prices were the result of experience extending over a considerable period of time and an elaborate series of investigation, and it is much more easy; it is much more facile and much more practical to say broadly what are the necessary changes to be made in such basis than to go out and endeavor to establish a new base at this moment.

We know, approximately at least, the changes in wage levels. We know, approximately, those districts where the Garfield prices proved to be unfair. We know the changes that were proposed by the old Fuel Administration in those prices had that work continued. We know that a large proportion of the coal is sold on contract at prices below the Garfield levels. We know that this problem is a problem of spot coal alone. We know many of the factors that have entered into the question. The public is not interested in the question of cents, the public is interested in the question of dollars. Therefore, my feeling is that we can arrive quickly at some notion of a fair price which I can state after discussion with you as to these changed conditions, whereas otherwise we would be at sea for weeks.

(2) My suggestion is that each district should to-day nominate to the Secretary of Commerce a committee of the district to advise with him as to the conditions that bear upon the Garfield level and upon which I may form some judgment as to a fair price for the district.

(3) After we have made this primary determination these committees should continue and should report to me any unfair prices in their respective districts, and should act on my behalf and as I may direct them to do in individual cases that may arise in their respective districts.

In other words, the latter part of the machinery is altered to the extent that I wish to appoint a committee in each district to represent me purely in the capacity of a moral force in securing a fair price that I must take the responsibility of stating after I shall have learned as well as I can the conditions in each district.

The whole of this is purely a temporary expedient during this strike. I do not know how long the situation will last; it may be months, for all that I know.

I should have been glad to have proposed to you machinery that would have relieved me of this major responsibility, of machinery that would be absolute; but I can not do so without imposing upon you certain responsibilities and risks that I have no right to ask you to take.

I do not ask you to vote or take any collective responsibility on this proposition. I wish your individual views. This is a transaction between me and each individual operator. If anybody is to be called into question for this agreement, it is I alone, and I will stand it.

I shall be better able to judge the situation when I have had your views.

I will now call on some of those present for discussion. I would like to call upon all of you, but it happens I do not enjoy your personal acquaintance and therefore I may not call upon some who will be able to give us valuable suggestions. I first call upon Mr. Ogle, the president of the National Coal Association. [Applause.]

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, June 8, 1922.

HOMER D. JONES,
President National Retail Merchants' Association,
2623 West Adams Street, Chicago, Ill.

DEAR SIR: I am in receipt of your letter of June 6, which shows a good deal of misunderstanding of the situation.

Your letter gives the impression that the householder should be informed by me that retailers are warranted in advancing the price of coal by $1.75 per ton as the result of negotiations by the administration with the operators, and in support of this you make certain statements to which I can not agree.

First. You give the impression that spot smokeless coal for household purposes was selling at $1.75 prior to the strike, and that at $3.50 maximum for run of mine he is burdened with an advance of $1.75.

From the quotations you append to your letter the price of "run of mine" and slack (steam coals) prior to the strike was $1.75 to $2, but from the very quotations you give me it is evident that lump (which is the householders' main interest) the prices prior to the strike were $3 to $3.25, and not $1.75 as might be inferred.

Under the request I have made to the operators that they should adhere to the Garfield scales, plus such alteration as changes in production costs warrants, and that in the case of smokeless operators should not exceed $3.50 run of mine and $3.75 for lump, you will see that those who are justified in asking the maximum would have advanced lump over even prestrike prices by 50 to 75 cents per ton, and not $1.75. In other words, you have ignored the great decrease of differential in favor of the householder that has been suggested by me to the operators.

Second. Your letter seeks to give the impression that there was a rise of $1.75 per ton in smokeless after my statement of June 1. You are well aware that the prices of coal generally reached their peak above this on May 15, before I first became active. To-day smokeless lump exceeds your quotation for prestrike by about 25 cents.

Third. I am glad to note your statement confirming the fact that retailers have large stocks of prestrike coal. My recommendation to the retailers was that in public interest and the interest of the coal trade the retailers should reserve their prestrike coal or their contract coal, which they obtained at prestrike prices, and much of which came from the districts of shorter rail haul, and therefore lower cost for the smaller householders, and that it should, of course, be sold at actual cost, plus a fair handling charge, and that any coal bought at strike prices should be sold to the larger consumers likewise at cost and fair handling charge. As you will see, the increases since the strike are largely for run of mine, and therefore for steam coal.

In reply to the statement of your association at our conference that it was necessary for the retailer to sell his coal at replacement cost, thus advancing all prestrike coal to strike coal prices even from longer-haul districts, I stated that I thought it would be very unfair to the consumer and would constitute at least moral profiteering.

Fourth. I would again call your attention to the fact that you misquoted the statements issued here when you say that the price of coal has been fixed at $3.50 per ton. There has been no price fixed for coal. The operators were requested by me:

To cooperate with me in carrying out my proposal "that Garfield prices for run-of-mine coal should be the basis for

computing sales prices, with such adjustments as are necessary to include the wholesale selling costs, changed conditions at the mines, and other factors that will be fair to the public and to the operators and will maintain production of coal. Any agreement to adhere to this is a moral agreement between each operator and myself.

Further than this, I have expressed the view with regard to the Alabama fields, in following the above, the changes in conditions did not warrant a price in excess of 25 cents under the Garfield scale, and that in the smokeless fields they did not warrant a price in excess of $3.50 for run of mine, with a differential of 25 cents for lump instead of the prestrike differential of 75 cents to $1. Many operators having low costs are upon this formula selling considerably below this maximum for spot coal. I note that you ignore the whole question of a just price to the mines upon which production can continue.

Fifth. I note that you state:

"Our association is opposed in principle and as a matter of sound business to governmental policy, official or unofficial, or to legal control of the coal business, whether with respect to production or distribution."

I assume I am to take from this that your association does not wish to cooperate in the prevention of profiteering in this time of emergency. I notice there is an entire change of sentiment from that expressed at our conference at this office, when you strongly urged that a restraint in price was necessary in the public interest, and that you considered the action taken by the administration had prevented a runaway market. I can not believe that the change of views which you here evidence at all represents the vast majority of retail coal dealers in the country, because in their intimate contact with the needs of the householder I have found from inquiry that in the great majority of places they have made no attempt to secure unusual profits—that they are making every effort to supply their customers and to charge them simply the cost of their stocks of coal or their contracts for coal plus a reasonable handling charge.

Sixth. It does seem to me that the retail coal dealers could play a fine part in this emergency if they would follow this suggestion:

(a) All coal to be sold at cost plus a reasonable handling charge.

(b) The cheap prestrike and contract coal to be reserved for the smaller household trade.

(c) Steam and larger domestic consumers to be supplied from current purchases plus a reasonable handling charge.

(d) Cooperate to prevent rising mine prices, for some districts are refusing to accept the formula I have outlined above and are asking $5 per ton.

(e) Handle coal on straight lines from operator and wholesaler without speculative resales in the trade.

By such cooperation I feel sure we can save the public from runaway prices such as we witnessed in 1920, thus saving to them several dollars per ton—of more interest than questions of 25 cents or 50 cents.

Yours faithfully, HERBERT HOOVER.

Statement of average prices spot market—bituminous coal.

(In cents per net ton.)

Date.	Smokeless low volatile, Chicago, f. o. b. mine.		West Virginia high volatile, Cincinnati, f. o. b. mine.		Southeast Kentucky, Cincinnati, f. o. b. mine.		Pool No. 9, Sup. low volatile, New York, run of mine, steam sizes, f. o. b. mine.	Smokeless Hampton Roads, run of mine steam sizes, f. o. b. vessel.[1]
	Lump, household sizes.	Run of mine, steam sizes.	Splint lump, household sizes.	Run of mine, steam sizes.	Lump, household sizes.	Run of mine, steam sizes.		
February 27	315	215	225	140	235	175	240	460
March 6	315	200	225	135	225	140	250	465
March 13	315	185	250	135	225	135	240	460
March 20	315	185	215	140	210	145	230	455
March 27	270	160	215	135	210	130	225	455
April 3	260	170	215	145	210	140	225	455
April 10	240	175	200	155	190	160	240	460
April 17	250	165	200	190	215	190	325	475
April 24	230	180	265	195	240	200	325	480
May 1	275	195	275	240	290	240	325	505
May 8	290	225	250	250	260	260	350	565
May 15	290	270	310	300	300	300	400	675
May 22	275	275	340	340	350	350	475	735
May 29	340	315	340	310	330	315	380	615
June 5	315	290	325	275	325	285	390	610

[1] Includes freight rate and dumping charges.

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, June 5, 1922.

The PRESIDENT OF THE UNITED STATES SENATE,
Washington, D. C.

SIR: I have the honor to transmit the following statement in response to Senate Resolution 298, which reached me this morning.

I should state that there is no consequential recruiting of statistics by the Government from original sources. The Government departments, except for some special occasions, are dependent upon voluntary contributions of data from the trade and transportation associations. Upon this information the following estimates have been compiled. For convenience the questions enumerated in the resolution are repeated here.

1. "The present supply of mined bituminous coal."

The latest information we have is a canvass of the situation at the opening of the strike on April 1 by the Department of Commerce and the Geological Survey, partly depending upon various trade associations. No funds have been available for the repetition of this inquiry.

On April 1 the stocks of mined bituminous coal in the hands of consumers were estimated at 63,000,000 tons. In addition thereto there was estimated to be 4,000,000 tons on the Lake Superior and Michigan docks and about 2,500,000 either on tracks or in storage belonging to the operators. There was also an unknown amount of coal in transit on the railways. A guess has been made that it amounts to between 10,000,000 and 15,000,000 tons.

2. "The average weekly production and consumption of such coal since April 1, 1922."

The only statistics as to production are the daily number of cars loaded and are furnished by the railways, as follows:

Week ending—	Cars.	Estimated tons.
April 8	66,182	3,825,000
April 15	63,522	3,656,000
April 22	60,228	3,575,000
April 29	71,574	4,175,000
May 6	73,158	4,164,000
May 13	78,090	4,433,000
May 20	79,176	4,484,000
May 27	86,982	4,856,000
June 3	82,185	4,600,000
Total	661,097	37,768,000

There are no statistics of consumption. A rough estimate may be deduced by assuming the consumption to be equal to production, based upon car loadings in other periods.

Week ending—	1919	1920	1921
April 9	6,224,350	8,461,450	5,684,750
April 16	6,673,300	6,885,000	6,085,600
April 23	6,606,250	7,620,700	6,303,150
April 30	7,371,750	7,985,550	6,512,850
May 7	7,627,300	8,205,150	6,901,600
May 14	7,756,900	7,849,200	7,482,250
May 21	7,838,300	8,197,300	7,461,900
May 28	7,157,550	8,449,150	7,630,050
June 4	8,011,850	8,057,000	6,336,650
Total	65,267,550	71,707,500	60,488,800
Average	7,251,950	7,967,500	6,407,330

As there has been considerable industrial recovery from the situation of 1921 and less activity than 1920, our rough guess is that the total consumption from April 1 to June 4 is about 65,000,000 tons. Upon that data the stocks of mined bituminous coal remaining on hand week ending June 4 should be about 32,000,000 tons, and in addition the amount of coal in transit may amount to 10,000,000 tons.

3. "The amount of bituminous coal estimated to be necessary for all uses in the United States until May 1, 1923."

The following tables show the estimated production of bituminous coal based on car loadings during the previous years for this period of 11 months and furnish a probable guide to the future:

	Tons.
From June 1, 1919, to May 1, 1920	455,221,000
From June 1, 1920, to May 1, 1921	472,995,000

4. "The effect of such strike upon present coal prices and the probable effect upon such prices if a settlement of that strike is not reached before September 1, 1922."

First, as to present coal prices:

Coal is sold (a) by long-term contracts and (b) uncontracted coal for spot delivery. The proportion of the present production of bituminous coal on old contracts is variously estimated at from three-eighths to three-fourths of the production, and, of course, varies with each mine. The prices on old contracts are undisturbed by the strike. Spot coal receives the full impact of the new demand. The prices of spot coal prior to the strike and since vary with each district and each mine.

Various causes connected with the general business depression, the collapse of the export trade in coal, the competition of nonunion operators endeavoring to build up and maintain their organizations and production in anticipation of better prices in the event of the strike, the general pressure to give employment during the winter, appear to have caused the coal from southern districts—those now operating—to be sold at the cost of production or even at a loss for some months before the strike. After the strike mine prices rose steadily to as high as $5 and $6 in some instances, although the general range was somewhat below these levels.

Furthermore, owing to the necessity of present production being carried longer distances by rail to reach consumers formerly served by nearer fields the price levels in such localities for coal are much affected by increased freight charges.

It was deemed necessary to use the influence of the administration to halt the rise of prices and if possible prevent a repetition of the price panic of 1920 when spot mine prices rose to as high as $12 per ton. As a result of the activities undertaken the rise in prices has halted and has even receded in some districts in various amounts from 50 cents to $2 per ton. These activities of the administration are set out under paragraph 6.

As to what the course of prices may be, I am unable to state. I am in hopes the actions taken may save the public from a recurrence of such profiteering as developed on previous occasions.

5. "What action, if any, has been taken in the United States through its governmental agencies to terminate the strike?"

The governmental agencies have no legal authority to terminate or intervene in the strike. Quite informally and repeatedly suggestions as to propositions on which the disputants might well confer and hope for settlement have been made through the Department of Labor and this department, or both, but thus far these suggestions have been without result.

6. "What action, if any, has been taken by the United States to protect the consumers of coal from paying exorbitant prices by reason of curtailment of production?"

The administrative agencies possess no authority of law to protect the consumers or no appropriations available for the conduct of informal action. As a tender of good offices of the governmental agencies, various conferences have been held with consumers, dealers, and operators where it is sought to impress upon them the necessity for prices that would be fair in the interest of the public.

No generalizations upon profiteering are of any value to the public. In a shortage the only effectual action must be a statement of a fair price for dealing. Any such price must take into account the maintenance of production and, therefore, the costs of the mines the most expensive to operate.

In making such suggestions I have proposed "that the last Garfield prices for run-of-mine coal should be the basis for computing sales prices, with such adjustments as are necessary to include the wholesale selling costs, changed conditions at the mines, and other factors that will be fair to the public and to the operators and will maintain production of coal. Any agreement to adhere to this is a moral agreement between each individual operator and myself."

The Garfield scales (United States Fuel Administration) were the result of exhaustive investigations of the Fuel Administration and the Federal Trade Commission into working costs, profits, etc., during the war, and were generally considered as just.

The opinions of the directors of the Bureau of Mines and the Geological Survey have been availed of as to changes in conditions since those scales were settled and further inquiries upon specific points have been made of the operators and those familiar with different districts. The selling commissions set out separately in the Garfield scales were added to the mine figures. The maximum prices thought fair in certain districts are set out below. Some operators of specially low-cost mines have agreed to hold to lower prices. Certain operators and certain districts have refused to accept the suggestions made chiefly because the Garfield scales included contract coal, the losses on which below the Garfield scale they believe should be covered by equalizing increases in the spot-coal prices regardless of costs or profits. Numerous conferences are in progress, and I hope cooperation will be secured in all districts and between all branches of the trade.

These proceedings obviously have no force in law, and furthermore any collective agreements or any erection of committees in the trades for enforcement might be criticized as a violation of the law even were the result to public benefit. Therefore, the entire part of the administration is confined to statement of opinion of the administration of what is fair, with the hope it may be adhered to by each individual. The result so far has been to halt the rise and to secure considerable reductions in certain cases.

The attached statements have been issued.

I beg to remain,

Yours faithfully,

HERBERT HOOVER.

—

ALABAMA DISTRICT.

MAY 31, 1922.

In the Alabama field the costs of coal production have been reduced since the final Garfield scales were determined.

After having consulted the Alabama operators and being assured of their cooperation I have concluded that a maximum fair price for spot coal from the district should be 25 cents per ton below the final Garfield scale, the operators to absorb out of this price a reasonable selling expense.

The operators wish it clearly understood that this is the maximum fair price and that anyone may sell below it and that long contracts for coal are necessarily below these levels.

The Garfield scale varies from $2.45 to $2.85 for the bulk of run-of-mine coal from the district and, therefore, these coals will be a maximum of $2.20 to $2.60. There is some production from thin seams, and where the Garfield scale is higher these will also be subject to the 25-cent reduction. The differentials of the Garfield scale up and down for washed and prepared coals and screenings will be taken as a fair basis.

The Alabama field is not running full capacity, due to the lack of orders, and production can be increased 50,000 to 100,000 tons per week. Therefore, consumers in the southeastern States, together with those accessible to water-borne coal in the south Atlantic and Gulf seaboards, together with inland markets as far as St. Louis and Kansas City, would be well advised to take this opportunity of securing supplies.

—

POCAHONTAS, NEW RIVER, TUG RIVER, AND WINDING GULF FIELDS.

MAY 31, 1922.

After having consulted the operators in the Pocahontas, New River, Tug River, and Winding Gulf fields—smokeless coal districts of West Virginia—and having been assured of the cooperation of 80 per cent of the production here represented, and having the approval of the Director of the Geological Survey and the Acting Director of the Bureau of Mines, I have concluded that $3.50 per ton is a fair maximum price for spot run-of-mine coal for these fields, the operators absorbing in these prices a reasonable selling expense, the prices for prepared and slack coal to bear a differential up and down equal to the Garfield scales.

The last Garfield prices for the district, including the selling commission for run of mine, varied from $2.50 to $3 per ton for domestic coal, with a price of $3.85 to $4.35 per ton on export and bunker coal, which comprise a considerable portion of the production. The costs of production in the district have increased since the Garfield scale, and that scale included contract coal which now sells below the maximum.

I therefore hope the above flat price will be accepted as a fair maximum.

Considerable coal has piled up at seaboard from these districts, and the public would be well advised to secure this coal.

—

HARLAN, HAZARD, AND SOUTHERN APPALACHIAN FIELDS.

MAY 31, 1922.

Having consulted the operators in the Harlan and Hazard fields of Kentucky and the Southern Appalachian fields of Tennessee and Kentucky, and having been assured of the cooperation of about 80 per cent of the present production and having the approval of the Director of the Geological Survey and the Acting Director of the Bureau of Mines, I have concluded that $3.50 per ton is a fair maximum price for spot run-of-mine coal for these fields, the operators absorbing at these prices a reasonable selling expense, the price for prepared coal and slack to bear a differential up and down equal to the Garfield scale.

The last Garfield prices in this district—except for some low cost and special high cost mines—ranged from about $3 to $3.25 for run of mine, including selling commission. The costs have increased some since the Garfield scale, and that scale included contract coal which now sells below this maximum. I therefore hope the above flat price will be accepted as a fair maximum.

—

FRIDAY, JUNE 2, 1922.

Secretary Hoover announced last night:

"I believe that the whole of the coal districts in Virginia, West Virginia, Tennessee, and east Kentucky will accept the fair maximum of $3.50 per ton for run-of-mine spot coal. The Alabama field accepts the lower scale, as previously announced. The operators in the west Kentucky fields do not feel that they can agree to a lower price than $4.25. I have not felt that I could recommend this price to the consuming public, and the matter is therefore under further consideration. They feel that their costs have increased materially beyond the increases in other fields. On the other hand, my present feeling is that they should, in the general interest, adhere to the maximum accepted by the majority of the operators in other fields. A discussion of the Pennsylvania fields will be taken up later in the week. We have not yet dealt with problems west of the Mississippi River.

"It should be understood that the whole object of the administration's interest in coal prices is to protect the consumer by indicating the maximum price that would be fair for spot coal during the temporary period of the strike, and by doing so to protect that great group of operators who do not wish to take advantage of the present situation.

"Out of the 5,000,000 tons of weekly production of bituminous coal, probably three and a half million tons are under long-term contracts to consumers at prices stipulated in the contracts, and there can be no alteration of these contract prices, which as a rule run considerably below prices for spot coal, as they represent a steady business to the mines. The suggestion of a maximum fair price relates solely to spot coal. Many coal dealers enjoy long-time contracts at lower rates, and it would be only fair to the public that in the resale of this contract coal these dealers should give the customer the full benefit of their lower prices; and I feel sure from my discussions with them that the majority will do so.

"In order to prevent the resale of coal for speculative purposes it is most desirable in the interest of the consumer, operator, and wholesaler that the operators and dealers should insist upon knowing that purchases are on behalf of a definite consumer.

"The maximum price for spot coal is not the minimum price. It is only a general figure that will protect the public from such occasions as the last pinch, when spot coal in many places went to over $10 per ton. In arriving at the figure the Garfield scales were taken as a basis, as these scales were the result of close investigations during the war, and allowances have been made for increased costs and a general average of the situation taken that would protect the public and maintain production. The maximum price includes customary selling commissions, which were established separately in the Garfield scale, and the operators are recommended to use the usual wholesale agencies, thus promoting direct movement to the consumer.

"In these circumstances some minor proportion of the mines will make considerable profits; some minor proportion of them will, under these circumstances, earn nothing; and in some cases of low-cost producing mines the operators have already notified their consumers that they will continue to supply them at lower rates than the maximum. What we are endeavoring to prevent is a panic in prices such as took place at the last coal pinch.

"Every consumer who is interested in knowing that he gets a square deal can easily check the freight rates, can compare them with the maximum price, can inquire from his dealer whether he is buying contract coal and at what rate, and can make proper allowances for retail distribution. If consumers are unwilling to take this degree of interest in negotiating for coal, it is a certainty that no one can help them. I believe the vast majority of operators, wholesalers, and retail dealers sincerely wish that this difficult occasion shall pass by without any rightful criticism of their conduct anywhere along the line. I regret that a small minority have refused to cooperate and are demanding higher prices. The Government has no authority in the matter, for this is purely a moral question and one of cooperation. The consumers who are not treated fairly may appeal to this department in Washington and their case will be inquired into."

[For release June 3, 1922.]

DEPARTMENT OF THE INTERIOR,
UNITED STATES GEOLOGICAL SURVEY,
Washington.

Director George Otis Smith, of the United States Geological Survey, said last night:

"After attending the conference which the Secretary of Commerce has had with the coal operators, as well as living with the coal question for weeks, I am fully convinced that the plan Secretary Hoover is engineering in the interest of the public holds a larger promise of keeping coal prices down than any other move that is feasible at this time.

"In simple terms of current coal production and consumption the present situation is loaded. Since April 1 our mines have put on the cars only about half as much coal as the country has burned. Fortunately, the output is slowly increasing, but no possible stocks of coal in storage can long stand this drain of 3,500,000 to 4,000,000 tons a week. Yet the complacent public sleeps, seemingly awaiting some explosion to arouse it to action. Such an effective alarm could come in the shape of a sudden jump in coal prices, but Mr. Hoover and the coal operators have not thought it safe to permit the past to be repeated, and they are agreed that the safety-first move is to put some definite limit on prices.

"A buyers' panic and a runaway market usually happen at the same time, and each aggravates the other. Consumers with foresight, especially the larger consumers, bought large supplies of coal while the buying was good, but others who were less wise did not stock up, and these "foolish virgins," as Secretary Hoover has called them, will be the first to find themselves short of fuel. Their plight is partly of their own making, and, to judge from the $8 and $10 spot prices for 1920, many of them, once awake to their need, will try to buy at any price.

"It is obvious that, with this condition of undersupply of many consumers, coal production needs to be stimulated, and a fair price to accomplish most must be a generous price. Furthermore, the Secretary's decision as to a limiting price had to be reached without delay. It was imperative that even the high-cost producer be encouraged to contribute his tonnage, and therefore a fair maximum price was established for as wide a territory as possible, and the coal operators were urged to speed up production. Tons mined are far more important to the country than cents saved.

"The buying public should keep in mind that the $3.50, which is set up as a fair price for most of the coal fields south of the Ohio and Potomac, is a maximum price, and that it applies only to spot coal. More than half of the present output of these fields is still under contract, and, in view of the steadier business these contracts permit, the contract coal is normally delivered at much lower figures, and those who will insure themselves with new contracts can also get much better terms than this spot price.

"Moreover, the maximum fair price is set up as only a temporary measure to steady the nerves of what threatened to be a runaway market. It is hoped that this $3.50 price will become only a mark to show where the 1922 price of coal was halted. A repetition of the $8, $9, and $10 prices of 1920 is what Mr. Hoover is trying to avoid. The public should remember that two weeks ago, when the leading coal producers were first called to Washington, the price had begun to jump to $4 and even higher. The appeal then made to the sellers of coal for cooperation fortunately met with a sympathetic response, for the coal industry knows better than the public the dangers of a runaway market to all concerned.

"With these facts before me, I question either the logic or the memory of whoever attacks this cooperative move, in which the representative of the public and the coal operators are joining."

TRIBUTE TO JEWISH RACE.

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD in 8-point type a short article in the nature of an editorial which I recently wrote for the Hebrew Standard, entitled "Bigotry, the most senseless of evil forces."

Mr. MCCUMBER. I could not hear the Senator's request, but I presume it has reference to the pending tariff bill?

Mr. ASHURST. It is in opposition to a propaganda that has been conducted and is now being conducted against the Jews, and I was asked to write a short editorial. I think it should go into the RECORD.

Mr. MCCUMBER. I do not object to anything that will relieve the world of bigotry.

Mr. ASHURST. The article reflects on no person, race, or creed.

The PRESIDING OFFICER. Without objection, the article will be printed in the RECORD.

The editorial referred to is as follows:

[From the Hebrew Standard.]

BIGOTRY MOST SENSELESS OF EVIL FORCES.

(By HENRY F. ASHURST, United States Senator, Arizona.)

Many years ago I was most favorably attracted by the power of penetration of the Jewish mind, and as time passed I grew more and more to admire the sterling qualities of the Jewish race. I wondered why the Jews possessed greater longevity than any other race, and I discovered that it was because of their freedom from vicious habits, their temperance, and their sereneness of mind. As a boy I was amazed to find that the Jewish race, which has been so foolishly and so cruelly persecuted, had a civilization, a culture, and a code of laws before other races of men knew how to build fires with which to cook food. The Jews have contributed so much to our American experiment in free government that it would take many pages adequately to describe the importance and extent of their noble work here.

Of all the evil forces that assail the human heart, religious bigotry is the most senseless and the most absurd, yet we know that the Jews have suffered severely at the hands of bigots.

I believe, however, that the majority of American people look with severe disapproval upon any further discrimination against the Jewish race. During all of my public life and as a private citizen I have ever denounced bigotry, and you may depend that my views will never change in this respect.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. SMOOT. Mr. President, I understand that we have passed over paragraph 376-A, "bismuth, 7½ per cent ad valorem."

The PRESIDING OFFICER (Mr. ODDIE in the chair). That was passed over.

Mr. SMOOT. I ask that we return to that paragraph.

The PRESIDING OFFICER. The amendment of the committee will be stated.

The READING CLERK. On page 85, line 6, it is proposed to insert the following:

PAR. 376a. Bismuth, 7½ per cent ad valorem.

Mr. SIMMONS. Mr. President, when this paragraph was up a few minutes ago I commented on the dearth of information with reference to it, and the Senator from North Dakota requested that it go over until the Senator from Utah could return to the Chamber and furnish fuller information than he was prepared to give the Senate. I find that there is a little information on this subject which may be of value to the Senate.

Bismuth, as we all know, is a salt that is very largely used for medicinal purposes. It is getting to be one of the common medicines of the people. What has struck me as very strange is the fact that in the case of most of the medicines that are in common use among the people that are now upon the free list the committee seems to have been disposed to transfer them to the dutiable list, or, where they are already subject to a moderate duty under the present law, to increase that duty greatly.

Under the present law this particular salt bears a duty of 10 per cent, and it is proposed in this bill——

Mr. KING. Under the present law it is free, as I understand.

Mr. SMOOT. The Senator is talking about another matter entirely; not bismuth.

Mr. SIMMONS. I am talking about bismuth salts.

Mr. SMOOT. But we are not talking about the salts. This is bismuth.

Mr. SIMMONS. It is a salt, nevertheless. Bismuth is a medicine. That is what we are talking about. It is also used as a cosmetic. The Tariff Commission says:

The chief use of bismuth salts is in medicine and cosmetics.

This is bismuth. The bismuth that I know anything about is a salt. What is this bismuth that you are seeking here to protect?

Mr. SMOOT. The Senator is referring to mixtures of bismuth, found in paragraph 20, I suppose.

Mr. SIMMONS. That is what I am referring to.

Mr. SMOOT. Bismuth itself is on the free list under the existing law. That is the raw bismuth as it is taken out of the ore.

Mr. SIMMONS. What is the bismuth which you intend to protect? It is a new thing which you have put into the bill.

Mr. SMOOT. No; it is not; it is in the bill.

Mr. SIMMONS. The Senate amendment is a new item. It does not appear in the bill as it passed the House at all.

Mr. SMOOT. I say to the Senator that it does appear in the bill as it passed the House, and if he will turn to paragraph 1523 he will find it.

Mr. SIMMONS. It does not appear at this point.

Mr. SMOOT. No; but the Senator said it did not appear in the bill.

Mr. SIMMONS. Then it appears somewhere else?

Mr. SMOOT. Yes; if the Senator will turn to paragraph 1523, he will find that it is on the free list.

Mr. SIMMONS. And the committee put it on the dutiable list?

Mr. SMOOT. It is taken from the free list and put here at 7½ per cent ad valorem.

Mr. SIMMONS. Then the committee has taken it from the free list?

Mr. SMOOT. That is what I stated; but what the Senator was referring to was another matter. He referred to mixtures of bismuth, which fall under paragraph 20.

Mr. SIMMONS. What is the bismuth which the Senator wants to put on the free list? What is it used for? What is it made for? I mean bismuth which the Senator wants to take off the free list and put on the dutiable list.

Mr. SMOOT. It is used for automatic fire extinguishers, automatic fuses, and solders, and wherever there is a low fusible requirement. If the Senator really wants to know what it is he will find the information by turning to the tariff summary as to paragraph 1523.

Mr. SIMMONS. I asked for information before the Senator came in, because I had none as to this article. My only object in taking the floor was to find out what we are about to tax.

Mr. SMOOT. I will tell the Senator what we are about to tax. Bismuth has been on the free list; it was on the free list in the act of 1909. The tariff summary says of it:

Bismuth, one of the minor metals, is soft, reddish-white, and highly crystalline. It is a component of many easily fusible alloys which are used in manufacturing automatic fire sprinklers, electric fuses, and solders. Since it expands on solidifying from the molten state, it is used in some form of type and in metal bearings. The principal uses of bismuth, however, are in certain medicines and to some extent in the manufacture of cosmetics.

Those are the products manufactured from bismuth. I continue reading from the summary:

Production is about 300,000 pounds annually, practically all as a by-product from the smelting of lead, copper, gold, and silver ores in Utah.

We have had it up once before. If the Senator will look at the report, he will find that in 1918 it was valued at $3 a pound, in 1919 it dropped to 97 cents a pound, in 1920 it rose to $2.50 a pound——

Mr. SIMMONS. In this country?

Mr. SMOOT. No; that refers to the foreign country. In 1921 it fell to $1.25 a pound. The testimony before the committee showed beyond a question of doubt that there was at least to-day about 20 to 25 per cent difference in the cost of recovery of bismuth in this country and in foreign countries. The ores carry a higher percentage of bismuth, and it is simply a matter of deciding the best thing to do. If they can not receive a certain price, about a dollar a pound, it is very much cheaper for the smelters to let it go off in the air, and not try to recover it at all. It is found in ores, as the report says, and if they recover it at all, there is an expense attached to the recovery in the smelting, and they have to receive about a dollar a pound to pay for that recovery.

Mr. SIMMONS. I want to ask the Senator if the expense to which he refers is not chiefly in the machinery which has to be installed for that purpose, and if aside from the cost of the machinery installed for the purpose, the cost of salvaging is not very cheap? I am not posted about this matter.

Mr. SMOOT. If the Senator understood in detail the extraction of the different ores, particularly where they are mixed, he would know that it is quite expensive to get bismuth out, particularly when the article being recovered is a very small percentage of the ore itself, as is the case with bismuth. The Tariff Summary says:

This cost is in reality the cost of the last operation of recovery.

It is only a question as to whether we want to recover it from the ores in the United States or allow it to be imported, because of the fact that there is not very much of it used in the United States.

Mr. SIMMONS. If the Senator will pardon me, I think we can get these facts much better by colloquies than by speeches.

I understand now, from what the Senator says, that this is a by-product of the smelting of zinc and copper.

Mr. SMOOT. No; not copper; lead, generally.

Mr. SIMMONS. Zinc and lead?

Mr. SMOOT. It is generally found in lead ores.

Mr. SIMMONS. It is a by-product?

Mr. SMOOT. If you can call it a by-product; it is a part of the ore itself. If they did not recover it, if there were no recovery at all, the smelter would simply charge that much more for the smelting of the ore, and if they can not get out of it what it costs to recover it, certainly they will not try to recover it, and it will go off into the air or into the slag.

Mr. SIMMONS. My understanding is that we have about as fine deposits of lead in this country as they have elsewhere, and the data which has just been furnished me since the item was first taken up says that it is not only a by-product of lead but of copper, gold, and silver ores. I can not quite understand how the Senator could claim that there is less of this material in the copper, the gold, the lead, and the silver ores which we produce here than there is in like substances produced somewhere else.

Mr. SMOOT. That happens not only with manganese, but with magnesite and a great many other things. The ores of Spain are very high in lead. That often happens with products of the earth, particularly products of a mineral character.

Mr. SIMMONS. That might happen with one product, but that all our lead and copper and gold and silver ores have less of this material than like ores of other countries seems to me to be rather incredible. But I do not know as much about that as does the senior Senator from Utah or as the junior Senator from Utah. They live in a section of the country where mining is carried on; I do not. But I can not understand why there is this difference in the bismuth contents of these metals between this and other countries, in the first place; and in the second place, I can not understand why it would cost so much more to recover this material here in the process of smelting than elsewhere.

Mr. SMOOT. The rate proposed is only 7½ per cent ad valorem. In this connection I want to say to the Senator that the European syndicate controlled prices before the war, and during the war the United States established a market for this product, and the producers were virtually compelled to recover it in order to secure the amount necessary in the United States. It is a small industry. At no time have they produced over 300,000 pounds in the United States.

Mr. SIMMONS. Yes; and our consumption is about 300,000. We are producing now about as much as we consume.

Mr. SMOOT. No; we are not producing as much as we consume.

Mr. SIMMONS. About as much. If we recover 300,000 pounds and we consume 300,000, it seems to me it is not only about as much as we consume, but altogether as much as we consume.

Mr. SMOOT. We are not producing that amount now. Many of the smelters have been closed entirely.

Mr. SIMMONS. If the Senator will hear me, I want to say this——

Mr. SMOOT. I thought the Senator asked me to proceed; but I will yield the floor.

Mr. SIMMONS. I am anxious to carry on this colloquy with the Senator, because I think it is enlightening and is enabling us to get at the facts we want. I wanted to ask the Senator about this before he takes his seat: Is it not a fact that we have almost criminally neglected to save these valuable by-products of mining and smelting in this country, and that that is one of the troubles we are having in supplying the American market? In Europe they save everything, and that is the reason why they have the big supplies of by-products of the coke ovens, and so forth. Here we have been in the habit of letting those things go to waste.

Mr. SMOOT. Let me call the Senator's attention to the fact that Europe is quite different from the United States. There is sometimes what might be called a wicked waste of by-products from the mines; but what are you going to do with them? In Utah we have some of the largest smelters in the world. We could produce enough of one by-product, sulphuric acid, to furnish, I think, all the world. It would not be by hundreds of pounds or thousands of pounds; I think we could make almost a small stream, running continuously.

Mr. WALSH of Montana. If Utah runs short, we can supply the deficiency from Montana.

Mr. SMOOT. Montana could do the same. What could we do with it? The freight rate is higher than the article itself is worth. We can not afford to recover it, because if we recover it, there is a cost attached to it, and we can not get a cent for it. The Senator is right when he says that in those things there is a waste, and I agree with my colleague, who stated a few moments ago that the American people are the most wasteful people, under the best of conditions, of all the people in the world. It is often stated that a Frenchman can live upon what an American family wastes. But we have a situation to meet. We can recover it, but there is a cost attached to recovering it, and we can not get a thing for it. It is not only a waste but it is a burden to the people who produce it, who are compelled to produce it under the existing conditions.

Mr. SIMMONS. Is it not a fact that we have not been saving much of this, but that we have been exporting it? Why could we not save enough to supply the American market?

Mr. SMOOT. The production of bismuth is quite a different proposition from the production of other by-products. There are ores all over the world which have no bismuth in them at all. For instance, I know of only two districts in our State which have even a trace of it. The cost of producing it is 75 cents a pound in Germany and nearly a dollar here. Wherever bismuth is recovered, there is a costly process required to recover it, and if they can not get enough to pay for the cost of it, of course it would go into the air, just as sulphuric acid does.

All we ask is 7½ per cent upon it, thinking perhaps that when things are normal that will equalize the conditions here and abroad and allow the producers to make just a small profit over and above the cost of taking it out. It is an economic question. It is not a question of the amount of duty. In Idaho they have bismuth, but it is always in small percentage; it is the same in Montana and the same in Utah. These ores are smelted there, and if they can not get a price equal to what it costs to recover it the bismuth is bound to go into the air or go into the slag. All that is requested on this item is 7½ per cent.

Mr. KING. There is nothing before us to justify a low rate or a moderate rate or a high rate of duty upon the commodity under consideration. I think the Senate committee with equal propriety could have argued for a 1 per cent duty or 25 per cent duty as well as 7½ per cent duty. Much of what my colleague has stated I assent to.

Mr. SMOOT. I do not know whether my colleague heard me when I referred to the question of the European syndicate that handles all the bismuth of all the world outside of what is produced in the United States.

Mr. KING. Yes; I heard that statement.

Mr. SMOOT. If they wanted to control the situation in the United States, all they would have to do would be to bring their bismuth into the country when we began to produce it and cut the price. That would, of course, stop our domestic production of bismuth, and again they would control the situation and could let the price rise as it has in the past. Their price was as high as $3 in 1918 and then dropped the following year to 97 cents. Of course there was not that difference in the cost of production. After that year, when the domestic production was again practically stopped, they advanced their price to $2.50 a pound.

Mr. KING. Let me say to my distinguished colleague that American manufacturers showed very violent fluctuations in thousands of articles produced in the United States compared to the fluctuation to which reference has just been made.

Mr. SMOOT. During these years I do not think so. Following the war, or during the war, it is quite likely, but when we got into 1920 they charged $2.50, because there was a shortage in the United States. Not only that, but this is what they do. They will not sell a single pound of bismuth to any purchaser in the United States unless he will sign an agreement that he will buy from them all of the bismuth that he may require during the year.

Mr. WALSH of Montana. Mr. President, with the permission of the junior Senator from Utah I would like to inquire of the senior Senator from Utah how many companies are actually producing bismuth.

Mr. SMOOT. Two are all in the United States.

Mr. WALSH of Montana. Where are they located?

Mr. SMOOT. The American Smelting Co. and the United States Smelting Co.

Mr. WALSH of Montana. The American Smelting Co. is refining it at two smelters?

Mr. SMOOT. The United States Smelting Co. in Utah, and the American Smelting Co., wherever they are located.

Mr. WALSH of Montana. Where do the United States Smelting Co. operate?

Mr. SMOOT. They have one smelter in Utah, and I think most of the bismuth is recovered in Utah.

Mr. WALSH of Montana. What amount are they recovering? What is the production?

Mr. KING. About 300,000 pounds.

Mr. SMOOT. They run from 122,000 pounds to 269,834 pounds.

Mr. WALSH of Montana. Do they recover this by the bag-house process?

Mr. SMOOT. I think it is by electrolytic refining. That is how it is done. By the bag-house process they catch the metallic zinc.

Mr. WALSH of Montana. The Senator said by electrolytic refining?

Mr. SMOOT. Yes; of the lead. It is a separate process entirely and only from lead.

Mr. WALSH of Montana. Where do our foreign imports come from?

Mr. SMOOT. Germany.

Mr. WALSH of Montana. Anywhere else?

Mr. SMOOT. Saxony, Germany, is about the only place. An English company controls the product, and they do have a refining process in one place in England. I think the process is the Betts process, as I remember it.

Mr. WALSH of Montana. The only reason that I can see why we should impose a duty would be to prevent exactions by foreign monopolies.

Mr. SMOOT. That is why we give it.

Mr. WALSH of Montana. The metal is exceedingly rare, and the cost of extracting it is so great that it would hardly be justifiable to impose this additional burden upon the sick people who are obliged to take bismuth unless it were——

Mr. SIMMONS. Oh, the senior Senator from Utah said it is not a medicine.

Mr. SMOOT. No; I said it was the raw material for a medicine. The Senator was talking about preparations from it.

Mr. WALSH of Montana. If we put this duty upon the crude bismuth, we will have to put a compensatory duty upon the finished product.

Mr. SIMMONS. The senior Senator from Utah and I had some little controversy about whether bismuth is a medicine. I asked what it was used for, and he stated, but he did not state that it is used as a medicine.

Mr. SMOOT. I certainly did, as the Senator will see if he will examine the RECORD.

Mr. WALSH of Montana. If it has any other use I never heard of it.

Mr. SIMMONS. That is what I said.

Mr. SMOOT. The greater part of it is not used in medicine at all.

Mr. SIMMONS. That is what the Senator said a little while ago. He said it was bismuth out of which medicine was made.

Mr. KING. Mr. President, I have the floor, I believe, so let me answer a few of the questions of the Senator from Montana. I read:

> Production is about 300,000 pounds annually, practically all as a by-product from the smelting of lead, copper, gold, and silver ores in Utah. Bolivia produces most of the bismuth of the world; some ore is also produced in Australia and Tasmania, which is mostly refined in Great Britain. Considerable bismuth ore has been produced in conjunction with tungsten in China which promises to be of increasing importance.
>
> Imports of bismuth were 133,190 pounds, valued at $241,448, in 1914. Imports come chiefly from Great Britain, but since 1915 some bismuth metal has come from South America, and still more recently China has become a principal source of supply.

So it would appear that we have no need to apprehend a foreign monopoly in Germany or Great Britain. Bolivia, Tasmania, and China will be the principal sources of the bismuth supply in the future.

Mr. SMOOT. That is the ore.

Mr. KING. That is the ore and, of course, it is from bismuth ore that we get the bismuth salts or the medicinal compound from the primary product.

Mr. SMOOT. Let me read what I stated to the Senator to be the use of it. I told the Senator that it was the raw material, not the product found in paragraph 20, about which he was talking.

The summary states:

> It is a component of many easily fusible alloys which are used in manufacturing automatic fire sprinklers, electric fuses, and solders. Since it expands on solidifying from the molten state, it is used in some form of type and in metal bearings. The principal uses of bismuth, however, are in certain medicines and to some extent in the manufacture of cosmetics.

That is just what I stated to the Senator before.

Mr. SIMMONS. That would mean that we put the finished product of medicine upon the free list, but we put the raw material out of which the medicine is made upon the dutiable list.

Mr. SMOOT. Oh, no; the Senator will find that paragraph 20 takes care of the preparations of bismuth and that there is a duty placed upon it. It does not go on the free list.

Mr. KING. Mr. President, as I stated at the outset of my observations, so far as the facts or the evidence disclosed may be concerned, there is just as much reason for placing an ad valorem duty of 1 per cent or 25 per cent as 7½ per cent. In other words, there is no reason at all and no evidence at all to justify the imposition of a single duty, specific, ad valorem, or compound. The product comes chiefly from other countries. It is produced in the United States as a by-product, just like arsenic and other things that are carried in our ores.

Mr. SMOOT. I think it is quite different from arsenic. I think the Senator from Montana has stated the only reason, and that is the only reason why I would vote for 7½ per cent. It is controlled by the English syndicate, and they will make the United States pay for it unless we produce it and recover it in this country. There is no doubt about it at all. In the end I think it would be very much cheaper for the users of bismuth in the United States to have a duty of 7½ per cent ad valorem on it than to rely on the English syndicate that controls the prices and has made the United States pay extremely high prices in the past.

Mr. KING. Of course, I do not know as to the control of the product by the English syndicate. There is no reason why an English syndicate should control it. We have just as much opportunity for the acquisition of the ore in China or Bolivia as has Great Britain. My colleague knows that in Bolivia to-day some of the most extensive mining operations are carried on by Americans. The Americans are the best miners in the world. We have the best machinery in the world especially adapted for mining. I do not believe that any people in the world can compete with Americans in mining operations.

Mr. SIMMONS. I understood the Senator a little while ago to say that the metal is produced in certain countries which he enumerated.

Mr. KING. Yes; Tasmania, Bolivia, China, and the United States.

Mr. SIMMONS. That product is sold to Great Britain largely and they recover the bismuth?

Mr. KING. I did not know until my colleague stated, except what the Tariff Commission says, that it is mostly refined in Great Britain.

Mr. SIMMONS. Where it is refined is the place where the bismuth is extracted.

Mr. KING. The crude ore would be carried to Great Britain and there refined.

Mr. SIMMONS. So that our competitor probably is not Germany, as the senior Senator from Utah supposed, but is Great Britain.

Mr. SMOOT. Let us see whether it is or not by the same tariff report in a statement the Senator did not read:

> Before the war Germany had three smelteries, which produced bismuth from ores mined in Saxony and Bohemia. Ore is also mined in England and Peru, and more recently in Korea.

I am informed by the Tariff Commission expert that the output or production of China is sporadic. They do not know whether it will amount to much in the future or not, but the prospects are, they say, up to the present time that it will, although in the past it has not come from there.

Mr. KING. Mr. President, my colleague has called attention, from the tariff report I presume, to the fact that there is some production in Germany. The summary from which I read did not give Germany as the source of any production. It did state, as I read, that Bolivia produces most of the bismuth of the world. Some ore is also produced in Australia and Tasmania. The Australian and Tasmanian ore is mostly refined in Great Britain. Bear in mind that to be refined in Great Britain the ore would have to be carried in bottoms of English or other ships from Australia and Tasmania that enormous distance half way around the world and refined and then transshipped to the United States in the finished product.

Mr. SIMMONS. And we have the ore right here.

Mr. KING. Yes; we have the ore right here at our doors. If it is produced in Utah, as my colleague says it is, and I think he is right, it is right at our door. It is a waste product. It is a by-product. We built our smelters in Utah and in Montana not for the smelting of bismuth or arsenical or sulphur ores, but for the purpose of getting the copper, lead, gold and silver, and those precious metals from the ore content.

Mr. SMOOT. My colleague said something about shipping the ore. The ore as it comes from the mine is not shipped in that form.

Mr. KING. It is shipped in the form of concentrates.

Mr. SMOOT. Yes; the very highest concentrates.

Mr. KING. That may be.

Mr. SMOOT. They do not concentrate the whole of the ore, but they concentrate only the hand-picked ore, and then, when it is concentrated from the hand-picked ore, it comes over in the very highest percentage of bismuth.

Mr. WALSH of Montana. Mr. President——

Mr. KING. I yield to the Senator.

Mr. WALSH of Montana. I should like a little further information from the Senator from Utah in reference to this matter. The Senator advises me that the bismuth is secured from the general matte through the electrolytic process.

Mr. SMOOT. That is true.

Mr. WALSH of Montana. After the copper or the lead, as the case may be, goes through the converter, it contains some other metals, in this particular case the bismuth. In the refining process the valuable metals, lead, gold, silver, and so forth, must be separated by the electrolytic process in order to be recovered. In that process the bismuth becomes a residuum.

Mr. SMOOT. That is true in the United States.

Mr. WALSH of Montana. That is to say that the bismuth, if it is in the ore, is separated by the electrolytic process. So what additional cost is there to the producer of copper and lead? Let us take copper matte, the principal constituents of value of which are copper and lead.

Mr. SMOOT. Bismuth is found almost entirely in connection with lead ores.

Mr. WALSH of Montana. Very well. The lead can not be put on the market alloyed with the bismuth, and the process must be prosecuted in order to get the pure lead. When that is done, a residuum of bismuth remains.

Mr. SMOOT. Yes; and that residuum is nothing but a mass of dirty mud. The Senator from Montana, no doubt, has seen what the residuum is. Nobody would think there was anything in it at all; the producers may throw that mud away, if they want to, and they will throw it away unless they can obtain a price that will justify taking the bismuth out.

Mr. WALSH of Montana. Exactly. What is the process by which it is extracted? Of course, the residuum is metallic or else it is silica. I do not suppose it is silica, because silica would pass off with the slag. But what is the process and what does it cost to get the bismuth out of the residuum after the lead or copper is extracted by the electrolytic process?

Mr. SMOOT. The producers claim it costs about $1.

Mr. WALSH of Montana. One dollar a what?

Mr. SMOOT. One dollar a pound in order to get it out, and that it costs in England and Germany about 75 cents.

Mr. WALSH of Montana. To get it out of what? What information has the Senator upon that subject?

Mr. SMOOT. I have the information which was given to the committee. The American Smelting Co. says that it costs about a dollar to do it here and about 75 cents in England and in Germany. The tariff board say:

> As bismuth is produced in the United States entirely as a by-product, the cost of production depends entirely upon the percentage of each operation which is charged against the bismuth as compared with the other products recovered from the smelting operation.

Mr. WALSH of Montana. That is the point. The smelters charge the cost of the operation in part against the bismuth content. They are carrying on their operations for the purpose of recovering copper and lead, and they would have exactly the same cost whether bismuth was recovered or whether it was not recovered.

Mr. SMOOT. There is a refining cost, because after the lead is taken out the residuum of dirty mud must be put through a special process. I forget the name now of the process under which it is taken out, but it is patented. So the recovery of the bismuth—and that is what we are talking about—involves a separate item of cost.

Mr. WALSH of Montana. I simply meant to give to the Senator my view about the matter. It occurred to me that, so far as the smelters are entitled to any tariff rate at all, it should be computed simply against the cost of extracting the bismuth from the residuum, after the refining of the copper.

Mr. SMOOT. The Senator from Montana is exactly right, and that is what we tried to do in this case.

Mr. WALSH of Montana. But I can not conceive that that would be $1 a pound.

Mr. SMOOT. If the price should decline to 75 or 80 cents a pound, there would not be any manufactured in the United States, because it would not pay to produce it. It is only a question of whether it is desired to take the mud after it has been separated and recover the bismuth which is in it. The extracting of bismuth from the mud is a most difficult process, and, as I am informed, a most disagreeable one. In the Tariff Information Survey not only that feature is referred to but they say:

> The production reported for 1915 is 570 metric tons. Export duties are levied by the Bolivian Government, and these were increased on the ground that bismuth ore production was subject to the control of a monopoly.

I have already referred to that.

Mr. President, I think if there is any commodity covered by this bill that may justly bear a duty of 7½ per cent ad valorem it is bismuth, if for no other purpose than to afford an inducement for the recovery of the bismuth in this country, rather than to let it go back into the rivers or into mother earth and become an economic waste.

Mr. WALSH of Montana. Mr. President, I have not seen the recent figures, but in the publication known as Mineral Resources, issued by the Geological Survey, there is given as to production in 1918 the following:

> In 1918 bismuth was recovered by only one company in the United States, the American Smelting & Refining Co., which obtained this product from the refining of lead bullion. Statistics of production can not be published.

I presume that is because the American Smelting & Refining Co. does not make the figures public. The imports for consumption in the United States in 1913 were 213,257 pounds; in 1914, 165,208 pounds; in 1915, 108,288 pounds. Can the Senator from Utah tell us about the American recoveries?

Mr. SMOOT. No; I can not say just how many pounds are produced annually. That depends upon the demand and, I presume, also upon the importations. In 1912, however, there were produced 122,080 pounds; in 1913, 213,554 pounds; in 1914, 251,486 pounds; in 1915—that is a year when the war was raging—316,716 pounds; in 1916, 245,676 pounds; in 1917, 318,187 pounds; in 1918, 266,499 pounds; and in 1920, 269,874 pounds.

Mr. WALSH of Montana. Then it appears that under free importation the American Smelting & Refining Co. since 1912 has found it profitable to put on the market anywhere from 100,000 to 300,000 pounds of this product?

Mr. SMOOT. The two companies have. The United States Smelting Co. was the first one to recover it.

Mr. WALSH of Montana. That is to say, with perfectly free importation, they found it profitable to go through with the reduction process?

Mr. SMOOT. Certainly.

Mr. WALSH of Montana. And put that quantity of the product on the market?

Mr. SMOOT. Yes; but in 1920 the price was $2.50 a pound, and in 1921 it fell to $1.25 a pound.

Mr. WALSH of Montana. The Senator will observe that we go back to 1912 there, as I understand; but the point I am making, regardless of conditions, is that 1912 was under the Payne-Aldrich bill. Subsequently we came in under the Underwood bill, and subsequently we encountered the war conditions; and, notwithstanding these varying circumstances and conditions, still these two companies found it profitable to put out from 100,000 to 200,000 pounds of this product annually, we will say, at an average price of $1 a pound—$100,000 to $200,000 worth of the product.

Mr. SMOOT. I think the price was a great deal higher than that.

Mr. WALSH of Montana. All right. They found it profitable, I say, to put that on the market under these varying conditions. I can not believe that in those circumstances they are going to put out a pound more or a pound less because there is a duty or there is not a duty upon the product.

Mr. HARRISON. Mr. President——

Mr. SMOOT. I will simply say to the Senator that the prices are given for each year; but I will not take up the time of the Senate to put them in now, as the Senator from Mississippi wants to speak.

CAMPAIGN CONTRIBUTIONS.

Mr. HARRISON. Mr. President, one of the most significant incidents affecting the future policy of the Republican Party occurred night before last in the city of Washington. I refer to a meeting of the heads of the party and the representatives of some of the great manufacturing and banking interests who met here touching campaign contributions. It is significant in that it shows that the leaders who were present at this conference—I think there was only one Senator present, and that was the distinguished junior Senator from Delaware [Mr. DU PONT]; the others were heads of large interests, many of which are interested in this tariff legislation and in taxation legislation generally.

They have heard from the country. They have just come from their respective States. They know what the people are

talking about. Through every kind of medium they have come to the conclusion that there are grumblings in the air. They know that the soldiers are not satisfied with the wishy-washy policy of the Congress and the President touching soldier legislation. I notice that on yesterday, when an honorary degree was bestowed upon the President and he was introduced by Dean West, the compliment that brought a great deal of applause was the allusion that the introducer made to the manner in which the President was handling the so-called soldiers' bonus. He gave the impression to his audience that the President was against it. If he knows that, he knows something that no Senator knows and that nobody else in the country has been able to ascertain. If the dean takes one statement that the President made in his preelection campaign, of course, he might very properly infer that the President was for a soldiers' bonus. If he believes the speech that the President made here to the Congress when the so-called soldiers' bonus legislation was withdrawn and sent back to the committee, he would think that the President was not for the soldiers' bonus. If he takes some of the interviews that have been given out by some of the distinguished Senators who have visited the White House and have talked to the President touching soldiers' adjusted-compensation legislation, he might believe that the President was on either side of the question. He has been quoted as being for and against it.

So it is that the soldiers of the country are manifesting an indisposition toward this administration that has aroused them. The laboring people of the country, of course, understand how you are pressing down upon them in higher taxes and day by day and minute by minute are placing greater burdens on them and giving encouragement to all the employers of the country to reduce wages, but at the same time by legislation increasing the cost of living upon them; so there is grumbling upon the part of the great laboring classes of the country, not only against the Congress, if you please, but also against the action of the occupant of the White House.

Of course, the legitimate and honest business interests of the country are thoroughly disgusted with the manner in which you have legislated and the way in which you have failed to solve the great problems that are pressing upon this Congress, among them the taxation bill and this bill by which you are attempting to erect a tariff wall around the country and cause other countries to retaliate against us and prevent these honest business interests from selling their goods in foreign markets. So it is enough to know that the people of the great Middle West who have been crying for irrigation and reclamation, appealing to Senators to pass the McNary-Smith bill, and it does not come, are naturally dissatisfied—business, laboring people, soldiers, everybody up in arms against you, your record, and your policies. So it is that these representatives of the Republican Party outside of this Chamber and the House, fresh from home, meeting here, trying to adopt a policy that might change the trend of events and bring success to your party in November, have gone out determined to buy the coming election.

That was the object of the meeting, and "men high up" participated in that conference. Cabinet members were there—Secretaries Weeks, Mellon, Daugherty, and Hoover, some of them personally interested in certain legislation now being passed in this tariff bill—John T. Adams, Charles D. Hilles, and others. All the Cabinet officials evidently made addresses, and so did Vice President Coolidge, whose speech was declared by those who heard it to have been a "rip snorter." I do not know what "rip snorter" means. I have looked in the dictionary and do not find a definition of it. But, anyway, this paper says that those who were at the meeting said that the Vice President made a "rip-snorting" speech.

I saw one paper that said it was a "humdinger." I do not know what "humdinger" means. I looked in the dictionary for the definition of it also, and the nearest approach I can find to it is "humbugger—one who humbugs." And so these distinguished men were there with Wrigley, who said: "I am not a speaker, but here is my check for $25,000," and he handed it over to Chairman Adams. It is said that it must have cost every one of those distinguished representatives who were there some three or four thousand dollars to eat at that table. Why, the Baltimore Sun has on the first page this morning:

G. O. P. to raise unlimited funds for campaign.

Wealthy members of party to be asked to give "until it hurts." Thorough canvass in every State. Hays's $1,000 rule to be ignored in individual contributions.

Listen to what is to be the future policy of the Republican Party in order to carry the election. All hopes of carrying it upon "redeemed promises," "pledges fulfilled," are gone:

The sky is the limit for contribution to the Republican campaign fund this year. The $1,000 limit established by Will H. Hays for the 1920 campaign, which ran his party into a deficit of $1,500,000, has been entirely abandoned and a group of the "fat-purse" boys—

One of them was Mr. Patterson, of the National Cash Register Co., about whom we talked on yesterday; and upon motion made to reconsider the vote whereby you gave to him a special privileges of 25 per cent ad valorem upon the importation of cash registers into this country you turned a deaf ear to our appeals and refused to reconsider it, and thereby took cash registers off of the free list and imposed this high tariff. Then, there was Wrigley, who got up the slogan "Wiggle and Wobble," whom you took care of in the revenue bill by taking the tax off of the chewing gum made by Wrigley. You provided by law that railroads no longer could give rebates, and yet here the Republican Party says: "Give us a large contribution, Mr. Wrigley," and he hands over a $25,000 check, and they rebate him by putting through Congress a law that will take a tax off of chewing gum.

Mr. Patterson says, "I will contribute. I will go out into Dayton, Ohio, and raise large sums of money from special interests who are favored by your legislation"; and then you say, "If you do we will rebate you," and you do rebate him by putting a protective tariff of 25 per cent ad valorem upon his manufactured article of cash registers, and thus you have adopted the new policy. And thus the new scheme of rebating goes on. The larger the contribution, the greater the rebate.

Oh, some of these expressions no doubt come from the bulletins that were issued in the campaign two years ago, wherein your campaign treasurer and your other campaign officials all admitted that you spent about $7,500,000. "The sky is the limit" now, and you intend to adopt the same tactics in order to buy up the coming election. Why, only to-day I read from an International News Service dispatch "that one Senator" who, the paper said, did not have much opposition up in Pennsylvania, one who had voted to seat the distinguished junior Senator from Michigan [Mr. NEWBERRY] after he had been here, I think, only about two or three days as a Senator, spent in his primary in the State of Pennsylvania—that he accounted for—around $60,000, and there were such large contributions to his campaign that he was able, if the papers state it correctly, to turn back to them some eleven or twelve thousand dollars. To-day what we thought was a great Progressive victory in the State of Pennsylvania is shown to be "a false alarm." It has all gone up. "They met to-day to select a State chairman to run the campaign this year in Pennsylvania, and the old guard, the old crowd that has carried things heretofore in Pennsylvania," extorting from the special interest these campaign contributions, "again got into the saddle and elected Mr. Baker the State chairman over Mr. Pinchot's opposition. They elected the new junior Senator from Pennsylvania as the national committeeman from Pennsylvania." Thus is revealed the new policy of the present administration to try to carry the elections in November. Oh, how natural read these bulletins which were used during the last campaign in order to obtain campaign contributions. The same kind will be used this time, I suppose. Here are some of them; this is the way they read:

Harding and Coolidge have the confidence of the people. Buy, boys. Get the money.

Boys, get the money. The weather is hot, the men are on vacation, meetings are hard to get; but, boys, get the money.

That is the language of the Republican bulletin issued two years ago in order to raise a slush fund to elect the present President of the United States and a majority in the Senate and the House.

There are hills to climb, but if you want to make a hill at the same speed you have been running where the road is level you have got to give it more power. Give her the gas; step on it. Get the money.

Listen to that: "Give her the gas; step on it. Get the money."

Said another of these bulletins:

Chicago's campaigns are to be conducted with four full-time divisions and five reserve divisions, which will swing into action the last three days on the public movement, functioning as a "mop-up" battalion.

What did they mean by "mop-up battalion"? The same thing this conference resolved upon night before last.

Another bulletin, of August 5, said:

Our readers are requested not to make this publication public. It is confidential. It is exclusive.

That is the kind of "dope" you sent out to get money, and told them to say nothing about it. I do not know how the meeting held the other night was made public. Somebody squealed. They said that Secretary of Commerce Hoover made a great speech. It evidently was not as good a speech as the Vice President's, because the Vice President's speech was a "rip snorter" and a "humdinger." This bulletin said:

The names and the amounts subscribed by donors should not be made public locally.

And why? It is your practice to do things under cover. Thus the leaders of the Republican Party are now beginning to get up a campaign fund which will buy the election. But let me say this: That the American people are reading. They

know what is going on in the Senate of the United States and in the House of Representatives. They know how the big dinners are being held in the White House. They know who are being invited there, and that the dinners are being held when legislation favorable to the representatives of those interests is being enacted. They know that just when this meeting of "big guns" was being held you were voting to give the National Cash Register Co. this new special privilege. The distinguished Senator from Ohio [Mr. WILLIS] said that Mr. Patterson told him the next day that he did not want the protection, and yet in the next breath the Senator from Ohio refused to vote to reconsider the vote by which the amendment was adopted and wanted to throw it to him anyhow. Perhaps he thought that through your generosity he would make his contribution larger.

The American people will know, and they know now, what is going on, and that in order to fight you the party to which I belong will not be able to call in the representatives of these great special interests, because we have never legislated in their interest. We have tried to legislate in the interest of all the people, without special privileges and favoritism to a few. But from the hills, the small villages, and the little towns, as well as large cities, from all over this country, workshops and counting rooms, farms and schoolrooms, mining camps and ranches, the small contributions will come in to the party that opposes you, in order that your political infamy may be condemned, and "a Government of the people, for the people, and by the people" may again be given control of the Government.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Utah?

Mr. HARRISON. I yield.

Mr. KING. I understood the Senator to state that among the distinguished personages attending this fat-frying meeting was the Attorney General of the United States. I want to inquire whether that information has been received by the Senator?

Mr. HARRISON. This information is published in the New York Times of this morning, and in other papers. I think it is generally understood. There are gentlemen present in this Chamber who were there, and they could inform us, if they would, about it. There is no question about it, I assume, and it would be the natural thing for Daugherty to be there.

Mr. KING. It seems to me that it is bad enough for Cabinet officers to participate in a meeting of that character, but I can not for the life of me comprehend, in the light of the fact that suits ought to be instituted for the enforcement of the Sherman antitrust law and for war frauds, how the Attorney General could be present at a meeting of that character and participate in it. Of course, it is obvious that the scheme is to obtain an enormous fund to use at the coming election. It is obvious that the plan is to cause Republicans to win and to perpetuate the Harding machine, to perpetuate Harding men in power; but in view of the prosecutions which are pending, and which ought to be brought, it does seem to me that the Attorney General should not participate in a meeting of that kind, which was called for the purpose of obtaining money from the big interests of the United States.

Mr. HARRISON. I agree thoroughly with the Senator; but the Senator will recall that only very recently, while this tariff bill was being written, one of the most distinguished Members of the majority side on the Finance Committee, the spokesman of the President, the gentleman who was sent to Indianapolis the other day to sound the keynote, wrote a letter to certain representatives of special interests throughout this country appealing to them to send in their contributions, so that Republican propaganda might be sent out broadcast through the country. So you are working it from every direction—from the White House, from this Chamber, and from the dinner parties attended by the Vice President down.

Mr. McCORMICK. Mr. President, the Senator from Mississippi said very truly that the American people are reading and thinking. The American people remember that when a Republican administration took office, and a Republican majority in Congress, together with it, assumed responsibility for liquidating the economic consequences of the war and the mismanagement of the war, they had a heavy task before them. The American people have not forgotten that when a Republican administration was inaugurated in Washington last year the current expenditure of the National Government was at the rate of $6,000,000,000 a year. They know that the rate of expenditure established under the Budget system and under the appropriations of this Congress will not exceed $3,500,000,000 a year.

Mr. HARRISON. Mr. President——

Mr. McCORMICK. The Senator will permit me to continue, I hope.

Mr. HARRISON. This is a very important suggestion.

Mr. McCORMICK. I hope the Senator will be good enough to permit me to continue. I did not interrupt him.

The American people appreciate, they understand, that taxation has been reduced in the sum of $1,000,000,000 a year; they know that the burden of every income-tax payer, great and small, has been lightened; they know that every one of them pays less than under the Democratic administration; that the tax of the small income-tax payer who is raising a family has been halved; that "nuisance" taxes have been abolished; that railroad rates, which were successively increased 5, 15, and 25 per cent, first by the Interstate Commerce Commission and then by fiat of the President, under the Wilson administration, have been reduced during the last few weeks. They have not forgotten that as a consequence of the administrative anarchy and the economic chaos from which the country suffered during the last months of the Wilson administration there was a liquidation in the price of agricultural products until corn was sold for 20 cents a bushel at the siding, whereas to-day it sells for 50 cents a bushel.

The American people know that during the last 90 days 2,000,000 idle men have gone to work because, despite the filibuster, there is promise that this tariff bill will become a law.

The American people know that by the time cold weather comes on there will not be an idle man in this country; aye, they know that even to-day the abnormal unemployment in Great Britain is six times per capita what it is in the United States. They know that in Scandinavia unemployment is still increasing. They know that whereas agriculture in America is beginning to thrive again, it remains prostrate in the Argentine, in Brazil, and in Chile. The American people know that by degrees the wreck of the railways of the United States, bequeathed to us, is being brought to order.

I count it no offense against good citizenship that Mr. Adams and his associates are planning to bring the facts to the knowledge of the American people.

If the reports of the new steel merger be true, it will not be long before that distinguished Wilsonian, Mr. Chadbourne, again will be able freely to contribute to the Democratic campaign fund. That estimable citizen, already rewarded, and I hope to be rewarded again when the Democratic administration comes into power——

Mr. KING. Which will be soon.

Mr. McCORMICK. Mr. Charles R. Crane has returned in season to contribute to the Democratic campaign fund.

Mr. B. M. Baruch before he sailed for Europe announced that he would shortly return. That most able of the Democratic servants of the country during the war, able and expert in markets both bull and bear, will be back in time to contribute to the Democratic campaign fund this year.

My colleague refers to Mr. Cleveland Dodge. I very well remember when Mr. Cyrus McCormick, the Democratic head of the harvester combine, had subscribed to the Wilson campaign fund, the subscription was most acceptable until it became public, when the Democratic National Committee assessed Cleveland Dodge, the copper king, to pay off Cyrus McCormick, the harvester king.

Mr. HARRISON. Now, will the Senator yield?

Mr. McCORMICK. The Senator from Mississippi, reading from one of the Democratic newspapers upon his desk, said, "The sky is the limit." The sky is the limit for the unfounded charges and the rodomontades to which the opponents of this administration, who seek to obstruct the reconstruction of the country, give utterance during these days in the Congress of the United States.

Mr. HARRISON. The Senator overlooked the fact that I have the Chicago Tribune on my desk, did he not?

Mr. McCORMICK. I did not, but the Senator has before him a most excellent newspaper with which I am not infrequently in disagreement.

Mr. HARRISON. And on the tariff in total disagreement. As the Senator was speaking I wanted to say something about the conference. As the chairman of the senatorial campaign committee, a great honor, having in charge the defeat of Democrats or the selection of Republicans in the coming campaign, he was not invited to this conference. If he was, then he declined the invitation, because the papers do not state that the distinguished Senator was there.

Mr. McCORMICK. The Senator was not there. He was not invited. He first learned of the conference from the lips of a Democratic colleague.

Mr. HARRISON. The Senator should read the Chicago Tribune and he would get all this information. I notice this

statement, which I did not read at first, but when the Senator talks in the fashion he does and fails to defend or praise the action of the conference I am inclined to believe that he is "nursing a sore toe," and he has a reason for it. If the statements touching this conference are correct, the chairman of the Republican National Committee has unhorsed the distinguished Senator from Illinois from further political participation in the election of senatorial candidates in November. I read:

The national committee will take almost complete charge of the campaign this year, both the senatorial and congressional committees having been, with the consent of the chairmen, relegated to places of comparative unimportance.

I do not imagine that it is because of the failure of the distinguished Senator to measure up to the high duties that necessarily devolve upon the chairman of the senatorial campaign committee, but I sympathize with him in having been relegated to a place of "comparative unimportance" and being sidetracked in such a brutal way.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. WALSH of Montana. Mr. President, because reference has been made to that Middle West newspaper so highly commended by the Senator from Illinois [Mr. McCORMICK], I desire to call attention to an editorial which appeared in its issue of May 23, 1922, touching the bill now under consideration.

The revolt against the Payne-Aldrich law had its chief center in that great productive region of our country of which the city of Chicago is the center. The people of that locality—and I speak now of the Mississippi Valley generally and the region known as the Middle West—are generally Republican. They are generally attached to the principles of a protective tariff, but they found in that measure—the Payne-Aldrich law—so much *that* was indefensible from the standpoint of any principle of protection that there was a general revolt against it. That revolt was expressed in the Senate by the two distinguished Senators from the State of Iowa, Dolliver and CUMMINS, and by the then Senator from Kansas, Bristow, by the then Senator from Indiana, Beveridge, and others. Although no strong voice from that section has been heard in opposition to the pending bill, the Chicago Tribune, which reflects the sentiment of the people of that great productive region, has found much to criticize in it. I read the editorial to which I have referred:

WHEN TARIFF DOES NOT PROTECT.

The common argument in favor of a protective tariff is to the effect that without such tariff the products of cheap foreign labor, perhaps combined with cheap raw materials and low overhead costs, can compete so successfully with American products in American markets as to put the American competitor out of business, close his factory, or reduce his workmen to starvation wages. That is a good argument. But it doesn't always hold. There are situations in which the reverse is true.

Consider the aluminum business—

We shall be presently considering the item in the bill—

Consider the aluminum business, which we have mentioned before, not because of any antipathy but because it appears to afford a startling illustration of possible dangers in a high protective tariff. The production of crude aluminum in the United States is controlled by a monopoly—the Aluminum Co. of America. In addition to producing virtually all the aluminum smelted in this country, that concern, through its subsidiary corporations, is a large producer of fabricated aluminum, such as kitchen utensils, and incidentally makes a vast amount of aluminum castings for use in automobile manufacture.

The Senator from North Dakota, in charge of the bill, the other day when we reached the item of articles made of aluminum, particularly for household use, thought it advisable to reconsider the rates in the bill, a very judicious action on his part. I continue:

It has as competitors some 35 or 40 independent aluminum cooking utensil manufacturers and several hundred independent aluminum foundries. It supplies these independents with ingots and sheets from which their products are manufactured. It is frequently delayed in filling orders for such materials. The better business becomes and the greater the demand for materials the more likely is the supply to be delayed.

Two courses then are open to the independents. They can buy abroad or close or restrict their plants. A prohibitive tariff would prevent them from buying abroad. It would also allow the monopoly to put any price it might desire upon its supplies. The effect upon these independents, employing some 10,000 men, is easily understood. It goes further than that. The average weight of aluminum used in automobiles is estimated at more than 100 pounds. The effect of protection of the monopoly upon our vast automobile business would be important.

Yet a tariff which the independents consider prohibitive, and which they say would allow the monopoly to close their plants and put their workers out of a job, is now on the schedule. And that "protection" is asked by and for a monopoly which earned more than $10,000,000 net in 1920 on a capitalization of less than $19,000,000. If such a tariff arrangement could be made in the aluminum business—

I would like to invite the attention of the Senator from Illinois to this—

If such a tariff arrangement could be made in the aluminum business, there is little doubt that a similar arrangement exists among others of the thousands of items on the bill. Such a duty does not protect. It exploits. It demands careful investigation of the entire bill.

But the Senator from Illinois would like to have us hurry the thing through without making an examination whatever of the specific items in the bill. However, the leading paper of his home city seems to commend the efforts of Democratic Senators upon this side of the Chamber in endeavoring to give to the country the facts in reference to those specific items.

Mr. McCORMICK. That very newspaper urged the ratification of the treaty of Versailles with the League of Nations. It is in error at times. The Senator will not charge me with having urged the ratification of that treaty with or without reservations.

Mr. WALSH of Montana. There is a sort of common view in this region that the Senator directs the policy of that paper.

Mr. McCORMICK. If the Senator from Montana will take the trouble to inform himself, he will learn that the Senator from Illinois has no interest in the paper; that he exercises no influence upon its policy, and has not for over a decade.

Mr. WALSH of Montana. It is a matter of no consequence to the Senator from Montana either one way or the other. It does profess to be the greatest newspaper in the world. It presumably speaks the views of a very large constituency in the region in which it circulates; at least I should imagine so. But the point I am making is that the paper, a leading Republican paper, is commending those of us who are endeavoring to scan the various items in the bill lest there shall appear to be in it thousands of items that are as open to criticism and objection as is the duty upon aluminum.

But I want to call the attention of the Senator from Illinois to this feature of it. I have no doubt the facts stated there are substantially correct. The matter of a duty upon aluminum was the subject of a very protracted discussion in the Chamber when the Underwood bill was under consideration. I say protracted discussion. A very protracted argument was made in favor of a duty upon aluminum by the then junior Senator from the State of Pennsylvania. Upon the vote taken my recollection is that it got few votes except his own and that of his colleague. But in this case we have a duty upon aluminum, and a very high duty upon the products of aluminum. If the President of the United States, under the terms of the bill, should deem that the duty placed upon aluminum does not equal the difference in the conditions of competition with respect to that article here and abroad, he can raise it, and thus put the manufacturers of aluminum products in the country, who are dependent upon the Aluminum Co. for their supply of raw material, at a greater disadvantage than they shall be subjected to by the rates fixed by the committee. In other words, the editorial calls our attention to the fact that it is impossible to apply a general rule, such as is laid down in section 316 and the subsequent sections, to all these conditions which shall arise and do justice or carry out even the principle of protection upon which the bill is said to be founded.

Mr. GERRY. Mr. President, I send to the desk a communication received by me, and ask that it may be read.

The PRESIDING OFFICER (Mr. McNARY in the chair). Without objection the Secretary will read as requested.

The Assistant Secretary read as follows:

Resolved, That we protest against the food, tableware, and women's wear schedules of the Fordney-McCumber bill. These schedules will increase the costs of living in every American home. They are fines levied by American men upon American women and upon American children. They should not be allowed to become law.

AVIS A. HAWKINS,
Director of Thrift, R. I. S. Fed. W. Clubs,
Chairman Woman's Co. on Schools.

The PRESIDING OFFICER. The communication will lie on the table.

Mr. KING. Mr. President, I think all the information that seems to be available relative to the item under consideration has been submitted to the Senate. Briefly recapitulating, it is this: We are consuming approximately 300,000 pounds of bismuth annually. A great portion of that amount is used for medicine. All who are familiar with medicines and with hospitals and with diseases know that bismuth is a very important factor in the treatment of certain kinds of diseases. Its use is becoming more important as the days go by and as advance is made in the science of medicine. Of course, there should be a desire to furnish medicines to people as cheaply as possible, and there can be no defense for any policy that seeks to increase the price of medicines. Those who believe in any tariff duties ought certainly not to ask for tariff rates upon medicine and

other commodities that are so indispensable to the health of the people.

There is produced in Bolivia, perhaps, the greatest amount of bismuth ore. Tasmania and Australia furnish some bismuth ore; China is becoming a field for the production of that ore; some little is also produced in Germany, and some is produced in the United States. It is manufactured in the United States by two smelting companies—the United States Smelting Co. and the American Smelting & Refining Co. Those companies have not erected their smelters for the purpose of producing arsenic or bismuth or a number of other by-products. Those great smelters have been erected for the purpose of reducing the sulphide ores and lead ores and other ores containing precious metals. Arsenic and bismuth are by-products. Whatever is recovered of those products is that much gain.

Now it is proposed to add further amounts to the already overflowing treasuries of those two great smelting organizations which have been denominated the Smelting Trust. It seems to me such action can not be defended at all. I think that bismuth should be in the future, as it is now and has been in the past, upon the free list. The people need it for medicine and we ought not to increase the burdens resting upon this article which is so important to the health of the people.

Mr. WATSON of Georgia. I ask unanimous consent for the present consideration of a bill——

Mr. SMOOT. Let us get at least one vote here to-day. I think we had better do so before the Senator from Georgia asks to take up another matter.

Mr. WATSON of Georgia. Very well.

The PRESIDING OFFICER. The question is on the amendment reported by the committee.

The amendment was agreed to.

Mr. WATSON of Georgia. I now renew my request for unanimous consent for the immediate consideration of the bill (S. 910) for the relief of Frank Grygla. Briefly stated, this is the case of a Government employee who was engaged in the service in Alaska, and some charge having been preferred against him, he was suspended while the charge was investigated. The investigation resulted in his complete exoneration.

Mr. SMOOT. I ask the Senator to defer his request for the present. I have written a letter to the department with reference to that bill, and I wish to get a reply and some further information before the bill is considered.

Mr. WATSON of Georgia. The bill simply gives this man relief for the time during which he was suspended.

Mr. SMOOT. I know that; but it proposes to pay him when he did not do any work for the Government and was out of the service.

Mr. WATSON of Georgia. But the Government did not let him do anything.

Mr. SMOOT. I am aware of that; but, nevertheless, the fact remains that he did not do anything; and I wish to ascertain the details of the case.

The PRESIDING OFFICER. Objection is made to the consideration of the bill. The Secretary will state the next amendment of the Committee on Finance.

The next amendment of the Committee on Finance was, on page 85, after line 7, to insert:

PAR. 376c. Metallic arsenic, 6 cents per pound.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. WALSH of Montana. Mr. President, before voting on the committee amendment, I should like to have the Senator from Utah [Mr. SMOOT] or some other member of the Committee on Finance explain that item.

Mr. SMOOT. The Senator will remember that white arsenic was placed on the dutiable list at 2 cents a pound. Metallic arsenic is made from white arsenic, and it takes about 3 pounds of white arsenic to make 1 pound of metallic arsenic. The Senator will find white arsenic provided for in paragraph 1 of the bill with a rate of duty of 2 cents a pound.

Mr. UNDERWOOD. Mr. President, both white arsenic and metallic arsenic have been taken off the free list and put on the dutiable list. I think a duty on either is unjustifiable; but, as there may be some difficulty in obtaining a quorum now, and as we will have no trouble when we reach the consideration of the free list to raise the issue with the committee on a direct vote, I am willing to let it go without a roll call at this time.

Mr. SMOOT. I think that that issue ought to be made when we take up the free list, and that white arsenic should be taken up first.

Mr. UNDERWOOD. We will take them both together at that time.

Mr. SMOOT. Yes; they may be both considered together at that time; but I wish to say that the compensatory duty upon metallic arsenic is a little over 3¾ cents a pound. If white arsenic is retained on the dutiable list at 2 cents a pound, we must give metallic arsenic a compensatory duty.

Mr. WALSH of Montana. Mr. President, I had a small part in the discussion of the duty of 2 cents a pound on white arsenic, which I think was then demonstrated to be utterly indefensible. I might here repeat that white arsenic is a by-product of the smelting of copper and lead ores. Anyone who owns a copper smelter, the ore of which contains any considerable quantity of arsenic, is obliged to take the arsenic out; otherwise, it would escape in the fumes from the smelters and destroy all vegetable and, to no little extent, animal life in the region of a very wide radius of which the smelter would be the center. There will not be a pound of arsenic produced by reason of the duty, because all there is must now be taken in some way out of the ore. I should like, however, to inquire of the Senator from Utah how I shall get confirmed the information he gives us that it takes 3 pounds of arsenious acid to 1 pound of metallic arsenic?

Mr. SMOOT. I do not know that I have the data here at this time.

Mr. WALSH of Montana. My recollection about the matter is that arsenious acid is a combination of oxygen and arsenic, with the arsenic the dominant element.

Mr. SMOOT. The Senator is wrong about that. Sulphide of arsenic is still on the free list, I will say to the Senator; it has not been taken off the free list. A duty of 2 cents a pound has been imposed on white arsenic. Metallic arsenic is made from white arsenic, and the compensatory duty is between 3½ and 3¾ cents a pound.

Mr. WALSH of Montana. Can the Senator tell me the chemical constituents of white arsenic or arsenious acid?

Mr. SMOOT. White arsenic contains 75 per cent of metal and in converting that into metallic arsenic there is a loss of at least 33⅓ per cent. If the Senator will make the calculation on the basis of the cost of white arsenic to-day, he will find the differential is about 3¾ cents a pound, considering the loss involved in conversion and the fact that white arsenic contains only 75 per cent of metallic arsenic.

Mr. WALSH of Montana. From what source does the Senator get information to the effect that it takes 3 pounds of white arsenic to make 1 pound of metallic arsenic?

Mr. SMOOT. I get it from the expert of the Tariff Commission.

Mr. WALSH of Montana. Is it published?

Mr. SMOOT. I said 3 pounds in the first place, but I should have said that there is required a compensatory duty of from 3½ to 3¾ cents a pound.

Mr. WALSH of Montana. That is the compensatory duty?

Mr. SMOOT. The compensatory duty on metallic arsenic, with the duty on white arsenic at 2 cents a pound, is from 3½ to 3¾ cents a pound.

Mr. WALSH of Montana. Exactly; that is, a duty of 2 cents a pound on white arsenic would require a compensatory duty of 3¾ cents on metallic arsenic.

Mr. SMOOT. No; more. The compensatory duty added to the 2 cents makes 5¾ cents, without giving any protection whatever in the conversion.

Mr. WALSH of Montana. That is what I am endeavoring to express. That is, a duty of 2 cents a pound on white arsenic will require, in order to be compensatory, a duty of 3¾ cents on metallic arsenic.

Mr. SMOOT. No; the compensatory duty over and above the 2 cents will be from 3½ to 3¾ cents. That would make from 5½ to 5¾ cents on the metallic, and the differential then between that and 6 cents, as provided, represents the protection that would be accorded for the conversion of it.

Mr. WALSH of Montana. That is to say it practically requires a duty of 5¾ cents in order to take care of the compensation?

Mr. SMOOT. That is, if we put a duty of 2 cents on white arsenic.

Mr. WALSH of Montana. That seems rather remarkable to me.

Mr. SMOOT. That is the result, I will say to the Senator.

Mr. WALSH of Montana. I know the Senator says so; but how does he reach that conclusion?

Mr. SMOOT. I will repeat to the Senator that white arsenic only contains 75 per cent of metallic arsenic.

Mr. WALSH of Montana. That is to say that white arsenic consists of 75 per cent arsenic and 25 per cent oxygen?

Mr. SMOOT. Yes; and then in the conversion of that there is one-third loss.

Mr. WALSH of Montana. That reduces it to 50 per cent.

Mr. SMOOT. That reduces it to more than that. It would be 50 per cent on a hundred per cent, but 75 per cent is all there is.

Mr. WALSH of Montana. Exactly; and one-third of 75 per cent is 25 per cent; so that there is 50 per cent of metallic content in a pound of white arsenic.

Mr. UNDERWOOD. Instead of multiplying by 3, you ought to add a third.

Mr. SMOOT. Without any loss whatever in the conversion, the compensatory duty that would be required is 2⅔ cents; and a loss of one-third of the 75 per cent metallic arsenic content in the process of recovery would require, as I have said, from 3½ to 3¾ cents.

Mr. WALSH of Montana. Let me inquire of the Senator who produces this product?

Mr. SMOOT. Does the Senator mean abroad or here?

Mr. WALSH of Montana. No; here. Who makes the metallic arsenic?

Mr. SMOOT. I do not know whether the United States Smelting Co. does or not, but I do know that the American Smelting & Refining Co. produces it. Both of them produce it, I understand. In fact, I suppose they produce it wherever they have bag houses to catch the arsenic.

Mr. WALSH of Montana. I am not speaking about the white arsenic. I mean, who takes the white arsenic and converts it into metallic arsenic?

Mr. SMOOT. I will say to the Senator that it was never done in this country until the war. The concern that produces the most is the Hoskins Metal Co., of New York, but there are one or two others. I will get the list, if the Senator wants it.

Mr. WALSH of Montana. What is the metal used for?

Mr. SMOOT. The great use of it is for the hardening of metals.

Mr. WALSH of Montana. Iron and steel?

Mr. SMOOT. Iron and steel and lead, particularly.

Mr. WALSH of Montana. Where do we get that information?

Mr. SMOOT. From the Tariff Commission. If I remember correctly, it is in paragraph 1553.

Mr. WALSH of Montana. I have made a very careful examination——

Mr. SMOOT. No; that is not the paragraph; but I will say to the Senator that it is here, because I have read it to-day.

Mr. WALSH of Montana. Let me suggest to the Senator that that item, which would follow very much after the article of arsenic, go over until the disposition of——

Mr. SMOOT. We have already disposed of white arsenic. Whenever we reach the free list, from which they were taken, we can reconsider white arsenic, and whatever action we take upon white arsenic, we must take the same action upon metallic arsenic; but this is simply to take care of the 2 cents duty that was put upon white arsenic.

Mr. WALSH of Montana. Very well.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. The next amendment is to paragraph 377, page 85, line 10, where it is proposed to strike out "ad valorem" and to insert the same words with a semicolon and the words "nickel-silver sheets, strips, rods, and wire, 30 per cent ad valorem," so as to make the paragraph read:

PAR. 377. German silver, or nickel silver, unmanufactured, 20 per cent ad valorem; nickel-silver sheets, strips, rods, and wire, 30 per cent ad valorem.

Mr. UNDERWOOD. Mr. President, the tax on this product has been very considerably increased. Under the Payne-Aldrich bill the tax was 25 per cent ad valorem on the German silver in these products. This is an old, old manufactured product. It is nothing new. It has been known in commerce for many, many years. If I recollect aright, although it is called German silver, the United States is the principal consumer and also the principal producer, and has been for many years.

This business had a tax of 25 per cent ad valorem under the Payne-Aldrich law, and, if I recollect aright, it was about the same under the Dingley law, although I have not the figures of that law before me. The industry ran along with such a degree of prosperity that the United States became one of the principal producers in the world.

When the present law was written, finding that the imports were negligible in comparison to the production—I think in 1920 the imports amounted to only 200 pounds, and for the first nine months of 1921 to 2,448 pounds, valued at $527, and before that the imports were along about the same lines—the committee that wrote the present law reduced the 25 per cent ad valorem under the Payne-Aldrich law to 15 per cent ad valorem. As I say, there has been no great increase in imports; but about the time that the present law was written the exports amounted to $38,000 as compared to very small importations, and they increased in 1917 to $410,000, and in 1920 the exports from this country had increased to $589,508, and still large exports continued in 1921, with comparatively no imports.

The House had provided a rate on this commodity of 20 per cent ad valorem. The Senate committee leave that on certain classes, but on the nickel-silver sheets, strips, rods, and wire they advance the rate to 30 per cent ad valorem.

Mr. SMOOT. Mr. President, under the existing law the duty on nickel-silver sheets, strips, rods, and wire is higher than the duty on German silver, or nickel silver. The duty under the existing law is 15 per cent on German silver, or nickel silver, unmanufactured. The Payne-Aldrich law, as the Senator has stated, imposed a duty of 25 per cent ad valorem. The House gave a duty of 20 per cent ad valorem on those items, but left the nickel-silver sheets, strips, rods, and wire to come under the manufactured clause.

Mr. UNDERWOOD. The basket clause, which is 20 per cent?

Mr. SMOOT. Twenty per cent; I mean under existing law.

Mr. UNDERWOOD. Under existing law; yes. Then the committee, under these circumstances—and that is what I am talking about—raise it to 30 per cent ad valorem.

This is not as offensive a proposition as many in the bill to a man of my viewpoint. It is more or less a slight luxury, in the sense that people of ordinary means may have some of this kind of silverware on the table when they can not have solid silver; but, still, they do not have to have it. The industry, however, was not jeopardized under the rate in the Payne-Aldrich law, because it has continued its exports into the open markets of the world, competing in the open markets of the world in the sale of this silver. In fact, there has not been very much competition against it.

Mr. SMOOT. Under the Payne-Aldrich law, however, the sheets, strips, rods, and wires bore a duty of 45 per cent under the paragraph of manufactured articles.

Mr. UNDERWOOD. I am not sure which paragraph it fell under in the Payne-Aldrich law as unmanufactured, but——

Mr. SMOOT. Just the same as under the existing law—20 per cent.

Mr. UNDERWOOD. But here is the main thing that I am talking about: Under existing law the unmanufactured article bore a rate of duty of 15 per cent ad valorem and the manufactured article 20 per cent ad valorem. The business has gone on increasing its production, and it has gone on increasing its exports. It has been exporting for many years. Away back, decades ago, it was exported. There were exports to Canada, and even to Denmark and Japan and South America, Brazil and Argentina being large consumers, where it comes directly in contact with the foreign-made product without any advantage under tariff rates.

Under these circumstances I can not see any reason on the face of the earth for this change. You are going to get no appreciable revenue out of it. I think for two or three years the revenue from this article, even with a 15 per cent tax, amounted to less than $100. It amounts to nothing as a revenue producer; but I suppose the committee found that the rate of the present law was so much, and under the general idea that any rate in the present law was too low they raised the rate.

I am not going to call for a roll call on the amendment, because if I did I am sure I would not succeed. Otherwise I would have a roll call; but this is not one of the great, important articles in this bill.

Mr. SMOOT. No; and I will say to the Senator that the only reason why these items were taken out of the basket clause of manufactures, where they have always been in every law—the Dingley law, the Wilson law, the Payne-Aldrich law, and the Underwood law—is that we wanted some kind of statistical information in relation to them.

Mr. UNDERWOOD. I am not objecting to your making a special paragraph of this; I am objecting to your rate.

Mr. SMOOT. I understand that.

Mr. UNDERWOOD. There is no reason in the world for this increase of tax. This class of silver does not require a great deal of workmanship. It is more or less pressed or molded. There is some polish on it. There is not so much labor on it. A great deal of it is a very cheap commodity, that allows people

of moderate means to decorate their tables. Of course, you may call it a semiluxury. If you were going to get real revenue out of a semiluxury, I would not object; but you do not get any revenue under the low rate and you will not get any under the higher rate. It is not a revenue-producing article, and it really would not affect it much if you reduced the rate.

Mr. McCUMBER. Mr. President, I should like to ask the Senator if he thinks we will not secure some more revenue under the little additional rate than we would if we left the law as it is?

Mr. UNDERWOOD. You have run for a number of years under the present rate with less than $100 of revenue. Possibly some of these articles will come in that really do not compete. Perhaps there are some particular forms of the article that are pleasing to the fancy that come from abroad and that create a market for themselves. It is not that they are any better; they do not come in because they are produced cheaper; they are just a fancy. You may increase the revenue $25, $30, or $50, but the only thing is that it will possibly give an excuse for the manufacturer behind that wall to raise his rates on the American people.

Mr. SMOOT. There is a resistance wire which is made from nickel that is used in different parts of the country now in electrical work, which the testimony shows was about what they wanted to protect. No one can tell how much has been imported in the past, because it has fallen in the other basket clause.

Mr. UNDERWOOD. I understand the Senator. Of course, I do not know anything about the wire. I suppose the wire made of this product is introduced here for ornamental purposes in connection with electrical work; but I really am not informed on that question. It just comes down to this: Somebody introduces some new kind of ornamental wire and says he needs protection, and in order to give the protection to that small portion of this class of commodities, you greatly increase the rate.

Mr. SMOOT. I want to say to the Senator that if we gave what this particular man wanted, this rate would not be half enough.

Mr. UNDERWOOD. I am not talking about what he wants; I am talking about how you get at it. You just throw out all of this proposition. The Senator said that was the reason why you raised the rate.

Mr. SMOOT. But in the past it has been in the class of manufactured articles.

Mr. UNDERWOOD. I understand that; but you are raising the rate, which is now 20 per cent on the manufactured article. I imagine that the cost of manufacturing this German silver into soup bowls or flower vases is very much cheaper than manufacturing it into wire, because wire is a thing you make usually by machinery entirely. Because this man wants some more protection on wire made out of this German silver, you are going to raise the rate 10 per cent to everybody who buys it. It is not a very material article, however, and I am not going to take the time of the Senate in discussing it. There are too many things in this bill of real importance to warrant us in taking up much time with this article.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the committee was, in paragraph 378, page 85, line 15, to strike out "engraver's" and insert "engravers'."

Mr. UNDERWOOD. That is merely a change in language. This paragraph will be discussed when there is an opportunity for the minority to offer an amendment to it, which does not present itself at this time. There is no objection to changing the language.

The amendment was agreed to.

The next amendment of the committee was, in paragraph 379, page 85, providing for a duty on aluminum, etc.

Mr. SMOOT. I ask that that paragraph may go over.

Mr. UNDERWOOD. I was going to say that that paragraph will probably lead to extended debate, and as I understand we are to adjourn early this afternoon, I think it ought to go over.

The PRESIDING OFFICER. Without objection, paragraph 379 will be passed over.

The next amendment was, in paragraph 380, on page 86, line 8, before the word "cents," to strike out "50" and insert "60," so as to make the paragraph read:

PAR. 380. Gold leaf, 60 cents per 100 leaves. The foregoing rate applies to leaf not exceeding in size the equivalent of 3⅜ by 3⅜ inches; additional duties in the same proportion shall be assessed on leaf exceeding in size said equivalent.

Mr. UNDERWOOD. Under existing law gold leaf is taxed 35 per cent ad valorem. As we have practically a monopoly of the gold of the world to-day, so far as money is concerned, I do not think much gold leaf will come in under a 35 per cent tariff. The House committee fixed 50 per cent in its bill, and the Finance Committee has raised it to 60 per cent.

I do not know that it is a matter in which the American people generally are very much interested, but I am enough interested to ask why the committee proposes to raise this rate on gold leaf from 35 to 60 per cent, when we have nearly a monopoly of the gold supply of the world now. It may be that the committee thinks we have too much gold in America. There are a great many people now arguing that theory of finance and they want to keep it all out. I would like to have the chairman advise us as to why the committee made this very great increase. I am sure I am not informed.

Mr. McCUMBER. It is a considerable increase. If the Senator will read in the tariff hearings, at page 2054, the statement of Mr. F. W. Rauskolb, representing the United States Gold Leaf Manufacturers' Association, he will get the data as to the comparative cost of manufacturing in the United States and in Germany. I will quote only this much from the evidence:

Wages: United States, $44 per week per man; Germany, 300 marks at $0.015—$4.50.
Product: 5,000 leaves of gold 3⅜ by 3⅜ inches.
Raw material: Gold. (Gold is gold the world over.)

Labor cost per 100 leaves, 3⅜ by 3⅜ inches.

United States:		
Man	$0.88	
Booking girl	.28	
Total		$1.160
Germany:		
Man	.09	
Booking girl	.024	
Total		.114
Difference		1.046

While, of course, this rate does not attempt to measure the difference in these costs, we hope it will at least approach what may be adequate protection in the United States.

Mr. SIMMONS. I infer from what the Senator has said that the importations against which he fears harm will come to the American producer are from Germany, and only from Germany.

Mr. McCUMBER. I understand that is the only place from which it is now being imported, or has been imported for some time.

Mr. SIMMONS. I do not know about that. There is nothing in the Tariff Commission's statement which indicates that it is exported to this country from Germany. Of course, all through these schedules the assumption on the other side seems to be that everything which is imported into this country practically, especially of metals, comes from Germany, that we have no other competitor in the world except Germany, and that all these rates must be made to meet German wage conditions. There is nothing in the book which shows that these small importations, $50,000 worth, I believe, during the nine months of 1921, came from Germany. I do not say they do not come from Germany.

I do not know whence they come. It seems to me a very trifling amount of importations compared with the annual output in America, valued at $2,432,000, against $50,000 of imports. Does the Senator know that they come from Germany, and that all of them come from Germany?

Mr. McCUMBER. I am certain that is the place from which the importations have been coming. I have not the testimony upon that point here, but all the data was upon the matter of the cost in this country and in Germany, and I am certain that the evidence showed the importations were from Germany.

If the Senator will turn to page 523 of the Summary of Tariff Information he will find the following:

Imports of gold leaf were $32,482 in 1914. Later statistics follow:

Calendar year.	Quantity.	Value.	Duty.	Ad valorem rate.
	100 leaves.			*Per cent.*
1918	2,110	$1,160	$406	35
1919	59	43	15	35
1920	44,502	31,868	11,154	35
1921 (9 months)	38,000	50,053	.....	.....

Mr. SIMMONS. But there is nothing which shows that the imports come from Germany.

Mr. McCUMBER. But the Senator will find that in a few months we had imports of $60,819, as compared with only

$32,482 in 1914. That is almost double. Of course, there is not a great amount of this material being used, but it is very important to those who are producing here in the United States.

Mr. SIMMONS. That is not the point I am now raising. I admit these figures show that since 1914 the importations have increased from $32,000 to about $60,000 for the year 1921; that is true. But that is a very small amount compared with the annual production in this country of $2,432,000. Leaving that out, however, the Senator has been reading to us a statement of the wages which are paid in the German factories, and I have asked him what evidence he has that the importations to this country come from Germany. I am not aware that Germany is the only country in the world that makes gold leaf, and why should the Senator assume that it comes from Germany unless he has the facts?

Then, again, Mr. President, the vice of this whole business, which permeates the bill from one end to the other, is the contention that we must lay duties which will exclude German products, which are said to be underselling the products of all the balance of the world, without any reference to the effect the high rates of duty which are necessary for that purpose will have upon our trade with every other country in the world.

Mr. WALSH of Montana. But why restrict it to Germany? Is it not a healthy thing to have $60,000 worth of this product come in, wherever it may come from, to compete with $2,432,000 worth of products made in this country in 1914? Why should we fix a tariff so as to absolutely shut out the foreign product; and is not that the actual condition of things with reference to a multitude of these items?

Mr. SIMMONS. If you put it high enough to shut out Germany, of course you absolutely shut out all the balance of the world.

Mr. WALSH of Montana. Undoubtedly. That is the thing I want to get at. Does the Senator believe that the introduction of foreign goods in any quantity is desirable, or would he have foreign goods excluded altogether? In 1914 there were $32,000 worth imported. It appears that in 1922, eight years afterwards, the imports went up to as high as $60,000, as against a production of $2,432,000 in this country in 1914. I daresay that has increased to probably $3,000,000 by this time. Is it not a healthy thing to have $60,000 worth coming in from the outside?

Mr. SIMMONS. The production has probably increased at equally as rapid a rate as the imports.

Mr. McCUMBER. The Senator asked me if there was any evidence whatever that this product came from Germany. Of course it is impossible to lay one's hand at a second's notice upon any definite part of the tariff hearings, but on page 27 of the Tariff Survey of 1921 I find this statement:

> Foreign production: Germany is the chief and practically the only gold or silver leaf producing nation entering foreign trade in normal times. Since 1914 much of Germany's leaf trade has been taken over by Japan, but the leaf is of poor quality and, since the Government's export embargo on gold, has ceased entirely. Imports are confined to leaf from Germany.

This shows at least that I was justified in taking the German wages. We have shown very considerable and very rapid increases in the last year or two. We have shown the difference in the cost of producing as shown by the latest evidence. I will admit there is not much imported to-day from Germany, and why? Germany has need for every ounce of gold she can get. It must be paid in reparations and in other expenses. I appreciate the difficulty just at the present time of Germany coming back immediately into the production of gold leaf in any great quantity, but I do not anticipate that condition is going to last. Taking into consideration their wages, taking into consideration the rapid increase even under the stringent conditions of gold in Germany, I can see that there is great foundation for the apprehension of the American manufacturers as to whether they will be able to hold the American market. I do not think the increase of the House rate from 50 per cent to 60 per cent, or from 35 to 60 per cent as in the bill as compared with the present law, is at all excessive.

In answer to the statement made by the Senator from Montana as to whether it is a healthy condition to have even that small proportion, I can not say. If there was danger of prices becoming too high, it might require even a greater importation, and yet even that importation might necessitate driving wages down and cost of production down very considerably in this country. I can not say definitely what effect it would have, whether it would have a healthy effect or otherwise.

Mr. SIMMONS. Mr. President——

Mr. McCUMBER. Will the Senator indulge me a moment?

Mr. SIMMONS. Certainly.

Mr. McCUMBER. There is a desire on the part of a great many Senators that we shall take a recess to-day at 4 o'clock. While I do not want to cut off debate at all upon this item, I was in hopes we might get a vote upon it this afternoon and then take a recess.

Mr. SIMMONS. If the Senator will pardon me for two minutes, so far as I am concerned, we may have a vote.

As I understand the Senator now, he claims that imports of the value of $60,000 as against a production as far back as 1914 of nearly $3,000,000 is dangerous and ought to be stopped. I am convinced that argument ought not to have the slightest weight unless we are engaged in the business of writing a prohibitive tariff.

The Senator admits that right now Germany has no gold. This is an article made out of gold. The Senator will also admit, I have no doubt that at this time the United States has at least nearly one-half of all the gold in the world. It is the only country in the world that has gold to spare. We have it locked up in our vaults. We have a billion dollars of it practically locked up in the vaults serving at present but very little good to the country.

The Senator recognizes, therefore, that in present conditions there ought to be no fear of Germany driving us out of the market in the sale of an article made of gold, of which product Germany is in possession of a very small amount, not enough to keep her currency at par, not enough to keep her currency at 1 per cent of par, while the United States has a billion dollars more than it needs for the purpose of keeping its currency at par.

There is no danger now whatever; but the Senator is legislating for a time in the future when Germany will be abundantly supplied with gold and when the United States probably will not have much more gold than is needed for the purpose of keeping its currency at par. That day may come, Mr. President, but I do not know. The time may come when gold will be possessed by Germany in greater quantities than it is by us and when we, therefore, shall be receiving her imports of gold products into America. But that day, I think, is pretty far distant. I think it is not just to the American people to impose upon them unnecessary taxation in anticipation of such an improbable and remote condition of affairs.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, before we go into executive session I want to say to Senators that from present appearances we shall have to go back to our night sessions again. I hope it will not be necessary, but I wish to give notice that unless we can do better than we have done for the last two days it will be necessary to hold night sessions.

I want to say that both the leader of the minority side and the ranking member of the minority of the Finance Committee have done everything they could to facilitate action upon the bill since last Thursday and have asked their side and others to desist from bringing in extraneous matters, but it seems that those matters will creep in anyway. I am not saying that we will hold night sessions, but I want to give notice that I shall try to hold night sessions unless we can give a greater portion of the time to the bill.

Mr. UNDERWOOD. Mr. President, I have no desire to delay the bill. I think it is a very bad bill, but the majority party has a right to pass it if it wants to do so. The bill must be debated. The country is entitled to debate and the country has profited from the debate. I have tried to cooperate with the Senator in charge of the bill to expedite it. Yesterday there was not much which came up out of the way. To-day there has been very little outside debate. The debate to-day has been on the bill, with very little exception.

I want to say to the Senator that if he wants night sessions he can "go to it." I have done my best, and if he is not satisfied we will just call it off right now, and he can go to it Monday night. I have nothing more to say about it.

I have tried to help, but I am not going to let the Senator from North Dakota threaten this side with any such proposition. If he wants night sessions he can order one for Monday night, and we will go back and fight the bill out.

Mr. McCUMBER. I do not think anyone in the Senate has ever heard anything from me that savored in the slightest degree of a threat.

Mr. UNDERWOOD. I do not mean the Senator threatens me, but he has held this side up——

Mr. McCUMBER. I am not threatening anybody.

Mr. UNDERWOOD. There has been just as much extraneous debate on the Senator's side of the Chamber as on this side.

Mr. McCUMBER. Of course, when it starts on one side of the Chamber it is answered on the other side. As I said in the beginning, the Senator from Alabama has done all he could to help expedite the bill; and I hope he will continue it on Monday, so that there will not be any necessity for a night session. I sincerely hope so. I do not want to hold night sessions. I think if we work from 11 o'clock in the morning until 6 o'clock in the afternoon no one ought to be required to remain longer; and yet the time is slipping away and we do not seem to be accomplishing anything. I am only saying this to indicate that it may become necessary to hold night sessions. I shall cooperate, and I know others here will, with the Senator from Alabama to make that unnecessary.

Mr. SIMMONS. I am glad the Senator from North Dakota takes out of his original remarks what seemed to be a threat, because the Senator knows how reluctant people are to act under the coercion of a threat. I think we all realize that it is a little difficult to go from one tariff system to another. I believe in a short time we will find that we are making progress and probably we can justify the discontinuance of night sessions. If we do not, then the Senator can go back to them.

Mr. McCUMBER. The Senator will admit that we have not made very much progress in the last two days.

Mr. SIMMONS. We did not make much progress yesterday, because nearly half the time was taken up in general debate precipitated by the speech of the Senator from Minnesota [Mr. KELLOGG] and the replies his speech invited.

Mr. McCUMBER. I am not objecting to any speech on the tariff, even though it may be a repetition of what has been stated many times. It is the extraneous matters which have taken up so much time.

Mr. SIMMONS. If the Senator will pardon me, to-day I have heard very little extraneous matter injected. The discussions have been entirely relative to the items in the bill. One or two items were discussed possibly at greater length than their importance justified.

EXECUTIVE SESSION.

Mr. McCUMBER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened and the Senate (at 4 o'clock and 20 minutes p. m.), under the order previously entered, took a recess until Monday, June 12, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 10 (legislative day of April 20), 1922.

PUBLIC HEALTH SERVICE.

The following-named doctors to be assistant surgeons in the United States Public Health Service, to take effect from date of oath:

Ralph L. Lawrence.

Edwin C. Sorens.

These doctors have passed the necessary examination required by law.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

ADJUTANT GENERAL'S DEPARTMENT.

Maj. Samuel Greaner Talbott, Infantry, with rank from July 1, 1920.

Maj. Henry Henderson Pfeil, Finance Department, with rank from July 1, 1920.

ORDNANCE DEPARTMENT.

Capt. George Walter Hirsch, Coast Artillery Corps, with rank from August 23, 1920.

PROMOTION IN THE NAVY.

MARINE CORPS.

Second Lieut. Edward F. O'Day, to be a first lieutenant in the Marine Corps from the 1st day of July, 1921.

POSTMASTERS.

ARIZONA.

Lutie Paxton to be postmaster at Flagstaff, Ariz., in place of C. F. Heisser, resigned.

COLORADO.

Richard H. Brown to be postmaster at Silverton, Colo., in place of W. N. Haas, resigned.

GEORGIA.

John H. Pullen to be postmaster at Meigs, Ga., in place of Thomas Davis, resigned.

IDAHO.

Omer S. Cordon to be postmaster at Rigby, Idaho, in place of Lida Cox. Incumbent's commission expired March 8, 1922.

ILLINOIS.

Hoyt B. Kerr to be postmaster at Brookport, Ill., in place of W. T. Holifield. Incumbent's commission expired February 4, 1922.

KENTUCKY.

Henry C. Mann to be postmaster at Kevil, Ky., in place of Morgan Kuykendall. Incumbent's commission expired July 21, 1921.

MAINE.

Roger S. McGown to be postmaster at Carmel, Me., in place of L. C. Whitten, resigned.

Carroll M. Richardson to be postmaster at Westbrook, Me., in place of C. S. Eastman, deceased.

MARYLAND.

Mary C. Worley to be postmaster at Riverdale, Md., in place of A. C. Klinger. Incumbent's commission expired January 24, 1922.

MINNESOTA.

George N. Breher to be postmaster at Wadena, Minn., in place of Christian Hunsinger, deceased.

MISSISSIPPI.

Henry C. Majure to be postmaster at Newton, Miss., in place of C. W. Carr. Incumbent's commission expired July 21, 1921.

MISSOURI.

Charles E. Colinot to be postmaster at Monticello, Mo. Office became presidential April 1, 1921.

Rachel Pinkley to be postmaster at Portageville, Mo., in place of Olive DeLisle, resigned.

NEW MEXICO.

Arthur W. Lyckman to be postmaster at Madrid, N. Mex. Office became presidential April 1, 1922.

NEW YORK.

Henry L. Parker to be postmaster at Scarboro, N. Y. Office became presidential April 1, 1922.

George W. Steele to be postmaster at Brockport, N. Y., in place of J. W. Larkin. Incumbent's commission expired January 27, 1920.

De Witt C. Talmage to be postmaster at East Hampton, N. Y., in place of J. F. Gilmartin. Incumbent's commission expired May 6, 1920.

Fisher M. Joslin to be postmaster at Voorheesville, N. Y., in place of J. F. Joslin, declined.

NORTH CAROLINA.

William D. Holland to be postmaster at Dunn, N. C., in place of E. T. Lee. Incumbent's commission expired July 21, 1921.

Francis D. Gibson to be postmaster at Gibson, N. C., in place of W. Z. Gibson. Incumbent's commission expired January 8, 1921.

James B. Fagg to be postmaster at Leaksville, N. C., in place of W. H. Lane, resigned.

John W. Gilliam to be postmaster at Sanford, N. C., in place of S. V. Scott. Incumbent's commission expired January 24, 1922.

Walter D. Warren to be postmaster at Sylva, N. C., in place of H. R. Hastings. Incumbent's commission expired April 6, 1922.

OHIO.

Arthur L. Behymer to be postmaster at Cincinnati, Ohio, in place of J. C. Clore, resigned.

Sage P. Deming to be postmaster at Rocky River, Ohio, in place of S. P. Deming. Incumbent's commission expired April 16, 1922.

OKLAHOMA.

Clinton L. Rogers to be postmaster at Caney, Okla. Office became presidential January 1, 1921.

William E. Nevin to be postmaster at Jet, Okla. Office became presidential January 1, 1921.

William F. Hutton to be postmaster at Oakwood, Okla. Office became presidential January 1, 1921.

William E. Baker to be postmaster at Ripley, Okla. Office became presidential January 1, 1921.

Joseph E. Spurrier to be postmaster at Beaver, Okla., in place of J. A. Miller. Incumbent's commission expired January 17, 1920.

Levi R. Gray to be postmaster at Dover, Okla., in place of J. L. Lillibridge. Incumbent's commission expired February 4, 1922.

OREGON.

Amanda E. Bones to be postmaster at Carlton, Oreg., in place of M. O. Vail. Incumbent's commission expired August 26, 1920.

PENNSYLVANIA.

John E. Anthony to be postmaster at East Berlin, Pa. Office became presidential July 1, 1920.

Arnold E. Ewing to be postmaster at Newtown Square, Pa. Office became presidential April 1, 1922.

Edward Bayley to be postmaster at Picture Rocks, Pa. Office became presidential April 1, 1922.

Harry A. Fuellhart to be postmaster at Tidioute, Pa., in place of F. W. Engle, removed.

SOUTH CAROLINA.

Jean C. Sloan to be postmaster at Pendleton, S. C. Incumbent's commission expired March 18, 1922.

SOUTH DAKOTA.

Sadie E. Gustafson to be postmaster at Buffalo Gap, S. Dak. Office became presidential April 1, 1922.

TENNESSEE.

Rufus T. Hickman to be postmaster at Lynnville, Tenn., in place of M. B. Burford, resigned.

Mahlon H. Webb to be postmaster at Pulaski, Tenn., in place of J. S. Gilbreath, deceased.

TEXAS.

James F. Painter to be postmaster at Wolfe City, Tex., in place of W. R. Sharpe. Incumbent's commission expired January 24, 1922.

UTAH.

Beatrice E. Hemphill to be postmaster at Helper, Utah, in place of T. C. Smiley, removed.

VIRGINIA.

Annie Allee to be postmaster at Temperanceville, Va. Office became presidential January 1, 1922.

WASHINGTON.

William C. Black to be postmaster at Lowell, Wash. Office became presidential January 1, 1921.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 10 (legislative day of April 20), 1922.

COLLECTOR OF INTERNAL REVENUE.

David C. Bennington to be collector of internal revenue for the district of Oklahoma.

POSTMASTERS.

ARIZONA.

William A. Fowler, Tombstone.

CALIFORNIA.

Earl C. McWayne, Firebaugh.

CONNECTICUT.

Paul N. Shailer, Chester.

GEORGIA.

William M. Redman, Jackson.

ILLINOIS.

Ancel R. Dion, Clifton.
Susan Gilman, La Harpe.

NEW JERSEY.

John R. Allaire, Farmingdale.

NEW YORK.

Arthur E. Brundage, Newburgh.
Augustus P. Altemeier, Port Jervis.

OHIO.

Ferne V. Boone, Sterling.

PENNSYLVANIA.

Andrew L. Coffman, Phoenixville.
Florence H. Gray, Rosemont.
Reuben J. Knox, Rutledge.

PORTO RICO.

Leonidas M. Lopez, Camuy.

UTAH.

Stephen F. Stephensen, Riverton.

WYOMING.

David Miller, Cumberland.

HOUSE OF REPRESENTATIVES.

SATURDAY, *June 10, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

To Thee, O God, out of the busy voices of life we lift our breath of prayer. Give us the understanding that nourishes, restores, and establishes the way that we should go. The height and the depth, the length and the breadth of Thy nature we do not know, but grant that we may grow toward it with fine apprehension. O prepare us by gain and loss, by joy and sorrow to rise above all things false and to know Thee. When our sunset pales to dusk may the light of the past show us the way and bid us rest. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

DESIGNATION OF SPEAKER PRO TEMPORE.

The SPEAKER. The Chair expects to be absent on Monday and Tuesday of next week, and designates the gentleman from Massachusetts [Mr. WALSH] to act as Speaker pro tempore in his absence.

EXTENSION OF REMARKS.

Miss ROBERTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the present economic conditions as affecting American homes.

The SPEAKER. The lady from Oklahoma asks unanimous consent to extend her remarks in the RECORD on the present economic conditions as affecting American homes. Is there objection?

There was no objection.

Mr. NEWTON of Minnesota. Mr. Speaker, I ask leave to extend my remarks in the RECORD by inserting an address delivered by the Director General of Railroads before the Western Railway Club at Chicago, Ill., on the aftermath of Federal control.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD by printing an address of the Director General of Railways on the aftermath of Federal control.

Mr. GARRETT of Tennessee. Reserving the right to object, Mr. Speaker, when was the address delivered?

Mr. NEWTON of Minnesota. It was delivered by Director General Davis on the 15th of May last. It contains some very interesting information and statistics in reference to Federal control and liquidation under Federal control.

Mr. GARRETT of Tennessee. For the present, Mr. Speaker, I will object.

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address of the Hon. LESTER D. VOLK, Representative from the tenth district of New York, at the annual Memorial Day service, Veterans of Foreign Wars of the United States, Long Meadow, Prospect Park, Brooklyn, N. Y., on Sunday, May 28, 1922.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD by printing an address of the gentleman from New York [Mr. VOLK] at the annual Memorial Day service in Brooklyn, N. Y., on Sunday, May 28, 1922. Is there objection?

There was no objection.

The address is as follows:

MEMORIAL DAY ADDRESS OF HON. LESTER D. VOLK, REPRESENTATIVE FROM THE TENTH DISTRICT, NEW YORK, AT THE ANNUAL MEMORIAL DAY SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES, LONG MEADOW, PROSPECT PARK, BROOKLYN, N. Y., ON SUNDAY, MAY 28, 1922.

Comrades and friends, we are here assembled this Memorial Day to commemorate our Nation's dead—to strew flowers, emblems of peace and love, over their final resting places; to recount their glorious deeds of valor and patriotism; and to express our love and gratitude for their service and devotion.

To all Americans, whether by birth or adoption, Memorial Day should stand out as especially sacred, sanctified, glorified.

As one standing on a high eminence or lofty hill obtains a more extensive view of his surroundings and his thoughts and emotions grow more profound and intensive, so, as each year passes, standing on this eminence, we scan the horizon with greater vision, we hold our Memorial Day with more profound love and with deeper understanding.

Comparatively few years ago Memorial Day was observed in but a small part of this country. On this day a few high-minded women of the North resolved that the graves of the "boys in blue," so sadly neglected and unhonored, should be decorated with flowers and preserved to honor. Gradually this observance grew in extent and significance until it now embraces almost the entire country, and is set aside as a day of consecration and loving tribute the living pay to all our heroic dead.

Lest our Memorial Day shall become a meaningless form, let us ever keep in our hearts and minds the true meaning and significance of this day and these services. Let us feel the sacred inspiration from

their matchless deeds and devotion; let us learn the glorious sermon their sublime sacrifice has to impart; let us highly resolve to emulate their splendid example of heroic patriotism and duty, so as to be worthy of the great and wonderful heritage they left us.

We are not gathered here to awaken those bitter memories of bloodshed and slaughter, of rapine and devastation, of carnage and sufferings. We are not assembled this day to rekindle those vengeful fires of passion and hate or to swear over their graves eternal vengeance against our former enemies. We are not here this day to recount their deeds of valor and heroism that we may exult over their defeated adversaries. We are not here to glorify or to exalt the glamor of militarism or to perpetuate the lust for warfare or bloodshed.

Thank God, we are free from any such base and un-American purpose; that our cherished American principles and ideals are free from hypocrisy and sham; that the American Nation has ever been and, with the grace of God and our eternal vigilance, ever shall be the champion of justice, liberty, and humanity. That is the lessen our heroic dead teaches us; that is their heritage to us; that is the inspiration the living receive from the dead.

In the broad pages of history, from the dark ages of feudalism to the true light of civilization, no nation has had such a glorious, untarnished, and undimmed record of service, devotion, and sacrifice in behalf of principle and ideals. America, conceived and born in liberty and dedicated to the principle that all men are created equal, has ever sought and fought to perpetuate these blessings to all men and to all nations of this earth. May we never depart from such ideals and principles.

From the time of the Declaration of Independence, when with one stroke of the pen the shackles of servitude were broken, the bandage of blindness and ignorance torn from the eyes and minds of men, to the present moment when our power and might helped crush military despotism and tryranny, America has been in the forefront fighting for justice, liberty, and humanity.

The American flag blazed the path of civilization against the savage Indian tribes, the Mexicans, and the pirates of Morocco and Tripoli, and by fire and the blood and sacrifices of our heroic dead brought order and progress through the tangled wilderness. It was by the blood and sacrifice of countless thousands of these silent dead that we crushed out the last vestige of human slavery in our great Civil War—slavery not only of the human body, but of human minds and souls. At this terrible cost and sacrifice the great American ideal and principle was purified, perfected, and perpetuated to the world—that human beings were created not only equal, but that they must be forever free.

Then came the Spanish-American War, and the world again saw that we were still ready and willing to bare our breasts and bleed and die, if necessary, in the fight of justice and liberty against cruelty and oppression. When we liberated Cuba, the other nations of the world were amazed and wonderstruck. They were not accustomed to see any nation, and especially our Nation, whom in their ignorance or misunderstanding they painted as grasping and mercenary, actuated by such lofty, unselfish, and noble principles. And our noble actions and treatment of China during the boxer uprising set such a splendid example that the other world powers were shamed into treating China justly and humanely. It was out of gratitude to this country for such treatment that China set aside millions of dollars to send her brightest young men to America to be educated. That is why China entered into the World War on the side of the Allies.

Again we had showed the world that we held principle above gain, honor above money, right above might.

Then came that supercatastrophe, that curse and blot upon civilization, the great World War. We again entered into the fight for humanity. It is not mine to describe the enormity, the terrible havoc and loss, the excruciating agony, suffering, and carnage that human—or inhuman—ingenuity could devise and inflict on tortured mankind. It is too freshly seared on our hearts and memory to require me to picture it again. The staggering, horrible cost; the thousands and tens of thousands of splendid, happy, clear-eyed, clean-limbed young men, in the prime of their youth, who laid down their lives; the crushed and ruined hopes and dreams, the blighted lives of those who love and were loved by the maimed and these dead.

Who can count the full cost and the stupendous price they paid that humanity and justice might live? Yet they gladly laid down their all, their lives and hopes, at the altar of right and democracy.

They sprang to arms not for conquest, not for revenge, not for glory, not for indemnity, not for reward. They fought only to preserve and safeguard the principles of peace and humanity and to crush any force or power that threatened to destroy those principles. That is what they fought and died for; that is their simple but glorious destiny and contribution to mankind; that is their part in the vast scheme of the universe. That is the great debt and gratitude we, the living, owe to them, our martyred dead.

From their dying grasp they threw the torch of civilization to us that we might "carry on" the glorious work for which they gave their lives. If we fail them, they can not sleep. If we do not "carry on" their work, they will have died in vain.

But these hallowed dead have not died in vain. We will not be false to our trust. Justice to the dead and duty to the living alike demand that we transmit and carry on the glorious and inspired work they have begun—that tyranny and might shall be wiped from this earth and justice and right shall prevail and rule all mankind. Let us not be dismayed that we are still far from our goal; that there is still much injustice and inhumanity in this country and in the world; that there is still hunger and poverty and crime; that clouds and dangers still threaten the horizon; that we are still far from that rule of peace and love we all so long and pray for. But we are headed in the right direction. It is not so much where we are to-day that counts as much as in what direction we are traveling. And when finally Heaven sends this war-stricken and tortured world the true light of peace it will be found that this glorious Nation shall have ever been in the vanguard and the torchbearer.

But as we remember our beloved dead, let us not forget our heroic living; those brave boys who bared their breasts on the same battle fields, who shared the same dangers, the same sufferings, but who were spared from the same fate by Divine Providence, and were not called upon to make the supreme sacrifice for their devotion.

As I look about me I recognize many of those boys who served with me "over there." To them and you I say do not think that we have forgotten; do not think that this Government and Nation will for long neglect and overlook their debt and gratitude to you, the living. We will soon see a memorial day for the living as well as our heroic dead, warriors, and defenders.

Oh why do we grudge our sweets so to the living
Who have at best too much of gall,
And then with open, generous hands kneel, giving
Unto our dead our all?

What care the dead for the gentle token,
The gift, the praise, the floral offerings,
When living, palpitating hearts are broken
For want of just these things?

Will not the dead rest easier, will they not sleep more peacefully and sweetly in their last resting places in the knowledge and faith that we have been honest and just to their living comrades in arms?

Shall we not say to the dead, "You have not died in vain," and to the living, "You have not fought in vain"?

May their rest remain unbroken, and we, who must sooner or later join them, may we share as honored a resting place until the hour cometh when "the dead shall hear the voice of God." May he grant that when that voice sounds they that sleep in these soldiers' graves shall hear and live.

May posterity show to us, the living, what we to-day, by these simple services and ceremonies, by our love and honor and undying gratitude, show to our glorious dead.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 3659. An act to create the White House police force, and for other purposes.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title when the Speaker signed the same:

H. R. 9981. An act making appropriations for the Executive and for sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1923, and for other purposes.

The Speaker announced his signature to enrolled bills of the following titles:

S. 2014. An act to provide for the settlement of small holding claims on unsurveyed land in the State of New Mexico.

S. J. Res. 173. Joint resolution authorizing the President to appoint a special mission of friendship, good will, and congratulation to represent the Government and people of the United States at the centennial celebration of the independence of Brazil.

S. 1911. An act to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 3659. An act to create the White House police force, and for other purposes, to the Committee on Public Buildings and Grounds.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted as follows:

To Miss ROBERTSON indefinitely, on account of important business.

To Mr. BLAND of Virginia, for Monday next, on account of important business, and for Tuesday, attending city election.

To Mr. BURTON, for 10 days, on account of important business.

To Mr. PADGETT, indefinitely, on account of illness.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 13 minutes p. m.) the House adjourned until Monday, June 12, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. LANGLEY: Committee on Public Buildings and Grounds. H. R. 11731. A bill to provide for the renting of the first floor of the customhouse at Mobile, Ala., to the Mobile Chamber of Commerce; with an amendment (Rept. No. 1086). Referred to the Committee of the Whole House.

Mr. LANGLEY: Committee on Public Buildings and Grounds. S. J. Res. 192. A joint resolution providing for survey of the Potomac River banks and adjacent lands from Washington, D. C., to Great Falls, with a view to possible extension of the

District park system; without amendment (Rept. No. 1087). Referred to the Committee of the Whole House on the state of the Union.

Mr. SINNOTT: Committee on the Public Lands. S. 3425. An act to continue certain land offices, and for other purposes; with amendments (Rept. No. 1088). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HICKS: A bill (H. R. 11983) authorizing the acquisition of certain sites for naval aviation stations; to the Committee on Naval Affairs.

By Mr. BARBOUR: Resolution (H. Res. 303) for the immediate consideration of H. R. 7452; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGG: A bill (H. R. 11984) granting a pension to Jacob Gish; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5971. By Mr. KISSEL: Petition of the Volunteer Officers of the Civil War, Kansas City, urging the passage of House bill 4097; to the Committee on Invalid Pensions.

5972. Also, petition of Thomas B. Felder, Esq., New York City, N. Y., relative to charges made against him in the Senate; to the Committee on the Judiciary.

5973. By Mr. SMITH of Idaho: Resolution adopted by the Idaho State convention of the Knights of Columbus, held at Twin Falls, Idaho, in opposition to the Sterling-Towner bill, to create a department of education, to authorize appropriations for the conduct of said department, to authorize the appropriation of money to encourage the States in the promotion and support of education, and for other purposes; to the Committee on Education.

5974. Also, resolution adopted by the Idaho State convention of the Knights of Columbus, held at Twin Falls, Idaho, in support of claims for compensation by wounded and disabled veterans of the World War; to the Committee on Interstate and Foreign Commerce.

SENATE.

MONDAY, *June 12, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Brandegee	Gooding	McCumber	Sheppard
Bursum	Hale	McKinley	Shortridge
Cameron	Harris	McLean	Simmons
Capper	Harrison	McNary	Smoot
Culberson	Johnson	Myers	Spencer
Curtis	Jones, N. Mex.	Newberry	Sterling
Dial	Jones, Wash.	Nicholson	Underwood
Dillingham	Kendrick	Norbeck	Walsh, Mass.
Ernst	Keyes	Oddie	Walsh, Mont.
Fernald	King	Overman	Watson, Ga.
France	Ladd	Phipps	Watson, Ind.
Gerry	La Follette	Ransdell	Willis
Glass	McCormick	Rawson	

Mr. CURTIS. I was requested to announce that the Senator from Nebraska [Mr. NORRIS] and the Senator from Alabama [Mr. HEFLIN] are engaged in a hearing before the Committee on Agriculture and Forestry.

Mr. UNDERWOOD. I wish to announce that the senior Senator from Florida [Mr. FLETCHER] is absent on account of illness. I ask that the announcement may stand for the day.

The VICE PRESIDENT. Fifty-one Senators have answered to their names. A quorum is present.

PETITIONS.

Mr. TOWNSEND presented a petition of the Cook & Feldher Co., of Jackson, Mich., praying for the imposition in the pending tariff bill of only a moderate duty on cotton gloves, which was referred to the Committee on Finance.

He also presented petitions of sundry merchants and citizens of Jackson and Grand Rapids, Mich., praying for the imposition in the pending tariff bill of only a moderate duty on kid gloves, which were referred to the Committee on Finance.

He also presented resolutions adopted by members of the faculties of the Central High School and the Junior College, both of Grand Rapids, Mich., favoring the granting of relief to the afflicted peoples of Armenia, Anatolia, and Asia Minor now alleged to be suffering from severe Turkish atrocities, which were referred to the Committee on Foreign Relations.

Mr. WILLIS presented petitions of sundry citizens of Youngstown, Cleveland, Girard, and Sidney, all in the State of Ohio, praying for the imposition in the pending tariff bill of only a moderate duty on cotton gloves, which were referred to the Committee on Finance.

REPORTS OF THE COMMITTEE ON CLAIMS.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 1723) for the relief of Edward J. Schaefer (Rept. No. 763); and

A bill (H. R. 7695) for the relief of James E. Connors (Rept. No. 764).

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

A bill (S. 162) for the relief of Sarah Shelton (Rept. No. 765); and

A bill (S. 528) for the relief of the widow of Rudolph H. von Ezdorf, deceased (Rept. No. 766).

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that on June 12, 1922, they presented to the President of the United States the following bills and joint resolution:

S. 1911. An act to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916;

S. 2014. An act to provide for the settlement of small holding claims on unsurveyed land in the State of New Mexico; and

S. J. Res. 173. Joint resolution authorizing the President to appoint a special mission of friendship, good will, and congratulation to represent the Government and people of the United States at the centennial celebration of the independence of Brazil.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRANDEGEE:

A bill (S. 3701) for the relief of Blattmann & Co., of Waedenswil, Switzerland (with the accompanying copy of a letter from the Minister of Switzerland to the Department of State, which was ordered to be printed); to the Committee on Foreign Relations.

By Mr. BURSUM:

A bill (S. 3702) providing for the acquirement by the United States of privately owned lands situated within certain townships in the Lincoln National Forest, in the State of New Mexico, by exchanging therefor lands on the public domain also within such State; to the Committee on Public Lands and Surveys.

By Mr. SPENCER:

A joint resolution (S. J. Res. 208) authorizing the Federal Reserve Bank of St. Louis to enter into contracts for the erection of buildings for its head office and branches; to the Committee on Banking and Currency.

AMENDMENT TO HOUSE RIVER AND HARBOR BILL.

Mr. RANSDELL submitted an amendment providing that $1,000,000 appropriated in Public Resolution No. 50, Sixty-seventh Congress, approved April 21, 1922, for the preservation, protection, and repair of levees under the jurisdiction of the Mississippi River Commission, be not carried to the surplus fund of the Treasury, but that said sum be authorized to be appropriated for use under the terms of the flood control act of 1917, subsequent to April 21, 1922, etc., intended to be proposed by him to House bill 10766, the House river and harbor authorization bill, which was referred to the Committee on Commerce and ordered to be printed.

ADDRESS BY SENATOR WALSH OF MONTANA.

Mr. SWANSON. Mr. President, the senior Senator from Montana [Mr. WALSH] delivered an unusually able and eloquent address before the Virginia Bar Association at Lynchburg, Va., on the 8th instant, concerning the regulation of the jurisdiction of the Supreme Court of the United States. It bears directly upon a matter which is pending in the Senate, and I ask unanimous consent that it may be printed in the RECORD in 8-point type.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type, as follows:

[Address delivered at Lynchburg, Va., June 8, 1922, by Senator WALSH of Montana.]

THE OVERBURDENED SUPREME COURT.

Considering the extraordinarily brilliant history of the bar of the State of Virginia and the many distinguished lawyers who have periodically addressed meetings of it, I count myself signally honored in being invited to speak to-day before this assemblage, regretting only that the exactions of my official duties have compelled me to select a subject to which, in the discharge of them, I have been required to give some thought.

The current session of Congress has been singularly prolific in questions, the solution of which involved the study of our fundamental law or the wisdom of departure from policies dating from the time of those who gave us that great charter. The scope and effect of the fourth amendment, assuring the people against unreasonable searches and seizures, became the subject of spirited controversy in connection with the supplementary prohibition legislation, commonly referred to as the "beer bill," and in the investigation into what are known as the "red raids," prosecuted during the winter of 1919 and 1920. The right of Congress to adjust through a commission the obligations due to our Government from foreign nations, arising out of loans made during the war and transactions incident thereto, amounting in the aggregate to approximately $11,000,000,000, was challenged, it being contended that the conduct of negotiations with foreign powers is, by the Constitution, reposed exclusively in the President, who alone is authorized to enter into agreements with such, subject to approval by the Senate, and further, that if the power is legislative in character rather than diplomatic, or if Congress has concurrent authority, it can not delegate the authority with which the people have intrusted it in that regard to a commission whose acts bind our Government, without the necessity of subsequent approval by Congress, or either branch thereof.

The appointment of a Senator and a Member of the House on the commission just mentioned, both of them serving as such at the time the act creating it was passed, gave rise to another question of constiutional construction which was, on the nominations being submitted to the Senate, referred to the Committee on the Judiciary, whose advice to the effect that the Constitution forbade their appointment was ignored by the Senate.

The antilynching bill precipitated in the House a stout contest over the scope and effect of the post-war amendments to the Constitution, which will probably be renewed in the Senate.

The pending tariff bill has been assailed because of what are referred to as the "elastic" provisions thereof, authorizing the President to raise or lower the rates or to change the classification or form of the duty, in order to, and to such an extent as shall, "equalize the conditions of competition in trade" in the markets of the United States as between the foreign and domestic product.

In the discussions attending the consideration of the questions referred to, involving the Constitution as originally framed, a purpose is professed to discover and give effect to the intention and to carry out the plan of the wise founders of our Government.

Another measure pending in the House proposes a radical departure from the system devised by them as a part of the machinery of government contemplated by the Constitution, to which your thoughtful consideration is invited. It is a bill the avowed purpose of which is to relieve the Supreme Court of the burden of a supposedly overcrowded calendar, which end is to be achieved by a further amendment of the judiciary act of 1789.

Notwithstanding the mutations undergone by that justly celebrated law, the work largely, if not entirely, of Oliver Ellsworth, member of the Constitutional Convention, United States Senator and Chief Justice of the United States, necessitated by the multiplication of causes reaching it consequent upon the phenomenal growth of our country and the expansion of the field of activity of the Federal Government, none of them impaired the right guaranteed by the act to have reviewed in the Supreme Court, as a matter of right and not of favor, a Federal question determined by a State court against the party invoking it until the passage of the act of September 6, 1916, now appealed to in support of the bill referred to as a precedent for a further encroachment upon the principle just mentioned.

The accumulation of business in the Supreme Court moved Congress, as early as 1875, to exclude from consideration by it appeals in civil causes in which the amount involved was less than $5,000, $2,000 being the minimum fixed in the Ellsworth Act. The act of 1875 made another interesting change in requiring that in causes of admiralty or maritime jurisdiction the review of the Supreme Court should be limited to the determination of questions of law arising on the record, closing the opportunity in such cases to introduce additional evidence in the appellate tribunal, a right which was recognized by the act of March 3, 1803, amending the act of 1789, which, after providing for filing a transcript of the record on appeal in cases of equity, of admiralty or maritime jurisdiction, and of prize or no prize, had this added clause, "and that no new evidence shall be received in the said courts on the hearing of such appeal, except in admiralty and prize causes." Whether the Supreme Court ever did take additional evidence in such causes or whether prior to the act of 1803 the right to submit such on any appeal was ever claimed or exercised, excited, I confess, my curiosity, though I found no time to satisfy it.

Further relief was afforded indirectly by the act of March 3, 1887, corrected by the act of August 13, 1888, with which the bar is familiar, occasioned by the growth of the business of the Federal courts generally, the main features of which were the increase of the minimum money value involved in order to entitle the litigant to bring in or to remove to a Circuit Court a civil cause from $500 to $2,000, since raised to $3,000, and the requirement, in the case of actions founded on diversity of citizenship, that they be brought in the district of the residence of either plaintiff or defendant.

These innovations were but palliative, however, and the Circuit Courts of Appeals came into existence by the act of 1891 as a thorough-going solution of the serious problem presented by the accumulation of business before the Supreme Court, in consequence of which it was nearly, not quite, four years in arrears. It introduced the idea of a review in the Supreme Court, by grace and not by right, created a permissive, as well as an obligatory, jurisdiction, the former to be exercised by certiorari in civil causes in which the Federal jurisdiction was originally invoked by reason of diverse citizenship or alienage, the latter by appeal or writ of error when it depended upon the existence of a Federal question. The limitation in that act of the right of review in all cases brought in or removed to the District Courts because of diversity of citizenship to the new courts created by it is eminently just. It is exceedingly questionable as to whether the time has not passed when the Federal courts should be burdened with litigation of that character.

The conditions which gave rise to the provision of the Constitution extending the Federal jurisdiction to such causes have all but passed away, if they were not always wholly imaginary. We have ceased to be an aggregation of warring States, suspicious of each other, the people of each harboring hostile sentiments toward those of every other or some other, likely to be manifested in civil suits by judges and juries. I am sure a citizen of Virginia would suffer no disadvantage in the courts of Montana against a citizen of that State before any judge or before any jury to which both were unknown, or equally well known, and I can not believe that as much can not be said for the courts and juries of this Commonwealth.

Should a federation of the States of Europe ever be organized on the lines of our Union it would undoubtedly be wise, in view of the hatreds engendered by the recurrent wars among them since before the dawn of history, the differences in language and religion and many other circumstances tending to perpetuate the heterogeneity that prevails, to make provision for the trial of causes in the general rather than the local courts at the instance of a litigant being a citizen of a State other than that in which the suit is brought or to be brought. Happily no such condition prevails here. But even under the adverse conditions that now obtain in Europe there seems to be, outside of Russia, no such denial of justice by the courts of one country thereof with respect to the citizens of another as, save in rare instances, to provoke diplomatic interference or to be any serious obstacle to trade. It may be gravely questioned whether there is any justification whatever for continuing the favor accorded by our Federal judicial system to litigants not

citizens of the State in which they become such, implying as it does, unwarrantedly, that their deserts would not be meted them in the courts of such State.

The change effected by the amendment of 1887–88, denying recourse to the Federal jurisdiction in civil causes in which the amount involved is less than $2,000—since raised to $3,000—though inspired by a desire to curtail the work devolving upon the Federal courts is, in fact, a confession that the principle upon which those courts are open to suitors of the class to which the act referred is unsound. The limitation fixed in the original judiciary act was doubtless intended to exclude petty cases, but not all those now excluded, being otherwise eligible, can be denominated as such.

It may be true that in our courts foreign corporations suffer to some extent from local prejudice, not because they are foreign, but because of their being, as a rule, organizations of the character that they are, representing considerable accumulations of capital. The domestic corporatin encounters the same hostility wherever it obtains, and in no less degree. The litigant who is accorded a choice of going into or having his cause removed to the Federal court, simply because his residence is in some State other than that of the forum, has no ground of complaint when he is given a right of appeal to a tribunal of equal dignity with that of the court to which his case would have gone had it been tried in the State court. One appeal is all he is entitled to.

Whatever consideration may have impelled Congress to accord to one invoking the Federal jurisdiction on the ground of diversity of citizenship, the right to apply to the Supreme Court for a writ of certiorari to review an adverse decision of the Circuit Court of Appeals, he can not contend that justice would not be done him were the judgment of that court made final. There will be occasion to refer to this subject again.

The jurisdiction over controversies between private parties depending upon alienage has little, if any, better foundation. Doubtless it was instituted partly like that arising out of diversity of citizenship on the assumption that the local courts would be subject to the influence of a prejudice against outlanders, but perhaps, as well, in the belief that the new government would be held in higher esteem abroad if it, charged with the conduct of international affairs, should undertake, in its own courts, to see that justice was done the foreigner. The policy of Hamilton, under which the National Government assumed the obligations of the States, had not yet taken shape and no little cause for distrust had been given by some of them touching their purpose to pay their own debts to subjects of other countries, or to require through the process of their courts the payment of obligations of like character by individual citizens.

Whatever may have been the occasion for according to aliens the privilege they enjoy of electing to submit their controversies at will, either to the State or to the Federal tribunals, it long since passed away. The courts of the several States have established a reputation for justice and learning which suffers in no respect by comparison with those of any country to which American citizens are from time to time obliged to resort.

From the beginning, aliens accused of crime against the laws of the several States—that is, for all ordinary crimes—have been brought to trial before the courts thereof without, so far as my information enables me to speak, a single protest upon the part of any Government against the regularity of the proceedings or the justice of the judgment or sentence. It ought not to be expected of our Government that precaution be taken to safeguard the property interests of foreigners, deemed unnecessary when their lives or their liberty are at stake. Nor is it either logical or just in the General Government by its laws even remotely to suggest that though the State courts may be trusted to try aliens for crimes alleged to have been committed by them, they are to be regarded with suspicion in respect to civil controversies to which aliens are parties.

The new procedure introduced by the Court of Appeals Act of review by certiorari was extended by the act of December 23, 1914, so as to permit the consideration by the Supreme Court of a Federal question determined by the court of last resort of a State, though the decision therein was in favor of the party relying upon such Federal question, an enlargement of the jurisdiction of the ultimate tribunal.

By the act of January 28, 1915, the writ of certiorari was prescribed as the sole method of review of judgments of the Circuit Court of Appeals in bankruptcy cases. It afforded some further incidental relief by providing that the Pacific railroads theretofore held to be entitled to invoke the Federal jurisdiction by virtue of the fact that they were organized under acts of Congress should no longer enjoy that right. This was speedily followed by another act, the purpose of which was, like that of the bill under consideration, to limit the obligatory jurisdiction of the Supreme Court, and thus enable it to give adequate consideration to causes deemed of paramount importance—the act of September 6, 1916. Besides making the final judgments and decrees of the Circuit Court of Appeals in actions arising under the railroad employees' liability act and similar acts to promote the safety of operatives engaged in interstate transportation by rail, and in apparent obliviousness of the fact that the law already so provided, judgments and decrees of such courts in bankruptcy cases reviewable by certiorari only, it made that method of review the exclusive way of getting before the Supreme Court a judgment or decree of a State court in a cause in which some "title, right, privilege, or immunity" was claimed under the Constitution of the United States, "or of any treaty or statute thereof or commission held or authority exercised under them," whether the decision was for or against the party making the claim.

The scope of the writ of certiorari was correspondingly extended so that causes which had theretofore come to the Supreme Court by right can now be heard only by grace of that tribunal, if one may appropriately or pardonably employ that expression.

The original judiciary act guaranteed a right of review in the Supreme Court from the judgments of the State courts in three classes of cases:

First. Those in which were raised the validity of a statute or treaty of or an authority exercised under the United States.

Second. Those in which were drawn in question the validity of a statute of or an authority exercised under a State on the ground that it is repugnant to the Constitution, treaties, or laws of the United States.

Third. Those in which was asserted some title, right, privilege, or immunity or authority under such Constitution, laws, or treaties.

The right of reexamination existed, however, only in the event that the decision of the State court was against the party thus relying on the Federal Constitution or laws or treaties or asserting the validity of an authority Federal in its origin.

The third class of cases, reviewable as of right since the organization of our Government, was transferred from the obligatory to the permissive jurisdiction of the Supreme Court.

There is, indeed, a basis for the distinction thus made, in that in the first two classes the constitutionality of the statute, treaty, or authority is brought into question, whether it be State or Federal, measured by the limitations in the fundamental law of the Nation. In the third there is presented only a question of the construction of the Constitution, laws, or treaties of the United States.

The act left, however, illogically, subject to review by writ of error or appeal, just such questions if they came to the Supreme Court from the circuit court of appeals, having been the basis of resort to the Federal jurisdiction, except they arose under the specific acts of Congress mentioned, namely, the bankruptcy act and the railroad employees' relief acts. That law is not one in the authorship of which anyone may take a just pride. Why single out those particular acts of Congress as unworthy of the attention of the Supreme Court, to be invoked as in the case of any other law enacted by it? And why shut out a question of the construction of the Constitution, or a law or treaty of the United States, or the validity of an authority exercised by them, except by permission of the court, when it comes from the highest court of a State, but admit it when it comes from the Circuit Court of Appeals; and, finally, why accord one an opportunity to be heard on a claim of being denied by a State court a right guaranteed to him by the Constitution if it is disregarded pursuant to a statute, either of the State or of the Nation, but deny him relief if his rights have been invaded or disregarded without even the justification of a statute?

The bill which gives occasion to these remarks, should it become a law, will remove in some small degree these incongruities. It makes all judgments and decrees of the circuit court of appeals reviewable by certiorari only. It further limits the obligatory and extends the permissive jurisdiction of the Supreme Court by transferring from the one to the other cases in which "is drawn in question the validity of" an authority exercised under the United States, the decision being in favor of its validity, or "an authority exercised under any State on the ground of its being repugnant to the Constitution of the United States." There would remain no obligatory jurisdiction except in cases in which a State court should deny the contention that a State statute is repugnant to the Constituion, laws, or treaties of the United States, or that a Federal statute is violative of the Constitution thereof.

The discretion to be reposed in the Supreme Court by this proposed statute is not fully expressed in the statement just

made. It would authorize the Supreme Court, upon the petition of a party, to require to be certified up to it for examination any cause, civil or criminal, pending before any Circuit Court of Appeals, including the Court of Appeals of the District of Columbia, even before judgment or decree has been rendered in such court.

The overworked writ of certiorari is further, by the bill under consideration, made the sole method of review of the judgments and decrees of the Supreme Court of the Philippine Islands. In view of the dignity given to the writ it is difficult to explain why it was not made the sole means of invoking the appellate jurisdiction of the Supreme Court.

The House Committee on the Judiciary was told by the Chief Justice that the bill is the work of the Justices of the Supreme Court. If so, it exemplifies that truism, half legal and half political, that a good court always seeks to extend its jurisdiction, and that other maxim, wholly political, so often asserted by Jefferson, that the appetite for power grows as it is gratified.

I think the act of 1916 made an unfortunate innovation in limiting the cases in which a review of the decisions of the State courts might be had as of right, and that the bill to which your attention is now directed, imposing, as it does, a further limitation, ought not to command the support of the bar at least in that respect. Let me remind you that by the act just mentioned no error of a State court touching the construction of a Federal statute can come before the Supreme Court for review except by its permission on an application for a writ of certiorari, nor, for that matter, any question of the construction or application of the Constitution of the United States, except the validity of a statute, State or national, as being repugnant to it is involved.

We have developed in the Western States a wonderful system of mining law, consisting of the acts of Congress of 1866 and 1872, and acts amendatory thereto, providing for the disposition of the mineral lands of the United States, the customs of miners to which the laws referred to give the sanction of statutory enactments, and the decisions of the courts construing and applying them. The whole system of the disposition of the public lands naturally bears a close relationship to that which is concerned exclusively with the mineral lands, and a more or less intimate knowledge of the former is essential to a full comprehension of the intricacies of the latter. So vast is the accumulation of learning with which the subject has been enriched, so prolific are the statutes relating to it in controversial questions, that a late work which must be at the hand of every lawyer in the western mining region consists of three bulky volumes. It need not be said that the amounts involved in the controversies out of which mining law as it is understood in this country has been evolved are often vast. The producing area of the Butte district, the output of which has run into billions, the richest mineral deposit the world has ever known, is not to exceed two miles square. As a rule the justices of the Supreme Court, though always masters so far as the general principles of the law are concerned and often specialists in some branch, have scarcely a bowing acquaintance with mining law, if, indeed, it is not a sealed book to them, or some of them. Moreover, a comprehension of the questions involved frequently, if not invariably, requires some familiarity, and not unusually a rather intimate familiarity, with mining geology, both to comprehend the particular proposition presented and the force and applicability of decisions to which appeal may be made. To deny a litigant a right to present to the Supreme Court a question arising under the laws of Congress touching the disposition of the mineral lands, except by writ of certiorari to be issued upon written application supported by briefs, but without oral argument, is all but to compel him to abide by chance alone, with the odds all against him.

Scarcely less intricate are the problems which arise under the public land laws generally, and while our section may be more fruitful in causes presenting Federal questions than others or than the country generally, there is scarcely any region that does not produce controversies depending for their solution upon Federal statutes. It is not only such that are shut out but, as well, every case involving the denial of a title, right, privilege, or immunity set up or claimed under the Constitution of the United States. There would be included, no statute being involved, a right claimed under the full faith and credit clause, the clause guaranteeing to the citizens of each State the privileges and immunities of citizens of the several States, and those ample rights guaranteed by the fourteenth amendment.

It is understood that it was because of the frequency with which actions were brought to the Supreme Court upon the claim, often shadowy, of the denial of a right under the amendment mentioned that the restriction was asked and, as I think, unreflectingly imposed by Congress. I may say, for whatever of exoneration there may be in it, that the act was passed in my absence. But the prevalence of the evil, if it be such, alluded to, as it seems to me, is a very poor reason for denying to the meritorious classes of cases to which I have referred a right to be heard in the tribunal whose appropriate function is to give an authoritative interpretation to the Federal law.

Quite likely a vexing fecundity has been exhibited by the bar in respect to appeals said to present questions of the disregard of rights protected by the fourteenth amendment, but if the idea advanced is without substance or not open to serious debate, the appeal may be dealt with summarily by the usual motion to dismiss or affirm or by relegating it to the short-cause calendar, while the practice of prosecuting such may be deterred by the consistent imposition of the penalty for frivolous appeals.

As heretofore pointed out, the bill in question not only confirms the departure, the unwisdom of which I have not hesitated to condemn, but it would likewise transfer to the permissive jurisdiction causes in which are involved the validity of an authority exercised under a State, as distinguished from a statute of such State, on the ground that it is repugnant to the Constitution of the United States, or the validiy of an authority exercised under as distinguished from a treaty or statute of the United States.

Just what was covered by the word "authority" as used in the judiciary act and continued in the present law and to be continued should the bill under consideration become a law it is somewhat difficult accurately to comprehend. It is not easy to conceive of an authority exercised under a State not founded upon a statute of such State, considering its constitution as a statute, as doubtless it must be regarded, nor to conceive of an authority exercised under the United States not founded upon a statute or treaty thereof, giving the word "statute" a similar significance.

It would seem as though every case involving the validity of an authority exercised under either State or Nation would involve the validity of a statute or treaty. It may be that the word "statute" is to receive a more restricted significance and the class of cases covered by the term "authority" is such as present acts done as within the constitutional grant and independent of statute or treaty. This view would seem to be sustained by Mathews *v.* McStea (20 Wall. 646), where the question was as to the sufficiency of the acts of the President to inaugurate a war which would invalidate the contract upon which suit was brought. The case of Pickering *v.* Lomax (145 U. S. 310) presented the question of the authority of the President to execute a deed of Indian treaty lands, but that obviously was to be determined upon the existence and construction of a treaty or statute or both and involved a claim of title or right under a statute of the United States, elsewhere covered in the appeals act. A long line of cases holds that the failure of a State court to give due consideration to a judgment of or to proceedings had in a Federal court is a denial of the validity of an authority exercised under the United States, but it would seem as though all such cases equally involved the denial of a title or right claimed under the Constitution and statutes of the Union.

It is advanced in Telluride Power Transmission Co. *v.* Rio Grande & Western (175 U. S. 639) that in view of the use of the word "commission" in the statute in juxtaposition to "authority" the latter probably refers to a personal authority, such as, as suggested above, springs from the Constitution without any statute. The word "commission" was doubtless employed to reach the case of acts by subordinate executive officers, civil and military, done by virtue of the authority reposed in the President, whose instruments they become pro hac vice. Possibly a ruling by a public service commission, acting under authority of a State, said to be confiscatory in character and therefore violative of the fourteenth amendment, when no assault can be made on the statute under which the commission acts, would be within the purview of the particular feature of the judiciary act being considered, and subject to the jurisdiction by the bill made permissive instead of obligatory. However, whatever vestige of the obligatory jurisdiction of the Supreme Court is founded upon an authority exercised under a State, not involving the validity of a statute tested by the Federal Constitution, would be gone, as well as such as is founded upon the validity of an authority exercised under the United States not involving the validity of a statute or treaty thereof.

It will be seen that the bill to which Congress is asked to give its assent will multiply the applications for writs of

certiorari. In my judgment they are far too numerous now. I have not the figures at hand to show what percentage of the causes determined by the nine Circuit Courts of Appeals are made the basis of applications for that particular writ of review, but it must be high. It is not expensive relatively to prosecute such an application, and why should not a lawyer take the chance even though it be a remote chance? As a rule his client will spur him on, though he himself despair. During the current term 324 such applications were filed, of which 53 were granted and 273 denied, and 4 remain undisposed of. Whatever may be said touching the degree of care with which such applications are considered, it is impossible to resist the conclusion that in the vast majority of cases they can have nothing more than the most cursory and superficial examination. There is a limit to the capacity for work of even justices of the Supreme Court. But even if the pressure of business and the multitude of such applications did not forbid a careful inquiry into the debatable character and importance, public and private, of the question raised, it is notorious that the importance of a point in a lawsuit is often lost sight of or only feebly comprehended by a judge, though ordinarily capable and astute, when unaided by oral argument. Indeed I have long believed that the value of an oral argument, aside from affording an opportunity to acquaint the court with the essential facts of the case, in which respect the spoken word has a value quite beyond that of the printed page, is measured not so much by how far the bench has been convinced as by how successfully the interest of the justices has been aroused in the determinative propositions canvassed in the brief. Moreover, preconceived notions erroneously entertained are often dissipated with ease in oral argument against which counsel who must rely on a printed brief would have no warning. It has been said that an attorney who waives oral argument betrays his client. Our concern is to see that justice is done. I am convinced that to be required to submit to the Supreme Court on a written or printed statement of the facts and briefs whether a cause should be reviewed in that court is a denial of justice in a multitude of cases.

But justice delayed is justice denied, and if the work of the Supreme Court is accumulating beyond its power to dispatch, giving due attention to the same, it is incumbent on Congress, within its powers, to grant relief. If the plan proposed is open to grave objection, what is the remedy? It will be well to dispel some misapprehension, more or less prevalent, concerning the conditions. The number of cases docketed annually has remained substantially stationary since 1910, while the number of cases carried over has declined during that period from 586 in 1910 to 343 in 1921. The figures in detail are given in the following table:

	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921
Carried over.....	586	640	671	604	535	525	522	532	495	408	386	343
Docketed.....	509	530	509	524	528	524	532	582	580	555	.....	.....

The number of cases disposed of each year is ascertained by subtracting from the sum of the cases carried over in any one year and the cases docketed in that year the number of cases carried over into the following year. These have increased from 485 in 1910 to about 600 in recent years. For several years past a period of about one year has elapsed between the docketing of the case and the argument of the same. The delay is not apparently undue, but it is quite evident that the court is working at high pressure, disposing annually of over 100 cases more than it was accustomed to dispatch 10 years ago.

Some complaint has been made that the time allowed for argument is in many cases all too brief. It will be recalled that the limit fixed by the rules, formerly two hours, was a few years ago reduced to one and a half hours and later to an hour. Though the court has been liberal in extending the time upon the assurance of counsel that the cause could not be adequately presented within the period limited by the rule, it not infrequently happens, particularly when the controversy involves interests that can not be grouped with perfect regard for all, that the argument is so restricted as to be well-nigh valueless. This situation may well claim some attention.

Statesmen and jurists have declaimed against the constant expansion of the field of Federal activity and the absorption by the National Government of power exercised in the past exclusively by the States, the fruitful source of much of the business that crowds the calendar of the Supreme Court. It seems impossible to stay the tendency in that direction. Political parties vie with each other in their professions of a purpose to bring relief from real or supposed evils through national legislation. A widespread disposition prevails, peculiar to no section, to look to the General Government for redress for wrongs or relief from untoward conditions regardless of constitutional limitations. It is to be hoped that at some time in the future a healthy reaction will set in, but meanwhile something must be done to permit the orderly consideration of causes which should properly receive the prompt attention of the Supreme Court. It may aid if some thought is given to the question of what are such causes.

I conceive, as heretofore stated, that the primary function of that court is to give an authoritative interpretation of Federal law, constitutional and statutory. First among the cases enumerated in the Constitution to which the judicial power of the United States extends are those "arising under this Constitution, the laws of the United States, and treaties made or which shall be made under their authority." I would only as a last resort curtail in any degree the right to a hearing on such cases in the Supreme Court, but I would limit that hearing to the Federal question involved.

In the case of causes brought into the Supreme Court from the State courts the hearing is, as is well known, so limited. There is no reason why in the case of causes in which the Federal jurisdiction is invoked, in the first instance, because of the presence of a Federal question the review in the Supreme Court should not be similarly limited. One who is able to so state his case as to make it appear from his bill or complaint that a Federal question is involved may begin his action in the Federal District Court and have the whole case reviewed in the Circuit Court of Appeals and then in the Supreme Court of the United States. Another in whose controversy there is equally involved a Federal question but of such a character as that it will not appear from his pleading, artificially framed, can not take that course. (B. & M. Con. Co. & S. M. Co. *v.* M. O. P. Co., 188 U. S. 632.) He must go into the State court and reach the Federal Supreme Court by that route, but arriving there he can be heard, properly enough, only on the Federal question.

If the jurisdiction of the District Court over causes in which a Federal question is presented is to be preserved, the judgments or decrees of the Circuit Court of Appeals in such should be made final, except as to the Federal question, which should be reviewable by writ of error. Such a change would afford some very substantial relief to the Supreme Court. It frequently happens that the Federal question upon which the jurisdiction of the District Court is invoked is so doubtful in character as barely to sustain such jurisdiction, the real controversy between the parties depending upon issues of law and fact quite apart from such question. In a case of that class recently decided by the Supreme Court the Federal question was disposed of in a brief paragraph or two, while the other questions, so intricate that the court directed a reargument of the appeal, called for exhaustive study of a voluminous record and, as exhibited by the elaborate opinion filed, a discriminating and laborious examination of the other propositions of law raised. It might be added that though all three courts through which the cause passed held that though there was enough in the Federal question to sustain the jurisdiction the contention made with respect to it by the complainant was not sound.

I would cut more deeply than is here proposed. I would abolish altogether the right to go into the Federal court in the first instance simply because there is a Federal question involved. There is less justification for that branch of the jurisdiction of the district court than there is for that which depends upon diversity of citizenship or alienage. It had its origin in a strange belief that a hot rivalry might—indeed, was quite likely to—spring up between the State government on the one hand and the National Government on the other, so intense and possibly so bitter as to render it doubtful whether State judges would dispassionately and fairly administer the national law. We know that these dismal forebodings have happily proved altogether vain. So long as the litigant has the right through a writ of error addressed to the State court to have the Federal question upon which he relies passed upon by the Supreme Court full justice is done him. The abolition of this jurisdiction, it is true, would not afford the Supreme Court any relief beyond that which would ensue by making the judgments of the Circuit Courts of Appeals in such cases reviewable only as to the Federal questions involved in them, but it would contribute in some measure to relieve the congestion of business in the District Court, so great that Congress is importuned to create some twenty-odd additional district judgships, and the legislation simply awaits an agreement between the two Houses as to a few additional districts importunately insisting on being taken care of. On the consideration of that legislation it was gravely proposed in the Senate to abolish inferior Federal courts alto-

gether, reminding one of the attitude taken by Richard Henry Lee in connection with the judiciary act when it was on its passage before that body that such courts should be empowered to entertain only causes of admiralty or maritime jurisdiction. These radical views can probably command little support in our day, but it is my studied conviction that the reasons which impelled the Congress in 1789 to invest the Federal courts with jurisdiction over civil causes because of diversity of citizenship of the parties or alienage of one of them or because a Federal question was involved, never having been valid or having ceased to be valid because the conditions which it was assumed would justify the grant of such jurisdiction, do not prevail, the right to resort to the Federal courts on any such grounds should be abolished.

So far as that branch of the jurisdiction of the District Court which depends upon the existence in the controversy of a Federal question or upon alienage is concerned, no sturdy opposition to its elimination is to be anticipated save such as springs from the natural conservatism of lawyers, no particular interests being concerned about its retention. But the case is different when it comes to the other branch. It is perfectly well known that innumerable corporations have been organized under the laws of States other than those in which they contemplate operating for no reason except to enjoy a choice of having their legal controversies determined as their interests would seem best subserved, either in the State or the Federal courts, while the scandal of "tramp" corporations, the incorporators of which are residents of the State in which they do business under charters from distant States, sued out in order to escape the jurisdiction of the local courts, is a reproach to our judicial system. All such may be expected to rise in their might to acclaim the excellence of the system under which they enjoy such an unconscionable advantage over their neighbors.

Meanwhile, in like manner, I would make Federal questions raised in actions depending upon diversity of citizenship—those in which the Federal question was not made to appear by the initial pleading—reviewable by writ of error to the Circuit Court of Appeals. But I would make the judgment of that court final in both classes of actions, except as to any Federal question involved. I would thus rid the Supreme Court of the labor and annoyance of examining a vast number of applications for writs of certiorari. I would reduce the number of such applications rather than indefinitely increase them. I would relieve the Supreme Court from considering a vast mass of questions with which there is no special reason why it should concern itself that it might devote more time to the argument and more thought to the consideration of questions peculiarly within its province.

The rules which guide or should guide the Supreme Court in passing on applications for writs of certiorari have never been very clearly defined, or perhaps it is more accurate to say, so far as any rule has been laid down, it is so general in character, except in a single particular, as to tolerate the exercise of an unrestrained discretion. The court has said that the writ will be granted whenever there is a conflict of decisions among the Circuit Courts of Appeals, or between one of such courts and a State court, in order to bring about uniformity, or whenever the interests of the Nation in its internal or external relations or the importance of the question involved demand.

Perhaps the writ might be appropriately employed when the interests of the Nation are directly involved, and particularly with respect to its foreign relations, as was the case when the court ordered a transfer of the record in the case of *The Three Friends* (166 U. S. 7) even before it was heard in the intermediate court. It would seem, however, that in such a case the writ would more appropriately go, in the interest of expedition, on the motion of the Attorney General, to the District Court rather than to the Circuit Court of Appeals. So far as I can learn, this extraordinary power has never since been exercised by the Supreme Court. Its authority to proceed seems not to have been questioned in the suit referred to, though it might well have been in view of the language of the governing act, to the effect that the Supreme Court might require to be certified to it "for review and determination" any case the judgment or decree in which the Circuit Court of Appeals was made final by the act. The word "review" would seem necessarily to imply that the cause should first have been determined by the Circuit Court of Appeals. This conclusion is enforced by the fact that power was granted to issue the writ only in cases which otherwise became final in the Circuit Court of Appeals. It is quite likely, if not more likely, that national interests would require a speedy determination of a cause in which the jurisdiction depends upon the existence in the controversy of a question arising under the Constitution or laws of the United States as though it was invoked because of diversity of citizenship. It is difficult to resist the conclusion that that portion of the Circuit Court of Appeals act had no other purpose than to afford the litigant whose case would otherwise terminate in that court an opportunity, should the decision of that tribunal be adverse, to ask a review by the Supreme Court. However, whatever doubt may inhere in the present law in that regard the bill under consideration would remove, for it expressly declares that the writ of certiorari may be issued either before or after judgment. I find it difficult to conceive of any justification for such a provision, except to meet the contingency of a pressing national need, when, as suggested, the writ ought to procure the direct transfer of the cause from the District Court after judgment to the Supreme Court, regardless of the ground upon which the jurisdiction of the court of first instance was invoked.

But barring cases in which national interests are involved, there is to my mind little justification for transferring to the Supreme Court litigation between private parties, either because of the importance of the questions involved or to secure uniformity of decisions. "Importance" is a highly elastic term. Every suit involving a debatable proposition of law is more or less important, and there is no more of misfortune in a conflict between two Circuit Courts of Appeals, or between one of such courts and a State court, than there is in a conflict between the courts of any two of the forty-eight States. Still if the writ of certiorari were confined to cases in which such conflict exists, and the review restricted to the proposition in respect to which there is a difference, the number of applications would be limited and the labor entailed in passing upon them relatively light.

In my judgment the way to solve the problem is to relieve the court from the consideration of questions with which it should not now be troubled. Why should the Supreme Court be devoting itself to the consideration of the ordinary questions of commercial and corporation law, of negligence and torts generally, of domestic relations, of municipal securities, and the complex problems presented by the intricate and involved contracts which characterize the great business transactions of our day?

To recapitulate. The bill under review would substitute certiorari for writ of error in the case of judgments of State courts, in which is questioned the validity of an authority exercised under the United States, on the ground that it is contrary to the Constitution, laws or treaties thereof, or an authority exercised under a State on the ground that it is repugnant to the National Constitution. It would substitute certiorari for writ of error in causes coming to the Circuit Court of Appeals, because involving a Federal question. The amount of relief appears inconsequential.

On the other hand, I would abolish the writ of certiorari as to cases in the Circuit Court of Appeals and restrict the consideration in all cases from that court as in cases coming from the State court to any Federal question involved which should be subject to review as of right. I would amplify the right to the writ of error to State courts by renewing the provisions of the judiciary act in relation thereto, rendered ineffective by the act of 1916. I am convinced that not only would a greater measure of relief be thus afforded, but a higher measure of justice would prevail and a more rational judicial system obtain. But I would look forward to the eventual abolition of the jurisdiction of the Federal courts in civil causes because of diversity of citizenship or alienage or because the controversy involves a Federal question.

HOUSING CONDITIONS IN THE DISTRICT.

Mr. KING. Mr. President, some time ago the subject of the housing conditions in the District of Columbia received to some extent the attention of the District Committee, of which I am a member. We considered it particularly in view of the large building program that it was desired to enter upon for school purposes in the District. Subsequently Secretary Hoover met with the Commissioners of the District, and I also had the opportunity of being present. It was recommended at that meeting that a committee be appointed to investigate the housing situation in the District of Columbia, the reason for the house shortage, the cause of high rent, of the impediments and obstacles which are offered to building, the reason for high charges upon loans, and all cognate questions. A committee was appointed by the commissioners, of which Mrs. Eli A. Helmick was chairman. The committee has been in session from time to time; and recently, in fact on last Saturday, a tentative report was submitted by Mrs Helmick as chairman. I am advised that

the report was not accepted by the committee, but the report is of such merit and contains so many valuable suggestions that I feel that it ought to be referred to the Committee on the District of Columbia, to the end that that committee may take such steps as may be deemed necessary.

Speaking for myself, I believe that an investigation should be had by the District Committee. There is no doubt that men and corporations in this District are charging extortionate rents, and that many obstacles are opposed to legitimate building operations here. There should be a full and complete and exhaustive inquiry by the District Committee, because the impediments which this commission met with, perhaps, precluded that full investigation which should be made. The report appears in the Washington Daily News, a newspaper which has been doing most excellent work in presenting the evils of the housing situation to the people.

I ask that the tentative report which I have indicated be referred to the Committee on the District of Columbia.

There being no objection, the report was referred to the Committee on the District of Columbia.

DAYLIGHT-SAVING REGULATIONS.

Mr. DIAL. Mr. President, I shall take but a moment of the time of the Senate in discussing a matter not connected with the tariff.

The public has been waiting very patiently for the President to modify the order in regard to so-called daylight saving. A short time ago the Star told us that by a vote of 10 to 1, I believe, the people who had voted did not approve of the present arrangement, and recently we have read in the News that a great many of the employees of the Government are most strenuously against this new scheme. I was in hopes that the parties who had imposed upon the President by telling him that this was desirable would have the manhood to go back and ask him to revoke the order.

Mr. WATSON of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Georgia?

Mr. DIAL. I yield.

Mr. WATSON of Georgia. According to my custom, I went to my office yesterday morning to dictate the editorials for my paper. The stenographer in the case is a young woman who works in the splendid State Department, under our magnificent premier, Mr. Hughes. She told me that she had been assigned to three different offices of the big men to take down shorthand, and not a single one of those men was on duty when the office opened. In other words, this foolish daylight-saving order is striking the small men and the weaker women, and not striking the strong men at all, and the Senator from South Carolina is quite right in protesting against it.

Mr. DIAL. The employees get out earlier in the afternoon, they have to go home to hot quarters, and they have to rush to get up in the morning, and hurry to get a little breakfast. Those who live out some distance, of course, are delayed, and it is very burdensome upon them. As the Senator from Georgia has said, no doubt the high officials come whenever they get ready.

I am more deeply interested in the schools, and I most earnestly protest, in behalf of the school children, against the early hour. I protest also upon the part of the housekeepers and laborers of the District. It is true that school will soon be out, but I do not want any such precedent established here.

Not only that, but it militates against the public service and public interest. Before the present plan went into operation we received the mail at 3.30, and we receive it now at the same hour; but before, we would get information from the departments and answer the mail in the afternoon, so that our constituents would have the information practically 24 hours earlier than they get it at the present time. The force at my office tells me that now when they telephone to the departments immediately after the last mail comes in, the doors are closed, and there is no one to answer the telephone.

So it occurred to me that the 15th would be a splendid time to let the prior practice go back into operation, and I am in hopes that some one will call it to the attention of the President, or that the President himself will take notice of it, and have the order revoked, to take effect on the 15th of this month.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. DIAL. Mr. President, I present a resolution from a number of ladies in my State protesting against certain schedules in the pending tariff bill. I ask unanimous consent to have the resolution inserted in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, and to lie on the table, as follows:

Resolved, That we protest against the food, tableware, and women's wear schedules of the Fordney-McCumber bill. These schedules will increase the costs of living in every American home. They are fines levied by American men upon American women and upon American children. They should not be allowed to become law.

Yours truly,

CAMILLIA CANTEY SAMS (MRS. STANHOPE SAMS),
President Social Survey Club, 1922–23,
Secretary New Century Club, 1922–23.

Mr. McCUMBER. Mr. President, I ask that the Senate proceed to the consideration of paragraph 359 on page 76.

The VICE PRESIDENT. The paragraph will be read.

The READING CLERK. Page 76, line 14, paragraph 359, surgical and dental instruments—

Mr. McCUMBER. On behalf of the committee and as a committee amendment, on page 76, I move to strike out lines 14 to 20, both inclusive, and line 21 down to and including "ad valorem" and insert in lieu thereof the following:

PAR. 359. Surgical instruments, and parts thereof, composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 45 per cent ad valorem; dental instruments, and parts thereof, composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 35 per cent ad valorem.

Mr. SIMMONS. Mr. President, I understand the Senator from North Dakota wishes to substitute for that part of section 359 down to and including the words "ad valorem," on line 21, that which he just read.

Mr. McCUMBER. We propose to strike out lines 14 to 21, inclusive, down to the proviso on line 21. That part of the paragraph which we propose to strike out gives different rates on surgical and dental instruments—

Valued at not less than $2 per dozen and not more than $5 per dozen, 60 cents per dozen; valued at more than $5 per dozen, 12 cents per dozen for each $1 per dozen of such value; and in addition thereto, on all of the foregoing, 60 per cent ad valorem.

We propose to strike out all the specific duties and give a straight ad valorem of 45 per cent on surgical instruments and 35 per cent on dental instruments.

Mr. SIMMONS. In other words, the committee substitutes for the 60 per cent per dozen, on line 18, 45 per cent ad valorem?

Mr. McCUMBER. No; for both the specific duty and the ad valorem duty, which would amount, as I now recall, to about 80 per cent, we propose to give a straight 45 per cent ad valorem duty.

Mr. SIMMONS. That is, the committee proposes to strike out both the specific duty and the 60 per cent ad valorem duty and substitute 45 per cent for both?

Mr. McCUMBER. Forty-five per cent on surgical instruments and 35 per cent on dental instruments.

Mr. SIMMONS. That is a very substantial reduction, no doubt, but I am not prepared to say that it is as great as it should be. While I have no sort of objection to the substitution, I would not like at this time to express satisfaction with the substitute which is offered. The committee is now asking permission to offer the amendment. Does the Senator desire a discussion of the matter just at this time?

Mr. McCUMBER. Certainly.

Mr. SIMMONS. This is, of course, new matter that has just been presented to the Senate. I should be very glad if the Senator would proceed with some other paragraph and let us return to this paragraph in a very short time. I should like to look into it a little before it is finally acted upon.

Mr. McCUMBER. Very well.

Mr. WILLIS. Mr. President, will the Senator from North Dakota explain what his provision proposes relative to dental instruments? I could not fully hear what he said to the Senator from North Carolina.

Mr. McCUMBER. Dental instruments are given a straight ad valorem duty of 35 per cent.

Mr. WILLIS. Is that in a separate provision from surgical instruments?

Mr. McCUMBER. They are provided for in the same amendment.

Mr. WILLIS. Very well. That is satisfactory.

Mr. McCUMBER. If the Senator from North Carolina desires to pass over the paragraph temporarily we can proceed to the consideration of some other paragraph.

Mr. SIMMONS. I only desire that it may be passed temporarily. We can return to it in a very short time.

Mr. WALSH of Montana. Before the paragraph is passed over, I should like to inquire of the Senator from North Dakota what is the ad valorem equivalent of the rates as now fixed by the committee amendment?

Mr. McCUMBER. The rate is about 80 per cent as fixed by the bill and the committee amendment reduces it to 45 per cent ad valorem in one case and 35 in the other.

Mr. WALSH of Massachusetts. Mr. President, I should like to suggest to the Senator from North Dakota that this amendment is very important and many people are interested in it. I think amendments of this important character ought to be submitted to the Senate and be permitted to lie on the table for one day in order that we may study them and understand upon what we are voting. It is impossible to comprehend the scope of an amendment of this kind by merely hearing it read without an opportunity of studying and reflecting upon it.

Mr. McCUMBER. I have several copies of the amendment here and will be glad to hand the Senator one; but I think it is quite easy to keep in mind only the two proposition that under the amendment we propose a straight ad valorem duty of 45 per cent on surgical instruments and a straight ad valorem duty of 35 per cent on dental instruments. It is hardly necessary to have such an amendment lie over for a day in order to understand what it is.

Mr. KING. The reason for the difference in rate is, I suppose, that teeth are not worth as much as bones.

Mr. WALSH of Massachusetts. There are certain amendments which have been offered by the Senator from North Dakota, which are very important, and I think they ought to lie on the table in order that we may have an opportunity to consider them, and not have them presented here without any chance to consider them at all.

Mr. SIMMONS. Mr. President, I wish it to be definitely understood as to this matter that I am very much gratified at the reduction which the committee has proposed; a reduction from 80 per cent to 45 per cent in one case and 35 per cent in another is a very substantial reduction. It may be that it is not sufficient; I have not investigated that, and I merely desire the matter to be held open for a while in order that I may have an opportunity to look into it a little to ascertain whether action should be allowed to be taken on the new rates now proposed without further discussion.

Mr. McCUMBER. That is a very reasonable request, and I am glad to accommodate the Senator from North Carolina. I now propose that we shall proceed to the consideration of paragraph 360.

Mr. STERLING. Mr. President, I should like to ask the Senator from North Dakota if he will not be willing that paragraph 360 go over for the day? I have some data upon that paragraph, but I have not them here and they are not available to me now. I should like to present them in consideration with that paragraph.

Mr. McCUMBER. Mr. President, so long as we may consider some other paragraph I am not particular, although it is a little difficult for us to go from one paragraph back to another. The Senator from South Dakota desires, however, that paragraph 360 be passed over for the present, and I now ask that we take up paragraph 302 in reference to ferro alloys.

The VICE PRESIDENT. The amendment of the Committee on Finance to paragraph 302 will be stated.

The amendment of the Committee on Finance was, on page 49, line 2, after the word "carbon," to strike out "2½ cents per pound on the metallic manganese contained therein" and to insert "$2.50 per ton," so as to read:

ferromanganese containing more than 1 per cent of carbon, $2.50 per ton.

Mr. McCUMBER. On page 49 I desire to withdraw the committee amendment beginning in line 2, and in line 2 to strike out the numerals "2½" and insert in lieu thereof the numerals "1⅞."

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota to the committee amendment.

Mr. KING. I wish to inquire of the Senator from North Dakota what disposition has been made of the numerals "$2.50" which are found in line 4?

Mr. McCUMBER. The committee proposes to withdraw the amendment and then to strike out "2½," and insert "1⅞" in lieu of "2½."

Mr. SMOOT. And the words "$2.50 per ton," in line 4, will also be stricken out.

Mr. McCUMBER. Yes.

Mr. SMOOT. That was what the junior Senator from Utah asked.

Mr. McCUMBER. The whole matter, to which the Senator from Utah refers, will be stricken out if my suggestion is agreed to.

Mr. KING. Will the Senator explain what effect the amendment just suggested on behalf of the committee will have upon the text of the bill as reported by the Committee on Finance?

Mr. McCUMBER. It is a material reduction in the House rate, and the duty proposed now is designed to take care of the duty on manganese ore which was inserted the other day.

Mr. KING. It is an increase over the original Senate committee amendment. Has the Senator from North Dakota figured out what the increase would be measured in ad valorem rates?

Mr. McCUMBER. We have made the increase to correspond with the 1 cent duty which was voted the other day upon the manganese content of manganese ore. In order to allow a proper differential it is necessary, of course, to increase the duty on the product made from the manganese ore, and the rate proposed here is in accordance with the estimate made by the experts that it will require about 1⅞ cents.

Mr. WALSH of Montana. Mr. President, I should like to inquire of the Senator whether the percentage of differential is not too high? The Senate has given its approval to the House provision imposing a duty of 1 cent a pound on the manganese content of manganese ore. Manganese is reduced to ferromanganese by the electrolytic process generally. It seems to me that 1⅞ cents is altogether disproportionate as protection. Of course, the manganese manufacture should be allowed a compensatory duty of 1 cent. I think the Tariff Commission report discloses that ferromanganese can be produced just as cheaply in this country, if the additional cost occasioned by the duty on manganese is taken care of, as it can be produced anywhere in the world, except possibly in those countries where power may be secured more cheaply than in the United States. I do not know why it should be so, but apparently power can be secured more cheaply in Canada than it can in the United States, and of course it can be secured more cheaply in Norway; but, all things considered—and this is an industry of my State; we have the only ferromanganese mill, I think, in the West, and I am not averse to helping it along, inasmuch as it is an infant industry—I think that a rate of 1⅞ cents a pound is giving to the ferromanganese producer a consideration that is vastly greater than the consideration given to the producer of manganese when he gets only a cent a pound.

Mr. SMOOT. The House allowed a differential of 2½ cents per pound, which is altogether too much, figured on the actual differential necessary between the metallic content of the ore and the ferromanganese. Figuring a loss of 29 per cent in the manufacture of ferromanganese and taking into consideration the result of imposing 1 cent duty on the ore, the differential required $1.51, or 51 cents above the 1 cent on the metallic content of the ore.

Mr. WALSH of Massachusetts. Mr. President, if the Senator from Utah will allow me, will he state how much of the proposed rate of 1⅞ cents is compensatory and how much a protective duty?

Mr. SMOOT. Seven-eighths of a cent is the compensatory duty. The Senate voted for 1 cent per pound on the manganese content in the ore. Now, in the manufacture of ferromanganese ore there is a loss of at least 29 per cent in the case of the high-grade ore. From the Tariff Information Survey the Senator will find that—

The process employed in the manufacture of ferromanganese also influences the percentage of recovery. Less metallic manganese is lost on the average in the electric furnace than in the blast furnace. It is claimed that this loss can be reduced to 10 per cent by the use of the electric-furnace method, but figures obtained on the Pacific coast show a larger loss. One of the leading concerns in that region manufacturing ferromanganese in 1918 reported a metallic loss of manganese in the manufacturing process of 30 per cent.

The average, I am told, is 29 per cent, and that is in the case of the very highest grade of manganese ore which can be obtained in the United States.

Again, I wish to say to the Senator from Montana that the coke used in the manufacture of ferromanganese from the ore is very much cheaper in England than it is in the United States.

Mr. WALSH of Massachusetts. The rate provided by the committee amendment, then, is a compensatory rate?

Mr. SMOOT. Entirely so.

Mr. WALSH of Massachusetts. That is what I asked the Senator. There is no protective duty included?

Mr. SMOOT. There is no protection whatever.

Mr. WALSH of Massachusetts. It is entirely compensatory?

Mr. SMOOT. It is a compensatory duty pure and simple.

Mr. WALSH of Massachusetts. It is my opinion that it is a fair duty in view of the duty on manganese ore.

Mr. SMOOT. There is no doubt of it at all.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota to the committee amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On line 6, page 49, it is proposed to strike out "45" and to insert "30," so that, if amended, it will read:

Provided, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, on line 10 I desire to modify the committee amendment by striking out "20" and inserting in lieu thereof "1⅞ cents per pound on the manganese contained therein, and 15." I send the amendment to the desk and ask to have it stated.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to disagree to the committee amendment so as to restore the House text in the following words:

cents per pound on the manganese contained therein and.

It is also proposed to strike out "2½" and insert "1⅞," and to change the "20" to "15," so that the entire amendment, if amended, will read as follows:

1⅞ cents per pound on the manganese contained therein and 15 per cent ad valorem.

Mr. WALSH of Montana. Mr. President——

Mr. SMOOT. I will say to the Senator from Montana that that gives exactly the same specific rate upon the manganese metal or the manganese silicon that was given upon the ferromanganese that is manufactured from manganese ore. We give them exactly the same compensatory duty as ferromanganese, namely, 1⅞ cents per pound, instead of 2½ cents per pound as provided for in the House bill; and instead of giving them 28 per cent protection, as provided in the House bill, on the American valuation, we give them 15 per cent ad valorem upon the foreign valuation. In other words, the 15 per cent is the protection afforded the manufacturer of manganese metal out of ferromanganese or out of the manganese ore itself.

Mr. WALSH of Montana. Mr. President, I inquire of the Senator whether there ought not to be a differential between ferromanganese and spiegeleisen?

Mr. SMOOT. A different protective rate?

Mr. WALSH of Montana. Yes.

Mr. SMOOT. I do not think so.

Mr. WALSH of Montana. The information I have concerning this matter leads me to believe that there should be a distinction. Indeed, it seems to me that with respect to both of these products, when the duty on the manganese is taken care of, there is not really much of anything else needed, and certainly not in the case of spiegeleisen. I read from the survey, "The ferro-alloy industries," Bulletin C-1. In discussing the subject of tariff considerations, the Tariff Commission says:

(1) Spiegeleisen and ferromanganese have been classified in our tariff laws for several decades with "iron in pigs." While they are blast-furnace products, their uses and conditions of production vary greatly from those of pig iron. They belong to the general class of ferro-alloys.

(2) No question now arises with reference to the competitive position of the American producer of spiegeleisen. His raw material is abundant and cheap and his conversion costs are low. In the case of ferromanganese, however, the American manufacturer is obliged to get his raw material abroad.

They make a distinction between the spiegeleisen containing the low percentage of manganese and the ferromanganese containing the high percentage.

Mr. SMOOT. Mr. President, may I call the Senator's attention——

Mr. WALSH of Montana. Just a moment. This statement, of course, is made upon the existing condition of things, when the manganese ore is admitted free; but when the manganese ore carries a duty of 1 cent a pound on the manganese content, of course the spiegeleisen producer ought to be protected to that extent. That is, he should have a compensatory duty; but when he gets his compensatory duty the Tariff Commission tells us that there are no competitive conditions whatever, and that the spiegeleisen producer can produce it in this country just as cheaply as the foreigner.

Mr. SMOOT. The Senator's statement would be absolutely correct if no account were taken of the amount of carbon that could be contained in the spiegelized article; but the Senator will notice in this case that it must not contain more than 1 per cent of carbon. Therefore it must be made by the thermit or the aluminum process, and it must be made in small quantities. If there were no question as to the amount of carbon that would be allowed in the spiegelized article, then, of course, they could make it as the Tariff Commission says; but the amount must be limited. For instance, I call the Senator's attention to paragraph 301. There the Senator will notice that the spiegelized iron and steel and kentledge are all in the same paragraph; but that contains more than 1 per cent of carbon, and it can be treated entirely differently. That is why a clause is put in this paragraph limiting the amount of carbon that can be contained in it.

Mr. WALSH of Montana. The information I have does not make any distinction in these matters at all.

Mr. SMOOT. The Senator will notice in paragraph 301 that the duty on spiegeleisen containing more than 1 per cent of carbon is $1.25 a ton, and it is classified there with iron in pigs, iron kentledge, and so forth; but in paragraph 302 the amount of carbon in the manganese must be less than 1 per cent, and therefore it must be made by the thermit or the aluminum reduction process, which can only produce it in small quantities. That is why the change is made in paragraph 302, and it shows the difference between paragraphs 302 and 301.

Mr. WALSH of Montana. I have not been able to discover that the question of the amount of carbon in it is of consequence at all.

Mr. SMOOT. Mr. President, the manganese is not used the same as the iron. The manganese containing less than 1 per cent of carbon is used in the hardening of brasses and bronzes, and if it had 1 per cent of carbon or more they could not use it at all. It would be impossible.

Mr. WALSH of Montana. No doubt there are some kinds of spiegeleisen containing a small amount of carbon that are used for purposes for which spiegeleisen containing a large percentage of carbon is not fitted; but that is not the question. The question is, Why does it cost more to produce the one kind than to produce the other kind?

Mr. SMOOT. It does cost more.

Mr. WALSH of Montana. What information has the Senator on that point? My information is that the spiegeleisen can be produced here as cheaply as anywhere.

Mr. SMOOT. One is made in a blast furnace and the other is made in a crucible; and I know and the Senator knows that it costs more to make it in a crucible than it costs to make it in a blast furnace. All that the Senate committee gives is 15 per cent ad valorem, not 28 per cent ad valorem, as the House gives, on the American valuation; and that is the reason why the change was made.

Mr. WALSH of Montana. Does the Senator say that 1⅞ cents a pound is 15 per cent ad valorem?

Mr. SMOOT. No; the 15 per cent ad valorem has nothing to do with the 1⅞ cents per pound. That is the compensatory duty because of the fact that the Senate voted for a duty of 1 cent a pound on the manganese ore; but, for instance, in paragraph 301 the article is sold by the ton; in paragraph 302 it is sold by the pound. That shows what a difference there is in the making.

Mr. WALSH of Montana. I have not yet discovered that there is any information available to us that makes any distinction at all between spiegeleisen which contains less or more than a certain per cent of carbon. The fact about the matter is that in the case of both of these commodities, ferromanganese and spiegeleisen, the manganese itself constitutes 70 per cent of the total cost, and only 30 per cent goes for overhead and interest upon capital and labor and everything else, the labor cost being, I think, about 20 per cent of the total cost; so that, if that is taken care of, it seems to me that that is all the duty that there ought to be on either ferromanganese or spiegeleisen over and above the compensatory duty.

Mr. SMOOT. The Senator's attention was called away when I gave the reasons, at his request, why that difference of 1⅞ cents was necessary. I can repeat it briefly by saying that the loss runs as high as 30 per cent—the average is about 29 per cent—and, then, the coke is very much less expensive in England than it is in the United States. I think I have here the quotations which show the difference. The Tariff Information Survey calls attention to the loss of 30 per cent, and the Senate committee has figured it down to the very cent.

I know that the independent ferromanganese manufacturers claim that we are going to drive them out of business with a duty of 1⅞ cents. They say they are entitled to 2½, which the House gave them. I do not think it will drive them out of business, but I do know they are entitled to 1⅞ cents, and that is what the committee has given them.

Mr. WALSH of Montana. My information is that in the manufacture of ferromanganese the recovery of the metal content in the ore averages about 80 per cent, the loss being only about 20 per cent.

Mr. SMOOT. That may be true of the high-grade ore, but it can not be done with the great mass of ore that is imported,

nor can it be done with any ore that is produced in the United States.

Mr. WALSH of Montana. I can not profess to have any personal knowledge about the matter, and I am obliged to take what information is given me from official sources with respect to this particular subject. They say that the loss is not to exceed 20 per cent of the manganese content of the ore.

Mr. SMOOT. The Tariff Commission Survey says:

During the war experiments were made to ascertain metallic losses in the making of ferromanganese and spiegeleisen from ores then available. Twelve furnaces, producing about 40 per cent of the country's output of ferromanganese, showed a metallic loss of manganese in the manufacture of this alloy of 29 per cent.

That is what I stated, that the average was 29 per cent. I admit that the United States Steel Co. can import selected ore from some foreign country containing the highest possible percentage of manganese and get 20 per cent out of it, but there is no ore in the United States out of which they can get it. The average of all the ores produced by the 12 independent producers averages 29 per cent, as I stated, and the loss in the manufacture of spiegeleisen, as I stated, is 38 per cent.

It should be stated, however, in this connection that the ores used were largely American, whose silica content is relatively large.

So the Tariff Information Survey claims that the American loss is 38 per cent. We are trying to protect the ferromanganese ore produced in Colorado and Montana, and what is the use trying to protect the ore if we allow a rate upon the ferromanganese that will let the ferromanganese in and kill the ore business?

Mr. WALSH of Montana. The simple question is, What is the rate necessary in order to accomplish the result? That is the whole question.

Mr. SMOOT. If the Senator will figure from the statement made by the Tariff Commission, he will see that 1½ cents is scarcely enough, and if we are going to protect the ore—which is what the Senate committee wants to do—I do not want ferromanganese to come in to the disadvantage of the ore.

Mr. WALSH of Montana. But seeing that there is only 1 cent duty on the manganese content of the ore, it requires some demonstration to show that you have to put 1½ cents on the ferromanganese product. Let me inquire of the Senator just what have been the importations of spiegeleisen into the country under the existing law?

Mr. SMOOT. I think they were put in the RECORD the other day, but I will look them up. In 1918 there were $4,300,604 worth; in 1919 there were $4,283,541 worth imported.

Mr. WALSH of Montana. That is of what?

Mr. SMOOT. Of ferromanganese.

Mr. WALSH of Montana. I asked about spiegeleisen.

Mr. SMOOT. The importations must be very small.

Mr. WALSH of Montana. Are there any importations at all?

Mr. SMOOT. I should not think there would be very much imported. In 1918 there were $228,012 worth; in 1919 there were $1,018 worth; and in 1920 there were $277,900 worth. The Senator will find that on page 359 of the Summary of Tariff Information, about the middle of the page. That refers to the spiegeleisen mentioned in paragraph 301, not this to which we are referring, because this has not been kept separate, and I can not tell the exact figures; but I will frankly say to the Senator that it could not be very much.

Mr. WALSH of Montana. My information about it is that no spiegeleisen is imported into this country at all. I have the information now before me. For the nine months of 1921 the imports were $9,260 worth.

Mr. SMOOT. That is correct; but in 1920 there were $277,900 worth imported.

Mr. WALSH of Montana. Yes; $277,900, and $9,260 worth in the nine months of 1921. In 1919 there were $1,018 worth, and in 1918 there were $228,012 worth.

Mr. SMOOT. Why does not the Senator make a motion to put the rate on the ores lower, if he wants it, and let the Senate vote upon it? If the Senator wants a low rate, so that the ferromanganese can come into this country, let him make a motion such as I have suggested.

Mr. WALSH of Montana. I am trying to profit by the full information of the Senator from Utah. I inquired of him whether he thought there should be a different rate.

Mr. SMOOT. No; I think the rate is just as low as it can be to keep out the ore.

Mr. WALSH of Montana. If that is the case, then should there not be a higher rate on ferromanganese?

Mr. SMOOT. No; I think the rate on ferromanganese of 1½ cents is enough to equalize the duty on the ore and the ferromanganese.

Mr. WALSH of Montana. Will the Senator tell us whether he thinks that is necessary in order to equalize the conditions with respect to spiegeleisen?

Mr. SMOOT. I do.

Mr. WALSH of Montana. Does not the Senator think it is too much?

Mr. SMOOT. No; I do not. I think it is too much if the manganese contains over 1 per cent carbon, and could be made in a furnace, but where it must be less than 1 per cent carbon, and has to be made in a crucible, it is not too much.

Mr. KING. Mr. President, I would like to ask my colleague in respect to ferromanganese containing more than 1 per cent of carbon, on which a rate is recommended of 1½ cents a pound. It seems to me that a tariff of $22.50 a ton, which, as I figure it, would be permissible under this amendment, is rather heavy.

Mr. SMOOT. I will say to the Senator that the amendment which has been offered is to fix the rate at 1½ cents a pound, and we have cut the ad valorem rate of the House from 28 per cent to 15 per cent.

Mr. KING. I think I understand that.

Mr. SMOOT. The Senator was not here, and I will state briefly just what led up to this change.

The House gave a rate of duty of a cent a pound on the manganese content in the ore. The Senate Finance Committee placed manganese ore on the free list. The Senate disagreed to the committee amendment, leaving a rate of 1 cent a pound on the metallic content. That, of course, necessitates a change in the rate of ferromanganese. The House with 1 cent on the metallic content gives manganese 2½ per cent. The Senate committee, with the same rate on the manganese content in the ore, gives 1½ cent a pound on the ferromanganese. That is a particular kind of ferromanganese, as it must contain not more than 1 per cent of carbon. In the paragraph before that manganese containing more than 1 per cent of carbon is provided for. Wherever it contains more than 1 per cent of carbon, then it is made in a furnace, but where it contains less than 1 per cent carbon it must be made in a crucible, and only in small quantities.

The reason why they made the difference is that ferromanganese containing less than 1 per cent carbon is used in the hardening of brass and bronzes, and if it contained more than 1 per cent carbon it could not be used for that purpose. The 15 per cent that the Senate gives is simply the protection that is necessary for the industry, and if I am not mistaken that is exactly the rate applied in the Underwood law.

Mr. KING. I will state the point I had in mind, and I shall be glad if I may have for a moment the attention of the Senator from Montana [Mr. WALSH]. The paragraph provides that ferromanganese containing more than 1 per cent of carbon shall have a duty of 1½ cents per pound. Here is the point to which I wish to call attention:

Provided, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

Mr. WALSH of Montana. That refers to the item immediately preceding and not to spiegeleisen.

Mr. KING. I understand that, but I wanted the Senator's view as to the point I am about to make now. It means, I think, that iron manganese alloy which contains 30 per cent of manganese will be entitled—that is, the entire product of 2,000 pounds, instead of 30 per cent of 2,000 pounds—to a duty of 1½ cents. So if a given tonnage, taking 1 ton to illustrate what I mean, is entered at the customhouse containing 30 per cent only of iron manganese alloy it receives a duty upon the entire content, 60 per cent of which may be comparatively valueless, and the duty would be, therefore, $22.50 upon the iron manganese alloy consisting of only 600 pounds.

Mr. SMOOT. I will say to the Senator that the standard is 80 per cent. This is only put here by way of precaution. There is nothing given as to the effect the tariff will have, but if it were thrown open entirely and nothing said about it at all, we do not know what they would undertake to do. It is simply a precaution taken in the tariff measure.

Mr. KING. That may be, and yet it occurs to me that it is giving a duty upon 1,400 pounds of some other product. If the imported article contains 30 per cent of iron manganese alloy, then the whole ton would carry the duty of 1½ cents per pound, so the ore may be reduced ore so as to send in a given importation only 30 per cent and still get the entire duty of 1½ cents per pound.

Mr. SMOOT. If the Senator will read it carefully he will see it says "ferromanganese containing more than 1 per cent of carbon." If we go back of that it is "ferromanganese contained therein." It is not "if it is 80 per cent," or 65 per cent, or 50

per cent, or 30 per cent, or whatever it is. It is the amount of manganese "contained therein."

Mr. KING. If my colleague will allow me a minute, that would be all right if it were not for the proviso starting on line 4:

Provided, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

Mr. SMOOT. But, Mr. President——

Mr. KING. If the Senator will pardon me, if the product which is brought in be a manganese iron alloy, it needs to contain but 30 per cent of manganese in order to obtain the full benefit of 1½ cents.

Mr. WALSH of Montana. I think the Senator is in error about that.

Mr. SMOOT. Yes; the Senator is in error about it.

Mr. WALSH of Montana. I think the junior Senator from Utah is in error. It means that if it contains less than 30 per cent of manganese it is not to be deemed to be ferromanganese within the meaning of the clause and will not carry a duty of 1½ cents. If the manganese content is less than 30 per cent, it will be regarded as manganese, not ferromanganese, and will carry a duty of only 1 cent per pound, as provided in the first part of paragraph 302.

Mr. KING. I suppose that is what was intended, but the language, it seems to me, is rather confusing.

Mr. WALSH of Montana. It reads:

Provided, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

That is to say, anything that does not contain at least 30 per cent is not to be deemed to be ferromanganese for the purpose of fixing the duty of 1½ cents.

Mr. SMOOT. Not 1½ cents, but the 15 per cent ad valorem duty. If it does contain more than 30 per cent, then it is ferromanganese, and if it contains less than 1 per cent of carbon, then it has 15 per cent ad valorem above the 1½ cents.

Mr. WALSH of Montana. I thought I had this matter clearly in my mind, but I am confused when the Senator talks about 15 per cent ad valorem. Where does the 15 per cent ad valorem come in?

Mr. SMOOT. No; I was wrong; it is the metal that has the 15 per cent ad valorem. There is no 15 per cent at all on the item about which we are talking.

Mr. WALSH of Montana. The 15 per cent refers to molybdenum and not to manganese at all.

Mr. SMOOT. The Senator is right. Ferromanganese containing more than 30 per cent of manganese is ferromanganese. If it is less than that it is spiegeleisen and defined in paragraph 301, provided it has more than 1 per cent carbon.

Mr. WALSH of Montana. There is no specific duty on spiegeleisen, so far as I can see.

Mr. SMOOT. If the Senator will return to paragraph 301 he will see that the proviso put in there reads:

Provided, That spiegeleisen for the purposes of this act shall be an iron manganese alloy containing less than 30 per cent of manganese.

If it contains more than that, then it is ferromanganese, and that is the dividing line. The House cut it down to 15 per cent, and then changed it to 30 per cent. Thirty per cent is the proper division.

Mr. KING. Mr. President, the explanations of my learned friend——

Mr. SMOOT. If my colleague will read it just as it is, he will see that it does not apply as he thought it did:

Ferromanganese containing more than 1 per cent of carbon, 1½ cents per pound on the metallic manganese contained therein: *Provided*, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

If it contains less, then in paragraph 301 we say it is not ferromanganese, but it is spiegeleisen.

Mr. KING. I am not satisfied with the explanation made by the Senator from Montana or by the senior Senator from Utah. It strikes me that there will be confusion and an attempt will be made to obtain the benefits or the disadvantages, depending upon which side of the shield is to be considered, that flow from the imposition of 1½ cents per pound upon iron manganese alloys, where the imports are in products or consist of products where 60 per cent at least of the import may be of some other product, practically valueless, some other product than ferromanganese.

Mr. SMOOT. The Senator would be correct if we did not specifically state that it should be the metallic manganese contained therein. My colleague's position would be absolutely correct if those words were not here, but they are here.

Mr. KING. Let me ask my colleague a question: Does the committee intend by this provision to give a duty of 1½ cents a pound upon all products brought into the United States denominated ferromanganese alloys, where 60 per cent of the imports of the product may be waste or gang, and 30 per cent and only 30 per cent consist of ferromanganese alloy?

Mr. SMOOT. No; there is no such intention nor would this provision do it. If there were 100 pounds of that kind of product coming into the United States and it contained 30 per cent of manganese, then there is a duty of 1½ cents a pound on the metallic content, which is the 30 per cent of manganese; but if, as I said, the words "the metallic manganese contained therein" were not here, then my colleague would be entirely right. If there were 40 per cent, there would be 1½ cents on 40 pounds. If there were 60 per cent, it would be 1½ cents on 60 pounds. But if it were 20 per cent it would not fall in here at all, because it would not be ferromanganese but would be spiegeleisen.

Mr. KING. I submit to my colleague that if the bill passes in this form there will be a controversy when importations come to the customhouse and the product consists of 30 per cent only of iron manganese alloys and 60 per cent of some other product as to just what the rate of duty should be. My colleague said the rate of duty would be only 1½ cents per pound upon the metallic content—that is, the manganese alloy content—whereas it may be contended that the duty shall be levied upon the entire product, because it will be said that 30 per cent of it consists of iron manganese alloy, and therefore the entire product which comes into the United States must bear the duty of 1½ cents.

Mr. SMOOT. I assure my colleague that will never happen.

Mr. KING. I hope the construction contended for by my colleague is correct, but later on, after further examination, I may recur to it and make a motion to clarify it, if I shall not be satisfied that the construction which I think now will be placed upon it is correct.

Mr. WILLIS. Mr. President, I desire to ask the senior Senator from Utah a question, if the junior Senator will permit me.

Mr. KING. I yield.

Mr. WILLIS. The Senator will remember that we had some contest some days ago about the duty on manganese. The duty was fixed, in my judgment, entirely too high; but what I want to know is if this has been rewritten on the basis of the change then made so as to give a compensatory duty?

Mr. SMOOT. Seven-eighths of 1 cent is compensatory duty.

Mr. WILLIS. I recall the duty of 1 cent which we placed on manganese ore.

Mr. SMOOT. It is necessary because the Senate voted a duty of 1 cent upon the metallic content in manganese ore.

Mr. WILLIS. A vote which I think ought not to have been taken.

Mr. KING. Mr. President, I want to put in the RECORD a brief statement, if it has not heretofore been put into the RECORD, showing the domestic production and the imports of ferromanganese.

In 1908 the domestic production was 40,000 tons plus—I will not give the odd figures. That production increased until 1920, when we produced 295,447 tons. In 1918 we produced 333,027 tons. The imports in 1908 were 44,000 tons; in 1918 they were 27,000 tons; in 1919 they were 33,000 tons; in 1920 they were 59,000 tons; and in 1921 they were only 9,057 tons. I have not the production for 1921; I have not obtained that from the Tariff Commission; but, as stated, in 1920 the total domestic production was 295,447 tons.

The imports for last year consisted of only 9,057 tons; yet, in the face of that limited import, and a domestic production beyond the 200,000-ton mark, and over the 300,000-ton mark in 1918, it is proposed to place the very high duty of 1½ cents a pound upon the product. It seems to me that it is entirely too high, and I do not think it may be justified.

Mr. WALSH of Montana. If the Senator from Utah will pardon me, I wish to express my concurrence in the view now expressed by him. I read from the Tariff Survey as follows:

According to figures secured by the Tariff Commission on the cost of production, about 70 per cent—

Seventy per cent—

of the total expense of manufacturing ferromanganese is the price paid for the manganese in the ore. Hence ore cost is important in determining the competitive position of the American manufacturer.

Now, with reference to the other 30 per cent, the survey states:

With reference to conversion cost, the American producer is at no disadvantage compared with his English competitor. Coke is cheaper in the United States than in England, and the higher wage rates prevailing here are offset in a measure by larger furnaces and greater output per man employed.

So all that it is necessary to do is to take care of the compensatory duty. There is a loss in the conversion of the ore into ferromanganese that should be taken care of in the compensatory duty. Now, what should that be? I continue reading:

As manganese ores and ferromanganese and spiegeleisen are on the free list—

That is, under existing law—

no question now arises in regard to compensatory duties. Should, however, duties be levied either on the ores or on the alloys, the question of compensatory duties would arise. In passing from one stage of manufacture to another, there is always some loss involved, and this loss should be allowed for in imposing compensatory duties. In the manufacture of ferromanganese the recovery of metal contained in the ore averages in good practice about 80 per cent.

So that, there being no difference in the conversion cost, and the only thing we are obliged to take care of being the compensatory duty, we have got to compensate upon the basis of a loss of 20 per cent. Accordingly, Mr. President, we should give 25 per cent on 80 per cent; that is to say, a duty of twenty-five one-hundredths of 1 cent a pound will take care of the loss in conversion; so that the compensatory duty on ferromanganese should be one and one-fourth cents. That is what it should be according to the information here given us by the Tariff Commission. A compensatory duty of one and one-quarter cents will take care of the duty on manganese so far as conversion costs are concerned.

Mr. President, I am not going to object to a duty of one and seven-eighths cents per pound on ferromanganese; but I want it distinctly understood that the difference between one and a quarter cents and one and seven-eighths cents is not a protective duty at all so far as the principle of the difference between the cost of production in one place and the other is concerned. If it is said that the difference between one and a quarter cents and one and seven-eighths cents—that is to say, five-eighths of a cent a pound—is to take care of the difference in the cost of transportation between Great Falls, Mont., for instance, and Pittsburgh, why, I will let it go at that.

Mr. SMOOT. That is taken care of in the 1 cent a pound on the ore.

Mr. WALSH of Montana. Very well; then there is no justification whatever for the additional five-eighths of a cent. It is a plain gift to the producers of ferromanganese at the expense of the steel industry of the country.

Mr. SMOOT. No; but I want to say that it is a plain gift to the producers of manganese ore in Montana and Colorado. That is where the gift is and nowhere else, and let us understand it. The Senator from Montana reads from the Tariff Commission a statement in regard to the highest grade ores in all the world; a statement which was made at a time when the prices were the highest. I want to say to the Senator from Montana now that I would not be standing here asking for a duty of 1¼ cents had the Senate not by a previous vote decided that the ores produced in Montana and Colorado should be protected. The ores in Colorado and Montana are low-grade ores, and what the Tariff Commission has stated does not apply to them at all. If the Senator should vote for a rate of 1¼ cents only, the manganese ores of his State would go begging, and ferromanganese would be shipped in here instead of the ore.

I take it for granted that the Senate of the United States in expressing their wish in this matter desired to take care of the ores produced in the West, and in order to take care of those low-grade ores we had to make the rate on the ferromanganese 1¼ cents a pound.

I voted for free manganese, Mr. President; but, as I have said, if the Senator wants to move to reduce the rate of 1¼ cents now proposed let him do so now, and I will vote with him. I want, however, to tell him what the result will be. If we are going to undertake to protect an industry in the United States, what is the use of making the attempt on the one hand and then on the other hand robbing it of all that the first amendment intended it should have?

The committee decided originally to put manganese on the free list, and only gave a rate of $2.50 a ton on the ferromanganese; but the Senate decided otherwise. The Senator from Montana knows that in all of these ores the higher the per cent of silica the greater the loss in the recovery of manganese.

Mr. WALSH of Montana. If the Senator will pardon me, I stated quite frankly I did not know a thing about it. I am merely relying upon the information given to us by the Tariff Commission with respect to the matter, which is the result of a very extensive investigation.

Mr. SMOOT. I admit that what they say is true with respect to the highest grade ores shipped into the country.

Mr. WALSH of Montana. But they do not speak about the highest grade of ore; they speak of all ores and give the recovery in current practice.

Mr. SMOOT. Let us see what they do say about it:

With reference to the ores used, the recovery of manganese in the manufacture of ferromanganese depends largely upon the silica content. The higher the silica content the more manganese will be lost. The average recovery in blast furnaces when good manganese ores are used, i. e., ores containing 6 per cent or less silica and 48 per cent or more manganese, is about 80 per cent in good practice.

Is there a pound of such ore produced in the United States? Not one. If we are going to protect the western miner, let us protect him not on the ore alone but on the product made from the ore.

Mr. WALSH of Montana. What percentage does the Senator think the Tariff Commission was speaking of when it said that the loss was 20 per cent?

Mr. SMOOT. It says here containing 6 per cent or less silica.

Mr. WALSH of Montana. How much?

Mr. SMOOT. Six per cent or less of silica. The ore has to be of that high grade in order that 20 per cent may be recovered. I understand that the United States Smelting Co., when they first began to import those high-grade ores, which now they can not get anywhere in the world, did recover 80 per cent, but the Tariff Commission in the same report state that the average for the 12 concerns manufacturing in the United States is 29 per cent.

Mr. WALSH of Montana. I was not inquiring about the silica content. The Senator spoke about high-grade ores. What kind of ores does he mean?

Mr. SMOOT. Fifty per cent and above.

Mr. WALSH of Montana. I understood that the classification heretofore made was 35 per cent and above.

Mr. SMOOT. I will say to the Senator the Tariff Commission says in this very report that their statement applies only to ores containing 6 per cent or less silica and 48 per cent or more of manganese. The Senator knows that the ore produced in Colorado and Montana carries only about from 35 to 36 per cent. The highest that was ever shipped was only 37 per cent.

Mr. WALSH of Montana. My recollection is it was 42 per cent.

Mr. SMOOT. I have not seen any record to that effect, although I did see one record which gave the figure at 37 per cent.

I feel that the Senate placed a duty of 1 cent a pound upon the metallic content of manganese ore for the purpose of protecting the production of the United States, and in order to protect the ore there must be a differential of seven-eighths of a cent on the ferromanganese, or else, instead of the producer of the ore having protection he will have none, for it will come in here in the shape of ferromanganese and not in the shape of ore.

Mr. UNDERWOOD obtained the floor.

Mr. KING. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Utah.

Mr. KING. Mr. President, when I yielded to the Senator from Montana I was calling attention to the domestic production and the imports for the year 1908 to 1921, inclusive. I will ask that the table to which I have referred may be printed in the RECORD at the conclusion of my remarks.

I will state in conclusion that at a time when there was no tariff duty on the ore, as I understand, and the ferromanganese came in free of duty, the importations last year were only 9,057 tons, while the domestic production in 1920 was nearly 300,000 tons; and yet it is proposed to allow this enormous rate of 1¼ cents per pound upon the product. I repeat that in my judgment it is indefensible.

The VICE PRESIDENT. Without objection, the table referred to by the Senator from Utah will be printed in the RECORD.

The table referred to is as follows:

Year.	Domestic production.		Imports (consumption).		Exports.	
	Quantity.	Unit value.	Quantity.	Unit value.	Quantity.	Unit value.
	Tons.		*Tons.*		*Tons.*	
1908	40,642	$44.31	44,624	$41.70	.....	.....
1909	82,209	42.73	88,934	38.19	.....	.....
1910	71,376	40.49	114,278	37.99	.....	.....
1911	74,482	37.28	80,263	37.56	.....	.....
1912	125,378	50.40	99,137	39.41	.....	.....
1913	119,495	57.87	128,070	44.37	.....	.....
1914	106,083	55.80	82,997	43.61	.....	.....
1915	149,521	92.21	55,263	60.33	.....	.....
1916	221,532	164.12	90,928	101.62	.....	.....
1917	260,125	309.17	45,381	134.58	.....	.....
1918	333,027	250.00	27,168	156.75	.....	.....
1919	185,357	137.24	33,022	129.71	2,999	$148.66
1920	295,447	188.00	59,254	131.22	3,454	186.03
1921	.....	.....	9,057	98.09	690	145.61

Mr. UNDERWOOD. Mr. President, I will not take much time in discussing this paragraph. The facts in reference to it have already been put in the RECORD, but I wish the RECORD to show the philosophy of this action.

In the first place there was nothing consistent in the action of the Senate in placing manganese ore on the tax list. Manganese ore is a commodity that is necessary in the production of certain classes of steel, but it is no more necessary in the production of such steel than is iron ore or coal. Iron ore is the basic material from which steel is made. Manganese ore is merely used as an alloy for the purposes of hardening steel. Coal is necessary. Now, the Senate has left coal and iron ore on the free list—and I do not object to that—and put manganese ore on the tax list.

Of course, Mr. President, we know that when the raw material of any product, whatever it may be, is placed on the tax list the excuse is given—and sometimes it is a necessary conclusion—that a compensatory duty must be levied on the finished product. Why start in this industry—it does not relate to any other industry than iron or steel—by taking some part of the raw material and putting it on the tax list and leaving the other part of the raw material on the free list? There is no logic, there is no reason, there is no system whatever in such a procedure. Either one is right or the other is right.

If this tariff bill is being written solely for the purpose of playing favorites, if special friends are to be taken care of within the folds of this bill that they may make money whereas otherwise they would not, then let the country know it; let us have the reason for it, but if you are going on a system of taxing raw material why not tax it all? Why not be consistent about your theory? You are not, and therefore I assume that the basis is that if you are friendly to one man you will erect a tax wall in his favor, and if you are unfriendly to another you will tear it down, and that that is the basis of taxation as contained in this bill.

Of course I have never seen any logic in the proposal or reasoning that because some commodity is contained in the ground and lies there the man who happens to own the surface and can dig down and get it is entitled to have a tax levied on all of the American people to make valuable to him a commodity that is under his ground and that is not valuable unless you levy the tax. Until you start to take it out of the ground there is no labor in it. In all human probability he paid for the ground, or the original purchaser did, when there was not any tax on it. He paid for it without tax. He acquires the property and then asks the Government of the United States to increase the value of his property by levying taxes in his favor.

As to ferromanganese, of course the cry may come here that it is necessary to levy this tax on the raw material because we may be in danger of being short of this commodity during war times if we do not build up the industry. As a matter of fact, Mr. President, the raw material was on the free list when the Great War broke out, and immediately men went into the manufacture of ferromanganese from ferromanganese ore, and overnight the industry was developed in this country. One of the greatest plants is in my State, at Anniston, where they converted some old plants into an electrical furnace and made a very large portion of the ferromanganese that was used in this country during the war. When the war was over they scrapped the plant, so that the excuse can not be offered that you have to do it in order to protect the Nation, because it is a thing that you can do in two or three weeks. The manufacture of this product is not a process that needs any great degree of labor. I assume that in the future most of the ferromanganese will be made through the electrical furnace. Of course, I realize that there are furnaces built on the basis of the old pig-iron furnace, where they originally made it, that will be continued, and gentlemen having manufacturing plants that are not in line with the progress of modern methods will necessarily ask the people of the United States to allow themselves to be taxed in order that they can preserve their ancient methods of production. That is human nature. I do not suppose it is worth while to take the time to criticize men who believe that they are such superior creatures that they are entitled to have the power of the Government exercised in favor of their own pocketbooks; but what I do complain about is this:

Your party 40 or 50 years ago started out in favor of a protective tariff. You adopted that system. It was not the beginning of the protective tariff system, but you adopted it when your party was born, and you said you did it in order to build up the industries of America, to allow these infant industries to build and grow strong and develop. I do not say the protective tariff has done it; it may have helped in a degree, but I think the great iron and steel industry, because of the great supply of raw material and American genius, would have been built up anyhow; but, at any rate, whether your theory builded it or not, it is here. The giant is born. It is no longer a baby in swaddling clothes. It is going out into the markets of the world, the master in its line of production, if you give it a chance, if you give it an opportunity; and yet we find that because you want to favor some particular individual or corporation, notwithstanding this giant is able to go out, if you take the shackles off of him, and fight unhampered in the markets of the world for the trade of the world, you are proceeding to try to put him back in swaddling clothes, and you do that every time you tax his raw material. Every time you levy a tax—I do not care whether it is the manufacture of steel and you tax ferromanganese, or whether it is the manufacture of chain and you tax the billets or the bars out of which the chain is made—every time you tax the raw material from which some of these commodities are made you are chaining down to earth a great giant of industry.

There is no excuse for it. No matter whether you are a protectionist in theory or not, there is no excuse for this; and I think it is next door to a crime when you have a material like this already on the free list, when you can make it. Your party never levied taxes of this kind during the life of the Republican Party on most of these ferro-alloys. There are one or two exceptions. You have most of them in the same tax classification as pig iron. There are one or two exceptions, but you have most of them taxed along with the low rate of pig iron. When the present law was adopted I realized that there were some real exceptions in reference to ferro-alloys that would produce revenue, and that some of them were entitled to a reasonable tax, and I separated the ferro-alloys from pig iron and made the ferro paragraph; but I was not wild enough to go and levy a tax on things like ferrosilicon and ferromanganese, where the only purpose of the proposition would be to make it more difficult for the steel mills to march out into the world's markets and command the world's trade, and when it was unnecessary. You have had these things on the free list, and, as the Senator from Utah has pointed out, the importations have been very small. They have not seriously affected the industry, and they will not.

Mr. President, I know that my voice in this Chamber can carry no weight on this bill, and that you will go on and do this foolish thing. I believe that the tax you have levied in this bill on ferromanganese—although I will not say it positively, because I am not dead sure about it—is in excess of what is necessary to make a compensatory duty for the tax the Senate has put on manganese ore. I think you will carry a degree of protection besides the compensatory duty; but you ought to strike out both of them. You ought to give this giant in industry a chance to battle in the markets of the world, and there is no use in talking about going ahead and helping the consumer on the finished product if you are going to tie down the industry before it gets a chance to come to the markets.

So, Mr. President, I only rose to say that I hope this amendment will not be agreed to, and that ferromanganese may go back on the free list where it belongs. I suppose, however, my hope will be in vain.

Mr. McCUMBER. Mr. President, it is not for me to say that the Senate did a foolish thing in overruling the views of the committee and putting manganese upon the dutiable list at $20 per ton. The Senate in its wisdom or unwisdom did so, and it is for the Senate now to determine whether or not, having put manganese upon the dutiable list, we should give a compensatory duty to ferromanganese. I can not imagine any benefit that would accrue to the owner or miner of manganese ore if he is to have a duty while ferromanganese is allowed to come in free, and I think that the Senator from Alabama will concede that even if the Senate did a foolish thing in putting manganese ore upon the dutiable list, it ought to put ferromanganese upon the dutiable list.

Mr. UNDERWOOD. If the Senator will allow me a moment. I am not contesting the logic of his argument. All I say is that two wrongs never made a right, and I know that both of these propositions are wrong, and therefore I shall vote against both of them.

Mr. McCUMBER. Even from the Senator's standpoint, one wrong necessitates action to meet that wrong; so, in either instance, we would have to have the compensatory duty.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I yield to the Senator.

Mr. WATSON of Georgia. In northern Georgia there are as rich deposits of manganese as can be found, and not one single letter or message have I received from anybody in northern Georgia asking for this tariff duty; and I really should like to know where this demand comes from.

Mr. KING. Mr. President, before the Senator answers the question of the Senator from Georgia, may I submit one, so that he can answer the two? It has been suggested by the Senator from Montana [Mr. WALSH]—and it seemed to me as he was speaking that his position was accurate and could not be controverted—that the compensatory duty provided by the committee is entirely too high; that perhaps 1¼ cents would be an adequate compensatory duty to be carried upon this alloy.

Mr. McCUMBER. On that of 50 per cent, or a higher grade. If you take the manganese ore of a lower grade, then it would require from 1¾ to 1¾ cents in order to get an adequate duty. I think the Senator's colleague has sufficiently explained that.

I am not going to get into a controversy with my friend from Georgia on the question as to whether any Georgia people have requested this duty. The Senate put a duty on manganese ore, and in that action it overruled the committee; and having been overruled upon that item, the committee felt that it was necessary to make this change in order to give a compensatory duty on the products of the ore.

I want to say just a word with reference to the argument of the Senator from Alabama [Mr. UNDERWOOD]. It is true that some 70 years ago we began placing a protective tariff upon commodities for the purpose of protecting what were then infant industries. At that time nearly three-fourths of our population were rural and only a little over one-fourth of our population were living in cities. As a result of protection we have a country now in which less than one-third are rural and more than two-thirds live in our cities and are engaged in manufacturing and commerce.

It is true that we developed the infant industries until in many instances they became giants, but we can not forget that along with the growth and development of those infant industries into mighty giants there came a gradual raise in laborers' wages, in standards of living, resulting in a higher standard of living, and in our cities especially and even greater in the agricultural communities.

We have given labor a much better wage; we have reached a far higher standard of living. The question now arises, will you strike down the giant which is still giving that advantage to the American workman and to the greater portion of the American people? I do not think it would be beneficial to the country to now kill the giant because we think it has become overgrown. From the standpoint of the agriculturists I still prefer to have two-thirds of the American people consumers of agricultural products produced by the other third than to reverse the situation and have two-thirds producing food and agricultural products for the use of the other third.

If I believed for a single moment that we would help the rural communities—that we would help agriculture—by striking down the other industries of the country, I might be led to the belief of those Senators on the other side who are against any kind of protection, but believing that we should maintain those industries, believing that we should have as many consumers of agricultural products in the United States as possible, and believing that we should not reduce the standard of living or the high wages in the United States any more than is absolutely necessary, in order that there may be free buying and selling between the different classes and the different sections of the country, I should still maintain the propriety of having reasonably high protective tariff duties.

I agree with the Senator from Alabama in the statement that if there is no necessity for any tariff upon steel products up to a certain degree of manufacture we should give no protection, but I am yet to be convinced that that is the case.

Mr. UNDERWOOD. Mr. President, I always listen with much interest to the remarks of the Senator from North Dakota. He speaks well, and he speaks convincingly if you admit his premises, but he is still dreaming in a theory of the past. He defends his proposition that he is not willing to strike down a giant of industry by taking off the tariff. I have asked nobody to strike down a giant of industry or any other giant. I have merely pointed to the fact that this great giant in the iron and steel industry is already walking the face of the earth, combating with men all over the earth in the marts of trade, and if the fact that he can fight abroad does not demonstrate that he is able to fight at home nothing will demonstrate the proposition. The only thing I am saying for him is, give him a chance; take the shackles off him; do not tax the raw material he must have out of which to make his products, and take the tax off these great products.

If the Senator from North Dakota had merely consented to leave alone the rate in the present law on the heavy products of iron and steel, I would not have indulged in criticism, although I think they are too high. I would have been willing to let time demonstrate that they are too high. But the Senator and his committee are not content with that. Although it is demonstrated that this great industry, under a low tariff with many of its products on the free list, has gone through nearly a decade of the most wonderful growth in its entire history, and has marched out into the markets of the world to a greater extent than ever before, without rhyme or reason the Senator proceeds to raise the taxes all along the line, to increase the taxes.

This is not a question of building up the industries of the towns and cities in order to supply markets for the agricultural interests. The agricultural interests had the market during the operation of the present law. There never was a greater production in this industry than during the war, and it would go on now, under the rates in the present law, if the country were not suffering under the depressed times which have been existing for the last year and a half.

But there is another statement in which I do not agree with the Senator. I have never been one of those who denied that the levying of a protective tariff may have fostered or stimulated the growth of industry in this country, just as exactly as you will stimulate a plant by pouring fertilizer on it, and as long as it was a stimulation of which the public got the advantage, and was not solely levied in the interest of selfish monopoly, I did not voice much criticism about it. But the time has come when you have built the monopoly, and it is prepared to stand alone in the markets of the world and fight its own battles; but you bring in a bill to foster it in the interest of a special few.

But there is one thing I am not willing to admit on the record, and that is that this system has improved the living conditions of America. Our grandfathers may not have ridden in automobiles; they may not have been able to buy Florida strawberries in the middle of winter; they may not have been able to secure their fish out of a refrigerating plant which had kept it from time immemorial. But their health was much better; they lived in more comfortable houses, although those houses may not have been heated by a steam-heating plant; they ate better and purer food, and they had more of it in our grandfather's time, and although they may not have had the latest patterns from Paris, and may not have worn as many clothes, when they bought a woolen suit they bought it cheaper, and it was all wool and not shoddy.

Mr. KING. The Senator might state that our grandmothers wore more clothes than the ladies now wear.

Mr. UNDERWOOD. Yes; in our grandmothers' time the high cost of living had not forced the dresses down to the size of a pocket handkerchief, and they really were wrapped in some clothes that were visible to the eye.

I am not willing to concede that this stimulated growth which has driven the population of America into the cities, which the Senator from North Dakota desires to keep in order that there may be greater markets for those engaged in agriculture, has improved either the health or the morals or the living conditions of the Nation.

Mr. McCUMBER. Mr. President, if the Senator thinks that our grandfather days and the methods of living then were better than they are to-day, I do not blame him for being against a protective tariff. I can imagine some of those good old conditions of which the Senator speaks. I can imagine the good housewife at midnight, with her knitting needle, working away into the wee small hours of the morning to make stockings for her little brood. It might be that four or five of the children would be stuffed into a trundle bed that was shoved under the other bed to keep it out of the way during the daytime. If the Senator thinks that was a more healthful condition than the present way of living, I can not agree with him. With all of our wickedness, which perhaps has grown out of our prosperity, I can imagine the difference between the conditions of the present day and of our grandmothers' day, when the good woman was married in her black gown and kept that old silk gown for her shroud when she should die, and it was perhaps the only good dress she had for 40 or 50 years. I confess I would rather see the conditions of to-day.

I can remember how our grandmothers used to file out of church with their polka-dot dresses, which they wore for 10 or 15 years, and I can not help comparing them with the beautiful flower garden you will see when any church door opens to-day, when we see the beautiful faces and the beautiful dresses and the beautiful women filing out of church, and you thank God that you are living to-day and not in your grandfather's day.

It may be that we have become a little more restless. When people only work 3, 4, 5, or 6 hours a day, they perhaps are not as solid in their conservatism, and so forth, as our grandfathers, when they had to work 18 hours in the day. But after all, I think that we are in a far better condition to-day, and if a protective tariff has helped us in any way in reaching that condition, then thank God for it, and let us firmly and unitedly support it.

Mr KING. Mr. President, the Senator from North Dakota [Mr. MCCUMBER], like most devotees of extreme protectionism, have attributed all industrial progress and the increase in the wealth of all countries to high tariffs. If his theory be true, then China, which had for centuries practically a complete prohibition of imports, ought to have been enormously rich. Great Britain's wealth increased as if by magic when she removed the artificial barriers erected by foolish tariff laws. Of course, some nations possess such inexhaustible resources that more or less of prosperity will result regardless of taxation, direct or indirect, levied upon the people.

The United States, because of its extensive area and its great natural resources, was bound to develop and become a rich and prosperous country. Congested countries in the Old World required an outlet for their population, and the fertile plains of the great agricultural areas of the United States attracted their attention, and America became their adopted country. With the great increase in population, largely due to immigration, a variety of industries were developed.

History reveals that even in countries where the agricultural resources were the greatest, as the population increased the activities of the people became more varied, and industries belonging to other categories than agriculture were developed.

The question of transportation was an important consideration in the development of manufacturing and other industries in the United States. When great agricultural sections such as the Mississippi Valley were settled and a large population was developed, manufacturing enterprises were bound to be established. In a country as large as the United States, no matter what conditions exist abroad, there will be developed what some denominate home industries, and manufacturing enterprises will constantly increase in number and production.

The United States, because of its large population and varied resources, and the superior qualities of its people, was inevitably destined to develop industrially. The genius of the American people would not be satisfied with a purely agricultural country. I repeat when I say that the inexhaustible agricultural and other resources of the United States compelled its development industrially and made imperative the building of mills and factories and the establishment of a multitude of enterprises. Europe, 3,000 miles and more from our eastern shores, was at a disadvantage in many respects in marketing her products on this side of the Atlantic, and these disadvantages increased as the markets in the United States were remote from the Atlantic. Oceans that separated the United States from Europe and Asia constituted tariff walls, and, in many instances, embargoes, and gave to the American manufacturer an immense advantage over his would-be foreign competitor.

The virgin resources of this great Nation are so stupendous that even with unwise legislation and hampering and restrictive policies, it was bound to become a great commercial and financial power in the world, and, indeed, to become supreme in those fields which determine the true standard of a nation's worth and greatness. In addition to the varied and rich natural resources of our country, we have a people whose virtues and qualities compel them to march forward and to lead the van in industrial progress, as well as in liberal and enlightened policies.

While according to the peoples of other lands due honor and full recognition of their virtues and achievements, it is not too much to say that we have in the United States such a blend of races as inevitably would produce a mighty people destined to accomplish mighty things and to hold high the standard of civilization and progress.

Reactionary Republicans have sought to arrest the progress of this Nation, to bind and shackle the American industries, and to close the ports of the world to our ships and to our products. There are Republicans who regard the tariff as the supreme issue in our political and industrial system and who believe that prohibitive tariffs are specifics for all domestic or national ills. There are those so saturated with the poison of protectionism that they are blind to the economic forces of the world and to the fundamental principles upon which trade and commerce rest.

It has been urged during the progress of the debate upon this bill that the tariff rates must be so high as to keep out every commodity that possibly might be produced in the United States. Of course, this view belongs to the Dark Age, not to an enlightened progressive age; and yet intelligent Republicans, with the utmost naïveté, stand before us and proclaim it.

There never was a time in the history of this Republic when we so much needed foreign markets, not only for our agricultural products but for the products of the mine, the mill, and the manufacturing plants. No country has made greater progress in agriculture than this. Our farmers are becoming scientific agriculturists, and the annual yield of our fields and farms is increasing to a most remarkable degree. We are learning the secrets of nature and using them in our agricultural activities, and indeed in all branches of the industrial life of the people. The remarkable improvement in agricultural machinery has revolutionized farming, and it will not be long before the labor of one man upon the farm will yield more than the labor of a score of men a few years ago.

We have millions of acres of land yet to be cultivated and millions of acres which have been cultivated rather imperfectly which, with intensive cultivation, will yield richer rewards than are now comprehended. We can greatly increase our cotton yield. All forms of agricultural products can also be increased almost beyond computation. And the farms are now becoming attractive. Schoolhouses are being taken into every agricultural section, and with the improvement in our highways and increase in the use of automobiles, the construction of electric interurban railroads, the cities are being taken to the people.

Agriculture is only in its infancy in this Republic. We should have for export tens of millions where there are now millions. And no people have been as inventive as those in the United States. The success of the American people along the lines of invention has been phenomenal. We are constructing machinery not only of the highest grades but of the greatest utility. We are building manufacturing plants that surpass any to be found in the world. It is but a few years ago that the cotton mills of Great Britain were perhaps the best in the world. To-day Great Britain and all other nations lag far behind the United States in the character and efficiency of their mills. The American workmen are more alert and resourceful than those in any other country, and the results of their labor are very much greater than those of any other workmen. While it is true the American workmen are paid higher wages, the fact is that they produce more than those employed in similar work in other countries. I feel quite sure that in many industries, measured by the results of their effort and their labor, many American workmen are paid no more than that received in the same industries in some European countries. In other words, the American employee is paid a greater per diem, but in many industries he receives no larger compensation, measured by the products resulting from his effort.

The Senator from North Dakota seems to think that our agriculturists are only concerned in supplying the needs of our manufacturing centers and manufacturing population, and that our manufacturing industries are to be content with supplying their own needs and the requirements of the agricultural population. Mr. President, as I have stated, our agricultural resources are so great that we can not only feed the people of our country, but we can annually produce for export products of the value of billions of dollars, and our industrial development is such that our mills and factories and mines must find markets in other lands if the people of the United States are to have assured prosperity. No country can compete with the United States in most industrial lines. We have inexhaustible coal measures, mountains of copper and lead and zinc and other metals. We have the great primary products which constitute the foundation of our chemical and all other classes of industries. Europe is now waiting not only for raw materials and primary products of all kinds, but also our finished products.

What is needed in the United States is greater production, and what the world needs to-day is increased production. Production is the source of wealth; indeed it is wealth. The wealth of the country is measured not by gold and silver, but by its production. The United States needs to-day millions of additional homes, and with the erection of these homes the additional wants thus arising must be supplied. With the increase in homes, the demands for the articles and commodities essential therein will be increased, and as these demands are satisfied increased production must be had. The world is crying for larger production. Hunger and want exist in many lands, and yet unwise and foolish leaders and statesmen busy themselves in offering obstacles to production and to satisfying the necessities of the people.

This bill is an exhibition of this unwise and what I believe to be reprehensible policy. Instead of aiding domestic production

it will tend to restrict; instead of aiding the American people to obtain markets for their products and to increase their production it will operate as a dam to retard the current which should bring prosperity to the people. I suggest to my distinguished friend from North Dakota that this bill which bears his name, and I feel constrained to say that it will not add to his glory, is not in the interest of the American people. It will add to their burdens, it will increase their taxes, it will multiply their difficulties. Those who will be benefited by it are certain manufacturers and certain industries whose representatives have been most potent in the framing of the schedules which we find in the bill before us.

The Senator from Alabama [Mr. UNDERWOOD] has just pointed out in a clear manner the difference in a tariff to aid what might be called an "infant industry," and which may contribute temporarily at least in the development of a new industry, and a tariff where the industry has been established and is controlled by gigantic corporations, which in their operation constitute a practical monopoly. The Senator from North Dakota apparently fails to appreciate the difference between a new industry and an industrial condition where billions are invested and monopolistic control is found. This bill is not framed upon the theory of protecting infant industries. It seeks to perpetuate the control which monopolies and great corporations have of the domestic markets of the United States. It turns over to gigantic organizations the practical control of our industries and legalizes the extortionate prices which these organizations compel American people to pay; but it does more. It injures the American people and indirectly hurts the domestic manufacturer because it closes the door to foreign trade.

This country, because of its varied resources, may have a measurable degree of prosperity with comparative isolation from the world, but we deny to American citizens the rich patrimony of abundant and overflowing prosperity, and also fail in our duty to the world if we pursue such a course, and we also fetter the American people to such an extent that they cease to be a factor in international trade and commerce, and are prevented from wearing the crown of moral leadership in the world.

The American manufacturer is most unwise to use the power of taxation, as it is being used through the instrumentality of this bill, to obtain monopolistic control of the domestic market. Such a course in the end will develop discontent among the American consumers and create resentments against manufacturing interests and many classes of producers which will eventuate in hostile and perhaps extreme drastic legislation. It will provoke a demand for high taxes and for the perpetuation of an exaggerated excess-profits system of taxation, for an increase in income taxes, and perhaps for Federal control and regulation of all interstate commerce. The monopolist, the big corporations, the big business interests of the United States are blind to their own welfare when they demand these outrageous taxes levied by this bill. They are sowing the wind; they will reap the whirlwind. The leaders of the Republican Party are foolish in the extreme when they urge this bill. They not only are betraying the American people but they are striking a deadly blow at their own party. No political organization in this country can long remain in power when it is controlled by corporations or trusts or special interests or any particular group or class. The majority of the American people are opposed to group or class government, and undoubtedly they will visit their wrath upon any political organization which permits organized wealth or great corporations or monopolistic enterprises to dictate legislation, particularly such as deals with taxes and lays tariff duties.

These great interests which are controlling the Republican Party in order to secure the passage of this bill have formed an alliance with organizations or persons claiming to represent the agriculturalists of the United States. For years the Republican Party has used the farmers of many of the States to further its uneconomic and un-American policies. The farmers have been made to believe that the high protective measures enacted by the Republicans have been for their advantage. The farmers have been fooled by the specious arguments of the Republicans, and have given their support in many States to Republican candidates. The farmers have been compelled to sell their products for prices determined and fixed in the markets of the world, and have been compelled to buy the commodities produced by the manufacturing industries of the United States at fictitious, artificial, and extortionate prices because of the heavy taxes imposed in the tariff bills enacted by the Republican Party. Some of the agriculturalists have begun to realize the deception which has been practiced upon them, and they have become partially disillusioned.

Instead of denouncing the iniquitous tariff policies of the past and the oppressive tariff taxes which have been imposed upon them, some have compromised with the monopolistic manufacturing forces, and for giving support to these extreme and oppressive rates are to be given tariff duties upon agricultural products. Of course, the manufacturers can safely promise 20 or 30 or even a higher rate of duty upon products which come from the farm and the field which do not meet, and can not meet, with foreign competition.

The agriculturalist derives no benefit from the deal. His products will not be enhanced in price, and he is being used as a tool to fasten upon his own neck and upon the necks of the American people chains of industrial bondage fashioned by the industrial trusts and manufacturing combinations of the United States.

The farmers of the United States should demand a low rate of duty upon manufactured products, and should oppose the imposition of these burdensome taxes which the manufacturers propose shall be levied by the McCumber bill.

Mr. President, this bill ought not to pass. It is economically unsound. It contravenes the fundamental principles of trade and commerce. It is hostile to the best interests of the American people. It will benefit, at least temporarily, the monopolies and predatory interests for whose benefit it is written. It is so incongruous, so complicated, so deceptive and misleading, so hateful and harmful and injurious that it ought to be killed or recommitted to the Committee on Finance, there to repose until the conditions in the world have been materially changed. This is no time to write a tariff bill. This is no time to increase the burden of taxation. The great majority which the Republican Party has both in the House and the Senate may enable them to pass this bill. If it does become a law, I make the prediction that there will be no industrial peace in the United States until it is repealed or greatly modified. If it is not a Frankenstein to devour its makers, it will at least prove to be the iconoclastic weapon with which the proud and arrogant party which now rules this Republic will be broken and shattered.

Mr. WALSH of Montana. Mr. President, the Senator from North Dakota explained the necessity of a duty of 1¼ cents per pound upon ferromanganese while there is a duty of but 1 cent on managnese by explaining that a quarter of a cent would not take care of the situation, because there is a great loss in the ores containing a low percentage of manganese. Touching the matter of the metallic recovery, I want to submit the following from the Tariff Commission:

> The manufacture of ferromanganese and spiegeleisen from manganese or manganiferous ores involves some metallic losses. It is a matter of importance to take account of such losses in view of the fact that they are of vital concern whenever the question of compensatory tariff rates arise. Unfortunately only rough general estimates can be made, as these losses vary with the ores used, the process employed, and the experience of the producer.
>
> With reference to the ores used, the recovery of manganese in the manufacture of ferromanganese depends largely upon the silica content. The higher the silica content the more manganese will be lost. The average recovery in blast furnaces when good manganese ores are used, i. e., ores containing 6 per cent of less silica and 48 per cent or more manganese, is about 80 per cent in good practice. Very seldom, with even the highest grade ore and the best practice, does it get above 85 per cent.
>
> During the war experiments were made to ascertain metallic losses in the making of ferromanganese and spiegeleisen from ores then available. Twelve furnaces, producing about 40 per cent of the country's output of ferromanganese, showed a metallic loss of manganese in the manufacture of this alloy of 29 per cent. The manganese loss in the manufacture of spiegeleisen was 38 per cent. It should be stated, however, in this connection that the ores used were largely American, whose silica content is relatively large.
>
> The process employed in the manufacture of ferromanganese also influences the percentage of recovery. Less metallic manganese is lost on the average in the electric furnace than in the blast furnace. It is claimed that this loss can be reduced to 10 per cent by the use of the electric-furnace method, but figures obtained on the Pacific coast show a larger loss. One of the leading concerns in that region manufacturing ferromanganese in 1918 reported a metallic loss of manganese in the manufacturing process of 30 per cent. This loss, however, was much larger than the average. The manufacture of ferromanganese in electric furnaces is too limited and recent to admit of any categorical statement. Furthermore, the ores used in these furnaces are mainly American and therefore of lower average grade than the foreign ores employed in blast furnaces.
>
> Practice and experience count for much in metallic recoveries. There is a great variation in the percentage of loss among new and old producers. As a rule the former show a larger percentage of loss than the latter. One of the largest and oldest manufacturers reported that its average practice in a blast furnace—

Bear in mind this is a blast furnace, not an electric furnace.

> One of the largest and oldest manufacturers reported that its "average practice in a blast furnace shows that about 17½ per cent of manganese contained in the ore is entirely lost during the process of manufacture into ferromanganese."

It should be borne in mind that 45 per cent of the ferromanganese produced in this country is produced by the United States

Steel Co. I submit, in connection with this Tariff Commission showing, that this is specifically a rate to take care of one of the great products of the United States Steel Co., which it sells to other producers of steel in this country.

Mr. WALSH of Massachusetts. Mr. President, I should like the attention of the Senator from Montana. I noticed that he referred to the fact that ferromanganese was very extensively used by the United States Steel Corporation, and that the tariff rate proposed would benefit that corporation.

Mr. WALSH of Montana. It is not only used by them but they produce it extensively, their production amounting to 45 per cent of the consumption, as I understand.

Mr. WALSH of Massachusetts. As a matter of fact, do they use all they produce?

Mr. WALSH of Montana. They sell some, although they use, of course, the greater proportion of the amount they produce.

Mr. WALSH of Massachusetts. I want to say to the Senator that my information is—and I do not think we differ in principle at all—that it was largely due to the influence of the United States Steel Corporation that manganese was put upon the free list; that ferromanganese was also through this influence put upon the free list; for all the other alloys used in making of steel bear a high duty. The provisions of the House bill show a substantial duty on ferromanganese. The Senate committee, as the Senator well knows, put manganese upon the free list, and also put ferromanganese on the free list, their action being largely due to the influence of this corporation which a few years ago purchased extensive and valuable manganese mines in South America. Thus the putting of manganese on the free list would permit the Steel Corporation to get all of its manganese without paying any duty, and enable it also to produce without this duty its ferromanganese from the manganese obtained from South America.

The information which has come to me is that the discrimination in these amendments involved in putting these two products upon the free list was due to the influence of the United States Steel Corporation exerted on the majority members of the Finance Committee. At any rate, the fact is that the House in its bill provided for a duty upon manganese and ferromanganese, and the bill as reported by the Senate Finance Committee put them upon the free list. The provisions of the Senate amendment were of undisputed value to the United States Steel Corporation, in view of its extensive deposits of manganese in South America. The conclusion is that the change was made in the interest of that corporation. So, therefore, whether my argument or the Senator's is sound, both tend to show that special consideration was given to the interest of this great trust in establishing this duty.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from North Dakota to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. On page 49, line 13, it is proposed to strike out "$1.25" and insert "$1," so as to read:

ferromolybdenum, metallic molybdenum, molydenum powder, calcium molybdate, and all other compounds and alloys of molybdenum, $1 per pound on the molybdenum contained therein—

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. WALSH of Montana. Mr. President, this entire paragraph deals with what are known as ferro-alloys; that is to say, metals which are combined with iron in the production of steel. The imposition of a duty upon manganese and manganese ore necessitates a compensatory duty on the ferromanganese. A duty is imposed upon tungsten and there should be a corresponding duty on the compounds of tungsten used for the purpose of alloys. I am inclined to think that much can be said for the imposition of a duty on tungsten and quite certainly on chromium; so that the compounds of those metals used as alloys should carry a duty; but my investigation has led me to believe that outside of the alloys to which I have thus specifically referred there is no justification whatever for the duties proposed.

Of course, if a duty of 75 cents a pound is imposed on the molybdenum content of molybdenum ore, there should be a compensatory duty as provided in the part of the bill to which our attention is now directed; but no opportunity was given to discuss the subject of whether molybdenum ore should or should not carry a duty, because there was no amendment proposed with respect to that article. New that a duty is proposed upon ferromolybdenum, the question is presented whether or not molybdenum ore should carry a duty. Of course, if the duty proposed upon ferromolybdenum is not agreed to by the Senate, doubtless the committee will be moved to make some change in the provisions of the bill in relation to molybdenum ore.

Now, I wish to submit briefly such information as we have concerning molybdenum ore as given to us in the Tariff Information Survey, designated as FL 28, from which I read as follows:

Molybdenum is used by the steel industry in the manufacture of stainless and high-speed steels and by the chemical industry in the manufacture of ammonium molybdate and other molybdenum compounds.

DOMESTIC PRODUCTION.

Previous to the war the bulk of the molybdenite produced came from small, scattered deposits in Australia, Norway, Sweden, and the United States. During the war large deposits were discovered in Colorado, and new properties were opened up in various other Western States, so that in 1915 the United States was the world's largest producer. The production in 1918 was equivalent to 430.8 tons of metallic molybdenum (861,637 pounds).

Prior to 1918 only about 50 short tons of molybdenum, or less than 30 per cent of the 1917 production, were consumed each year in the United States. The balance was exported either in the form of concentrate or as ferromolybdenum.

* * * * * * *

IMPORTS.

With the exception of 8 tons imported in 1913, practically no molybdenum in any form was imported until 1918. The imports during the last half of 1918 and first quarter of 1919 amounted to 116 short tons. In the calendar year 1919 they amounted to 53 short tons (106,743 pounds).

COSTS AND PRICES.

Molybdenum ore costs are variable owing to the "spotty" character of the deposits. The operation requires a large amount of development work per ton of concentrate. The price of molybdenite rose from 30 cents per pound in 1912 to 70 cents early in 1914. During the first year of the war the price jumped to $2 per pound, and after minor recessions reached $1.80 per pound in 1917. During that year some material sold for as high as $3 per pound and closed in December at $2.25.

In 1918 the European embargo was removed and increased production drove the price down to $1 per pound. Sales in 1919 were from 65 cents to 85 cents per pound.

* * * * * * *

COMPETITIVE CONDITIONS AND TARIFF CONSIDERATIONS.

The demand for molybdenum is expanding materially, but unless new uses are discovered for the metal or its alloys the domestic production will satisfy all domestic demands for some time. Costs at the new low-grade deposit in Colorado are as low as those obtained anywhere in the world for production in quantity.

Notwithstanding the fact that the Tariff Commission tells us this ore can be produced in Colorado as cheaply as anywhere in the world, there is a duty of 75 cents a pound put upon it.

To show how the domestic production is crowding out the imports, I call attention to the f ct that in the year 1918 there was imported molybdenum ore to the value of $123,924. Of course, it was on the free list. In 1919 the importations dropped to $77,752, and in 1920 to $9,707, and that, of course, because of the conditions to which reference has been made.

The Tariff Commission tells us, with reference to tariff considerations, as follows:

The probability of any imports of molybdenum, either as metal (or ferro-alloy) or as crude mineral is rather remote, in view of the strong position of the domestic producers, although the demand from domestic steel makers is expanding substantially.

Early in 1918 the United States became the dominating factor in the world supply of molybdenum through the completion of the new mill of the American Metal Co. at Climax, Colo. More than one-half of the total amount of molybdenum now being produced is mined in this country.

That is, more than half of all the molybdenum produced in the world is mined right here in the United States.

The Tariff Commission continues:

In case a domestic demand develops for molybdenum, competition may be expected from Canada in the domestic market if prices of over about $1 a pound are maintained. A surprising development of the industry has taken place in the last two years in Quebec and Ontario. The low-grade deposits of Canada are fairly comparable to those in Colorado, with the balance in favor of Colorado, because of the greater size of the ore body, greater quantity of production, and unquestionably lower costs in spite of lower grade ore, higher wage scale, and high mountain freights. It is believed that few Canadian producers can sell molybdenite much below $1 a pound and make money. It is possible that the Colorado plants can operate at a profit with prices as low as 50 cents a pound. At this price a great demand would develop in the home market, which has looked askance at molybdenum as a high-priced tungsten substitute in expensive tool steels, but would welcome a large supply of cheap metal. It is not likely that any other mines in the world could meet such a reduction in price of the product except at a loss.

Mr. President, so much for the duty on molybdenum ore. Ferromolybdenum is, of course, produced from the molybdenum ore in union with iron and carbon and other elements; but in the matter of the production of ferromolybdenum we are in exactly the same favorable condition that we are with respect to the raw material from which it is produced, as will appear from the Survey of the Tariff Commission C–1, at pages 133 and 134, from which I read as follows:

The cost of producing molybdenum and ferromolybdenum is high, but the greater part of this expense is the cost of the metal in ore concentrate. As in the case of ferrotungsten, the item of raw material constitutes the bulk of the total cost. At present no country is so favorably situated with reference to raw material as the United States.

That takes care of the raw material item.

The price of electric power is an important item in the conversion cost; but, as in the case of ferrotungsten, the expense of conversion is a relatively small part of the total cost. With reference to this power cost, however, the American producer of ferromolybdenum has the same handicaps that the manufacturers of other electric-furnace ferro-alloys have.

Some molybdenum and ferromolybdenum have been imported into this country during recent years, but most of it came as a result of the stocks left over in other countries after the war.

I dare say that that statement will explain not a little of the information that is given to us in the Reynolds report. I dare say the saws that the Senator told us about yesterday as being sold at less cost than American saws belong to some stocks left over after the war.

The importation before the war, as has already been seen, was prior to the discovery of the large deposits in Colorado and other Western States. To-day the American industry is not seriously threatened with competition from abroad.

Continuing:

Under present conditions there are no tariff problems connected with the manufacture of molybdenum and ferromolybdenum. Aside from the question of tariff classification, as it pertains to the ferro-alloys in general, no problem arises with reference to grades or character of tariff rates. The competitive situation favors the American producer. As imports are small and sporadic, little revenue would be derived from any duty on this metal.

The question of compensatory duties is not likely to arise, as the supply of molybdenite from domestic sources is so large that a duty on this ore would not influence prices in this country. Prices of metallic molybdenum and ferromolybdenum to steel manufacturers would not be raised by virtue of any duty on the alloy for practically the same reason. Assuming no monopoly conditions, domestic producers are in a position to satisfy the home demand for metal and alloy at prices at least as low as those prevailing elsewhere in the world.

In view of this condition of things I should like to have somebody explain why this duty is put on here. Of course some one wants it put on. There is no doubt about that. It is not here by mere accident. Somebody is asking for it, and asking for it for only one reason, which is frequently disclosed in this bill in connection with articles the importations of which are practically a nullity or entirely negligible. They want it in order to have an opportunity behind the wall thus created to raise their prices to the domestic consumer without any peril of competition from abroad.

Mr. President, in line 13 I move to strike out "$1" and insert "1 cent."

Mr. McCUMBER. Mr. President, this is one of the war babies, born in the throes of a great world conflict. It came into existence in 1914, after the war started in Europe. Prior to that time we had produced none of any account.

I look over the molybdenum ore summary table and I find the following figures of production in this country:

We produced in—	Pounds.
1910	Nothing.
1914	1,297
1915	181,769
1916	206,740
1917	350,200
1918	861,637

That shows the wonderful growth of this product since 1914. It cost considerable, of course, to produce it in this country. One ton of the material will produce only 10 pounds of the concentrate in Colorado. I have not before me the proportionate amount in the old country, but undoubtedly it is very much greater.

The factories in Colorado have shut down. The imports are coming in. There is considerable of the product of the American factories still on hand. It is being sold at about 50 cents a pound. The foreign product is sold for about 40 cents a pound, and the cost of transportation, and so forth, brings it up to about the American cost. With our own factories closed down and with a great increase in the importation of the product, knowing that this business was not in existence prior to the war, that it is closed down now, and that the product is being sold for less than the cost of production, I really think that the business of producing it in this country is worth saving.

I will read from but one paragraph of the Tariff Information Surveys:

The doubtful factor in the molybdenum situation is the market. Until recently a dependable supply of molybdenum ore has not been available, and the development of uses for the metal has been delayed on that account just as the development of a large output was hindered by doubt as to the market. Now that a large and steady output is coming from Colorado, new uses are sure to appear and an increased demand develop.

Mr. President, I think that information of itself is sufficient to justify the continuance of the production in the United States; and I think further, from the evidence before us, that without a protective duty the manufacturers in this country can not possibly compete with the importing costs.

Mr. WALSH of Montana. Mr. President, I inquire of the Senator where he gets the information that the foreign product is selling in this country for 40 cents a pound?

Mr. McCUMBER. The importing price is now about 49 cents a pound.

Mr. WALSH of Montana. Where does the Senator get that information?

Mr. McCUMBER. I have it here in a very late report in the Engineering and Mining Journal-Press of June, and the 50 cents per pound for 85 per cent is the price of the American product in the United States. My understanding is that the foreign product is sold for about 49 cents—I have not the record before me just at the present time—and that it is produced at about 40 cents a pound.

Mr. WALSH of Montana. The fact is that some of the American product has been sold for 50 cents a pound, and of course if the American product is sold for 50 cents a pound the foreign product can not be sold for any more.

Mr. McCUMBER. No; I assume that they are both selling for substantially the same price.

Mr. WALSH of Montana. So that apparently, according to the statement of the Senator, some foreign molybdenum has been sold for 49 cents, and some American molybdenum has been sold for 50 cents. That is the statement the Senator makes.

Mr. McCUMBER. At a very serious loss, so I am informed.

Mr. WALSH of Montana. The loss will be as great on the foreign production as it will on the American production, because we can produce more cheaply in America than they can produce abroad. There is not any opportunity for controversy about these facts. They are undisputed.

This is referred to as an industry developed by the war. To be sure it is. It is a new industry everywhere. The use of molybdenum as a substitute for tungsten in the production of steel is a recent discovery.

I want to read a little further from the document from which the Senator was reading about competitive conditions:

Norway can be expected to maintain a production of not over 100 tons of molybdenum a year. This figure is practically double the pre-war production, and was reached only by greatly increased costs and loss of efficiency. Competition from the above output may be expected in the European market at any price above $19 a unit (95 cents a pound).

I call the attention of the Senator to the fact that the Tariff Commission tells us that foreign producers can not compete with this country at a price less than 95 cents a pound. Of what significance is it that some molybdenum was sold, under what circumstances we do not know, for 49 cents a pound and some American ore was sold at 50 cents a pound? Of course, they are not mining molybdenum ore in Colorado just now, when the market price is only 50 cents a pound. They were not mining copper ore in Montana for nine months of the past year when copper was down to 11 cents a pound. But it was not because of foreign competition; it was because there was a lack of demand for it anywhere, either here or abroad. The Tariff Commission, in the survey, say:

Competition from the above output may be expected in the European market at any price above $19 a unit (95 cents a pound). If prices lower than this prevail a large part of the production would cease. Another factor in the Norwegian output is the probability of manufacture of ferromolybdenum with the aid of cheap electric power near the mines. The more general adoption of local reduction in Norway would not greatly reduce the cost of ferromolybdenum and is not considered of material consequence.

The doubtful factor in the molybdenum situation is the market.

That is the trouble with the 49-cent and 50-cent molybdenum. The market is not here. The production of steel has fallen off.

Until recently a dependable supply of molybdenum ore has not been available, and the development of uses for the metal has been delayed on that account just as the development of a large output was hindered by doubt as to the market. Now that a large and steady output is coming from Colorado, new uses are sure to appear and an increased demand develop. It is not possible to predict the extent of this demand or the limiting price at which it will actually develop. Some difficulty has been experienced in disposing of the great quantities of material produced in the United States. Prices were accepted that were much below those quoted, as the market and the market quotations have been lowered 50 per cent.

I really think the Senator from North Dakota ought to take into consideration whether this commodity should not be on the free list or a mere revenue rate fixed upon both the molybdenum ore and the ferromolybdenum. I see no reason at all for this duty, and I must confess that the Senator has not offered any which seems to me at all persuasive.

It is true that this is a new industry; but, apparently, we have an abundance of the ore. The mining is comparatively inexpensive as compared with the cost of mining in other countries, and I can not find any justification for the duty. I should move to put it on the free list, but this is not permitted at this time, so I ask for a vote on the amendment proposed.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from Montana to the committee amendment.

Mr. WALSH of Montana. I notice that only the Senator from North Dakota [Mr. MCCUMBER] and myself and the junior Senator from Nevada [Mr. ODDIE] are in the Chamber. I accordingly suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Glass	McLean	Simmons
Brandegee	Gooding	McNary	Smoot
Broussard	Hale	Newberry	Spencer
Bursum	Harris	Nicholson	Sterling
Cameron	Heflin	Norris	Sutherland
Capper	Johnson	Oddie	Townsend
Caraway	Jones, Wash.	Overman	Underwood
Cummins	Kendrick	Phipps	Walsh, Mass.
Curtis	Keyes	Pittman	Walsh, Mont.
Dial	King	Poindexter	Warren
Dillingham	Ladd	Pomerene	Watson, Ga.
Ernst	La Follette	Ransdell	Watson, Ind.
Fernald	McCormick	Rawson	Williams
France	McCumber	Sheppard	Willis
Frelinghuysen	McKinley	Shortridge	

The PRESIDING OFFICER. Fifty-nine Senators having answered to their names, a quorum is present. The question is upon agreeing to the amendment offered by the Senator from Montana to the committee amendment.

Mr. WALSH of Montana. As we are about to vote on this item, I should like to have the attention of the Senate so that I can state what it is about.

The amendment proposed relates to the item found on line 11, page 49, $1 a pound on ferromolybdenum. That is intended to be compensatory for a duty of 75 cents a pound on molybdenum in molybdenum ore.

The Tariff Commission reports that molybdenum can be produced in the United States, and actually is produced in the United States, cheaper than anywhere else in the world; that it can be produced in Colorado at a cost not to exceed 50 cents a pound; and that the foreign product can not come into competition with it until the price runs as high as 95 cents a pound. There is accordingly no excuse whatever for a duty on molybdenum ore, and there should be no duty whatever on ferromolybdenum.

These facts are not controverted or openly disputed. It is information given to us by the Tariff Commission. There is no country in the world where this ore can be produced as cheaply as it can be produced in the United States. There is no country in the world where ferromolybdenum can be produced as cheaply as it is produced in the United States, and yet there is a duty put upon it of $1 a pound.

I move to strike out "$1" and to make the rate "1 cent."

Mr. HEFLIN. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

The roll call was concluded.

Mr. STERLING (after having voted in the negative). I have a general pair with the Senator from South Carolina [Mr. SMITH]. I observe that that Senator has not voted. I transfer my pair with him to the Senator from New York [Mr. WADSWORTH] and permit my vote to stand.

Mr. SUTHERLAND. I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. SIMMONS. I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG], who is absent from the Chamber. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON], and will vote. I vote "yea."

Mr. ERNST (after having voted in the negative). I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Delaware [Mr. DU PONT] and permit my vote to stand.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair, after having voted in the negative). The Chair desires to state that the senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I promised to take care of him for the day with a pair. I find, however, that I can transfer my pair to the junior Senator from Oklahoma [Mr. HARRELD], which I do, and allow my vote to stand.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 22, nays 38, as follows:

YEAS—22.

Ashurst	Heflin	Pittman	Walsh, Mass.
Caraway	Kendrick	Pomerene	Walsh, Mont.
Dial	King	Ransdell	Watson, Ga.
Glass	La Follette	Sheppard	Williams
Harris	Norris	Simmons	
Harrison	Overman	Underwood	

NAYS—38.

Borah	France	McKinley	Smoot
Brandegee	Frelinghuysen	McLean	Spencer
Broussard	Gooding	McNary	Sterling
Bursum	Hale	Newberry	Sutherland
Cameron	Johnson	Nicholson	Townsend
Capper	Jones, Wash.	Oddie	Warren
Curtis	Keyes	Phipps	Watson, Ind.
Dillingham	Ladd	Poindexter	Willis
Elkins	McCumber	Rawson	
Ernst	McCormick	Shortridge	

NOT VOTING—36.

Ball	Fletcher	Moses	Robinson
Calder	Gerry	Myers	Shields
Colt	Harreld	Nelson	Smith
Crow	Hitchcock	New	Stanfield
Culberson	Jones, N. Mex.	Norbeck	Stanley
Cummins	Kellogg	Owen	Swanson
du Pont	Lenroot	Page	Trammell
Edge	Lodge	Pepper	Wadsworth
Fernald	McKellar	Reed	Weller

So the amendment of Mr. WALSH of Montana to the amendment of the committee was rejected.

Mr. SMOOT obtained the floor.

Mr. HARRISON. Mr. President——

Mr. SMOOT. I was about to make a statement with reference to the next item.

Mr. HARRISON. I merely desire to ask unanimous consent to have something printed in the RECORD. It will only take a moment.

Mr. SMOOT. I yield to the Senator for that purpose.

Mr. HARRISON. There was printed in yesterday's New York Times an article written by the leader on this side, the senior Senator from Alabama [Mr. UNDERWOOD]. It is headed "Worst tariff bill in country's history. Rates of taxation higher and less defensible than any that have ever been proposed in American Congress. Story of iron and steel." It is a very splendid article, and I ask unanimous consent to have it incorporated in the RECORD in 8-point type, so the country can read it.

There being no objection, the article was ordered to be printed in the RECORD in 8-point type, as folows:

[From the New York Times, June 11, 1922.]

WORST TARIFF BILL IN COUNTRY'S HISTORY—RATES OF TAXATION HIGHER AND LESS DEFENSIBLE THAN ANY THAT HAVE EVER BEEN PROPOSED IN AMERICAN CONGRESS—STORY OF IRON AND STEEL.

(By OSCAR W. UNDERWOOD, United States Senator from Alabama.)

One man in the Senate is seldom interviewed for publication. He is OSCAR W. UNDERWOOD, of Alabama, author of the Underwood tariff law and leader of the Democratic minority. The attack on the Fordney-McCumber tariff bill, now before the Senate, is largely in the hands of Senator UNDERWOOD, who has set forth for the New York Times what he termed "a few observations" on the bill.

"In approaching the consideration of a customs tariff bill one's viewpoint is largely governed by the principles involved. To the believer in the theory of a protective tariff a bill prepared by those advocating that theory is more than likely to receive the immediate approval of the advocates of protection without a careful investigation of the details involved in the bill.

"On the other hand, those believing in the revenue or competitive theory of tariff taxation are equally predisposed to accept the views of those advocating the theory without analysis of the details.

"I have always opposed in principle the theory of protection, and have leaned strongly to the idea that customs taxation

should be levied primarily in the interest of revenue for the Government and that all rates of taxation should be so adjusted as to allow a reasonable inflow of goods from abroad in order that the customhouse might have an opportunity to take its toll as they passed through and some degree of competition might be established. I have never contended that in the interest of a revenue tariff it is necessary to bring about destructive competition, but a tariff that fixes the rates of taxation so high as to practically prohibit foreign goods from entering the American market at all has been abhorrent to my ideas of the proper use of the taxing power of the Congress of the United States.

"Accepting the statement I have just made as to the viewpoint of approach of this subject, it is not surprising to find the Members of Congress who favor protection giving their practically united support to the tariff bill now pending before Congress. There are comparatively few men in the Congress who have given a detailed study to tariff questions and understand the resultant effect of levying either high or low rates at the customhouse.

"A protectionist who has not given careful analysis to the details and resultant effect is apt to reach his conclusion from the standpoint that the main thing to be considered is to keep the foreign goods out of the American market, and, if the rates are high enough to do that, he is prepared to accept whatever else may result. It is, of course, to be expected that with the Republican Party in power in both branches of the Congress and the Republican Party committed to the principle of protection, a tariff bill drawn along those lines should pass the Congress, and there would certainly be no complaint from those believing in the theory of protection if that was all that was involved in the issue; but there is a great deal more in the pending tariff bill than the mere question of asserting and fostering the theory of protection.

OUTSTRIPS ALL OTHER BILLS.

"There are some few low rates in the pending bill. There are some articles on the free list. But, taking it all in all, it is undoubtedly the most prohibitive tariff bill that has ever been proposed in the American Congress, and the rates of taxation are higher and less defensible than any that have ever been presented to us in the past. It looks as if those charged with the responsibility of writing the bill have accepted unqualifiedly the rates proposed by the special interests desiring protection and have not given consideration to the resultant effect on the general business of the country or the burdens that must be borne by the consumers of America. Should the bill become a law, the American people will find this out in time, but it will be after they have paid the price of the experiment.

"The Democratic Party is often charged with being a free-trade party. So far as I know, from the beginning the Democratic Party has never abandoned the system of raising taxes at the customhouse. There are free traders in the Democratic Party, and I have known of some in the Republican Party. As I understand it, the position of the Democratic Party is that taxes levied at the customhouse should be for revenue purposes only, that the customhouse is a place where revenue may be obtained to run the Government, and that it provides a convenient way of raising a certain amount of revenue; that if a revenue tax be levied at the customhouse in such a way that it does not unduly stifle competition from abroad, and the person who pays it really pays it to the Government, it is a reasonable way to raise revenue. But when a tax is levied so high that very few imports come in—and if imports do not pass through the customhouse they leave no taxes behind them—the result is merely that of raising the price, which goes into the pockets of the home producer.

"The effect of protective tariff laws, as distinguished from tariffs for revenue only, has been to tax the great mass of the American people and to increase the profits of a few. I often hear socialism and communism condemned. I do not believe in either, but it is discrimination on the part of the Government against the masses of the people for the benefit of the few that sows the seed from which grows the tree of discontent, and discontent when brought about by unjust laws reflects on the whole system of Government. I believe that the great powers of the Government are intended to be used only for the benefit of all the people, not for the promotion of special interests, and I care not whether those special interests come out of the fields of agriculture or arise from the smokestacks of a steel mill.

"I am of that school of thought which believes that the legislative branch of this Government has no constitutional right—I might say no moral right—to use the taxing power of this Government for the purpose of building up fortunes or of tearing them down. I am just as much opposed to the idea of so levying a tax, under the guise of protecting American industry, that the mass of the people must contribute out of their pockets to build up a special industry and make a few rich as I am of extending the power of taxation so far that it confiscates the property of the individual and accomplishes by the power of force of taxation what the communism of Russia has accomplished with the red flag.

WHERE THE FARMER COMES OUT.

"In my opinion, if it were not for the support given this bill by Senators who represent agricultural constituencies it would be impossible to pass it through the Senate. The argument is advanced that since taxes are to be levied on manufactured products taxes should also be levied on agricultural products, and that if the people are to be penalized for the benefit of the manufacturer they should likewise be penalized for the benefit of the farmer. Where the fallacy of this argument comes is that under the guise of doing something to help the farmer in some particular item their support is asked for a bill that as a whole means that for every dollar the farmers may derive from the bill they will pay $100 in taxes for the benefit of somebody else. In other words, for every 1 per cent of protection they are given they pay 99 per cent of protection for the benefit of other people. I do not think there is any question about that.

"Take the wool schedule, known as 'Schedule K' in the Payne-Aldrich bill, but having a number in the bill that is now before the Senate. If the tax proposed in the bill is levied, the farmer will have to pay the tax the same as does the man who lives in the city, the man who works in the store, the machine shop, the foundry, or in an office. If the analysis be worked out, it will be demonstrated that the tax of 33 per cent on scoured wool will cost the public nearly $200,000,000, of which those engaged in the growing of wool will receive something like $72,000,000, against which the farmers as a whole will pay about $99,000,000, the rest of the people will pay in proportion, while the Government will receive as its share of this enormous tax less than $20,000,000. Yet it is contended that this duty on wool will help the American farmers. I admit it will help the men whose business is raising sheep, but the other farmers of the country—those who do not grow wool but raise wheat and corn and cotton—will pay the bill; that is, a most substantial part of it, and for every woolgrower there are a thousand farmers who do not raise sheep. I do not have in mind the little farmer who raises cotton or wheat and has a few sheep on the side, but the men whose business is growing sheep and who are only a few in number when compared with the great mass of farmers who will pay so large a proportion of the tax proposed in the pending measure.

"So we find some of the proponents of the pending measure maintaining that its enactment will greatly relieve the agricultural situation in this country, because it raises the tax on their products at the customhouse. Personally I have never believed that such a tax would prove of any benefit to the American farmer. We are told how the bill is going to help the farmer by an increased tax on wheat, by increasing the tax on certain kinds of cotton, neither of which will ever be of any benefit to the farmer or put one dollar in his pocket. This talk may sound like music to the farmer, but does the farmer realize that there are also in this bill paragraphs taxing the necessities of life, necessities that are vital to the farmer, the necessities by which agriculture lives?

"When the present law was written not only were all kinds of fertilizer, which are imported into the United States and are valuable in the development of agriculture, placed on the free list but binding twine for the man who raises wheat in the West and ties and bagging for the farmer whose basic crop is cotton were likewise placed on the free list. Under this bill they propose to put these things back on the tax list, and there is no evidence that either of these industries has suffered from outside competition under existing law. Some of the fertilizers coming into this market and many of the commodities from which fertilizers are made also will be taxed under the proposed law. I am confident that the farmer will not be long in finding out these things. The items I have cited are simply illustrative. Others which concern the welfare of agriculture can be found all through the bill.

"Let us examine the steel and iron schedules. I do not believe that the agricultural masses of this country will approve a tariff bill which proposes to impose prohibitive taxes on the raw materials from which their plows, their trace chains, their agricultural implements of all kinds are made. When the present law was written it was my view that as to the heavy commodities in the iron and steel schedule the great American industry was full grown and able then, as now, to fight its own battles in any market in the world. We are the master iron makers of the world. In framing the tariff act of 1913 I put

some of the articles embraced in the iron and steel schedule on the free list. There was just one reason why the rest of them were not also placed on the free list, and that was that I realized the tariff house had been built on stilts, that it had been on stilts for a great many years, and if it was brought down by cutting the timber with an ax and letting it drop I might shock the business sentiment of the country and force a reaction on what I was endeavoring to do.

THE STORY OF IRON AND STEEL.

"Therefore I attempted to reduce the rates by lowering the tariff with a jackscrew, hoping that time would justify the course I had taken and that at a later day the entire list of heavy iron and steel commodities and other similar articles covered by the bill might also be put on the free list, when the people might understand that this country could get along without tariffs on everything and that the American consumer could not be mulcted behind a tariff wall.

"Consider the paragraphs in the pending bill that relate to iron and steel sheet plates. They constitute the basic material out of which plows are made, the basic material in the manufacture of wagons, the basic material out of which ships are constructed, the basic material out of which are built freight cars for carrying the commodities of the country to market, the basic material for almost everything found in the blacksmith shop, and so on. On these commodities the schedule is built. And under this bill the rates on iron and steel plates have been largely increased. In 1920 we produced in the United States plates and sheets totaling 9,337,680 gross tons. We imported 29 gross tons and exported and sold in the markets of the world more than 1,000,000 gross tons. These statistics tell the story. Comment is unnecessary.

"I have had to fight this iron and steel question out a good many times. The truth about the matter is this: For many years in the other House of Congress I represented a great iron and steel district. I am in the business myself. I would not willingly harm a people that I represented, but neither would I willingly betray a people I represented by taxing them unjustly for special interests. I know this iron and steel schedule, and I know that it is a fraud and sham upon the people of this country. I know that it is not even in the interest of the industry in the end, and that it is very much better for this great industry to take the shackles of a tariff off its limbs. It can compete anywhere in the world. Let it sell to the mills at home, to the blacksmith, the automobile and the wagon maker, the roof maker, at reasonable profits and develop a home market for its products. It can stand a giant in the world of industry. There is no excuse for its being wet-nursed in a baby's crib when it is a full-grown industry.

"These wool and steel schedules are illustrative of the policy followed throughout in the drafting of this bill. I might cite schedule after schedule in proof of this; for instance, the duties proposed on glass, on cotton goods, silks, chemicals, and so on, indefinitely, but that would require too much space. The man or woman who reads the bill will have no difficulty in understanding what its enactment will mean.

"Scan for a moment the administrative features of the pending tariff measure. The bill authorizes the President to adjust rates under certain conditions where they do not equalize the difference of conditions of competition in trade. I know of no measure by which you can judge of the equalization of conditions of competition in trade other than the price of the article. The bill does not make plain whether it contemplates wholesale or retail conditions. Of course, it would be very much more extreme if we assumed that it meant to equalize the difference in retail conditions, with retail profits added, than if we assumed that it referred to wholesale conditions. But it must mean one or the other.

"EQUALIZATION" NOT DEFINED.

"It must mean that the President can equalize the difference in competition in trade between foreign goods after they are landed on American soil and goods manufactured in this country, as governed by either the wholesale or retail price, because that is the only way in which the President can measure it. It does not say 'wholesale or retail prices,' but that is, nevertheless, the measure of trade conditions. For the sake of argument, however, it is my assumption that the milder form of equalization is contemplated, namely, wholesale prices.

"Where is this competition going to be equalized? Is it to be equalized in Salt Lake City, with freight rates often equaling the value of the commodity, or is it to be equalized in New York, Chicago, New Orleans, or Boston? It is reasonable, I think, to assume that the equalization will take place where the competition is met; that is, at the seaboard.

"If that is what is meant by this bill, and the President must levy a tariff duty high enough to make the wholesale price of the foreign commodity equal to the price of the home manufactured commodity—and most of these commodities are made in the interior—at the port of entry, it will mean that the moment the foreign article starts toward the interior freight rates will be added to its price, accumulating on the price above that of the wholesale American manufacturer, and that will absolutely prohibit its sale in the American market. It would therefore seem reasonable to assume that the rates will be prohibitive at the customhouse and that the foreign manufacturer will find it hard to enter the American market at all.

"If this be true, then the very terms of the pending bill have destroyed foreign competition. Of course, from the standpoint of protection, it may be argued that the American producer is entitled to the entire American market, and if it were not for the fact that this proposed law taxes the American people there might be some justice in trying to bring about such a result. But when the home manufacturer is given a monopoly by levying taxes at the customhouse high enough to prevent foreign competition, then we make the consuming masses pay the price of industrial monopoly, and, in my mind, there is no doubt that is what the pending bill accomplishes.

"In other words, the proposed law contemplates a tariff wall which will foster and build up monopoly in this country and do what the beneficiaries of the protective system have clamored for for 30 years, and which Congress has never intentionally heretofore granted them—that is, a protective tariff to protect their profits, a tariff that makes it possible for them to pyramid their profits on the cost of production, and then stands between them to drive the foreign competitor out of the American market.

"It is true that the Congress may delegate to the executive branch of the Government the power to administer legislative provisions, but it has never been held yet that the legislative branch can directly transfer to the administrative branch the power to legislate.

"In the pending bill it is to be left to the discretion of the President to fix any rate he may choose up to and including 50 per cent. We all recognize the fact that we may delegate the power, upon the happening of an event, for the Executive to put into force a tax that has been agreed upon by Congress, but it is my contention that no definite event is fixed in this bill, and that the happening is a matter of discretion with the President. There is no dispute about the fact that when the event has happened the President may exercise his power and fix any rate of taxation from 1 to 50 per cent.

SEES BUREAUCRACY AHEAD.

"I say the primary thing in taxation is the rate, and that Congress in the bill has abandoned any control of the rate of levying taxation on the American people except a limitation of 50 per cent. If that is held constitutional, then next year it can be made 1,000 per cent or 2,000 per cent, and the Congress can abandon its control of taxation entirely to some subordinate bureau of the Government.

"Of course, we all recognize that, although we are speaking in the name of the President of the United States, we are delegating to him a power which he could not exercise himself because he has not the time to put it into force. The moment we delegate this power to the President he must turn it over to a subordinate bureau of the Government to exercise for him—a bureau without direct responsibility to the American people, giving to a bureaucracy the unlimited power to control industry—the unlimited power to levy taxes on the American people.

"You can not build up a market overnight. It takes time and it takes labor and it takes money to develop and build up markets for any class of goods. When an importer comes into this country to sell boots and shoes—which he could not sell here—laces, or cotton goods, or any other necessity of life, he has to establish his distributing points; he has to establish his agencies; he has to advertise his goods and make them attractive to the American public; and when he has done that, then he finds his market and commences to sell his goods. If you fix the machinery of law so that he can only come in here on an equal basis with the cost of production with a profit added, and the American manufacturer for the time being drops his selling price just to the extent of his profit, or half his profit, he drives out the foreign goods, and they will not come back as long as that law stands on the statute books, because when you have driven them out they will not again go to the expense of appointing their agencies, developing their market, and advertising their goods for sale, when they know that under your law the American manufacturer, by giving up a part of his profits, can drive them out again. The result is that you establish an embargo,

you create a monopoly in favor of the American manufacturer, and he can exploit the American people to any extent he desires."

Mr. SMOOT. Mr. President, I can not see why the House placed a rate of 75 cents upon the metallic content of molybdenum. Evidently that is one of the industries in the United States which prospered, but with such a duty I want to say to the Senate there would be no industry in the United States because of the fact that unless the product sells in the United States at from 50 to 55 cents a pound it would not be used in the manufacture of automobile axles, automobile cranks, and products of that kind. The Senate will remember that not long ago there was a molybdenum car built, and it was then thought molybdenum would be used in the building of all sorts of cars.

Molybdenum simply displaces vanadium, and if it goes above the price of vanadium, then, of course, molybdenum is not going to be used. What is the use of a duty upon it greater than the price of the article at which it can be sold and used in this country? If used, it displaces an article, and that article at any time would be used if molybdenum costs more than 75 cents a pound. I know that the State of Colorado is interested in this industry. I know the industry is down at the heels at the present time like other industries. But this is a tariff bill that is to be permanent and I feel just as confident as I live that if a rate of 75 cents a pound is put upon the content of the ore, it will never take the place of vanadium, and unless it can do that it will not be used or produced in the United States. Therefore, I am going to move to strike out "75 cents," in line 23, on page 48, and insert "35 cents."

The PRESIDING OFFICER. The Chair desires to state to the Senator from Utah that the question, first, is upon the amendment of the committee, in line 13 on page 49.

Mr. SMOOT. Then I will move to amend committee amendment with the statement that if it is amended, I will return not only to the content of the molybdenum ore but I will also refer back to paragraph 305.

Mr. WALSH of Montana. I suggest to the Senator that doubtless unanimous consent would be given to consider first the amendment now suggested by the Senator from Utah.

Mr. SMOOT. The other course can be just as well taken I will say to the Senator, because I have them worked out in a compensatory form. I now move, on page 49, in line 13, to strike out "$1" and insert "50 cents."

The PRESIDING OFFICER. The Senator from Utah moves to amend the committee amendment on page 49, line 13, by striking out "$1" and inserting in lieu thereof "50 cents."

Mr. WALSH of Montana. The Senator intends that to compensate for the duty of 35 cents on the ore?

Mr. SMOOT. Yes; and then, I will say to the Senator, that will be reduced to 65 cents instead of $1.25.

Mr. WALSH of Montana. Then, for the purpose of presenting the matter, I move to amend the amendment offered by the Senator from Utah by making the same 25 cents instead of 50 cents, and now that a few more Senators are here, I want to read again——

The PRESIDING OFFICER. The Chair would suggest to the Senator from Montana that that would be an amendment in the third degree.

Mr. WALSH of Montana. Very well. I will say that if the amendment of the Senator from Utah to the amendment of the committee is defeated, I shall then move to amend by making it 25 cents. I desire to read the following:

> The probability of any imports of molybdenum, either as metal (or ferroalloy) or as crude mineral, is rather remote, in view of the strong position of the domestic producers, although the demand from domestic steel makers is expanding substantially.
>
> Early in 1918 the United States became the dominating factor in the world supply of molybdenum through the completion of the new mill of the American Metal Co. at Climax, Colo. More than one-half of the total amount of molybdenum now being produced is mined in this country.

Further:

> The low-grade deposits of Canada are fairly comparable to those in Colorado, with the balance in favor of Colorado, because of the greater size of the ore body, greater quantity of production, and unquestionably lower costs in spite of lower grade ore, higher wage scale, and high mountain freights. It is believed that few Canadian producers can sell molybdenite much below $1 a pound and make money. It is possible that the Colorado plants can operate at a profit with prices as low as 50 cents a pound.

And yet it is proposed to put a duty of 30 cents a pound upon that commodity.

Mr. SMOOT. I think the statement just read as to the cost of production in Colorado is a little too broad. From all I can learn, it can not be produced in Colorado at 70 cents.

Mr. WALSH of Montana. They could not be 100 per cent wrong. The Tariff Commission reports that the article can not come in at less than 95 cents. They can not produce it abroad and land it here at less than 95 cents. If the cost is 50 per cent higher in Colorado, if it costs them 75 cents, they would still have a big margin here over the foreign producer, not to speak of a duty.

Mr. SMOOT. The Senator must understand that that statement was made at a time when the price of molybdenum was a great deal higher than it is to-day.

Mr. WALSH of Montana. It does not make any difference what the price was, the statement is that they can produce it at 50 cents a pound.

Mr. SMOOT. What I am speaking of is the foreign article coming into the United States for less than 95 cents a pound. That was true at that time, but it is not true to-day. It can be shipped here for a less price than that to-day. I feel that 35 cents a pound is ample, and I think myself that it will give the industry to the companies in the United States. If the price is too high, I will say to the Senator, then they will not use it in the United States because, as I said, it is a displacement article, and vanadium will take its place and can be used for the same identical purpose, and when one rises in price above the other, the one that is the highest in price is not going to be used.

Mr. WALSH of Massachusetts. I ask the Senator from Utah if the amendment offered by him is in the nature of an amendment or a substitute offered by the committee to the amendment reported in the bill?

Mr. SMOOT. After I came into the Senate I discussed the question with all the majority members of the committee, including the chairman, and they authorized me to offer the amendment.

Mr. WALSH of Montana. In that event I renew my motion to amend the amendment and to make the rate 25 cents.

Mr. WALSH of Massachusetts. In that event the motion of the Senator from Montana is not withdrawn.

Mr. WALSH of Montana. No; that does not change the motion to amend.

Mr. SMOOT. I have already moved to amend the committee amendment.

Mr. WALSH of Montana. I understood that the committee offered this as a substitute. The committee, of course, is entitled to change its amendment if it sees fit to do so. As the committee amendment changes the rate to 50 cents a pound, my motion to amend the committee amendment is in order.

Mr. SMOOT. I will say to the Senator that the only way I know to change the rate is to offer it as an amendment.

Mr. WALSH of Massachusetts. Every time the Senator from Utah has offered an amendment in the name of the committee he has offered it personally. Whenever the Senator from North Dakota [Mr. McCUMBER] modifies a committee amendment in the bill he moves it as a substitute. What has just happened has occurred several times. The Senator from Utah is offering an amendment in his own name rather than in the name of the committee.

Mr. SMOOT. It is on behalf of the committee I am offering the amendment, I will say to the Senator.

Mr. WALSH of Massachusetts. Why is it not a substitute if it is offered in behalf of the committee?

The PRESIDING OFFICER. Does the Senator desire to withdraw the original amendment and propose as a substitute the rate of 50 cents?

Mr. SMOOT. That is what the committee desires to do.

Mr. WALSH of Massachusetts. That has been the course pursued by the other members of the committee.

The PRESIDING OFFICER. That will make the amendment of the Senator from Montana [Mr. WALSH] in order.

Mr. SMOOT. There will be no trouble about it, because should there be any trouble I would withdraw the committee amendment and allow the Senator to offer his amendment first. So long as I may substitute the rate of 50 cents for the rate originally proposed, I ask that that may be done.

The PRESIDING OFFICER. The Senator from Utah asks unanimous consent to withdraw the committee amendment and to insert for it 50 cents. Is there objection? The Chair hears none. Now the Senator from Montana may offer his amendment.

Mr. WALSH of Montana. I move to amend the committee amendment by substituting "25" for "50."

The PRESIDING OFFICER. The Senator from Montana moves to amend by substituting "25" for "50." The question is on the amendment of the Senator from Montana to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the committee amendment.

The amendment was agreed to.

Mr. SMOOT. Now I ask to go back to page 48, line 23, and on behalf of the committee I move that "75 cents" be stricken out and "35 cents" inserted.

The PRESIDING OFFICER. The question is on the amendment of the committee striking out "75" and in lieu thereof inserting "35."

Mr. WALSH of Montana. I move to make that rate "15 cents" instead of "35."

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana [Mr. WALSH] to insert "15" instead of "35."

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on the committee amendment.

The amendment was agreed to.

Mr. SMOOT. I desire, so as to clear this whole matter up, again to return to paragraph 305, and on page 53, line 16, I move to strike out "$1.25" and to insert "65 cents."

The amendment was agreed to.

Mr. SMOOT. The next amendment is on page 49, line 14.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment was, on page 49, line 14, to strike out the numerals "17" and insert in lieu thereof the numerals "15."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. SIMMONS obtained the floor.

Mr. WALSH of Montana. I should like to make an inquiry of the Senator from Utah.

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Montana?

Mr. SIMMONS. Yes.

Mr. WALSH of Montana. What is the purpose of putting on this additional 15 per cent ad valorem duty? We have a duty now of 50 cents a pound and of 15 per cent ad valorem on this commodity. The current prices for molybdenum——

Mr. SMOOT. We allowed 15 per cent in this case, as in the others, as a protective duty and on account of the loss that may be incurred.

Mr. WALSH of Montana. That has been taken care of by making a differential between 35 and 50 cents.

Mr. SMOOT. But this is volatile, I will say to the Senator, and there is a heavy loss attached to it which the 15 per cent will not more than take care of. It is the same rate as was allowed on the ferromanganese.

Mr. WALSH of Montana. Yes; and there is a margin of 15 per cent which would take care of the loss of from 33 to 35 per cent.

Mr. SMOOT. I will ask the Senator from Montana to look at the present law. With the ore free 15 per cent ad valorem duty was imposed, just as the committee now recommends. The other House gave 17 per cent ad valorem duty on the American valuation. The Finance Committee allowed as protection 15 per cent, which is the same as the duty under the present law. We granted the same rate upon the other ferroalloys.

The PRESIDING OFFICER. The question is on the committee amendment.

The amendment was agreed to.

The next amendment was, on page 49, in line 16, to strike out "72" and insert "60," so as to read:

ferrotungsten, metallic tungsten, tungsten powder, tungstic acid, and all other compounds of tungsten, 60 cents per pound on the tungsten contained therein.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. WALSH of Montana. Mr. President, the next bracket refers to tungsten compounds and tungsten. I do not know whether these rates are justified or not, indeed, I must confess, although I know something about tungsten, I do not know how one would arrive at any kind of a just rate. The fact about the matter that tungsten, or at least ores bearing tungsten, are, I think, perhaps without exception what are known as "spotty" in character, and so it becomes next to impossible to determine what the cost of production here is and what the cost of production abroad is.

Mr. SMOOT. I can state to the Senator in a very few words just why the rate here is proposed.

Mr. WALSH of Montana. I will be very glad to have the Senator tell us how the committee arrived at the rate.

Mr. SMOOT. Mr. President, on tungsten ore and concentrates the House allowed a rate of 45 cents a pound on the metallic content. There is a recovery of 75 per cent, and the House allowed 72 cents a pound on the metallic tungsten. The loss, however, does not justify that, the differential allowed being altogether too much. Figuring upon a basis of 45 cents a pound for the metallic tungsten and a 75 per cent recovery, gives 53 cents as a strictly compensatory duty for the loss in the production from the ore to the metal.

Mr. WALSH of Montana. I inquire of the Senator where is the ore taken care of?

Mr. SMOOT. On line 25, page 48, at the bottom of the page—

tungsten ore or concentrates, 45 cents per pound on the metallic tungsten contained therein.

As I have said, with a duty of 45 cents a pound on the metallic tungsten and a 75 per cent recovery, 53 cents is indicated as the compensatory duty. If the Senator will figure that, he will see that it just makes 60 cents a pound on the metallic tungsten.

Mr. WALSH of Montana. I think, if we put the duty at 45 cents a pound on tungsten ore, that a duty on the compounds of 60 cents is not disproportionate.

Mr. SMOOT. It figures out exactly, I will say to the Senator, just as nearly as it can be, unless a fraction be added.

Mr. WALSH of Montana. I wanted to ask the Senator what he has to say about putting a duty of 45 cents a pound on tungsten contained in the ore. That makes, of course, a duty of $900 a ton.

Mr. SMOOT. I shall ask that this item go over until I find out definitely what the price of tungsten is to-day. The Senator will remember that the first time a duty was imposed upon tungsten directly was in the Payne-Aldrich law. That was done at the time the first discovery of tungsten was ever made in Colorado. At that time tungsten was worth about a dollar a pound, as I remember, and perhaps a little more than that. I recall a statement being made upon the floor of the Senate by the then Senator from Colorado that tungsten was being sold at that time for about $4,000 a ton. At that time there was a duty of 45 cents a pound on the metallic tungsten contained in the ore. The House evidently gave the same rate as provided in the Payne-Aldrich law, and there was no amendment made to it by the committee. Mr. President, I ask that the item go over for the present, and in the meantime I will see if there has been a change in the price of tungsten between the time the Reynolds report was made and the present date, and when that is ascertained we may refer again to this item for consideration.

Mr. KING. Let me say to my colleague that the imports have been rather small and the unit value shows that the price is not very large. For instance, in 1921 the importations were 1,441 tons and the unit value $192.

Mr. SMOOT. Of course, the Senator will notice that ferrotungsten rather than the tungsten ore has been imported because under the existing law there was not allowed the necessary differential in order to take care of the spread between the ore and the ferrotungsten.

Mr. WILLIS. Mr. President, I desire to ask the Senator from Utah a question.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I yield.

Mr. WILLIS. Will the Senator state to the Senate whether the rate proposed by the committee represents an increase or a decrease? Perhaps the Senator has already explained that, but I could not hear him.

Mr. SMOOT. I beg the Senator's pardon, but I did not catch his question.

Mr. WILLIS. The Senator is speaking of the rate on tungsten, is he not?

Mr. SMOOT. Yes.

Mr. WILLIS. Will he state to the Senate whether the compound rate amounts to an increase or to a decrease? There seems to be a decrease in the case of one item and an increase in the other.

Mr. SMOOT. It amounts to an increase, I will say to the Senator.

Mr. WILLIS. I make the inquiry because I want to ask the Senator another question.

Mr. SMOOT. But compared to the rates in the House, of course, it is a decrease. I think perhaps that is what the Senator had in mind.

Mr. WILLIS. That is what I am asking.

Mr. SMOOT. Oh, well, then it is a decrease.

Mr. WILLIS. The House rate is "72 cents per pound on the tungsten contained therein and 17 per cent ad valorem." Now, it is proposed to make it 60 cents a pound—that is a decrease—and 25 per cent ad valorem—that is an increase.

Mr. SMOOT. The 17 per cent in the House was on the American valuation. The 25 per cent is on the foreign valuation.

Mr. WILLIS. So the Senator thinks, taking the two items together, that it makes a decrease?

Mr. SMOOT. It makes a decrease.

Mr. WILLIS. Now, let me ask the Senator another question. There has been some complaint amongst the people of our State, particularly the Cleveland Twist Drill Co., of Cleveland, Ohio, who make very high-grade tools, claiming that this rate is excessively high as compared with the rate on the finished product. Can the Senator state whether the compensatory duty has been carefully worked out there and whether it is sufficient?

Mr. SMOOT. I will say to the Senator that if the rates that are now named in the bill are finally agreed to there ought to be a change in the compensatory rate on the products made from it, particularly the steel products in the high-speed tool paragraph.

Mr. WILLIS. Can the Senator tell me what paragraph that is? I can look it up, but the Senator can tell me more quickly.

Mr. SMOOT. We shall have to make a paragraph for that if this is agreed to, and we will change it, because the way it is written we might just as well put it in a paragraph by itself, and then hereafter we will know just what the statistics are.

Mr. WILLIS. They make the statement—I can hardly believe that it is true, but they make the statement, and I think my colleague [Mr. POMERENE], perhaps, has similar correspondence—that there is a higher rate on this raw material than there is on certain grades of their finished product.

Mr. POMERENE. Mr. President, I was simply going to confirm what my colleague has said on that subject. The complaint is general out there among the steel people, particularly the tool-steel people.

Mr. SMOOT. That is where the burden falls.

Mr. WILLIS. They make very high-grade tools.

Mr. SMOOT. I think there is only one class that is dissatisfied, and that is the makers of the high-speed steel.

Mr. POMERENE. I should have to go over my correspondence again to say definitely about that.

Mr. SMOOT. I am quite sure the Senator will find that that is the case.

Mr. POMERENE. I know that the high-speed steel makers are complaining very bitterly about it, and I feel that their cause was just, no matter what viewpoint we may take of this tariff problem.

Mr. SMOOT. We shall have to decide first on the rates upon tungsten.

Mr. WILLIS. If these provisions are agreed to, then does the Senator intend to take up the item with reference to tools?

Mr. SMOOT. I think a new paragraph will have to be written for that.

Mr. WILLIS. Does the Senator intend to take that up this afternoon?

Mr. SMOOT. I think not. I think the only thing we can do now is to allow this matter to go over until we finally decide on the rates.

Mr. WILLIS. Very well. I will get the material I have, and have it prepared.

Mr. ODDIE. Mr. President, I should like to ask the senior Senator from Utah a question. Referring to the statement just made by the junior Senator from Utah [Mr. KING] as to the small tonnage imported recently, is not that due to a large extent to the accumulation in this country since the war?

Mr. SMOOT. This is the best answer to that: I think, as I said, that the ferrotungsten has been coming in rather than the tungsten ore. In 1919 there were 396,460 pounds of ferrotungsten imported, and in 1920 there were 1,997,719 pounds imported; so when I stated that it was not coming in in the shape of ore, but that it was coming in in the shape of ferrotungsten, of course the record shows that to be a fact.

Mr. ODDIE. I should like to state, Mr. President, that the impression has gone abroad quite generally that the native deposits are insufficient. I should like to correct that by stating that in a number of Western States there are very large deposits of tungsten ore, and new ones are being discovered constantly, and there are many to my knowledge that are undeveloped awaiting development.

Mr. KING. Mr. President, let me say to the Senator from Nevada, if I may, that the imports of the ore in 1912 were only 381 tons; in 1913, 766 tons; in 1914, 238 tons; in 1915, 1,317 tons; in 1916, 3,335 tons; in 1917, 4,357 tons; in 1918, 10,362 tons; in 1919, 5,400 tons; in 1920, 1,740 tons; and in 1921, 1,441 tons.

As stated by my colleague, the ferrotungsten that was imported in 1918 was negligible, only $8 worth; in 1919, 396,460 pounds; in 1920, 1,997,719 pounds; and for nine months of 1912, 507,206 pounds. So that there has been a perceptible diminution in the imports since 1918. They reached the maximum in that year, and there was a perceptible increase in the imports of the ore, because in 1912 they were only 381 tons; and in the case of the ferrotungsten there was an increase in 1920, and a decrease in 1921.

Mr. SMOOT. I think I can explain that to the Senator and the Senate. I think in 1921 the unit value began to drop, and they wanted to use the stock they had on hand rather than import any larger stocks, with the market going that way; and in 1921 the Senator knows that the mills in the United States were not in operation 25 per cent of the time.

Mr. KING. To what mills does the Senator refer?

Mr. SMOOT. The steel mills throughout the country.

Mr. KING. Oh, yes; of course, the consumption was less.

Mr. SMOOT. That is another thing.

Mr. McCUMBER. Mr. President, I understand that the Senator from Utah has requested that all of these clauses relating to tungsten should be passed over; and if that is the case, there is no use in discussing the subject at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? What amendments does the Senator refer to?

Mr. SMOOT. I refer to all of the amendments commencing in line 14 and going down to and including the words "ad valorem" in line 21, page 49, down to "ferrosilicon."

The PRESIDING OFFICER. Is there objection to the request that those amendments go over? The Chair hears none.

Mr. McCUMBER. Mr. President, that brings us down to ferrosilicon. I think I should make some brief statement with reference to the next clause, which relates to ferrosilicon, in order that we may understand clearly not only its uses but also the duties levied and the reason.

Ferrosilicon is an alloy composed of silicon and iron. If you take steel scrap and silicon in the form of high-purity quartz and melt them at an especially high temperature, the iron and the silicon of the quartz rock alloy themselves, and the product is called ferrosilicon.

Ferrosilicon is used as a purifier of steel. Many of the high grades of steel can not be made without it. At the time of the war ferrosilicon in a single year entered into and was necessary to the production of 30,000,000 tons of steel. In the early days, and to a large extent at the present time, ferrosilicon containing less than 15 per cent silicon is made in the blast furnaces. For the past 15 years especially it has been found that ferrosilicon containing a higher percentage of silicon could not be made in the blast furnaces, because the temperature necessary to force the silicon into an alloy with the iron could not be reached. For this reason it was necessary to employ the electric furnace in the production of high-grade ferrosilicon.

In the electric furnaces the temperature rises to over 6,000 degrees. High-grade ferrosilicon was developed first in this country. The industry was then taken over by France, Norway, and Germany; but its manufacture was undertaken here in 1908, and a tariff of 20 per cent ad valorem was accorded ferrosilicon under the Payne-Aldrich bill.

In the tariff bill of 1909, I think, blast-furnace ferrosilicon was treated separately and accorded a rate of $5 per ton on ferrosilicon containing not more than 15 per cent silicon and 20 per cent ad valorem on ferrosilicon containing more than 15 per cent of silicon. The Underwood law gave a rate of 15 per cent on all ferrosilicon. These rates in both laws proved ineffective until the war; and as the industry advanced in the higher qualities of ferrosilicon, where the difficulties were greater, the duties finally became wholly inadequate.

The Ways and Means Committee after exhaustive consideration gave to ferrosilicon containing 8 per cent or more of silicon and less than 30 per cent a duty of 2½ cents per pound on the silicon contained therein; containing 30 per cent or more of silicon and less than 60 per cent, 2¾ cents per pound on the silicon contained therein; containing 60 per cent or more of silicon and less than 80 per cent, 3½ cents per pound on the silicon contained therein; containing 80 per cent or more of silicon and less than 90 per cent, 4 cents per pound on the silicon contained therein; containing 90 per cent or more of silicon and silicon metal, 8 cents per pound on the silicon contaied therein. Then the Senate Finance Committee reduced the House rates on these grades of silicon most largely used and of most importance, which are the ferrosilicons running from 8 to 60 per cent, cutting the rate on ferrosilicon containing from 8 to 30 per cent one-half of 1 cent per pound on the silicon contained therein; from 30 to 60 per cent, three-fourths of 1 cent per pound on the silicon contained therein; and from 60 to 80 per cent, one-fifth of 1 cent per pound on the silicon contained therein.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. McCUMBER. I yield.

Mr. WILLIS. If the Senator prefers to yield later, I do not care to interrupt his statement, but I wanted to ask him a question right on that point. What does the committee propose to do with the silicon below 8 per cent? It starts in, as the amendment would now make it, "containing 8 per cent or more of silicon and less than 60 per cent." I should like to know what is the rate on that below 8 per cent.

Mr. McCUMBER. That would fall under the metals, under a basket clause, of course, if it came in; but I do not think it will come in of a less percentage.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me, a great deal of ordinary, common pig iron has sand in it; and if you taxed it below 8 per cent, instead of falling in the pig-iron class, you might put it in the ferrosilicon class and raise the tax on pig iron to $44 a ton instead of $1.25. I suppose that is why the committee left it out.

Mr. WILLIS. Mr. President, the reason why I ask the question is that I suppose at least 60 or 65 per cent of all the blast-furnace ferrosilicon made in the United States is made in the State of Ohio.

Mr. UNDERWOOD. Of course as to whether the ferrosilicon really is to be useful depends on the amount of sand or silica in it. As I said, the modern method is to cast it in an iron cast, but the old method was to put it in big beds of sand, and in that way a certain amount of sand got into the pig; and if you tried to put a rate on all pig that had silica in it, you might be taxing pig iron at a very high rate.

Mr. WILLIS. The product of some of our Ohio blast furnaces, particularly the ones at Jackson and Wellston, is about 7 per cent, or perhaps below 7 per cent. There is a fair rate of protection given to the high grades, but apparently no protection to the low grades, and those people are left out. Would the Senator from North Dakota permit an amendment to this provision when an amendment would be in order?

Mr. McCUMBER. I do not understand that with less than 8 per cent of silicon it really has any value whatever.

Mr. WILLIS. I think the Senator is mistaken about that.

Mr. McCUMBER. I do not understand that it is usuable.

Mr. WILLIS. I know there are large blast furnaces in Ohio whose product is 7 per cent and below. I can furnish the Senator very conclusive information on that. They have been running there for years. Just now they are not running, as they have been closed down.

Mr. McCUMBER. Do they use that very low grade at all in the manufacture of steel?

Mr. WILLIS. I so understand it. I am very certain that is the case. If the Senator would permit an amendment to make it 6 or 7 per cent, it would take care of that situation.

Mr. UNDERWOOD. As the chairman said, all ferrosilicon was originally made in blast furnaces. Some of the old furnaces using that method still exist in Ohio, but they really are not now making the ferrosilicon of commerce. They may be making a silicon iron, but not ferrosilicon. It is ferrosilicon in one sense, because all pig iron that is mixed with silicon is ferrosilicon, but in the commercial sense they are not making ferrosilicon. They are making a silicon iron, which may have its advantages for casting. But if you try to put a tax on it as being in the class of ferrosilicon, you would make an enormous tax on that class of iron, and I think the committee would get themselves in serious trouble, even more serious trouble than they have already gotten themselves into.

Mr. WILLIS. It would make serious trouble in Ohio if this were not changed. They would shut down unless we got a change in the rate. Of course, it is not in order now to offer an amendment.

Mr. UNDERWOOD. The Senator recognizes that as time goes on the methods, not only of the production of silicon but of the pig iron, change. Your furnace of 40 years ago, which did not improve its methods of making pig, has gone out of existence, and probably will remain out of existence.

Mr. WILLIS. The Senator admits that, yet a fair proportion of the ferrosilicon in the United States is blast-furnace ferrosilicon and not electric-furnace ferrosilicon.

Mr. UNDERWOOD. I think I am correct in saying that is a ferrosilicon iron. The purpose of putting the silicon in the iron is to make it flow easier and keep the blowholes out, so that it does not crack so easily, either in iron or steel. I think what the Senator is talking about is a silicon iron and not ferrosliicon.

Mr. WILLIS. I ask permission just here to print in the RECORD a brief statement of facts on this matter from some of my constituents, which I think will throw light on the subject. I will not interrupt the Senator further at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE JACKSON IRON & STEEL CO.,
Jackson, Ohio, September 19, 1921.

Hon. FRANK B. WILLIS,
United States Senator, Washington, D. C.

DEAR SIR: The Fordney House tariff bill, now being considered by the Senate, carries a protection of 2½ cents per pound per unit of silicon in ferrosilicon carrying 8 per cent and higher. Grades of ferrosilicon from 7 per cent to 15 per cent have been made in this State for years, principally in Jackson County and at New Straitsville; in fact, the manufacture of this product has been the principal industry in Jackson County for years and has been a source of keeping alive the blast furnaces here, and the city of Jackson is dependent on its three blast furnaces, which furnish more than 60 per cent of the labor. During the World War steel became a great winning factor; ferrosilicon is so necessary in its manufacture that it became a sort of a key to steel production. The governments of the Allies, as well as this Government, did everything possible to encourage the building of plants to increase production. Electrolytic furnaces, in which grades above 16 per cent are made, were erected at many places in this country where hydroelectric power could be had. Also, Canada built several of these plants, ostensibly for the production of the higher grades—50 per cent and upward. With the ending of the war there came a great slump in the ferrosilicon consumption, and the electrolytic furnaces turned their attention to producing the lower grades, i. e., 7 per cent to 15 per cent, and as a consequence all of the blast furnaces producing this material in this State have been closed down, in most part for more than a year. Our investigation shows that the Canadian electrolytic producers, by reason of their cheaper hydroelectric power, are able to produce the material so much cheaper that they have practically driven the blast furnaces out of the business, and are doing the same thing to the electrolytic furnaces of the United States. The State of Ohio produces 65 per cent or more of the Bessemer ferrosilicon (ferrosilicon made in blast furnaces) of the total amount made in the United States.

Canada is a very small user of ferrosilicon; therefore has a very large surplus, which it can and is dumping in the United States. Its surplus capacity will absorb the major portion of the consuming power of the United States. Its extraordinary cheap hydroelectric power makes it possible to sell at a profit below the States' cost of production.

* * * * * * *

Yours very truly,

NOAH G. SPANGLER, *General Manager.*

UNITED STATES TARIFF COMMISSION,
Washington, May 17, 1922.

Hon. P. J. McCUMBER,
Chairman Committee on Finance,
United States Senate.

MY DEAR MR. McCUMBER: On May 11 you forwarded to us the two letters herewith inclosed, addressed to Hon. FRANK B. WILLIS, in which it was claimed that the dividing line in the ferrosilicon classification should be 7 per cent silicon content instead of 8 per cent and asked us to advise the Committee on Finance relative to this matter.

It gives me pleasure to transmit to you a memorandum by Doctor Berglund of the commission's staff in reply to this request.

Sincerely yours,

THOMAS O. MARVIN, *Chairman.*

GLOBE IRON CO.,
Jackson, Ohio, March 13, 1922.

Hon. FRANK B. WILLIS,
Washington, D. C.

DEAR SENATOR: I thank you for yours of the 10th, and have received copy of House bill with Senate changes on ferrosilicon, as noted in pencil. The committee has given more than ample protection to the higher grades (say 50 per cent ferrosilicon) and have left the American plants producing the lower grades, or grades below 20 per cent, at the mercy, absolutely, of the Canadian manufacturers.

Please note how it works:

A ton of iron, gross, is 2,240 pounds, and 50 per cent silicon content in the ton is 1,120 pounds, which, at 2 cents per pound equals $22.40 tariff, which is fair, or more than fair, perhaps. But 8 per cent silicon, or 179 pounds silicon to the ton at 2 cents per pound, equals $3.58 tariff, 10 per cent $4.48, and so on, which is entirely too low for protection.

Your bill simply means that the American producer of the higher grades, which is mainly 50 per cent, will have the market absolutely to themselves, for not a ton of this grade can be shipped into this country. This is all right, but what will be the position of the American producers of the lower grades when the Canadian manufacturers turn their attention from the 50 per cent to 7 per cent to 20 per cent with the low-tariff rates?

It means that the American blast furnaces will be entirely shut out of this business, for the foreign producers, after being shut out of this country by the high tariff on 50 per cent material, will naturally turn to the lower ferrosilicons with their low-tariff obstacles. Ohio, your State, produces all of the blast-furnace ferrosilicon in the United States, and the bill as it now stands shuts out the 70,000 tons Canadian capacity of 50 per cent in order to allow it to ship in 210,000 tons Canadian capacity of the lower grades, taking absolutely every ton of our trade, for we can not compete with the foreign manufacturers on this grade on account of the low electric power they get.

The Ohio plants, located at Jackson, Wellston, and New Straitsville, make a specialty of ferrosilicons, and 95 per cent of the output is of this material. My plant has been running on ferrosilicon for 30 years, and to be knocked out of a trade that we have spent almost a lifetime in building up and to be compelled to start in again on another grade and seek and build up a new line of customers is awfully discouraging.

Don't forget that the same plants in Canada that now are able to produce, say, 70,000 tons of 50 per cent ferro will be able to produce three times this tonnage, or 210,000 tons, of the lower grades, so the bill keeps out the smaller tonnage and lets in the larger tonnage, which, by the way, is more than America needs or can use. Also, the larger the American tonnage displaced the larger is the number of American laborers displaced.

Keep out all the foreign material, both 50 per cent and lower ferrosilicons, by a tariff equal to the difference in cost, which should be at least $5 and up, according to value; and I would suggest an ad valorem duty, for this method charges the tariff against the value of the material at time of sale.

The minimum silicon content in ferrosilicon is 7 per cent and not 8 per cent, as stated in the bill.

I am sorry to write at such great length, but I want to put up the matter fairly and squarely and in a way I hope that you can understand and appreciate.

Yours very truly,

JOHN E. JONES, *President.*

MAY 16, 1922.

Memorandum on ferrosilicon.

Referring to the communication of Mr. John E. Jones, president of the Globe Iron Co., Jackson, Ohio, addressed to Hon. (Senator) FRANK B. WILLIS, concerning the dividing line between ferrosilicon and pig iron in the Fordney bill and the comments on the differences in the rates imposed on pig iron and ferrosilicon, some explanation is necessary concerning (1) the definition of ferrosilicon, (2) the processes employed, and (3) the relative cost of production.

Definition of ferrosilicon: In the Tariff Commission's report on "The Ferroalloy Industries" ferrosilicon is defined as "an alloy of iron and silicon. The silicon content ranges from 7 or 8 per cent to over 90 per cent." (See p. 71.) In paragraph 302 of the Fordney bill the rates of duty on ferrosilicon begin to operate with the 8 per cent grade, leaving the 7 per cent and lower grade silicon irons subject to the rate prescribed in paragraph 301 on pig iron ($1.25 per ton). There is no reason, however, why the dividing line between pig iron and ferrosilicon should not be drawn at 7 per cent rather than at 8 per cent. It may be stated in this connection that it is difficult to draw any precise line between these two commodities. Foundry iron generally contains from 2 to 4 or 4½ per cent silicon; and silvery iron, which should not be confused with ferrosilicon, from 5 to 10 per cent silicon. The principal distinguishing characteristics of silvery iron differentiating it from low-grade silicon, are the lower average percentage of silicon, the higher phosphorous content (above 0.1 per cent), and, as its name implies, the possession of a silvery fracture.

Processes of manufacture: The tariff problem with reference to ferrosilicon relates mainly to the processes of manufacture. Ferrosilicon is made by either the blast-furnace or the electric-furnace method. The grades containing over 15 per cent silicon are manufactured by the latter method, and sometimes grades containing 15 per cent and less, particularly the grades from 12 to 15 per cent. The lower grades of ferrosilicon, especially those containing less than 12 per cent, can be more economically made in blast furnaces than in electric furnaces, and hence in these grades the blast-furnace method tends to prevail.

Relative cost of production: The electric-furnace method is absolutely necessary in the manufacture of the grades of this ferroalloy having a silicon content in excess of 15 per cent, because sufficient heat can not be generated by the blast-furnace method. Electric power, however, is costly, forming a large proportion of the total expense of manufacture and a proportion which tends to increase with the rise in grade. This power is also more expensive in the United States than in Canada and some European countries (Norway, Sweden, and France). Itemized cost statements furnished the Tariff Commission by manufacturers of ferrosilicon show that in the year ending September 30, 1919, over 26 per cent of the total expense of producing the 50 to 60 per cent grades, and over 37 per cent of the total of the 70 to 75 per cent grades, constituted power cost (see Tariff Commission's report on "The Ferroalloy Industries," p. 86). Since 1919 labor and raw material costs have declined while power costs have remained practically the same. Therefore, a similar cost statement compiled to-day would show larger percentages for electric power.

Investigations made by the Tariff Commission in 1920 show that the producers of ferrosilicon at Niagara Falls were paying $20 per horsepower year for their electric energy, and some producers in other parts of the country considerably more, while their principal competitor, at Welland, Ontario, was charged only $12.75 per horsepower year. Scrap, which constitutes an important item in the raw material cost of manufacturing ferrosilicon, was cheaper at that time in Canada than in the United States, although it must now be said that this situation has changed.

When it comes to low-grade or blast-furnace ferrosilicon, especially the grades containing less than 12 per cent silicon, the American producer is not at the same disadvantage compared with his foreign competitor as the domestic manufacturer of the electric furnace product. Raw material and fuel (coke) in 1919 constituted about 65 per cent of the total cost of manufacture, and these items were as cheap in the United States as in any other country of the world. Coke, which constituted over 36 per cent of the total expense, was appreciably cheaper. Even to-day, when the prices of coke here and abroad are more nearly equal than they were two or three years ago, it is less costly in the United States than in Great Britain. Thus in April, 1922, blast-furnace coke was selling in England at £1 2s. 6d. to £1 3s. 6d. per ton (approximately equivalent to $4.95 to $5.17 per long ton) (converted at the exchange rate of $4.40 to the pound sterling), while at the same time in this country similar coke was selling at $4.50 per long ton. The wages of furnace men are higher in this country than abroad, but in 1919, when they were much higher than they are to-day, labor cost constituted less than 11 per cent of the total expense of manufacturing ferrosilicon.

GENERAL CONCLUSIONS.

Within certain limits the precise point at which a dividing line between pig iron and ferrosilicon should be drawn is a matter which can be decided arbitrarily. Seven per cent silicon content might just as well be fixed upon as the lowest grade of silicon iron, which should be governed by the rates in the ferro-alloy paragraph (paragraph 302), as 8 per cent silicon content. The custom among manufacturers would, in all probability, favor the change.

The distinction between the electric-furnace and blast-furnace grades of this ferro-alloy should be observed. Blast furnaces can be operated in the United States as cheaply as in any other country in the world. Electric furnaces, however, can not be operated here as cheaply as in Canada and some European countries, mainly on account of the greater cost of hydroelectric power in this country. Hence the recognition of this difference in tariff rates is entirely consistent with any policy looking toward an equalization of the cost of the domestic and foreign product in American markets.

Mr. McCUMBER. The Senator from Ohio stated that he would move to make the rate 6 cents. The ferrosilicon, containing from 8 to 60 per cent of silicon, is taxed at only 2 cents.

Mr. WILLIS. The Senator misunderstood me. I was calling the attention of the Senator to the situation if the committee amendment on line 22 shall stand. It reads "containing 8 per cent or more of silicon and less than 60 per cent, 2 cents per pound." I am not talking about the rate. I am talking about the percentage of silicon. If we get that down so as to take in the ferrosilicon containing 7 per cent of silicon, which we produce in Ohio, it will take care of the situation; but under the rules under which we are proceeding I suppose such an amendment would not now be in order.

Mr. McCUMBER. During the war ferrosilicon was made in nine plants in the United States, all of them using hydroelectric power. I did not know that it was still made under any different method. I especially desire the attention of Senators to this statement. In the standard grades of ferrosilicon it takes one horsepower of electrical energy one year to make 1 ton of ferrosilicon. Horsepower in the United States costs from twenty to thirty dollars per horsepower year. I understand there is a difference of about $15 per ton between this country and Canada in the cost of hydroelectric power alone in the production of these most largely used grades of ferrosilicon. Horsepower on the American side costs between $20 and $30 per horsepower per year, whereas on the Canadian side, I am informed, it is about $7 per horsepower per year, that difference growing out of the law of supply and demand, the American side being very much short of the supply of horsepower, and the Canadian side being long on horsepower, with little demand. That must be considered, as I stated before, in connection with the difference in the matter of taxing, the Canadian not being charged a tax at all for the use on the American side.

Mr. WALSH of Montana. I have been attracted by the statement made by the Senator that power can be secured in Canada at $7 per horsepower. That seems to me impossible. The investigations conducted by various committees here, as my recollection serves me, have shown that hydroelectric power was produced more cheaply in Norway than anywhere else in the world, and it cost from $9 to $12 per horsepower to produce it there.

Mr. McCUMBER. I am informed by the tariff expert who has examined this matter that the cost in Canada is about $7, and that is shown to be about the price of hydroelectric power in Norway, namely, about $7.40 per horsepower year. I notice by the report of the Tariff Commission Survey, however, that the horsepower in Canada is $12.75. My informant may be in error, but he is the Tariff Commission's expert, and he says it is about $7.

Mr. WALSH of Montana. I did not think of it so much in connection with this as with a multitude of industries. If they can produce hydroelectric power and sell it in Canada for $7 per horsepower, they have the potential manufactures of the world over there in Canada.

Mr. McCUMBER. Even if we take the Tariff Commission Survey report, which gives it at $12.75, that would be nearly 40 per cent less than the regular rate charged by American alloy manufacturers for the Niagara Falls horsepower. So that would be enough to make up the difference. The freight rates from European points to the United States to the points of the largest use are less than the freight rates of American manufacturers to the points of use, especially the eastern seaboard because of the difference between ocean freight rates and rail rates in the United States. These differences amount to from two to eight dollars per ton. Labor and transportation costs of raw materials are much higher in the United States.

Therefore, in order that the American manufacturer of ferrosilicon using hydroelectric power may compete with Norway and Sweden, it is necessary that he should receive at least the rates accorded in the bill as reported by the Finance Committee, which amounts, in the various grades, to from $3.60 on the lowest to $22.40 per long ton on the 50 per cent grade, which is the standard. The change from ad valorem to specific duties is not only essential because of the undervaluation during the years past, but gives a rising standard of duty in proportion to the difficulties of our manufacture, and it is therefore necessary, and ferrosilicon is an ideal for the application of specific rates.

I desire to read only one paragraph from a letter received by me March 2 from the Tariff Commission relating to ferrosilicon. It says:

Cost of production: The cost of producing ferrosilicon of standard grade (50 per cent of silica) in foreign countries, namely, France, Sweden, and Norway, we find to be at this time, according to the best available information, $38 to $44 per ton. The cost of the production of ferrosilicon in the United States, according to our latest information, we estimate and believe to be from $78 to $82 per ton.

That, I think, presents the matter in a nutshell.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. WILLIS. Let the amendment be again reported, so that we may understand what we are voting on.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 49, line 23, it is proposed to strike out "30 per cent, 2½" and to insert "60 per cent, 2," so that if amended it would read:

ferrosilicon, containing 8 per cent or more of silicon and less than 60 per cent, 2 cents per pound on the silicon contained therein.

Mr. KING. Do I understand the Senator to contend that this product, which exists in the United States in such prodigious and inexhaustible quantities, is to bear a rate of duty of 2 cents per pound?

Mr. McCUMBER. I suppose the Senator, of course, means upon the silicon content?

Mr. KING. Yes; upon the silicon content. I confess my inability to comprehend the reason for such an enormous rate.

Mr. McCUMBER. I just gave it in the very last paragraph which I read, in which the foreign cost is stated to be $38 per ton; cost in the United States, as given here, $78 per ton; highest foreign, $44 per ton; highest in the United States, $82 per ton. I see from that that we have scarcely equaled the difference.

Mr. KING. Before the war the price, as I recall it, was about $50 to $55 per ton. The processes employed in manufacturing ferrosilicon are not difficult. There are no metallurgical or other obstacles or serious complications. It is simply the fusing of silica which exists here and everywhere. We have not only millions but billions of tons of silica and quartz in every State in the Union. The fusing of the metal, with the addition of such ingredients as may be necessary, is a very simple process. To impose this high tariff, of course, is a tax upon the production of steel, and a tax upon the production of all steel is a tax upon the production of all of the articles of the household, the farm and the country, of which iron and steel form a constituent part.

I am not quite able to comprehend who are the beneficiaries of this particular paragraph. I can not say that it is the Steel Trust, because this means an augmentation of the price of the product employed in the production of steel. It must be the few plants or the many plants engaged in the production of silica.

It seems to me that the bill is fashioned upon the theory that everything must bear a tax. We put a tax upon steel products. We put a tax upon everything that enters into the production of iron and steel. Then, of course, we must pass on to what might be denominated the intermediates or the finished products, all of the antecedent factors, and they are pyramided until finally the housewife who buys the knife or the fork or some product composed in part of iron or of steel, or the farmer or the mechanic or the American people, must bear all of the prior accumulations.

The Senator said that because horsepower in Canada is cheaper than horsepower in the United States, therefore we must add an additional duty or tax so as to protect those in the United States who can not get horsepower quite as cheaply. I suppose under that view if horsepower was the principal factor in the production of this or other products, and it could be had for nothing in Canada or in Mexico, it would be the theory of the proponents of the bill to throw away that rich gift of nature and impose an exorbitant tax and pass it on to the American people to enable somebody to engage in the business here under disadvantageous circumstances. But I am not able to perceive, in view of the inexhaustible supply of the silicia and the quartz, the inexhaustible supply of water power, and, of course, of coal, how the cost of silica should mount up to $75 or $85 per ton. As I stated, the pre-war price was between $50 and $56 per ton.

I am unwilling to increase the price of silica to the Steel Trust or to the independents or to any person who may use silica, because in so doing I would know that the person who was compelled to pay that tax would add to the product which he manufactured the entire tax plus other costs for handling the matter, overhead expense, profit, and what not, and the person who purchased his product would add to his intermediate or finished product all of the antecedent costs, and they in turn would be passed on to the ultimate consumer.

I think this illustrates the vice of the bill, the inherent iniquities of it, and, of course, with these accumulated costs and taxes the ultimate consumer must be burdened not with hundreds of millions in the aggregate but billions of dollars. So that the American people must make up their minds when the tax bill is passed that they will have to pay the tax and all of its accumulations which will rest upon their bowed backs.

Mr. McCUMBER. Mr. President, I wish to put in the RECORD the horsepower rates of the different countries that are given me by an expert from the Tariff Commission. The United States averages $20 to $30 per horsepower year; Norway, $5.40 to $9; Sweden, $6 to $10; Germany, $8 to $10; France, $8 to $12.

I am also informed that the imposition of the duty as fixed by the Senate Finance Committee would mean an added cost of about 10 cents per ton in the manufacture of silicon.

Mr. WALSH of Montana. Can the Senator inform us from what source the Tariff Commission gets this information?

Mr. McCUMBER. Page 89 of the Tariff Information Survey C–1.

Mr. WALSH of Montana. My attention was diverted when the Senator was giving some figures. I did not understand whether it was the cost of production of ferrosilicon in this country and abroad or the price at which it is sold.

Mr. McCUMBER. The cost which I gave in this country and in foreign countries was from a letter which I received from the Tariff Commission. A like letter was sent to the Senator from West Virginia [Mr. SUTHERLAND]. It is dated March 2, 1922. It is in reply to a request for information regarding ferrosilicon, its costs abroad and in the United States. The costs which I gave here in the two countries were the costs which were given in that letter from the Tariff Commission.

Mr. WALSH of Montana. Would the Senator give us the figures again?

Mr. McCUMBER. They said:

The cost of producing ferrosilicon of standard grade, 50 per cent of silica, in foreign countries, namely, France, Sweeden, and Norway, we find to be at this time according to the best available information, $38 to $40 per ton. The cost of production of ferrosilicon in the United States, according to our latest information, we estimate and believe to be from $78 to $82 per ton.

Mr. WALSH of Montana. "We estimate and believe to be," they say.

Mr. McCUMBER. That is the Tariff Commission. Of course, they get that upon a very thorough investigation.

Mr. WALSH of Montana. I undertake to say there is something wrong with the figures. I have before me the result of a careful investigation made by the Tariff Commission, which I shall be glad to give to the Senate, disclosing that that quality of ferrosilicon was produced in this country in 1919 by blast-furnace process at a cost of $42.07 a ton, and by the electric-furnace process at a cost of $53.49.

Mr. McCUMBER. On page 86 of the Tariff Information Survey C–1 is a table giving the cost in 1919, and the cost in that year in the United States was $94.54.

Mr. WALSH of Montana. That is 50 to 60 per cent and 70 to 75 per cent.

Mr. McCUMBER. That is 50 to 60 per cent silicon content, of course.

Mr. KING. Mr. President, will the Senator from Montana yield?

Mr. WALSH of Montana. I yield.

Mr. KING. I have before me the American metal market and daily iron and steel report—May 11, 1922—which shows electrolytic ferrosilicon, delivered at Pittsburgh Valley and Cleveland, Ohio, 50 per cent, $55 to $60. That is just last month, and it ought to be cheaper now than it was then, unless the trusts are forcing the prices up all the time. Of course, there is a profit in that figure, too. That is the price at which it was sold.

Mr. McCUMBER. On the contrary, my information is that they were selling far below cost.

Mr. KING. Oh!

Mr. McCUMBER. Oh, that does happen sometimes.

Mr. KING. I have not discovered any trust selling very much below cost. Their dividends indicate quite the reverse.

Mr. WALSH of Montana. Mr. President, I want to offer a few figures for the information of the Senate. I am going to assume now that the Senator is giving us the correct figures of the cost of the production of ferrosilicon in this country at $95 a ton. Now, let us see where we come out.

The only difference is in the cost of power. We compete with Canada and the only advantage she has over us is in power. The power entering into the production of this commodity amounts to 26 per cent of the total cost. Practically one-fourth of the total cost is power. Of the $95 a ton, therefore, one-fourth would be $24. Twenty-four dollars is the power cost to produce a ton of ferrosilicon, the total cost of which is $95.

Let us assume that we can get power in Canada for $12.50 per horsepower as against $25 in this country; that is to say, the power costs twice as much. Instead of the $24, therefore, that

could be had for $12 in Canada. Let us assume also that the wages in Canada are the same as the wages in this country; but, no, let us assume that the wages are 25 per cent higher in Canada than they are in this country. The total labor amounts to 17.5 per cent of the $95, and the difference will be about $4.50 in labor, or $16.50 total difference in the cost of the power and labor in this country over Canada. I am assuming a difference of 25 per cent against us in the matter of labor.

In order to take care of a difference in the cost of production of $166.50 it is proposed to put a tariff of 2 cents a pound, or $40 a ton, on this commodity; but there is nothing extraordinary about this. That is about the way these things run. The rates are professed to be put on because of the difference in the cost of labor, and invariably the rate put on is more than the total amount of the labor.

Mr. McCUMBER. Will not the Senator revise that estimate a little? Forty dollars per ton would be 100 per cent of ferrosilicon, and it is on 50 per cent of ferrosilicon we are levying the rate. Therefore it would be just one-half of that.

Mr. WALSH of Montana. The rate is 2 cents per pound.

Mr. McCUMBER. No; it is not. It is on the content.

Mr. WALSH of Montana. Exactly; 2 cents a pound on——

Mr. McCUMBER. On the silicon content, and the silicon content in a ton of 50 per cent silicon would be only half of $40.

Mr. WILLIAMS. Mr. President——

Mr. WALSH of Montana. I yield to the Senator from Mississippi.

Mr. WILLIAMS. Where does the Senator derive his idea that there is a difference of 25 per cent in the cost of labor in Canada and the United States?

Mr. WALSH of Montana. I do not. The Tariff Commission report that there is no difference.

Mr. WILLIAMS. But the Senator just admitted for the sake of argument that there was a difference of 25 per cent.

Mr. WALSH of Montana. Even if the Senator from North Dakota were right, he has a rate of $20 on 50 per cent silicon to take care of a difference in the cost of power that does not exceed $12.

Mr. WILLIAMS. Mr. President, the people of the United States and the people of Canada are in a state of flux all the time. Americans are constantly crossing the border seeking employment, and Canadians likewise are constantly crossing the border seeking employment. Is there, as a matter of fact, any difference at all in the price of labor in Canada and in the United States?

Mr. WALSH of Montana. There is practically none.

Mr. WILLIAMS. And yet the Senator in making his argument admitted for the sake of the argument that there was a difference of 25 per cent?

Mr. WALSH of Montana. Yes; because it is assumed.

Mr. WILLIAMS. Who assumes it?

Mr. WALSH of Montana. It is generally assumed that labor costs are less anywhere in the world than they are in the United States.

Mr. WILLIAMS. But who assumes it?

Mr. WALSH of Montana. It is assumed generally by those who advocate this bill.

Mr. WILLIAMS. Does the Senator know any particular person who assumes it?

Mr. WALSH of Montana. No; I would not attribute the assumption to any particular person.

Mr. WILLIAMS. Did the Senator from North Dakota assume it?

Mr. WALSH of Montana. He confined his argument, I think, chiefly to power.

Mr. WILLIAMS. As a matter of fact, there is absolutely no difference between the cost of common labor in Canada and in the United States, just across the border, is there?

Mr. WALSH of Montana. I think not; or skilled labor either, for that matter.

Mr. WILLIAMS. So that the whole Republican idea of erecting a tariff barrier between the United States and Canada as against an inferior cost of labor is a piece of humbuggery?

Mr. WALSH of Montana. I will give the Senate the benefit of the conclusions of the Tariff Commission with reference to this particular product. It is stated:

> Summing up the competitive situation the following conclusions may be drawn:
>
> 1. The cost of producing Bessemer or blast-furnace ferrosilicon is as low in the United States as anywhere else in the world.

"Anywhere else in the world."

Mr. WILLIAMS. Can not the Senator from Montana go beyond that and say that at Birmingham, Ala., the cost is lower than anywhere else in the world?

Mr. WALSH of Montana. I am not sure that they produce ferrosilicon at Birmingham.

Mr. WILLIAMS. No; but the Senator was talking about the Bessemer process.

Mr. WALSH of Montana. I referred to Bessemer blast-furnace ferrosilicon.

The survey continues:

> The raw material and fuel, which constitute about 65 per cent of the total cost, are as abundant and as low in price here as elsewhere. Labor cost is only 10 per cent of the total—

Ten per cent of the total is the amount of the labor cost—

> and, as in the case of ferromanganese, the higher wages in this country are offset by the larger output per man employed.

So that, so far as labor costs is concerned, there is not any difference.

Mr. WILLIAMS. If the Senator will pardon me for just a moment more, I remember that about 16 years ago I offered an amendment when a Republican tariff bill was being considered in the House of Representatives which provided that where the difference in labor was any given amount the tariff duty levied upon the foreign product should never be beyond 100 per cent of the labor cost—not 100 per cent as representing the inferiority of foreign labor, but that the duty never should be above 100 per cent of the total labor cost. I remember that Grover Cleveland, who was at that time an ex-President of the United States, and however poor a Democrat in some respects, he was a mighty good one on the tariff, came out in a public article indorsing that idea. Is there anything in this bill now which indorses the idea that there shall not be any import duties above the total cost of labor in the production of a given article?

Mr. WALSH of Montana. No; I think there is not; but, in view of many of the disclosures which have been made in the discussion of the bill thus far, an amendment of the character suggested by the Senator from Mississippi would be exceedingly pertinent, and I can not conceive why anyone should oppose it.

Mr. WILLIAMS. Does the Senator from Montana imagine that any Republican, even the Senator from North Dakota, at the head of the Finance Committee, would accept it?

Mr. WALSH of Montana. I am not able to say as to that.

Mr. WILLIAMS. I shall offer an amendment later on to the effect that wherever the total labor cost of a product shall amount to a given sum the total import duty shall not be above 100 per cent of that sum.

Mr. WALSH of Montana. I take this occasion to say to the Senator—perhaps he was not present—that the Senator from North Carolina [Mr. SIMMONS] a few days ago submitted a very elaborate table showing the labor cost entering into various commodities as compared with the rate which they bear in this bill, from which it appeared that often the rate fixed amounted to more than the total labor cost.

Mr. WILLIAMS. Of course, that might be a matter of dispute between the Senator from North Carolina [Mr. SIMMONS] and some Republicans; but if any Senator on this side of the Chamber were to offer an amendment to the effect that the import duty should never exceed the entire labor cost in America of a given product, does the Senator from Montana imagine it would be accepted?

Mr. WALSH of Montana. I imagine not. It would be said that there was a difference in the cost of power.

Mr. WILLIAMS. Of wind, water, and other things.

Mr. SIMMONS. The Republicans would not accept such an amendment because, if they did accept it, it would practically wipe out of the bill about one-third of the proposed duties.

Mr. WILLIAMS. I do not know the exact proportion. I am glad to hear it would be about one-third.

Mr. SIMMONS. I merely ventured that as an estimate.

Mr. WILLIAMS. If the Republican Party are sincere—the Senator from Utah [Mr. SMOOT], for example, and the Senator from North Dakota [Mr. MCCUMBER], for example—and really want the cost of labor of Europe and here to be equalized, they ought to be satisfied with an import duty equal to the entire cost of the labor entering into a product, whatever it may be.

Mr. SIMMONS. They would be if they were writing a bill for protection purposes, but where they are writing a bill for the purpose of maintaining certain prices and to permit additional profits, of course, they would not be satisfied.

Mr. WILLIAMS. I do not join in that sort of tirade. I do not believe for one moment that distinguished Republican statesmen are attempting to do what the Senator from North Carolina insinuates. I believe that they are only trying to equalize the cost of European, Asiatic, and African labor with the cost of American labor. Of course, if that be their true intent and purpose, then a duty equal to the entire cost of labor entering into an American product—the American cost and not the European cost, because the American cost would be still greater, according to them—they ought to be satisfied. But I scorn to

believe that, as the Senator from North Carolina has intimated, Senators on the other side are engaged in any effort to keep up present prices or to increase them. The Senator from North Carolina knows as well as I do that they have disclaimed that intent time and time again, and he knows that, as Mark Antony said of Brutus and Cassius, "they are all honorable men."

Mr. WALSH of Montana. Mr. President, I am obliged to the Senator from Mississippi for the contribution he has made to this discussion. Of course, his vast experience in connection with tariff legislation entitles him to very considerate attention whenever he chooses to discuss what is before the Senate. We all regret that he does not participate more frequently than he does.

I have shown, Mr. President, by the Tariff Commission's report that so far as blast-furnace ferrosilicon is concerned, it can be manufactured in this country as cheap as anywhere in the world and there is no occasion whatever for the imposition of a duty.

Blast-furnace ferrosilicon ordinarily contains, as I understand, from 8 to 15 per cent silicon. The first bracket in this paragraph of the bill embraces all ferrosilicon containing more than 8 per cent silicon; so it would include all blast-furnace ferrosilicon.

Mr. WILLIS. All except that below 8 per cent.

Mr. WALSH of Montana. That is regarded as not ferrosilicon at all, I understand.

Mr. WILLIS. There is a difference of opinion about that. I have here the report of the Tariff Commission in which they say that 7 per cent is included.

Mr. WALSH of Montana. Very well. All blast-furnace ferrosilicon, then, is included within this bracket bearing a duty of 2 cents a pound or $40 a ton—$40 a ton, bear in mind, on a product which the Tariff Commission tells us we can produce in this country as cheaply as anywhere in the world, the item of power not entering into the proposition at all, and the labor cost being only 10 per cent of the total cost of the product.

Now we come to the ferrosilicon produced by the electric-furnace process, utilizing power. In that case there is a differential against us because power is cheaper in Canada than it is in this country, although there is by no means the disparity that would be indicated by the remarks of the Senator from North Dakota, as I shall show presently, but there is some difference. The Tariff Commission says:

2. The cost of producing electric-furnace ferrosilicon, especially the standard and higher grades, is greater in the United States than in some countries. This difference is mainly owing to the fact that in such countries as Canada, Norway, and France, water power, which is a very important item in the total cost, is cheaper than in the United States. In Canada, where we get the bulk of our imported ferrosilicon, power costs range from 10 to 50 per cent less than at Niagara Falls, N. Y., where power on any large scale is sold more cheaply than in any other part of the United States. As the grade of product rises power cost becomes more important, and hence the advantage of the country having low-price power becomes more pronounced.

Mr. President, I repeat that if we were able to get power in this country at just twice the cost of power in Canada, paying for it $25 a horsepower as against $12.50 in Canada, the increase in the amount that it would cost to produce ferrosilicon in this country by reason of that increase in the cost of power would be just $12; and in order to cover that $12 a rate of 3 cents a pound is put on when it contains 60 per cent or more of silicon, which would be $42. A duty of $42 is put on—$42, bear in mind, or better—to cover an excess of power cost of only $12.

Bear in mind, now, I am figuring upon the basis that power in this country costs twice what it costs in Canada while the Tariff Commission tells us that the difference is from 10 to 50 per cent. The particular figures I shall give presently.

Leaving power out of consideration, the commission says:

3. Other cost factors like raw material and labor give the foreign producer, under normal conditions, but slight, if any, advantages. There is little difference between the wages of American and Canadian workmen, and while labor cost may be lower in Europe than in the United States, it is not such a big factor in the total cost as power and raw material. Coke or coal and silica rock are about as cheap here as in other countries.

So that all we have to take care of in this matter is the matter of power. How much power do you have to use in order to make a tariff of $60 a ton justifiable on the silicon content?

Of course that is $60 a ton. If it contains only 60 per cent, the price would be $42—bear in mind, $42 a ton duty upon this to take care of the difference in power, when the total cost of the power in this country is only $25; not the difference, but the total cost.

Now, let us see about the difference in the cost of power:

At Niagara Falls, N. Y., where the leading producers of ferrosilicon in the United States have their plants, the present (1920) cost of power for electrometallurgical work is $20 per horsepower year.

Twenty dollars per horsepower. I figured on $25. If it is $20, that reduces the difference in the power cost so much.

For this price the consumer must use 500 kilowatts as a minimum and for a term of not less than five years. This cost is divided into "firm energy to be supplied or kept available for supply" at a price of $23 per kilowatt per annum and "compensation for loss of electric energy between the point where the same is measured, and for the agreed value of the service for the transmission of such 'electric energy' supplied or kept available for supply as firm energy between the generating station of the company and the premises of the customer" at a price of $3.80 per kilowatt per annum. The total charge is thus $26.80 per kilowatt per annum, or approximately $20 per horsepower year.

On the Canadian side of the Falls electric power is cheaper, ranging from $10 to $18 per horsepower in Ontario. If we can get it on this side at $20, and on the other side at $10, there is a difference in power of $10, for which the American people are required to submit to a tariff of $42 per ton—$42 per ton to take care of a difference in power of $10. But, Mr. President, the cost is not uniform, but it runs from $10 to $18 per horsepower, or a difference of $42 to take care of a difference in the cost of power of just $2.

I wonder how long the American people are going to stand this kind of thing. I wonder how they are going to regard a bill that is framed as this one is, and in the face of facts of this character.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. WALSH of Montana. I yield to the Senator.

Mr. NORRIS. The Canadian power costs that the Senator has been giving are in Ontario, as I understand.

Mr. WALSH of Montana. Yes, sir.

Mr. NORRIS. Has the Senator there, or is there given there, the reason for the difference in power costs between the American side and the Canadian side of the Niagara River?

Mr. WALSH of Montana. No; that subject I do not find discussed here; but the Senator from North Dakota tells us that it is due to the fact that they have a superabundance of power on the Canadian side and a limited demand, while on this side they have a lack of power and an excess of demand.

Mr. NORRIS. The Senator is aware, I presume, that the power on the Canadian side is Government owned and on the American side privately owned?

Mr. WALSH of Montana. Yes, sir.

Mr. NORRIS. I think I called attention once before while this bill was here to a report that is being used to prevent the Government of the United States from developing as a Government any of its water powers, wherein a famous engineer makes a comparison between the Ontario price to the consumer and the American price to the consumer, and reaches the conclusion that the American consumer is getting his power cheaper than the Canadian Government-owned organization gives it to the consumer over there. That, however, was not for the purpose of levying a tariff or something. The object there was to discourage Government operation and Government development of water power in the United States. It seems now, in this instance, where it is desired to levy a tariff on a product, and it is desirable to show that the Canadian cost of the product made from this power is cheaper than the American cost, that it is demonstrated that the Government-owned power development of Canada is cheaper than the privately owned power development in the United States.

Mr. WALSH of Montana. It seems that the figures are flexible, depending upon the conclusion at which you desire to arrive.

Mr. NORRIS. Yes.

Mr. WALSH of Montana. But, Mr. President, the end is not here at all. Thus far we have been considering the matter of power being procured over in the United States on a basis of $20 per horsepower, but let me submit the following from this same report:

While the power rates on the American side of the Falls is $20 per horsepower-year, some producers of ferrosilicon, by virtue of old contracts, pay less. Some of these rates are as low as $15 and $16 per horsepower-year, and in one instance the rate is even lower. As old contracts expire the rate is raised to $20.

During the war some of the American producers of ferrosilicon at Niagara Falls were obliged to add to their allotment of power in order to supply the increased demand for this ferro-alloy. As the available water power was already in use, resort was had to steam-generated power, which cost as high as $80 and $90 per horsepower-year. This high cost was, of course, a temporary condition brought on by a great world crisis and was not excessive compared with what is paid in other parts of the country for steam-generated electrical energy. Since the war the use of steam-generated electric power has been discontinued by manufacturers of ferrosilicon.

The great bulk of the ferrosilicon manufactured in Canada is produced by one company, whose plant is located at Welland, Ontario. In 1907 this company entered into a contract whereby it was to be supplied with hydroelectric power for 30 years at a cost of $12.75 per horsepower-year, or nearly 40 per cent less than the regular rate charged American ferro-alloy manufacturers by the Niagara Falls Power Co.

So I feel that we are justified in saying that at the very highest the difference in the cost of power in this country and in Canada is the difference between $12.75 and $20, or $7.25—

$7.25, and a tariff of $42 a ton is put on to cover that difference. But, as I said, the same showing is repeatedly made with respect to many items in this bill in which the tariff is put on ostensibly to cover the difference in the cost of labor in this country and abroad; but it is disclosed often that the total labor cost is nowhere near the amount provided for the tariff rate.

Mr. President, this is a wholly indefensible provision, and I move to amend it by making the rate 1 cent per pound instead of 2 cents. One cent would be $10 per ton in the case of 50 per cent silicon. Of course, we will reach presently the case of the 60 per cent and more, 3 cents.

Mr. SMOOT. Mr. President, I am not going to repeat what the Senator from North Dakota has said upon this subject matter, but I want to say to the Senate that the Senator from Montana has been discussing one article and applying it to an article that has no more reference to what he was discussing than if it were made in a foreign country and never entered America.

The Senator has been reading from the tariff report the figures on blast-furnace ferrosilicon. It is sometimes called Bessemer ferrosilicon. The usual grade of that kind of ferrosilicon carries 10, 11, and 12 per cent—never above 12 per cent—of silicon. The average is 11 per cent; and when it goes above 15 per cent, as provided for in what the Senator has been talking about, it is never made in a blast furnace. It can not be made in a blast furnace. It is made in an electric furnace under the electric-furnace process.

I have a few figures to show just how far afield the statement was that was made by the Senator. Taking 11 per cent as the average, the silicon content of a long ton of 2,240 pounds—and all of the importations are given in long tons—would equal 247 pounds.

The duty is 2 cents a pound, or $4.94 cents a ton, and not $44, or $40, or any other amount. It is $4.94 a ton. The price of the ferrosilicon of 11 per cent is $44.80 a ton to-day, and $4.94 per ton would equal an 11 per cent ad valorem duty. That is what the committee has reported.

At present our only imports run 50 per cent and above, nothing under, and there is not a pound of ferrosilicon imported into the United States that is made in a blast furnace; not one single pound. Yet we have been told that the duty upon it is $44, and that it costs only some $7.75 more to produce it in the United States because of the difference between the cost in the United States for water power and that in Canada. The whole duty on the item is $4.94 a ton, and of course the water power does not cut any figure in this case at all. But if the product contains 50 per cent silicon or over, then it does cut a figure, and that is just what I have already stated. That is a product not made in a blast furnace but made by electrical furnace process.

The Senator from North Dakota, I think, gave the figures, and a concise statement, as to just what was intended by the amendments proposed by the Senate Committee on Finance, and I have made this statement simply because of the fact that the Senator from Montana read from the report of the Tariff Commission as to one item and applied the statement to another.

Mr. WALSH of Montana. Mr. President, there is no justification for that statement at all. I read what the Tariff Commission said about the blast-furnace ferrosilicon, and they said there was no difference at all. The blast-furnace ferrosilicon contains anywhere from 8 to 15 per cent.

Mr. SMOOT. That is what I said.

Mr. WALSH of Montana. This amendment includes from 8 to 60 per cent, so it includes all the blast-furnace ferrosilicon there is.

Mr. SMOOT. As I stated, there is not a pound of blast-furnace silicon imported into the United States.

Mr. WALSH of Montana. I do not care what the Senator said; I am talking about what the Tariff Commission said. Let us take the figures about which the Senator is talking. The item under consideration embraces everything containing from 8 per cent silicon to 60 per cent silicon. That bears a rate of 2 cents a pound. The average of all that is 34 per cent. There would be 680 pounds of the silicon in the average of this, running from 60 per cent up. Of course, if it was 50 per cent, there would be a thousand pounds, and 2 cents a pound on that would be $20, as a matter of course. That is what you have on your first item, $20. Nobody can controvert those facts, if it is 50 per cent. If it is 60 per cent, your duty is $24, to take care of the difference in the power cost, which I have shown can not exceed $7.25.

Mr. SMOOT. The Senator probably did not hear the letter read by the Senator from North Dakota from the Tariff Commission, dated, I think, March 2.

Mr. WALSH of Montana. I read it; but the Tariff Commission tell us that there are contracts outstanding by which the ferrosilicon manufacturers get their power for from $15 to $16 a horsepower, and likewise they tell us that the power cost for work of this character is $20 per horsepower.

Mr. SMOOT. If Canada could make it so much cheaper than any other foreign country, or anyone with whom we were in competition, it certainly would furnish the product to England, instead of Norway furnishing it to England. Norway produces it more cheaply than any other country in the world. Norway has a power price of $6 to $7 a horsepower per year. That is where ferrosilicon is produced cheaper than anywhere else in the world, and it furnishes, I think, all the ferrosilicon sent to England.

Mr. WALSH of Montana. The Tariff Commission does not seem to think that the competition from Norway is deserving of any consideration at all, because it simply discusses the competition of Canada.

But while we are on this item we might just as well consider the other items. If the product contains from 50 to 80 per cent silicon, it gets 3 cents. The average is 70 per cent. That is 1,400 pounds in every ton, and 3 cents a pound would make it $42. Forty-two dollars, as I said, is the tariff on the high-grade ferrosilicon.

Mr. WILLIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Ohio?

Mr. WALSH of Montana. I yield.

Mr. WILLIS. Will the Senator permit me to call attention to an inevitable result of this paragraph, if adopted as it stands? I called his attention a moment ago to the fact that 7 per cent ferrosilicon is ferrosilicon proper, and not pig iron. If this shall be adopted as it stands, the inevitable result will be that instead of producing the higher grades of ferrosilicon, as they now produce them in Canada, they will use this cheaper power to which the Senator has referred in producing the lower grades. The Senator from Utah pointed out the fact that up to date blast-furnace ferrosilicon has not been imported. That is true, but unless we shall include the 7 per cent ferrosilicon it will inevitably be true that the Canadian manufacturers will produce a lower grade, and therefore we will have importations. That is why we ought to have 7 per cent there instead of 8 per cent.

Mr. WALSH of Montana. The ferrosilicon which contains from 80 per cent to 90 per cent gets 4 cents a pound. The average would be 1,700 pounds, 85 per cent, figuring on 2,000 pounds to a ton and 4 cents a pound.

Mr. SMOOT. I do not see why the House put that in. There is no such thing as that used in commerce. Eighty per cent is the highest. That is the standard, and I can not understand why they made provision in the bill for the product containing between 80 and 90 per cent silicon. It is not used anywhere.

Mr. WALSH of Montana. I certainly can not enlighten the Senator.

Mr. SMOOT. I think the extra cost attached to the manufacture, if such a thing were on the market, would be more than the advantage they would receive in the freight rates, even where it comes from Europe or anywhere else.

Mr. WALSH of Montana. There would, then, according to the Senator, be two classifications, one of more than 8 and less than 60, and another more than 60 and less than 80, or, generally, more than 60. From 8 to 60, and from 60 above, would be the two classifications suggested by the Senator, the first to bear 2 cents and the second to bear 3 cents.

Mr. SMOOT. Yes.

Mr. WALSH of Montana. If you figure it from 60 to 80, as I have said, that makes an average of 70, and 3 cents a pound would make the tariff $51.

Mr. SMOOT. The only importations are of the 50 per cent grade; then there is a 75 per cent grade. Wherever it is 90 per cent it is silicon metal, and they might just as well make the product into silicon metal as to try to make one containing 90 per cent of silicon. As I said before, I do not see why they put the bracket in the bill, because it is not commercially used. It is not known; it is not advertised. Nobody tries to make it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana to the committee amendment.

Mr. SIMMONS. I ask that the amendment to the amendment be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. It is proposed to strike out "2 cents" and to insert "1 cent," so that, if amended, it would read:

Ferrosilicon containing 8 per cent or more of silicon and less than 60 per cent, 1 cent per pound on the silicon contained therein.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 49, line 24, to strike out the words, "containing 30 per cent or more of silicon and less than 60 per cent, 2¾ cents per pound on the silicon contained therein."

Mr. WILLIS. Before we leave the other provision I desire to say a word.

Mr. SMOOT. I would not care whether that were made 8 per cent or 7 per cent, but I am not authorized by the committee to make that change. I promise the Senator that the question shall be brought to the attention of the committee. I do not know what the committee will do, but as far as I am personally concerned it will make no difference, in my opinion, whether it is 7 or whether it is 8.

Mr. WILLIS. The Senator is willing to let it go over, then?

Mr. SMOOT. That item is not amendable now, anyhow; but the committee may amend it if they so desire.

Mr. WALSH of Montana. I move to amend the committee amendment by substituting 1½ for 3 cents.

Mr. SMOOT. The Senator will allow us to vote upon this first amendment, will he not, striking out lines 1 and 2? The next amendment is what the Senator has in mind.

Mr. WALSH of Montana. Yes; that amendment may be acted upon.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee, striking out the words which have been read, on page 49, line 24, and lines 1 and 2, page 50.

The amendment was agreed to.

The next amendment was, on page 50, line 4, to strike out "3½" and insert "3" before the word "cents," so as to read:

Containing 60 per cent or more of silicon and less than 80 per cent, 3 cents per pound on the silicon contained therein.

Mr. WALSH of Montana. I move to amend by substituting "1½" for "3."

The amendment to the amendment was rejected.

The amendment was agreed to.

Mr. WALSH of Montana. I would like to inquire of the Senator from Utah if it is his purpose to move to strike out at the appropriate time the remaining clause, and to make the appropriate amendment to carry out his ideas there?

Mr. SMOOT. I have not presented that to the committee. It will be presented to-morrow, if we get time.

Mr. WALSH of Montana. As I understand it, then, it would read substantially, if made to conform to the idea of the Senator, starting with line 2, "containing 60 per cent or more of silicon, 3 cents per pound on the silicon contained therein," with the remainder stricken out?

Mr. SMOOT. That would be perfectly satisfactory to me, and I think it would be to commerce, because it is not known as a commercial product, although if we do that, then we will have to have silicon metal provided for. Silicon metal runs at least 90 per cent and over, and that would have to be taken care of if this provision as to ferrosilicon is stricken out.

Mr. WALSH of Montana. Let me inquire. Silicon metal would be simply plain sand, would it not?

Mr. SMOOT. I will say to the Senator that silicon metal is made of plain sand, but it is the plain sand reduced to a metal through a process which I think the Senator understands.

Mr. WALSH of Montana. No; I do not, because I supposed silicon reduced to metal was pure glass.

Mr. SMOOT. That is one process of making glass, but mixed with other chemicals.

Mr. WALSH of Montana. I thought when we had pure quartz we had pure silicon.

Mr. SMOOT. That is what it is if it were possible to make it.

The VICE PRESIDENT. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. On page 50, line 14, the committee proposes to strike out the word "ferrocerium" and the comma.

Mr. SMOOT. This is what may be called the basket clause. It is reported at 30 per cent ad valorem. I move to strike out "30" and insert "25."

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. In line 13, strike out "30" and insert in lieu thereof "25."

Mr. WALSH of Montana. Is it the Senator's purpose to make the same amendment in line 13?

Mr. SMOOT. That is the amendment I am now offering.

Mr. WALSH of Montana. I thought the Senator referred to the "30" in line 13.

Mr. SMOOT. That is a special metal.

Mr. WALSH of Montana. It is chromium.

Mr. SMOOT. It is the cerium metal to which the Senator is referring?

Mr. WALSH of Montana. No; there is a duty of 30 per cent on chromium and its compounds. In line 19 there is a 30 per cent duty on various compounds.

Mr. SMOOT. The committee made no change in those items.

Mr. WALSH of Montana. That is to remain the same?

Mr. SMOOT. Yes; the same. There is no amendment offered.

Mr. WALSH of Montana. Then I take it that is practically a revenue duty.

Mr. SMOOT. No; it is not only revenue but it is a protective duty.

Mr. WALSH of Montana. There are none of those metals that require any protection, are there—ferrophosphorus, for instance?

Mr. SMOOT. If the Senator will look at the importations, he will find there are large quantities of chromium imported from France.

Mr. WALSH of Montana. We export from this country millions of dollars worth of phosphates.

Mr. SMOOT. But this is ferrochromium.

Mr. WALSH of Montana. Ferrophosphate, of course, and other kinds of phosphates.

Mr. SMOOT. That comes in the next bracket. They will fall in the basket clause at 25 per cent. That is the very first item in what I term the basket clause, and I wanted to move to strike out 30 and insert 25.

Mr. WALSH of Montana. On what page?

Mr. SMOOT. On page 50, in line 13, before the words "per centum ad valorem," following ferrochrome and ferrochromium, following the words "ad valorem" is "ferrophosphorus." I thought this was what the Senator had reference to.

Mr. WALSH of Montana. Yes.

Mr. SMOOT. On page 50, line 13, following the words "ad valorem," "ferrophosphorus" is the first word, and that is the first item in what I term the basket clause. They also carry 30 per cent in the House text, but the Senate committee desires to strike out "30" and insert "25."

Mr. WALSH of Montana. I think that is only a revenue rate, and I do not know any particular reason why these products should be revenue producers, except, of course, that they burden the industry to a very considerable extent. There are none of these which require any kind of protection. Take ferrovanadium, for instance. We import the ore very largely from South America, and yet we can compete with the world in the manufacture of ferrovanadium, as appears from the Tariff Commission Survey C-1, page 128, from which I read as follows:

Under present (1920) conditions no tariff problem arises with reference to the manufacture of ferrovanadium. This country furnishes most of the ferrovanadium produced in the world and controls the principal sources of supply of raw material. The imports of ferrovanadium having been very small and sporadic, the imposition of a duty yields only a negligible revenue.

Mr. SMOOT. I will say to the Senator that outside of ferrophosphorus all those items are used only in very small quantities. There are none of them which are really made in any quantity, not only in this country but in the world.

Mr. WALSH of Montana. There is ferrouranium, for instance. Uranium, it will be remembered, is the metal from which by some process radium is produced. We control the supply of the world, and it can not be produced anywhere in the world more cheaply than in the refineries of Pittsburgh.

Mr. SMOOT. I do not know whether there are 100 pounds of it used anywhere in the world. The Senator knows that in making up these basket clauses, they are made with the view that we do not know what will develop in the future. There are items in the bill, particularly in the basket clause, as to which a new discovery may be made, and it is generally put somewhere in the tariff bill. It would fall in the basket clause if they wanted to know something about the statistics of the item itself.

Mr. SIMMONS. Mr. President, may I ask the Senator from Utah a question?

Mr. WALSH of Montana. I yield for that purpose.

Mr. SIMMONS. I think one of the purposes of the power which is to be conferred upon the President in the amendment delegating to him power to fix rates under certain conditions is to meet the cases which the Senator says may possibly arise in connection with the very item he is now discussing.

Mr. SMOOT. If it is on the free list, I will say to the Senator, the President will have no power to take it off the free list.

Mr. SIMMONS. It is not on the free list.

Mr. SMOOT. I know it is not now. The power given to the President would allow him to increase whatever rate is fixed not to exceed 50 per cent, and this is a 25 per cent rate.

Mr. SIMMONS. And he may increase it 50 per cent.

Mr. SMOOT. He may do that. That is, he could increase it to 37½ per cent.

Mr. SIMMONS. The Senator is proposing to confer that power to increase the rate 50 per cent to meet a purely conjectural case.

Mr. SMOOT. Well, we can not tell. No living soul can tell. The Senator knows items of that kind are in every tariff bill.

Mr. SIMMONS. There may be items of that kind in every tariff bill, but I supposed the power given to the President was to take the place of these items.

Mr. SMOOT. Not at all. Nobody can tell what it may be. It may be 100 years before anything is discovered, and it may be 100 days or 100 weeks or 100 months.

Mr. WALSH of Montana. I should not spend any time on these items, which in a way are trifling, except that they illustrate to some extent the characteristic feature of the bill to clap a tariff on anywhere. Take ferrovanadium, as to which we control the world. The importations all come from South America and the mines are owned by American capital. Take ferrouranium. Nobody in the world produces uranium in a fractional part of the quantity that is produced here in this country. Indeed, we supply the world. Take ferrophosphorus, for instance. We have phosphate beds in the West limitless in amount, and they have so much down in Florida and Tennessee that we are shut out of the market absolutely. It is a drug on the market, so far as the United States is concerned, and yet it is proposed to put a tariff of 25 per cent on that product. The Tariff Commission says:

> There is no special problem with reference to tariff classification or kind of duty to be imposed. The competitive position of the domestic producers is not seriously menaced by any known special advantages which the foreign manufacturer may have. While hydroelectric power is cheaper in some foreign countries than in the United States, the blast-furnace ferrophosphorus made in this country, as shown by the small importation, has been able to hold its own against the foreign product. Certain radical alterations in the relative prices of coke and hydroelectric power may, of course, change this situation.
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> The importation of ferrophosphorus has been too small to yield any considerable revenue. Since 1912 the duties collected on imports in any one year never amounted to as much as $1,000. In 1911, under a 25 per cent ad valorem rate, the duties collected on the unusually large importation of 195 tons amounted to only $1,716.

Ferrotitanium is another item in the so-called basket clause. We are in the same favorable situation with respect to that, as appears from the Tariff Commission report, as follows:

> With the present small and sporadic importation of ferrotitanium the tariff problem is not an urgent one, either because of adverse competitive conditions or on account of revenue possibilities. In tariff classification, however, recognition should be given to the fact that the carbon-free ferrotitanium is a much more expensive product than ferro-carbon-titanium, and is produced under different conditions. The possibility of serious competition in the future on account of high power costs merits some consideration.

But for the present there is no occasion for a tariff at all.

Mr. SMOOT. Mr. President, is it not strange that this was all right in 1913? It was all right to name these very items and place a duty upon them in 1913. It was the duty of a statesman to do that in 1913, but in 1922 it is all wrong. Every item, with the exception of ferrozirconium, was named specifically in the law of 1913, and that product was not known at that time, or it would have been included. The importations in this bracket were only $25,000, and I have stated why they are mentioned in the bill. They are items which are not used to any extent in any part of the world. What would the world do if some one were to produce a pound of radium? What would it mean—a pound of radium for all the world? I do not think we ought to take any time in disposing of these things. It makes no difference to the bill whether they come out or whether they stay in.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. In line 14, page 50, the committee proposes to strike out the word "ferrocerium" and the comma.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The ASSISTANT SECRETARY. In line 15, page 50, strike out "ferrosilicon" and insert "zirconium ferrosilicon."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The ASSISTANT SECRETARY. In line 20, page 50, the committee proposes to strike out the words "ad valorem" and insert "ad valorem; cerium metal, $20 per pound; ferrocerium and all other cerium alloys, $2 per pound and 25 per cent ad valorem."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. SMOOT. Now, my motion is to strike out, in line 19, the numeral "30" and insert "25."

Mr. SIMMONS. Mr. President, in voting on amendments, we much prefer that the Chair, instead of saying "Without objection, agreed to"—we may not agree to the amendments—would permit a vote to be taken where there is no call for the yeas and nays. I should much prefer that the Chair should put the question on agreeing to amendments.

The PRESIDING OFFICER. The Chair will be glad to put the question on amendments. The amendment offered by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. In the House text at the end of line 19, on page 50, it is proposed to strike out the numerals "30" and to insert the numerals "25."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The ASSISTANT SECRETARY. The next amendment is, on page 50, line 20, after the words "per cent," to strike out "ad valorem" and insert "ad valorem; cerium metal, $2 per pound; ferrocerium and all other cerium alloys, $2 per pound and 25 per cent ad valorem."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. WALSH of Montana. Mr. President, I wish some Senator would make some explanation of that amendment. I have not been able to get any information in reference to it. Two dollars a pound seems to be a pretty stiff duty.

Mr. FRELINGHUYSEN. Mr. President, the duty of $2 per pound on cerium metal is warranted by the import price of $10 a pound. The price on the ferrocerium during the war was $100 a pound. The average price is now about $25 a pound.

The cerium industry is not a large one. During the war a process was developed in this country for the manufacture of cerium alloys and we were able to furnish the Army of the United States and its allies ignition means, without which they would have been seriously handicapped. Prior to the war it was all controlled by an Austrian trust; but during the war the patents were taken over and we began to manufacture it in this country. There were three or four concerns which manufactured it during the war. If we are to maintain this industry in this country it is necessary to impose these duties, which are practically, as near as I can figure them out, about 40 per cent of the cost of the product. I desire to read into the RECORD at this point a statement concerning the character, production, uses, and so forth, of cerium metal:

> Cerium is a soft black heavy metal produced in the electric furnace. Its only recognized use is as the basis of pyrophoric alloy (designated commercially as sparking metal or flints) for lighting appliances, such as mining lamps, gas and pocket lighters, which alloy is composed of about 70 per cent impure cerium metal, hardened by about 30 per cent of iron, zinc, copper, magnesium, or other metals. The alloy is marketed mainly in small cylindrical shaped sizes about one-eighth inch diameter by one-eighth inch long, running about 1,500 to 2,000 pieces to the pound. The normal market in this country is only about 500 pounds monthly, the principal countries using same being France, Germany, Austria, Poland, and Russia, and tropical countries where matches are injured by moisture.
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> The cerium salts used to produce the metal are the residues left after extracting thorium salts (used in the making of gas mantles) from the monazite sands found principally in India and Brazil. The sands are concentrated so that when marketed the Brazilian sands contain 5 to 7 per cent of thoria and the India sands 8 to 10 per cent, the India sands consequently being superior. About 70 per cent of the volume of sands treated for thoria is left as residue. About 5 pounds of such residue, carrying about 50 per cent of cerium salts, are required for a pound of cerium metal.
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> Before and during the war the gas-mantle and the cerium industry of Europe was controlled by a German-Austrian cartel, of which Von Dernberg (the recognized financial representative of Kaiser Wilhelm) was the largest stockholder. The principal company of the cartel was the Treibacher Chemische Gesellschaft, of Treibach, Austria, formed by Auer von Welsbach, the original inventor of the gas mantle. The cartel had branches or subsidiary companies which they controlled in the principal parts of the world, and also controlled the monazite sands of India through a British company, of which they owned the stock. The Brazilian sands were and still are controlled by a French company that worked in accord with the cartel. The cartel produced probably about 5,000,000 pounds of thoria per year, the greater part of which they marketed with their gas mantle, doing a business of several million yearly. The two or three American companies which manufactured thoria were independent of the cartel, but had necessary trade relations on account of their need for getting the monazite sands. Their cost of producing thoria and gas mantles was higher than in Europe on account of their more limited production and because they had no market for their residues. During the war the company controlling the India sands was taken over and sold by the British Government as alien-owned property, and is now controlled by a former German who became a British subject. They have a working agreement with the French company and expect to succeed the original cartel by controlling the main deposits of monazite sands.
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> Before the war the sparking metal business in this country was supplied by a branch of the Treibacher Co. in New York City, in charge of their agent. The cerium metal was shipped here from Austria and made up into alloy at this branch.
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> Cerium metal is produced by an intricate electric-furnace process. The alloy is produced by an even more difficult process. These proc-

esses were kept secret by the cartel. In 1917 a group of leading electrometallurgists here took up the question of producing the metal and the alloy and in 1918 were able to supply all our needs, and resulted in this corporation, representing outlays of more than $250,000.

The cost of producing cerium metal here per pound is about $3.50 and the cost of producing the alloy per pound is about $4.50. The cost abroad, owing to cheaper labor, money, and materials, and larger production on account of larger market, is less than half these costs. The agent of the Treibacher Co. stated that their pre-war cost was less than $1 per pound. This statement is probably fairly accurate. At any rate, the production costs abroad are so much lower that it will be impossible for this newly established industry to continue without reasonable tariff protection. Without such protection our own market, as well as other markets, will be supplied only by foreign-made alloy.

We desire to emphasize the great difference between cerium metal as covered by paragraph 1542 of schedule 15 and the crude minerals or other metals also included in the free list.

Cerium is not a metal which can be extracted from its ores by a simple smelting process, but is a highly intricate article of manufacture. Cerium is produced from the residues of the gas-mantle industry by a very difficult electrolytic process which we have developed in this country. It can not by any consideration be regarded as a raw or unwrought metal, but is an article of manufacture requiring the greatest electrometallurgical skill to produce it.

Its manufacture provides the only use for the residues of the gas-mantle industry, thereby affording an important help to this industry against foreign competition which it would not otherwise have. The national importance of the gas-mantle industry has been recognized by other countries—England particularly—in regarding the manufacture of thorium nitrate and other salts as one of the key industries, and protecting same accordingly. We respectfully contend that the preservation of the cerium industry in this country by suitable tariff protection is of national importance, because the pyrophoric alloys, of which it is the prime constituent, provide the only substitute for matches or other igniting means where these latter can not be obtained or used. During the war, by reason of the processes which we developed for the manufacture of cerium and its alloys, we were able to furnish to the armies of the United States and its allies ignition means without which they would have been seriously handicapped, not only for the uses of the soldiers in the trenches but also in tracer shells and the like. Furthermore, cerium alloys are of vital importance for miners' safety lamps, and mining operations would be seriously handicapped if, in a national emergency, it would be impossible to provide by American manufacture means of ignition for purposes of this kind.

We desire to also call special attention to the difference between ferrocerium and other ferro-alloys with which it is grouped at the present time in paragraph No. 302 of schedule 3 of the proposed tariff. Ferrocerium, as distinguished from the other ferro-alloys, is not used as a subsidiary product for the treatment of alloy of steel, but its only use is in lighting appliances, as previously stated. What we desire to emphasize is that though known as ferrocerium it is not a member of the so-called ferro-alloy group and should be treated absolutely independent of same and under entirely different considerations.

The need for protection of "special-purpose metals" and their alloys has already been recognized in the proposed tariff bill, as, for example, in schedule 3, paragraph 302, molybdenum and other metals; paragraph 375, magnesium and its alloys.

* * * * * * *

Dated December 28, 1921.

Mr. SIMMONS. Will the Senator from New Jersey allow me to ask him a question?

Mr. FRELINGHUYSEN. Certainly.

Mr. SIMMONS. I understood the Senator to say that we are now manufacturing this commodity for $25 a pound.

Mr. FRELINGHUYSEN. I understand that is the price of ferrocerium.

Mr. SIMMONS. I understood the Senator further to say that during the war it sold for $100 a pound?

Mr. FRELINGHUYSEN. Yes; that is my information.

Mr. SIMMONS. There was an embargo during the war; and why did it sell for so much at that time?

Mr. FRELINGHUYSEN. I do not know, unless it was due to the cost of the manufacture. I understand it was difficult to get.

Mr. SIMMONS. I was wondering—and it is about that I desire to elicit an opinion from the Senator—why should this commodity have cost so much as $100 per pound to make during the war when it had an embargo on it, and why have we been able to reduce the price to $25?

Mr. FRELINGHUYSEN. Everything was costly here during the war.

Mr. SIMMONS. Does the Senator know that its manufacture cost 400 per cent more during the war than it now costs?

Mr. FRELINGHUYSEN. Yes; the price of labor has now come down. It cost more to manufacture everything during the war.

Mr. SIMMONS. I do not know how it is in this particular industry about the labor coming down, but labor has not come down in any other industries in any such proportion to that.

Mr. FRELINGHUYSEN. I understand also that when the patents were taken over the manufacture of this commodity was in its experimental stage.

Mr. SIMMONS. But the manufacturers were in possession of the patents when they were charging $100 a pound, were they not, as they are in possession of them now?

Mr. FRELINGHUYSEN. Undoubtedly.

Mr. SIMMONS. It looks like somebody has been practicing extortion upon the American people. If they are not practicing extortion now, they must have been doing so when they charged $100 a pound for this material.

But allow me to ask the Senator another question. Before the war, before we got possession of the patents about which the Senator has spoken, and when we were entirely dependent upon Austria for this particular product, will the Senator tell me what the price of the commodity then was?

Mr. FRELINGHUYSEN. All I have, I will say to the Senator from North Carolina, is the information furnished by the Tariff Information Survey, which gives us the following information:

Before the war the pyrophoric alloy manufactured in this country was made from metallic cerium imported from Germany. Soon after the imports were cut off by the war, the manufacturers of metallic cerium was undertaken by the New Process Metals Co. of New York. This company was, however, unable to make the pyrophoric alloy with iron owing to a patent controlled by the Austrian manufacturers, and the company therefore sold their product to the American agent of the Austrian producers. Under the trading with the enemy act in 1917 the New Process Metals Co. was able to secure a license from the Federal Trade Commission and is now manufacturing pyrophoric alloy under the patents formerly controlled by the Austrian manufacturers. Pyrophoric alloy has been quoted at $25 to $40 per pound—

That is the ferrocerium, as I understand—

depending upon its quality and the degree of manufacture. Misch-metal sells for about $10 per pound—

That is the cerium metal, as I understand—

Statistics for the domestic production are not available, but the annual consumption in the United States has been estimated at about 20 tons. During the war a small export trade with the Allies was developed, but it is very doubtful if this will be held after normal conditions are restored in Europe.

Imports of pyrophoric alloys are not published separately in the official statistics. Imports of "cerium, cerite, or cerium ore," which are made up chiefly of metallic cerium and misch-metal, are shown in Table 20.

Mr. SIMMONS. What I desired particularly to find out was how much more we have to pay for this little item now that we are manufacturing it than we had to pay when we were not manufacturing it. I think it would be very desirable information if we could get it. I should also like to know what the price was before we began to manufacture it, when we imported it from abroad. Has the Senator any information as to what we paid for it before we began the manufacture of it?

Mr. FRELINGHUYSEN. I have not that information, I regret to say to the Senator from North Carolina.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. WALSH of Montana. Mr. President, before voting on this item, I desire to give the Senate the benefit of further information on this subject furnished by the Tariff Commission. Before I do so, however, I desire to recall that the Senator from North Dakota informed us that hydroelectric power could be secured in Norway for something like $7 per horsepower. That statement, he advised us, was made upon the advice of the expert of the Tariff Commission who sits with him in this Chamber. To show how the information that thus comes offhand from the expert should be regarded, I read from page 159 of the Survey C-1, which must have been the source of the information given to the Senator from North Dakota by his assistant:

In Europe rates for hydroelectric power are hard to state, on account of the demoralized monetary conditions prevailing over the greater part of the Continent. In Norway, as noted in discussing ferrosilicon, one American company—

One American company—

according to a contract entered into in 1913, pays a rate of $7.40 per horsepower year, or about $0.0011 per kilowatt hour. A Swedish metallurgical engineer, now president of a blast-furnace company in Sweden, informed a representative of the Tariff Commission that hydroelectric power in Norway now (1920) costs three times as much as it did in the pre-war period.

As to cerium, upon which the Senator from New Jersey modestly asks for a tariff duty of $2 a pound, the Summary of Tariff Information states:

Description and uses: Cerium is a soft, steel-gray metal occurring in more than 60 minerals. Of the entire list of cerium-bearing minerals, two may be regarded as commercial sources. These are the phosphate (monazite sand, par. 1616)—

That is, it is on the free list—

and the silicate (orthite). Cerite, a hydrous silicate occurring in Sweden, was for some time the only commercial source of cerium compounds. Monazite sand, the most important cerium ore, is mined for its content of thoria, which is used in incandescent gas mantles. Cerium is a by-product and is obtained in excessively large amounts.

It is a by-product, Mr. President, of the production of thoria, and in the production of thoria is secured an excessively large amount of cerium. There is so much of it that it is found next to impossible to dispose of it—

No commercial use has been found for the pure cerium metal, but certain of its alloys and compounds have a fairly extended range of application. The quantity consumed, however, is only a small fraction of the production. Incandescent gas mantles, besides thoria, contain 1 per cent of ceria. Certain cerium alloys, e. g., pyrophoric alloys, throw off glowing particles when scratched by a hard metal, a property utilized in automatic cigarette and gas lighters. Other alloys are used as reducing agents and as dexodizers in the manufacture of high-grade iron and steel castings—

It will be seen that we usually run up against the steel industry in connection with these products—

Cerium fluoride is used extensively in carbon electrodes for "flaming" electric arc lamps. Cerium salts are also used in medicine.

Production statistics of cerium are not available, but consumption of monazite sand indicates an output of at least 250 tons of ceria (cerium oxide).

A duty of $2 a pound represents $4,000 a ton; so that the duty on 250 tons would be a trifling matter of $1,000,000 imposed on the taxpayers of the country by this innocent-looking item in the bill:

At least 10,000 tons of ceria are estimated to have accumulated at the gas-mantle factories.

Imports of cerium, cerite, and cerium ore are small and of no significance. They were valued at $10,712 in 1914 and at $5,260 in 1918 (fiscal year). They came entirely from Austria in 1914. There were no importations in 1919 and only $30 worth in 1920.

Mr. FRELINGHUYSEN. Mr. President, everything that the Senator from Montana has said is perfectly true, with the exception of the statement that this is a tax on the consumers of this country to any great extent. If we are going to protect this industry and keep it here—and I am in favor of doing so—$2 a pound is not an excessive duty.

Cerium is a by-product, but I am informed—and this is some expert information which I have procured—it is not a metal which can be extracted from its ores by a simple smelting process, but is a highly intricate article of manufacture. Cerium is produced from the residues of the gas-mantle industry by a very difficult electrolytic process which we developed in this country. It can not by any consideration be regarded as a raw or unwrought metal, but is an article of manufacture requiring the greatest electrometallurgical skill to produce it. Its manufacture provides the only use for the residues of the gas-mantle industry, thereby affording to this industry an important help against foreign competition, which it would not otherwise have.

Mr. President, as I am informed that the cost of the manufacturing process is some $4.50 to $5.50, I submit that a duty of $2 will not create an embargo. The Senator from North Carolina has asked why the price is $25 a pound. It seems to be due to the fact that the process and the labor employed in it must constitute a very large portion of the cost of production and manufacture. If a duty of $2 a pound is placed upon this product, with a lower cost of manufacturing in Germany or Austria, which have been the competing countries heretofore, it surely will not prevent to any great extent the competitions of Europe or cause an increased tax upon the consumers in this country.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from North Carolina?

Mr. FRELINGHUYSEN. I do.

Mr. SIMMONS. I do not know whether I understood the Senator a little while ago, but I thought I understood him to say, while he was reading from the brief there, that the cost of manufacture was $4 a pound or $4.50 a pound.

Mr. FRELINGHUYSEN. I understand from the figures I have here that the cost of producing ferrocerium is about $4.50 to $5.50 per pound.

Mr. SIMMONS. Then I again ask why it is sold for $25 a pound.

Mr. FRELINGHUYSEN. I do not know, Mr. President, why it is sold for $25 a pound.

Mr. SIMMONS. That is a very important thing.

Mr. FRELINGHUYSEN. Nor do I know what the foreign cost is.

Mr. SIMMONS. The foreign cost has nothing to do with it. The Senator says that he wants an article protected which is produced in America for $4.50 and sold to the American consumer for $25 a pound.

Mr. FRELINGHUYSEN. Why, certainly, Mr. President. I am basing my argument for a duty on a cost of production of $5.50 per pound.

Mr. SIMMONS. Mr. President, if an American producer can sell his product in this market for six times what it costs to produce it, it must be because he already enjoys a monopoly; otherwise he could not command any such profit as that upon his product. It seems to me that where it is shown that the American consumers are having to pay six times the cost of producing an article in the domestic market, if it can be made anywhere else and sold to us at a rate that would protect us against this enormous, this unconscionable profit of six times the cost of production, we ought not to be excluding it by this high, prohibitive tariff.

Mr. FRELINGHUYSEN. Mr. President, does the Senator contend that $2 a pound duty against a manufacturing cost of $5.50, even if the product is selling at $25, is a prohibitive duty?

Mr. SIMMONS. It would appear that something is prohibiting it. I do not know.

Mr. FRELINGHUYSEN. But is the duty prohibiting it?

Mr. SIMMONS. Is it not apparent to the Senator that this product does not require, and that the producers of this product have no right to ask the American people to keep out foreign competition when they are selling that article in this market to the American people for six times what it costs to produce it? That is the point I am making.

Mr. FRELINGHUYSEN. Mr. President, I was informed that the price was $25, and I am informed that that was during the war. I have some further testimony on the subject.

Mr. SIMMONS. But the Senator said it was $100 during the war, and is $25 now. That is the point I am making with him.

Mr. FRELINGHUYSEN. It was $100 during the war.

Mr. SIMMONS. And that it is $25 now, and that it costs $4.50 to produce it in this country.

Mr. FRELINGHUYSEN. I did say that.

Mr. SIMMONS. Now, the Senator wants to protect the American people against foreign competition on an article that is being sold to the American consumer for six times what it costs to produce it.

Mr. FRELINGHUYSEN. Mr. President, here is some further testimony upon this rather vague subject—the testimony of Mr. Alexander Harris, at page 4421:

The price in this country is $7 per pound, but special grades of this material bring about $15 per pound, and some other grades bring $18 per pound.

Mr. SIMMONS. If the Senator keeps on he will get it down to nothing after a while. He started with $100, and got it down to $25, and now he gets it down to $15 and $18.

Mr. FRELINGHUYSEN. No; I would not do that, because then the duty would be too high.

Mr. SIMMONS. I think we ought to have the yeas and nays on this amendment.

Mr. WALSH of Montana. Mr. President, I think I shall ask for the yeas and nays on this amendment; but before doing so I should like to summarize the situation.

It costs $5.50 a pound to produce this commodity. It is sold for anywhere from $7.50 to $25 a pound. We know absolutely nothing whatever about what it costs to produce it abroad. We do not even know what the foreign price is. That is the brief situation as it has developed. It is a by-product, just simply utilizing some waste.

I ask for the yeas and nays.

Mr. McCUMBER. Mr. President, I will ask if the Senator from New Jersey will be willing to pass over this paragraph?

Mr. FRELINGHUYSEN. Why, no, Mr. President, unless the Senator insists, of course.

Mr. McCUMBER. No; I will not insist.

Mr. FRELINGHUYSEN. I think it ought to be voted on. I do not think the duty is at all unreasonable, and it might just as well be settled now.

Mr. McCUMBER. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, on which the yeas and nays have been requested.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and ask that this announcement may stand for the day. I vote "nay."

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG], who is absent from the Chamber. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the previous vote with reference to the transfer of my pair, I vote "yea."

The roll call was concluded.

Mr. HALE. Making the same announcement as before, I vote "yea."

Mr. ELKINS. I transfer my pair with the Senator from Mississippi [Mr. HARRISON] to the Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. GERRY. I desire to announce that the senior Senator from Alabama [Mr. UNDERWOOD] is unavoidably detained. He

is paired with the senior Senator from Massachusetts [Mr. LODGE].

Mr. STERLING. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from New York [Mr. WADSWORTH] and vote "yea."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR].

Mr. ERNST (after having voted in the affirmative). I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Delaware [Mr. DU PONT] and permit my vote to stand.

The result was announced—yeas 34, nays 25, as follows:

YEAS—34.

Brandegee	Gooding	McLean	Spencer
Bursum	Hale	McNary	Sterling
Capper	Johnson	Nelson	Sutherland
Curtis	Kendrick	Newberry	Townsend
Dillingham	Keyes	Oddie	Warren
Elkins	Ladd	Phipps	Watson, Ind.
Ernst	McCormick	Poindexter	Willis
France	McCumber	Rawson	
Frelinghuysen	McKinley	Smoot	

NAYS—25.

Borah	Heflin	Norris	Swanson
Caraway	Jones, N. Mex.	Overman	Walsh, Mont.
Dial	Jones, Wash.	Pittman	Watson, Ga.
Gerry	King	Pomerene	Williams
Glass	La Follette	Ransdell	
Harris	Myers	Sheppard	
Harrison	Norbeck	Simmons	

NOT VOTING—37.

Ashurst	Edge	New	Stanfield
Ball	Fernald	Nicholson	Stanley
Broussard	Fletcher	Owen	Trammell
Calder	Harreld	Page	Underwood
Cameron	Hitchcock	Pepper	Wadsworth
Colt	Kellogg	Reed	Walsh, Mass.
Crow	Lenroot	Robinson	Weller
Culberson	Lodge	Shields	
Cummins	McKellar	Shortridge	
du Pont	Moses	Smith	

So the amendment of the committee was agreed to.

DISTURBANCE OF OPEN-AIR MEETINGS BY AIRPLANES.

Mr. HEFLIN. Mr. President, I ask unanimous consent for the present consideration of the joint resolution which I send to the desk.

The PRESIDING OFFICER. Without objection, the joint resolution will be read by title.

The joint resolution (S. J. Res. 207) to prevent airplanes from disturbing public assemblies in the District of Columbia was read twice by its title.

The PRESIDING OFFICER. The Senator from Alabama asks unanimous consent for the present consideration of the joint resolution.

Mr. WILLIAMS. I object.

The PRESIDING OFFICER. Objection is made.

Mr. HEFLIN. Mr. President, does the Senator from Mississippi know just what this resolution seeks to do? Did the Senator from Mississippi hear the title read?

Mr. WILLIAMS. Of course I did, or I would not have objected. What does the Senator mean by that sort of an insolent inquiry?

Mr. HEFLIN. It is a joint resolution to prevent airplanes from flying overhead and disturbing public assemblies in the District of Columbia.

Mr. WILLIAMS. I understood that perfectly, and I also understood that an airplane interfered with a public meeting at which the Senator from Alabama was making a speech.

Mr. HEFLIN. That is correct. I was speaking under the auspices of the Washington Elks on the subject: "The American Flag."

Mr. WILLIAMS. And I have objected to unanimous consent for the consideration of the resolution. What did the Senator mean by his insolence in asking me whether I understood?

Mr. HEFLIN. I meant no insolence whatever. Am I to understand that the Senator from Mississippi would object to a resolution to prevent the disturbance of people assembled for the purpose of paying tribute to the American flag?

Mr. WILLIAMS. Mr. President, I was not objecting to preventing any disturbance——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. HEFLIN. No; I do not yield.

Mr. WILLIAMS. I shall not object to preventing any disturbance——

The PRESIDING OFFICER. The Senator from Alabama has the floor, and he declines to yield to the Senator from Mississippi.

Mr. WILLIAMS. Then I will wait until he is through, and I will claim the attention of the Chair.

Mr. HEFLIN. Mr. President, complaints have come frequently from patriotic bodies and religious bodies holding open-air meetings in the District of Columbia about being disturbed by airplanes flying overhead or near by them. The weather is warm, and people are holding meetings in the open air in the District of Columbia, as they have a right to do. These airplanes come out and circle around overhead and near the assemblies, disturb these meetings, and make it impossible for the people to proceed with their programs.

Just two weeks ago the President of the United States was making a speech down at the Lincoln Memorial, receiving that magnificent monument on behalf of the people of the greatest Government in all the world, and one of these airplane fellows, taking pictures for a moving-picture show, I am told, circled overhead and made such a noise as to greatly disturb the President, and the President was naturally very indignant at the aviator's performance. Everybody was indignant at that discourteous treatment of the President of the United States and of the patriotic people who had assembled for the purpose which called them together.

On yesterday the Elks of the city of Washington had their flag-day service, and we were assembled at the base of Washington's Monument, out in the open air, in the Sylvan Theater. Representative FREE, a Republican Member of Congress from the State of California, read the Elks' tribute to the flag. I had been invited by the Elks to make a speech upon that occasion, to deliver the principal address, and my subject was "The American Flag." There we were, Mr. President, assembled out on the green, holding this patriotic meeting, and an airplane making a tremendous noise passed over the assembly. It disturbed me and disturbed the meeting. I had to stop speaking two or three times on account of the noise. Several people, including myself, waved to him to leave. In about five minutes he returned and repeated the annoying performance. He circled over and around us about three times. He annoyed, irritated, and disturbed everyone present. The whole audience showed its resentment at his uncouth conduct. That patriotic assembly in the Capital of the Nation had to endure the outrageous performance. I announced that I was going to undertake to protect the people of the District of Columbia from such annoyances and disturbances in the future. The audience with hearty applause expressed its approval of my suggestion. The people of Washington are entitled to the protection that my resolution provides. When the Senator from Mississippi objected, I thought that he probably had not understood the purpose of the resolution and I felt that maybe his desire to go on with the tariff discussion prompted his objection to the consideration of the resolution at this time. Certainly I meant no offense to the Senator by asking if he understood what it was I was trying to do.

The Senator became angry and indignant because I wanted to know if he knew what it was I was trying to do at this time. I merely thought he did not want to consider any resolution now. But he informed me that he did know, and that he did object, so that is all there is to it. I will just have to wait until I can get it up at some other time.

Mr. WILLIAMS. Is the Senator through?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. HEFLIN. Not yet; he doesn't look friendly enough to warrant me in yielding to him yet.

Mr. WILLIAMS. Go ahead, then.

Mr. HEFLIN. Mr. President——

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. The Senator from Alabama has declined to yield to the Senator from Mississippi.

Mr. WILLIAMS. Oh, has he?

Mr. HEFLIN. I yield to the Senator from Mississippi.

Mr. WILLIAMS. No; I shall wait until the Senator from Alabama imagines he is through.

Mr. HEFLIN. It will probably be an hour or so before I am through.

Mr. WILLIAMS. All right, then, I will wait for an hour or two.

Mr. HEFLIN. Mr. President, I was merely jesting about speaking an hour. I believe that is about all I desire to say at this time. I really did not think there would be any opposition

to the joint resolution, but I will have to wait, since the Senator from Mississippi will not agree to take it up at this time.

Mr. WILLIAMS. Mr. President, I am highly delighted at the idea that the Senator from Alabama has expressed that maybe he could "wait for an hour or two" until I had gotten through expressing my objections to this. Of course, I conceived long ago that the Senator from Alabama expressed some remarkably new ideas or a remarkably new concurrence of modern ideas that might at some time be renaissance. The Senator just informed me that he was advocating this resolution because of certain "religious or patriotic" motives, and as far as I can learn his religious and patriotic motives amount to this, that at a certain meeting in the city of Washington, where he was speaking, an airplane flew over and interfered with his discourse.

Of course, every now and then something may interfere with the distinguished Senator from Alabama in his discourse. Shall I call it a discourse?

I leave that to posterity. It may be or it may not be. At any rate, in the opinion of the Senator from Alabama, an airplane flying around loose in the free air interferes with the discourse of a Senator of the United States. Why, Mr. President, if that Senator were even the Senator from Utah [Mr. SMOOT] or the Senator from North Dakota [Mr. MCCUMBER], much more political personages than the Senator from Alabama even, I would contend that a fellow had a right to fly around in the air regardless of who was walking or talking on the earth below him just so he did not injure him. You know, I can not imagine that even the Senator from North Dakota, at the head of the Finance Committee, or one of his experts, or even the Senator from Utah, of secondary consideration upon the Finance Committee, or one of his experts, could have a right to utter a protest against another American citizen flying around in the air away yonder above them maybe 500 feet, maybe 5,000 feet, not disturbing them at all, not rustling up against them, not hurtling their elbows.

Why, Mr. President, can you imagine a Senator from the State of Washington—and there is one from that State sitting in the chair at this present moment—can you imagine that when he was flying an airplane from Washington State on the way to Washington City, coming by way of Mississippi, that I would be entitled to complain, because he interfered with a Fourth of July speech of mine or some other speech of mine, which I chose to consider a form of "public worship"? Even a Fourth of July speech of mine is generally a very good speech. I say so myself. I acknowledge it. I do not admit that an ordinary speech of the Senator from Alabama is a very good speech. But suppose that I entered into the arena claiming that the Senator from Vermont [Mr. DILLINGHAM], who sits opposite me now, had no right to fly an airplane and flutter its wings, while I, an immortal Senator of the United States, were talking to a Fourth of July audience about something. Anyhow, the Senator from Alabama was talking to somebody about something. It was the immortal Senator from Alabama who was talking to somebody about something, and a "balloon riz up," an airplane impudently fluttered in competition with his voice. He did not quite realize what he was talking to, but that is an ordinary habit with him.

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Alabama?

Mr. WILLIAMS. Of course.

Mr. HEFLIN. The Senator from Alabama knew about what he was saying and the audience he was addressing.

Mr. WILLIAMS. Oh, Mr. President, I have no doubt that the Senator from Alabama thought that. I have no sort of doubt that he thought the audience was following him. I have watched him for quite awhile in this body, and I have never caught an audience following him. But perhaps that particular audience was following him. At any rate, I am thoroughly convinced that the Senator from Alabama was convinced that he was speaking seriously and that a lot of other people were listening seriously.

Now, Mr. President, so far as I can learn, there is nothing free in the world except the air. The earth is not free because the trusts own it. The political future of the United States is not free because the Republican tariff barons own it. Europe is not free because France's militaristic instincts own it. There is nothing free except the air. For God's sake, leave the air free even if it interrupts the President of the United States or the Senator from Alabama.

I started to go further and say that it ought to be left free even if it left the Senator from Mississippi interrupted by an airplane fluttering, but I will not say that because I represent the State that has been represented by Jeff Davis, by Robert J. Walker, as Secretary of the Treasury, by George Poindexter, by Edward Cary Walthall, and James Z. George—and by me, outside of all them, and they and I were or ought to be sacred—sacro-sanct.

But, Mr. President, just think—just think for one moment of the audacity and the insolence of an infernal airplane flying over my head right now, for example, while I am trying to address your intelligence, which is singularly absent by lack of attention. Think of what it would amount to. Why, I could not stand for that any more than the Senator from Alabama could stand for it. Airplanes! Things up in the air with no regulated routes, with no regulated highway, flying around as they darned please, fluttering over a President, and worse than that, infinitely worse than that, now and then fluttering over the head of the Senator from the State of Alabama.

Think of it! Why, the fellow that is running that airplane is taking his life in his hands. He may be risking his existence, but I challenge him to risk his existence at the expense of the oratory and the eloquence of the Senator from Alabama. He has no right to do it. It is too little of an ante in comparison with the pot. The oratory and the eloquence of the Senator from Alabama are so much of a public nature, of so much public value, that a man in the air flying an airplane, even if he were formerly an aviator operating for America in France or Belgium, has no right to interfere with his eloquence and his oratory. His eloquence and his oratory I am acquainted with, and you are, too, and they are of the very highest excellence. They are of that form of excellence that punishes itself with constant matutinal and vesper performances at the expense of the grandest banking system and the grandest financial system that the world has ever seen.

Why, Mr. President, I hear somebody on the Republican side saying, "Not only has an airplane interferred with the Senator from Alabama"—of course, that is the biggest thing in the world—"but an airplane absolutely offended President Harding, the President of the United States, and came flying down just a while ago over the Lincoln Memorial." Mr. President, Mr. Harding, whom I love very much—I served with him here in the Senate for years, and I learned to love him very much—has no cause for complaint, because he had his photograph taken under the airplane and the airplane taken over his photograph.

Mr. President, I believe that is all I have to say, except that as between a division of the universe between the earth and the air, the earth devoted to the President of the United States and the Senator from Alabama, and the air devoted to God and the angels and the airplanes, I would rather a little bit be on the side of the airplanes and God and the angels. There is no telling what is coming from the air after awhile, but everybody knows what is coming from President Harding and from the Senator from Alabama.

Oh, Mr. President, why all this camouflage? Why all this nonsense? Why all this disproportion? Why all this idea that the Congress of the United States, exerting its influence only over the District of Columbia, can control and conclude the air routes above us and the earth beneath us? When I get up to make a public speech in the open air at some time or other, as I may some time when I have less sense than I have now—I would not do it now for $1.25—I would defy all the planes of heaven or in heaven or in the air pretending to be heaven—I do not know which—to interfere with my "discourse," because my discourse will be founded upon sentiment and honor and logic, and no airplane flutterings can interfere with that sort of discourse. My discourse will come from the old-time traditions and from new-time idealism, and airplanes can not flutter me out of existence and can not even flutter me out of patience. I am not astonished at the Senator from Alabama that he should have been fluttered out of patience, because he never had too much patience, anyhow; but I was astonished at President Harding that he should be fluttered out of patience, because I always imagined that about the chief virtue President Harding had was his patience—patience with "standpatters," patience with "progressives," patience with everybody. Methinks I hear a voice from Alabama saying to the air, "Wait awhile longer and I will tell you what I meant."

Mr. HEFLIN. Mr. President, I shall detain the Senate for but a moment. The joint resolution which I have submitted, I believe, would be indorsed by all the men, women, and children of the District of Columbia. Airplanes circling over public gatherings make such a noise that the people can not conduct in a decent and orderly manner their public meetings. They are entitled to be protected from such noises and disturbances. The Senator from Mississippi [Mr. WILLIAMS]

probably never heard one of these airplanes buzzing around in the air. I do not know that he knows that they circle over the city of Washington, but they really do. They fly around here very promiscuously. There are statutes in the States against disturbing public assemblies. Penalties have been imposed upon people who disturb public worship or who disturb public speaking by making noises which interfere with the proper conduct of such exercises. The people in the District of Columbia, in the Capital of the Nation, are entitled to have protection from disturbing noises made by anybody on the ground or in the air above the ground. I resented the insult and the insolence offered to the President of the United States by the man who swooped down over that assemblage when the President of the country was speaking at the Lincoln Memorial dedication exercises. Everybody without a single exception—men and women, Democrats and Republicans—who have talked to me about the incident said there ought to be some way of preventing its recurrence. I agreed with them.

On yesterday, as I have said, services in honor of flag day were being held at the Washington Monument, certainly a sacred place, and certainly the speaking was about something which is dear to the heart of every loyal American—the American flag. It was also upon the Sabbath Day, and surely we were entitled to be protected from the noise of the buzzing airplanes flying over the heads of the people there assembled, trying to listen to some one whom they had honored by inviting him to speak upon that occasion, and who had responded to their request and was doing the best he could under the circumstances.

I protested then; everybody there protested. Scores of those who were present came up afterwards and told me that they hoped I would introduce a resolution designed to prevent such occurrences in the future. Representative FREE and I—he a Republican Member of the House of Representatives and I a Democrat in the Senate—agreed that we would frame a resolution for the purpose of protecting outdoor meetings in the District of Columbia from such annoyance.

That is my purpose in now offering the joint resolution. It is designed to prevent the recurrence of such incidents hereafter when open-air meetings are being held in the District of Columbia, whether by civic organizations, religious organizations, or patriotic assemblies, for they are all entitled to be protected from such disturbing noises. That is the purpose of the joint resolution which the Senator from Misssissippi has not even permitted to be read in the Senate. I tried to have the resolution read, but he would not even hear the preamble, and so he does not know any more what is in it than does a mouse-colored mule about operating an airplane. He rushes to the rescue to keep the air free. I suppose there would not be any harm, according to the Senator's view, in dropping a few bombs out of the air, because the air is free and one may drop bombs out of it just as he can make a noise. Mr. President, I am going to insist upon protecting the open-air meetings of the people in Washington from disturbing noises.

Mr. WILLIAMS rose.

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. HEFLIN. I yield to the Senator.

Mr. WILLIAMS. Oh, no. I have not asked the Senator to yield. I was waiting until he got through, and I thought he was through.

Mr. HEFLIN. The Senator is again mistaken, as he usually is.

Mr. WILLIAMS. Oh, I know that.

Mr. HEFLIN. Mr. President, I do not believe I will say anything more now. I am sure that everybody here understands the situation. I shall bring the joint resolution up at some other time.

Mr. WILLIAMS. Mr. President, when I rose thinking that the Senator from Alabama was through, I knew he was through. Just for a moment or two he denied that he was through, but I knew he was through, because I knew he had nothing more to say of any description.

The Senator tells me that men, women, and children heard the airplane threatening destruction of everybody below. Mr. President, I have seen men, women, and children gathering around every now and then to see the airplanes fluttering in the air, doing no harm to anybody, but making a little noise. Why should anybody quarrel with a thing which makes a noise in competition with a Senator making a noise? [Laughter.] They are both equally noisy and, between the two, the airplane is the more scientific noise. The airplane makes a scientific noise, while a Senator makes an ordinary plebian noise; an ordinary common noise. And when the Senator complains that an airplane has entered into competition with him, Mr. President, that simply means that he thinks that gas in the air running an airplane ought not to be recognized as superior to gas on the floor of the Senate running a Senate plane. I decline to recognize that superiority.

The Senator went on a little bit further, misled by his religious sentiment, to say that airplanes were "disturbing religious worship." Think of that, Mr. President, and, by the way, think of it twice, and think of it three times! Airplanes up yonder were disturbing religious worship down here where the Senator was and where the President was—either or both. Whose religious worship? What religious worship? The religious worship of the President of the United States uttering a great speech? And by the way it was a great speech. I am a Bourbon Democrat, but it was a great speech.

The airplane did not disturb that speech; it went to the whole country. It probably struck a responsive chord in the hearts and minds of all the nonpartisan people of the United States, although I knew when I read it that there was a lot of partisanship in the heart of it and that he meant something which perhaps the majority of the people in the United States did not understand.

Then, Mr. President, the second great argument is that the Senator from Alabama was carrying on public worship. Was it public worship, or was it not?

Mr. HEFLIN. It was a service in honor of the United States flag.

Mr. WILLIAMS. Oh, I understand; and in his speech about this question the Senator said the airplane was disturbing public worship—and I took that phrase down—but now he tells me that it was worship of the United States flag. Well, Mr. President, I am not an idolator even of the United States flag. My children have fought for it; my forefathers have; my grandfathers have; but we never recognized that God's image on earth was on a piece of bunting, and never thought that such an occasion was a species of public worship. We never believed in any form of idolatry, even flag worship.

There was an airplane flying over the Mount Vernon Church. Was it the Mount Vernon Church? I wish to be accurate.

Mr. HEFLIN. The exercises were at the Washington Monument. The 14th day of June is flag day, and they were holding flag-day services on Sunday.

Mr. WILLIAMS. Where was the Senator speaking?

Mr. HEFLIN. At the Washington Monument—out in the open.

Mr. WILLIAMS. At the Mount Vernon Church?

Mr. HEFLIN. No; at the Sylvan Theater in the Washington Monument Grounds.

Mr. WILLIAMS. Now we have it. So this meeting was being conducted in a sylvan theater—s-y-l-v-a-n, I suppose, one of the most highly attractive words in the English language. The Senator was there and he was making a speech, and all at once there arose a humming sound. What was it? An airplane. There was a buzzing sound way up in the air which disturbed the eloquence of the Senator from Alabama, who upon this occasion complains that they were "disturbing public worship." I believe he said the airplane was disturbing public worship.

Mr. HEFLIN. A public assembly.

Mr. WILLIAMS. Oh, public assembly; that is still more indefinite. "Public worship" I could have understood, but "public assembly" I can not understand for the life of me. It may mean an assembly of anybody; it may mean an assembly of Russian soviets; it may mean an assembly of French communists; it may mean an assembly of American labor unions, or it may mean an assembly of those who are protesting against labor unions. Public assembly! The Senator now, on second thought, declines to say that it was a case of "public worship," although he has been very particular to tell me that it all happened on Sunday—the Lord's Day—the Sabbath Day. The Senator himself talked, and he tried to listen to others talk as he tells us. Why? The airplane was not trying to listen. Why? It knew why, and in that respect it was superior to the Senator, or his audience.

And then the Senator closes up with a general little anecdote about "a mouse-colored Alabama mule."

Mr. President, there are all sorts of Alabama mules. There are nearly all sorts of mouse-colored Alabama mules. I would hate to say it, I would hate to believe it, I would hate to designate it, but judging by the Senator's matutinal and vesper attacks upon the greatest achievement of the American people, the reserve bank system, morning and night, every day and every morning, matins and vespers—Mr. President, I would hate to say it, but I am almost compelled to say, that the Senator from Alabama is absolutely mistaken about the mouse-colored

Alabama mule's particular personality and localization. Is not that about the kindest way I could put it, the most charitable way that I could put it?

The VICE PRESIDENT. The joint resolution will lie on the table.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I believe now that we have disposed of the paragraph that was just under consideration; and if that is the case, I desire to return to page 76, paragraph 359, surgical and dental instruments. I offered an amendment this morning to the first part of that paragraph, and the Senator from North Carolina [Mr. SIMMONS] asked that it might be temporarily passed over. I therefore yield to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, the Senator from New Mexico [Mr. JONES] desires to be heard upon that paragraph, and he has just come into the Chamber.

Before beginning the consideration of the paragraph I desire to read a letter which I have received to-day from the Williams Brush Co., importers, 1009 and 1011 Filbert Street, Philadelphia, addressed to myself:

DEAR SIR: We were recently requested by the United States Tariff Commission to furnish them confidentially with information concerning the cost of our goods, the profits we made, and other data of this nature pertaining to our business. We complied promptly, but added the suggestion that the domestic manufacturers who were so insistent for increased protection should also be requested to furnish the same data, because if a just solution of the tariff problem is what you are seeking, we believe such information necessary. We named particularly the following houses:

Florence Manufacturing Co., Florence, Mass.
Rubberset Brush Manufacturing Co., Newark, N. J.
Arlington Manufacturing Co., Arlington, N. J.

We believe that you will see the justice in this. We call your attention to the matter because we are to-day notified by the United States Tariff Commission that your committee requested no information on this subject except relating to the importer's overhead and profit.

That is signed by the Williams Brush Co.

I am not complaining at all at the request on the part of the committee for this information with reference to the profits of the importers, but I am reading this to ask the chairman of the committee if he will not also request the Tariff Commission at the same time to ask for the profits of the American manufacturers of this particular product. I think we ought to have information as to the profits of the business of both the importer and the manufacturer if we are going to compare foreign prices with domestic prices in the matter of making tariff duties.

Mr. McCUMBER. Of course, Mr. President, the object of securing the foreign valuation on which we base our tariffs in all instances is to obtain first the selling price; then, if that can not be obtained, to obtain the cost of manufacture—that is the second proposition—and then adding thereto a reasonable amount for profit, and so forth. The whole object of that letter was to get the data that was necessary, not from the standpoint of protection at all, in order to determine the probable selling price or cost price of the article under the second clause of the bill relating to the levying of duties; and it was not intended to get a mere comparison of American profits with foreign profits. However, I shall be glad to take up the subject as the Senator requests.

Mr. SIMMONS. Yes. For the same reasons that the Senator from North Dakota desires to know something about the foreign cost and the profits of the importer, who really is the wholesaler of foreign goods, I desire to know something about the cost of production of the American article and the profits charged by the American manufacturer and wholesaler.

I shall be glad if the Senator will take this letter, and if he will ask for the counterinformation suggested.

Mr. McCUMBER. The Senator will recall that in the Reynolds report we were seeking, under the bill as it was then drawn upon the American valuation, to get the spread between the landed cost, the selling price of the foreign article, and the selling price of the comparable American article.

Mr. SIMMONS. Yes; and profits are a very important element in that connection.

Mr. McCUMBER. Certainly.

Mr. SIMMONS. Therefore, if we are going to seek the profits charged by the importer, we ought also to have the profits of his competitor in the domestic market.

The Senator from New Mexico is in the Chamber now and I think is ready to proceed with paragraph 359.

Mr. JONES of New Mexico. Mr. President, I ask whether the amendment proposed by the committee has been stated?

The PRESIDING OFFICER (Mr. POINDEXTER in the chair). The amendment proposed by the committee will be stated.

The READING CLERK. On page 76, paragraph 359, the committee proposes to strike out lines 14 to 21, down to and including the words "ad valorem," and to insert:

Surgical instruments and parts thereof composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 45 per cent ad valorem; dental instruments and parts thereof composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 35 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I have heard no explanation for this amendment. It is apparent that the amendment proposes a very great reduction of the duties first reported to the Senate by the committee; but it seems to me that this proposal perhaps necessitates or would warrant an explanation, whereas the other proposal might not.

I can understand upon some theory how the first proposal could have been made. This is the first time in a tariff bill, I believe, that steel surgical instruments have been put into a special paragraph. They have usually fallen into the basket clause of the schedule. If I understand the situation correctly, prior to the war we were not producing steel surgical instruments in this country to any very great extent, the reason being that those instruments were produced by the use of a very large percentage of hand and skilled labor.

We were importing practically all of our steel surgical instruments. We did have a special tariff duty upon instruments produced from the precious metals, gold and silver and platinum. We likewise had a small duty upon instruments made from what are called the soft metals; but the last proposal of the committee is considerably higher than the present law—in fact, it is about 100 per cent higher than the present law—so far as steel and soft-metal instruments are concerned. There is at the present time a considerable duty upon instruments made of the precious metals—50 per cent, I believe.

During the war we began the production of steel surgical instruments in this country, and for war purposes were able to produce very large quantities; but it is not contended, I believe, that any small duty, or a duty reaching even to the point which the committee now proposes, will enable the manufacturers of the United States to continue the production of steel surgical instruments. I know that the witnesses who appeared before the Finance Committee insisted upon very much higher duties, and it was their contention that they would require very high duties in order to continue this industry. Now, the Finance Committee has modified its high duties by proposing this reduction, and it seems to me that it is not high enough to permit the industry of manufacturing these steel surgical instruments to continue. Therefore the only result which can be expected from the duties which the committee now proposes is to place a higher bounty upon the production of surgical instruments produced from what are called the softer metals.

There is no evidence that an additional duty upon such surgical instruments is necessary. I think we are entitled to receive from the committee some explanation as to why the reduction should be made in the first instance; and, in the second place, if the duty is to be reduced upon steel surgical instruments, why it was not reduced considerably below what it is. I think from all that can be learned from the evidence, this is not sufficient to protect the steel surgical instrument industry, and it is more than necessary, so far as the other surgical instruments are concerned.

Mr. McCUMBER. Mr. President, the Senator is entitled to that information, and I will give it in a form as nearly accurate as I possibly can.

Let us take the average of 27 items of the Reynolds report on surgical instruments. The average foreign value of these instruments was $9.70 each. The landing charges averaged 58 cents. If we levied a duty of 45 per cent upon the $9.70, that would equal $4.70, and these items added together amount to $14.65. The selling price of the comparable domestic article is $23.55. The difference between the landed cost of the product, duty paid at 40 per cent, which would amount to $14.65, and the comparable American article selling at $23.55, would be, after the duty has been paid, $8.90.

But in the surgical-instrument business, unlike any ordinary business, the articles not being standardized, there is a great deal of risk in their importation, in their manufacture, and in their sale, and the profit accorded to the importer, because of that fact, has been very much greater than in other lines of industry. A profit as high as 66⅔ per cent upon the imported price, or 40 per cent upon the selling price, is usual in the sale of the imported article.

If we allow 60 per cent upon the imported article, it will just equal the difference between the price of the foreign product,

as shown by the Reynolds report, and the selling price of the American product. However, we have agreed upon a rate of 45 per cent, which is, of course, 15 per cent less than the amount which would be necessary to measure the present difference, allowing a 60 per cent profit to be made upon the imported goods.

Mr. JONES of New Mexico. Of course, the committee had before it the Reynolds report when its first proposal was made. May I ask what caused the reduction in the proposal of the committee?

Mr. McCUMBER. The report, in the first instance, was made some time ago; and leaving the House differentials, "valued at not more than $5 per dozen, 60 cents per dozen; valued at more than $5 per dozen, 12 cents per dozen for each $1 per dozen of such value; and in addition thereto, on all of the foregoing, 60 per cent ad valorem," it will, in the opinion of the committee, with the probabilities of higher costs in Germany and a reduction in the costs in the United States, be sufficient at the present time to properly guard the production in the United States.

Mr. JONES of New Mexico. Mr. President, the other evening, when we were discussing the other portions of the cutlery schedule, both the Senator from North Dakota [Mr. McCUMBER] and the Senator from Connecticut [Mr. McLEAN] presented table after table for the purpose of showing that German prices are decreasing, and thereby undertook to account for the very high duties which they imposed upon other branches of cutlery. Now, with respect to another item, which is produced principally in Germany, they produce statements from the Reynolds report and complacently tell us that, taking into consideration the Reynolds report and the supposition that prices in Germany are going to be higher, they propose this reduction in rates.

It does seem to me that an inconsistency has developed here which should cause one who has been trying to follow this discussion to doubt that the committee had any basis or reason for these rates which are being presented. With regard to one paragraph, one view is taken regarding the German situation; with regard to the very next paragraph a different view is taken and stated in all solemnity as a basis for action by the Senate.

Again I must express my amazement. I can not help feeling that there are other forces at work which are bringing about these reductions in rates, and I am inclined to agree that these discussions may have had some influence upon them. I, of course, feel that as to this paragraph regarding surgical instruments, where there are different kinds of surgical instruments involved, those made of the soft metal, as well as those of steel, there should be some discrimination so far as the instruments made of softer metals, which are made in quantity, are concerned.

As I understand it, that industry has been prospering under existing law, in which there is a duty of only 20 per cent provided, and as to the steel instruments, we have not been producing them in this country, and if what the witnesses have said upon the subject is true, this 45 per cent duty will not enable them to produce these instruments. So, as I remarked a moment ago, the only effect of increasing the duty under this paragraph from 20 per cent to 45 per cent will be simply to enable the manufacturers of the soft-metal instruments to charge higher prices. As to the steel instruments, if the testimony be true, the rate will not amount to protection for them.

Of course, I am glad, in a way, that the Finance Committee has proposed this reduction, but in another way I think it is indefensible. It is not enough to protect or keep going the steel surgical instrument industry of the country. It is too much duty upon the soft-metal surgical instrument industry.

Mr. POINDEXTER. Mr. President, will the Senator yield to me long enough to make a request for an agreement?

Mr. JONES of New Mexico. Certainly.

NAVAL APPROPRIATIONS.

Mr. POINDEXTER. I ask unanimous consent, with the approval of the chairman of the Committee on Finance especially, that when the Senate convenes on Thursday morning next the tariff bill shall be temporarily laid aside and that the Senate shall proceed to the consideration of House bill 11228, the Naval appropriation bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. JONES of New Mexico. Mr. President, it does seem to me that the rate adopted by the House is high enough, and under the circumstances I do not believe it is going to amount to protection to the steel surgical instrument industry, and it was not proposed with that idea. It was proposed on an entirely different basis. The House ad valorem duty fixed upon these instruments was 35 per cent. The Senate committee proposes 45 per cent, and as far as any good that can come from this duty is concerned it seems to me 35 per cent will be just as much protection as the 45 per cent, and of course this bill is being framed upon the protection idea, and I am not making war upon that general purpose of the bill. I shall therefore simply vote against the committee amendment.

Mr. McCUMBER. Mr. President, I want the RECORD to show the facts with relation to the changes in the value of these products. The Senator has stated that we adopted one system when we had the paragraph pertaining to knives and cutlery before us, and that we adopted a different method when we were considering the particular subject under consideration now. The Senator is in error in that.

The Senator said that we claimed that knives and cutlery had gone down, and yet when we made our estimates of what would be a proper protection in this bill we took the Reynolds report, when, as a matter of fact, the prices had also gone down. This is the fact in reference to both these paragraphs: The prices of cutlery, including knives, went down very considerably, up to about the 1st day of April.

So in surgical instruments there was a considerable decrease in the importing price about the 1st of April. If we had made our tariff bill to meet a condition as it appeared upon the 1st day of April, the bill as first amended by the committee would have been approximately right. The rate would have been somewhat less than the true facts would warrant. However, we have always made allowances. As to both knives and surgical instruments, the prices have again gone up until, as I am informed, surgical instruments are practically the same now as they were when the Reynolds report was written. Therefore, as the importing price more nearly approaches the American selling price, we can reduce the differential, and that is exactly what we have done in this instance.

Mr. JONES of New Mexico. Mr. President——

Mr. McCUMBER. I yield.

Mr. JONES of New Mexico. The Senator stated a few moments ago that the prices were going up.

Mr. McCUMBER. Yes; going up since April.

Mr. JONES of New Mexico. The Senator has just stated that the changes were made because of recent changes in German conditions. If that be true, and prices are going up, and the going up of prices warranted a reduction in these duties, does not the Senator think we had better defer the consideration of this paragraph and let prices go up a little further and become a little more stable and then write the paragraph?

Mr. McCUMBER. No; I do not, because I do not think the importing cost or the importing selling price will ever go up to meet the American cost and the American selling price. I am willing to make, and I have made, full allowance for possibilities and probabilities in the change of the prices of commodities. Of course, we can not change our tariff every time the price of a commodity changes.

Mr. JONES of New Mexico. Mr. President, I desire a separate vote upon the next paragraph, and if the amendment of the committee may be divided I am ready for a vote on the first part of the amendment.

Mr. McCUMBER. I am satisfied that the amendment shall be divided.

The VICE PRESIDENT. The Secretary will state the first part of the amendment.

The READING CLERK. On page 76, the committee proposes to insert:

PAR. 359. Surgical instruments and parts thereof composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 45 per cent ad valorem.

Mr. JONES of New Mexico. I ask that that be submitted to a vote first. I move in the amendment of the committee to strike out the numerals "45" and insert "35."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will report the next portion of the amendment.

The READING CLERK. Insert following the amendment just agreed to:

Dental instruments, and parts thereof, composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 35 per cent ad valorem.

Mr. JONES of New Mexico. As to that part of the committee's proposal I want to say just a few words. The United States is manufacturing dental instruments and supplying them to every part of the world. They are made in quantity according to design, and 35 per cent of the dental instruments made in the United States are exported. That was the history of the industry prior to the war. Thirty-five per cent of all the dental instruments manufactured in this country prior to the war were exported. The Tariff Commission tells us all these facts. That information is known. Importations are nominal. It is a matter of quantity production, machine production, and we compete with the world.

This part of the paragraph, it seems to me, justifies the heading of an editorial in the New York Times of yesterday which reads, "Protection gone mad." Without reading, I ask that the editorial may be published in the RECORD in 8-point type.

Mr. CURTIS. Is not that the matter which was printed in the RECORD this morning at the request of the junior Senator from Mississippi [Mr. HARRISON]?

Mr. JONES of New Mexico. If it was, of course, I will not ask to have it repeated in the RECORD; but if not, then I ask that it be printed in the RECORD at this point. I am just advised that the Senator from Mississippi asked that another article from the New York Times of yesterday be printed in the RECORD.

Mr. CURTIS. There is no objection if it has not already been ordered to be printed in the RECORD.

The VICE PRESIDENT. Without objection it is so ordered.

The editorial referred to is as follows:

[From the New York Times, Sunday, June 11, 1922.]

PROTECTION GONE MAD.

"The Senate Finance Committee has repeatedly expressed its astonishment, in the course of the debates on the tariff bill, that anybody should object to it. Had it not been framed in the established way? The committee had merely followed the practice of its predecessors. Nobody was excessively outraged at the way in which the rates were fixed under the McKinley bill, the Dingley bill, or the Payne-Aldrich bill. Why, then, all the criticism and outcry to-day just because the Republican members of the Finance Committee have had secret hearings with manufacturers and other interested persons, and on the basis of finding out what tariff duties were wanted have decided what should be given? Again and again Senator SMOOT and Senator MCCUMBER have plaintively reproached the Democrats and the dissident Republican Senators for finding fault with the method adopted for writing the new tariff. It was simply the ancient style, so why all this modern protest?

"These Senators are but dimly aware of the great change which has come over public sentiment in the matter of the protective tariff. What once was regarded as a matter of course is now held to be an intolerable abuse. This has certainly been one of the striking results of the prolonged discussion of the new tariff. Think what we may of the time-wasting tactics of the Democratic Senators, their continual hammering at objectionable clauses of the bill has had the effect of bringing out in the deep-seated opposition, not only in the Senate but in the press of the country, to a measure which people would have once passed by with a shrug as merely the usual thing in tariffs, but which they now consider as a manifestly vicious system of law making. The pained surprise of some Republican Senators is proof enough that they are moving about to-day in a world which they do not realize.

"Another significant feature of the Senate debate and of the amendments proposed to the tariff bill is the way in which protective doctrines of an older day are tortured out of all resemblance to their original form. Last week, for example, Senator SHORTRIDGE, of California, took the innocent view that adequate protection to American manufacturers meant entire exclusion of foreign goods that might possibly compete with their products. He frankly admitted that as regards many articles of commerce 'I am in favor of an embargo.' It worked well in the war, he remarked, and why shouldn't it be an excellent thing in time of peace? American manufacturers, he argued, are entitled to the whole American market, and the simple way to assure this is to make the tariff rates so high that foreigners could not break in at all. Senator SHORTRIDGE would never consent to surrender any part of the American market to any foreign country. He would so shape the tariff as to guarantee immunity from foreign competition to 'each and every and all American industries.'

"This extraordinary view of the real intent of a protective tariff was too much for Senator LENROOT, of Wisconsin. He rose to protest that it was 'entirely a new doctrine in the Republican Party.' Proceeding, Mr. LENROOT said:

"I have never before heard it claimed that the American manufacturers are entitled to a monopoly of the American market. The Republican theory has always been, and it is mine now, that the American manufacturer was entitled to protection, so as to give him a fair chance and a fair opportunity to compete in the American market, and that he shall not be discriminated against by undue competition from abroad. But in equalizing the conditions it has never been the theory of the Republican Party that they should enact prohibitive rates and embargoes upon the matters of common production in the country.

"This did not in the least satisfy Senator SHORTRIDGE. The particular clause under discussion being the duty on saws, he asked the Senator from Wisconsin if it was desirable to increase their importation. Mr. LENROOT promptly answered that it was. He said that 'when we are exporting $4,000,000 worth of saws a year and importing only $78,000 worth' he thought there could be no danger in allowing somewhat larger imports to come in. But the California Senator insisted upon knowing why such a thing ought to be desired. Senator LENROOT was explicit in his answer:

"I will tell the Senator why we ought to desire it. To-day the commodities of the farmers of this country are down to pre-war prices, but as to everything the farmers have to buy, including saws, if you please, to-day they are compelled to pay prices very much higher than the pre-war prices. We can not expect permanent prosperity in this country until there shall be a level secured between what the agriculturist receives for his products and what he pays for what he must buy, and we are not going to reach that level if by prohibitive rates we protect present high prices of the manufacturers.

"No debate can be called wholly futile which has served to bring out such a sharp issue between the old protectionists and the new. It would seem that protection to-day is in danger of being devoured by its own children. No wonder that Mr. LENROOT and other alarmed Republican Senators from the Middle West cry out in protest."

Mr. MCCUMBER. I will put in the RECORD just one item from the Reynolds report on dental instruments. The unit of quantity in this instance is per gross. The foreign value is $1.49 per gross, landing charge 80 cents, selling price of the imported article $3.30. The selling price of the comparable American article is $3.84 per gross. The rate required to equalize, allowing a reasonable profit to the importer—and in this instance we allow 33⅓ per cent profit—would require 88 per cent. The amount that we have allowed, however, is 35 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I do not care to detain the Senate. I will simply ask that there be printed in the RECORD, in 8-point type, as a part of my remarks, the comments of the Tariff Commission on dental instruments and appliances. It is less than two pages in length.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

DENTAL INSTRUMENTS AND APPLIANCES.

GENERAL INFORMATION.

"Description: Dentistry and dental surgery have been developed in the United States to a high degree of perfection, and domestic work is recognized as the equal if not the superior of that in any other country. Dental instruments are composed of steel almost exclusively, and consist of a large number of standard tools. There is some call for instruments of special design, but the demand can not be compared to that found in the surgical instrument field.

"General supplies required by the profession consist of artificial teeth, plate frames, gold wire, and special fixtures.

"Every practicing dentist requires, in addition to his tools, an extensive assortment of appliances, such as operating chairs, spittum pans, sterilizers, power drills, anesthetic administering devices, and other articles designed specially for the dental trade and not used in the surgical profession to any extent.

"Domestic production: The dental appliance, instrument, and supply industry produces sufficient material to supply the home market and exports large quantities of the products to all the world's markets. Domestic manufacturers are at no disadvantage in obtaining their raw material and are not affected by the cost of labor to the extent experienced by the manufacturer of surgical instruments, because dental instruments are more nearly standard and can therefore be manufactured in quantity. The export business is a considerable proportion of the entire production, the National Dental Association estimating that over 35 per cent of the domestic production is for foreign consumption.

"Prior to the war English teeth manufacturers were able to market a small amount of their product in the Unied States. Domestic manufacturers produce this product in large quantities (one firm exporting over 20,000,000), but the profession claims that the domestic product is not as satisfactory as the English article for some purposes.

"Dental instrument and appliance exports are not classified separately in the customs statistics. Information obtained by the commission justifies the assumption that practically all of the material classified in the customs statistics as medical and surgical instruments are in reality material used exclusively by the dental profession. These exports amounted to over

$1,100,000 in 1913 and to almost $10,800,000 in 1919. This is exclusive of artificial teeth, amounting to about $300,000.

"Foreign production: Considerable quantities of dental instruments, supplies, and appliances are manufactured in England, France, Germany, and Japan. The dental profession has not been developed in those countries to the same degree as in the United States, however, so foreign manufacturers are without the large home market possessed by manufacturers in the United States.

"A large part of the international business carried on by foreign concerns is in the hands of one English company. The New York representative of this company asserts that during the last 35 years his company has exported dental goods, mainly teeth, valued at $1,500,000, to the United States, and during the same period has exported to England domestic goods to the value of $25,000,000. During 1920 domestic exports of artificial teeth amounted to $300,000 as compared to imports of $20,000.

"Tariff history: Dental instruments have never been specifically provided for in the tariff and have entered as miscellaneous manufactures of metal. (See Tariff History of Surgical Instruments.) Teeth are classified as porcelain or earthy mineral substance manufactures.

"Competitive conditions: Dental instruments and appliances of foreign origin do not compete to any extent with the domestic product except in the case of specialties such as teeth. Tooth manufacture is a ceramic process and domestic consumers claim that the foreign product is superior to the domestic for some purposes. The continued importations of this product tend to substantiate this claim.

"Tariff considerations: Dental-instrument manufacturers are in a good position to compete with the foreign product. Surgical-instrument manufacturers, on the other hand, must produce a large number of different styles of each class of instrument, so can not place production of any one product on a quantity basis. Domestic manufacturers export dental instruments, whereas surgical instruments are imported in large quantities. These facts justify mention of dental instruments as distinct from those used exclusively in surgical work."

Mr. JONES of New Mexico. In the proposed amendment of the Finance Committee I move to reduce the rate from 35 per cent to 20 per cent; in other words, to strike out the numerals "35" and insert "20."

The VICE PRESIDENT. The question is on the amendment of the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

Mr. McCUMBER. Mr. President, I should like to go on, if we can, and dispose of paragraph 360, philosophical, scientific, and laboratory instruments.

Mr. KING. May I say to the Senator from North Dakota that the Senator from South Dakota [Mr. STERLING] desires to be here when that paragraph is taken up.

The VICE PRESIDENT. The Chair directs the attention of the Senator from North Dakota to the fact that paragraph 359 is not yet fully disposed of.

Mr. McCUMBER. Very well, let us finish that.

The VICE PRESIDENT. The next amendment will be stated.

The READING CLERK. In paragraph 359, page 76, line 23, after the word "maker," insert the words "or purchaser."

The amendment was agreed to.

The READING CLERK. On the same page, line 24, before the word "country," insert the words "name of the."

The amendment was agreed to.

The READING CLERK. In the same line, line 24, page 76, strike out "die-sunk" and insert "die sunk."

The amendment was agreed to.

The VICE PRESIDENT. That completes paragraph 359.

Mr. McCUMBER. I desire to state to the Senator from Utah that I saw the Senator from South Dakota, and he stated at the time that he would like to have paragraph 360 go over until later, but afterwards he sent word that he did not request it to go over.

Mr. KING. To what paragraph is the Senator referring?

Mr. McCUMBER. Paragraph 360, philosophical, scientific, and laboratory instruments.

Mr. JONES of New Mexico. Regarding that paragraph I have received a number of communications from educational institutions and from others insisting that these articles should be made free so far as those institutions are concerned. I suppose the majority of the Finance Committee have duly considered that question and decided against them. May I inquire of the Senator from North Dakota if that is true?

Mr. McCUMBER. Yes; the matter was under consideration.

Mr. JONES of New Mexico. I suppose it would answer no good purpose to discuss the matter. May I inquire why surveying instruments and parts thereof were put into this paragraph as new matter?

Mr. McCUMBER. Because they were taken out of another paragraph, paragraph 228.

Mr. JONES of New Mexico. I do not recall just now what rate of duty they bore under the other paragraph.

Mr. McCUMBER. The same, 55 per cent.

Mr. JONES of New Mexico. I was under the impression that the duty under the present law was either much lower or that they were on the free list. I was not certain about that.

Mr. McCUMBER. Under the present law the rate is much lower, 25 per cent, I am informed.

Mr. JONES of New Mexico. They were in the basket clause, were they not, at 25 per cent?

Mr. McCUMBER. I think so; but it was thought, these being scientific instruments, that they ought to be in this clause. I am informed that under the present law they bear a rate of 25 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, it does seem to me that we ought not to impose such high duties as these on instruments necessary in the education of the youth of the land and in research work. Surveying instruments must be used by those engaged in surveying work, of course. To tax in this amount the very tools which they use is highly improper, in my opinion. Surveying instruments are expensive anyway, and to put on this additional duty and make it 55 per cent ad valorem on philosophical and scientific and laboratory instruments and apparatus, utensils, appliances, including drawing and mathematical instruments, and not to allow any special privilege to the educational institutions of the country, it seems to me is protection gone mad, as the editorial in the New York Times stated.

Mr. DIAL. Mr. President——

Mr. JONES of New Mexico. I yield.

Mr. DIAL. I will say to the Senator that I have received more protests against this paragraph than possibly any other item in the bill.

Mr. JONES of New Mexico. I am sure that is the experience of practically every Senator. Protests have been coming in from the four corners of the United States, and I am surprised if there is any Senator here who has not received some protest regarding this paragraph.

Mr. McCUMBER. The only question is as to whether or not we should yield to these protests and turn the production over entirely to the foreign manufacturers. I myself do not think we should do so. The American colleges and laboratories are supported by the American people, and I really think they can pay for American-made instruments.

Mr. KING. Will the Senator from New Mexico yield to me?

Mr. JONES of New Mexico. I gladly yield to the Senator from Utah.

Mr. KING. I discover that in 1918 the importations of these instruments were only $51,972 worth; in 1919 they were $71,453 worth; in 1920 they were $151,334 worth. Of the platinum vases, retorts, and a few other articles referred to, there were $78,697 worth imported in 1920; and the entire amount of imports covered by this paragraph was approximately $148,000.

In addition to that, if I may say so to my friend from New Mexico, we exported of "scientific instruments, other than those used for medical, surgical, and optical purposes," in 1914, $689,366 worth; in other words, our exports were very much more than four or five times as much as our imports. It is stated in the Tariff Summary that—

> In general those instruments which before the war had a sufficiently large market to permit large-scale production were produced here successfully.

This document further says:

> During the war, however, foreign competition was removed and domestice production expanded in volume and variety.

In 1914—that is, before the war, the fiscal year ending June 30, 1914—the imports were $704,496. The imports shrunk, as the Senator will see from the figures which I have stated, so that for the nine months of 1921 they were approximately $148,000, while the exports have gone up into the hundreds of thousands of dollars. We can compete with almost any country in the world, so many of these instruments being manufactured from the primary products in which the United States is so rich.

It seems to me that this is one of the indefensible rates of duty which are imposed in this bill. As has been repeatedly stated, it is proposed in this bill to tax everything from the cradle to the grave. I do not so much object to taxing the graveyards and the tombstones and the coffins, but I do object

to taxing the instruments of learning and of knowledge. Our Republican friends in their omnium gatherum zeal to tax everything, go into the schoolrooms, the schoolhouses, the colleges, and the laboratories and lay their strong and oppressive hands upon those commodities. I protest against it.

Mr. JONES of New Mexico. Mr. President, I can understand the indignation of the Senator from Utah. A few moments ago while discussing the subject of dental instruments I read from the report of the Tariff Commission to the effect that we were exporting 35 per cent of the total domestic production, and that the importations prior to the war amounted to nothing. I have been doing that time and again in the consideration of the paragraphs of this bill; the Senator from Utah has been doing that; but, apparently, it has no effect. Protection has gone mad.

I quite agree that these instruments ought not to have the taxes imposed upon them so exorbitantly increased; I thought the same about dental instruments; but, apparently, whatever data are given here have no effect. The Republicans are determined to increase these duties. Apparently there is a determination on their part that there shall not remain anything untaxed or bearing a tax less than considerably higher than existing law. On dental instruments the duty is increased nearly 100 per cent at a time when we are exporting 35 per cent of the domestic production.

The only reason given for this proposed action is, as we are gravely told, that away back last August, at some time, some of these instruments came in here at a price under that which was being charged by the American manufacturer. Senators on the other side, however, do not tell us the profit the American manufacturer was making; they do not tell us the profits he is making now on scientific instruments, including surveyor's instruments. I do not wonder at the indignation of the Senator from Utah when it is proposed to increase these duties so enormously upon the learning, the research, and the intelligence of the country; but it has no effect. I am myself inclined to quit referring to these facts; but I hope the Senator from Utah will continue in his persistency to present them whenever they are not presented by some other Senator.

Mr. McCUMBER. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from North Dakota.

Mr. McCUMBER. I notice in the Reynolds report that there are three items coming under this head. None of them, however, covers surveying instruments; but on one line it would require 37 per cent ad valorem to equalize foreign and domestic production; and on the other line it would require 58 per cent to do so. I notice that the committee has given 55 per cent. If the Senator from New Mexico will allow me, I will move to reduce that 55 per cent to 35 per cent, which is 10 per cent above that granted on some of the instruments by the existing law.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota to the amendment of the committee.

Mr. McCUMBER. I shall have to add, however, Mr. President, that my making the motion is conditioned on whether or not I can get a vote on the amendment now.

Mr. KING. Mr. President, just one word and then the Senator can have a vote, although I think we shall move to make the rate 25 instead of 35.

The Senator often refers to the Reynolds report, and I make no complaint of that; but the Reynolds report ought not to be accepted as the basis for any rate. The Senator from North Dakota knows, for he is an intelligent man and he is industrious—no man in the Senate is working harder than the distinguished Senator from North Dakota——

Mr. McCUMBER. I have not used the Reynolds report except in those instances in which I thought it really measured the difference.

Mr. KING. I have no doubt the Senator is entirely sincere in his viewpoint in this matter, but I was about to say that there has been a change, as the Senator knows, in conditions since last August. The Senator knows that in Germany wages have gone up.

Mr. McCUMBER. If the Senator will allow me, we went over that argument just a few moments ago when the Senator was out of the Chamber. I said then that I agreed with the Senator from New Mexico that, while prices had gone down very materially—I mean import prices—from the date of the Reynolds report up to April 1, nearly all of those prices, we now find, have an upward tendency, and have in many instances nearly reached the same levels that prevailed at the date of the Reynolds report. That is true quite generally.

Mr. KING. Does the Senator mean the domestic prices or the German prices?

Mr. McCUMBER. I mean the foreign prices have gone up again; so that while there was a very great spread between the foreign importing price and the domestic price on April 1, a very much greater spread than there was at the time of the Reynolds report, the foreign price has gone up again and has narrowed that spread to a considerable extent. I am making full allowance, I think, for that, and I have moved to reduce the rate in this instance from 55 to 35 per cent ad valorem.

Mr. KING. If my friend will pardon me, the error—and I say it in all kindness—which I think he makes and which other Republican Senators make lies in the fact that they are seeking to base a tariff bill for the future, for the period when it is presumed we will reach the normal conditions, upon conditions that exist now or have existed in the past; in other words, we ascertain what the war prices were or the abnormally high prices of yesterday and the day before or last August, and we presume a continuity of those high levels, and seek to perpetuate into peace time and into normal conditions those high prices. It is sought to give to the manufacturers in the future the prices which they are getting now and the profits in the future which they are getting now. This kind of a tariff bill is calculated to maintain present high prices and to prevent a return to normal and rational conditions.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Dakota to the amendment proposed by the committee.

The amendment to the amendment was agreed to.

Mr. McCUMBER. I understand that my motion to decrease the rate on certain instruments referred to from 55 to 35 per cent has been carried?

The VICE PRESIDENT. The amendment has been carried.

Mr. McCUMBER. But the amendment as amended has not been agreed to?

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The Secretary will state the amendment in line 5.

The READING CLERK. On page 77, at the beginning of line 5, it is proposed to strike out "surveying," so as to read:

Par. 360. Philosophical, scientific, and laboratory instruments, apparatus, utensils, appliances (including drawing and mathematical instruments).

The amendment was agreed to.

The next amendment was, on the same page, line 11, after the word "maker," to insert "or purchaser"; and, in line 12, after the word "origin," to strike out "die-sunk" and insert "die sunk," so as to make the proviso read:

Provided, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the outside, or if a jointed instrument on the outside when closed.

The amendment was agreed to.

ORDER FOR RECESS.

Mr. McCUMBER. I ask unanimous consent that when the Senate concludes its business on this calendar day, it shall take a recess until to-morrow at 11 o'clock.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened; and (at 6 o'clock and 30 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Tuesday, June 13, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 12 (legislative day of April 20), 1922.

DIRECTOR OF THE WAR FINANCE CORPORATION.

Fred Starek, of the District of Columbia, to be a director of the War Finance Corporation, vice Angus W. McLean, term expired.

MEMBERS OF THE UNITED STATES SHIPPING BOARD.

Meyer Lissner, of California, for a term of six years. (Reappointment.)

Admiral William S. Benson, of Georgia, for a term of six years. (Reappointment.)

JUDGE OF THE DISTRICT OF COLUMBIA MUNICIPAL COURT.

Robert H. Terrell, of the District of Columbia, to be a judge of the municipal court, District of Columbia. A reappointment, his term having expired.

PROMOTION IN THE REGULAR ARMY.

To be major.

Capt. Emile George De Coen, Field Artillery, from June 1, 1922.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

QUARTERMASTER CORPS.

Capt. Robert John Wagoner, Infantry, with rank from July 1, 1920.

Capt. Frank Watts Arnold, Cavalry, with rank from July 1, 1920.

POSTMASTERS.

ALABAMA.

Thomas H. Stephens to be postmaster at Gadsden, Ala., in place of S. W. Riddle. Incumbent's commission expired January 24, 1922.

ALASKA.

Elizabeth D. De Armand to be postmaster at Sitka, Alaska, in place of Joe McNulty, resigned.

COLORADO.

Ethel Shy to be postmaster at Cheyenne Wells, Colo., in place of Vivian Sadler, resigned.

ILLINOIS.

John B. Porter to be postmaster at Olney, Ill., in place of B. A. Iaun, resigned.

Nelle L. Hyland to be postmaster at Windsor, Ill., in place of B. F. Moberly, resigned.

INDIANA.

Ernest W. Shaw to be postmaster at Gaston, Ind. Office became presidential October 1, 1919.

Fred S. Huffman to be postmaster at Lapel, Ind. Office became presidential January 1, 1921.

Ralph S. Ward to be postmaster at Knightstown, Ind., in place of C. E. Clark, resigned.

LOUISIANA.

Novilla T. King to be postmaster at Simsboro, La. Office became presidential January 1, 1921.

MICHIGAN.

Ernest E. Hawes to be postmaster at Applegate, Mich. Office became presidential April 1, 1921.

MISSISSIPPI.

Aurora L. Howze to be postmaster at Logtown, Miss., in place of W. X. Casanova, declined.

Thomas H. Nicholson to be postmaster at Scooba, Miss., in place of Guy Jack, resigned.

MISSOURI.

Clarence D. Springer to be postmaster at Richards, Mo. Office became presidential October 1, 1921.

Julius J. Boehmer to be postmaster at Lincoln, Mo., in place of W. A. Grant. Incumbent's commission expired January 24, 1922.

NEW MEXICO.

Lorna J. Cayot to be postmaster at Springer, N. Mex., in place of V. K. Reynolds. Incumbent's commission expired January 24, 1922.

NEW YORK.

Grace O. Meloy to be postmaster at East Durham, N. Y. Office became presidential April 1, 1921.

Rosella M. Palmeter to be postmaster at Purling, N. Y. Office became presidential January 1, 1922.

NORTH DAKOTA.

Lena L. Diehl to be postmaster at Dunn Center, N. Dak., in place of L. L. Diehl. Incumbent's commission expired May 20, 1922.

OHIO.

Walter R. Britton to be postmaster at Kimbolton, Ohio. Office became presidential April 1, 1921.

John W. Switzer to be postmaster at Ohio City, Ohio, in place of D. H. Heiby, resigned.

OKLAHOMA.

William G. Blanchard to be postmaster at Purcell, Okla., in place of William Barrowman, resigned.

OREGON.

Etta M. Davidson to be postmaster at Oswego, Oreg. Office became presidential July 1, 1920.

Wallace W. Smead to be postmaster at Heppner, Oreg., in place of W. A. Richardson. Incumbent's commission expired January 24, 1922.

PENNSYLVANIA.

Charles E. Keim to be postmaster at Hellam, Pa. Office became presidential July 1, 1921.

Edward F. Anderson to be postmaster at Austin, Pa., in place of C. W. Freeman. Incumbent's commission expired February 4, 1922.

George H. Cole to be postmaster at Evans City, Pa., in place of Andrew Wahl. Incumbent's commission expired February 5, 1922.

Arch R. Lykens to be postmaster at Martinsburg, Pa., in place of J. H. Kensinger. Incumbent's commission expired February 4, 1922.

James T. Patterson to be postmaster at Williamsburg, Pa., in place of J. R. Detwiler. Incumbent's commission expired February 4, 1922.

W. Stans Hill to be postmaster at Williamsport, Pa., in place of Hugh Gilmore. Incumbent's commission expired February 4, 1922.

SOUTH CAROLINA.

Ida A. Calhoun to be postmaster at Clemson College, S. C., in place of I. A. Calhoun. Incumbent's commission expired January 24, 1922.

TENNESSEE.

Matthew D. Duke to be postmaster at Martin, Tenn., in place of C. B. Bowden. Incumbent's commission expired July 25, 1921.

VIRGINIA.

Thomas C. Bunting to be postmaster at Exmore, Va., in place of R. T. Gladstone. Incumbent's commission expired May 22, 1922.

James L. Earles to be postmaster at Willis, Va., in place of J. H. Conduff, removed.

WEST VIRGINIA.

Millard F. Forgey to be postmaster at Kingston, W. Va. Office became presidential January 1, 1921.

WISCONSIN.

Lloyd A. Hendrickson to be postmaster at Blanchardville, Wis., in place of A. K. Blanchard. Incumbent's commission expired January 24, 1922.

WYOMING.

Mayme L. Jackson to be postmaster at Osage, Wyo., in place of E. V. Pointer, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 12 (legislative day of April 20), 1922.

DIRECTOR OF THE WAR FINANCE CORPORATION.

Fred Starek to be Director of the War Finance Corporation.

PROMOTIONS IN THE ARMY.

Samson Lane Faison to be brigadier general.

Henry Stevens Blesse to be captain, Medical Corps.

Alberto Garcia de Quevedo to be captain, Medical Corps.

Albert Kingsbury Mathews to be chaplain, with rank of captain.

Milton Humes Patton to be captain, Cavalry.

Frederick Brenton Porter to be first lieutenant, Field Artillery.

Clark Hazen Mitchell to be first lieutenant, Field Artillery.

Thomas Francis Hickey to be first lieutenant, Field Artillery.

Allen Ferdinand Grum to be first lieutenant, Ordnance Department.

Haskell Allison to be captain, Signal Corps.

John Kenneth Cannon to be first lieutenant, Air Service.

PROMOTIONS IN THE NAVY.

To be ensigns.

Chauncey Moore.
Edwin E. Woods.
Robert McC. Peacher.
Halstead S. Covington.
Henry E. Eccles.

MARINE CORPS.

James Austin Stuart to be second lieutenant.

POSTMASTERS.

LOUISIANA.

John F. Basty, Destrehan.
David S. Leach, Florien.
Marion H. Page, Fullerton.
Claud Jones, Longleaf.
Weston W. Muse, Lottie.
Edward J. Sowar, Norwood.
Cherie Cazes, Port Allen.
Edwin H. Biggs, St. Joseph.
Nelle Masten, Woodworth.

NEW YORK.

Albert C. Stanton, Atlanta.

NORTH CAROLINA.

Ira L. McGill, Lumberton.

OKLAHOMA.

George F. Cutshall, Cement.

SOUTH CAROLINA.

William B. Aull, Walhalla.

TEXAS.

James H. Loyd, Alba.
William A. White, Cleveland.
Mayo McBride, Woodville.

WASHINGTON.

Lillian M. Tyler, Brewster.
Matthew E. Morgan, Lind.

WITHDRAWAL.

Executive nomination withdrawn from the Senate June 12 (legislative day of April 20), 1922.

POSTMASTER.

James E. Pickett to be postmaster at Clemson College in the State of South Carolina.

HOUSE OF REPRESENTATIVES.

MONDAY, *June 12, 1922.*

The House met at 12 o'clock noon, and was called to order by Mr. WALSH as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Father in heaven, we thank Thee for material progress, for intellectual achievement, and for social gain. Grant that these good fortunes may be used for Thy glory and for the good of man. In all good work may we be patient and enduring. Enable us to carry Thy spirit into all our labors and thus serve Thee in whatever worthy thing we do. O may we live by our deeds and not by the years. Hush all anxiety and all care that fret away happiness and contentment and we will give Thee the praise. Amen.

The Journal of the proceedings of Saturday, June 10, 1922, was read and approved.

EXTENSION OF REMARKS.

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein an address delivered by Senator JAMES E. WATSON, of Indiana, before the Republican State convention of Indiana a few days ago.

The SPEAKER pro tempore. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD by printing therein an address delivered by Senator WATSON of Indiana before the Republican State convention held in Indiana a few days ago. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, has this address been heretofore printed in the RECORD at the request of a colleague of the gentleman in the other body?

Mr. ELLIOTT. It has not.

Mr. GARNER. Mr. Speaker, reserving the right to object, did not Senator WATSON repeat that speech in the Senate after he got back here?

Mr. ELLIOTT. Not that I know of.

Mr. GARNER. I read something of his in the RECORD that had some semblance to a newspaper report of the speech that he made at Indianapolis, and I am wondering if he had already repeated the speech in the Senate.

Mr. WINGO. Oh, I think he delivered the speech in the Senate first.

Mr. STAFFORD. The gentleman does not mean to cast any reflection upon the Senator from Indiana by insinuating that he has only one speech that he can deliver?

Mr. GARNER. They were so similar they looked like twins.

Mr. WINGO. Perhaps he tried it on the Senate first.

CALL OF THE HOUSE.

Mr. SPROUL. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Illinois makes the point of order that there is no quorum present. It is clear that there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Dickinson	Kline, N. Y.	Rosenbloom
Andrew, Mass.	Drane	Knight	Rossdale
Ansorge	Drewry	Kreider	Rouse
Appleby	Driver	Kunz	Rucker
Arentz	Dunn	Langley	Ryan
Barkley	Dupré	Larson, Minn.	Sabath
Beck	Dyer	Lee, N. Y.	Sanders, Ind.
Bell	Edmonds	London	Sears
Benham	Evans	Luce	Shaw, Ill.
Bixler	Fairchild	McClintic	Shreve
Black	Fess	McKenzie	Siegel
Bland, Ind.	Fields	McLaughlin, Nebr.	Sinclair
Bland, Va.	Fish	McLaughlin, Pa.	Slemp
Blanton	Fordney	Maloney	Smith, Mich.
Boies	Foster	Mann	Snell
Bond	Frear	Mansfield	Snyder
Bowers	Freeman	Mead	Steenerson
Brennan	French	Michaelson	Stevenson
Britten	Fuller	Miller	Stiness
Brooks, Pa.	Gilbert	Mills	Stoll
Buchanan	Glynn	Moore, Ill.	Strong, Pa.
Burke	Goldsborough	Morgan	Sullivan
Burtness	Goodykoontz	Morin	Swank
Burton	Gorman	Mott	Sweet
Campbell, Kans.	Gould	Mudd	Tague
Cantrill	Graham, Pa.	Murphy	Taylor, Ark.
Carter	Green, Iowa	Nelson, J. M.	Taylor, Tenn.
Chandler, Okla.	Griest	O'Brien	Temple
Clague	Hayden	O'Connor	Ten Eyck
Clark, Fla.	Hersey	Olpp	Tilson
Classon	Hicks	Osborne	Treadway
Cockran	Hogan	Padgett	Tyson
Codd	Hooker	Paige	Upshaw
Cole, Iowa	Husted	Park, Ga.	Vaile
Cole, Ohio	Ireland	Parks, Ark.	Vare
Connell	Jefferis, Nebr.	Patterson, N. J.	Volk
Cooper, Ohio	Johnson, Wash.	Perkins	Walters
Cooper, Wis.	Jones, Pa.	Perlman	Ward, N. Y.
Copley	Kahn	Petersen	Wason
Crago	Kelley, Mich.	Rainey, Ala.	Watson
Crowther	Kelly, Pa.	Ramseyer	Weaver
Cullen	Kendall	Rayburn	Williams, Ill.
Darrow	Kennedy	Reber	Winslow
Davis, Minn.	Kiess	Reed, N. Y.	Woods, Va.
Deal	Kindred	Riordan	Woodyard
Dempsey	Kinkaid	Robertson	Wurzbach
Denison	Kitchin	Robsion	Wyant

The SPEAKER pro tempore. On this call 240 Members have answered to their names, a quorum.

Mr. LONGWORTH. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

EXTENSION OF REMARKS.

The SPEAKER pro tempore. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD by inserting therein a speech delivered by Senator JAMES E. WATSON, of Indiana, at the Republican State convention held in Indiana a few days ago. Is there objection?

Mr. MOORE of Virginia. Mr. Speaker, reserving the right to object, I have noticed that several times speeches have been published in duplicate. They have been published in the RECORD by the action of the House and also by the action of the Senate. I am wondering whether the oration of the Senator from Indiana has not already been printed in the RECORD by order of the Senate.

Mr. ELLIOTT. It has not.

Mr. MOORE of Virginia. I have no objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, in accordance with the leave granted me by unanimous consent to-day, I extend my remarks in the RECORD by printing a speech delivered by Senator JAMES E. WATSON, of Indiana, before the Republican State convention of

Indiana on the 25th day of May, 1922, which speech reads as follows:

Sixty-one years ago the Republican Party assumed control of the legislative and executive branches of the Government and, looking back over those decades from the vantage ground we occupy to-day, with full confidence we can assert that we are justly proud of the record made. My fellow Republicans, yours is a grand lineage. You were in the spiritual loins of Lloyd Garrison, Wendell Phillips, and Charles Sumner. You are the direct descendants of those who swept down the Shenandoah Valley with Sheridan, stood embattled with Meade at Gettysburg, marched with Sherman through Georgia to the sea, and assembled about the apple tree at Appomattox, where Lee gave up his sword to the silent and unconquerable leader of the forces of liberty, Ulysses S. Grant. In your veins flows the blood of those mighty men of heroic mold who saved a nation and redeemed a race. And no Republican assemblage was ever held that did not sit under the inspiration of the spiritual presence of the greatest of all our mighty dead—Abraham Lincoln—whose name shall be enshrined in every patriotic heart so long as altars are erected to liberty and the flag waves over this land of the free.

In your veins flows the blood of the men who laid deep the enduring foundations of peace, of progress, and of prosperity. They crushed slavery and made it impossible for slave labor ever again to compete with free labor in our Republic. They saved the Union, the instrumentality through which is to be worked out the well-being and the development of the individual citizenship of the Nation and the leadership of the world. They made our currency as national as the flag, so that every dollar of American money, of whatever substance composed, is the equal of every other dollar, and every such dollar worth 100 cents in every money market of the world. They established a credit unparalleled among nations, so that before the war our bonds were drawing but 2 per cent interest and every one at premium every day and everywhere. They early maintained and always continued the system of protective tariff, which stimulated inventive genius, developed natural resources, diversified industries, profitably invested capital, remuneratively employed labor, and more generally distributed the results of toil than elsewhere among any people in all the recorded history of the world. And the operation of the policies of this party for 50 years brought this Republic to that commanding position among the nations of the world where, while it numbered but a twentieth of the population of the globe yet owned one-half of its railroads, one-half of its telegraph, and three-fourths of its telephone lines, and did one-third of its mining, one-third of its manufacturing, one-fifth of its agriculture, and owned one-sixth of all its wealth. This is the ripe fruitage of these beneficent policies, and by them we are willing to be known.

In harmony with this purpose, our brothers climbed over the ridge of the world to plant the stout tree of liberty in the Philippines, while our possession of Guam and of Hawaii and of Porto Rico and the benign influence we have exercised in Cuba have given renewed evidence to the world of our belief in the universality of the liberty which we enjoy and the unselfish devotion of this Republic to the cause of human freedom throughout the earth. And all this was achieved under the guiding hand of that great man, the story of whose noble life is an inspiration to every patriot and whose name is the gentlest memory of our day, William McKinley.

And when the prosperity our policies had created so took possession of the minds and hearts of its chief beneficiaries that they threatened to trample under foot the rights of their fellow men; and when capital, like the released genie, loomed so large that thoughtful men became alarmed at its proportions, another leader appeared who reannounced the principles of the Declaration of Independence with compelling power and brought men to a fresh consideration of and a renewed devotion to the fundamentals of our Government. And men called him Theodore Roosevelt.

Catching the spirit of these preceding decades, our sons smashed through the Hindenburg line in France and, in the Argonne Forest and in the Belleau Wood, gave to the world renewed evidence of the inspiration that fills the breast of every American patriot and the supreme confidence it instills in his heart when the institutions of the Republic are imperiled.

And we who are the heirs of all their labors and the beneficiaries of all their struggles sit upon the summit of civilization to-day, in the high place to which they have led us, and firmly resolve that the principles for which they suffered and the ideals for which they sacrificed shall continue to be the guiding stars of the Republic throughout the generations that are yet to come. And in this spirit we rejoice to-day in the leadership of another patriot, worthy of all those mighty statesmen whose genius has lighted the pathway of our history, kindly, patient, gentle natured, noble souled, with a heart that beats in sympathy with the struggling and the suffering of all the earth and yet with a wisdom that recognizes the limitations imposed upon us not alone by our Constitution but as well by the very spirit of our nationality, whose head is among the stars because of the heighth and breadth of his vision, and yet whose feet are on the solid rock because of his devotion to principle—Warren G. Harding.

THE PRESENT RECORD.

My fellow citizens, this administration does not need an apologist. All it requires is some one to tell the story of its achievement. The mere recital of its accomplishments is the surest vindication of its conduct. Its success in the work of restoration and rehabilitation can be measured only by the magnitude of the obstacles it was necessary to surmount before a return to normalcy could be achieved. Surely the future historian will declare that no administration ever before came into power confronting problems of such complexity and difficulty as those which were inherited by President Harding and the Republican Congress.

Those who declare that little has been accomplished forget the bewildering character of the situation that existed in this country and throughout the world on the 4th day of March, 1921, and they speak with scant knowledge of the circumstances and with slight comprehension of the vastness of the task inherited by the Republican Party after eight years of Democratic maladministration.

THE PROBLEM STATED.

We had passed through an area of public expenditures on a scale that staggers the imagination. In its train was left a national debt involving an annual interest charge greater in itself than the entire cost of running the Government before the World War. The public service had been habituated during this period to an extravagance far more easily established than uprooted. Not only had there been an enormous increase in the cost of civil administration, as evidenced by swollen public pay rolls, but the entire service had become thoroughly saturated with the spirit of reckless spending and wanton wastefulness. We became accustomed to speak of billions of dollars as we were once wont in the discussion of public expenditures to talk of millions. This tendency to public extravagance, which wasted untold sums under a national administration elected on a program to enforce simplicity and economy, could not be completely corrected by a mere change in the chief officials of the Nation. Indeed, it will be many years before the spirit of reckless extravagance, with which the public was so thoroughly impregnated during the Wilson era, has been fully overcome, for it spread like a contagion through State and city and county governments to the smallest political division and rested not until it seized and held all our people in its grasp. And yet enormous strides have been taken in that direction by the Government during the past year. It will be decades before the people of this country cease to feel the effects of excessive taxation, made necessary in part by war's emergency, but to no small extent by the reckless, riotous, wicked waste which characterized the incompetent and irresponsible conduct of the national business during and after the war, and which is largely chargeable to the inefficient subordinates of the Wilson administration.

Witness that $11,000,000,000 were appropriated for the purpose of furnishing artillery and airplanes and ships, with the unbelievable result that fewer than 200 pieces of American-made artillery ever reached the battle field, fewer than 200 American-made airplanes ever sailed through the air above the soil of France, and that but one ship built under the authority of the United States Shipping Board ever carried an American soldier to a European port. Much of this was legitimately expended, but more of it was illegitimately wasted, and but few of us to-day comprehend the saturnalia of extravagance and the riot of profligacy that characterized both appropriations and expenditures during that period.

WORLD-WIDE CONFUSION.

The problems that confronted us were both foreign and domestic, all being the direct result of the greatest cataclysm known to human history, and we best can appraise the progress made by this administration in one year and two months by a glance at the conditions of the nations of Europe who were involved in the same titanic convulsion. The war impoverished the world, it is true, by the loss of well-nigh 30,000,000 of her bravest and her best, those most fully qualified for productive purposes, dead upon the field of battle or maimed for life. It left a foreign debt amounting to almost $400,000,000,000, and the most fearful phase of it all is that these nations are not living within their incomes, are not balancing their budgets, and do not seem yet to have entered upon any well-defined program of either financial retrenchment or fiscal reform. The gravity of this situation is best presented by the statement that but two nations of all Europe are to-day living within their means, while every other one is steadily increasing its debt and rushing on in an extravagance of expenditure that, if continued, can lead but to bankruptcy, insolvency, and complete collapse.

The figures are ominous, for they tell the story of an almost utter breakdown of European currencies, largely due to the fatal policy involved in fiat money, an attempt to create values by operating printing presses without limit and scattering irredeemable currency in ever vaster quantities among the people:

Countries.	Total wealth.	Gross debt 1919.	Per cent.
United States	$250,000,000,000	$25,000,000,000	10
Great Britain	90,000,000,000	40,000,000,000	44.4
France	65,000,000,000	30,000,000,000	46.1
Italy	30,000,000,000	12,000,000,000	40
Germany	85,000,000,000	40,000,000,000	47

This staggering indebtedness forecasts disaster to every European nation involved, unless they change completely their fiscal policies. And thus it will be seen that we have been dealing in this administration not only with our own problems but with questions of the greatest gravity inescapably reflected upon us by these chaotic conditions in Europe. For, as everybody recognizes, the whole world is irrevocably bound together commercially and financially, and inevitably the prosperity of our citizens and the fiscal soundness of our institutions depend at least in part upon the stability of European peoples and countries.

Act as we may, talk as we please, the indescribable derangement of European finances and the total demoralization of their money systems and the constant decline in the value of their currencies, the purchasing power of which seems to be reduced with each succeeding month, complicate the situation beyond description, because in their totality they make our rate of foreign exchange practically prohibitive, and therefore very greatly interferes with the full resumption of trade between Europe and America. And strive as we may, enact legislation as we please, we can not fully restore American prosperity without at least a very considerable resumption of normal conditions on the continent of Europe. And yet, despite these hindrances, by means of wholesome economy and sane legislative enactments, we have accomplished much toward the resumption of our original prosperity, and the progress already made justifies the hope of a still nearer approach to normalcy in the near future.

In all but two countries of Europe there were larger deficits in 1921 than in 1920, and England is the only nation that engaged in the last war that can be regarded as at all financially sound. Take, for instance, Poland as a most striking example of insolvency. Her revenue in 1920 was estimated at 3,000,000,000 paper marks and her expenditures at 15,000,000,000. In 1921, 10,000,000,000 paper marks represented the amount of her revenue from taxation, while 110,000,000,000 represented her expenditures. It requires no expert in finance to see whither she is tending.

Take France, whose condition presents a problem of overwhelming gravity, and study the figures of her ever-increasing indebtedness:

	Francs.
1914, July 31	34,188,000,000
1918, December 31	151,122,000,000
1919, December 31	240,242,000,000
1920, September 30	285,836,000,000
1921, February 28	302,743,000,000
1921, September 30	320,000,000,000
1921, December 31	328,000,000,000

Also, it should be stated that for the 12 months ending September 30, 1921, the deficit was well-nigh 35,000,000,000 francs, without any reference to the interest on the debt she owes to other nations.

Look at Germany's sad plight and see how that mighty nation is floundering along in the bogs of financial distress. In order to balance her budget at the present time Germany would be compelled to double her revenue and cut her expenses in two, which seems to be an utterly impossible task. The enormous fiscal deficit of the German Government seems to be the main explanation of the vast increase in the circulation of marks, which rose from 70,000,000,000 the last day of May, 1921, to over 120,000,000,000 the first of this month. What dismay is written in these figures! What monetary riot, what financial despair!

I mention the deplorable condition of Europe's finances in order better to explain and more strikingly to show the very wonderful improvement made in our own country, for notwithstanding the near approach to collapse of the monetary system of nearly every country in Europe we have balanced our budget, we are living within our income, we have issued no bonds and sold no Treasury certificates, we have paid off $1,000,000,000 of the public debt, we have reduced taxation $825,000,000 the first year and $525,000,000 more the second year, we have curtailed governmental expenses $1,600,000,000, and are to-day financially solvent and commercially sound, and on the upgrade toward a normal resumption of American prosperity. Such is the genius of Republican statesmanship.

And in the light of these European conditions the accomplishments of this administration are all the more remarkable and afford the people fresh assurance of what yet may be accomplished in the three years just ahead.

DEMOCRATIC WRECKAGE.

Scattered all about us on every hand at the beginning of this administration was the destruction that was wrought not only by our misfit administration but as well by international conditions. In our own land 5,000,000 men had been taken from the fields of production and set at the destruction of all values, which is the business of war. That conflict had been over, it is true, two years and four months when we assumed control, but at the instance of our own President the completion of peace had been delayed for many weary months while a world constitution was being constructed, and, when the treaty itself finally was ratified by nations other than ours, it proved to be a compact productive of chaos rather than one of order in Europe.

If a rational treaty had been completed, as easily might have been within three months of the signing of the armistice, and if the nations of the Old World had been permitted properly to turn to the task of industrial reconstruction, we to-day might be dealing with a far more stabilized Europe than we are, one well on the highway to a complete rehabilitation rather than with nations still ravaged by war and rumors of war, and threatened with economic collapse and with unutterable financial despair.

And thus we have been compelled to deal not alone with our problems at home, largely the result of Democratic inefficiency, but as well with those abroad caused by the fatuous policy of our own President across the sea. Look whichever way we may in the midst of this wreckage, cast our eyes in whatever direction we please among the shattered nations, and we see in the background the faces of Woodrow Wilson and a portion of his Cabinet as the partial authors of it all.

THE NEGATIVE SIDE.

In order to carry out the platform pledges made at Chicago, this administration was compelled first of all to abandon many of the practices and reverse many of the tendencies steadfastly pursued and adhered to by the former Chief Executive. In this respect it has performed a service of inestimable value even if one not yet fully realized by the people. Since Harding became President there has been no thought of surrendering the rights, interests, and ideals of this Nation to any scheme of alien supersovereignty anywhere in the world. There has been no intention, either hidden or expressed, of dragging this Republic into the League of Nations. Upon the contrary, every utterance of the President has shown him to be diametrically opposed to any such scheme. Under him we shall maintain our independence and keep a firm hold on our sovereignty and, while fondly hoping that the League of Nations may bring peace to shattered Europe and prosperity to her struggling millions, and while gladly aiding to bring about that desired end to the fullest extent consistent with our traditional policy, yet we shall steadfastly decline to be drawn into their political involvements or entangled in their financial catastrophies.

We best can serve the world by being able to serve it, and we most surely can remain able to serve it by keeping ourselves strong at home. If we are to help the world, it is for us to say when we shall help it and by what method we shall help it and how much we shall help it, and it is not for any supergovernment to dictate our course to us. By a policy of national independence we brought ourselves to that position of financial primacy and commercial supremacy that enabled us to reach out our hands and grasp the blood-stained arms reached forth to us across the sea in a plea for help and lift bleeding Europe out of the depths of despondency to the heights of victory, and we shall best be able to extend needed aid to the other nations of the world in the days that are to come by keeping ourselves free of all entangling alliances and independent of all foreign involvements. Such is the Harding policy, and such plan will meet with the approbation of the people of this land.

There have been no further steps toward the socialization of industry since Mr. Harding became President. He constantly has said that there must be less Government in business and more business in Government, and he has cautiously proceeded to enforce that pronouncement. Under the guise of war necessity, the last administration took practical possession of all the business of the Nation and made it entirely subservient to those in power. They took over the railroads and the telegraphs and the telephones, and they commandeered corporations, and they seized factories, and they operated plants, and they projected themselves into all the business affairs of the land. And with what result? Never was there such mismanagement, never such extravagance, never such a welter of inefficiency, never such dire confusion.

The Republican Congress at once proceeded to untangle this mess, to give back these properties to the people who owned them, and to establish again the firm principle of the recognition of individual and property rights under the guaranties of the Constitution.

While not abating by one jot or tittle the force of the Sherman antitrust law, while having brought many proceedings to punish corporations for the violation of that statute during the war period, ruthless profiteers and plunderers who enriched themselves at the expense of a suffering and sacrificing people, nevertheless the general tendency of the administration is toward full freedom in business and a recognition of the larger right of the individual to control and operate his own business affairs. The "new freedom" preached by Woodrow Wilson was a grotesque travesty on the very name, while the enfranchisement of business under Harding is an accomplished fact. There therefore has been no suggestion from high places that private pay rolls should be diminished in order that public pay rolls might be increased, all designed to place a larger number of voters under the direct supervision of those who hoped to profit politically by the change.

Since Mr. Harding became President there have been no White House pronouncements expressive of the false theory that Government is the natural and proper enemy of business, and there have been no examples of governmental infringement upon the just domain of legitimate private enterprise, and that there will be none in the days to come should prove encouraging to every friend of economic freedom.

THE PRESIDENT AND CONGRESS.

Since Warren G. Harding became President there has been a complete restoration of proper relations between the executive and legislative branches of government. There has been no coercion by one and no servility by the other. They both have worked together in a spirit of harmony and cooperation without the exercise of a dangerous authority on the one hand or slavish sycophancy on the other. Each recognizes and accords to the other its full rights and neither expects at any time to infringe upon the prerogative or invade the legitimate sphere of activity of the other. I know that some of our citizens are disappointed at this course. I realize that many people think that the President should take a club and at least threaten Congress, if not actually cudgel it, into submission, but assuredly the almost fatal example of Woodrow Wilson's fatuous policy in this regard should satisfy such believers that that course is inimical to the best interests of our Government, and that, even if adopted, it would meet with the emphatic disapproval of the American people. Never was this more clearly manifested than when, right in the midst of a successfully conducted war, on the very eve of one of the most momentous triumphs of history, a Congress, Republican in both branches, was elected contrary to the expressed wish of the President and, indeed, in opposition to his practical demand.

The American people then and there set their seal of disapproval upon autocratic power in the United States, and assuredly, in the light of the great success that has followed the adoption of the opposite policy, they are not yet ready to reverse that decision thus solemnly rendered.

The length of the steps we have taken since March 4, 1921, may not have been as great as many of us would like, but they have been in the right direction, they have been away from the quicksands of socialistic idealism and toward the old, solid rock of traditional, common-sense Americanism, with its deep-grounded belief in the right and duty of every individual to work out his own salvation in his own way. We are gradually moving away from the tendency which not long ago gripped this Nation to make the American people inmates rather than citizens of the Republic.

We are opposed to autocracy in any form, whether it be of the President or of capital or of labor or of class. It is hostile to the spirit of our institutions, shocks the deepest sensibilities of every American citizen, and runs counter to the highest principles of the Republic. No single individual and no one favored class shall ever be permitted to assume autocratic control in this country and with imperious power dominate all other phases of our civilization. Such a course would spell disaster to republican institutions, founded upon the everlasting doctrine of human equality, and plunge us all into the midnight of despair.

THE POSITIVE SIDE.

When the Republican Party came into power it found a huge and increasing army of unemployed, with industry and agriculture deep in the lengthening shadow of depression. Partly this was due to the demoralization of war; partly to mistaken national policies of tariff and taxation. Fellow Republicans, we did not create this condition, we inherited it. It is the inevitable result of Democratic administration. We had passed through an orgy of speculation and inflation, always a concomitant of war, the day of defiation and of settlement came on apace and it became necessary for us to set our house in order to meet the changed condition. All this meant a general readjustment. It meant to face hard facts and solve difficult problems, not amid the blaze of war and the blare of trumpets but in committee rooms, where month after month programs were made and policies were formulated along business lines, afterwards embodied in legislation, and still afterwards religiously kept and followed.

When we came into power there was a bedlam of confusion in all governmental affairs. Our national finances were administered under tax laws imposed by the necessity of war. Our emergency fleet, which had cost $3,500,000,000, was in a state of demoralization that can be neither imagined nor described. Railroad transportation was on the very verge of collapse. Measures for war relief had not been thought out. A vast horde of foreigners was prepared to sweep down upon us in order to escape from tax-ridden and war-torn Europe. Agriculture was in a deplorable condition. Employment was everywhere sought. Government costs were out of all proportion to Government receipts and over all was the blighting pall of uncertainty. But the Republican Party faced this situation unafraid. Like a giant, conscious of its mighty strength, it grappled with the task. And what has been done in the past 14 months to relieve this frightful condition and with what results have we wrought and achieved?

First, we ended the technical state of war with Germany and Austria, an act essential to the prosperity of this country and the rehabilitation of Europe. Owing to circumstances for which the Republican Party was not responsible, it was necessary to make a separate peace with the Central Powers or have no peace at all. The new administration early contemplated a peace conference, but this was impossible while our own Nation was still theoretically at war with two European countries. The Democratic Party steadfastly opposed such a declaration of peace, thus more nearly fulfilling the party policy established by Woodrow Wilson of keeping us out of peace rather than the other one formulated by his ardent followers of keeping us out of war.

The Republican Congress next passed an act restricting immigration in any one year to 3 per cent of the American population of such nationality. This was a step in Americanism long demanded and long delayed. Without reflection upon any of the foreign elements in our citizenship, which in generations past have contributed immeasurably to the national upbuilding, the time has come when we should cease absorbing a larger alien population than it is possible for us to digest without serious internal disturbances, and certainly when 5,000,000 of our own people were out of work we were justified in preventing additions to that great number by large blocs of Europeans who could have done nothing else than add to the general discontent.

THE BUDGET SYSTEM.

The Republican Congress passed an act establishing the Budget system, a necessary step in the policy of putting more business in government, to which the party in power is committed. The adoption of this policy was postponed a year through the veto of a similar measure by President Wilson. Already it has exercised a remarkable influence in the limitation of public expenditures. In my judgment this law will stand out as one of the most important pieces of constructive legislation enacted in the last quarter of a century, and its operation, under the forceful leadership of Gen. Charles G. Dawes, already has produced unbelievable results.

APPROPRIATIONS.

The appropriations for the year ending June 30, 1922, were $4,065,000,000, and the estimates were $5,600,000,000, showing an approximate reduction of $1,600,000,000. These estimates were submitted by a Democratic administration, while the appropriations were made by a Republican Congress.

The estimates for the fiscal year ending June 30, 1923, submitted by the present administration are $3,853,000,000. It is too early to say what the appropriations will aggregate, but the chairman of the House committee estimates them at $3,500,000,000, each of these figures including the cost of operating the Post Office Department, which is $550,000,000 a year.

I call your especial attention to the important fact that there are now three fixed items of charges approaching $2,000,000,000 which did not exist before the war, namely, $975,000,000 interest on the public debt, $381,000,000 sinking fund, and approximately $500,000,000 for the maintenance of the Veterans' Bureau in connection with the care of wounded soldiers. There are other items like the shipping industry and increased outlay for law enforcement to be added to these three.

Therefore it will be seen that these stated charges can not be eliminated, and so we begin to make provision for the operation of the Government after we have first provided for these $2,000,000,000 of fixed charges which grew out of the war.

After we deduct the $2,000,000,000 from the $3,500,000,000, which it is estimated will be the aggregate of appropriations for 1923, it will be seen that we have but $1,500,000,000 for the conduct of every activity of the Government, including the Army and Navy, which is only $250,000,000 more than the cost of the Government before the war, and $150,000,000 of this is represented in the increased volume of business done by the Post Office Department; so that when we take the $250,000,000 and deduct the increased cost of running the post office—$150,000,000—we will reach rock-bottom, and our Government will be conducted at as low a cost as is possible under existing conditions.

The annual revenue from the liquor business before the enactment of the Volstead Act was approximately $290,000,000. The revenue now from the same source is $83,000,000 and will gradually be reduced.

If these figures are verified by the appropriations, and I have no doubt they will be, they will conclusively show that we are the only country in the world that is really living within its revenue.

This is certainly as remarkable a showing as ever has been made in the financial management of this or any other country, and I attribute much of it to the success of the operation of the Budget system, together with the unalterable determination of Congress to reduce expenses to the minimum.

AGRICULTURAL RELIEF.

There is an inadequate conception in industrial centers of the hardship visited upon the farmers of the country through the reaction of war. And yet we must realize upon reflection that impoverishment of the American farmer means not only destruction of the purchasing power of half of our population but a reduction in quantity of farm production, and therefore an ultimate increase in cost of food to the city consumer.

In the process of deflation that began after the war and still continues, agriculture was the first to feel its full effect. Almost at once prices became so low that they did not meet the cost of production, while at the same time the price of practically everything the farmer was buying, including transportation, remained on the war level. This was an intolerable condition, for it threatened to bring about the complete collapse of agriculture, which, as we fully realize, is the basis of all industry and the foundation of all prosperity. To meet this manifest demand, exigent in all particulars, Congress enacted at once an emergency tariff law, which was signed on May 27, 1921, and renewed on November 16, 1921, and will now stand until a permanent tariff law shall have been passed. There have been some newspaper comments as to the futility of this act, but permit me to say that not one single witness that appeared before the Finance Committee in all of our hearings, whose attention was particularly directed to this act, but what testified that it unquestionably had saved the wool and sheep industry of the country from utter destruction, that it had been of immense value to the dairy interests as well, and that it had operated to the great benefit of the farmer as to all the other items it enumerates.

The export trade bill was next passed, a measure authorizing the Government to loan up to $1,000,000,000 to aid in financing the export of farm products. Of this sum $45,000,000 already have been loaned for export and $283,587,000 to cooperative associations.

The packers' bill was enacted for the regulation of commerce in live stock and dairy products, and poultry and eggs, and places in the hands of the Secretary of Agriculture the authority and machinery necessary to prevent abuses long complained of by farm producers, but avoids the radical measures, destructive of all industry, which have been proposed by demagogues and theorists. This act settles a controversy of long standing.

The grain exchange law, instituting the control over boards of trade and other grain market agencies similar to that over the meat packers, a bill which prohibits any gambling in grain futures, but permits useful dealing in the grain market, intended to prevent purely speculative operations believed to be injurious to both producer and consumer. Although this law has just been declared unconstitutional, it nevertheless clearly shows the disposition of Congress to be helpful in that direction.

The law increasing the capital of the Federal farm loan banks by $25,000,000, designed to assist the farmer in securing additional loans at reasonable rates. I may say in passing that the sum of $629,897,654 has been loaned to farmers through this agency up to March 31, 1922.

Congress also passed a law conferring upon farmers the right to form organizations for the marketing of their products, which is a special exemption of agricultural interests from the operation of the Sherman antitrust law, and which undoubtedly will prove highly beneficial to the farmers of the country and greatly aid them under present strained conditions.

We amended the farm loan act by authorizing an increase in the interest on bonds issued by the Farm Loan Board from 5 to 5½ per cent, and limiting the rate of interest on loans to farmers to 6 per cent.

We provided for the establishment of an Agricultural Inquiry Commission to investigate and report on agricultural needs, the most complete body devoted exclusively to this subject yet assembled.

And to this may be added the agricultural conference called by President Harding and held in Washington for the purpose of considering the many pressing problems immediately confronting the farmers of the land. This is an array of acts for the benefit of the agricultural interests of the country never before equaled by any one Congress in our entire history.

All these have resulted most beneficially to the farmers of the country as is evidenced by the fact that the prices of nearly all farm products have advanced, as doubtless they will continue to do, until they reach a level where the farmer can realize the profit his investment and his labors entitle him to receive.

OTHER MEASURES.

The emergency tariff act carried a provision continuing the dye embargo and in the tariff bill under consideration this will be renewed for one year, with permission granted to the President to renew it a year longer upon a proper showing. This will insure the establishment of the synthetic chemical industry in America, than which no more important step could be taken.

Congress has not been remiss in the discharge of its obligation to the disabled veterans of the World War, nor will the members of that body ever forget the solemn duty they owe to these defenders of our faith. The operations for the relief of war veterans was originally divided up among the Treasury, the War Risk Insurance Bureau, the Vocational Training Board, and other departments, and one of the first acts of reconstruction passed by a Republican Congress was the unification of all these activities under the supervision of the Veterans' Bureau.

It is difficult to imagine what an enormous task confronted this new organization, and yet a faint glimpse of it can be given by the statement that already there has been paid to disabled veterans and their dependent relatives $1,979,286,634—or a greater sum than that expended for the relief of the soldiers of the Civil War before 1880, or 15 years after the close of that struggle.

There is going out of the Treasury each day for that purpose approximately $1,250,000. To meet the demands of the disabled, the Government now has nearly 30,000 hospital beds to which 11,000 are immediately to be added at an approximate cost of $3,000 a bed. There are 29,000 men already in hospitals each of whom is receiving, in addition to his keeping and his care, from $80 to $157 each month. I am informed that the disbursements for compensation run over $10,000,000 each month and for insurance over $9,000,000, while during the same period there are 15,000 compensation claims and 1,200 insurance claims received for action. There are 116,000 men taking vocational training, each of whom receives pay at the maximum of $170 per month. There are now in existence 107 Government-operated hospitals which provide 182 employees for each 200 patients. There are 5,000 schools used throughout the country for training ex-service men, and in excess of 10,000 institutions for placement training.

When the War Risk Department was reorganized there were 200,000 claims awaiting adjustment. Of these all the uncontested ones were settled long ago. There are about 700 claims received each day, which are immediately decided, and I am very happy to say to you that this whole mass of undigested business has been cleared away and that this important department of the Government is to-day up to date in all of its examinations and decisions.

This department is in actual contact with all public and private charities everywhere, in touch with every office of the Red Cross, and in communication with every Legion post and, while all mistakes can not be avoided and relief can not immediately be afforded in all cases nevertheless the organization is now so perfect and is operated on such sound business principles that unquestionably there need be no great delay in adjusting the claims or attending to the wants or meeting the needs of every deserving soldier of that war.

SOLDIERS' BONUS.

The House of Representatives already has passed an act providing a bonus for World War veterans, and I have no doubt that in some form or other it will find its way through the Senate and become a law before the close of this session of Congress. I can not now say just what the provisions of this act will be, because they are yet the subject of consideration by the President and the members of the Finance Committee, but I am quite sure that they will involve no additional taxation and that finally they will be paid by the use of the bonds of our debtor nations.

The difficulty with regard to the enactment of bonus legislation is quite apparent to all. Congress is most determined to reduce expenses to the lowest limit, and yet, on the other hand, every Member of that body is anxious to please the soldier and, within the limits of possibility, equalize his pay during his period of service with that of his brother who remained at home and received inflated wages. If our Treasury were full and overflowing, no questions would be asked, because there would be no problem presented, but with the necessity for reduced taxation if business is to be resumed, and with the determination to run the Government on business principles whatever else happens, the question presented by the bonus has been one of the most difficult to answer. And, that I may make a candid statement of the whole situation, permit me to say that a large number of the Members of both the Senate and House committed themselves to the payment of a bonus in the last campaign and feel under compulsion to redeem the pledges then made. And so I feel quite sure that, notwithstanding the perplexing difficulties surrounding the entire question, such a measure will be passed, and that, when understood, it will meet with the approval of the great majority of the people of the land, including the beneficiaries of the legislation.

FURTHER LEGISLATION.

In addition to these great measures, Congress passed a Federal highway act appropriating $75,000,000 for Federal cooperation with States in the building of highways.

An act establishing a woman's bureau to enable women to respond to the new duties imposed upon them by their recent enfranchisement.

The maternity bill, pledged by the Republican Party in the last campaign and advocated almost unanimously by the recently enfranchised women of the land. The bill provides for cooperation with the States in the protection of maternity and infancy and is voluntary rather than compulsory in its provisions for enforcement.

Among relief measures enacted were two for the benefit of the starving people of Russian, one to donate $20,000,000 for food and to purchase seed grain for the famished in the Volga region, and the other to release medicines now held by the War Department to be applied to aid the sick of this ailing and unfortunate country.

The House passed the rails-security refunding proposal looking to the rehabilitation of the finances of transportation, but the general improvement in the tone of the market enabled the railroads, through the aid of the War Finance Corporation, to dispose of their own securities and it was found unnecessary to consider this bill in the Senate.

The naval appropriation bill was passed with a saving of $86,000,000, as compared with the sum carried by the same bill in the last Congress and the Army appropriation bill, which reduced the standing Army to 150,000 men and carries $15,000,000 less than the former bill which President Wilson refused to sign.

The law providing for the consolidation of independent telephone companies, making possible the elimination of loss through unnecessary duplication of such lines.

The law providing a method of control by the President for landing submarine cables, correcting a situation which became embarrassing under the former administration.

An act broadening the organic law of the Indian Bureau, which will cure the evil of legislative riders and appropriations, an abuse of long standing in connection with the Indian Service.

A law providing for an agreement among the Western States for the apportionment of the water of the Colorado River, settling an interstate dispute of long standing known as the Kansas-Colorado case.

A law authorizing the completion of the Alaskan Railroad at a cost of $4,000,000. The final estimates of the cost of this road by the former administration having been found inadequate, it was necessary to provide the amount necessary to finish the line or leave it in an unserviceable condition.

An act for the relief of those who responded to the call of the Government for the production of war materials, relieving many producers of small means who patriotically undertook to meet the war needs of the Nation.

The law to amend the Federal reserve act with regard to the capital stock of corporations.

An act to reclassify postal employees, involving many thousands of our fellow citizens, and readjusting their salaries on a more equitable basis.

The Volstead Act, providing for the enforcement of the eighteenth amendment, for which over $9,000,000 has just been appropriated for the ensuing year. Regardless of what one may think of national prohibition, there can be no serious difference of opinion among patriotic people as to the importance of enforcing laws, and especially those arising out of and based on constitutional amendments. Contempt of one law breeds contempt of all laws, and contempt of law is not a thing that serious-minded people can afford to condone or encourage. The law while it is a law must be enforced. Failure to do so is nullification, and nullification carried to its logical conclusion means the utter collapse of orderly government.

These salutary acts, together with about 500 others of minor importance, tell the story of a legislative session unparalleled in our history for the number and consequence of its enactments.

TAX LEGISLATION.

The national Republican platform pledged a reduction in expenditures and a decrease in taxation, and in both instances we have kept the faith. We gained control of Congress on the 4th of March, 1919, but until the 4th of March, 1921, we were handicapped by the fact that the disbursing branch of the Government was in the hands of the Democratic Party, which had the habit of spending developed to a most remarkable degree, and therefore all we could do was to cut down the appropriations demanded by the various departments.

The first session of the Republican Congress which assembled reduced appropriations for the current fiscal year to $4,500,000,000, which was $75,000,000 less than the appropriations for the fiscal year preceding, $1,500,000,000 less than the Wilson administration asked for its last year, and $3,000,000,000 less than were appropriated for the second fiscal year preceding.

The total appropriations for the year ending June 30, 1916, were $1,114,490,704.09. For the year ending June 30, 1917—we had been in the war two months—they were $1,625,419,995.53; for the year ending June 30, 1918, they were $18,892,027,501.58; and for the next fiscal year they were $27,065,148,690.75. No sooner had the Republican Congress come into power than it repealed war appropriations aggregating more than $8,000,000,000. For the fiscal year ending June 30, 1920, the first one under a Republican Congress, appropriations aggregated $6,495,015,370; and, as I said above, and it is worthy of repetition, for the year ending June 30, 1921, the actual cost of running the Government was $5,538,040,689, and for the next fiscal year it will be $3,922,372,030.

The departments during the last fiscal year estimated an expenditure of $5,337,996,723.23, but Congress so greatly reduced this sum that we have actually balanced our Budget and are living within our income. A part of this reduction is due to the fact that during the year ending June 30, 1921, 93,634 people were dismissed from the public service, in the last year 10,000 more, and since the armistice a total of 330,278 employees have been dropped from the civil pay roll; and I may say in this connection, as an expression of personal belief, they have not been getting rid of the Democrats in some of the departments fast enough to suit me.

This is a Government by and through the agency of political parties; and, while its present form is maintained, it can not be governed in any other way, for by this method alone can the people express themselves as to the policies they desire to control the administration for the ensuing four years. Anything, therefore, that strikes at either the existence or the efficiency of political parties is injurious to an agency of government, and should not be permitted except after most careful consideration.

I believe in the civil service as applied to a great many of the phases and activities of Government operation, but I do not believe in that system when it shelters men who are opposed to the policy of the administration and who secretly connive to overthrow it and strike at it and interfere with it whenever an opportunity is presented. There are a large number of such in office in Washington now, and my judgment is that they should be released and sent home. This is particularly true of those who occupy key positions or who can make decisions or determine policies or settle questions of procedure.

As to all persons except those who are doing the mere routine work, more or less clerical in character, the administration should see to it that they are in harmony with its spirit and its purpose and the President and heads of departments are entitled to have the occupants of these offices loyal to the policies they are attempting to carry out.

A large number are not in this frame of mind but diametrically opposed to the administration, to the President, to the party in power, and to the things we are trying to do, and, in my judgment, all such should be summarily removed.

I have been and am opposed to putting postmasters under civil service. They are very useful in maintaining party organization, and the past shows that these activities have not in any wise interfered with their efficiency. A Congressman is compelled, by the very force of public sentiment, as well as by his own conception of right and propriety, to name none but the best, because he knows that the service rendered is the surest justification for any appointment. His own self-interest prompts him to pursue that course, and the record proves that but few mistakes have been made.

THE NEW TAX LAW.

Whatever may be said as to the new tax law, and no such enactment ever has been or ever will be popular, it is infinitely better than the present one. It will produce $835,000,000 less this year than the present law and next year will assess the people $525,000,000 still less, or a total in excess of $1,300,000,000 of a decrease under the existing law. Further revision within the next year is probable. No one not familiar with the difficulties and intricacies of tax revision, with the conflicting theories and interests involved, has the slightest conception of the labor and trouble of reconstructing our tax laws and can not understand how many months of most unremitting toil by experts and legislators is represented in such a measure.

Every law involving hundreds of items and affecting millions of individuals is necessarily a compromise, and no thoughtful man expects a law framed in its every item to suit him. I speak with full personal knowledge when I say that the new tax law is the best that could be worked out of the conflicting elements involved, and from that starting point we can move on to better things.

This law has been criticized because we reduced the surtaxes only 15 per cent, from 65 to 50, but that was the very best that could be done, and it was the result of a compromise after weeks of patient work in connection with the subject. I made the compromise myself, and, therefore, I speak with full knowledge of the subject.

I have been for many years a believer in and an advocate of the sales tax as the most just and equitable system of taxation that any Government can devise, but, up until the last taxation measure was passed, no real opportunity was ever presented to have it even considered. I voted to report it out of the Finance Committee as a substitute for the higher surtaxes and the excess-profits taxes and other forms of aggregated taxation, but we could not muster a sufficient number of votes to secure favorable action. In common with 24 of my colleagues, I voted to pass it as an amendment to the tax bill, but to no avail. I am firmly convinced, however, that some such proposition will be enacted into law at a comparatively early date. As a matter of principle, I shall support it whenever an opportunity is presented to pass it.

We did repeal excess-profits taxes, which in part were smothering the productive activity of the country, and, if many of us had had our way, we would have reduced the surtaxes to not more than 25 per cent, which would have prevented the flow of free capital into tax-exempt securities, would have led to investment in industrials that would have revived business, and would have given assurance to men of means that the Government did not intend to tax their incomes entirely out of existence by a confiscatory system of taxation.

I hitherto have said that the expenses of the Government can not be much further reduced because of fixed annual charges growing out of the war. People may complain, but the Republican Party is not responsible for these conditions. We did not make them—we inherited them—and we are dealing with these complex problems left us by an incompetent and inefficient Democratic administration.

These bills must be paid largely by taxes taken from the pockets of the people. There is no other way in which it can be done. While the war was on it required money to pay the expense, and the money we then borrowed, together with the interest, must be paid, and it is not possible while all of this is being done to reduce expenses beyond what they will be next year.

The Senate, with only two hours' debate, voted $640,000,000 for aircraft. A Democratic committee of the Senate found that this money was worse than wasted, and yet it must all be paid and the people must pay it by taxation. We sold for $120,000 what cost us $80,000,000, but we must raise the $80,000,000 and it can be done alone by taxation. The $25,000,000,000 the war cost is a debt of honor and we will pay it and whatever other charges honorably arise out of it, but it must be done by taxation, and under all the circumstances the Republican Party has worked wonders in the way of the curtailment of expenses and reduction of taxes. This is the real test of constructive statesmanship. And, fellow citizens, we in this convention to-day can take a pardonable pride in the fact that the ability to reduce taxes and yet meet current expenditures from current incomes without resorting to loans, and at the same time, by reason of effective economy, pay $1,000,000,000 on the public debt; that this ability is characteristic alone of America and is characteristic of the Republican Party alone in America.

THE TARIFF.

The House of Representatives early passed and the Senate is now engaged in debating a tariff bill to supplant the Underwood-Simmons law, which on the average assesses 6½ per cent on all imports, or the lowest rate provided by any bill in the entire history of the Nation. I shall enter upon no extended argument on the tariff question for none is required in this presence. The national platform of 1920 demanded the restoration of a protective policy and that pledge shortly will be fulfilled.

The whole question of the tariff is a question of wages. From top to bottom and from bottom back to top it is a problem of the man who labors and of the man who toils. If the workman engaged in any gainful occupation in this country is willing to take the same rate of wages that his competitor gets in any competing country we can adjust ourselves to the new conditions and proceed with business. Capital in reality does not need to be protected. Capital is never weak and requires protection only to enable it to pay American wages. But the man who has nothing to sell but the brawn and the muscle of his good right arm and who goes out every morning to sell that product is entitled to the best market in the world in which to dispose of it and to receive the best wages paid in the world in return for it.

Involved in this problem is also the question of the capacity of American citizenship to meet the demands made upon it in a Government devoted to the doctrine of human equality. If men are to be

equal before the law they must be qualified for equality, and as a partial equipment to be thus qualified each must receive such a return on his investment of labor as will enable him to stand upon a level with his fellows and play his part in upholding this Government of free and equal men.

There can not be equality in any country where any considerable portion of its citizenship is ground down by extreme conditions of living and a weight of inescapable poverty. Wages must be paid which will permit the laboring man to enjoy the comforts and conveniences and even the luxuries of life, to rear his children in accordance with their needful requirements, to meet the demands made upon him by a well-regulated social life, and demean himself as a self-respecting American citizen. These things he can not do if he is compelled to come in direct contact with the products of the cheap labor of Europe, cheaper now than ever before because these people are compelled by stern necessity to seek new markets and open up new avenues of trade.

CHEAPNESS.

The outcry against the tariff is based on the theory of cheapness. Those who oppose protection do so on the ground that it enhances the price of the article protected, and they insist on buying the article wherever in the world it can be bought the cheapest. But a thing may be too cheap. A thing is too cheap in the United States when the man who makes that thing can not get a decent, honest, American living by making it. Benjamin Harrison, than whom no greater protectionist ever lived, and who had the faculty of compressing a whole argument into a statement, graphically remarked that "A cheap coat means a cheap man under the coat," by which he meant that the man who made the cheap coat would be a cheap man because he got low wages, and this is true of every other article made in America.

If these gentlemen are anxious to have cheap things, why don't they go to China? That is the cheapest country in the world and there they can have cheapness to their soul's content, but they would also have cheap men and cheap civilization.

We have righteously excluded immigrants from the United States except in very limited numbers, and yet free traders want all the products of their toil to come into this country without restraint or limitation. Economically, the result is almost the same.

Under years of protective tariffs we have built up an American system of living through an American scale of wages and an American plane of costs, and back of it all an American conception of the regal dignity of every man which must be preserved by his ability to maintain himself through just rewards for service rendered. This is the American plan and by means of it we have easily outdistanced all the other peoples of the world.

UNDERWOOD LAW.

Everyone knows that the operation of a revenue tariff has always resulted in commercial depression, in business paralysis, and in industrial despair. Six times this has been demonstrated in American history, and 1914 was no exception to the rule. Everyone knows that we were then going into a period of depression, headed straight for industrial disaster and financial wreckage, when the war intervened and erected a prohibitive tariff behind which we wrought and achieved as never before. That same Underwood law is still in existence, and unquestionably conditions that existed in 1914 and even worse will come upon us again unless that law be repealed. War wages have been but slightly reduced in many lines of activity, while wages are lower in Germany and in many other European countries than ever before. American industry can not directly meet this competition and survive. Under the Underwood law these wages can not be paid, these living conditions can not be maintained, and nothing but an adequate protective tariff will enable us fully to restore prosperity in the United States and bring contentment and happiness to the citizenship of America.

They tell us that our rates are high, but as to whether or not a rate is high depends upon the competition, on the production cost of the competitive article. We framed the present tariff bill wholly and solely on the basis of the difference in the cost of production at home and abroad as nearly as we could ascertain the facts. In formulating this bill we have been much like a man trying to build a dam in a flood, he can not always be sure of his foundation and he may be compelled to shift from time to time in order to meet new conditions. But this dam had to be built and we were compelled to do the best we could under the hard conditions with which we contended.

It is quite true that we did not always have exact information, but we have approximated a correct tariff, and I can say in all candor that in every case where there was uncertainty we gave the benefit of any and every doubt to the American producer and not to his foreign competitor.

A protective rate can not be said to be either high or low if it protects. I can cite a great number of instances in which it would take from 500 to 1,000 per cent to measure the difference in the cost of production at home and abroad, and therefore 1,000 per cent, being simply protective under the rule, would not be high, whereas in other instances 25 per cent would be high, because it would more than measure that difference. There is no such thing as a high protective tariff or a low protective tariff, for a protective tariff furnishes its own definition without any adjectives or prefixes to define it.

This bill will give to agricultural products the first real protection they have ever secured in the history of the country, and undoubtedly it will be of immense benefit to the farming interests of the Nation in their present dire straits, and likewise to all American industries that compete with like foreign industries with low wages and reduced costs of production. To them all we undertake in this measure to give adequate protection.

WAGES IN GERMANY.

I make the comparison with Germany because of the immense capacity of her people and the vast forces that can be brought into play by proper organization, which they so well understand and to which they so willingly submit. I am no more anxious to protect the United States against German-made goods than those of any other country, but I am equally anxious to secure the American market for the American producer from invasion from any country and from all countries.

The assertion continually is being made that wages have increased in Germany since 1914, and that therefore we do not require as high a tariff as otherwise we would. This I emphatically deny, and I am giving herewith a statement of wages in Germany which can be multiplied indefinitely, showing that they have decreased since 1914, measured by American money, and that they are lower to-day than they ever have been at any time in the history of Germany, which proves that their competition is all the more dangerous.

Wages in Germany—Rates per week for adult male workers.

Source: The wages for 1913 were compiled from the Statisches Jahrbuch fur des Deutsche Reich (Statistical Yearbook for the German Empire, 1915), page 91. The wages for December, 1921, are compiled from the Korrespondenzblatt des Allegemeinen Deutschen Gewerkschaftsbundes (the publication of the General German Trade Union Federation, March 4, 1922), pages 4 to 18, inclusive.

Mark converted to dollars in 1913, at $0.2382.

Mark converted to dollars in December, 1921, at $0.005223, the average buying rate for the month of December, 1921, for New York cable transfers as reported by the Federal Reserve Board.

City.	Bakers.		Brewery workers. Skilled.		Brewery workers. Unskilled.		Tailors.		Painters.		Stone-cutters.		Stone-masons.		Book-binders.		Printers.		Joiners.		Transport workers.	
	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.	Average, 1913.	Dec. 31, 1921.
Berlin	$6.19	$2.66	$7.15	$2.51	$6.19	$2.48	$13.10	$3.13	$17.15	$2.64	$19.06	$2.38	$20.25	$3.13	$7.50	$2.78	$8.19	$2.89	$14.77	$2.88	$6.91	$2.74
Konigsberg	.....	1.88	.....	2.27	.....	2.18	10.72	2.51	12.62	2.51	16.20	.....	15.72	.....	.....	2.59	7.37	2.65	8.34	.....	5.00	1.47
Kiel	5.95	2.80	7.98	2.72	6.31	2.68	10.72	2.63	15.48	2.69	.....	.....	17.39	2.57	.....	2.42	7.86	2.72	15.24	2.68	8.05	2.51
Osnabruck	.....	2.51	6.91	1.78	5.95	1.75	.....	2.51	12.39	2.33	13.10	2.46	15.48	.....	.....	2.32	7.04	2.52	12.15	2.66	.....	2.25
Dusseldorf	7.38	3.39	7.50	3.16	6.07	3.11	11.67	3.51	14.29	2.93	17.63	2.51	.....	3.38	5.36	2.97	7.70	3.08	14.29	3.17	6.43	2.92
Munchen	6.19	2.17	8.10	2.34	5.72	2.29	10.00	2.63	13.34	2.32	15.96	.....	.....	2.91	5.95	2.59	7.86	2.68	12.62	2.14	6.91	1.98
Leipzig	5.72	2.35	8.34	2.35	6.19	2.32	9.53	2.63	.....	2.54	19.06	2.34	.....	3.80	7.20	2.59	7.86	2.68	13.82	2.64	6.43	2.09
Stuttgart	.....	.....	7.91	2.30	6.53	2.26	10.00	2.63	13.82	2.51	15.48	.....	.....	2.86	6.88	2.59	7.70	2.68	11.91	2.16	5.72	1.71
Manheim	5.72	2.09	8.10	2.53	4.76	2.51	11.91	2.88	13.58	2.77	15.24	.....	.....	3.21	6.91	2.59	7.70	2.79	12.86	2.31	.....	2.96
Rostock	5.48	2.01	6.43	1.61	5.12	1.58	11.43	2.41	13.10	2.32	13.34	.....	16.67	2.26	5.84	2.42	7.37	2.58	10.24	2.16	.....	2.07
Bremen	5.95	2.67	8.10	.....	6.07	.....	10.72	2.76	15.01	2.66	22.63	3.18	15.96	3.21	6.79	2.59	7.70	2.74	14.29	2.75	5.95	1.72
Hamburg	6.67	3.13	8.57	3.13	5.24	3.11	13.10	3.13	17.39	2.76	23.82	2.47	19.06	3.37	7.74	2.59	8.19	2.85	15.48	2.93	7.72	3.13
Average	6.14	2.52	7.73	2.43	5.83	2.39	11.17	2.78	14.38	2.58	17.41	2.56	17.22	3.00	6.69	2.59	7.71	2.74	13.00	2.59	6.57	2.30

RATE OF EXCHANGE.

In addition to this disparity in wages, there is still an even greater one in the value of the currency of this and competing countries, evidenced by the rate of exchange, which is one of the most serious problems that confronts not only Europe, not only America, but the whole world as well.

The normal value of the Russian ruble is 51.46 cents, measured in our money, but to-day 100 rubles are worth seven one-hundredths of a cent in our currency, or a depreciation of 99 per cent.

The German mark is normally worth 23.8 cents; to-day one-third of a cent, or 98 per cent depreciation. At face value the Austrian crown is 20.3; at present it is worth one one-hundredth of a cent, or a depreciation of 99 per cent. Polish marks are ordinarily valued at 23.8 cents, now two one-hundredths of a cent, a depreciation of 99 per cent. The French franc is normally worth 19.3 cents American money, to-day 9¼ cents, or a depreciation of 50 per cent. The Italian lire is worth 19.3 cents in ordinary times; to-day its value is 5⅝ cents American money, thus representing a depreciation of 75 per cent.

Now, under these conditions, how can anyone say that a protective tariff is not necessary for the salvation of our industries?

With the enormous depreciation in currency, with this great disparity in the rate of exchange, with their labor paid at home in this depreciated currency, how is it possible for anyone to contend that the American laboring man can meet the competition on an even plane? If we are to suffer a continuation of the present law, one of two things inevitably will result, and from one or the other there is no escape, namely, the American laboring man must be willing to take the same wage as his foreign competitor engaged in making the same article, or, second, he must stop work, lose his job, and wait for a change in policy. This has been demonstrated over and over in our history, and now, to a far greater extent than ever before, again will be demonstrated without a protective tariff.

ADEQUATE RATES.

This tariff is not being made to please free traders. We did not formulate it to suit importers. Their business is legitimate and is entitled to consideration, but we always must remember that American

business is first to be considered and the importer afterwards. If a man wears a coat made in England, then he does not wear one made in the United States, and to that extent the labor of the United States is displaced by the labor of Europe. This is true as to all imported articles the like of which we make in our own land. Free trade opens factories in competing countries but closes factories in the United States, and that is precisely the policy which we must avoid now more than at any other time in our history.

Our opponents are greatly distressed over what they call high ad valorems, but I must confess that I am not so impressed. If an article cost a dollar and we put a tariff of 25 cents on it, that is an equivalent ad valorem of 25 per cent. If, after putting a tariff on that article, we produce it at home in such quantities that the competition pulls the price down from a dollar to 50 cents, then the 25 per cent duty is equivalent to 50 per cent ad valorem, and on that ad valorem the Democrats base many of their charges against our tariff. They study percentage, we study prices. I would rather have a low price with a high ad valorem than a high price with a low ad valorem, and in any event I want an ad valorem sufficiently high to protect American labor wheresoever employed and American capital wheresoever invested.

Approximately 52 per cent of all imports will come in free under the pending bill, 30 per cent will carry specific rates, and the remaining 18 per cent ad valorem duties. As to these ad valorem rates, I really believe in American valuation and am firm in the conviction that that policy will some day be applied; but it could not be done at this time because of unpreparedness for its administration.

The following table shows the true value to-day of the currency of some of the foreign countries which are the greatest producers of agricultural products:

Normal and present value of currency in the following foreign countries:

Country.	Normal value.	Present value.	Percentage of depreciation.
	Cents.		*Per cent.*
Russia (rubles)	51.46	$\frac{1}{10}$ of cent for 100 rubles.	99
Germany (marks)	23.8	$\frac{1}{4}$ cent	98
Austria (crown)	20.3	$\frac{1}{10}$ cent	99
Poland (mark)	23.8	$\frac{1}{10}$ cent	99
Belgium (franc)	19.3	8$\frac{1}{2}$ cents	50
France (franc)	19.3	9$\frac{1}{2}$ cents	50
Rumania (leu)	19.3	$\frac{3}{4}$ cent	98
Italy (lira)	19.3	5$\frac{1}{2}$ cents	75
Czechoslovakia (crown)	20.3	2 cents	90

THE FLEXIBLE TARIFF.

Prices are so fluctuating, values so changing, costs so shifting, and the rates of exchange so varying that it is not possible exactly to measure the difference in production costs in competing countries. We have striven for months and months of the most exacting labor thus to formulate a bill, but despite all our efforts mistakes have been made and errors have been committed. We have been compelled to change many rates from the time we began, owing to shifting values, and therefore, in order to make the tariff as flexible as possible, we have incorporated a provision empowering the President upon a showing made by any industry that foreign competition is about to endanger its existence to raise the rate as much as 50 per cent over the one provided in the bill. Because of chaotic conditions in commerce and industry around the world the tariff formulated now, but for this saving provision, would not adequately measure the difference in production costs for any great period of time, and even with this incorporated, in my judgment, it will be necessary again to revise the tariff at no distant date as conditions in Europe change in order that we may adequately protect American industry without at the same time affording a shelter for American monopoly.

WAR INDUSTRIES.

No more striking or convincing argument for a tariff ever can be made than that afforded by the war, which absolutely prohibited many articles of import and furnished a complete embargo against them. Take, for instance, the dye industry. Many efforts had been made to establish it theretofore, but always in vain. The textile manufacturers fought it because they did not want to add to the cost of their raw material, saying that if they did they could not so well compete in the markets of the world with those who got their dyestuffs at a lower price. But when the war came on it became a matter of sheer necessity and the result is simply astounding. Two hundred million dollars have been expended in the dye industry, and 90 per cent of all the dyes we consume in the United States are made in the United States and large quantities exported, while the great organic synthetic chemical industry is now on a sound footing in America, with all the vast consequences that statement implies.

I can name over 100 articles, most of them chemicals, now being produced in the United States in large quantities, not one dollar's worth of which was made here before the war. Necessity compelled their production, and the war furnished ample protection against imports from abroad. A sufficiently high protective tariff would have done precisely the same thing at any time, but the opponents of the tariff system would have rent the air with their wails and filled the newspapers with their calamity pronouncements and public sentiment would have been lashed into a foam against the establishment of these projects.

And yet our history conclusively shows that many of our greatest industries were thus established and never could have been even started in America but for the operation of an adequate protective tariff.

The steel-rail industry, earthenware and crockery, chinaware, tin plate, a portion of our wool manufactures, and many others too numerous to mention within the limits of a speech, all were established because of the tariff, and not one dollar's worth of any of those goods could have been made in this country to-day but for such a system.

And the remarkable thing is that, with these instances being brought before us in such indisputable fashion, there are numbers of persons in Congress and larger numbers out who to-day are doing everything within their power to take the tariff off of these articles and literally make it impossible to produce them in the United States against present foreign competition, and a few Democrats in the Senate are conducting a most unseemly filibuster against the present bill in order to prevent any tariff from being placed on those articles, the production of which began in the United States behind an embargo afforded by the war.

Before that conflict they were not made here; the war gave ample protection, and the Democrats are now seeking to take away that protection, and if they succeed, it inevitably will mean the destruction of those industries in America and the purchase of those articles abroad once more.

Why any American should take a position of that kind is past my comprehension and entirely outside the boundary lines of my conception.

THE OLD CRY.

Every time a tariff bill has been passed in the history of the country its opponents have always said that it would shrivel up our foreign commerce, that we could not sell abroad unless we bought abroad, and that we could not buy abroad because of the tariff wall that was being erected.

From 1812 down to the present time there has been an endless repetition of this cry about the "tariff wall" and a remorseless reiteration of the charge that the tariff then being enacted would destroy our foreign commerce. Never were such charges made with such relentless force and such unmitigated vehemence as when the Dingley law was enacted, the highest law in all our history. It was incessantly dinned into our ears by day and by night that those high rates would absolutely shut off all imports, that people would not buy of us because they could not sell to us, and that our foreign commerce would be dried up and our foreign business destroyed. Protectionists paid no attention to these charges and went right on with the passage of the law. And with what result? Let just a few of the figures speak for themselves.

In 1897, the first year of the operation of this law, our exports amounted to $1,099,000,000, and they steadily mounted upward until in 1909, the last year of its life, they stood at $1,752,000,000, or an increase of well-nigh $700,000,000 in exports, contrary to the prophecies and predictions of every opponent of that measure.

And in the meantime, what of our imports? For these gentlemen were asserting then, as now and always, that this high tariff prevented other people from selling to us and that for that reason they would not buy of us.

In 1897 our total imports amounted to $742,595,000, while in 1908 they had climbed up to $1,116,000,000, or an increase of almost $400,000,000 in what we bought abroad; and, be it remembered, the Dingley law was higher in its average rates than either the Payne-Aldrich or the one we are now considering in the Senate.

This same charge was made about the Payne-Aldrich bill, and with the same degree of truthfulness. The figures show that in 1908 our total exports, as above stated, were $1,752,000,000 in value and that in 1913, the last year of the operation of this law, they had risen to $2,484,000,000, or an increase of almost $700,000,000 in our exports under this much-defamed act. In the meantime our imports had risen from $1,116,000,000 to $1,792,000,000, an increase of $776,000,000 in what we bought abroad. So that these charges that are now being repeated with such feigned emphasis fade into thin air when the light of truth is thrown upon them. They are now being made by the same people in the same language and for the same purpose and will be met with the same results.

We do not put a tariff on anything going out of the country. People can buy from us when they want to buy, and they can buy without restriction or limitation. Foreign nations do not buy of us because they love us but because they are compelled to, because there is no place else to go to get what they want, and if all our factories are fully operating they can get what they want here a little better then they can get it anywhere else on earth.

This has been proved over and over again, so that, despite cheaper labor and lower production costs, we constantly have sold the products of our factories right in the teeth of that competition all around the world.

In spite of these inventors of woe and these purveyors of calamity and these prophets of evil, during all of these years we have made the most marvelous progress of any nation in all the history of nations, and every day of that progress was made partially because of the protective-tariff system, and the only times this march of progress has been interrupted were when the American people temporarily forgot themselves and placed the Democratic Party in power to try its free-trade policy. Thus does history speak and thus should we learn the wisdom of the lesson she teaches.

And in passing it may be somewhat instructive to remember that England, France, and Italy have passed laws putting a very strict embargo on German dyes and positively preventing their admission into those countries, while England has also placed prohibitive tariffs on the imports that affect her five key industries. So that this one free-trade nation, while still urging that policy upon us, proceeds to protect herself in the very same manner in which we have always protected our country from her and from all other countries. And so, while still doing her level best to force her medicine down our throats, she very gracefully but nevertheless forcefully declines to take it herself.

EUROPEAN CONDITIONS.

We can not hope for much help from Europe. Unfortunately, those nations will continue to grope in darkness and flounder in the quicksands until her people forget wars and national jealousies and racial rivalries and ancient grudges, and turn their attention to industry, thrift, prosperity, and the well-being of their nationals. Unhappily, they are far from this fortunate condition to-day. There is at hand no evidence that, until within the last few weeks, any attempt had been made to reduce the number of civil officers by any of the debtor States of Europe, and the number of such reductions up to date have been few and inconsequential. Apparently they do not intend to disband their armies. The following table shows the armaments maintained by seven of the continental States at the present time:

	Men.
Belgium	115,000
Yugoslavia	140,000
Czechoslovakia	150,000
Rumania	190,000
Italy	250,000
Poland	290,000
France	750,000

So that to-day 2,000,000 soldiers are encamped round about the capital of the League of Nations devoted to peace and brotherly love. This recital dispels all hope of their ever being able to reduce expenses, to live within their incomes, to cease warring among themselves, or to live in peace with their neighbors, unless they change their mental attitude toward one another and think in terms of peace

rather than in terms of war, of construction instead of destruction, and substitute confidence and trust for hatred and revenge.

It ill becomes us to dictate the policies of other nations because we do not like for them to determine what course we shall pursue, but, inasmuch as these peoples owe us large sums of money, it may not be inappropriate for us to suggest that they should reduce armaments and disband armies and utilize the sums thus expended for the payment of their debts. We have reduced ours and are living within our income—why should they not do the same?

There is no royal road out of these conditions; no primrose path of dalliance points the way from these conditions; nothing but the old-fashioned virtues of working and saving will rescue these people from present disaster and from future collapse.

OUR FOREIGN DEBTS.

Congress has passed and the President has approved a law creating a commission to fund our foreign indebtedness. This at the present time amounts to more than $11,000,000,000, and is distributed among the debtor nations as follows:

Statement showing obligations of foreign Governments and so-called Governments held by the United States (including those held by United States Grain Corporation), interest accrued and unpaid thereon up to and including the last interest period, and interest heretofore paid.

Country.	Principal amount of obligations.	Interest accrued and unpaid up to and including the last interest period.	Total indebtedness.	Interest heretofore paid.
Armenia	$11,959,917.49	$1,177,548.63	$13,137,466.12	.....
Austria	24,055,708.92	2,165,013.81	26,220,722.73	.....
Belgium	377,564,298.77	51,391,987.94	428,956,286.71	$14,394,347.48
Cuba	8,147,000.00	.....	8,147,000.00	1,656,058.14
Czechoslovakia	91,169,834.29	11,936,591.38	103,106,425.67	304,178.09
Esthonia	13,999,145.60	1,695,002.82	15,694,148.42	.....
Finland	8,281,926.17	723,156.02	9,005,082.19	.....
France	3,340,857,593.20	430,049,062.65	3,770,906,655.85	160,285,131.07
Great Britain	[1]4,135,818,358.44	611,044,201.85	4,685,862,560.29	250,132,185.50
Greece	15,000,000.00	375,000.00	15,375,000.00	1,159,153.34
Hungary	1,685,835.61	151,725.21	1,837,560.82	.....
Italy	1,648,034,050.90	243,480,583.37	1,891,514,634.27	57,598,852.62
Latvia	5,132,287.14	450,009.25	5,582,296.39	126,266.19
Liberia	26,000.00	2,868.85	28,868.85	861.10
Lithuania	4,981,628.03	498,162.80	5,479,790.83	.....
Nicaragua	170,585.35	.....	170,585.35	.....
Poland	135,662,867.80	12,931,555.31	148,594,423.11	1,290,620.78
Rumania	36,128,494.94	4,960,891.96	41,089,386.90	263,313.74
Russia	192,601,297.37	35,200,671.99	227,801,969.36	5,159,062.09
Serbia	51,153,160.21	6,719,035.42	57,872,195.63	636,059.14
Total	10,102,429,990.23	1,414,953,069.26	11,456,383,059.49	493,006,089.28

[1] Includes $61,000,000 of British obligations which were given for Pittman silver advances and for which an agreement for payment has been made.

Cuba pays interest as it becomes due.

No interest due on Nicaraguan notes until maturity as is also the case with certain Belgian obligations aggregating $2,284,151.40.

May 15, 1922.

Foreign propagandists and some of our own internationalists have stealthily spread the idea throughout the country that those debts should be canceled, and, as usual, when they want to get anything out of us they appeal to the idealistic and the sentimental in our natures to bolster up their cause. Fellow citizens, speaking for myself, I am unalterably opposed to forgiving one dollar of those debts. I believe in collecting them in full at the very earliest possible date, and, as we say in a note, "without relief from valuation or appraisement laws." There is only one condition on which I would consent to their cancellation, and that is that if the situation were to be such that we would be compelled to buy enough goods from European nations to enable them to pay off their indebtedness to us then and in that event I might be induced to vote to forgive the debt, for I would much rather pursue that course than to close our factories and throw our laboring people out of employment and discourage our business men and thus prevent the return of prosperity. Under no other condition shall I ever consent to a cancellation of one penny of that debt.

Be it said to the credit of England that she is ready to fund her indebtedness to us and to pay her interest, and the representatives of France will shortly start to this country to propose terms of payment. Of course we must wait on the other nations until they are ready to discharge their obligations without impairing their own credit, but within those limitations we should insist on the payment of every cent.

It now appears that no nation but England will try to pay even the interest for a long period of time, and it is quite evident that unless they change their entire fiscal policy they will not be able to do so, for the annual interest charge is a very considerable sum, and therefore, for purely selfish reasons, if for no other, we should employ all the arts of persuasion to induce them to abandon their present wasteful and destructive methods and turn to the varied arts of peace.

THE RAILROADS.

Ladies and gentlemen, without unduly prolonging these remarks I can not go into such a discussion of the railroad question as its merit warrants. Briefly it may be stated under three heads—wages, operating expenses, dividends. As to the first, permit me to say that Congress passed the Adamson law the 1st day of January, 1917, and that at that time the total pay roll of all the railroads was $1,468,576,394.

The Government took over the lines on January 3, 1918, and released them on March 1, 1920, a period of 26 months. The Railroad Labor Board increased wages slightly shortly thereafter, so that for the remaining eight months of that year the pay roll amounted to $3,698,216,351, or an increase in wages alone—salaries constituting but a negligible percentage of the sum—of $2,229,639,957, or 85 per cent.

Since that time they were reduced to $2,800,896,614 for 1921, so that the increase over 1916 totals $1,331,320,220.

As to the second item, the operating expenses for 1916 amounted to $2,357,398,412, and for 1920 to $5,768,720,013, or approximately 120 per cent higher. They have since been reduced to $4,591,479,241, so that they are still $2,240,081,829 higher than in 1916. Of this increase, as stated above, $1,331,320,220 results from increased pay rolls, and the remaining $908,761,609 is attributable to increased prices of rails and engines and cars and all equipment and as well the added cost of coal.

Fellow citizens, before there can be a complete return of prosperity in the United States railroad rates must be reduced, and before railroad rates can be reduced there must be a further reduction in railroad wages. Transportation charges absorb altogether too much of the value of the product transported, and the railroad laborer himself feels the effect of it in added costs of living.

Railroad wages will not and should not return to pre-war levels, but rearrangements and reclassifications will enable the roads to pay their skilled operators as much and their unskilled less and yet lose nothing in efficiency and at the same time save in cost of operation.

In the year that railroad labor received over $3,500,000,000 in wages all the stockholders together received $20,000,000 in dividends, and while that sum has risen to over 5 per cent over the whole country and to almost 7 per cent in the Eastern States, nevertheless it is quite evident that private capital will not seek investment in railroad securities without some assurance of a fair return on the investment, a condition they have the right to expect.

Eminent students of railroad problems recently have asserted, what we all know, that the growth of the country calls for the immediate investment of hundreds of millions of dollars to meet the imperative and constantly increasing transportation needs of the public. It has been placed by these students at practically $1,000,000,000 a year for many years to come, and the estimates of the railroads themselves is in excess of $850,000,000 of new capital each year.

In other words, there must be invested for new and added railroad facilities every day an average of two and one-third to two and three-fourths millions of dollars—that is, new investment.

And many authorities on the subject not connected with railroad operation recently have informed the Interstate Commerce Commission that if this flow of capital can not be directed toward railroad investment and a business revival carries the volume of traffic back to the 1920 level we are sure to be brought face to face with the strangulation of our prosperity by the soaring prices that go with car shortage.

A number of railroads in the United States in 1920–21 did not pay their operating expenses, and only a few carried dividend-paying stocks. Under these conditions where is this necessary capital to come from? There are just two sources, for, obviously enough, we can not and we should not pay freight rates and fares high enough to raise it and add it to the wealth of the railroads. There are just two sources—it must come from the investor or out of the Public Treasury. It seems to be very well understood among the people that the Treasury has about all the burdens it can carry and that they do not intend by taxation to keep up the railroads; and, therefore, in order to enable these great transportation lines profitably to carry the commerce of the country at a reasonable profit to its producers, to pay fair American wages to the operators, and give decent returns to the investor, there must be a further reduction in railroad rates, preceded by or accompanied with a further reduction in railroad wages. There is no other way out of the difficulty, for in order to obtain this money from investors the railroads must have stability, for stability is the basis of all credit.

REDUCTIONS MADE.

Beginning with the first of the year, two very material reductions in transportation costs were made. Congress repealed the transportation tax, which amounted approximately to $200,000,000 in 1920 and $185,000,000 in 1921, and to that extent relieved the situation. Following this, on January 1, this year, the railroads voluntarily lopped off 10 per cent on practically all the products of the soil, which was immediately reflected in the price of those products. And it is worthy of notice that in reducing rates particular attention has been given by the Interstate Commerce Commission to the products of the farm, garden, orchard, and ranch. All rates on these commodities in the raw state, and on some partially manufactured, were reduced in part. Among those affected are fruits and vegetables of all kinds, live stock, grain and grain products of all kinds, hay and straw, butter, eggs, and cheese, live poultry, and wool. There have been other important reductions in freight rates in large sums since the general increase of 1920 was forced upon us by the maladministration of the railroads under Government control.

Based on the light tonnage of 1921, the reductions in the aggregate amount to $186,700,000 per annum. Based on the more normal tonnage of the year 1920, the reduction would stand at $224,000,000 a year. Add it to the amount saved by repeal of the transportation tax and we have a reduction of $425,000,000 in transportation costs, which is of great significance to the country, for, even if the traffic moves in no greater volume than in 1921, the saving will be more than $360,000,000, or $1,000,000 a day.

I can say to you with something of assurance that another reduction in rates is imminent, in fact, is likely to occur at almost any time; but we must always bear in mind that no new railroads have been built in the country for many years, that it is not possible with present returns to pay for improvements out of earnings, that there are some portions of the country that are entitled to transportation facilities that do not have them, while there is a tremendous pressure for additional trackage in all populated States and for enlarged and improved terminal facilities. All of these things must be borne in mind in connection with the railroad problem, and therefore I exhort you to be patient until they can be worked out in accordance with the best interests of all concerned.

I preach to-day a gospel of hope and not one of despair. Business is reviving, conditions are improving, we are on the upgrade, and all we need to do is to take a tight hold on ourselves, look well to individual industry, thrift, and economy, and not blame all the ills of the body politic on the administration or the Government, and undoubtedly we shall very soon find ourselves in the old enviable place we have so long occupied among the people of the earth.

OUR SHIPPING INTERESTS.

The previous Democratic administration expended in the construction of ships and facilities for their erection $3,500,000,000. As a result of this vast expenditure approximately 1,500 steel ships were completed and 285 wooden ships. Scarcely a single one of the ships constructed by the Democratic Shipping Board was actually put in use, or was ready for use, during the war. Only a few which already had been building in private yards for private companies, and which were commandeered by the Government, were available for service in that conflict. Waste and extravagance of every conceivable kind was the order

of the day. Utopian ideas, utterly impracticable, academic theories, and impossible plans resulted in the waste of hundreds of millions of dollars. Tens of millions were spent in the construction of model and luxurious homes for workmen in the vicinity of shipbuilding plants that, of necessity, were intended to be but temporary. Likewise churches, hotels, moving-picture theaters, athletic parks—all out of the taxpayers' money, and as a result of the dreaming of some theorist.

THE SITUATION DESCRIBED.

The fleet itself was poorly balanced. The wooden ships, on which over $300,000,000 was expended, are utterly worthless. The Government will be fortunate, indeed, if it realizes $1,000,000 from their sale. Of the steel fleet, the chairman of the Shipping Board has stated that one-half is good and serviceable. Of the other half a large percentage probably will have to share the fate of the wooden ships. No consistent, intelligent plans for the after-war use of the ships were followed in the construction or design of the fleet. As a result, there were only a handful of combined passenger and cargo ships constructed, a type of vessel which is now in great demand throughout the world, and far too many cargo boats with which the world market has been glutted. In making contracts for the construction of these ships the Democratic board wholly neglected to insert clauses in the construction contract providing for their cancellation at the end of the war. Upon the coming of the armistice the old Shipping Board canceled contracts for the construction of 950 ships, leading in each case to a multiplicity of damage suits and claims by reason of their action. But if the extravagance, incompetency, and inefficiency in the construction of the Government-owned fleet may in part be excused by the war exigency, the post-war operations of the fleet can in no sense be thus explained. When the new Republican chairman of the Shipping Board, Mr. Lasker, took office he found, to quote his language, that "he had taken hold of the greatest commercial wreck in the history of the world." Two years' operation of the fleet by the Democratic administration had left a situation of utter chaos and confusion. The very first and most elementary principles of business had been utterly and completely ignored. No books were in existence from which accurate records could be compiled showing the business operation of the fleet. No statements of its assets or liabilities were on hand, or could be obtained without a complete reorganization of the whole Shipping Board. No inventory was on file to show the properties belonging to the Shipping Board and the Emergency Fleet Corporation. Yet a vast army of superfluous employees was drawing pay from the Government for no adequate service.

DEMOCRATIC MANAGEMENT.

When the present Shipping Board went into office there were 8,300 employees with an annual pay roll of $16,000,000. Immediately the ships were completed "Democratize the American Merchant Marine" became the political slogan of the Democratic Shipping Board. Ships were turned over for operation at the Government's expense to all persons with sufficient political backing. Theatrical costumers and members of the learned professions were intrusted with the operation of the Government-owned ships at the taxpayers' expense. The only persons disqualified were those who had actual shipping and operating experience. The boats were turned over to the operators under the terms of the now famous MO–4 agreement. By its terms the operator received 5 per cent of the gross freight receipts of the ship, while the Government paid the entire expense and all the losses of operation. Under those conditions abuses of every kind naturally crept into the operation of the ships. Operators had an eye only for the 5 per cent commission which they could collect from the Government. Little they cared how much the Government lost in operation. One sea captain, having steamed 1,600 miles from the port of Manila, was called back by radio to take on a cargo of 500 tons of coal, and on which the operator got a commission of a few hundred dollars. To steam the additional 3,200 miles necessary for the boat to get back to Manila and return lost the Fleet Corporation many thousands of dollars. Little the operator cared inasmuch as he got his commission. Living on board the ships was high. One instance is on record where the captain of one of our cargo ships, to relieve the boredom of his crew and to make them forget the cold weather of the northern seas, served fresh strawberries to his crew on Christmas Day. The per diem expense of feeding the crews in some instances ran as high as $6 per day per man. Rates for stevedoring paid by operators mounted sky high, the stevedoring being in many cases done by subsidiary companies owned and controlled by the operators themselves. The cost of supplies, paint, and repairs mounted into fabulous figures, and usually this work was done by subsidiary companies owned or controlled by operators. In another case an irresponsible operator booked one of the Shipping Board boats with freight from a South American port bound for the States, collected the advance freight and disappeared, leaving the Shipping Board to bring back the ship and cargo to port at great expense.

MORE EVIDENCE OF FAILURE.

In another case the Shipping Board allocated to an operator, the United States Mail Line, the cream of its passenger boats, those taken from the German Government, the *George Washington*, the *America*, the *President Grant*, the *Agamemnon*, worth in the neighborhood of $20,000,000. The United States Mail Line claimed to have $10,000,000 of capital and agreed to recondition the boats chartered to it at an expense to itself of $10,000,000. In fact the United States Mail Co. was organized with an alleged capital of $1,000,000, yet not one dollar was ever paid into the company. Uncashed checks and worthless stock in fake companies were turned in to the treasury of the company to represent the paid-in capital. The managers of the line in order to keep one step ahead of the sheriff sold advance passenger tickets to helpless, ignorant immigrants in Europe and collected from them their railroad fares to carry them to interior parts of the United States to the extent of $1,200,000, so that when the company failed, as it inevitably was bound to do, the Shipping Board, in order to protect the credit of the United States Government in Europe and to prevent untold hardship on the innocent and defrauded immigrants, was obliged to refund and to make good such passenger money. The boats of the United States Mail Line were libeled in Europe and in the United States for the tremendous debts incurred by that company. Before the present Shipping Board could regain possession of the boats, free and clear of all indebtedness and obligations to immigrants, it was obliged to spend in excess of $5,000,000.

In another instance the Shipping Board sold $7,000,000 of cargo vessels to a purchaser without receiving one cent of money for the purchase price, but merely an obligation to pay therefor over a period of years. The purchaser moved the vessels to a shipyard for the purpose of having them converted into oil tankers. After more than a million dollars of obligations had been incurred to the shipyard in this work, the purchaser was unable to pay the cost of the conversion and the shipyard is now claiming damages against the ships of a million dollars before they can be returned to the Shipping Board, although the Shipping Board has scores of tankers lying idle. Again, through the influence of persons high in the administration of President Wilson, Charles W. Morse and his associates secured a contract for the erection and construction of ships at a cost exceeding $45,000,000, with a result that Charles W. Morse and his associates are now under indictment for having defrauded the United States Government out of vast sums of money.

WORTHLESS ORGANIZATION.

In the auditing department there was chaos unimaginable. Although there were some 3,500 auditors in the accounting department, out of 9,000 trip voyages, 6,000 remained unaudited, so that it was utterly impossible to ascertain what money was due from the ship operators. There was no system of bookkeeping, no method of accounting. It was impossible to tell how much money was owing to any one of the creditors of the Shipping Board, and how much was owing from them. There was no place where the debts of the Shipping Board were listed, nor was there even a record made of them. In one case one of the large corporations of the country asked to settle its accounts with the Shipping Board. In order to meet their demand it was necessary to examine 210 ledgers and books of accounts and to seek information in many different cities. After this exhaustive examination it appeared that the Shipping Board owed $3,500,000 to the corporation in question. Before making final settlement, however, the present Shipping Board asked permission to put its auditors on the books of the creditor company. After an examination lasting for weeks they discovered that that corporation owed the Shipping Board $4,250,000, about which there could be no dispute. This sum did not appear anywhere on the books of the Shipping Board. None of the items in question were in dispute, and the corporation finally acknowledged and paid to the present Shipping Board the sum of $725,000 in cash, and the indebtedness of the Shipping Board of $3,500,000 to it has been wiped out. Even to-day, after a year of the most intensive investigation and study, debts of the Shipping Board are coming to light daily, which appear nowhere on any of its books or records, and assets are being discovered of which no one ever knew.

CONFUSION WORSE CONFOUNDED.

There was no effort and no organization to liquidate or sell the assets of the corporation. No thought on the part of anybody in authority to ascertain what was the financial condition of the Shipping Board. There was no legal department worthy of the name. Ships worth millions of dollars were sold for practically no cash down and with agreements on the part of the purchasers to give mortgages to the Shipping Board. Yet in many cases the mortgages were never executed at all.

In one instance the Government ordered boats and plant to be built by a dishonest contractor to an extent of over $65,000,000, and yet not a scratch of a pen could be found to show what were the contractual relations between the Shipping Board and the shipbuilder. In addition there were some 3,500 lawsuits and claims against the Shipping Board scattered through the courts of the United States from the Atlantic to the Pacific and from the Gulf to Canada, aggregating over $300,000,000.

The losses to the Government from operations when the Republican Shipping Board took office were running at the rate of $16,000,000 a month. When the President appointed Chairman Lasker, the latter, realizing the horrible condition of affairs and further realizing that shipping was a business competing not only with private owners in America but also with the best shipping brains of Great Britain, Germany, Japan, and other maritime nations, decided that it was necessary, first, to secure the best shipping men available and to build a competent and efficient organization which could bring order out of the tangled affairs of the board. He secured the services of some of the ablest shipping experts in the country, who immediately proceeded to attempt to put method, system, and business experience in the operations of the Shipping Board. First, he had an inventory made of all the property of the Shipping Board, a simple task to speak about, a most difficult undertaking in fact. The property of the Shipping Board was located in 750 places in the United States and at 100 points in 35 different foreign countries. At Hog Island alone there are 927 acres of land, 103 acres of building floor space, 82 miles of railroad tracks, 23 miles of road and sidewalks, 11 miles of fences, 570 miles of electric wires, and 56 miles of water and sewer pipes. There was surplus material stored in 26 different buildings.

The work of taking an inventory of Hog Island alone involved a physical count of material and supplies of 125,000 different characters comprising millions of units. The first inventory report of Hog Island consisted of 11,000 typewritten sheets and the total inventory of the property of the Shipping Board numbered in all 25,000 typewritten sheets containing about 400,000 extensions. The inventory showed operating material and supplies, construction material and equipment, shipyards and their adjuncts, and other property which had cost $389,780,250.31, and which had a forced-sale value of $31,065,253.92.

LASKER'S BUSINESS METHODS.

Next the chairman set about getting a correct balance sheet, or as nearly so as could be obtained, in view of the fact that nowhere were all the debts and liabilities of the Shipping Board actually shown. The books of the old Shipping Board disclosed that it had assets exclusive of its fleet worth $66,931,000. The first balance sheet actually prepared on business principles showed that that sum was at least $360,873,075.83 more than the actual value of the assets, and even the later figure has since been revised downward by a very large amount. This overvaluation of assets was due to a variety of reasons. In one instance the Shipping Board had erected additional shipways and additional plate and angle shops and appurtenant equipment and facilities at an expenditure of approximately $17,000,000. These facilities were valued in the accounts of the Shipping Board at cost—$17,000,000—and were carried by the old board as property having a value of $17,000,000. In seeking to determine the valuation of this plant, it was discovered that agreements had been entered into between the old Shipping Board and the contractor under which the Shipping Board had transferred all of this property to the contractor in return for which the contractor was to pay to the Shipping Board 50 per cent of the net earnings of the property during a period of 10 years. In other words, the Shipping Board had parted with its rights in this property for a share of future earnings. Inasmuch as the plant in question, after losing a great deal of money, had shut

down and was practically dismantled, the equity of the Shipping Board under the new inventory and appraisal was set down at a nominal value in the new balance sheet and $17,000,000 had to be written off the property account.

In another case the Shipping Board had constructed at the yard of a contractor certain shipbuilding equipment and facilities at an approximate cost of $16,000,000. The Shipping Board had sold the plant to the contractor under a form of lease-sale agreement. By the terms of that agreement the contractor was obligated to pay a certain annual amount of lease rental upon this property, and, at the termination of the specified number of years, when the lease rentals would have accumulated to $5,000,000, the Shipping Board would apply such rental as payment of the purchase price of the plant and transfer title to the contractor. This plant was carried in the accounts of the old Shipping Board at its original cost—$16,000,000—notwithstanding that the lease rental payment already made by the contractor aggregated $3,250,000. The Shipping Board's equity in that property was, therefore, $1,750,000 and not $16,000,000.

The new balance sheet prepared by Chairman Lasker showed that the Shipping Board had actual current liabilities outstanding at $71,460,134.50. This, however, did not include any amounts for claims or lawsuits aggregating $300,000,000. Notwithstanding the fact that hundreds and hundreds of employees were let out by the auditing department, the chairman installed a system of accounts whereby, as in any well-run, large corporation, monthly statements of revenue and outgo were furnished promptly to the Shipping Board with consistent regularity.

The Jones Act provides that the Shipping Board shall build up and maintain essential trade routes necessary to the American overseas commerce. A careful study was made of such routes. It was recognized by the new board that in order to develop an American merchant marine it was necessary that American ships be efficiently run, efficiently manned; that they leave the ports on the dates advertised; that they furnish a regular service; that due and proper care be used in loading and unloading. The trade routes to the Far East, China, and Japan were developed and built up. A service to South America was promoted, established, and developed. For the first time it was unnecessary for an American citizen wishing to go to South America to sail from New York to London and from London to South America.

Some of the finest combination passenger and cargo boats of the American fleet were put into a direct service from the United States to South America, beating all records as to time. To-day the Shipping Board boasts that the service given by its boats equals that of any private shipping company in the world. But in the upbuilding of these routes and of this service it is in the nature of things necessary, with the present depression in shipping, that large losses be incurred.

The new Shipping Board immediately instituted a policy of tying up all Shipping Board ships which were not operating on essential trade routes or helping to develop the foreign commerce of the United States. By efficient and competent supervision it has cut out most of the abuses of the old system. Each ship operator is allowed a per diem charge of 80 cents per man for sustenance. No operator is allowed a sum larger than that. Fixed rates have been established for stevedoring charges. Prices paid for supplies have been carefully supervised and standardized. Repair and restoration costs have been cut down to such an extent that a monthly saving of as high as several hundred thousand dollars has been effected.

As an example of the economies instituted, the Shipping Board has some 1,000 vessels laid up. Under the previous administration the average annual lay-up cost per vessel, including all wages and all incidental expenses, was $12,233. This has been cut by the new Shipping Board to the average annual expense of $5,013.12 per ship. Based on 1,029 vessels laid up, this shows an annual reduction of $7,429,421.16.

The Claims Commission was organized to adjust the claims against the Shipping Board and a competent force of attorneys employed to defend them. They have been hampered in their work by the fact that in innumerable cases there are no accurate records available, no correct audits made, no property inventories taken in the hundreds of plants where ships were being constructed and material manufactured. It is still necessary to keep a large number of auditors, engineers, and accountants to continue this herculean task. In spite of this fact, the number of employees of the Shipping Board in one year has been reduced from 8,300 to 5,000, and it is predicted by the chairman that by January 1, 1923, a large part of the work of auditing and checking the claims will have been completed and the great bulk of the surplus material owned by the Shipping Board will have been sold, by which time a further drastic cut can be made in the administrative and overhead expense and the number of employees greatly reduced.

MORE ECONOMY.

In spite of the fact that the past year has seen the greatest depression in shipping that the world has ever known, the monthly losses of the Shipping Board have been cut from an average of $16,000,000 to $4,000,000, and yet not one single trade route has been abandoned. The new Shipping Board organized a sales liquidation and collection department which has proceeded in dead earnest to liquidate the assets of the Shipping Board. It has made progress to such a remarkable extent that it has collected in the past year the sum of approximately $70,000,000, and all in all it can be predicted with every assurance of fulfillment that on the 1st day of July the Shipping Board will be entirely out of debt with every one of its obligations discharged save alone those arising out of claims and lawsuits which it will take time to adjust. The countless number of business men who in good faith had furnished supplies, merchandise, and credits to the Shipping Board will on that date have been paid to the last dollar. It is the confident prediction of Chairman Lasker that by the 1st of January, 1923, except for its fleet of vessels and the construction claims and lawsuits against it, the affairs of the Shipping Board will have been completely liquidated—an unbelievable task accomplished only through the tremendous ability, energy, and untiring work of Chairman Lasker and his able assistants, backed by the determination of the President and Congress to push it through to successful conclusion.

President Harding recently has recommended to Congress a ship subsidy measure which I hope will pass. We can not dispose of these vessels to private operators until we fix a government policy, and that government policy must put them on an even plane with foreign competitors in mercantile operation. There is not a shipping man or corporation in America that would take one of these vessels to-day as a gift if he were compelled to operate it and pay all the expenses of the operation for three months. He simply could not do it and meet European competition.

A ship subsidy is the only plan that will enable him to do it. I have advocated this policy for 25 years; I have been vilified and traduced for it, but I have been right every minute of that time. There is no other plan and there is no other policy by which the problem can be solved, and the sooner we come to it the better off we will be in every respect.

DEMOCRATIC CHARGES.

And yet in the face of all these triumphant achievements, of which I have given an all too hasty review, members of the Democratic Party are everywhere vociferating that this is a do-nothing Congress and has accomplished nothing worth while. Having some knowledge of the record of past Congresses for 30 years, and measuring the value of my words, I assert with all due solemnity, and without fear of successful contradiction from any quarter, that no Congress in the history of the Nation in a time of peace ever enacted more helpful and constructive legislation than the one now sitting in Washington.

There was so much to do when we took charge that it appears as if no great things have been done, but in the light of the evidence that can be adduced and in view of the results of the laws thus far enacted, who will rise to repeat, except for rank partisan purposes, that this is a do-nothing Congress?

Who will say that we have been remiss in the discharge of our obligations to the people? Who dare assert that we have failed to fulfill our promises to the people and to redeem the pledges made in the last campaign?

Even if this charge were true, it is better to do nothing than always to do wrong. It is better to sit still than to move only to destroy. It is better to have one's fingers paralyzed than to use strong ones to write checks with no funds to pay, sign warrants with no cash to meet them, and issue bonds with no method provided for their redemption. Better, altogether better, Republican watchful indifference than a debt-incurring, deficit-creating, bond-issuing, surplus-scattering, factory-closing, industry-paralyzing, prosperity-destroying, social-upheaving, cataclysm-producing Democratic administration.

They boldly assert that we have not given relief to the country. Relief from what, pray? Manifestly from the results of two Democratic administrations, for there is nothing else to be relieved from. My friends, we did not produce all of this wreckage. We are not responsible for all this waste. We did not incur these debts. We have not piled up this mountain of obligations, and these gentlemen who are responsible for all this riotous orgy of extravagance and all this upsetting of industry and unsettling of financial conditions now stand by to jeer at us because in 14 months we have not overcome all the evil they produced in eight years.

It is as if a mob marched through a town and dynamited and ravaged and plundered and destroyed, and then, when law and order had been restored and an honest effort was being made by the property holders to gather up the fragments and to begin the reconstruction of their destroyed and ruined property, the members of the mob should stand by and jeer at them and scoff at them and interfere with them because they were not able in a few days to build up all that the mob had thus riotously ruined.

Anybody can throw a monkey wrench into a machine that works with frictionless precision and so damage it that it will take a skillful mechanic a long time to repair it, and even tyros in government in an incredibly short space of time can create more difficulties and stir up more strifes and cause more troubles than wise men can overcome in many years.

Fellow citizens, we have not yet accomplished all that we set out to do. We have not cured all the ills and corrected all the mistakes and overcome all the evils of eight years of Democratic misrule; but certainly we have taken long strides in the right direction, and assuredly if the Republican Party can not readjust matters what hope is there in turning to the organization that caused all this disaster in the beginning?

It is either the Republican Party with its cautious and constructive way of proceeding or the Democratic Party over again with all that that means of incompetency and inefficiency and misrule.

Think of a party led by the Josephus Danielses and the Newton D. Bakers and the Albert Burlesons and the William Gibbs McAdoos pointing the way to sane legislation and wise construction! No; it is the party you so nobly represent and the one that always has risen to solve every problem thrust upon it that must be trusted in this most emergent condition in the history of the world. Those who produced the wreck should not be given charge of the rebuilding program; to those who wrought all the destruction should not be committed the program of rehabilitation. The Republican Party may not build rapidly, but it will build wisely and solidly and for all future time, and to its hands alone may safely be committed the reconstruction and realignment of the shattered forces of the Republic.

EXECUTIVE ACTIVITY.

And while Congress has been unremittingly engaged in the enactment of this wise and constructive legislation the executive departments of the Government have not been idle. It is not necessary to dwell at length upon their achievements, because they are so notable that they have elicited the applause not only of the Nation but of the entire world. It is characteristic of President Harding that one of his earliest acts bearing upon domestic questions was to summon to Washington representatives of business enterprises, of labor, and of the general public to consider the problem of unemployment. The President and his Cabinet were and are exceedingly anxious to see work and wages provided for every American toiler, and the solution of this vexed question is one close to the heart of this administration. And it is a cause of congratulation that, as a result of the deliberations of this conference, over 1,000,000 men were put to work in gainful occupations. And the Labor Department reports that employment throughout the country has now reached 80 per cent of normal, which is vital evidence of the revival of industry, and which, of course, brings pleasure to every patriotic heart.

Through the instrumentality of Hon. James J. Davis, Secretary of Labor, whom we all greatly admire and respect as a former Hoosier, the department under him has used its good offices from March 4, 1921, to May 15, 1922, in 471 industrial disputes, strikes, threatened strikes, and lockouts. Of this number 325 cases were satisfactorily adjusted, 53 cases were settled by commissioners in cooperation with State boards and mayors' committees or other local agencies, 34 cases are pending in the process of adjustment, and failure has been recorded in only 59 disputes. The number of workers directly and indirectly involved in these cases aggregate in excess of 1,400,000, a most gratifying showing for our honored friend and his department.

FOREIGN POLICY.

When President Harding was inaugurated, he found our relations with many foreign Governments in an unsettled and an unsatisfactory state. Our attitude toward Mexico was undefined. This since has definitely been stated by Secretary Hughes, who, in fixed terms, gave

the President of Mexico to understand that he must first enter into a treaty guaranteeing American rights and protecting American life and property before this Government would consent to formal recognition of his Government, and steps are now under way to settle this difficulty.

Our relations with Russia were undetermined, but Secretary Hughes has issued a statement setting forth the terms on which alone the soviet régime will be recognized by our Government.

There was friction and irritation and misunderstanding with the Orient. We lacked the respect and confidence of European nations. Our attitude toward the countries of Central and South America was misunderstood and misinterpreted and needed clarification. This confused condition resulted in President Harding calling the Armament Conference, the largest step toward international peace with justice the world has known in all its history.

AMERICAN DIPLOMACY.

The most astonishing feature of this great conference was the startling directness of Secretary Hughes in dealing with the problem of disarmament. On the very first day this challenge came, abandoning all the old methods of argumentation and proposing a plan for either acceptance or rejection. Its very boldness attracted and its fairness compelled assent. There was no appointment of committees to formulate the plan, there was no intrigue or manifestation of cunning, there were no secret processes or star-chamber methods, but a straight-out, unequivocal proposal that had to be voted either up or down. The magnanimity of the proposition was compelling, because by its very terms we agreed to scrap nearly as many vessels as we asked both Great Britain and Japan combined to deal with in that manner.

The whole world rose to applaud the proposals and their final acceptance in reality was a result of the combined judgment of all nations. It is a matter of pride to every American that all the proposals our conferees submitted were substantially accepted, but, once on the way toward the destruction of wars' agencies, the conference went even further than the original proposals and included also treaties to limit the operation of the submarine in future wars within certain prescribed bounds and also the total abolition of the use of poisonous gases.

Simultaneously the four-power treaty was submitted for discussion. It will be recalled that our relations with Japan had been somewhat strained by reason of the acute character the question assumed in California and in the Philippines and in Hawaii. Our historic friendship for China caused us to look with unfriendly eye upon the acquisition of Shantung by Japan and upon what seemed to be the evident intention of that country to penetrate peacefully and finally to possess Manchuria and inner Mongolia and Siberia.

Our friendly attitude toward Russia caused us to look with deep concern upon any attempt by Japan or any other nation to take advantage of her present helpless situation to make unfair bargains with her or to force upon her stricken people unjust or unwarranted stipulations. All this rendered our problem in the Orient one of extreme sensitiveness and one that required the most skillful diplomatic handling.

It is a matter of commendable pride to every American, as well as of felicitation to every lover of his race, that all these problems have been amicably adjusted, that these differences have been settled, and that to-day there is a perfect understanding as to the mode of procedure in case future difficulties shall arise.

Every feature of the conference was productive of good feeling, and the result ushers in a new era of international relations. The straightforward declaration of Secretary Hughes in favor of limitation of armament, the negotiation of the four-power treaty, the progress made in establishing justice as between China and the other powers, the mutual understandings arrived at with reference to all future voluntary conferences for the consideration of international questions, constitute a program of tremendous significance and of incalculable influence upon the future of civilization. This conference demonstrated clearly that no supergovernment of force is necessary for the peaceful solution of international questions if only the will for peace exists among the nations, and without that will all treaties are scraps of paper and all forms of supergovernment are worse than futile.

To the solution of this problem of international relations, rendered acute by the course of the preceding administration, President Harding has brought the irresistible power of enlightened common sense and a consecration to the welfare of humanity which is breathed in his every utterance. A new era in world history has been opened with the summoning of the Washington conference, and if the record of the Harding administration were to be closed to-morrow it would take high place among the great and inspiring periods of American history, because it points the way to the disbanding of armies, to the dismantling of navies, and to the substitution of peace and justice for force and power among the peoples of the world.

When peace shall become the object for which nations strive, when art and science and literature and philosophy become agencies of conquest instead of armies and navies, when commerce and navigation supplant battleships and battalions as the means of achieving world-wide influence, when nations forget suspicion and put behind them overreaching and undermining methods of dealing with their neighbors, when all governments shall be lifted to that plane where the same generous regards for the rights of others is manifested as among citizens in a civilized land, then indeed shall we reap the rich harvest of universal tranquillity for which the whole world prays.

How beautiful that day will be. How bloodless and painless its triumphs. How noble and just its rule. How salutary and uplifting its reign. This consummation has been the dream of the poet, the hope of the philanthropist, and the aim of the statesman for countless centuries past, and if this be its dawning, as please Heaven it is, let us pray that its noonday glory may be the fulfillment of the song chanted by the angelic choir above Judea's hills, "Peace on earth, good will to men."

THE GENOA CONFERENCE.

Keeping in view the determination of the President for national independence and yet international comity, the maintenance of American sovereignty yet ever the attitude of kindliness and hopefulness for other nations, always with the underlying thought that mutual understandings, coupled with unfeigned sincerity, will ultimately solve all problems, in this light we can well understand why President Harding and Secretary Hughes declined to send an American representative to the Genoa conference, and we all the more heartily commend their conduct for so doing.

Manifestly this was not an economic but a political conference. Whenever any financial or commercial question was taken up for discussion, almost immediately it developed a political phase and soon there was thrust into it political questions of the hardest and most unyielding character. Surely America had no business to be represented in any such conference, and it is a matter of congratulation, that the President and his Secretary of State have likewise determined not to have any official relationship with the proposed Hague convention, which is but an adjourned session of the Genoa conference, with the same subjects to be discussed, and the same topics to be considered, and the same objectives to be attained.

The world by this time ought to understand that we do not intend to become involved in their political wrangles and that, while we are willing to lend aid or give counsel and maintain always a sympathetic attitude, yet we always will refuse to be dragged into their financial difficulties and we always will decline to meddle with their national affairs or to become involved in their age-old racial rivalries, with their conflicting claims and jarring interests, with their hatreds and their jealousies, magnified a thousandfold by the cruel tortures of war. We do not intend to get into this confused jumble of European animosities. This attitude of our administration will meet with the hearty approval of everybody except internationalists of a most extreme type.

THE HARDING PROGRAM.

The Washington conference is the climax of a series of administrative achievements which will ever make the Harding era memorable. Surrounding himself with a Cabinet of such strength that its personnel stands out in vivid contrast with the shifting corps of advisers under a recent presidency, President Harding has from the beginning proved that he did not regard his position as a seat of autocratic authority, but that he believed in the virtue of common counsel, as Washington did, as Lincoln did. Warren G. Harding is not a lonely or a secluded President. The gates and the windows of the White House have been thrown open and through them passes day by day in increasing measure the good will of the American people to the modest yet capable, patient yet forceful, generous yet firm President. No one honestly doubts the earnest desire of Warren G. Harding to lead the American people out of the dangers and difficulties in which he found them upon his accession, to the broad, straight highway of national prosperity and progress, and there is a justified increasing confidence in his ability patiently but surely to get the Nation "back to normalcy."

IN INDIANA.

In our own State our administration of affairs has been successful and satisfactory. We have redeemed pledges, we have fulfilled promises, we have kept faith with the people and can point with pardonable pride to a record of achievement that justifies a renewal of power.

Our State officers have conducted themselves in an honest, straightforward, and commendable manner and are entitled to the gratitude of a well-served people. And I am especially pleased to stand in this place and pay my tribute of respect and admiration to our splendid governor, Warren T. McCray. He came into office pledged to a faithful performance of duty and to a program of fidelity to the highest interests of the people. That he has fulfilled the expectations of his friends and disappointed the hopes of his enemies is known to all, and that he is a clean-handed, high-minded, and patriotic official is denied by none. He is not a candidate for reelection and, under our constitution, can not be, but the people have the opportunity to express their confidence in him and their gratitude for his successful administration by the election of a legislature that will work in harmony with his purpose, and I bespeak for him and those who surround him a cordial and enthusiastic indorsement at the polls in November.

THE SENATORSHIP.

My fellow Republicans, I gather from reports that you have had quite interesting contests recently in Indiana, one pertaining to nominations and one to organization. Personally, I never deprecate these contests if they are fairly and honorably conducted. I rather encourage them, for they stir up the fighting blood of the militant hosts of the party and put them in battle trim for the final contest. Witness that nobody paid much attention to the Democratic primary in Indiana. It was the side show, while the main circus was pulled off under the Republican tent, and this fall it will be quite easy for us completely to absorb the other exposition.

Ladies and gentlemen, it was known to all of you that I wished for the renomination of my honored colleague, Senator HARRY S. NEW. He had been a faithful servant of the people, and an industrious and conscientious Senator, and our own relations had been cordial from the beginning of our service. I naturally believed that he had fairly earned and was entitled to a renomination and a reelection and gave expression to my views on all proper occasions.

But the Republicans of the State, by the established method of procedure, decreed otherwise, and I yield a ready and willing obedience to their commands, and therefore from this time until election day I shall exert every energy at my command to secure the election of Albert J. Beveridge, and I urge all of my friends in Indiana to pursue the same course.

Senator Beveridge is no novice in public affairs. His name is known to all men, his eloquence is recognized by all people, and his ability commands the respect of the entire Nation. He is distinguished not only as an orator and statesman but as an author as well, and his work on John Marshall is a real contribution to the literature of the Nation. He is in all respects worthy and capable, and I shall support him with all the vigor I possess throughout the approaching campaign.

Therefore, in the interest and for the sake of the party, let us forget the things that are behind us and press forward to the things that are yet to come, lose sight of the family contest, with whatever of animosity it may have engendered for the day, and array our forces in solid phalanx for the final contest with the common enemy, the one with which we have so frequently battled, and the one over which we have so often triumphed. We shall thus measure up to the expectations of our friends throughout the land and meet the imperative demands made upon us by the exigencies of the hour.

THE INDIANA DELEGATION.

I can not let the opportunity pass without expressing my most earnest commendation of the solid Republican delegation from the State of Indiana in the House of Representatives. Having been a Member of that body for many years, I naturally take a more than ordinary interest in its proceedings and keep in rather close contact with many of its Members. I have observed with pride the standing of our delegation in that great body, and I have never been unmindful of the course and conduct of each of them.

I therefore speak with more than ordinary knowledge of the situation when I say that for industry, for integrity, for intelligence, for faithful attendance upon their respective committees and the meetings of the House, for services rendered to their various constituencies, for a keen grasp of public affairs, and a faithful discharge of the many

duties devolving upon them, for all of these characteristics, so essential to successful representation, this delegation is not excelled by any other one in the entire House of Representatives.

Mr. Harding will be President until the 4th of March, 1925, the political complexion of the Senate can not be changed at the next election, and it would be the height of folly to elect a Democratic House and expect that body to accomplish anything in connection with a Republican Senate and a Republican President. There must be harmony or there will be confusion, and confusion means utter failure. If the Republican Party had done anything that deserved the censure of the people, if it had not faithfully and diligently discharged its obligations and performed its services, the people might well vote a Democratic Congress as a mere matter of rebuke to the administration and to the party, but, having made such a record as I have partially and feebly set forth, and having under way a program of reconstruction and a plan of rehabilitation, some portions of which remain unfulfilled, it would certainly be the extreme of political unwisdom to elect a body out of harmony with the purposes of the President and the Senate. And therefore I specially urge upon all of you to see to it that every Republican Member from Indiana who is a candidate to succeed himself, and all are but one, shall be returned by a vote of confidence to continue the work already so well begun.

CONCLUSION.

My fellow Republicans, in neither State nor Nation are there signs of an approaching millenium. Anyone who expected a happy solution of all problems, the final disposition of all questions, was a dreamer and had no just cause for his dream. Nevertheless, much has been done, and what already has been accomplished is in the right direction and along the right line. The vast work of reconstructing the shattered finances, the disordered commerce, and the disturbed relations of an entire Nation can not be accomplished within the narrow compass of a year, but must diligently be worked out, as worked out it will be with another Republican Congress and the same Republican President.

And so, my countrymen and my fellow partisans, having in view the glorious history and the noble traditions of our party with all of its mighty past, let us as the true descendants of those who have so richly wrought in the decades gone strive to perpetuate the policies for which they fought, the policies in which Morton and Harrison believed, the policies made sacred by reason of the Republic they have produced, the policies that alone can insure the future safety, stability, and independence of our land.

In the language of the deathless Lincoln, "With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in."

Mr. ZIHLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a speech delivered by the gentleman from Illinois [Mr. GORMAN] on Memorial Day at Antietam Cemetery.

The SPEAKER pro tempore. The gentleman from Maryland asks unanimous consent to extend his remarks in the RECORD by inserting a speech delivered by the gentleman from Illinois [Mr. GORMAN] at Antietam Cemetery on Memorial Day. Is there objection?

There was no objection.

The extension of remarks referred to are here printed in full as follows:

Mr. ZIHLMAN. Mr. Speaker, on May 30 of this year the distinguished gentleman from Illinois, Hon. JOHN J. GORMAN, kindly consented to deliver the principal address at the memorial exercises held in the national cemetery on the Antietem battle field.

On that occasion Antietem Post, No. 14, Grand Army of the Republic, observed the day with solemn and sacred ceremonies in the presence of thousands of the citizens of Washington County, Md., and the address of the gentleman from Illinois is so rich in historical allusions, so filled with the spirit which animated the men who engaged in the great conflict waged upon the Antietam battle field many years ago, that I have taken advantage of the privilege accorded me and am inserting his remarks in the RECORD.

The address is as follows:

"Fourscore and seven years ago our fathers brought forth on this continent a new Nation, conceived in liberty and dedicated to the proposition that all men are created equal. Now, we are engaged in a great Civil War, testing whether that Nation or any nation so conceived and so dedicated can long endure."

Those beautiful sentences, so filled with fact and optimistic hope, taken from the opening lines of Lincoln's Gettysburg speech, very tenderly recited for our edification earlier in this program, are the text of my address.

"Fourscore and seven years ago, our fathers brought forth on this continent a new Nation, conceived in liberty and dedicated to the proposition that all men are created equal."

Our fathers, indeed, brought forth a new Nation. It was a heretic among the nations of the earth. It startled the world, as the luminous orbit of a newly revealed comet would, did this revolutionary civil concept when its fundaments of liberty and equality were proclaimed to an incredulous, jeering world.

Up to the period of the founding of this new Nation there were no such bulwarks as liberty and equality among the Governments of the world. The monarchical theory had been thoroughly fastened upon civilization, that the king or ruler was the fountain head of authority and the source of all power; that he was a superman or semideity who swayed his subjects by divine right. The people were his slaves, possessed of no inalienable rights whatever, and enjoying only such limited privileges as he allowed to filter down to them out of the generosity of his soul.

The people were his playthings of war and his drudges of peace. They fought his battles, tilled his soil and harvested his crops, gathered his wood from the abundant forest, carried his water on aching shoulders in earthen jars, and diligently ministered to his divers other wants and caprices. For their remuneration they were allowed from the product of their own labor sufficient only to give them a bare existence. Their spiritual food, too, was carved from the dogma of what their master's disposition fed upon. Spiritually as well as physically they were slaves.

Liberty among the people was merely a thick-rinded hope, like the apples of Hesperides, serving to incite a voracious appetite, but never to requite it, while equality was an idea uninvented. The peoples of the earth everywhere had always lived under such repression, emerging temporarily from abject slavery to more or less tolerable feudalism, only to lose their hold upon the ladder and slip downward again.

Here, too, in the New World, the colonists felt the iron heel of despotism, but their remoteness from the regal seat softened somewhat the rigors of their oppression.

Distance emboldened them to hitch the chariot of their hopes to the Star of Freedom, until at last they did a daring act. They declared war upon their oppressors, struck off the binding fetters of allegiance, and proclaimed themselves free men, children in liberty and brothers in equality. In the Declaration of Independence, in Congress, July 4, 1776, they set forth this new creed of the new Nation: "We hold these truths to be self-evident: That all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights Governments are instituted among men, deriving their just powers from the consent of the governed." When those immortal words were committed to the parchment, just before the signers had subscribed their signatures thereto, Patrick Henry released his powerful emotions in the famous speech which he sent ringing through the unborn ages, even to serve as a freshet keeping moist the taproot of the tree of liberty.

"These words," said Patrick Henry, "will go forth to the world when our bones are dust. To the slave in bondage they will speak hope; to the mechanic in his workshop freedom. * * *

"That parchment will speak to kings in language sad and terrible as the trumpet of the archangel. You have trampled on the rights of mankind long enough. At last the voice of human woe has pierced the ear of God and called His judgment down. * * *

"Such is the message of the Declaration to the kings of the world. And shall we falter now? And shall we start back appalled when our free people press the very threshold of freedom?

"Sign, if the next moment the gibbet's rope is around your neck. Sign, if the next moment this hall rings with the echo of the falling ax. Sign, by all your hopes in life or death, as husbands, fathers—as men with our names to the parchment, or be accursed forever. Sign, not only for yourselves but for all ages; for that parchment will be the textbook of freedom—the Bible of the rights of man forever.

"Sign, for the declaration will go forth to American hearts like the voice of God. And its work will not be done until throughout this wide continent not a single inch of ground owns the sway of privilege of power.

"It is not given to our poor human intellect to climb the skies, to pierce the councils of the Almighty One. But methinks I stand among the awful clouds which veils the brightness of Jehovah's throne. Methinks I see the recording angel—pale as an angel is pale, weeping as an angel can weep—come trembling up to the throne and speaking his dreadful message.

"Father! The Old World is baptized in blood. Father! It is drenched with the blood of millions who have been executed, in slow and grinding oppression. Father, look! With one glance of Thine eternal eye, look over Europe, Asia, Africa, and behold everywhere a terrible sight—man trodden down beneath the oppressor's feet, nations lost in blood, murder, and superstition walking hand in hand over the graves of their victims, and not a single voice to whisper hope to man.

"He stands there—the angel—his hand trembling with the human guilt. But hark! the voice of Jehovah speaks out from the awful cloud: Let there be light again. Let there be a new world. Tell my people, the poor downtrodden millions, to go out from the old world. Tell them to go out from wrong, oppression, and blood. Tell them to go out from the old world to build up my altar in the new.

"As God lives, my friends, I believe that to be His voice. Yes, were my soul trembling on the wing of eternity, were this hand freezing to death, were my voice choking with the last struggle, I would still, with the last gasp of that voice, implore you to remember the truth. God has given America to be free. Yes; as I sank down into the gloomy shadows of the grave, with my last gasp I would beg you to sign that parchment. In the name of the One who made you, the Savior who redeemed you, in the name of the millions whose very breath is now hushed, as, in intense expectation, they look up to you for the awful words, 'You are free.'"

Not only did those stirring words of Patrick Henry carry the conviction to his auditors that the Declaration of Independence ought to bear their signatures, but they were moved to make every sacrifice humanly possible to set up this "new nation conceived in liberty and dedicated to the proposition that all men are created equal."

For the first time in the chronicles of the human family, it was recorded in a nation's declaration of principles that all authority resides in the people and wends its way upward to the Chief Executive. By this declaration the divine right of kings as the depository of all authority was struck a deadly blow. The declaration established the bedrock of popular government, where authority issues out of the masses instead of percolating toward them from above. Lest posterity might allow this "new Nation, conceived in liberty and dedicated to the proposition that all men are created equal," to relapse into slavery; divested of all the fruits of glorious victory, into the greatest document ever written—"the most wonderful work ever struck off at a given time by the brain and purpose of man," said the noted English statesman, William E. Gladstone—into it, the Constitution of the United States, the fathers wrote ineffaceably the doctrine of liberty and equality.

Under the flood light of this new order of statecraft, the colonists, banded together in the United States of America, marched upward through the ever-broadening avenues of progress, and their new Nation, scoffed at as a phantasmagoric bubble soon to burst, became greater and stronger at every stride. Prosperity smiled upon a free people, under whose directing energies and quickening genius, agriculture and industry teemed with wealth, the while "health and plenty cheered the laboring swain."

Yet our progress, as marvelous and unmatched as it was, moved with a limp which became more and more acute as the years rolled on and whose ever-increasing acuteness threatened a halt in our journey. We were suffering from partial organic nonfunctioning. While our principle of government proclaimed and guaranteed liberty and equality to all our people, yet some of them were enmeshed in slavery. Our principle faltered when set in motion. Hundreds of thousands of black men were slaves. Some of our people wanted to set them free in ac-

cordance with our theory of liberty and equality, while others sought to keep them in servitude as a species of chattel property in conformity with the Dred Scott judicial pronouncement. Dissensions on the subject arose everywhere until States were rocked by the agitation of proponents and opponents. The controversy assumed such terrific heat that States asserted their right to secede from the indissoluble Union and set up their independent government. Then the Civil War ensued, to give answer to the query, gathered up and surcharged by the howling winds, "Can this Nation or any nation so conceived and so dedicated long endure?"

The saintly Lincoln averred that this Nation could not endure half free and half slave. "A house divided against itself must fall," said he, drawing from the sacred book the answer to the mooted question.

The answer resounded from every fireside in the taking down of the musket from the wall, from every hillside in the tramp, tramp of soldiers' feet, and flamed forth in every stream crimson with the patriots' blood. Here on Burnside's bridge and the ridge of Antietum the answer flashed in steel and fire, echoed forth in the cadences of the bleeding and dying, and hurrahed in the salvos of victory as the fraternal enemy was repulsed in broken columns.

During the gory years of 1861 to 1865 the varying successes of the fraternal armies answered the eternal question, now in the affirmative, anon it seemed in the negative, until Appomattox forever put the seal of approbation upon human liberty and equality. The Union armies demonstrated with unquestionable finality that this Nation, "Conceived in liberty and dedicated to the proposition that all men are created equal," will endure so long as ropes of sand impound the waters of the oceans to perpetuate a habitat for men. Against all the vicissitudes of fickle time, even until the consummation of the world, will the children of liberty and equality flourish in this land of the free and home of the brave, while their hearts are true, their eyes are steady, and their adherence to basic principles is unshaken.

Antietam was a bloody footprint along the pathway of human progress. It marked an important stage in an important war—a war which was inevitable, because at some time in this Nation the principle of liberty and equality must have been put to the test. Human progress is achieved only by human sacrifice. Principles triumph only when men triumph. Ideals inspire the souls of men. They are stepping stones to the celestial. They are the reflexes of men's souls struggling for freedom, to take their ethereal flight.

Antietam, thou wert liberty's lodestar! Men of Antietam, thou wert the saviors of this "new nation conceived in liberty and dedicated to the proposition that all men are created equal."

In your commemoration we make this annual pilgrimage and here high resolve that you have not died in vain. For you we say a prayer and pay the silent tribute of a tear.

"How sleep the brave, who sink to rest,
By all their country's wishes blest.
When spring, with dewy fingers cold,
Returns to deck their hallow'd mould,
She there shall dress a sweeter sod
Than fancy's feet have ever trod.
By fairy hands their knell is rung,
By forms unseen their dirge is sung!
There honor comes, a pilgrim gray,
To bless the turf that wraps their clay;
And freedom shall a while repair
To dwell a weeping hermit there!"

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had concurred in the amendment of the House of Representatives to the joint resolution (S. J. Res. 7) authorizing the Secretary of the Treasury to designate depositaries of public moneys in foreign countries and in the Territories and insular possessions of the United States.

The message also announced that the Senate had concurred in the amendments of the House of Representatives to bills of the following titles:

S. 2666. An act for the relief of Ed Thomas and Pauline Thomas; and

S. 2664. An act for the relief of Jesse Goodin.

DISTRICT OF COLUMBIA DAY.

The SPEAKER pro tempore. Under the rules business is in order to-day reported from the Committee on the District of Columbia.

Mr. FOCHT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of certain legislation concerning the District.

The SPEAKER pro tempore. The gentleman from Pennsylvania moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of business relating to the District of Columbia reported by that committee.

Mr. GARRETT of Tennessee. Mr. Speaker, pending that, will the gentleman yield?

Mr. FOCHT. Yes.

Mr. GARRETT of Tennessee. Will the gentleman indicate to us what business he intends to call up?

Mr. FOCHT. After a few remarks by the chairman of the committee in reference to a measure that was to have been called up it is my purpose to call up what is known as the workmans' compensation bill, as it applies to the District of Columbia, with an agreement, tentative, of course, until it is sanctioned by the House, to have two hours of debate on each side, and pending the motion, Mr. Speaker, I ask that on this compensation bill, H. R. 10034, there be four hours of general debate, two hours on a side, one-half to be controlled by the gentleman from Massachusetts [Mr. UNDERHILL], opposing the bill, and one-half by myself, as chairman of the committee.

The SPEAKER pro tempore. Pending the motion the gentleman from Pennsylvania asks unanimous consent that in Committee of the Whole House on the state of the Union considering the bill H. R. 10034 there shall be four hours of general debate, one-half to be controlled by himself, in favor of the measure, and one-half by the gentleman from Massachusetts [Mr. UNDERHILL], against the measure. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, is the debate to be confined to the bill?

Mr. FOCHT. Yes. I am willing there should be an understanding to that effect.

Mr. GARRETT of Tennessee. The only reason that I asked that question is because if there is to be debate on other subjects, I think somebody on this side should control some of the time.

Mr. FOCHT. No; it is to be strictly confined to the bill, and, judging from the hearings before the committee, it will take all of that time to conclude the debate.

Mr. GARRETT of Tennessee. Then the debate will be confined to the bill.

Mr. FOCHT. General debate, yes; and I would like to ask, however, under those circumstances, that I may have unanimous consent to proceed for a few minutes.

Mr. MAPES. Mr. Speaker, reserving the right to object, the motion of the gentleman from Pennsylvania, chairman of the Committee on the District of Columbia, as I understood it, was that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of District business. I think the Speaker modified it somewhat and said "business reported from the District of Columbia Committee." I would like to ask the gentleman from Pennsylvania this: There has been some talk in the newspapers about the chairman of the District of Columbia Committee calling up to-day Senate Joint Resolution 23, which has been reported by the Rules Committee, but has not been referred to the Committee on the District of Columbia. Of course, the gentleman from Pennsylvania, as chairman of the District of Columbia Committee, knows that he has not the authority to call up legislation that has been reported by some other committee, even though it pertains to the District of Columbia. I would like to ask the gentleman if that is his understanding of the rule?

Mr. FOCHT. If the gentleman will permit, I would like to explain the situation so that the House may have an idea of the whole matter. After we saw the newspaper reports we made investigation and find that the gentleman is entirely right, absolutely.

Mr. MAPES. And there will be no attempt to call up the Senate resolution this afternoon?

Mr. FOCHT. No, sir; it would be absolutely impossible.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, do I understand the gentleman has modified his request so as to provide the time should be devoted to debate on the bill?

Mr. FOCHT. Yes, sir; that is the request and understanding.

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent that when the House resolves itself into the Committee of the Whole House on the state of the Union and the bill H. R. 10034 is taken up for consideration that there shall be four hours of debate, to be confined to the measure, one-half to be controlled by himself in favor of the bill and one-half by the gentleman from Massachusetts [Mr. UNDERHILL] opposed to the measure. Is there objection? [After a pause.] The Chair hears none, and it is so ordered. The question is on the motion of the gentleman from Pennsylvania that the House resolve itself into the Committee of the Whole House on the state of the Union.

The motion was agreed to; accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of District of Columbia Committee business, with Mr. TOWNER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of business relating to the District of Columbia.

Mr. FOCHT. Mr. Chairman, I call up the bill H. R. 10034.

The CHAIRMAN. The gentleman from Pennsylvania calls up H. R. 10034 and is recognized for two hours.

Mr. GARRETT of Tennessee. I assume that the bill will be reported.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 10034) creating the District of Columbia insurance fund for the benefit of employees injured and the dependents of employees killed in employments, providing for the administration of such fund by the United States Employees' Compensation Commission, and making an appropriation therefor.

Mr. FOCHT. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

Mr. UNDERHILL. Mr. Chairman, I object.

The Clerk read as follows:

Be it enacted, etc., That the prosperity of the District of Columbia depends in a large measure upon the well-being of its wageworkers, and, therefore, for workers injured in employment and their families and dependents sure and certain relief is hereby provided, regardless of questions of fault and to the exclusion of every other remedy, proceeding, or compensation, except as otherwise provided in this act; and to that end all civil actions and civil causes of action for such personal injuries and all jurisdiction of the courts of the District over such causes are hereby abolished, except as in this act provided.

SEC. 2. That wherever used in this act—

"Employment" means all private employments.

"Employee" means every person engaged in any employment under any appointment or contract of hire, or apprenticeship, expressed or implied, oral or written, including aliens, and also including minors, whether lawfully or unlawfully employed, but excluding any person whose employment is casual and not in the course of the trade, business, profession, or occupation of his employer.

"Employer" means every person, partnership, association, and private corporation, including any public-service corporation, and the legal representative of any deceased employer, or the receiver or trustee of a person, partnership, association, or corporation carrying on any employment.

Mr. FOCHT. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Pennsylvania rise?

Mr. FOCHT. I renew my request for unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. FOCHT. Mr. Chairman, inasmuch as time has been provided with ample opportunity for debate on this bill I trust that though it has been agreed there shall be no speeches made on any other subject, there was a matter brought up this morning in connection with Senate Concurrent Resolution 23 as to which I feel there should be some explanation, as there is involved an original expression of opinion of the chairman of the Rules Committee and the response I made to him in regard to my duty concerning the said legislation. I had no knowledge whatever of this resolution's existence, nor that it had been passed by the Senate and referred here to the Committee on Rules of the House.

Mr. UNDERHILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. UNDERHILL. As the gentleman is proceeding along this line I desire to ask if that is deducted from the time allowed for discussion on the pending measure?

Mr. FOCHT. I am just explaining this other situation.

Mr. UNDERHILL. It comes out of the gentleman's time?

Mr. FOCHT. Yes; that is all right.

Mr. LAYTON. Will the gentleman yield for a question?

Mr. FOCHT. Yes, sir.

Mr. LAYTON. Is the gentleman discussing this bill?

Mr. FOCHT. I am discussing another question. I asked unanimous consent, and I hope there will be no objection. It is in reference to a question raised before the bill was taken up.

Mr. LAYTON. Then it is not this bill the gentleman is discussing?

Mr. FOCHT. Not the bill proper.

Mr. LAYTON. Therefore the understanding is broken with respect to debate——

Mr. FOCHT. No; not if I have unanimous consent. I want to clear up the old fuss before we start on a new one.

The CHAIRMAN. The gentleman will proceed in order.

Mr. FOCHT. Mr. Chairman, the Jones resolution No. 23 was not referred to the Committee on the District of Columbia, and upon my return from Pennsylvania I noticed an article in the newspapers and was interviewed by the reporters a number of times as to this misapprehension as to the assumption of certain rights and prerogatives on the part of the chairman of the District of Columbia Committee in attempting to bring up this resolution. It was never asserted by the chairman, nor by any member of the committee, I know, that we intended to bring up the resolution, and in answer to a query by a newspaper reporter as to what was going to be done, I simply said that if the parliamentary situation as described by the chairman of the Committee on Rules were correct, we would take up the matter and possibly undertake to bring the resolution before the House.

We find that is not possible. While we did not have it in contemplation or seriously consider it, and knew nothing about it, in pursuance of the discharge of our duties, and as that relates to a given situation relating to the financial condition here in the District of Columbia, we investigated it, and, with the leadership of our excellent friend the former and able chairman of the Committee on the District of Columbia [Mr. MAPES], we found the parliamentary law which prohibits such a thing as the District Committee bringing out any legislation except that which had been considered by that body. But since we will have ample time to discuss the compensation bill, in order to set your minds running along that line now on Resolution 23, I have asked for unanimous consent and received it, and I think we may get some little idea of what that Resolution 23 means.

When I became chairman of this committee and came in contact with the various northeast and northwest and southeast and southwest associations in Washington, that call you out to their meetings to address them about things concerning which you know nothing, I was advised there were $5,000,000 excess taxes paid by the people of the District of Columbia and now in the hands of the Government which should be properly applied to the development of the school and road and water systems of the District of Columbia. I came up here most enthusiastic and came in contact with the leaders of the House and other Members who seemed familiar with that particular subject, and I met with great disappointment, if not chagrin, when one of them told me, "You have now taken hold of the $5,000,000 myth." So this resolution proposes to investigate the myth. Inasmuch as it came up at the present time, and it never may be brought up again, with your patience for five minutes I am sure you will leave with an analysis of it, as far as I can give it, of the question of how it comes about that the people downtown, wherever you go, want to know what you are going to do about using that $5,000,000 they have paid in taxes above the amount the Government has given on their plan of taxation here of 60–40 or 50–50. They say that we have overtaxed the people by over $5,000,000 and that the money is there and ought to be used by the people of the District of Columbia. Here is where it starts:

STATEMENT REGARDING THE SURPLUS OF REVENUES OF THE DISTRICT OF COLUMBIA NOW LYING IN THE TREASURY.

Beginning with the fiscal year 1916–17 the appropriations for the District of Columbia have for the past several years been less than the revenues of the District, raised by taxation, have been sufficient to cover. The District Commissioners have, in strict observance of the law, been compelled to present estimates within the estimated local revenues, matched by Federal money in accordance with the established ratio of District-Federal contributions. Congress has, during these past few years, not appropriated as much in bulk for the District as the District's funds have warranted.

Thus for these past few fiscal years there has been accumulating in the Treasury a surplus of District tax money not appropriated. In the year 1916–17 the surplus of this money was $1,380,218.90, according to the figures of the District auditor. In 1917–18 the surplus was $673,733.77. In 1918–19 it was $1,226,732.79. In 1919–20 it was $783,236.72. In 1920–21 it was $584,744.51. In the whole of these five years the accumulation of District tax money, collected but not appropriated, has been $4,648,666.69.

This surplus of District tax revenues may not be kept in a separate fund in the Treasury as has been claimed by some. It may be a bookkeeping myth, as has been alleged. But the fact is undeniable that $4,648,666.69 has been collected from the people of the District in taxes and from other sources during the last five fiscal years that has not been spent in appropriations on District needs.

The pending resolution proposes the appointment of a joint commission of six, three Senators and three Representatives, to inquire into the origin, nature, and equity of this surplus of District tax revenues. The District contends that it should be spent for extraordinary public improvements, such as school buildings, or water supply, or street extensions and improvements. It is contended by some Members of the House that it is subject to offsets and claims of the Federal Government for old debts owed by the District to the United States. The purpose of this inquiry is to ascertain the equities in the surplus of District tax revenues.

It is important to pass this resolution promptly. The District appropriations bill is now pending in the Senate. The conferees have agreed upon the appropriation terms and upon a new formula of fiscal relations between the District and the United States. The major purpose of that formula is to enable the District by the beginning of the fiscal year 1927–8 to meet its obligations under the annual appropriation acts with its own cash instead of requiring advances from the United States Treasury during the greater part of each fiscal year. The tax collections are made now in May of the fiscal year for which they are due and payable. It is proposed to put the District on a cash basis by various methods. The conferees plan to enable the commissioners to accumulate a fund of District revenues by July 1, 1927, by increasing taxes in certain respects. As an alternative it has been proposed to advance the tax collection date so that District tax funds may be available earlier in the fiscal year. It is also proposed to apply to the cash-payment fund any surplus of District tax revenues that may be found to stand to the undisputed credit of the District in the Treasury.

It is the purpose of this resolution to conduct an inquiry by joint committee into the nature and present status of this surplus of unexpended District tax revenues; to ascertain whether there are any equitable claims on the part of the United States which may be properly charged against and collected from it; whether the surplus, to whatever amount it may be reduced in the net by the deduction of just claims of the United States, should, in the judgment of the joint select committee be applied to the cash-basis fund proposed, or expended, on the established District-Federal ratio, on current or extraordinary District requirements.

This commission is merely to find out certain facts and to recommend its conclusions to Congress. Until those facts are ascertained, until the nature and equitable status of the surplus are determined, it is impossible to know whether there is any accumulation of District tax revenue that can be used in the establishment of a cash basis. Meanwhile the appropriation bill will be enacted into law, but inasmuch as the cash-basis plan proposed does not go into effect for five years, the

determination of the surplus will be in season for such action at the next session of Congress as may be deemed proper.

The reason for urgency at this time is simple. The appropriation bill is held up in the Senate by the peculiar situation there. Some Members of the Senate believe that the so-called "amendment No. 1," which provides for the proposed new fiscal plan, should be amended to take cognizance of the surplus as a possible factor in the cash-basis accumulation. If we pass this concurrent resolution now and thus provide for the joint commission, it will be possible for the Senate to consider this factor.

And I would like to add to that the report of the local auditor, as follows:

District tax surpluses and deficits.

Statement of net surpluses or deficits in District tax revenue under organic act of 1878 of deficit or surplus accumulations and of interest charges on advances to meet revenue deficits for the fiscal years 1900 to 1920, inclusive. Figures from auditor's office, District Building.

Fiscal years.	Net surplus.	Deficit.	Deficit accumulations or reductions.	Interest charges on advances to meet deficits.
1900	$387,577.18			
1901		$220,182.57	$220,182.57	
1902		1,529,055.77	1,759,238.34	
1903	140,905.59		1,653,517.51	$35,184.76
1904	336,926.17		1,349,661.69	23,070.35
1905		863,375.22	2,240,030.14	26,993.23
1906		846,428.75	2,931,259.49	44,800.60
1907		286,796.79	3,277,866.28	59,810.00
1908		307,139.46	3,650,563.06	65,357.32
1909		268,940.71	3,992,515.03	73,011.26
1910	798,086.35		3,274,278.98	79,850.30
1911	674,682.75		2,665,081.81	65,485.58
1912	1,015,339.03	[1] 76,016.75	1,779,061.16	53,301.63
1913	1,393,869.52	[1] 200,748.85	621,521.71	35,581.22
1914	1,407,432.00	[1] 697,605.52	[2] 75,875.24	12,430.43
1915	655,911.50	[1] 868,655.42	[2] 731,786.74	
				[3] 585,076.68
			Surplus accumulations.	
1916	1,380,218.90			
1917	673,733.77		$2,053,052.67	
1918	1,226,732.79		3,280,685.46	
1919	783,236.72		4,063,922.18	
1920	584,744.51		4,648,666.69	

[1] Direct charges.

[2] Cash in United States Treasury. While the District had these items of cash in the Treasury to the credit of the general fund of the District of Columbia at the close of the fiscal years 1914 and 1915, the deficit in revenues to meet unexpended balances of appropriations and part of debt to the United States on June 30, 1914, amounted to $1,012,014.57; and the revenue deficit in this respect on June 30, 1915, amounted to $765,106.74. On June 30, 1916, the excess revenues over all appropriations for that year amounted to $2,145,325.64. Out of this amount provision was made to take care of the deficit in revenues on June 30, 1915, amounting to $765,106.74, so that beginning with the fiscal year 1916 the District began to accumulate a surplus of revenues over appropriations and all other charges amounting to $1,380,218.90 for that year. By accretions in 1917, 1918, 1919, and 1920, the surplus of such revenues on June 30, 1920, totaled $4,648,666.69.

[3] Total interest charges on loans to meet deficits.

Mr. MAPES. Mr. Chairman, I would like to ask the gentleman a question.

Mr. FOCHT. Yes, sir; with great pleasure.

Mr. MAPES. After first making this statement. As the gentleman knows, at different times the books of the District and the Government have been audited to ascertain their financial condition. Before the gentleman became chairman of the District Committee and before I was chairman of the committee, the committee under the chairmanship of the gentleman from Kentucky [Mr. JOHNSON], as the gentleman from Pennsylvania will remember, had an auditor going over the books and finding different items that should be credited to the Government and not to the District. Before that there was a joint committee of the House and Senate appointed to investigate the fiscal relations of the District generally. Does the gentleman think that this commission is going to get any information that Congress has not already got?

Mr. FOCHT. I do not know anything about that. I was simply reading the conclusion. I believe that all those facts the gentleman speaks of have been determined. I believe they were referred to in my statement. The only thing is that Congress does not act; that Congress calls it a myth. I do not believe it is. I believe taxpayers of the District paid in excess of their share these large amounts.

Mr. MAPES. Is the gentleman more hopeful that the Congress will act on this joint commission's report than on the other joint commission's report?

Mr. FOCHT. I believe there is more fairness and justice toward matters of that kind here now than at any other time, and I believe they will do what is right.

Mr. MAPES. The gentleman does not mean to leave the inference that Congress has not done justice in other cases?

Mr. FOCHT. I will say that there will be more justice, due to public opinion, and more knowledge. We have had a Republican House with a Democratic President and a Democratic House with a Republican President, but now this is all with us. When the thing is presented to this House for justice and for sanction, with the auditor also a Federal officeholder, I believe they will be liable to get fair consideration.

Mr. REED of West Virginia. Will the gentleman yield?

Mr. FOCHT. Yes, sir.

Mr. REED of West Virginia. Talking about this being a myth, as I understand that, even though there will be a settlement demanded and there may be something in the settlement due the Government, is not this a state of facts boiled down?

Take a hypothetical case: It was determined that the cost of the District government in a given year would be $20,000,000. On the 50–50 theory the District was asked to lay levy of $10,000,000 and the National Government would appropriate $10,000,000. But the Government appropriated only $8,000,000. The District paid in their $10,000,000 and the Government but $8,000,000, leaving a surplus paid by the people of the District of $2,000,000 somewhere that was paid in actual cash and is not a myth.

Mr. FOCHT. Absolutely so. I believe that after investigating this question for two years.

Mr. MAPES. Will the gentleman yield?

Mr. FOCHT. Yes.

Mr. MAPES. So far as the last few years are concerned, the report of the auditor gives the facts, does it not?

Mr. FOCHT. What you are getting at I quite agree to. If there is to be any expense connected with this, so far as I am concerned or the committee of which I am chairman is concerned, we prefer no appropriation. We will gladly do the work day and night without cost. In regard to experts, I do not think you need them. I believe we can get along without any cost to the Government. At least, the committee will do its part without any cost. [Applause.]

Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Chairman and gentlemen of the committee, I hold in my hand a map which indicates just how far workmen's compensation laws have been adopted in the United States. The black spots indicate the District of Columbia and five States of the Union where workmen's compensation has not succeeded and where the old war between employer and employee—capital and labor—is still being fought in cases of injured workmen for a year and even 10 years in the courts, and on all sorts of questions.

All of the employees of the Government are already protected and covered. Congress has passed the Federal employers' liability act, which protects the over 600,000 employees of this Government. All of the States in the Union except five, and Porto Rico and Hawaii, and all of the Canadian Provinces except one, Prince Edward Island, have passed similar acts; and it is the purpose of this bill to permit the people of the District of Columbia to take this step forward in social legislation by having compensation for injured employees of this District, who number something like 108,000.

Mr. OGDEN. Would the gentleman name the five States he has mentioned?

Mr. FITZGERALD. The five States that have no workmen's compensation laws are Arkansas, Mississippi, North Carolina, South Carolina, and Florida. None of these States, one might say, is a manufacturing State, or a great industrial State, where the necessity has been forced upon the people by the continuous friction between the employer and the employee in the courts, where so much of the time of the courts has been taken up and so much expense to the State incurred by the decision of these contested cases. So it is the purpose here to let this war cease, and to provide for every person who is injured in his employment a compensation commensurate with that injury, and for those who may be killed in the course of their employment a certain security for their surviving dependents, whether widows or children.

Mr. LAYTON. Does the gentleman mean this is a general law?

Mr. FITZGERALD. For the District of Columbia only, for the private employees in the District of Columbia, all others in the Union being covered except in the five States to which I have alluded.

Mr. LAYTON. What have all these States except the five States got now in the shape of workmen's compensation? Is this in addition to the compensation or insurance proposition for the District?

Mr. FITZGERALD. It is; that is, it provides compensation which is certain to the injured workman and to the dependents of the injured workmen in proportion as they are dependent upon the person who may be killed.

Mr. LAYTON. I thought the gentleman had stated a moment ago that we had already passed an act applying compensation to the District of Columbia.

Mr. FITZGERALD. Employees of the Government.

Mr. LAYTON. Yes. How much further does this go? This covers employees of private concerns?

Mr. FITZGERALD. Everybody.

Mr. LAYTON. As between the employee and the employer?

Mr. FITZGERALD. Yes, sir.

Mr. LAYTON. And you propose to make this as a governmental agency?

Mr. FITZGERALD. Yes, sir.

Mr. LAYTON. Has the gentleman in mind the purpose to institute a national insurance act for all employed in the United States to follow after this measure?

Mr. FITZGERALD. No, sir.

Mr. LAYTON. You have not?

Mr. FITZGERALD. No, sir.

This subject has been debated in the legislative halls in every State in this country and in all the Canadian Provinces. It has been the subject of repeated investigation. There seemed to be in the progress of this bill through the committee, where extensive hearings were held, little or no opposition to some sort of a compensation or insurance bill for the District of Columbia. All of the opposition has come from the organized effort of the insurance companies, who have been very ably represented by a very distinguished and very learned gentleman who has presented their case as forcefully as it could be.

The objection of the insurance companies is that this bill provides for a mutual fund; that is following the decision of the courts of Washington that this was a governmental function and a tax; that where it was made obligatory upon the employer to protect the workman in his employ it was also a moral obligation on the Government to see that that obligation might be met by the employer as economically as possible, without loading him with a needless expense of 30 or more per cent to pay a profit to insurance companies. In competition with insurance companies there is a marked difference in cost. The insurance companies do not claim that they can write this compensation or insurance for workmen at less than 37½ or 38 cents for overhead, a great part of which, of course, is agent's commission, and the fact that this act is compulsory seems to militate against any feeling that the insurance companies should be presented with from 30 to 35 cents out of every dollar which the Government requires the employer to pay.

Mr. LAYTON. Mr. Chairman, will the gentleman yield again?

Mr. FITZGERALD. Yes.

Mr. LAYTON. Logically that argument you have just stated means that the Government should go into this?

Mr. FITZGERALD. No.

Mr. LAYTON. Logically it does.

Mr. FITZGERALD. Illogically, because I have referred to the decisions of the courts.

Now, this matter I expect to take up somewhat more at length, because the leader of the opposition in the committee on this bill expects to or has intimated that he desires to offer a substitute for this bill, to which there are many objections in addition to that of making the rates higher and necessarily limiting the possibility of the compensation to the workingmen to a much smaller amount.

We have 16 States in this Union which provide what are known as State funds; that is, there is a board or commission to which the employer may pay the proper assessed cost of protecting the workmen in his employ, and this board investigates and pays out a just and fair compensation under the act. If insurance companies were left to take care of that compulsory duty on the part of their employer, then the State must also provide investigating and checking agencies in order to prevent in some measure the taking advantage of the injured workmen, because this is different from any other form of insurance in this, that the beneficiary himself has nothing to say, or very little, as to the business of obtaining or writing insurance and every one except the injured workman seems to be most interested in how little may be paid to him.

In the State of New York, where the fund is not exclusive, we have had two investigations by the State, the Connor investigation and the Lockwood investigation, which has just recently been concluded. It was shown by the first investigation that injured workmen had been defrauded to the extent of $5,700,000 by the private insurance companies in spite of the inspections and supervision the State had attempted to maintain.

I want to contrast this with the situation in some of the States where not only a fund is provided—that is, where they all join in and treat the matter as a mutual concern—where the fund is exclusive, or very nearly so; and taking Ohio as illustrative of that point, where the entire overhead expense or overhead is less than 3 per cent as contrasted with the situation in States where the insurance companies take 38 or 40 and sometimes 50 cents out of every dollar of the premium paid by the employer for the purpose of the insurance company in its solicitation work adjustment and for profits. In fund States the fund is administered for an average of 7½ per cent overhead upon the amount collected in premiums. Everywhere that there has been an investigation the success of the fund has been demonstrated, as contrasted with the practice compelling employers to protect their workmen and then turning them over to private insurance companies to make a profit out of the injured man and the employer.

I hold in my hand the report of Miles M. Dawson, entitled "State Accident Insurance Funds a Demonstrated Success in America." This man, Mr. Dawson, was the consulting actuary employed to make the investigation in three of the States—New York, Pennsylvania, and I think Illinois. The Department of Labor, for the benefit of the people of the United States, has made a thorough and apparently impartial investigation of the entire subject in all its aspects—that is, in regard to the time which the man must wait for his money; in regard to how liberally he is treated; in regard to the cost; in regard to underpayment; in regard to every feature which enters into it. I hold in my hand the report of Carl Hookstadt, then and now the expert on this subject, of the Department of Labor, to which anyone interested may refer, as demonstrating the fairness and the justice of the fund as compared with either the competitive system or the writing of such compensation by insurance companies. This document and report made by the expert of the Department of Labor has been attacked by an employee of the insurance companies, Mr. P. Tecumseh Sherman, in a very clever pamphlet. I am referring to an insert in that pamphlet which was supplied, I believe, to every Member of this House as a part of the propaganda of the insurance companies against this bill, because it ought to be made clear that on both sides of this controversy there seems to be no difference of opinion but that this particular act for the District of Columbia must be either one or the other. It can not be like it is in Pennsylvania, competitive, nor can it be one where self-insurance and other features are taken up to make it complex.

One reason is because the field here is so limited and restricted by only 100,000 employees, and another is because it would make it unduly expensive and more complex, because this act attempts to take advantage and does take advantage of the commission which already exists under the former act, which is for the benefit of Government employees, which commission is already administering the act for 600,000 employees of this Government, 75,000 of whom are in the District of Columbia. So that no new machinery is created in order to provide protection for the private employees of the District of Columbia, which ought to make this the most economical administration of any act in existence, not excepting even the wonderful showing made in the State of Ohio.

I refer to this insert and read:

Finally it is argued in the report—

That is the report which was filed by the District Committee on this bill—

that the comparatively small area and limited number of employees in the District of Columbia make a *monopolistic*—

That is the word of the criticism, and then in brackets they put in the real word of the report—

[exclusive] State insurance fund there especially advisable. Those facts do preclude a competitive State fund. But the more advisable alternative is no State fund at all.

In the face of all these figures we can not accede to a demand to tax the employers of the District of Columbia to waste 35 cents out of every dollar simply to give useless business to the private insurance companies.

Mr. LAYTON. So that this act will actually put out of business all private casualty companies in the District of Columbia?

Mr. FITZGERALD. They do an insignificant business. They will tell you that, Doctor, that they have little or no business now. This would put a great expense upon the employers of the District, and it is a question whether that should be done simply for the sake of giving profits to insurance companies. [Applause.]

Mr. SPROUL. Mr. Chairman, I make the point of no quorum present.

The CHAIRMAN. The gentleman from Illinois makes the point of no quorum present. The Chair will count. [After

counting]. Sixty-six Members present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, when the following Members failed to answer to their names:

Almon	Dempsey	Kincheloe	Robsion
Anderson	Dickinson	Kindred	Rodenberg
Andrew, Mass.	Drane	Kinkaid	Rogers
Ansorge	Drewry	Kitchin	Rossdale
Appleby	Driver	Kline, N. Y.	Rouse
Arentz	Dunn	Knight	Rucker
Bacharach	Dyer	Kreider	Ryan
Barkley	Elliott	Kunz	Sabath
Beck	Evans	Langley	Sanders, Ind.
Bell	Fenn	Larson, Minn.	Sears
Benham	Fess	Leatherwood	Shelton
Bixler	Fields	Lee, N. Y.	Shreve
Black	Fish	Longworth	Siegel
Blakeney	Fordney	Luce	Sinclair
Bland, Ind.	Foster	McArthur	Slemp
Bland, Va.	Frear	McClintic	Smith, Mich.
Blanton	Freeman	McKenzie	Snell
Boies	French	McLaughlin, Pa.	Snyder
Bond	Fuller	Madden	Stevenson
Bowers	Garrett, Tex.	Maloney	Stiness
Brennan	Gilbert	Mann	Stoll
Britten	Glynn	Mansfield	Strong, Pa.
Brooks, Pa.	Goldsborough	Martin	Sullivan
Buchanan	Goodykoontz	Mead	Swank
Bulwinkle	Gould	Michaelson	Sweet
Burke	Graham, Pa.	Mills	Tague
Burtness	Griest	Montoya	Taylor, Ark.
Burton	Griffin	Moore, Ill.	Taylor, Colo.
Butler	Hawes	Morgan	Taylor, Tenn.
Campbell, Kans.	Hayden	Morin	Temple
Campbell, Pa.	Hays	Mudd	Thomas
Cantrill	Hersey	Murphy	Tilson
Carter	Hicks	Nelson, J. M.	Treadway
Chandler, N. Y.	Himes	O'Brien	Tyson
Clague	Hogan	Olpp	Upshaw
Clark, Fla.	Hooker	Osborne	Vaile
Classon	Husted	Padgett	Vare
Cockran	Hutchinson	Paige	Vestal
Codd	Ireland	Park, Ga.	Volk
Cole, Iowa	James	Parker, N. Y.	Ward, N. Y.
Connell	Jefferis, Nebr.	Parks, Ark.	Wason
Cooper, Ohio	Jeffers, Ala.	Perkins	Watson
Cooper, Wis.	Johnson, Wash.	Perlman	Weaver
Copley	Jones, Pa.	Petersen	Winslow
Crago	Jones, Tex.	Rainey, Ala.	Wood, Ind.
Crowther	Kahn	Rayburn	Woods, Va.
Cullen	Kelley, Mich.	Reber	Woodyard
Darrow	Kendall	Reed, N. Y.	Wright
Davis, Minn.	Kennedy	Riordan	Wurzbach
Deal	Kiess	Robertson	

The committee rose; and Mr. WALSH, Speaker pro tempore, having resumed the chair, Mr. TOWNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10034, and finding itself without a quorum he had directed the roll to be called, whereupon 231 Members responded to their names, and he presented a list of the absentees.

The committee resumed its session.

Mr. UNDERHILL. Mr. Chairman, I ask the Chair to notify me when I have spoken 30 minutes. I first wish to compliment my colleague [Mr. FITZGERALD], who made a very fair presentation of his side of the workmen's compensation act, and in the second place to correct an error in a statement that I am opposed to the workmen's compensation act. That is not the fact; I am opposed to the so-called Fitzgerald bill, but I am in favor of H. R. 9546, a bill which I shall move at the proper time to substitute for the Fitzgerald bill. I might also say in passing that if it had not been for the insistence of some of the proponents of this workmen's compensation there would probably have been a law on the statute books pretty nearly a year ago; but some of the proponents apparently would rather have the workman suffer and be deprived of his rights indefinitely in order that they may stand for what they call an advanced and what I call a socialistic piece of legislation which jeopardizes any chance the bill may have in passing both branches of Congress. In the second place it has delayed, I can not say for how long, the readjustment of conditions in the District, which are particularly bad and disgraceful to the country. Like my predecessor, I have a map of States that are now covered by some form of workmen's compensation, showing 5 States that are without it, showing that out of all the other States only 6 have the monopolistic or socialistic feature of the Fitzgerald bill, and showing 15 in all, including those 6, that have some form of State competitive insurance to which I do not object, and the balance of the country in blue—Arizona, New Mexico, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Minnesota, Iowa, Missouri, Louisiana, Wisconsin, Illinois, Tennessee, Alabama, Georgia, Indiana, Kentucky, Virginia, New Jersey, Maine, New Hampshire, Vermont, and Massachusetts—all have a liberal freedom and privilege of carrying on legitimate business without the Government stepping in and saying that they shall not do it.

Mr. MOORE of Virginia. Will the gentleman state the six that have, as he calls it, the monopolistic and socialistic features of the bill.

Mr. UNDERHILL. Washington, Wyoming, Nevada, Oregon, North Dakota, and Ohio. Ohio was the last State to join this group, and there has been no State added to it for a number of years, although some of the States have taken up the subject of workmen's compensation insurance and have passed laws with reference to it.

Mr. GRAHAM of Illinois. When was the Ohio law passed?

Mr. UNDERHILL. The gentleman from Ohio, Mr. FITZGERALD, can probably answer the gentleman. I do not want to introduce anything of a partisan character into this debate, but I am not betraying any confidence when I say that the result of the efforts on the part of James M. Cox, of Ohio, to get this adopted in Ohio law is responsible for the introduction of this bill here, but that does not make it good, bad, or indifferent, and yet at the same time it casts light on the subject in which some of you might be interested.

Now in only 7 out of 43 States that have accepted the workmen's compensation provision do they have a monopolistic or exclusive feature, and I think I may be excused if I take a moment to explain what that means. It means this. I hold no brief for the insurance companies. I am very grateful to the companies for the protection I have had in business in protecting me from fire and my family against loss that they might sustain because of my death. But this says that the companies in this country who are producers, who are investors, who pay a tax, and who employ thousands and thousands of people in their legitimate endeavors shall not come into the District of Columbia and write insurance on workmen's compensation. That is what it says in effect. The proponents will tell you that it does not prevent a man taking out workmen's compensation insurance in any of these companies. That is true; it does not prevent him, but he would duplicate his expense by taking out insurance of the State or governmental companies, and also in the stock companies.

Now, if we had passed the Fitzgerald bill a year ago, which provides a capital furnished by the Government of $50,000, if we had passed it before the Knickerbocker disaster that whole capital would have been wiped out by the death and injuries of the employees of the Knickerbocker Theater.

Mr. MILLSPAUGH. If the gentleman will yield, is it not a fact that the Knickerbocker disaster would have wiped out twice as much capital?

Mr. UNDERHILL. Yes, indeed; the total capital provided in the Fitzgerald bill would have been twice wiped out.

I tried to amend the Fitzgerald bill. I have done everything I possibly could do to bring out a proper bill. I tried to amend the bill, to provide for $250,000 of capital in the first place, and the proposition was turned down. You can not possibly carry on governmental business as successfully as you can private endeavor.

In my bill I provide every remedy, every relief, every consideration for the workman that is provided for in the Fitzgerald bill. Every man who appeared before the committee, when we had the matter before us for weeks and months, was asked the question as to which is of paramount importance, the relief of the workman or the relief of the employer in saving him a few dollars in the writing of his premium, and everyone agreed that the workmen's compensation bill was a workmen's compensation bill and that the workman was the first consideration. That is the idea of to-day, but when workmen's compensation was first proposed it was not to that altruistic idea at all. The first idea of workmen's compensation was to relieve society of the burden of the renewal of human machinery and put it upon the industry that was responsible for the wearing out of that machinery or the maiming of the employees. That was the original idea, but to-day it has gone further than that, it has more of a humanitarian aspect, and I am glad of it.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. GRAHAM of Illinois. A query in my mind at the start of this is, Can the Government do insurance business, counting all of the overhead charge—that is to say, in that operation—more cheaply than private corporations, more cheaply than private companies can do it?

Mr. UNDERHILL. The Government can do anything more cheaply than private companies can do it, provided the Government assesses the taxpayers for the balance.

Mr. GRAHAM of Illinois. That is what I am getting at. Will the burden be transferred to the people?

Mr. UNDERHILL. I will be frank and say that it will not.

Mr. ZIHLMAN. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. In a minute. The Government has already a vehicle or machinery for putting into operation an extended workmen's compensation act in the District, and it is so provided for in my bill. I have asked the board about it and they have frankly stated that it means that they would have to hire a large number of additional employees. Every time the Government puts another one on the pay roll it simply takes from the ranks of the producers a man and puts him in the ranks of the consumers, and the taxpayer has to pay for it. In that way it costs the people. Furthermore, it takes away from legitimate industry, even though it is the much abused line of insurance work and activity. It takes some man of ambition, of incentive, with an earnest endeavor to go out after business and make business for himself and build up business for the country, and it puts him in the ranks of the consumers. Furthermore, it takes away from the Government that amount of taxation which it would collect, and it amounts to millions of dollars every year from the insurance companies of this country. They pay in part for running the Government's machinery. If you pass this monopolistic law, you tax the insurance companies in Connecticut, in your State, in my State, and every other State, that are carrying on a legitimate business, to carry on a governmental function in Washington in competition with their own business, and there again the people pay.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. NEWTON of Minnesota. What is the claimed advantage on the part of the proponents of this bill for Government insurance as distinct from the insurance now in effect in these various States?

Mr. UNDERHILL. The claim is, and I shall use my colleague's own words, that it costs about 35 per cent for a private company—a corporation to do this business—and that includes taxation, rent, agents' commissions, the hiring of real estate, office rent, office supplies, and all that sort of thing——

Mr. LAYTON. And taxes.

Mr. UNDERHILL. I mentioned taxes, and I reiterate it; and, on the other hand, the Government pays no taxes to itself, and in the carrying on of its business in many instances the expense is hidden; some other department carries it. Take the Post Office Department. That does not carry one single dollar for the buildings of the Post Office Department, and the Treasury Department does; and yet the Post Office Department shows a deficit of only so many million dollars, whereas if they had to show the whole expense it would show a deficit that would alarm the people. It is the same way in this proposition. This is the first time that I have seen certain organizations and certain individuals show such anxiety in respect to how much the employer pays out of his pocket. There is no question whatever but that the employee gets just as much under my bill as he does under the so-called Fitzgerald bill, but the argument for that bill is that it costs the employer from 24 to 30 per cent less. I doubt if it costs as much less as that, although I think there is a difference of about 15 per cent.

Mr. NEWTON of Minnesota. The gentleman has answered the inquiry; but, that being the case, why then make it compulsory so that Government insurance must be carried? What is the argument for that?

Mr. UNDERHILL. Workmen's compensation is of no use whatever unless it is compulsory.

Mr. NEWTON of Minnesota. I mean the Government insurance feature as being compulsory. Why not let it be taken from either the Government insurance company or the private insurance company?

Mr. UNDERHILL. That is the only contention between Mr. FITZGERALD and myself, or between the proponents of this bill and the proponents of my bill. It is that one difference, that legitimate business has a right to that business, and that the Government should not say him nay in going after that business. If I want to join with Mr. HAMMER and Mr. WILLIAMS and a dozen other men here and form a mutual insurance company and carry on this business ourselves with a sufficient surplus to take care of employees, then I think the Government has no right to say that we shall not do it.

Mr. NEWTON of Minnesota. Is that prohibited?

Mr. UNDERHILL. Absolutely.

Mr. ZIHLMAN. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. ZIHLMAN. Did not the testimony before the committee show that these States that have a State fund were doing business for an overhead of about 3 per cent as compared with 35 to 60 per cent in States where they had the competitive form?

Mr. UNDERHILL. Yes; and I think that is a good argument for the Underhill bill. If we can get 35 per cent into general business, it is better than putting 3 per cent into Government business. What is the result in the States where they have a competitive business, in these States, including the great State of Pennsylvania and the State of New York? Over 75 per cent of those who carry insurance—and everybody, you understand, has to carry it—elect to take out the regular straight old-line company insurance, and they pass up the cheaper insurance which the State offers and does give.

But, gentlemen, any one of you who has been in business knows that it is not always the cheapest that is the best. You know in your business you pay for service. In fact, every employee you have you do not pay because he is John Smith or John Jones, but for the service which he renders, and you try, unless hampered by some outside organization, to pay the men who give the best service a little more money and recognition.

Mr. DENISON. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. DENISON. In view of the question just asked by the gentleman from Maryland, can the gentleman from Massachusetts just state briefly what it is that makes the difference in the cost of writing insurance between the Government writing it and a business concern writing it?

Mr. UNDERHILL. Well, in the first place, there is that horrible bugaboo that is always put before us of the profit that the company makes in writing insurance, and they are legitimately entitled to have a profit. The next is that the agent here in Washington, a resident of Washington, who goes out seeking this business, is paid a commission, and that the Government has no agent to pay a commission. The next is the taxes that these insurance companies and all employed by them pay to the Government. The Government does not have to pay taxes to itself. The next is the office buildings rented by the insurance companies and agents down on F or Sixteenth Street in which to do their business. Why, it is positively ridiculous unless we are going to go the whole distance. And how far are you going to go? Let us start with the insurance companies, and then we will take the railroads and then we will take the mines, and then let us go out and take the manufacturers throughout the country, and then you have the farmers, and then what have we got left? It is just what Russia has left; that is, the church wealth. Then what is there to pay our taxes? That is the ultimate result.

Mr. MILLSPAUGH. Will the gentleman yield?

Mr. UNDERHILL. I will yield.

Mr. MILLSPAUGH. The proponents of the Fitzgerald bill are so anxious to make it appear that the District is such a restricted territory and having taken that stand want to collect as large an amount of premiums under the proposition that they foster, do not they with the provisions of this bill provide that if you have a maid coming to your house once a week to clean up for two hours and if on the 1st day of June, the registering day, you fail to register the maid with the District Commissioners or the board or whatever functionary it might be, you will be liable to a fine of $500. Is not that true?

Mr. UNDERHILL. That is true largely. And, gentlemen, I just want to call attention to this. I have no pride of authorship in the so-called Underhill bill, and I have tried to have the bill introduced under another name, but there is a bunch of amendments which must be offered to the Fitzgerald bill in order to make it conform to the kinds of insurance that you have in most of your States, so I thought it better to offer the amendments in bulk. The Underhill bill differs from the Fitzgerald bill in this—that it does not include domestic employment. That is, if you and I or some one of our neighbors has a maid who comes once a week; say she comes to my house on Monday every week, and to your house on Tuesday every week, and to a neighboring house on Wednesday every week, each one of the three, five, or a dozen have to carry insurance for that person because that means regular employment. Why, the nuisance of including domestic employees in this bill would make it so unpopular that Mr. VOLSTEAD's name would be written in gilt bright letters in comparison with it. [Laughter and applause.]

Mr. WILLIAMSON. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. WILLIAMSON. If we adopt the amendment the gentleman proposes what differences would it make in reference to the insurance of these employees?

Mr. UNDERHILL. I do not know just the page, but my bill exempts domestic employees entirely from the provision. Let me give you a little of the inconsistencies of the Ohio law. The Ohio law exempts any employee employed in an establishment where they do not employ more than five people. In other words, if you are carrying on a little business and you employ

five men, you do not have to take out workman's compensation. If one of your employees breaks a leg or loses an arm or loses an eye, he is not compensated under the Ohio law at all, but his eye is gone, his arm or leg is broken, and he is suffering just the same. Furthermore, the Ohio law exempts all farm laborers. A man falls from a load of hay and breaks his leg, or he falls off one of these mowing machines that has dozens of knives running click clack, cuts off his foot or a toe; he gets nothing whatever, because farm laborers are all exempt.

Almost all the States have that provision excepting farm labor. I do not know whether they are civilized enough to realize what this all means to the workingmen, and that if a man is employed in farm labor he is just as much of a workingman as a man who is employed in a mine or a man employed on railroads and is just as much entitled to protection. So I have included in my bill the farm laborer, and I have included the man who works for his brother and is the only employee he has. For years I ran a blacksmith shop, where I employed only one man beside myself. Do you not suppose that his family was just as much entitled to relief and help if he happened to an accident as an employee of my competitor, who hired 10 men, say, and 1 of which was injured? There is reason why you should exempt that class of employment where the accidents are very few, where the employment is not hazardous, and where the nuisance is of such a character that it more than makes up for whatever relief may come. Furthermore, you know it, all of you, by your own personal experience, that if a maid cuts a finger you do not discharge her. You either send her to your family physician to have the wound dressed or you do it yourself by first aid. You know if you have a chauffeur who in cranking a machine breaks an arm, you do not fire him, but you take care of him until he is ready to go to work again. And so instead of having thousands of people in Washington register that they have one woman in the kitchen or a man emptying ashes, or this girl or that wheeling the baby out on Sunday afternoon, I have exempted them.

Mr. HUDSPETH. Does the gentleman propose to substitute his bill for this one?

Mr. UNDERHILL. That is my purpose.

Mr. HUDSPETH. Does the gentleman make any arrangement as to exemption in regard to the number employed?

Mr. UNDERHILL. I do not exempt anyone, no matter how few are employed.

Mr. HUDSPETH. But you exempt domestic labor?

Mr. UNDERHILL. Yes.

Let me give you a brief outline of what my bill does accomplish. I know I have quite a task before me, due to the fact that most of the Members of the House have a misunderstanding of these two bills. They think I am opposed to the workmen's compensation. Far from it. I am proud of the fact that Massachusetts was the first or one of the first States to adopt workmen's compensation. I was a conservative member of the house at the time. They had tried at several sessions to put workmen's compensation upon the statute books, but had failed. I think possibly because of the reputation I had of ultraconservatism my support helped considerably in putting the bill on the statute books. One of our other Members here at that time was a member of the Massachusetts Senate. When they tried to make this exclusive and monopolistic feature a part of the bill, he led the opposition.

One of the other pleas you will hear is to your prejudice against insurance companies. My bill leaves no chance for the insurance companies to take advantage of the workmen. Every single, solitary injury almost that you can conceive of has been covered in my bill and provision made for it—for the loss of a foot, of a hand, of a finger, a toe, an eye, or an arm, or a leg, and for everything of that sort, and there is no way for an insurance company, even if they were so inclined, to be crooked or mean, because the bill says what they shall pay and how long they shall pay. It takes care of every dependent—the widow with 1 child, 2 children, 6 or 10 children, as the case may be. And it is only right that it should do so.

Mr. RANKIN. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. RANKIN. How does the gentleman's bill compare with the Massachusetts law?

Mr. UNDERHILL. I will say that the bill is almost identical with the Massachusetts law, with few exceptions that had to be made in the bill on account of the Maryland law and the Virginia law. You know how necessary it would be to take into consideration the law of those States, where the District of Columbia is only a small acreage in the midst of them, and almost every man who employs help here in the District of Columbia sends that help over into Maryland and into Virginia. And so my bill had to be drawn with reference to the laws that exist in Maryland and in Virginia.

The CHAIRMAN. The gentleman has consumed his time.

Mr. UNDERHILL. I yield myself another half hour.

Mr. RANKIN. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. RANKIN. What are the main differences between the Ohio law and the Massachusetts law?

Mr. UNDERHILL. In the Massachusetts law we have an insurance commissioner. You have one here in the District of Columbia. That commissioner passes upon the liability of an insurance company, and any insurance company with sufficient capital and a good reputation in business and can meet its obligations can come into Massachusetts and solicit insurance from me, and I can write with that company workmen's insurance, but under this bill no one in the District of Columbia could get any insurance company, no matter how solvent it might be, to write any insurance unless they duplicated it afterwards or before by writing insurance with the State company here in the District of Columbia.

No insurance company in the District or in any State will hire an agent to go out and solicit insurance of this character after the passage of the bill. It has got to be done under governmental operation and is exclusively a governmental function.

Mr. GENSMAN. Under your bill is the employer absolved from all liability whatever for the ordinary accident?

Mr. UNDERHILL. When the employer takes out the insurance he transfers his liability to the insurance company. He is liable, however, in every instance.

Mr. OGDEN. Is it a fact that under the operation of the competitive system you have better and safer working conditions and therefore a decrease in the number of accidents to the employees?

Mr. UNDERHILL. I wish I could only cover all these questions. It is a most interesting study. In Massachusetts many insurance companies are far from being looked upon with distrust and disregard by the employer and employee, but are looked upon almost as angels of mercy. Why? Because they insist on safeguards in instance after instance, and send their inspectors out day after day and day after day, and woe betide any factory where they have not placed all the safeguards that that inspector orders around the machinery to protect the workers. It is surprising to see how many safety devices have been invented and put into operation in Massachusetts by insistence on the part of the insurance company that the workers shall be protected.

Mr. HUDSPETH. As I understand, unless the insurance company is organized in this District it can not write this insurance?

Mr. UNDERHILL. If an insurance company is organized in this District, it can not write this insurance.

Mr. HUDSPETH. What company can?

Mr. UNDERHILL. The Government can write it, and only the Government. It says that Congress shall appropriate $50,000, and that then, if you are an employer of labor you must go on the first of a certain month and register with the Labor Commission, and show how many you employ, how much you pay, and all the details they ask you concerning your business, and then you must take out the insurance the Government says you must take out and pay the premium the Government says you must pay.

Mr. HUDSPETH. Mr. Chairman, will the gentleman yield there?

Mr. UNDERHILL. Yes.

Mr. HUDSPETH. That provides for employees of the Government as well as for those who are not employees of the Government?

Mr. UNDERHILL. No. It applies only to those employed by private individuals and corporations. Government employees are already provided for.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. GRAHAM of Illinois. Does the Fitzgerald bill apply also to home labor and farm labor?

Mr. UNDERHILL. Yes, sir.

Mr. GRAHAM of Illinois. So that anybody who has a housemaid or a farm hand must take out liability insurance?

Mr. UNDERHILL. Yes, sir.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. JONES of Texas. I notice here that compensation is given for disability. Is there any compensation given for an

injury other than a disability, or injury such as cutting off an ear or something producing a disfigurement only?

Mr. UNDERHILL. Yes; there is compensation for disfigurement.

Mr. JONES of Texas. Is there a provision here that a man may sue if he is not satisfied, or is he bound to abide by it?

Mr. UNDERHILL. He may sue. But if an employer does not take out insurance he has no protection at all; that is, he can not revert to the old common law, or contributory negligence, or anything of that kind.

Mr. LINEBERGER. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. LINEBERGER. Is it obligatory on the part of those having domestic help to take out this insurance?

Mr. UNDERHILL. Yes.

Mr. LINEBERGER. It is obligatory?

Mr. UNDERHILL. Yes. If you do not, you lay yourself liable to be pretty badly held up and soaked.

Mr. REED of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. REED of West Virginia. You stated that the agent of a stock company can not write insurance in the District of Columbia after the enactment of this bill. Let us take an example: John Smith is getting $150 per month from Parker, Bridget & Co. or some other store here. He is insured. I believe under the Fitzgerald bill he would get $100 a month, or 66⅔ per cent?

Mr. UNDERHILL. Yes.

Mr. REED of West Virginia. Do you say that an agent could not go to John Smith and say, "You are already protected, and that is not costing you anything; your employer pays for that. I want you to take out additional insurance." Can he take out additional insurance?

Mr. UNDERHILL. Certainly.

Mr. REED of West Virginia. Is it not a fact that there is an atmosphere of insurance created here that would help the insurance business?

Mr. UNDERHILL. Yes. God help us if we ever should say that a man can not take out insurance to protect his people. We would not dare to go that far.

Mr. BARBOUR. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. BARBOUR. What would the gentleman say that it would cost to take out insurance for a housemaid, for example?

Mr. UNDERHILL. Oh, it might be $5 a year, but the nuisance of it would be emphasized every time you got a new maid in your kitchen, a man to tend the furnace, or a new maid to push the perambulator.

Mr. LAYTON. That would be one of the changes that most familes would have to make here?

Mr. UNDERHILL. Yes.

Mr. BARBOUR. Does not the blanket clause cover almost any kind of person?

Mr. UNDERHILL. Yes; almost any kind of person might be covered by the compensation clause.

Mr. BARBOUR. It would not apply to a particular person?

Mr. UNDERHILL. No.

Now, gentlemen, I do not want to be misunderstood. I think it is a disgraceful state of affairs that the Capital of this Nation and the more than 100,000 people employed therein should not have the protection that is given almost universally all over this country. They are entitled to it.

I think that before long those five States which so far have been without workmen's compensation laws will undoubtedly see the advantage of it, and will come in under some form of workmen's compensation. In the State of Massachusetts, where we have to depend upon our industries, and practically all the people there are employed in industry, there is not an employer who would change the employers' compensation law. There is not an employee who would change it. There is not a word of criticism to be heard against it. And yet it took one of the greatest fights ever had in any legislature to get that form of insurance adopted by the Massachusetts Legislature on account of the opposition on the part of business men who could not see their way clear to pay that added expense. We added that expense to the public, to industry, to be accurate; and to-day the injured workman, instead of being thrown upon the charity or upon the kindness and sympathy and hospitality of his friends, has a legitimate source from which he can draw and keep his little family together and care for himself. His doctor's bills, his hospital bills, even his burial expenses, are provided for in this bill, and it is the right way to handle this great economic problem.

Under private insurance the losses are settled with the greatest expedition possible. Whereas in the State of Ohio there is hardly a man injured there, so the record shows, that gets his pay until after he goes back to work again, and that is the usual result of government activity everywhere—the delay owing to the army of employees and to the great amount of red tape, and all that sort of thing.

Do not be misled, gentlemen, by an appeal to the prejudice they hope to create regarding the heartless corporations known as insurance companies. We have found them in Massachusetts, those of us who have had to deal with them in the halls of legislation, those of us who have had to deal with them as business men, have found the insurance companies measure up to the full standard with any organizations of business men, professional or otherwise, that we have in the community. We have found that they were willing in many, many instances to stretch a point. I had five years' experience as the president of a great philanthropic organization in my State, and I never went in vain to the big insurance companies that handle workmen's compensation and asked for them a little leniency, a little leeway, or a little extra on their part in behalf or for the benefit of some of the injured employees which they did not grant willingly. There are mistakes made, and there are evils that creep into any line of business or profession, and no doubt instances could be related to you where a man may have been unjustly treated through the operation of some insurance company, but for every instance of that character I can bring you another, on the other hand, because of the red tape of the governmental mismanagement. I have been able in the last few weeks to correct some instances of injustice on the part of the Federal Insurance Board.

When brought to their attention in a proper sort of way they were very glad to correct those instances. In some cases it seems to me they should have been more liberal; but I am not here to criticize the operation of the Federal Workingmen's Compensation Commission. I think it is a splendid board and that it has done an excellent work.

I just want to state a few of the fundamentals, and then I shall be very glad, indeed, to yield to anyone.

Under the provisions of this bill we give a man 66⅔ per cent of his wages. Under my bill we start to give him conpensation after 5 days; that is, if he is injured, after 5 days we begin to give him compensation from the fourth day. In Massachusetts that has been reduced from 14 to 10 days, and I think from 10 to 7 days. In the Fitzgerald bill it is after 3 days. Now, the trouble with that is that while most of the workingmen are pretty good fellows, and most of them are not only willing but anxious to get back to work, where you make it 3 days it is an invitation to the workmen to lay off and quit the job for a little minor injury. So we increase the time by 2 days, and to a certain extent that removes the difficulty.

Mr. MOORE of Virginia. As I understand, the only irreconcilable difference between the gentleman's bill and the Fitzgerald bill is the one that he has been discussing, namely, the competitive insurance feature.

Mr. UNDERHILL. Absolutely. I would take all the evils of the Fitzgerald bill and fold them to my bosom to-day, and would have done so long ago, if they could have eliminated this exclusive, monopolistic, socialistic feature of his bill which has been adopted in Ohio. And may I say in passing that my information from Ohio recently is that the employers in Ohio are not all satisfied with this provision; that they are now seeking some remedy through an investigation of the whole workings of this bill in Ohio, with a purpose in view of changing this from a monopolistic State insurance to something of a different character, where they can have mutual, self-insurance, or competitive insurance. So you can see that there is some difference of opinion in Ohio, even although Ohio has collected hundreds of thousands of dollars from the premium payers—from industry and from society—and turned the money back into the State treasury. That is not altogether a good thing. Because the State of Ohio made $1,000,000 on this form of business last year, I do not consider that that justifies it by any means. It does not justify it, because it takes the money away from somebody, and that is simply another form of taxation.

Mr. LAYTON. In other words it is taken away from productivity.

Mr. UNDERHILL. It is taken away from production and paid out to public employees. In my bill we provide for medical and surgical aid, for previous disability, for all of the dependents, for minors and incompetent persons, for the right of employers and insurers to examine, for methods of payment, for proceedings to collect. Nothing has been left out of the

bill. It is not a perfect bill. I have no pride of authorship. When it comes to the reading of the bill if it is substituted for the Fitzgerald bill there will probably be numerous amendments that should be offered that will be improvements to the bill.

There is a great deal to be said about other forms and other practices in other States. You gentlemen who come from these other States are probably familiar with them and can improve this bill.

Now, let me say just one word more and then I am through. What is the purpose back of this bill? Why do they want a monopolistic bill here in this little bit of a District, where there are only 100,000 employees anyway? Why do they want that bill here? They want it for a model. They want it for a wedge. They want it for a starting point. They want to adopt it in the Nation's Capital, to hold it up as the one real piece of legislation that all other States should follow. What is the next step? Why, the next step is to go out into your State and my State and say, "Here, you have got to do this because they have done it down in Washington; and because we find we are making some money for the Government by going into the insurance business, it is a good thing for you to follow." In other words, it is an example.

The purpose is to try it first here as a model for all the rest of the country to follow. I do not believe the Members of Congress with their States rights want such a form of insurance. I see that New York and Massachusetts and other States in the North are coming to believe that the States have some rights, for an unprecedented thing has happened in Massachusetts. Congress passed a law giving to Massachusetts $69,000 on a so-called maternity bill, and the Legislature of Massachusetts refused to accept the $69,000 and is going to bring suit against the United States to test the constitutionality of that act. Did you ever hear before of a State refusing $69,000 from the Government? You heard once of the State of Massachusetts having a tea party. This is the second tea party, and we are going to protest against being taxed from now on. New York has taken about the same action or will take similar action. It is time for Congress to pause before they put into Government activities, Government hands, Government employees, Government bureaus, Government departments all of the rights and privileges that belong to the people and to the States.

So I oppose this bill, the so-called Fitzgerald bill, on the principle which is dear to the heart of almost every American, greater than the amount of money that they can make out of it or that the Government can make out of it—the principle of thrift, industry, ambition, and justice; but I advocate earnestly the principles of the workmen's compensation act as applied in Massachusetts and many other States. [Applause.]

Mr. ZIHLMAN. I yield five minutes to the gentleman from Ohio [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Chairman, while this matter is fresh in our minds I want to say a few words in regard to what my distinguished friend from Massachusetts has just said. I want to say, first, that nowhere in the world where workmen's compensation laws have been enacted and the State fund established by the government has this feature ever been departed from, and wherever the forward step has been taken it has come to be made exclusive; we have added West Virginia to the black map which my opponent has presented here, and the Canadian Province of Alberta because of the scandal which has occurred there when the insurance overhead expense rose to 50 per cent of the premiums.

My opponent, the distinguished gentleman from Massachusetts, is entirely mistaken about what his bill provides. I have had prepared by an actuary familiar with the laws of New York, Pennsylvania, and Massachusetts an analysis to show how imperfectly he understands his own bill. It reminds me of what he said in the committee, that he wanted to make a statement, which "was not borne out by the facts." He does make a statement, and it is not borne out by the facts. Labor can not recognize either him or his bill as friendly. Let us see. Here is a Government with a commission already administering for 600,000 employees, and he tosses it aside as useless machinery in providing for the 100,000 additional employees, just to create business uselessly for insurance companies and at the expense of both employer and employee. He talks about discontent in the State of Ohio and about the Hon. James M. Cox, late candidate for President of the United States. I wish to say that if there was one thing more than another which the Republicans resented in the State of Ohio during the last campaign it was the fact that to Governor Cox there was attributed too much credit for the wonderful popularity of the exclusive fund of the State of Ohio and the making it economically possible to pay the workmen compensation for injuries received in their employment without a needless additional 30 per cent burden on the employers.

Now I wish to call attention to the investigation made in the State of New York by the State officials. I want to call attention to his own State, where he claims that they are so well satisfied. Here is the last speech made by one of the senators on the floor of the senate in the State of Massachusetts. It reads:

Workmen's compensation insurance—Employers robbed—Injured workers swindled—Workers forced to pay $15.60 per capita tax—State fund only remedy—Address delivered by Hon. Warren E. Tarbell on floor of Massachusetts Senate April 5, 1922.

Mr. UNDERHILL. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. UNDERHILL. The proposition introduced by Mr. Warren Tarbell got one vote in the whole legislature, both in the House and the Senate, when it came up for action. [Laughter.]

Mr. FITZGERALD. I am glad to have my friend, who is so courageous, make that statement, as I may be inclined to think he is as much mistaken as he is about other things. He appeals to the intelligence of this House on the same basis that thinks that Yom Kippur is a kind of herring, and that Easter Sunday is a sister of Billy Sunday.

Mr. ZIHLMAN. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. ZIHLMAN. Does it not show that the employees were paying more than two and a half millions more than they would pay under the State fund?

Mr. FITZGERALD. Yes; that is demonstrated by every actuary and every investigating committee and from independent sources.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. NEWTON of Minnesota. I am at a loss to understand why this is made exclusive. If Government insurance is better and cheaper, why will not that fact in itself drive out private insurance companies, and if it does not drive them out, why should Congress be interested in driving them out?

Mr. FITZGERALD. I might answer the gentleman in a psychological way. I doubt if you or I ever took out life insurance until we were importuned. This insurance is made compulsory, and then we are asked by the gentleman from Massachusetts to tax the employers 35 per cent so that the insurance people can go out and solicit the business among and for themselves.

Mr. NEWTON of Minnesota. But you make it compulsory to take out Government insurance rather than private insurance.

Mr. FITZGERALD. I have tried to answer that.

Mr. LAYTON. But the gentleman has not.

Mr. FITZGERALD. The gentleman from Delaware may be right; I have done my best to answer it. The Lockwood investigation in New York explains that there is a fraudulent cutting of other kinds of insurance, burglary, flywheel, and other casualties which are not associated with Government activity in State funds in any State whereby by collusive action they are able to obtain the business as against the State fund.

Mr. LAYTON. Mr. Chairman, I do not like to embarrass the gentleman, but that is thicker than it was before.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ZIHLMAN. Mr. Chairman, I yield the gentleman three minutes more.

Mr. WYANT. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. WYANT. If it is true that the Government offers better insurance at a cheaper rate, is it not also true as a usual thing that good business men would seek the best rate of insurance without being importuned?

Mr. FITZGERALD. I answer the gentleman by referring him to the life insurance companies that attempted insurance by mail at a saving of the agents' commissions. They were not able to go on with it. They kept it up and advertised in some of the high-class magazines, and although everybody could go to them, nobody would take the trouble to do it. Cutting the rates for other classes of insurance to induce employers to deal with the stock companies is a notorious scheme to get business away from the State fund. This is not my say-so, but this is the testimony taken by the Lockwood committee of the New York State Legislature which investigated conditions in the State and the city of New York.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. JONES of Texas. I notice that the first part of the bill abolishes all causes of action, so that one must look to the

bill. In case of disfigurement, you are allowed only to recover when it diminishes ability to obtain employment. Suppose a man gets his ear cut off or his toe cut off, such as to cause tremendous physical pain and disfigurement, and yet it would not interfere with the kind of business that he is doing. He can not receive anything at all under this bill.

Mr. FITZGERALD. I think the gentleman is right, because this is solely economic.

Mr. JONES of Texas. You abolish all causes of action. There are many causes of action that under the present laws throughout the country can be sustained, where there is disfigurement, which would not result in lack of ability to obtain employment, but which would cause humiliation and pain, and for which, where it is negligently done, any man ought to have the right to obtain compensation.

Mr. FITZGERALD. I would agree with the gentleman on that, and I would be very glad to join in an amendment on that subject. These bills are far from perfect. I am in accord with the gentleman on that ground.

Mr. BARBOUR. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. BARBOUR. Is there any organized machinery now existing which will carry into effect this Government insurance?

Mr. FITZGERALD. Yes. We have a commission here for the employees of the United States, all of them—600,000—to which we turn this over.

Mr. BARBOUR. Do they do an insurance business under the Federal liability act?

Mr. FITZGERALD. So far as I know.

Mr. MICHENER. Oh, no.

Mr. FITZGERALD. This bill is in accord with that.

Mr. BARBOUR. If it is necessary to create an entirely new bureau or department to conduct this insurance business, and there are only 100,000 people to take insurance, and private companies also engage, then there would not be enough business to go around.

Mr. FITZGERALD. In spite of what my opponent from Massachusetts [Mr. UNDERHILL] says, all of the official propaganda going out from the headquarters of the insurance companies admit that the District of Columbia would not admit of a competitive plan; that it must be either one or the other—we must make it compulsory and turn it over to the insurance companies or make it compulsory and use the machinery that we already have.

Mr. BARBOUR. That is conceded by everyone?

Mr. FITZGERALD. Yes. I can show the gentleman the insurance company propaganda that went out on that.

Mr. UNDERHILL. Mr. Chairman, I want to yield a little time to myself in order to answer some of these questions. There was not an insurance company that appeared before our committee, or that was represented before our committee, that opposed the workmen's compensation act. There was no insurance company or a representative of an insurance company that appeared before our committee that objected to the State fund provided that they had the privilege of competing with that State fund.

Mr. BARBOUR. Suppose the Government had to establish a bureau or some kind of machinery for carrying on this insurance business. It would be more or less expensive. Suppose the private insurance companies came in through their agencies now existing and competing, would it not necessarily follow that the Government would do this insurance business at a loss? There are only 100,000 prospects to begin with.

Mr. UNDERHILL. I want to be perfectly fair. In the first place the Government has this machinery. It is provided in both the Fitzgerald bill and in my bill that the present machinery shall be used.

Mr. BARBOUR. Do they do an insurance business?

Mr. UNDERHILL. No; they do not. They only insure the Government just the same as under the laws in most of the States an individual can insure his own employees if he will deposit a bond sufficiently large to cover all of the loss that may be entailed under that insurance. That is allowed in many States, and also mutual insurance. The Government, in other words, acts as an individual; that is, insuring its own employees in carrying its own insurance.

Mr. BARBOUR. And the commission now is not conducting an insurance business?

Mr. UNDERHILL. No.

Mr. BARBOUR. But if this bill goes into effect it will have to do it.

Mr. UNDERHILL. If this bill goes into effect, the board tells me that they could not carry it on with their present force; that everything would have to be kept separate, and they would have to have an entirely new force to carry out the provisions of the bill.

Mr. BARBOUR. Does it not necessarily follow that this insurance business will have to be done entirely by the Government or by private companies?

Mr. UNDERHILL. I will agree that there is not enough business here to divide between the two, but that is no reason why the Government should say that an individual who wanted to do business here shall not do it.

Mr. BARBOUR. Then, it resolves itself into a question of the Government doing an insurance business or private companies doing it.

Mr. UNDERHILL. Absolutely.

Mr. WYANT. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. WYANT. As I understand, the Government has now machinery by which it carries into effect the insurance of Federal employees.

Mr. UNDERHILL. Yes.

Mr. WYANT. Did this department inform the committee that they would have to have an entirely new machinery to insure these other parties proposed to be taken on by this bill?

Mr. UNDERHILL. I do not think that I am mistaken when I say that the board did not inform the committee, nor was it asked by the committee—I see no reference to it in the hearings—as to whether they could carry on the business. Of course they can carry on the business, but the gentleman's common sense as a business man would show him that in this entirely different class of business they would have to employ more help; they would have to take from the ranks of the producers and add to the ranks of the consumers in order to carry on the business.

Mr. LAYTON. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. LAYTON. As a matter of fact, however, it will go out to the country at large that Congress is establishing, at least as far as the District of Columbia is concerned, a governmental monopoly in this class of business?

Mr UNDERHILL. Absolutely.

Mr. FOCHT. Mr. Chairman, I yield 15 minutes to the gentleman from Maryland [Mr. ZIHLMAN].

Mr. ZIHLMAN. Mr. Chairman, I at one time had a rather comprehensive knowledge of this subject. In 1910 I was the author of the cooperative relief bill for coal and clay miners in my State, which was one of the pioneer laws on the subject of compulsory compensation legislation. And I was a member of the committee which drafted the present compensation law in Maryland, and yet I rise to speak on this bill before the committee with some reluctance and diffidence because I have been connected more or less for a number of years with the insurance business and a large part of the business written for the firm of which I am a member is compensation insurance. However, I feel that here in the District of Columbia, with a very limited field for the writing of business and a very few employees engaged in hazardous occupations, that it would be unfair for Congress to pass a law compelling the private employers of the District of Columbia to insure their employees and then open that field to the competition of insurance companies and force them to pay an overhead of from 35 to 60 per cent in excess of what they would have to pay under a State or a district fund. The gentleman from Massachusetts, who set up a straw Frankenstein here this afternoon and then kicked it to pieces, says he admits that the cost of writing insurance by insurance companies or by private capital is fully 35 per cent in excess of what it would cost if conducted under the fund provided by the Fitzgerald bill, but he pointed out to the House the fact that in the bill now before the committee an initial appropriation was carried of $50,000 to set in motion the machinery of insuring the private employees here in the District of Columbia. Now, I call the attention of the committee to this fact that in this bill it is also provided that there shall be set up a reserve fund to pay losses due to the injury or death of workmen and it is provided that when the fund reaches the sum of $100,000 the $50,000 paid out of the Federal Treasury is to be refunded. But what does the gentleman provide in the bill he proposes as a substitute for the bill now before the House?

The gentleman just stated to the distinguished gentleman from Pennsylvania that it would necessitate additional employees—additional clerks, stenographers—additional offices and quarters; but he did not tell the committee this was to be paid for out of the fund created by the provisions of the Fitzgerald bill. What does the gentleman provide in his bill? Let me call your attention to the method by which the gentle-

man from Massachusetts legislates along the lines of economy. Section 2 of his bill, the very first page, provides that there shall be appointed a compensation commissioner at $4,500 to administer the law. In section 5 it provides that the compensation commissioner may employ a deputy or deputies, clerks, officers, and other assistants and fix their compensation, subject to the written approval of the Commissioners of the District of Columbia. When the gentleman from Massachusetts comes to providing jobs and making expenditures from the Federal Treasury, the sky is the limit; but in this bill when it comes to dealing with the question of the injured employees the gentleman has put the total awards payable under that bill as low as he consistently can, taking into consideration the law of his own State and in other States on the subject.

Mr. UNDERHILL. Will the gentleman yield?

Mr. ZIHLMAN. I will.

Mr. UNDERHILL. I will state to the gentleman that in my bill the awards are higher than existing in any State in the Union——

Mr. ZIHLMAN. I differ with the gentleman. I hold in my hand a report of the Department of Labor, and I call attention to the fact that the Federal act and the law in a great many of the States provides that when a man is permanently disabled his family shall receive compensation for an indefinite period; and I call attention to the fact that in his bill it provides that it shall be limited, and that if within the 10 years the man totally disabled becomes either a pauper or——

Mr. UNDERHILL. Will the gentleman yield?

Mr. ZIHLMAN. I call attention further to the fact that in section 16 of his bill, I think it is, it provides that the insurance companies can go and settle their differences with the injured employee. In other words, the man who may be permanently disabled under provisions of the bill may be beguiled by the soothing words of some adjuster of the insurance company to settle for the compensation due him in any manner that he might see fit, subject to the approval of the insurance commissioners.

Mr. LAYTON. Will the gentleman yield?

Mr. ZIHLMAN. I will.

Mr. LAYTON. I know you will, my friend; we are old-time friends since 1920.

Mr. ZIHLMAN. I know, and I am deeply indebted to the gentleman.

Mr. LAYTON. But will the gentleman tell me as a citizen of the United States why he should be willing to pass any law that would keep any reputable business out of the District where the Capitol of the country is?

Mr. ZIHLMAN. Well, I will say to the gentleman when Congress attempts to legislate and say that employers shall carry insurance in a city such as this, where there is practically no industry and where a great majority of the employees are engaged in nonhazardous occupations, and we have already set up a compensation commission to adjudicate and adjust compensation connected with Federal employees, that we should provide this same class of protection that many of the States, which have been pioneers in this movement for compensation legislation, now provide.

Mr. LAYTON. If the principle is good, let us go the whole hog about legislation. Let us put Woodward & Lothrop out of business, put all the other merchants out of business for the sake and the benefit of the people of the District of Columbia, and keep all merchants and everybody else doing anything under heaven outside of the District for the benefit of the people and let the Government do it all.

Mr. ZIHLMAN. Well, I will say to the gentleman that a few years ago, when legislatures took up the question of injuries to men in employment, there was a great clamor as to taking property without due process of law; that they could not pass a law compelling an employer to compensate his employee; but nobody now, with the modern thought on the subject before them, would dare to voice that opinion which was voiced by many constitutional lawyers on this question.

Mr. LAYTON. The gentleman, I suppose, is restrained from taking a chance in the amalgamation of the car lines of the city for the purpose of securing cheaper car fares?

Mr. ZIHLMAN. We were only restrained from the fact that when we brought in a bill Members proceeded to kick it all over the House and did not offer a substitute for it.

Mr. LONDON. I understand that the law of almost every State in the Union, distrusting insurance companies, writes for them the contracts so far as life and fire insurance companies are concerned. Do the various insurance companies prescribe the terms in accident cases?

Mr. ZIHLMAN. They not only do that, but make terms as to life-insurance policies.

Mr. LONDON. Do the States prescribe the terms of accident policies?

Mr. ZIHLMAN. They regulate the reserve and protection of policyholders.

Mr. LONDON. The State has practically prescribed the terms of the policy. It has taken out the making of contracts from the hands of the insurance companies because of the frauds committed.

Mr. ZIHLMAN. I am glad to have that information added to the discussion.

Mr. BARBOUR. I want to say that the State of California does provide the form of policy.

Mr. ZIHLMAN. The gentleman from New York says it is almost universal among the States.

Mr. MILLSPAUGH. Will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. MILLSPAUGH. How many States make the State or government insurance exclusive?

Mr. ZIHLMAN. Five States.

Mr. MILLSPAUGH. What others?

Mr. ZIHLMAN. The gentleman knows them.

Mr. MILLSPAUGH. I am asking for information.

Mr. ZIHLMAN. I have them here. Exclusive are Nevada, North Dakota, Ohio, Michigan, Porto Rico, Washington, West Virginia, and Wyoming.

Mr. LAYTON. Wyoming is exclusive?

Mr. ZIHLMAN. Yes.

Mr. LAYTON. What is that last word? Is it Wyoming?

Mr. ZIHLMAN. Yes.

Mr. LAYTON. It can not possibly be.

Mr. ZIHLMAN. I will explain to the gentleman. I can loan him this pamphlet.

Mr. LAYTON. I can not understand how it could be. [Laughter.]

Mr. ZIHLMAN. I will give the gentleman the Government statement. I also want to call attention to the fact that the gentleman from Massachusetts, who is so concerned about the enormous expenditures under the Fitzgerald bill, appropriates $20,000 in his bill annually for the years 1922 and 1923, and so much thereof as may be necessary annually for the maintenance of the office of the compensation commissioner of the District of Columbia and in the payment of salaries and expenses of the commissioner and his employees.

Further appropriation is made of $5,000 for the year 1922 for the necessary expenses of aforesaid compensation commissioner to cover printing, office fixtures, and other legitimate expenses. So that when it comes to the matter of officers and competent help—stenographers, typists, clerks, and assistants—the gentleman has been very liberal, and I want to show just how liberal the gentleman has made provisions for compensation in his bill.

Mr. UNDERHILL. Does the gentleman pretend that this can be carried on without expense?

Mr. ZIHLMAN. I contend that under the Fitzgerald bill sufficient premium will be collected to pay the expenses, and that is clearly outlined in the bill.

Mr. UNDERHILL. Who pays them?

Mr. ZIHLMAN. The employers, the policyholders. The public pays, absolutely.

Mr. UNDERHILL. In my bill I provide for the executive officers, but I do not provide for a whole army of employees to take care of all of these workmen.

Mr. ZIHLMAN. You provide for the necessary employees. I want to ask the gentleman from Massachusetts—I do not want to misquote him—did you not state before the committee that this bill of yours was perfectly acceptable to the insurance companies?

Mr. UNDERHILL. I did not make any such statement. I do not know whether it is or not, and I do not care.

Mr. LAYTON. Is not the gentleman, at least, in this dilemma, that either the functions already established for Government employees in their compensation liability are too much, or else there will have to be an additional force to take care of the additional work that will be thrown upon them?

Mr. ZIHLMAN. I do not think there is any question about that being true, I will say to the gentleman. There will be additional employees, and they will be paid as part of the overhead for managing this phase of the business of the Federal accident commission, by the premium and policy holders.

Mr. LAYTON. And then, of course, if there is an additional cost and overhead charges, the increase must come out of the Treasury or, what amounts to the same thing, out of the pockets of the people.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ZIHLMAN. I would like to ask the gentleman from Pennsylvania if he will yield me five additional minutes?

Mr. FOCHT. I yield five minutes more to the gentleman.

Mr. ZIHLMAN. I call the attention of the committee to the fact that in the Underhill bill the total and permanent disability is limited to payments aggregating $5,000, so that at the end of 10 years the injured employee, if his injury is total and permanent, would be a charge on the community. I want to call attention to the fact that way out in Arizona this provision is for life; in California, I will state to the gentleman from California [Mr. BARBOUR], this provision is for life; in Colorado, for life; in Idaho, for life; in Illinois, for life; in Nevada, for life; in Pennsylvania, for life; in North Dakota, for life; in Ohio, for life; in South Dakota, for life; in Washington, for life; in West Virginia, for life; and under the compensation laws for Federal employees if a man is permanently and totally injured he gets compensation—a percentage of his wages—as long as he lives, but under the provision of the very liberal bill of the gentleman from Massachusetts he is limited to $5,000.

Mr. MOORE of Virginia. Does the gentleman state that the States can control the rates charged by insurance companies?

Mr. ZIHLMAN. I will state to the gentleman from Virginia that in the gentleman's own State, the State of the gentleman from Massachusetts [Mr. UNDERHILL], according to this publication of the Government, the original proposition was to create a mutual company of employers, supervised and guaranteed by the State. But owing to the great pressure of the insurance companies, from the agitation against this form of legislation, they made what they call a fourfold plan, and that the experience of Massachusetts has been the experience in Maryland. Originally it was proposed to create a State fund, and the law now provides that you can insure in the State funds or you can carry your own insurance by depositing the proper bond; and an employer can insure in a stock company, and he can insure in a mutual company. The fourfold plan is in operation in Maryland and other States.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. MOORE of Virginia. I understand that in the gentleman's State and in my State, as well as in the District of Columbia, an insurance commission is authorized by law to regulate the insurance companies and restrain the rates within certain limits. Is not that the fact?

Mr. ZIHLMAN. In my State the authority to administer the workmen's compensation law is vested in a commission.

Mr. MOORE of Virginia. That is true with us.

Mr. ZIHLMAN. Yes; I recall now that they must approve the rates submitted. I will say to the gentleman that in my State and in many other States the experience has been that the insurance companies through the solicitors get the preferred business and discourage the writing of others, and the State usually gets the undesirable end of the business.

Mr. MOORE of Virginia. If this bill passes, it seems to me the District of Columbia would be a "no man's land," so far as insurance business is concerned, but they could do business in the adjoining States of Maryland and Virginia.

Mr. ZIHLMAN. I will say to the gentleman that they have no business now to speak of, and in order to get business Congress would have to say so by law.

Mr. MOORE of Virginia. I understand you are proposing new legislation here, but that it is at variance with that of the State that the gentleman partly represents and that of the State that I partly represent.

Mr. OGDEN. Mr. Chairman, will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. OGDEN. Of course, the insurance companies are doing a liability business in the District at this time, are they not?

Mr. ZIHLMAN. They are doing some, but not the great volume of business that they would do if this act went into effect. The volume of business must necessarily be small here, because there are no industries of a hazardous nature here.

Mr. OGDEN. Whatever such business there is would be destroyed by this bill, and they will be driven out of business altogether?

Mr. ZIHLMAN. There would be nothing to compel the employer to take out double insurance.

Mr. OGDEN. It would be a double liability?

Mr. ZIHLMAN. Yes.

Mr. OGDEN. I want to call this to the gentleman's attention: Beginning on line 21 of page 2 of the Fitzgerald bill it is provided:

"Injury" means only an injury sustained in the course of employment, including disease arising out of and in the course of employment and an injury caused by the willful act of a third person directed against an employee because of his employment.

What particular situation did the gentleman have in mind when that provision was inserted?

Mr. ZIHLMAN. I will state to the gentleman that this is not my bill, but the provision, no doubt, is intended to cover injuries received because of the occupation of the employee, such as assault.

Now, Mr. Chairman, as I have just pointed out, there is a limitation of payment of $5,000 in this bill to those who may be permanently injured, contrary to the provisions of the acts of most of the States and contrary to the Federal compensation or liability law. In section 26 it is provided that the injured employee can adjust the matter, can compromise the sum that the insurance company may owe him, which is a form that is not found in the Massachusetts law. The gentleman from Massachusetts [Mr. UNDERHILL] said that his bill was taken largely from the insurance laws of his own State. There is no such provision in Massachusetts that would allow an insurance company to adjust their liability with the injured employee.

Mr. UNDERHILL. My bill, in section 15, provides that it shall not be done without the consent and permission of the insurance commission.

Mr. ZIHLMAN. Yes; I understand that.

Now, I contend that in a limited field such as obtains here in the District of Columbia, with a commission already set up, adjusting hundreds of cases each year; a commission whose members are competent and who, I understand, are willing to handle this additional business, where the number of injured is relatively small, where the business can be written at an average of 3 per cent overhead, as compared with from 35 to 60 per cent on the part of insurance companies, we should give to the people of the District the opportunity of securing this class of protection at the lowest rate possible.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. FOCHT. Mr. Chairman, I yield to the gentleman one minute.

Mr. LAYTON. Mr. Chairman, will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. LAYTON. I want to repeat a question that I asked my friend. Does he not think it a vicious principle——

Mr. ZIHLMAN. I do not think it is any more vicious a principle to say how he shall buy his insurance than to say that he shall insure.

Mr. LAYTON. The gentleman has not heard my question in full. Let me ask the gentleman this question: Do not you think that it is a vicious principle for this Congress to say that any legitimate business in the territory presided over by the United States shall not have the right to enter in?

Mr. ZIHLMAN. I do not consider it any more vicious than to say that the employer shall take insurance; and if you compel a man to take something, you should provide the best possible vehicle for him.

The CHAIRMAN. The time of the gentleman from Maryland has again expired. To whom does the gentleman from Pennsylvania yield?

Mr. FOCHT. I yield five minutes to myself.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for five minutes.

Mr. FOCHT. Mr. Chairman, this debate has gone along on a great question, which is one that is universally understood, I believe, and accepted in all the States. The fact of the matter is, this country has been very dilatory in matters of this kind. That will be manifest when we note and comprehend the fact that in Germany they had compensation laws 100 years ago. They have old-age pension laws in England, Germany, Austria, Australia, and New Zealand in successful operation; everything is done to extend the helping hand to the weak and the unfortunate. For the District of Columbia to have a compensation law is marking time far behind the rest of the divisions of government in the country. Massachusetts, New Jersey, Pennsylvania, Minnesota, and Wisconsin, and many of the other Western States have had these laws in full and successful operation. Therefore, fundamentally, so far as the people are concerned, these laws are acceptable, and as to their functioning they have been satisfactory and have met every requirement.

Now, what we are trying to do is to perfect them as we step along in the march of advancement; trying to apply something to the District of Columbia, although admitting that conditions here are somewhat different from those in the States, both as to the laws governing the District, on account of the District not being a municipality, but a species of Government reserva-

tion, without the sovereignty of a State, and otherwise, so that the laws of a State could not be transferred and applied here as they are in New York or Pennsylvania, or as they are out in Kansas, where Colonel LITTLE lives, where they have been adopted and perfected.

Therefore, in applying this law to the District of Columbia—a measure that has worked with splendid success in the great industrial State of Pennsylvania—and I do not think I am immodest or boastful when I say a thing that has worked successfully in Pennsylvania will work well anywhere else in any situation that will justify the application of a beneficent law like this.

Mr. OGDEN. You have the competitive system in Pennsylvania, have you not?

Mr. FOCHT. Oh, yes; and that is the exact point I want to refer to.

Mr. WYANT. Before the gentleman closes——

Mr. FOCHT. I have only started.

Mr. WYANT. I wish the gentleman would address his attention to this exclusive feature of this bill. Personally, I am strongly in favor of employers' liability laws, but the thing to which I object in the bill is the exclusive feature. Now, the gentleman is well posted in this matter——

Mr. FOCHT. I admit it.

Mr. WYANT. Will he give us some reason for inserting this exclusive feature in the bill?

Mr. FOCHT. I am afraid I can not do that. That is just exactly where the trouble comes with this bill, and where it has found opposition from the day it was offered by the distinguished gentleman from Ohio [Mr. FITZGERALD], whose heart, like mine, is for the man who is down and out, and who wishes to help the man who is injured. We must extend that helpfulness wherever injury may befall a man, particularly the workingman.

I want to see this thing so enlarged and extended that it will not only include the injured but will include helpfulness to the sick man and the sick woman and a pension for the aged as well. We shall have come nearer to the last word in Christian civilization when those things are accomplished. But progress must be made slowly. Therefore, believing with all my heart in a reasonable compensation bill, I can not understand why this bill should be imperiled and why we are asked to vote for a bill containing the obnoxious principle of continued governmental interference with the business of the people, something that does not appear in that wonderfully successful measure now operating so satisfactorily in the State of Pennsylvania.

The CHAIRMAN. The gentleman's five minutes have expired.

Mr. FOCHT. I yield to myself five minutes more. So successfully does this law operate in Pennsylvania that the few men whom I employ in my publishing plant actually cost so little that I never hear anything about it. And notwithstanding the low cost there they have a reserve fund of something approximating $5,000,000, although the insurance has not been in operation any great length of time.

Mr. KELLY of Pennsylvania. The gentleman is very familiar with the Pennsylvania law. Will he kindly give us the fundamental differences between the Pennsylvania statute and this bill which is now before us?

Mr. FOCHT. The fundamental difference, as I understand it, is one which I would like to have clarified by the gentlemen who wish to establish governmental control in contradistinction to the operation of the law in Pennsylvania, where insurance companies have the opportunity to compete with the State. Now, if the Government is going to do it so much cheaper than private companies can do it, then why is it necessary to legislate against the private companies? If the Government will do it more cheaply and do it as well as the private companies, then the Government ought to get the business in open competition.

Mr. LAYTON. Would not that be a good logical argument in favor of the Government going into every form of business under heaven?

Mr. FOCHT. That is the one reason I sent to Pennsylvania for the experts from the capital of that State. Mr. Mackey sent down several experts from the Pennsylvania board to give testimony before the committee, and it is the one bone of contention so far as this bill is concerned. No man on this floor will vote against compensation for injured employees in Washington, but I believe if the thing were separated so that an opportunity were given to vote upon each proposition singly every man here would vote against governmental interference and governmental ownership and governmental control. Now, during the rest of this debate I would like to have Members who understand this thing and who are sincere and earnest explain to us why they can not take out of this bill the element of Government control and let it operate successfully, as it does in Pennsylvania, and not hamper and jeopardize the possibility of the passage of this bill. [Applause.]

Mr. KELLY of Pennsylvania. The gentleman realizes that in Pennsylvania there is a 10 per cent differential in favor of the State.

Mr. FOCHT. Yes.

Mr. KELLY of Pennsylvania. But still the private companies do business.

Mr. FOCHT. Yes; and you do not establish the obnoxious principle of this exclusive governmental feature, a thing that is a nuisance and an annoyance to every man who believes in individual incentive. If we are going to continue to interfere with private enterprise, we will take away the rock upon which this Government is built, which is the hope of any young man to succeed in enterprise, and if the Government is going to run all the business, then all of us will be Government employees, and then the Government itself will perish and be eclipsed. [Applause.]

Mr. LAYTON. The gentleman and I are in thorough accord.

The CHAIRMAN. Does the gentleman from Massachusetts desire to yield any time?

Mr. UNDERHILL. How much time remains?

The CHAIRMAN. The gentleman has an hour and five minutes remaining, and the other side have 40 minutes remaining.

Mr. WYANT. Will the gentleman yield for a question?

Mr. UNDERHILL. Yes.

Mr. WYANT. During the remarks of the gentleman from Maryland [Mr. ZIHLMAN] reference was made to the fact that in the Fitzgerald bill the payments are indefinite in the case of the death of an employee. I understand the gentleman's bill provides for a maximum payment of $5,000 extending over a certain period of time. Is that correct?

Mr. UNDERHILL. Yes.

Mr. WYANT. Will the gentleman state why he gives a limited sum rather than the payment over an indefinite period of time?

Mr. UNDERHILL. Mr. Chairman, the two bills differ in many minor ways, and this is one of them. I have been, in addition to being a member of the Committee on the District of Columbia, a member of the Committee on Claims in this House. I have reported from time to time various bills for the death of citizens of the United States caused through no neglect or fault on their part but through the carelessness or drunkenness or neglect of some Government employee, and in no case has the sum exceeded $5,000 for a death. That has been the maximum, and when I realize the amount of energy and time and explanation to get these just claims adjudicated before this House I thought that possibly the House was committed to the $5,000 maximum in the case of death.

Mr. LAYTON. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. LAYTON. Has one of these claims been paid yet?

Mr. UNDERHILL. I do not know.

Mr. LAYTON. The reason that I have asked the question is that I have had two claims of this character where the evidence was absolutely conclusive and there has not been a settlement in either instance yet.

Mr. UNDERHILL. It seems to me there should be some limitation; it seems to me that this thing ought not to run on indefinitely. If you run these matters along indefinitely regarding the insured workman and his dependents, there will be no incentive on the part of anybody to try to improve conditions; it will be an easy thing for them in many instances to live on the amount of the award by compensation laws. You will note that in my bill I try to provide for that; that there shall be a specific sum for the loss of a hand or a foot, a toe or a finger, or an arm or a leg, and all the members or parts of the anatomy which enter into the carrying on of business and making a living.

The insurance company can not take any advantage because it is specifically stated in the bill what their responsibilities are. It may be better to carry this over a series of years. I know the United States Government, the Federal Employees' Commission, have paid in instances claims amounting to $12,000 and over and are still going on, but that is one of the ways in which the Government carries on its business, and it is one of the objections I had to placing more business in the hands of of the Government.

Now I have in my hand a report of the hearings before the subcommittee, and I want to read to you what the insurance commissioner of the State of Massachusetts has said. He said

he had had four years' experience as chairman of the board, several years as chairman of the House Judiciary Committee that had all the bills to do with workmen's compensation, and one summer served on a special committee, and he said in all that experience he never knew an instance where the insurance companies have not been willing to settle all claims on a reasonably fair basis. That brings us to the real reason for passing a workmen's compensation bill. It is not how much the employer pays, it is not how much society contributes, or how much industry has contributed in regard to paying it. The real reason for it is to pay the employee for the injury he has received, and that is covered in my bill without unnecessary delay. The proponents of my bill say that that is not a business now existing; that it is a new business created by this law. As a matter of fact, many of the merchants, many of the men who employ help, carry insurance to-day in behalf of their employees. Why should they not continue to deal with insurance companies in the same pleasant relations they have had in the past; why should they have to shift and change and go to the Government employees who are only on the job seven hours of the day, when he could call up the agent over the telephone and tell him what the difficulty is, what he wants to do, and get the business and all of his worry and trouble passed along to the agent or representative of the insurance company?

Mr. WYANT. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. WYANT. Do the hearings disclose the number of States in which this payment to the beneficiary extends over an indefinite period of time?

Mr. UNDERHILL. I think the gentleman from Maryland [Mr. ZIHLMAN] gave that to the House, and I have no reason to question his statement. There are many States that extend it over an indefinite period of time.

Mr. LONDON. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. LONDON. Speaking of the Fitzgerald bill, in what manner does the bill compel the employers to insure? Does it fine them or does it remove the old common law?

Mr. UNDERHILL. It removes the old common law; he has no protection in the courts.

Mr. LONDON. The penalty is that it withdraws the old common law from any defense the employer may make?

Mr. UNDERHILL. Practically all defense is withdrawn.

Mr. LONDON. That is the only penalty it imposes.

Mr. UNDERHILL. And the same in my bill.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. MOORE of Virginia. I have not had an opportunity to study the gentleman's bill. Is the gentleman's bill as liberal to the employees as the law in any of the States?

Mr. UNDERHILL. In many respects my bill is much more liberal to the employees than in any of the States, including the State of Ohio. There is some question as to the good judgment of that. The Fitzgerald bill carries a maximum of $25 a week, and in his own State the maximum is only $16.

In Massachusetts it is more than that. I provide for a maximum of $25 in my bill. The only limitation I made in my bill that is not made in the Fitzgerald bill is as to time, and I do specify the exact amount which shall be paid for a finger, a toe, an arm, or a leg, and so forth.

Mr. MOORE of Virginia. I take it for granted, then, that the gentleman's bill reaches the high-water mark of liberality which obtains in any of these States where compensation laws are in effect.

Mr. UNDERHILL. Yes. Mr. Chairman, before I go any further, I ask unanimous consent to revise and extend my remarks in the RECORD in order that I may have my bill printed in the RECORD.

The bill is as follows:

A bill (H. R. 9546) relating to assuring compensation for accidental injuries or death of employees in certain occupations in the District of Columbia.

Be it enacted, etc., That this act shall be known as "The District of Columbia workmen's compensation act."

SEC. 2. That the office of compensation commissioner for the District of Columbia is hereby created. It shall be the duty of such commissioner to administer this act. He shall be appointed by the Commissioners of the District of Columbia and shall be an actual resident of said District. His term of office shall be for four years, but said commissioners may at any time remove him for inefficiency, neglect of duty, or malfeasance in office. The salary of such commissioner shall be $4,500 per annum, and shall be paid as other salaries and expenses of public officers of the District of Columbia are paid. The commissioner shall devote his entire time to the duties of the office and shall not hold any position of trust or engage in any occupation or business interfering or inconsistent with his duties as such commissioner. The commissioner shall maintain an office in the District of Columbia, to be provided by the Commissioners of the District of Columbia.

SEC. 3. That any investigation, inquiry, or hearing which the compensation commissioner is authorized to hold or undertake may be held or undertaken by or before any deputy commissioner, and every order made by a deputy commissioner, when approved and confirmed by the compensation commissioner and so shown on his record of proceedings, shall be deemed to be the order of the compensation commissioner.

SEC. 4. That the office of the compensation commissioner shall be open for the transaction of business during all business hours of each and every day, excepting Sunday and legal holidays. All hearings shall be open to the public and shall stand and be adjourned without further notice thereof on its record. All proceedings of the commissioner shall be shown on his record of proceedings, which shall be a public record, and shall contain a record of each case considered and the award made and of all remuneration paid or allowed to any employee of the commissioner or to any other person for services: *Provided, however*, That any person in the employ of the commissioner who shall divulge any information secured by him in respect to the transactions, property, or business of any person, firm, company or corporation, association or joint partnership to any person other than the compensation commissioner or a deputy commissioner shall be guilty of a misdemeanor and subject to a fine of not less than $100 or more than $500, or imprisonment not exceeding 12 months, in the discretion of the court, and shall thereafter be disqualified from holding any appointment with the commissioner.

SEC. 5. That the compensation commissioner may employ a deputy or deputies, clerks, stenographers, and other assistants, and fix their compensation, subject to the written approval of the Commissioners of the District of Columbia. The commissioner shall provide necessary office furniture and supplies for the same. Such compensation and all necessary expenses shall be audited and paid as other salaries and expenses of the District of Columbia are paid. The commissioner shall provide himself with a seal for the authentication of his orders, awards, and proceedings, upon which shall be inscribed the words "District of Columbia Compensation Commissioner—Official Seal."

The compensation commissioner and each deputy commissioner shall, before entering upon the duties of his office, take and subscribe to the constitutional oath of office.

SEC. 6. That the compensation commissioner and each deputy commissioner shall, for purposes contemplated by this act, have power to issue subpœnas, compel the attendance of witnesses, administer oaths, certify to official acts, compel the production of pertinent books, pay rolls, accounts, papers, records, documents, and testimony.

If a person subpœnaed to attend or in attendance before the compensation commissioner or a deputy commissioner shall, without reasonable cause, fail or refuse to attend or refuse to be examined or to answer a legal and pertinent question, or to produce a book or paper when ordered to do so by the commissioner or deputy commissioner, the commissioner may apply to any judge of the Supreme Court of the District of Columbia, upon proof by affidavit of the fact, for a rule or order returnable in not less than two or more than five days, directing such person to show cause before the judge who made the order, or any other judge aforesaid, why he should not be committed to jail; upon the return of such order the judge before whom the matter and such person shall come on for a hearing shall examine under oath such person, and such person shall be given an opportunity to be heard; and if the judge shall determine that such person has failed or refused, without reasonable cause or legal excuse, to attend or to be examined or to answer a legal or pertinent question, or to produce a book or paper which he was ordered to bring or produce, he may forthwith commit the offender to jail, there to remain until he submits to do the act which he was so required to do or is discharged according to law.

SEC. 7. That each officer or person who serves a subpœna issued as aforesaid shall receive the same fee as the marshal would receive where said witness is subpœnaed, and each witness who appears in obedience to a subpœna before the compensation commissioner or a deputy commissioner shall receive for his attendance the fees and mileage provided for witnesses in civil cases in the Supreme Court of the District of Columbia, which shall be audited and paid in the same manner as other expenses hereinbefore provided for. No witness subpœnaed at the instance of a party other than the compensation commissioner or deputy commissioner shall be entitled to compensation, unless the commissioner or deputy shall certify that his testimony was material to the matter investigated. In an investigation the commissioner may cause depositions of witnesses residing within or without the District to be taken in the manner prescribed by law for like depositions taken in cases pending before the Supreme Court of the District of Columbia. The compensation commissioner shall have authority to appoint, by his written order, any subordinate or other person to serve subpœnas, notices, and all other papers issued by and in his name.

SEC. 8. That, subject to the provisions of this act, the compensation commissioner shall adopt reasonable and proper rules to govern his procedure, which procedure shall be as summary and simple as reasonably may be. He shall regulate and provide for the kind and character of notices and the service thereof, and, in cases of injury by accident to employees, the nature and extent of the proofs and evidence and the method of taking and furnishing the same for the establishment of the right to compensation. He shall determine the nature and forms of application of those claiming to be entitled to benefits or compensation, and shall regulate the method of making investigations, physical examinations, and inspections, and prescribe the time within which adjudications and awards shall be made: *Provided*, That all such rules and regulations shall conform to the provisions of this act.

SEC. 9. That a transcribed copy of the evidence and proceedings, or any specific part thereof, of any investigation taken by a stenographer appointed by the compensation commissioner or a deputy commissioner, being certified and sworn to by such stenographer to be a true and correct transcript of the testimony, or of a particular witness, or of any specific part thereof, or to be a correct transcript of the proceedings had on such investigation so purporting to be taken and subscribed, may be received in evidence by the commissioner or a deputy with the same effect as if such stenographer were present and testified to the facts certified. A copy of such transcript shall be furnished on demand to any party in interest upon payment of the fee therefor, as provided by rule of the compensation commissioner.

SEC. 10. (a) That the compensation commissioner shall prepare and furnish free of cost blank forms and provide for their distribution so that the same may be readily available, of applications for benefits or compensation, notices to employers, proof of injury or death, of medical attendance, of employment and wage earnings, and such other blanks as may be deemed proper and advisable, and it shall be the duty of employers to constantly keep on hand a sufficient supply of such blanks.

(b) The compensation commissioner shall inquire into the causes and results of accidents to employees, and study the methods of safeguarding against such accidents. The said commissioner, or any of his agents, may enter into any place of employment for the purpose of collecting facts and statistics, examining the provisions made for the health, protection, and safety of employees and observing and enforcing the observance of any law, ordinance, or other lawful rule, regulation, or order relating thereto.

SEC. 11. That annually, on or before the 1st day of January, the compensation commissioner shall make a report to the Commissioners of the District of Columbia, which shall include a statement of the number of awards made by him, the causes of the accidents leading to the injuries for which the awards were made, and a detailed statement of the expenses of his office, together with any other matters which the commissioner deems proper to report, including any recommendations he may desire to make.

SEC. 12. That if an employee suffers personal injury or death by accident arising out of and in the course of an employment subject to this act his employer or insurer shall pay or provide compensation according to the schedules of this act, except where the injury is occasioned by the willful intention of the injured employee to bring about the injury or death of himself or of another, or where the injury results solely from the intoxication of the injured employee while on duty. Where the injury is occasioned by the willful intention of the injured employee to bring about the injury or death of himself or of another, or where the injury results solely from the intoxication of the injured employee while on duty, neither the injured employee nor any dependent of such employee shall receive compensation under this act.

The liability prescribed by the last preceding paragraph shall be exclusive, except that if an employer fail to secure the payment of compensation for his injured employees and their dependents, as provided in this act, an injured employee or his legal representative, in case death results from the injury, may, at his option, elect either to claim compensation under this act or to maintain an action in the courts for damages on account of such injury; and in such an action the defendant may not plead as a defense that the injury was caused by the negligence of a fellow servant or that the employee assumed the risk of his employment, or that the injury was due to the contributory negligence of the employee.

SEC. 13. That this act shall apply to all private employments, except as herein otherwise provided. It shall not apply to—

(1) Any employment in commerce between the District of Columbia and any of the States, Territories, or possessions of the United States or any foreign nation or nations, in the service of a common carrier by railroad;

(2) Any employment that is casual and not in the usual course of the trade, business, occupation, or profession of the employer;

(3) Any employment in an occupation not carried on by the employer for the sake of pecuniary gain;

(4) Any employment as a household domestic servant; or

(5) Any employment by an eleemosynary institution or association.

Provided, however, That an excluded employment may be brought under the provisions of this act by express agreement in writing between the employer and employee filed with the compensation commissioner.

SEC. 14. (a) That where an accident happens while the employee is employed elsewhere than in the District of Columbia which would entitle him or his dependents to compensation if it had happened in such District, the employee or his dependents shall be entitled to compensation, if the contract of employment was made in said District, if the employer's place of business is in said District, or if the residence of the employee is in said District: *Provided,* That his contract of employment was not expressly for service exclusively outside of said District.

(b) *Provided, however,* That if an employee shall receive compensation or damages under the law of any State or Territory other than the District of Columbia, nothing herein contained shall be construed so as to permit a total compensation for the same injury greater than is provided in this act.

SEC. 15. That the rights and remedies herein granted shall exclude all other rights and remedies of such employee, his personal representative, wife, parents, dependents, or next of kin, at common law or otherwise on account of such injury, loss of service, or death, except as herein elsewhere otherwise provided.

The making of a lawful claim against an employer for compensation under this act for the injury or death of an employee shall operate as an assignment to the employer of any right to recover damages which the injured employee or his personal representative or other person may have against any other party for such injury or death, and such employer shall be subrogated to any such right and may enforce, in his own name or in the name of the injured employee or his personal representative, the legal liability of such other party. The amount of compensation paid by the employer or the amount of compensation to which the injured employee or his dependents are entitled shall not be admissible as evidence in any action brought to recover damages, but any amount collected by the employer under the provisions of this section in excess of the amount of compensation paid by the employer subject to the order of the compensation commissioner or for which he is liable shall be held by the employer for the benefit of the injured employee or other person entitled thereto, less such amounts as are paid by the employer for reasonable expenses and attorney's fees: *Provided,* That no compromise settlement shall be made by the employer or insurance carrier in the exercise of such right of subrogation without the approval of the compensation commissioner and the injured employee or the personal representative or dependents of the deceased employee being first had and obtained.

Where any employer is insured against liability for compensation with any insurance carrier, and such insurance carrier shall have paid any compensation for which the employer is liable or shall have assumed the liability of the employer therefor, it shall be subrogated to all the rights and duties of the employer, and may enforce any such rights in its own name or in the name of the injured employee or his or her personal representative: *Provided, however,* That nothing herein shall be construed as conferring upon insurance carriers any other or further rights than those existing in the employer at the time of the injury to his employee, anything in the policy of insurance to the contrary notwithstanding.

An employer, insurance carrier, firm, association, or corporation knowingly misappropriating any moneys collected, received, or held under the foregoing provisions of this section shall be guilty of a felony and punished by imprisonment for not exceeding five years or by fine not exceeding $5,000, or by both.

SEC. 16. (a) That where any person (in this section referred to as principal contractor) undertakes to execute any work, which is a part of his trade, business, or occupation or which he has contracted to perform, and contracts with any other person (in this section referred to as subcontractor) for the execution by or under the subcontractor of the whole or any part of the work undertaken by such principal contractor, the principal contractor shall be liable to pay to any employee employed in the work any compensation under this act which he would have been liable to pay if the employee had been immediately employed by him; and where compensation is claimed from or proceedings are taken against the principal contractor, then, in the application of this act, reference to the principal contractor shall be substituted for reference to the subcontractor, except that the amount of compensation shall be calculated with reference to the earnings of the employee under the subcontractor by whom he is immediately employed.

(b) Where the principal contractor is liable to pay compensation under this section, he shall be entitled to indemnity from any person who would have been liable to pay compensation to the employee independently of this section or from any intermediate contractor, and shall have a cause of action therefor.

(c) Nothing in this section shall be construed as preventing an employee from recovering compensation under this act from a subcontractor instead of from the principal contractor, but he shall not collect from both.

(d) A principal contractor, when sued by an employee of a subcontractor, shall have the right to call in that subcontractor or any intermediate contractor or contractors as defendant or codefendant.

SEC. 17. (a) That no employer or employee who is subject to the provisions of this act shall exempt himself from the burden or waive the benefit of this act by any contract, agreement, rule, or regulation, and any such contract, agreement, rule, or regulation shall be pro tanto void. No agreement by such employee to pay any portion of the insurance premium paid by such employer shall be valid, and any employer who deducts any portion of such premium from the wages or salary of any employee entitled to the benefits of this act shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $200 for each offense.

(b) Nothing herein shall affect any existing contract or policy of employer's liability insurance or the liability of any mutual insurance association, or any arrangement now existing between employers and employees, providing for the payment to such employees, their families, dependents, or representatives of sick, accident, or death benefits in addition to the compensation provided for by this act; but liability for the compensation specified in this act shall not be reduced or affected by any insurance, contribution, or other benefit whatsoever due to or received by the person entitled to such compensation, and the person so entitled shall, irrespective of any such insurance or other contract, have the right to recover the compensation directly from the employer.

SEC. 18. That no claim for compensation under this act shall be assignable, and all compensation and claims therefor shall be exempt from all claims of creditors.

SEC. 19. That all rights of compensation granted by this act shall have the same preference or priority for the whole thereof against the assets of the employer as is allowed by law for any unpaid wages for labor.

SEC. 20. That in addition to the compensation hereinafter provided for the employer shall promptly provide for an injured employee such medical, surgical, or other attendance or treatment, nurse and hospital services, medicines, crutches, apparatus, artificial hands, arms, feet, and legs as may be required by the compensation commissioner in an amount not to exceed $300. If an employer neglects to provide the same, the injured employee may do so at the expense of the employer. All fees and other charges for such treatment and services shall be subject to regulation by the compensation commissioner and shall be limited to such charges as prevail in the same community for similar treatment of injured persons of a like standard of living. In case death ensues from the injury within three years, reasonable funeral expenses shall also be allowed, not to exceed the sum of $150. The compensation commissioner shall have full power to adopt rules and regulations with respect to furnishing medical, nurse, and hospital services and medicine to injured employees entitled thereto and for the payment therefor.

SEC. 21. That no compensation shall be allowed for the first ——— calendar days of disability resulting from an injury, except the benefits provided in section 20; but if disability extends beyond that period, compensation shall commence with the eighth day of disability. If, however, such disability shall continue for more than four weeks, then compensation shall be payable for the first ——— days of disability.

SEC. 22. That each employee (or in case of death his dependents entitled to receive compensation under this act) shall receive the same in accordance with the following schedule, and except as in this act otherwise provided such payment shall be in lieu of any and all rights of action whatsoever against any person whomsoever.

1. Permanent total disability: In case of total disability adjudged to be permanent, 66⅔ per cent of the average weekly wages shall be paid to the employee during the continuance of such total disability, not to exceed a maximum of $25 per week and not less than a minimum of $7 per week, unless the employee's established weekly wages are less than $7 per week at the time of the injury, in which event he shall receive compensation in an amount equal to his average weekly wages, but not to exceed a total of $5,000. Loss or loss of use of both hands or both arms or both feet or both legs or both eyes, or of any two thereof, shall, in the absence of conclusive proof to the contrary, constitute permanent total disability. In all other cases permanent total disability shall be determined in accordance with the facts.

2. Temporary total disability: In case of temporary total disability, 66⅔ per cent of the average weekly wages shall be paid to the employee during the continuance thereof, but not to exceed a maximum of $25 per week and not less than a minimum of $7 per week, unless the employee's established weekly wages are less than $7 per week at the time of the injury, in which event he shall receive compensation equal to his full wages; but in no case to continue more than six years from the date of the injury or to exceed $3,750 in the aggregate.

3. Permanent partial disability: In case of disability partial in character but permanent in quality the compensation shall be 66⅔ per cent of the average weekly wages, in no case to exceed $25 per week and not less than a minimum of $7 per week, unless the employee's established weekly wages are less than $7 per week at the time of the injury, in which event he shall receive compensation equal to his full wages,

but in no case to exceed $3,750 in the aggregate, and shall be paid to the employees for the period named in the schedule as follows:

Thumb: For the loss of a thumb, 50 weeks.

First finger: For the loss of a first finger, commonly called the index finger, 30 weeks.

Second finger: For the loss of a second finger, 25 weeks.

Third finger: For the loss of a third finger, 20 weeks.

Fourth finger: For the loss of a fourth finger, commonly called the little finger, 15 weeks.

The loss of the second, or distal, phalange of the thumb shall be considered to be equal to the loss of one-half of such thumb; the loss of more than one-half of such thumb shall be considered to be equal to the loss of the whole thumb; the loss of the third, or distal, phalange of any finger shall be considered to be equal to the loss of one-third of such finger. The loss of the middle, or second, phalange of any finger shall be considered to be equal to the loss of two-thirds of such finger. The loss of more than the middle and distal phalange of any finger shall be considered to be equal to the loss of the whole of such finger: *Provided, however,* That in no case shall the amount received for more than one finger exceed the amount provided in this schedule for the loss of a hand.

Great toe: For the loss of a great toe, 25 weeks.

Other toes: For the loss of one of the toes, other than the great toe, 10 weeks.

Hand: For the loss of a hand, 150 weeks.

Arm: For the loss of an arm, 200 weeks.

Foot: For the loss of a foot, 150 weeks.

Leg: For the loss of a leg, 175 weeks.

Eye: For the loss of an eye, 100 weeks.

Hearing: For the total loss of hearing of one ear, 50 weeks; for the total loss of hearing of both ears, 100 weeks.

Loss of use: Permanent loss of use of a hand, arm, foot, leg, or eye shall be considered as the equivalent of the loss of such hand, arm, foot, leg, or eye, and for the loss of the fractional part of the vision of either one or both eyes the injured employee shall be compensated in like proportion to the compensation for total loss of vision, and in arriving at the fractional part of vision lost regard shall not be had for the effect that correcting lens or lenses may have upon the eye or eyes.

Amputations: Amputation between the elbow and the wrist shall be considered as the equivalent of the loss of a hand. Amputation between the knee and the ankle shall be considered as the equivalent of the loss of a foot. Amputation at or above the elbow shall be considered as the loss of an arm. Amputation at or above the knee shall be considered as the loss of the leg.

The compensation for the foregoing specific injuries shall be paid in addition to, and consecutively with, the compensation hereinbefore provided in subsection 2 of this section.

If an employee dies the right to any compensation payable under this subsection unpaid at the date of his death shall survive to and vest in his personal representatives.

Other cases: In all other cases in this class of disability the compensation shall be 50 per cent of the difference between his average weekly wages and his wage-earning capacity thereafter in the same employment or otherwise, if less than before the accident—but not to exceed $25 per week—payable during the continuance of such partial disability, but not to exceed $3,000, and subject to reconsideration of the degree of such impairment by the compensation commissioner on his own motion or upon application of any party in interest.

In all cases where there has been an amputation of a part of any member of the body herein specified, or the loss of the use of any part thereof, for which compensation is not specifically provided herein, the commissioner shall allow compensation for such proportion of the total number of weeks allowed for the amputation or the loss of the use of the entire member as the affected or amputated portion thereof bears to the whole.

Disfigurements: For other mutilations and disfigurements, not hereinbefore provided for, compensation shall be allowed, in the discretion of the commissioner, for not less than 10 weeks nor more than 100 weeks, as the commissioner may fix, in each case having due regard to the character of the mutilation and disfigurement as compared with mutilation and injury hereinbefore specifically provided for.

4. Temporary partial disability: In case of temporary partial disability, except the particular cases mentioned in subdivision 3 of this section, an injured employee shall receive 50 per cent of the difference between his average weekly wages and his wage-earning capacity thereafter in the same employment or otherwise, if less than before the accident, but not to exceed $25 per week during the continuance of such partial disability, but not in excess of $3,500, except as otherwise provided in this article.

5. Fatal cases: In case the injury causes death within the period of three years, the benefits shall be in the amounts and to the persons following:

If there be no dependents, the disbursements shall be limited to the expense provided for in section 20 hereof.

If there are wholly dependent persons at the time of death, the payment shall be 66⅔ per cent of the average weekly wages, not to exceed, however, a maximum of $25 per week and not less than a minimum of $7 per week, unless the deceased employee's established weekly wages were less than $7 per week at the time of injury, in which event the compensation shall be an amount equal to the average weekly wages, and to continue for the remainder of the period between the date of death and 416 weeks after the date of injury, and not to amount to more than a maximum of $5,000, nor less than a minimum of $1,000.

If there are no wholly dependent persons at the time of the death, but are partly dependent persons, those partly dependent shall receive compensation as follows: The weekly payments to such dependents shall be in an amount not exceeding 66⅔ per cent of the average weekly wages or $25 per week, but may in the discretion of the commissioner be for a less amount per week and to continue for all or such portion of 416 weeks after the date of the injury, as the commissioner in each case may determine, and not to amount to more than a maximum of $3,000.

The following persons shall be presumed to be wholly dependent for support upon a deceased employee: A wife or invalid husband ("invalid" meaning one physically or mentally incapacitated from earning), a child or children under the age of 16 years (or over said age if physically or mentally incapacitated from earning) living with or dependent upon the parent at the time of the injury or death. But a husband or wife of an injured employee who has deserted said employee for more than one year prior to the time of the injury or subsequently shall not be a beneficiary under this act.

In all other cases questions of dependency, in whole or in part, shall be determined in accordance with the facts in each particular case existing at the time of the injury resulting in death of such employee, but no person shall be considered as dependent unless such person be a father, mother, grandfather, grandmother, stepchild, or grandchild, or brother or sister of the deceased employee, including those otherwise specified in this section.

The term "child" and "children" shall include posthumous children and adopted children, whether members of the deceased employee's household at the time of his accident or death or not, and shall also include stepchildren, illegitimate children, and other children, if such stepchildren, illegitimate children, and other children were members of the household of the decedent at the time of the accident or death and had received contributions toward their support from such deceased employee during any part of the six months immediately preceding the accident or death.

The right to any compensation payable to any dependent and unpaid at the date of death of any such dependent shall survive to and be vested in the surviving dependents, as the commissioner may determine, if there be such surviving dependents, and if there be none such, then the compensation shall cease.

Compensation under this article to alien dependent widows, children, and parents, not residents of the United States, shall be the same in amount as is provided in each case for residents, except that at any time within one year after an accident resulting in death the commissioner may, in his discretion, convert any payments thereafter to become due to such beneficiaries into a lump-sum payment, not in any case to exceed $2,400, by paying a sum equal to three-fourths of the then value of such payments.

Nonresident alien dependents may be officially represented by the consular officers of the nation of which such alien or aliens may be citizens or subjects, and in such cases the consular officers shall have the right to receive for distribution to such nonresident alien dependents all compensation awarded hereunder, and the receipt of such consular officers shall be a full discharge of all sums paid to and received by them.

In case of the remarriage of a dependent widow of a deceased employee, without dependent children at the time of the remarriage, she shall receive compensation for one year after the date of her remarriage, provided there is so much of the compensation previously awarded her outstanding. No widow or widower shall receive any benefits under this act where the marriage shall have taken place after the person entitled to benefits hereunder shall have been injured, provided there are no dependent children.

6. Where an injury to an employee is caused by the intentional failure of the employer to comply with any statute or lawful public ordinance, rule, regulation, or order relating to the safety of employees, the compensation for which the employer would otherwise be liable under this act shall be increased 15 per cent in the amount of each payment. Where the injury is caused by the intentional failure or the injured employee to use any safety appliance furnished by the employer or to obey any lawful public ordinance, rule, regulation, or order relating to the safety of employees, the compensation for which the employer would otherwise be liable for under this act shall be decreased 15 per cent in the amount of each payment.

SEC. 23. That the benefits in case of death shall be paid to such one or more of the dependents of the decedent for the benefit of all the dependents as may be determined by the compensation commissioner, who may apportion the benefits among the dependents in such manner as he may deem just and equitable. The dependent or person to whom benefits are paid shall apply the same to the use of the several dependents according to their respective claims upon the decedent for support, in compliance with the findings and direction of the commissioner.

SEC. 24. That the fact that an employee has suffered previous disability or received compensation therefor shall not preclude him from compensation for a later injury nor preclude compensation for death resulting therefrom; but in determining compensation for the later injury or death his average weekly wages shall be such sum as will reasonably represent his earning capacity at the time of the later injury: *Provided,* That an employee who is suffering from a previous disability shall not receive compensation for a later injury in excess of the compensation allowed for such injury when considered by itself and not in conjunction with the previous disability: *Provided further,* That if an employee who has previously incurred permanent partial disability through the loss of one hand, one arm, one foot, one leg, or one eye incurs permanent total disability through the loss of another such member or organ, he shall be paid, in addition to the compensation for permanent partial disability provided in this section and after the cessation of the payments for the prescribed period of weeks, special additional compensation for the remainder of his life to the amount of 66⅔ per cent of the average weekly wage earned by him at the time the total permanent disability was incurred. Such additional compensation shall be paid out of a special fund created for such purpose in the following manner: The employer or insurance carrier shall pay to the superintendent of insurance of the District of Columbia for every case of injury causing death in which there are no persons entitled to compensation the sum of $100. The superintendent of insurance shall be the custodian of this special fund and the compensation commissioner shall direct the distribution thereof.

SEC. 25. That the compensation in this act provided for shall be payable weekly; but the compensation commissioner, upon application of either party, may, in his discretion, having regard to the welfare of the employee and the convenience of the employer or insurer, authorize compensation to be paid monthly or quarterly instead of weekly.

SEC. 26. That whenever any periodical payment has been continued for not less than 26 weeks, the liability therefor may, in unusual cases, where the parties agree and the compensation commissioner deems it to be to the best interests of the employee or his dependents, or where it will prevent undue hardships on the employer or his insurance carrier, without prejudicing the interests of the employee or his dependents, be redeemed, in whole or in part, by the payment by the employer or insurance carrier of a lump sum which shall be fixed by the commissioner, but in no case to exceed the commutable value of the future installments which may be due under this act. The commissioner, however, in his discretion, may at any time in the case of a minor who has received permanently disabling injuries, either partial or total, provide that he be compensated in whole or in part by the payment of a lump sum, the amount of which shall be fixed by the commissioner, but in no case to exceed the commutable value of the future installments which may be due under this act.

SEC. 27. That whenever the compensation commissioner deems it expedient any lump sum, subject to the provision of the foregoing section, shall be paid by the employer or insurance carrier to some suit-

able person or corporation appointed by the Supreme Court of the District of Columbia as trustee, to administer the same for the benefit of the person entitled thereto in the manner ordered by the commissioner. The receipt of such trustee for the amount so paid shall discharge the employer or anyone else who is liable therefor.

SEC. 28. That if a dependent shall reside or remove out of the United States and shall have been such nonresident for a period of one year the commissioner may, in his discretion, convert any payments thereafter to become due to such dependent into a lump-sum payment, not in any case to exceed $2,400, by paying a sum equal to three-fourths of the then value of such payments.

SEC. 29. (a) That whenever payment of compensation is made to a widow or widower for her or his use, or for her or his use and the use of the child or children, the written receipt thereof of such widow or widower shall acquit the employer.

(b) Whenever payment is made to any person 18 years of age or over the written receipt of such person shall acquit the employer. In case where an infant or minor under the age of 18 years shall be entitled to receive a sum amounting to not more than $300 as compensation for injuries, or as a distributive share by virtue of this act, the father, mother, or natural guardian upon whom such infant or minor shall be dependent for support shall be authorized and empowered to receive and receipt for such moneys to the same extent as a guardian of the person and property of such infant or minor duly appointed by proper court, and the release or discharge of such father, mother, or natural guardian shall be full and complete discharge of all claims or demands of such infant or minor thereunder.

(c) Whenever any payment of over $300 is made to a minor under 18 years of age, or to a dependent child over the age of 18 years, the same shall be made to some suitable person or corporation appointed by the Supreme Court of the District of Columbia as a trustee, and the receipt of such trustee shall acquit the employer.

(d) Payment of death benefits by an employer in good faith to a dependent subsequent in right to another or other dependents shall protect and discharge the employer, unless and until such dependent or dependents prior in right shall have given him notice of his or their claim. In case the employer is in doubt as to the respective rights of rival claimants he may apply to the compensation commissioner to decide between them.

SEC. 30. That if an injured employee is mentally incompetent or is under 18 years of age at the time when any right or privilege accrues to him under this act, his guardian, trustee, or committee may in his behalf claim and exercise such right or privilege. And no limitation of time provided in this act for the giving of notice or making claim under this act shall run against any person who is mentally incompetent, or a minor dependent, so long as he has no guardian, trustee, or committee.

SEC. 31. That a minor working at an age legally permitted under the laws of the District of Columbia shall be deemed sui juris for the purposes of this act, and no other person shall have any cause of action or right to compensation for any injury to such minor employee unless otherwise herein provided.

SEC. 32. That the employer shall secure compensation to his employees in one of the following ways:

(1) By insuring and keeping insured the payment of such compensation with any stock or mutual corporation authorized to transact the business of workmen's compensation insurance in the District of Columbia.

(2) By furnishing satisfactory proof to the compensation commissioner of his financial ability to pay such compensation himself, in which case the commissioner may, at any time and from time to time, in his discretion, require the deposit with the commissioner of securities such as are accepted by the equity courts of the District of Columbia for the investment of trust funds, and in an amount or amounts to be determined by the commissioner, to secure the liability of the employer to pay the compensation specified in this act; and in order to be informed as to the continued financial responsibility of any such employer the commissioner may require reports from him annually, or at any such other times as the commissioner may deem necessary or advisable, and may examine such employer under oath or make such other examination of his business as the commissioner may determine. If he should fail to furnish such satisfactory proof, or give bond, or deposit such securities, as required by the commissioner, or if he should at any time fail to render satisfactory reports to the commissioner or otherwise satisfy the commissioner of his continued financial ability to pay the compensation himself, he shall be subject to the provisions of the first paragraph of this section.

SEC. 33. (a) That every employer subject to the provisions of this act shall, within 30 days after this act takes effect, file with the compensation commissioner, in form prescribed by him, and thereafter annually or as often as may be necessary, evidence of his compliance with the provisions of section 32 and all others relating thereto. If any such employer refuses or neglects to comply with the provisions of this paragraph, he shall be punished by a fine of 10 cents for each employee at the time of the insurance becoming due, but not less than $1 nor more than $50 for each day of such refusal or neglect, and until the same ceases, and he shall be liable during continuance of such refusal or neglect to an employee either for compensation under this act or at law, in the same manner as if he were not subject to this act, except that in such action at law he shall not be permitted to defend upon any or all of the following grounds: (1) That the employee was negligent, (2) that the injury was caused by the negligence of a fellow employee, (3) that the employee had assumed the risk of injury.

(b) Every employer who has complied with the provisions of section 32 shall post and maintain in a conspicuous place in and about each of his places of business or other places where his employees subject to this act are employed a typewritten or printed notice in such form as the compensation commissioner may prescribe, stating the facts of compliance with such provisions and giving the name and address of his insurer if he be insured. If any employer neglects or refuses to comply with the provisions of this paragraph, he shall be liable to a penalty of 10 cents per day for each employee affected, but not less than $1 in any event: *Provided, however*, That the compensation commissioner, for good cause shown, may remit such penalty in whole or in part.

SEC. 34. That whenever an employer has complied with the provisions of section 32, relating to self-insurance, the compensation commissioner shall issue to such employer a certificate which shall remain in force for a period fixed by the commissioner, but the commissioner may upon at least 30 days' notice and hearing to the employer revoke the certificate upon satisfactory evidence for such revocation having been presented. At any time after such revocation the commissioner may grant a new certificate to the employer upon his petition.

SEC. 35. (a) That all policies or contracts insuring the payment of compensation under this act must contain a clause to the effect that as between the employer and the insurer notice to or knowledge of the occurrence of the injury on the part of the insured employer shall be deemed notice or knowledge, as the case may be, on the part of the insurer; that jurisdiction of the insured for the purposes of this act shall be jurisdiction of the insurer; and that the insurer shall in all things be bound by and subject to the awards, judgments, or decrees rendered against such insured employer.

(b) No policy or contract of insurance against liability arising under this act shall be issued unless it contains the agreement of the insurer that it will promptly pay to the person entitled to same all benefits conferred by this act, and all installments of the compensation that may be awarded or agreed upon, and that the obligation shall not be affected by any default of the insured after the injury or by any default in giving notice required by such policy, or otherwise. Such agreement shall be construed to be a direct promise by the insurer to the person entitled to compensation enforceable in his name.

(c) Every policy or contract for the insurance of the compensation herein provided, or against liability therefor, shall be deemed to be made subject to the provisions of this act. No corporation, association, or organization shall enter into any such policy of insurance unless its form shall have been approved by the superintendent of insurance.

(d) This act shall not apply to policies of insurance against loss from explosion of boilers, or flywheels or other similar single catastrophe hazards.

SEC. 36. That no policy or contract of insurance against liability arising under this act shall be canceled within the time limited in such policy or contract for its expiration until at least 10 days after notice of intention to cancel such policy or contract, on a date specified in such notice, shall be filed in the office of the compensation commissioner and also served on the employer. Such notice shall be served on the employer by delivering it to him or by sending it by mail, by registered letter, addressed to the employer at his or its last known place of residence: *Provided*, That if the employer be a partnership, then such notice may be so given to any one of the partners, and if the employer be a corporation, then the notice may be given to any agent or officer of the corporation upon whom legal process may be served.

SEC. 37 (a). That the rates charged by all carriers of insurance writing insurance against the liability for compensation under this act shall be fair, reasonable, and adequate, and all risks of the same kind and degree of hazard shall be written at the same rate by the same carrier, subject to such rules as the superintendent of insurance may prescribe. The basic rates may be modified in accordance with a plan of merit or schedule rating. No policy of insurance against liability for compensation under this act shall be valid until the rate thereof has been approved by the superintendent of insurance, nor shall any such carrier of insurance write any such policy or contract until its basic and merit rating schedules have been filed with, approved, and not subsequently disapproved by the superintendent of insurance.

(b) Each such insurance carrier shall report to the superintendent of insurance, in accordance with such reasonable rules as the superintendent of insurance may at any time prescribe, for the purpose of determining the solvency of the carrier and the adequacy of its rates; for such purpose the superintendent of insurance may inspect the books and records of such insurance carrier and examine its agents, officers, and directors under oath.

(c) Any person or persons who shall in the District of Columbia act or assume to act as agent for any insurance carrier whose authority to do business in such District has been suspended while such suspension remains in force, or who shall willfully make a false or fraudulent statement of the business or condition of any such insurance carrier, shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than $100 nor more than $1,000, or by imprisonment for not more than one year, or both such fine and imprisonment, in the discretion of the jury.

(d) Whenever by this act or the terms of any policy contract any officer is required to give any notice to an insurance carrier, the same may be given by delivery or by mailing by registered letter, properly addressed and stamped, to the principal office or chief agent of such insurance carrier within the District of Columbia, or to its home office, or to the secretary, general agent, or chief officer thereof in the United States.

SEC. 38. That notice of an injury for which compensation is payable under this article shall be given to the employer within 10 days after the accident, and also in case of the death of the employee resulting from such injury within 30 days after such death. Such notice may be in writing and contain the name and address of the employee and state in ordinary language the time, place, nature, and cause of the injury, and be signed by him or by a person on his behalf or in case of death by any one or more of his dependents or by a person on their behalf. The failure to give such notice, unless excused by the compensation commissioner either on the ground that notice for some sufficient reason could not have been given or on the ground that the insurance carrier or employer, as the case may be, has not been prejudiced thereby, shall be a bar to any claim under this act.

Whenever an accident occurs to any employee it shall be the duty of the employer to at once report such accident and the injury resulting therefrom to the compensation commissioner. Such report shall state (a) the time, cause, and nature of the accident and injuries, and the probable duration of the injury resulting therefrom; (b) whether the accident arose out of or in the course of the injured person's employment; (c) any other matters the rules and regulations of the commissioner may prescribe.

SEC. 39. After an injury and so long as he claims compensation, the employee, if so requested by his employer or ordered by the compensation commissioner, shall submit himself to examination, at reasonable times and places, by a duly qualified physician or surgeon designated and paid by the employer or the compensation commissioner. The employee shall have the right to have present at such examination any duly qualified physician or surgeon provided and paid by him. No fact communicated to, or otherwise learned by any physician or surgeon who may have attended or examined the employee, or who may have been present at any examination, shall be privileged, either in hearings provided for by this act or in any action at law brought to recover damages against an employer for an injury subject to the provisions of this act. If the employee refuses to submit himself to or in any way obstructs such examination requested by and provided for by the employer, his right to compensation and his right to take or prosecute any proceedings under this act shall be suspended until such refusal or obstruction ceases, and no compensation shall at any time

be payable for the period of suspension, unless in the opinion of the compensation commissioner the circumstances justify the refusal or obstruction. The employer, or the compensation commissioner, shall have the right in any case of death to require an autopsy at the expense of the party requesting the same.

SEC. 40. That all questions arising under this act, if not settled by agreement of the parties interested therein, with the approval of the compensation commissioner, shall be determined by the commissioner except as otherwise herein provided.

SEC. 41. That if, after seven days from the date of the injury, or at any time in case of death, the employer and the injured employee or his dependents reach an agreement in regard to compensation under this act, a memorandum of the agreement in the form prescribed by the compensation commissioner shall be filed with the commissioner; otherwise such agreement shall be voidable by the employee or his dependents.

If approved by the commissioner, thereupon the memorandum shall for all purposes be treated as an award by the commissioner and shall be enforceable by the court's decree, as hereinafter specified.

SEC. 42. That if the employer and the injured employee or his dependents fail to reach an agreement in regard to compensation under this act, or if they have reached such an agreement which has been signed and filed with the compensation commissioner and compensation has been paid or is due in accordance therewith, and the parties thereto then disagree as to the continuance of any payment under such agreement, either party may make application to the compensation commissioner for a hearing in regard to the matters at issue and for a ruling thereon.

Immediately after such application has been received the commissioner shall set the date for a hearing, which shall be held as soon as practicable, and shall notify the parties at issue of the time and place of such hearing.

The compensation commissioner or a deputy commissioner shall hear the parties at issue and their representatives and witnesses, and shall determine the dispute in a summary manner. The award, together with a statement of the findings of fact, rulings of law, and other matters pertinent to the questions at issue, shall be filed with the record of the proceedings, and a copy of the award shall immediately be sent to the parties in dispute.

SEC. 43. That upon his own motion, before judicial determination or upon the application of any party in interest on the ground of change in condition, the compensation commissioner may at any time review any award, and on such review may make an award ending, diminishing, or increasing the compensation previously awarded, or awarding compensation where no compensation was previously awarded, subject to the maximum and minimum provided in this act, and shall immediately send to the parties a copy of the award. No such review shall affect such award as regards any moneys paid.

SEC. 44. That any employer, employee, dependent, or person feeling aggrieved by any decision or award of the compensation commissioner affecting his interests under this act may have the same reviewed by a proceeding in the nature of an appeal and initiated in the Supreme Court of the District of Columbia, and the court shall determine whether the commissioner has justly considered all the facts concerning injury, whether he has exceeded the powers granted him by the act, and whether he has misconstrued the law and facts applicable in the case decided. If the court shall determine that the commissioner has acted within his powers and has correctly construed the law and facts, the decision of the commissioner shall be confirmed, otherwise it shall be reversed or modified. Upon the hearing of such an appeal the court shall, upon motion of either party filed with the clerk of the court according to the practice in civil cases, submit to a jury any question of fact involved in such case. The proceedings in every such an appeal shall be informal and summary, but full opportunity to be heard shall be had before judgment is pronounced. No such appeal shall be entertained unless notice of appeal shall have been served personally upon the commissioner within 30 days following the rendition of the decision or award appealed from. An appeal shall not be a stay. If the decision or award of the commissioner shall be changed or modified, the practice prevailing in civil cases as to the payment of costs and the fees of medical and other witnesses shall apply. Appeal shall lie from the judgment of the Supreme Court to the Court of Appeals of the District of Columbia, as in other civil cases, and such appeal shall have precedence over all cases except criminal cases.

The corporation counsel for the District of Columbia shall be the legal adviser of the commissioner and shall represent him in all proceedings whenever so requested by the commissioner. In all court proceedings under or pursuant to this act the decision of the commissioner shall be prima facie correct and the burden of proof shall be upon the party attacking the same.

SEC. 45. That any party in interest may file in the Supreme Court of the District of Columbia a certified copy of an agreement approved by the compensation commissioner, or of an order or decision of the commissioner, or of an award of the commissioner unappealed from, or of an award of the commissioner affirmed upon appeal, whereupon said court, upon proof of default in payment or that the security for payment is doubtful, shall render a decree in accordance therewith and notify the parties. Such decree shall have the same effect, and all proceedings in relation thereto shall thereafter be the same, as though said decree had been rendered in a suit duly heard and determined by said court.

SEC. 46. That if the compensation commissioner or the court before which any proceedings for compensation or concerning an award of compensation have been brought, under this act, determines that such proceedings have not been so brought upon reasonable ground, it shall assess the whole cost of the proceeding upon the party who has so brought them.

Claims for legal services in connection with any claims arising under this act and claims for services or treatment rendered or supplies furnished pursuant to section 20 of this act, shall not be enforceable unless approved by the compensation commissioner.

If so approved, such claim or claims shall become a lien upon the compensation awarded, but shall be paid therefrom only in the manner fixed by the commissioner.

SEC. 47. That any person who shall knowingly secure or attempt to secure larger compensation or compensation for a longer term than he is entitled to, or knowingly secure or attempt to secure compensation when he is not entitled to any, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not exceeding $500 or imprisoned not exceeding 12 months, or both, in the discretion of the court, and shall from and after such conviction cease to receive any compensation.

SEC. 48. That in this act, unless the context otherwise requires—

(a) "Employer" shall include any individual, firm, association, or corporation, or the receiver or trustee of the same, or the legal representative of a deceased employer, using the service of another for pay. If the employer is insured, it shall include his insurer so far as applicable.

(b) "Employee" shall include every person, including a minor, who is employed by another under any lawful contract of service or apprenticeship, written or implied. Any reference to an employee who has been injured shall, where such employee is dead, include a reference to his dependents and other persons to whom compensation may be payable, or, where the employee is a minor or incompetent, to his committee or guardian or next friend.

(c) "Average weekly wages" shall mean the earnings of the injured employee, including "overtime," in the employment in which he was working at the time of the accident during the period of 52 weeks immediately preceding the date of the accident, dividend of 52; but if the injured employee lost more than seven consecutive calendar days during such period, although not in the same week, then the earnings for the remainder of such 52 weeks shall be divided by the number of weeks remaining after the time so lost has been deducted. Where the employment prior to the injury extended over a period of less than 52 weeks, the method of dividing the earnings during that period by the number of weeks and parts thereof during which the employee earned wages shall be followed: *Provided*, That results fair and just to both parties will be thereby obtained. Where by reason of a shortness of time during which the employee has been in the employment of his employer or the casual nature or terms of his employment it is impracticable to compute the average weekly wages as above defined, regard shall be had to the average weekly amount which during 52 weeks previous to the accident was being earned by a person of the same grade and character employed in the same class of employment in the same locality or community.

If the injured employee at the time of the injury is regularly employed at higher wages than formerly during the preceding 52 weeks, only such higher wages shall be taken into consideration in computing his average weekly wages. If the injured employee was of such age and experience when injured that under natural conditions his wages would be expected to increase, that fact may be taken into consideration in determining his average weekly wages.

But where for exceptional reasons the foregoing would be unfair either to the employer or employee, such other method of computing average weekly wages may be resorted to as will most nearly approximate the amount which the injured employee would be earning were it not for the injury.

"Earnings" shall include the reasonable value of board, lodging, housing, fuel, and similar advantages which the employee receives from the employer as part of his remuneration, but shall not include payments by the employer to cover special expenses entailed on the employee by his employment.

(d) "Injury" and "personal injury" shall mean only injury by accident arising out of and in the course of the employment, and shall not include a disease in any form, except where it results naturally and unavoidably from the accident.

(e) Hernia shall not be deemed an injury by accident arising out of and in the course of the employee's employment, unless it be proven to the satisfaction of the compensation commissioner—first, that there was an injury resulting in hernia; second, that the hernia appeared suddenly; third, that it was accompanied by pain; fourth, that the hernia immediately followed an accident; fifth, that the hernia did not exist prior to the accident for which compensation is claimed.

SEC. 49. That the rule that statutes in derogation of the common law are to be strictly construed shall have no application to this act; but this act shall be so interpreted and construed as to effectuate its general purpose.

SEC. 50. That if the provisions of this act relative to compensation for injuries to or death of employees become invalid because of any final adjudication, the period intervening between the occurrence of an injury or death, not previously compensated for under this act by lump-sum payment or completed periodical payment, shall not be computed as a part of the time limited by law for the commencement of any action relating to such injury or death: *Provided*, That such action be commenced within one year after such final adjudication, but in any such action any sum paid to the employee on account of injury for which the action is prosecuted shall be taken into account.

SEC. 51. That the provisions of this act shall not apply to injuries or death, nor to accidents which occurred prior to the taking effect of this act.

SEC. 52. That the sum of $20,000 annually for the years 1922 and 1923, or so much thereof as may be necessary annually for the maintenance of the office of the compensation commissioner for the District of Columbia and the payment of the salaries and expenses of the commissioner and his employees, is hereby appropriated, and shall be payable to the order or orders of the said commissioner from time to time, as in this law provided, and the auditor of the District of Columbia shall draw his warrant or warrants therefor upon the United States Treasury, as in law provided for the annual appropriations in the District of Columbia. And a further appropriation is hereby made of the sum of $5,000 for the year 1922 for the necessary expenses of the aforesaid compensation commissioner to cover printing, office fixtures, and such other legitimate expenses as the commissioner may incur in establishing his office as in this act contemplated, and the auditor of the District of Columbia shall draw his warrant upon the United States Treasury for the said sum of $5,000, or any part thereof, upon the order or orders presented to the auditor of the District of Columbia by the said commissioner.

SEC. 53. That all acts or parts of acts in conflict with this act are hereby repealed to the extent that they conflict with this act and no further.

SEC. 54. That this act shall take effect from the date of its passage, but that its application as between employers and employees shall date from and include the 1st day of July, 1922.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend and revise his remarks in the RECORD. Is there objection?

There was no objection.

Mr. UNDERHILL. Mr. Chairman, I yield five minutes to the gentleman from Delaware [Mr. LAYTON].

Mr. LAYTON. Mr. Chairman, I have not asked for the privilege of the floor for the purpose of making any extended speech upon the bill. However, I have interposed questions here and there to such an extent that I feel in justice to myself I ought

to explain my position. In the first place, I am absolutely in favor of the humane, general principle of an employees' liability act. We have one in my own State. It has been on the statute books there for some years. I am in hearty sympathy with that legislation, especially when it comes by the will of the people within their respective Commonwealths. The objection, and the only objection, I have to this bill is that it establishes one of the most vicious propositions that could be enacted into law which has ever been presented upon the floor of this House. That proposition is that the Federal Congress shall assume the right within the territory where this Government exists to say to any legitimate organized business, "You shall not enter in." Cut that out and I am in favor of this bill. [Applause.]

Mr. FOCHT. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. GERNERD].

Mr. GERNERD. Mr. Chairman, we in Pennsylvania pride ourselves upon the splendid operation of our workmen's compensation act. I remember distinctly when that measure was before the legislature there was great propaganda extant hostile to its adoption, but the spirit of human progress prevailed, and we enacted such a law. We have a dual system in Pennsylvania, permitting private companies to compete with the State. The one stirs up the other, with the result, I am satisfied, that the efficiency with which the workmen's compensation act operates is largely due to the alert competition which the State receives from private companies. I am pleased to say that I myself carry all of my insurance with the State. I have found it more preferable than to do it with private companies. I have been getting the best kind of service, and I know a lot of my clients before I came here did the same thing, but I believe the competition of the private companies is the incentive that has made for real efficiency in its operation.

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. GERNERD. Yes.

Mr. COLTON. It has been stated here that in the District of Columbia we can not have that dual service, that we must choose as between the Government service and the private service.

Mr. GERNERD. I know that that has been suggested, but I really question the wisdom of such a statement. I do not say that it is not accurate.

Mr. COLTON. If the gentleman will permit further, some of us are driven, in view of the statement made by the author of each of these bills, to choose between either the Government service or the private service, and many of us would prefer, if we could, to have the dual service.

Mr. GERNERD. Yes. I am for the dual system, and I hope before the bill is finally enacted into law we will have an opportunity to vote for an amendment that will give us the same rights that the Pennsylvania law gives to the citizens of Pennsylvania. I shall vote for that; but if we lose out on that I shall vote for the compensation bill as it now stands. I am for the dual system, but rather than not have a workmen's compensation act in the District, I am willing, under great reluctance, to accept the bill as presented.

Mr. LAYTON. Mr. Chairman, will the gentleman yield?

Mr. GERNERD. Yes.

Mr. LAYTON. While some gentlemen seem much alarmed over the fact of the dual system existing in the District of Columbia, yet if the Government insurance, as proposed in the bill, is going to be so very much more economical than private insurance, then no private insurance business can come in.

Mr. GERNERD. I want to say that since I have been here the great scare that is brought about by propaganda has lost its effect, so far as I am concerned. I find that in practical legislation a lot of this stuff is overdrawn, and when the contest is over and the bill is enacted into law, we usually have gotten down to the natural bearings of things and were able to work out things along practical lines.

Mr. LAYTON. In other words, private companies will not come in unless they come in on a competitive basis.

Mr. GERNERD. I believe that in this country everybody should have a right to compete, but I recognize the modern doctrine that is growing, that Government supervision and operation is helpful and should not be entirely excluded.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FOCHT. Mr. Chairman, I yield the gentleman five minutes more.

Mr. LAYTON. Will the gentleman yield?

Mr. GERNERD. Yes.

Mr. LAYTON. I am a little confused. The beautiful golden statement was made that this administration stood for less interference on the part of the Government with business. I do not see why we should not stick to that and go on with it.

Mr. GERNERD. That, too, is overdrawn. I have heard a lot about that since I have been here, but I have learned that it is a convenient excuse to oppose salutary legislation.

Every time you get before committees there is opposition and talk about the Government that it should not do this or that. We are here and recognize the fact that it is a lot of propaganda. What we ought to do is to get at the merit of a proposition impartially, patriotically, and then act.

Mr. LAYTON. Provided we have got the right to do it.

Mr. GERNERD. Oh, I agree with the gentleman. That is why we have a Supreme Court to determine whether a thing is right or not. But let me read you from the report made by Hon. Harry N. Mackey, of Pennsylvania, who has been administering the workmen's compensation law in Pennsylvania in a very able, salutary manner. He has humanized the law and inspired absolute confidence. When we originally started it the legislature gave to the State fund the sum of $500,000 with which to create a fund to do business. All of that has been paid back to the State out of surplus earnings. It costs 10.5 per cent to do business. That represents the annual operating expense of putting the workmen's compensation act in operation in Pennsylvania, while the claims were but 42.6 per cent, showing almost 40 per cent profit coming back to the State fund, where it has been accumulating and taking the place of the fund that was originally created.

I want to say, in conclusion, I am for a workmen's compensation act, first, with a dual system; but if I can not vote for that, then I am for the workmen's compensation bill as presented by Mr. FITZGERALD.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GERNERD. I would like permission to revise and extend my remarks?

The CHAIRMAN. Is there objection to the gentleman from Pennsylvania's request? [After a pause.] The Chair hears none.

Mr. FITZGERALD. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. LITTLE].

Mr. LITTLE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LITTLE. Mr. Chairman, there is one outstanding radical difference between these bills, and that is about all of the distinctive difference I have been able to catch yet. The first bill is drawn for the special purpose of providing compensation to injured laborers. The second bill is brought out on the distinct theory that somebody must make some money out of it. That is the only real difference that I have been able to catch out of them, except, of course, that the Fitzgerald bill has less restriction and more liberal compensation. A great Frenchman once said that private interest in public affairs was the greatest difficulty in government. For many years 70,000 people have gone to work every Monday morning in this town without any protection of this kind, although 5,000 of them were injured every year and 40 of them were killed every year. The Fitzgerald bill comes in and provides a system by which they claim that for about 3 per cent overhead they can provide suitable insurance protection for them. Somebody else comes along and says, "Good God, only making 3 per cent! That is an economic failure. Let me have a crack at it and I can make 35 per cent." Now, if there is any other difference between the bills in particular, I do not know what it is. Gentlemen, get up here and say that we must not save the 32 per cent because the Government will be "going into business." As the gentleman from Pennsylvania just suggested in effect, that is simply a lot of bunk. The Government went into business when it took over the schools; the Government went into business when it took over the post offices; the Government goes into business all the time, and has been getting into it more and more as the growth and development of national life and civilization goes on. Where they are to stop I do not know. Time will tell. Whenever private enterprise does the work better and more economically the Government should not compete. This will be a brand new business in the District of Columbia only. The Government is compelling employers to insure. The Government must give the cheapest insurance possible. Private enterprise will require an overhead of 35 per cent or more. The Government will carry on this compensation with a 3 per cent overhead. It will save the employers 32 per cent. Now, anything that you do not like you call socialism, and anything you do like you call progress. [Laughter and applause.]

Do not let us quibble about words. This is all bunk about socialism and the Government being in business. It is all just child's talk. The practical question before us is whether the Government can do it better in this particular instance, and each

business and every transaction in which the Government does or does not engage should be determined by which can do it the better. The Government can do this, according to everybody interested, for 32 per cent less than the other people do it. Now, the Government has started a new business. Here are 70,000 people. There is the basis for an entirely new development of insurance. Here is a new field which is open. The gentleman says, my friends say, enemies perhaps, that the big insurance companies should have a chance at this. For the love of Heaven, why should they? Nobody in the world makes as much money as they do. Why should we interfere with this work of protecting the people for the aid of insurance companies? The insurance money is piled mountain high and hell deep in New York City vaults. The sums that have been accumulated there stagger one's intelligence to conceive. Probably the greatest menaces to this Republic right now are these accumulations, practically uncontrollable, ready to interest themselves and interesting themselves in every feature of business, governing, determining everything, the railroads, the factories, the banks.

Mr. WYANT. Will the gentleman yield?

Mr. LITTLE. When I get a little further along. Right now they have their funds in everything. Why should they come in here just because they want to get their hands on the 108,000 people here? They say if you do not allow these big companies to come here you will have a monopoly. Why these great companies are monopolies, dangerous menaces. Right down here at the head of a little bureau is a woman equipped and prepared, they say, to take care of this business, and it will cost the people who insure, they say, about 3 per cent. The gentleman from Maryland said it would not cost the Government anything because the fellows who pay for the insurance are going to pay enough to meet all the expenses of this self-supporting enterprise.

It appears that unless we allow this bill to go as it is the competition of the big companies will be such that the dual feature will be driven out of this business. There is only a limited supply of possible insurance business in the District. There are only 70,000 people as the basis of this whole industry. It will come that these silver-tongued orators who represent these big companies will get hold of the business and drive the bureau people out. There is no chance for a great dual business here. In the great State of Pennsylvania, that sweeps from the biggest river that we have, except the Mississippi, to the seacoast, there, with wealth that is almost beyond the dreams of avarice, with more money than they know what to do with, the tremendous business will supply competition between any number of people. But in this little widow's garden——

Mr. GERNERD. I want to thank the gentleman for the unusual compliment to the State of Pennsylvania.

Mr. LITTLE. The gentleman is entirely welcome. My grandfather came from there. [Laughter and applause.]

Mr. MOORE of Virginia. I think we must agree that Pennsylvania is rapidly becoming a very "Progressive" State, must we not? [Laughter.]

Mr. GERNERD. I agree with the gentleman from Virginia.

Mr. LITTLE. Everything is very satisfactory so far. Why should you attempt to create this competition that these gentlemen insist upon here? To help somebody that needs help? No. Just to pile up so much more money for those who do not need it. This bureau can do business much more cheaply than these companies can. This bureau is on the ground. There will be no competition if the fellows outside get their hands into this sack. The companies who hustle for it will drive out the bureau which can not. You all know that. Everybody practically concedes it on both sides. And what on earth would be the sense or the use of providing for this bureau and this public insurance if you immediately stick a bomb under it and blow it up before it starts?

The thing for you to do is to take this ewe lamb you propose for this District and let it grow, and shear it later after its growth. It is the first time in the history of this Government that we ever tried to do anything of this kind for these laboring people. It is the first time the mantle of this Congress has ever been thrown across them.

Now, do not let us figure out how somebody can skin them and make money out of them. There is enough for these great insurance companies to do without coming down here. My friends, I think of the old Frenchman's statement that the greatest difficulty in government is private interests in public affairs, and I see that sticking out every day here and everywhere else wherever government exists. Somebody wants to make money, and he can not see anything going by without wanting to snatch his dollar off of it. [Laughter.] Let us legislate once primarily in the interest of the people we are legislating for. Let us forget whether or not some millionaire is going to make another million out of it. Do not let us raise the cry-baby talk about this being socialism. "A rose by any other name would smell as sweet." Is the Post Office Department socialism? It is true that we tend more and more toward what some folks call socialism, but as we use it so far it is just the application of good common sense. The fight is between cooperation and corporation. The great corporations are organized purely for private and individual gain. They have no conscience and no soul. The men they employ have got to make money for them or get out. Cooperation is the development of friendship between men in life, private and public, so that they can help each other instead of trying to climb up on other backs all the time and take all the money away from fellows they climb over. [Applause.]

Let us provide a law for once that furnishes a good, sensible way to give these Columbians insurance. Are you not ever going to learn to differentiate between cooperation and corporation? Cooperation represents the soul of the people. That entity has to be taken into consideration. Now, let us take a commonsense, practical view. I think perhaps there is a good deal in the suggestion of the gentleman from Pennsylvania; but it is not practical here. You can not run them both together. They will just drive out the better one of the two, the one that you favor—the State insurance the gentleman from Pennsylvania favors at home. Let us go ahead now and pass this bill the way the gentleman from Ohio [Mr. FITZGERALD] has presented it. Let the insurance bureau get a good start before the big companies begin to throttle it. It is the first attempt that has been made to accomplish anything of the kind in the District. Give it a fair trial.

Mr. ELLIS. Will the gentleman yield?

Mr. LITTLE. I will.

Mr. ELLIS. I simply want to say to the gentleman that I am enjoying his speech, and I am as glad to hear it as he is to make it. I have not heard it before since the Populists carried Kansas.

Mr. LITTLE. Was it a good speech then?

Mr. ELLIS. Yes; it carried Kansas.

Mr. LITTLE. Oh, the gentleman overestimates.

Mr. WYANT. In view of the fact that the Government lost more than $2,000,000 by operating the railroads for a period of 18 months, and then got out, and in view of the fact that we are attempting to operate ships and losing $4,000,000 a month thereby, does the gentleman still insist on the Government going into private business with the hope of saving money for the people?

Mr. LITTLE. We know now that private enterprise is not competent to run the railroads successfully, and the Government failed to manage them successfully. Every plan tried so far has failed since the railroads became so essential a feature. Is there, then, somebody who knows what to do with them? There has been no real Government control of any railroad. There has been a Government administration, in an indirect way, of railroads, tempered by the selfish interests of the men who did not propose there should be any success in it. Neither private enterprise nor public administration has shown ability to manage these arteries of commerce.

Mr. LAYTON. Will the gentleman yield a minute?

Mr. LITTLE. Yes. The gentleman has shown a commendable curiosity on the bill.

Mr. LAYTON. You were here when the Esch-Cummins bill was passed?

Mr. LITTLE. Yes.

Mr. LAYTON. You would not run anything, no matter how small, how ordinary, it was, if you had all of the folks and all the labor employed in it, and you had the credit employed in it, and the price of things you had to sell fixed by some other authority. You would not run any other business like that if you were a sensible man.

Mr. LITTLE. They seem as able to run it that way as any other way. The job appears to be too big for anybody. People who could not succeed with all that Government aid could not handle the business in any way. All railroad management has failed in recent years. But what has that to do with it? The American soldiers were insured by the Government without any competition. By the United States employers' compensation act the Federal employees are automatically insured by the Federal Government without any competition from private companies. The establishment of this Government bureau in the District of Columbia only should follow the former precedents, and there is no reason why the United States Government should go into competition with anybody for the business it creates, any more than they did for that of the soldiers or Federal employees. The private interests did not create this business, but the Government does and should protect it at

reasonable rates. Many States have successfully adopted similar laws. Is it possible these people want the Government to compete with them for all business? Be sensible, gentlemen; you are doing very well now. We succeed with schools and post offices. State after State has done well in this insurance. That cry of "Railroads! Railroads!" is just another lighted candle in a pumpkin. Do not jump, my friend. That is just for kids on Halloween. I would run it as we run the post office and as we run the schools, and they seem to get along very well. What has carrying insurance for 70,000 laborers to do with $20,000,000,000 worth of railroads? One thing is demonstrated, and that is that private owners and the Government did not work together. Yet you want them to in insurance in this District. Give this proposition a chance to begin. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. FOCHT. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LONDON].

The CHAIRMAN. The gentleman from New York is recognized for 10 minutes.

Mr. LONDON. Mr. Chairman and gentlemen of the committee, I would not address the committee if the gentlemen in charge of the bill were ready to proceed with the reading of it.

Mr. LAYTON. Would the gentleman prefer to have a quorum here just now?

Mr. LONDON. No; not even to hear the questions which the gentleman may have in mind to propound. [Laughter.]

Mr. LAYTON. Very well. We will get along without my making the point that there is no quorum here.

Mr. ELLIS. Mr. Chairman, will the gentleman yield?

Mr. LONDON. Yes.

Mr. ELLIS. I would like very much to ask for a quorum if the gentleman would like to have it, because I know he is going to make a socialistic speech, and the gentleman is the only man who admits that he is a Socialist.

Mr. LONDON. Some of those who are not Socialists are anarchists, of which there are two varieties, one at the bottom, poor, helpless, despondent. Then there is another group of anarchists, dangerous to democracy, a group that does not recognize the power of the soul in human affairs. That is the group that would subordinate to cash, to money, every human consideration, and that is really the dangerous group of anarchists.

Mr. LAYTON. Mr. Chairman, I like this talk so much that I will make the point of no quorum.

The CHAIRMAN (Mr. RAMSEYER). The gentleman from Delaware makes the point that there is no quorum present. The Chair will count.

Mr. LONDON. That is unfair.

Mr. LAYTON. I will withdraw it, Mr. Chairman.

The CHAIRMAN. The gentleman from Delaware withdraws the point.

Mr. ELLIS. Mr. Chairman, will the gentleman yield?

Mr. LONDON. No; I can not yield.

Mr. ELLIS. The gentleman did not understand my attitude. I was not speaking in criticism of the gentleman. I was speaking in congratulation.

Mr. LONDON. Whenever anybody refers to a Socialist in my presence it is a compliment, because he must have me in mind. [Laughter.]

Now, let us come to the point: Insurance should never have been a private function or business. It is interesting that when the first insurance case came up in France after the French Revolution it was thrown out of court on the ground that it was against public policy; that it was below the dignity of a Frenchman to place a money price upon his life. That was the sentiment of the French Revolution—that a Frenchman was too noble a being for his life to be estimated in francs, in dollars and cents, and the first case was thrown out.

Death is a certainty. Other things may be uncertain in life, but death is certain to come; and life insurance—the richest part in the insurance business, the most prosperous part—proceeds upon a mathematical law, an inescapable law. There is no reason in the world why any group of private individuals should benefit by the death of their fellow men. There is no reason in the world why in this particular branch of human endeavor—the insurance business—the municipality or such other governmental agency as the case may require should not be the agency which should collect the premiums upon an actual cost basis and pay the insurance. There is no reason why any profit should be attached to it. There is no reason in the world why insurance should be a source of private profit making.

The early history of life insurance is a history of piracy. The fraudulency of the insurance companies knew no limit. The policies contained so many exceptions that the insured could never recover on a policy. The law compelled the companies to write the exceptions in red ink. The result of it was that almost the entire policy was in red ink. Year after year the legislatures struggled to protect the policyholders from the schemes of the insurance companies, with the result that ultimately in almost every State in the Union the right of making a contract of insurance has been taken away from the insurance companies and the law prescribes a standard policy of insurance. The law has taken away from the insurance company the power of making a private contract.

Mr. ELLIS. Oh, no. The gentleman surely does not mean that. The gentleman is entirely right in saying that the statutes of the several States, nearly all of them, prescribe a form of contract, but the statutes do not prohibit the insurance company from making the contract.

Mr. LONDON. I said, or at least intended to say, that the terms of the contract are made by the States, and no company can make a modification of those terms without getting the consent of the superintendent of insurance.

Mr. ELLIS. That is true.

Mr. LONDON. In other words, the life and fire insurance companies are not trusted with the power of making the terms of the contract. We have introduced that degree of socialism into the insurance business. But we have not taken away the profit-making power from them. The insurance companies are now the principal depositories of the people's savings. Their financial power is almost unlimited. Their funds—the savings of the people—are at the disposal of the moneyed aristocracy.

What is the situation so far as this little bill is concerned? There are not many hazardous occupations in the District of Columbia. We have no factories worth mentioning here. We have no mines. We have no dangerous employments. The field is limited. This bill does not permit private companies to compete with the State funds. To permit private companies to compete with the State funds would make the operation of the State funds almost impossible. The State can not go into advertising to present the benefits of insurance to the individual as the private companies can. The companies are interested in preventing the State from looking into the question of insurance, in preventing the State from coming near it, from approaching it.

Why do the insurance companies fight this little bill? Is it on account of the business involved? No. It is because they do not want the States to take up the subject of insurance. Because when the States do approach the subject of insurance it will become clear to every thinking man that this particular field of human endeavor belongs solely to organized society and should not be a field of private exploitation. That is their principal objection to this bill.

Mr. WYANT. Will the gentleman yield?

Mr. LONDON. Yes.

Mr. WYANT. Is it not true that in almost all lines of business under Government control such business can not compete with private enterprise?

Mr. LONDON. Oh, well now, is that true?

Mr. WYANT. Is it not true?

Mr. LONDON. That is too big a question to discuss in this limited time; but let me tell the gentleman that I know of a company that competes with the post office. I will not mention its name. It competes with the United States Government in transporting little packages and circulars, and such things. How does it do it? While the Government pays a man a regular salary with reasonable hours, and employs him every day in the year and pays him for his vacation, and pays him now a certain pension, that private company works its men 12 or 14 hours a day and pays one-half the salary that is paid by the Government.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LONDON. I should like five minutes more.

Mr. UNDERHILL. I have no time unpromised.

Mr. FITZGERALD. I yield to the gentleman five minutes.

Mr. LONDON. The post office furnishes the cheapest and most reliable method of communication in spite of the fact that we have to pay too much to private railroad companies for transportation.

Take the socialist institution, the public schools. The greatest philosopher of his day, Herbert Spencer, not a fool or an ignoramus, not a man who used the word "socialism" as a term of abuse, in his book The Coming Slavery, argued that the establishment of the public schools would enslave society.

There is an element of truth in that, because the molding of the child's mind by a governmental institution may result in establishing a certain uniform and rigid standard; but while there is that germ of truth in it, it will be agreed by all that the foundation of democracy is the common school.

Mr. ELLIS. Does the gentleman from New York agree with the gentleman from Kansas [Mr. LITTLE] that there is a parallelism between the public schools and governmental insurance?

Mr. LONDON. Yes. You see, as I pointed out, insurance should not be the sphere of the private individual. If a calamity occurs, it is a public affair. If somebody dies, it is a public loss; and because death is a certainty, why should private interests benefit by it? Why should somebody be accumulating profit and benefit because everybody must die? Why should not the State, that collective agency which is the government, see to it that when somebody dies the family should be protected from distress? The basis should be the payment of a premium at actual cost. It is conceded that one-third of the premiums paid to the private insurance companies goes for expenses and that the State funds are conducted at an almost nominal expense. If we can get insurance for one-third less, I would rather have the family of the insured benefit by receiving a larger benefit when the breadwinner dies. That is how I would utilize the difference in cost of insurance.

There can be no serious objection to the State-fund feature of the Fitzgerald bill except the old, old objection, the fear of the extension of the power of Government. Gentlemen, whether you want it or not, it is absolutely true—although the gentleman from Kansas said it—[laughter] that the problem to-day is between unrestrained individualism and cooperation. He employed the phrase, "between corporations and cooperation." Modern industry is cooperative at least so far as production is concerned. It is because of the cooperative production that we are coming to have cooperative thinking and cooperative action.

Mr. GERNERD. Does the gentleman believe in any competition?

Mr. LONDON. I believe that the law of civilized society to-day will tend toward inducing cooperation wherever and whenever competition is injurious to society. That is the inevitable tendency; and the mission of thinking men is to make the process of transition less bitter and less cruel.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LONDON. I would like 2 minutes more.

Mr. FITZGERALD. I yield to the gentleman 2 minutes more.

Mr. GERNERD. Is it not true that without competition there is no incentive in life?

Mr. LONDON. Competition in what?

Mr. GERNERD. Competition in any endeavor.

Mr. LONDON. Now, let us see about that. I have only two minutes, but let me answer the gentleman. The principle of competition and the struggle for the survival of the fittest—which some people believe to be the same thing—have been splendidly explained by Mr. Wallace, one of the best students of Darwinism, in a very concise way.

Mr. GERNERD. Darwinism is a subject that is rather beyond me.

Mr. LONDON. He said that the survival of the fittest is supposed to represent the triumph of individualism. In the polar regions the white bear and the black bear are engaged in competition. The white bear, white as snow, has a better chance to approach its victim without being discovered than the black bear. The white bear will survive, but it does not follow at all that the white bear is a gentleman. [Laughter.] Under competitive conditions, where greed and selfishness are rewarded, the meanest scoundrel will survive.

Mr. LAYTON. Will the gentleman yield?

Mr. LONDON. Yes.

Mr. LAYTON. The gentleman is a student of abstruse subjects, but he would not call that a scientific answer to the gentleman from Pennsylvania?

Mr. LONDON. Whether it is a scientific answer or not, it is mathematically correct. [Laughter.]

Mr. UNDERHILL. Mr. Chairman, I yield to myself sufficient time to tell a story on Colonel LITTLE. We are members of the same committee before which come numerous claims for damage, many of which are backed up by lawyers of this city who are more or less acute. I do not care to give any names, and I do not wish to reflect on the legal profession. The suggestion was made by me in one case of a poor workman as to whether or not an attorney was being paid out of the pocket of this workman for presenting the case to Congress when the Committee on Claims was supposed to do all the work. Colonel LITTLE came to the defense of his colleague and said, "What of it; if we are entitled to it, are they not?" As he stood here and told us that there should be no competition between business and the insurance companies, that they should not be allowed to make any profit, I wondered where his consistency lay in the defense of the attorney who, according to my experience down here, acts as a bloodsucker on these individuals who have an honest claim against the Government, and when we endeavor to do justice to a citizen and give him some relief, the attorney takes the most of it.

Mr. LITTLE. Mr. Chairman——

Mr. UNDERHILL. I yield to the gentleman two minutes.

Mr. LITTLE. I want to say that I did not say anything of the kind. [Laughter.] I said "What of it? They are as much entitled to hire a lawyer and come here as the biggest millionaire in the country, and your claim is going to be decided upon its merits by the committee, whether you hire a lawyer or not." I did not say the lawyer ought to have all he could get out of it. [Laughter.]

Mr. UNDERHILL. I say that the insurance companies are entitled to come here in Washington and make a profit as much as a man has to hire a lawyer. Why should you oppose a law that would permit a legitimate business to do business in Washington?

Mr. LAYTON. Mr. Chairman, I have been a Member of the House for three years, and I never had the privilege of rising and making the point of no quorum, but I am going to do it now, and I make the point of no quorum.

The CHAIRMAN. The gentleman from Delaware makes the point of no quorum. The Chair will count.

Mr. LAYTON. Mr. Chairman, I would like to ask the gentleman from Pennsylvania, the chairman of the committee, if he intends to finish general debate this afternoon?

Mr. FOCHT. I did intend to finish general debate and then will move that the committee rise.

Mr. LAYTON. Mr. Chairman, I withdraw the point of no quorum.

Mr. UNDERHILL. Mr. Chairman, I wish to say that I make no agreement to that effect. I believe I have used about half of my time.

The CHAIRMAN. The gentleman from Massachusetts has 32 minutes remaining, and the gentleman from Pennsylvania has 18 minutes remaining.

Mr. UNDERHILL. There are some gentlemen who are away and who want to speak on the bill, and I do not care to close general debate until they have been heard.

Mr. FOCHT. Does the gentleman mean to keep us here? The time for general debate will expire about 5 o'clock.

Mr. UNDERHILL. Mr. Chairman, I move that the committee do now rise.

The question was taken; and on a division (demanded by Mr. UNDERHILL) there were 20 ayes and 34 noes.

So the motion was lost.

Mr. LAYTON. Mr. Chairman, I make the point of no quorum.

The CHAIRMAN. The gentleman from Delaware makes the point of no quorum. The Chair will count. [After counting.] Sixty-two Members present, not a quorum.

Mr. GARRETT of Tennessee. Mr. Chairman, I move that the committee do now rise.

Mr. RAMSEYER. Mr. Chairman, I make the point of order that that motion is dilatory.

The CHAIRMAN. The point of order is overruled. The question is on the motion of the gentleman from Tennessee that the committee do now rise.

The question was taken; and on a division (demanded by Mr. GARRETT of Tennessee) there were 18 ayes and 32 noes.

So the motion was lost.

Mr. FOCHT. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. TOWNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10034, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted to—

Mr. BUCHANAN, at the request of Mr. GARNER, indefinitely, on account of important business.

Mr. MORGAN, for five days, on account of illness in his family.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 9981. An act making appropriations for the Executive and for sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1923, and for other purposes.

ADJOURNMENT.

Mr. FOCHT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to, and accordingly (at 4 o'clock and 23 minutes p. m.) the House adjourned until to-morrow, Tuesday, June 13, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

634. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Department of Justice for the fiscal years ending June 30, 1922, and June 30, 1923, in the amount of $39,000 (H. Doc. No. 338), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. LANGLEY: Committee on Public Buildings and Grounds. H. R. 11040. A bill to amend an act entitled "An act authorizing the sale of the marine hospital reservation in Cleveland, Ohio," approved July 26, 1916; with an amendment (Rept. No. 1089). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. CHINDBLOM: Committee on Public Buildings and Grounds. H. R. 11579. A bill to amend section 1 of an act approved January 11, 1922, entitled "An act to permit the city of Chicago to acquire real estate of the United States of America"; with an amendment (Rept. No. 1090). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. EDMONDS: A bill (H. R. 11985) to amend and reenact subdivisions (a) and (b) of section 209 of the transportation act, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. PORTER (by request): A bill (H. R. 11986) for the relief of the Royal Italian Government; to the Committee on Foreign Affairs.

By Mr. DEMPSEY: A bill (H. R. 11987) to authorize the purchase of a site and the construction of a public building at Tonawanda, Erie County, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. LAYTON: Joint resolution (H. J. Res. 346) proposing an amendment to the Constitution of the United States; to the Committee on Ways and Means.

By Mr. FOCHT: Joint resolution (H. J. Res. 347) authorizing the transfer to the jurisdiction of the Commissioners of the District of Columbia of a certain portion of the Anacostia Park for tree nursery purposes; to the Committee on Public Buildings and Grounds.

By Mr. TINCHER: Resolution (H. Res. 364) for the immediate consideration of House bill 11843; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALMON: A bill (H. R. 11988) for the relief of Lucy L. Wheeler; to the Committee on Claims.

By Mr. ANTHONY: A bill (H. R. 11989) to place Col. Ezra B. Fuller, retired by operation of law, on the retired list of the Army as a brigadier general; to the Committee on Military Affairs.

Also, a bill (H. R. 11990) for the relief of Stanton & Jones, contractors, of Leavenworth, Kans.; to the Committee on Claims.

By Mr. BURROUGHS: A bill (H. R. 11991) granting a pension of Charles B. French; to the Committee on Pensions.

By Mr. CONNOLLY of Pennsylvania: A bill (H. R. 11992) granting a pension to James Donnelly; to the Committee on Pensions.

Also, a bill (H. R. 11993) granting an increase of pension to Eloise Wilkinson; to the Committee on Pensions.

By Mr. DEMPSEY: A bill (H. R. 11994) granting a pension to Malvina Cost; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11995) granting a pension to Lovinia A. Griswold; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11996) granting a pension to Mary E. Few; to the Committee on Invalid Pensions.

By Mr. FULLER: A bill (H. R. 11997) granting an increase of pension to Rosamond Barker; to the Committee on Invalid Pensions.

By Mr. LINEBERGER: A bill (H. R. 11998) granting a pension to Julia I. Foster Stuart; to the Committee on Invalid Pensions.

By Mr. NEWTON of Minnesota: A bill (H. R. 11999) granting a pension to Ardella M. Farnsworth; to the Committee on Invalid Pensions.

By Mr. RAINEY of Illinois: A bill (H. R. 12000) for the relief of Pietro Lococo; to the Committee on Claims.

By Mr. ROBSION: A bill (H. R. 12001) granting an increase of pension to Mary A. Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12002) granting an increase of pension to Elizabeth Stinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12003) granting a pension to Z. B. Blanton; to the Committee on Pensions.

By Mr. SHAW: A bill (H. R. 12004) granting an increase of pension to Margaret D. Wise; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12005) granting an increase of pension to Melissa D. Ellis; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12006) granting an increase of pension to Bradford R. Sartin; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5975. By the SPEAKER (by request): Resolution of the Maui Chamber of Commerce, Territory of Hawaii, relative to the control of telephone and telegraph companies within the Territory; to the Committee on Territories.

5976. By Mr. ANSORGE: Petition of Capt. George L. Darte, a member of the American Legion, protesting against the reduction of the officer and enlisted personnel of the Regular Army below 150,000 men and that the Reserve Officers' Training Corps and the National Guard and the Organized Reserves be maintained on a basis of real national defense; to the Committee on Appropriations.

5977. By Mr. KISSEL: Petition of Chamber of Commerce of the United States of America, Washington, D. C., relative to various matters of present national importance; to the Committee on Rules.

5978. Also, petition of American Paper and Pulp Association, New York City, N. Y., relative to paragraph 17a of House bill 7456; to the Committee on Ways and Means.

5979. By Mr. LYON: Petition of Churches of Duke, N. C., asking that Congress take some action for the relief of the Armenian people from the persecutions and cruelties of the Turks; to the Committee on Foreign Affairs.

5980. By Mr. A. P. NELSON: Petition of Eddy G. Lund Post of American Legion together with people of community of Siren, Wis., protesting against any treaty looking toward entrusting the Armenians to the sovereignty of the Turk; to the Committee on Foreign Affairs.

5981. Also, petition of county board of supervisors of Manitowoc County indorsing the St. Lawrence Deep Waterway Project; to the Committee on Interstate and Foreign Commerce.

5982. By Mr. NEWTON of Minnesota: Petition of Mrs. G. Oakvik and other residents of Minneapolis, Minn., petitioning the Congress not to pass House bills 9753 and 4388 or Senate bill 1948; to the Committee on the District of Columbia.

5983. By Mr. RAKER: Petition of George H. Morrill Co. of California, San Francisco, Calif., urging support of House bill 10159, a bill to further support interstate and foreign commerce against bribery and other corrupt practices; to the Committee on Interstate and Foreign Commerce.

5984. Also, petition of American Paper and Pulp Association, of New York City, relative to the proposed tariff duty on casein; to the Committee on Ways and Means.

5985. Also, petition of the California Bankers' Association, at annual meeting held at Del Monte, Calif., urging immediate aid and assistance relative to control of the Colorado River; to the Committee on Irrigation of Arid Lands.

5986. By Mr. YOUNG: Petition of members of the Ebenezer Danish Evangelical Lutheran Congregation of Flaxton, N. Dak., declaring their opposition to having the Armenian people under the sovereignty of the Turkish Empire; to the Committee on Foreign Affairs.

SENATE.

TUESDAY, *June 13, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	France	McKinley	Rawson
Borah	Frelinghuysen	McLean	Sheppard
Brandegee	Gerry	McNary	Shortridge
Calder	Glass	Nelson	Simmons
Cameron	Hale	Newberry	Smoot
Capper	Harris	Nicholson	Spencer
Caraway	Johnson	Norbeck	Sterling
Culberson	Jones, Wash.	Oddie	Sutherland
Cummins	Kendrick	Overman	Underwood
Curtis	King	Pepper	Wadsworth
Dial	Ladd	Phipps	Warren
Dillingham	La Follette	Pittman	Watson, Ind.
Edge	Lenroot	Poindexter	Willis
Elkins	McCormick	Pomerene	
Fernald	McCumber	Ransdell	

Mr. UNDERWOOD. I wish to announce that the senior Senator from Florida [Mr. FLETCHER] is absent on account of illness. I ask that this announcement may stand for the day.

Mr. KENDRICK. I desire to announce the absence of the Senator from Nebraska [Mr. NORRIS], the Senator from New Hampshire [Mr. KEYES], and the Senator from Alabama [Mr. HEFLIN], who are engaged in a hearing before the Committee on Agriculture and Forestry.

The PRESIDENT pro tempore. Fifty-eight Senators have answered to their names. There is a quorum present.

PROHIBITION ENFORCEMENT.

Mr. STERLING. Mr. President, on last Saturday I submitted for printing in the RECORD a digest of a survey made by the Manufacturers' Record with reference to the value of prohibition. I was asked at the time by the Senator from Alabama [Mr. UNDERWOOD] who made the digest, and I was unable to inform the Senator. It is proper to say that I have since been informed that the digest, as well as the survey, was made by the Manufacturers' Record.

DISTRICT OF COLUMBIA APPROPRIATIONS.

Mr. PHIPPS. Mr. President, I desire to give notice that when the Senate convenes to-morrow morning I shall ask unanimous consent to take up for consideration the amendment reported by me from the Committee on Appropriations to the amendment of the House of Representatives to the amendment of the Senate numbered 1 to House bill 10101, the District of Columbia appropriation bill.

PETITIONS AND MEMORIALS.

Mr. BALL presented a memorial of the president of the Delaware State Federation of Women's Clubs, protesting against the food, tableware, and women's wear schedules of the pending tariff bill, which was referred to the Committee on Finance.

Mr. CAPPER presented a petition of sundry citizens of Kansas City, Kans., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

He also presented a resolution of the North Washington Citizens' Association, of Washington, D. C., indorsing the Capper bill for reorganizing the District of Columbia public-school system, but suggesting that under this proposed bill the estimates for school funds be submitted by the Board of Education through the District Commissioners, to be transmitted by them to the Bureau of the Budget, and so forth, which was referred to the Committee on the District of Columbia.

HOSPITAL FACILITIES FOR DISCHARGED SICK AND DISABLED SOLDIERS.

Mr. FERNALD, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 11588) to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines," reported it without amendment.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HALE:

A bill (S. 3703) for the relief of William Sands; to the Committee on Military Affairs.

By Mr. WADSWORTH:

A bill (S. 3704) to amend an act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1922, and for other purposes"; to the Committee on Military Affairs.

By Mr. SUTHERLAND:

A bill (S. 3705) granting a pension to Mary E. Cline; to the Committee on Pensions.

By Mr. ODDIE:

A bill (S. 3706) to place on the retired list of the United States Army George B. Sharon, former lieutenant colonel of Infantry; to the Committee on Military Affairs.

By Mr. RANSDELL:

A joint resolution (S. J. Res. 209) to establish a national hydraulic laboratory; to the Committee on Commerce.

CLAIMS OF HOBOKEN, N. J.

Mr. FRELINGHUYSEN. I ask unanimous consent to have the Committee on Commerce relieved from the further consideration of the resolution (S. Res. 254) to investigate the claim of the city of Hoboken, N. J., for losses as result of the occupation by the United States of certain docks, etc., on the Hudson River, formerly the property of the North German Lloyd Dock Co. and Hamburg-American Line Terminal & Navigation Co., and that the resolution be referred to the Committee on Claims. I make this request at the suggestion of the Senator from Washington [Mr. JONES], the chairman of the Committee on Commerce, who feels that this claim is of a character that should be considered by the Committee on Claims.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

TARIFF BILL AMENDMENT.

Mr. LADD submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was ordered to lie on the table and to be printed.

ADJUSTED COMPENSATION FOR WORLD WAR VETERANS.

Mr. LADD submitted an amendment intended to be proposed by him to the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes, which was ordered to lie on the table and to be printed.

TREATMENT OF LEONARD KAPLAN AT THE NAVAL ACADEMY.

Mr. SUTHERLAND. Mr. President, I would like to have read by the Secretary an editorial which appeared in the News of last evening, June 12, entitled "The cruelty of youth." I then wish to submit a few remarks.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

[From the Washington Daily News, Monday, June 12.]

THE CRUELTY OF YOUTH.

An amazing instance of the heartlessness of youth has come to the attention of the News.

It comes in the 1922 issue of The Lucky Bag, a handsome, leather-bound, 600-page book, prepared by members of the graduating class at the United States Naval Academy, Annapolis. The Lucky Bag is always the souvenir most cherished by students and graduates. Filled, as it is, with the wit and humor of school life, tales of athletic prowess, personal quips, attractive pictures, and complete records of every member's activities during the four years, it will remain a part of the graduate's library as long as he lives.

But in the 1922 Lucky Bag class members and their friends will find a page that is a blot on the class record. How serious a blot it is they will appreciate more and more as later years serve to balance their present youthful judgment.

Three hundred pages of the book are devoted to biographies of the individual members—two members to a page. Beneath each photograph is a humorous characterization of the embryo naval officer, the sort of affectionate razzing dear to the heart of the one who is razzed.

The last of these pages is devoted to Leonard Kaplan. Opposite his photograph is a crude caricature of a fictitious member of the class. The effect is as follows:

LEONARD KAPLAN.
AN AUTOBIOGRAPHY.

Born in the township of Weston, county of Lewis, State of West Virginia, Monday, the 26th of November, 1900. Educated in the public schools of Weston 1907–1912; Weston High School 1912–1916; department of civil engineering, school of applied science, Carnegie Institute of Technology, Pittsburgh, Pa., 1916–17 and 1917–18; Midshipman, United States Navy, July, 1918.

A student above the average and a mathematician of marked ability. Has always maintained that the prime factor in good scholastic work is application rather than genius—application, which includes first, the mental effort or coercive force to exert the brain; second, the knowledge of how to study.

Unmarried. For further information see "Who's Who in America, 1950–1952."

P. A. LIST.
"PORKY"

Born in the township of Zion, county of Cork, state of Ignorance, Sunday, the 17th day of March, 1900. Educated in the Convent of Zion, 1906–1911; Zion City College, 1911–1915; department of geological engineering, school of reductive science, United States naval rock college, Portsmouth, N. H., 1916–1918. Midshipman, U. S. N. R. S., Fourth of July, 1918, until death do us part.

A stewed gent below the average, and a poker player of marked ability. Has always maintained that the prime factor in good academic standing is grease rather than genius—grease, which includes, first, the mental effort or coercive force to bone out of hours and before reveille; second, the knowledge of one's own importance.

Unsat. For further information see the list of those denied special privileges until by positive action on their part they show that they merit further consideration.

No trouble for any person in the least familiar with school life to read between the lines the treatment that young Kaplan has undergone throughout his four years at Annapolis.

But the boys responsible for the expensive book were not satisfied with thus lampooning and setting him apart from themselves.

They left the page number off this page and perforated it along the edge next the binder, so that it might be torn out without leaving a trace. The number that should have been given it appears on the page following. The boy's name is not listed in the index of biographies. Complete arrangements apparently were made to permit any member who desired a yearbook minus Kaplan's name to have such a one.

That the youngster from West Virginia survived four years of this treatment and came through equipped for a commission in the United States Navy is something of a tribute to the stuff that is in him.

But that he had to do it is a sad commentary on the spirit of those in the class who made it necessary.

Mr. SUTHERLAND. Mr. President, I can not too strongly characterize the circumstances which have been set forth in the article which has just been read at the Secretary's desk. It relates to a boy from my State by the name of Leonard Kaplan, who is of Jewish extraction. Throughout the four years of his career at Annapolis young Kaplan maintained a very high standing; in fact, I understand he was second highest man of his class, which has just been graduated; but because of his nationality he has been subjected to a refinement of cruelty, such as has been set forth in this article. It appears that his biography was printed on a page by itself, which was unnumbered and perforated along the line of the binder in such a way that it could be torn from the yearbook of the academy for the current year, 1922, so that those who wished to do so could tear off the page containing this boy's biography without defacing the book.

Mr. POMERENE. Mr. President, I desire to ask the Senator from West Virginia, with his permission, was the academy yearbook to which reference is made printed by the authorities of the academy or by the midshipmen themselves?

Mr. SUTHERLAND. As I understand, it is printed by the midshipmen themselves; but a course of training that will permit such a condition of affairs to exist in one of our governmental schools, or, indeed, in any school in this country, discriminating against a man who has maintained such high standing and subjecting him to such treatment as has been indicated, is utterly un-American and can not be too scathingly condemned.

Mr. KING. Mr. President, will the Senator from West Virginia yield to me?

The PRESIDENT pro tempore. Does the Senator from West Virginia yield to the Senator from Utah?

Mr. SUTHERLAND. I yield.

Mr. KING. Have any steps been taken by the Naval Academy authorities to discipline those who have been guilty of this great wrong?

Mr. SUTHERLAND. I propose to ascertain that fact.

Mr. KING. I hope the Senator will bring this matter up when the Senate is considering the naval appropriation bill, and I am sure it will then receive very sympathetic consideration.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from West Virginia yield to the Senator from North Dakota?

Mr. SUTHERLAND. I yield to the Senator.

Mr. McCUMBER. I wish to ask the Senator, if I correctly understood him to give the impression that the publication of this yearbook, which is known as The Lucky Bag, is entirely without the control of the authorities of the Naval Academy? I can not imagine such a condition.

Mr. SUTHERLAND. I assume that it can not be entirely without the control of the academy authorities.

Mr. McCUMBER. Then the academy must be responsible for it?

Mr. SUTHERLAND. The authorities of the Naval Academy must be responsible for this book.

Mr. President, a few days ago I had occasion to call the attention of the naval authorities to the cases of four or five boys at the Naval Academy who had been punished for some boyish prank. In a way the offense was serious enough, for, as college boys sometimes will, possibly they indulged in liquor and were cutting up as boys in colleges all over the land sometimes do. Their actions, of course, were contrary to the rules of the academy and contrary, perhaps, even to law; but, after all, the offense of those four or five boys was of a minor character compared with the offense that has been committed in stigmatizing the young midshipman of the Jewish race, as he has been stigmatized, because of his nationality. The four or five boys to whom I have referred were punished by being set back an entire year, because, as I have said, at the close of the school year they loosened up a little and indulged in such pranks as boys full of life and spirit will sometimes indulge in, but at the same time showing qualities not at all inconsistent with the attributes of sterling young manhood. I repeat, their offense was much to be deplored and not to be condoned, perhaps, but it was slight, indeed, as compared to the offense committed by the boys who were members of the recent graduating class in thus stigmatizing one of their number, for their conduct evidences a spirit which should not be manifested at any institution, and certainly not at an institution under control of the Government.

Mr. President, if such is to be the attitude of our Naval Academy, or of any other governmental institution, then we have come to a sad pass. In my opinion, we should not allow such an offense as this to pass by uncriticized and uncorrected, nor should those guilty of it be allowed to go unpunished. If such incidents as these are to continue to occur and to pass by unnoticed, then it is better that our Navy should be scrapped, because they show how far we have departed from the tenets and principles which have made this country great and powerful. Regardless of nationality, regardless of race, in this country every man should stand on an equality before the law.

Mr. POMERENE. Mr. President, may I ask the Senator a further question?

Mr. SUTHERLAND. I yield.

Mr. POMERENE. Has the character of this publication and the plan of its printing and binding been called to the attention of the authorities at the Naval Academy?

Mr. SUTHERLAND. I have no knowledge as to that, I will say to the Senator; but I presume that attention will be called to it through the medium of this discussion, and I shall make careful inquiry to ascertain what steps have been taken by the academy to punish the young men who have been guilty of this offense.

Mr. President, I felt it to be my duty to call the attention of the Senate and of the country to this incident, in the hope that there may be no recurrence, and that no such spirit may be allowed to prevail at the academy. It may have been an act of thoughtlessness; but it goes beyond that. It shows a lack of consideration, due to a narrow and un-American prejudice, for an American-born boy, who was reared in the State of West Virginia, where he went through the public schools and acquitted himself well, and, being anxious for further education, he went to Pittsburgh and qualified there for entrance to the Naval Academy. As I have said, at the academy he maintained a standing, both with reference to conduct and scholarship, that would do credit to any American boy.

Mr. President, I was not willing to let this incident pass without calling attention to it.

ADJUSTED COMPENSATION FOR WORLD WAR VETERANS.

Mr. KENDRICK. Mr. President, I am not unmindful of the fact that the chairman of the Finance Committee is anxious to proceed with the bill under consideration, and I do not desire at all to delay it, but rather to promote and facilitate its disposition. I desire, however, to take a few moments this morning to discuss briefly House bill 10874, the soldiers' adjusted compensation bill. Later on, possibly in a few days, I desire also to discuss an amendment to this bill which will provide what I believe to be a very necessary modification of it in the way of a land-settlement feature. It is my opinion that we should not pass the bill without some such provision, and, from my viewpoint, the Smith-McNary bill will prove the most satisfactory of all the forms of land settlement which have heretofore been brought forward.

Mr. President, within the last few months I have listened to many able arguments for and against the so-called "adjusted

compensation bill." While I have genuine respect for the opinion of those who oppose such legislation, I do not agree with them in their conclusions.

From my viewpoint "adjusted compensation" is a misnomer for such form of legislation. It would be better named "just compensation." In simple justice to the ex-service men it should be said that the soldier boys are not clamoring for a bonus, as has been contended, but a sense of obligation has compelled and is compelling Congress and the country constantly to dun themselves like a delinquent debtor in behalf of his creditor.

The two fundamental principles underlying this question are, first, whether there is an obligation, and second, if there is an obligation, whether the Government is able to meet it.

Mr. President, in the light of all the facts involved in the assembling of our Army and in the prosecution of the war, no form of reasoning sanctioned by logic can be employed that will justify a refusal or failure on the part of our Government to compensate our soldiers adequately for service during the World War.

My convictions on this question are not of a recent or pre-election character. They were formed during a visit to the battle lines of France and Belgium during the late fall of 1917, while meeting and conferring with the advance guard of our Army in the training camps just away from the battle line and within easy sound of the booming of the cannon. When I came in contact and talked personally with our boys five and six thousand miles away from home, and glimpsed from them the high spirit of patriotism which animated them in their sense of duty; when I saw them in training with rain-soaked garments during the chill autumn days, and visited them in their billets in stables, in haymows, in every improvised place, and every kind of a place except a comfortable one, I mentally concluded then and there, and said to my friend and colleague, Senator Kenyon, "the demands of these boys upon their country and their Congress in the years to come are to be very unreasonable, indeed, if they are in excess of my idea of what the country and Congress should grant them."

When I saw these boys, and talked with them, and gained an insight into their attitude of mind, it was evident to me that not many of them ever expected to return to their native land; and when, homeward bound, the different divisions marched down Pennsylvania Avenue, the placards of their respective divisions, indicating losses of 30, 40, 50, or even 60 per cent, told the story, "they were not to return; 75,000 had made the last great sacrifice."

Never in the history of a nation has there been more of the zeal of crusaders than was evidenced in this advance guard of the great expeditionary force sent to France.

The very principles under which this Army was assembled were at variance with anything theretofore employed by the Nation. Of the millions called, but a limited number was chosen. To those best fitted, because of their youth and the years of life in their veins, were assigned the hazards and hardships of the trenches. To the great majority were assigned the necessary vocations of civil life. To the one we agreed to pay a dollar per day and board; to the other the most unusual compensation ever known in the history of this country. The men to whom were assigned the necessary vocations and the comforts of everyday life were accredited with contributing as much to the winning of the war as those who assumed the risk and hardship and who occupied the front-line trenches. The one man traveled four, five, and even six thousand miles from home to fight for the honor of his flag and for the ideals of a Christian Nation; the other proceeded in the even tenor of his way, and with even increased enjoyment of everyday life.

If the Government assumed the right to assign one man to one task and another man to another task, then in simple justice it should have equalized the form of compensation to each man. No one can consistently claim that the service of the man in the necessary vocation was a higher form of service than that of the man who assumed all of the risk and all of the hardships of the camp, the trench, and the battle field. If it were right and proper to say to the man who defended his country with his life that his compensation should be a dollar a day, how can we justify the payment of the enormous compensations of the war period to the man who remained at home in the enjoyment of every comfort? If we were justified in calling to military service the manhood of the Nation, why should we have hesitated to enlist for service during the war the property of the Nation?

I assume to say here and now that in any world war in which this Nation will ever again be involved there will be no hesitation in conscripting the wealth of the Nation in its defense, on the ground that property is not more sacred than persons. If it be consistent to limit the amount our soldiers may receive as compensation, why not in justice and equity limit the amount that wealth may earn during the same period of distress?

It is not too much to say that many of those who are now clamoring against adjusted compensation were among the most conscienceless profiteers of the war. Net profits to the extent of $40,000,000,000, nearly twice the total amount of our war debt, have been wrung from the people of this country since 1916. These figures graphically illustrate the effect that the conscription of wealth would have had on the present situation. What would have been the result if these earnings had been limited to a reasonable return on the capital invested? There would have been no enormous debt, no orgy of profiteering, and no wild extravagance. The country would have to-day been proceeding on an orderly, normal basis. The Government would long ago have been in a position to have discharged this obligation to the Nation's defenders.

In the speeches delivered in opposition to this legislation there has been one unfailing contention running through them all, that you can not buy patriotism. To this statement no one will take exception. The spirit which leads a man to offer his service, even unto death, in defense of his country can not be measured in dollars and cents; it can not be paid for, and by the same token it is not for sale. The mere pittance which we here offer to the individual soldier is in no sense a payment for that service; it is a small recognition granted out of common decency in partial compensation for the time these soldiers lost from the ordinary pursuits of life.

If we are to follow the process of reasoning advanced against the granting of an adjusted compensation, the inquiry is pertinent as to what was the object of the dollar a day paid these men? Was it intended that this should be sufficient compensation? If so, it may easily be shown that no nation in the history of civilization ever paid as beggarly a compensation to its troops as this Nation did in the World War, in proportion to its ability to pay; and up to this time, among all the nations engaged in the World War, none has asked more of good faith of those who served in defense of the country and has offered less in the way of compensation. Canada paid adjusted compensation ranging from $70 to $600, France from $74.21 to $187.21, Great Britain a maximum of $140.94, Australia $98.42, Italy $64.69, and these nations which have paid their soldiers a bonus have been financed by our own country; and while financing other countries to make just compensation to their soldiers, we have declined so far even to recognize such a responsibility on the part of our own Government.

Mr. STERLING. Mr. President——

Mr. KENDRICK. I yield.

Mr. STERLING. I should like to ask the Senator, if he has any information on that point, as to what these several countries paid the men while in the service?

Mr. KENDRICK. I have not the figures. I think their compensation was somewhat lower than our own.

We have reason to believe and reason to be proud of the fact that but for our men there would have been a German victory. In this event the payment of the amount now asked as an adjusted compensation to our soldiers would have been a bagatelle to the levies made by the Central Powers in the way of reparations. It has been contended that a cash bonus would not prove a benefit. I am inclined to agree with this statement, but only because the amount it is proposed to give is so small. In this particular I agree with the Senator from Idaho [Mr. BORAH] when the says, "If we are going to compensate the soldier for the loss of his time, we might at least pay him the wages of an ordinary day laborer." In view of all the circumstances, one can not forego the conclusion that the amount is parsimonious in the extreme.

These men when called to service were, in the majority of cases, earning in their individual capacities amounts equivalent to three and four times the compensation paid by the Government. Every employer of labor in any capacity found it necessary to increase greatly the wages paid his employes. Almost every man engaged in every kind of business found his profits increased with the advance of the war, and these men who were making the great sacrifice had their compensation reduced at a time when they were giving life and limb to the defense of those at home. In addition to the loss sustained through decreased compensation received during the period of service, there is the disruption of plans, the loss of positions, and the general unsettling of preconceived and prearranged programs of individual vocations; and it may also be pointed out that while the civilian who did not go to war had the advantage, when the industrial collapse came after the war, of the unprecedented earnings he

made during the conflict, the soldier was discharged from the Army practically in the midst of the depression, with nothing to sustain him. The soldier bore the brunt of the war and he bore the brunt of the industrial disorder and economic chaos which followed the war. Surely he has earned the meager consideration it is here proposed to give him. Surely it is our solemn duty to attempt in some manner to balance the scales of justice for him.

Mr. President, this is no revolutionary proposal that is made now for the first time in the history of our Government. To the great glory of the statesmen of the past be it said our Government has always recognized generously the service of the soldier. The principle was applied during our Civil War in a system of bounties paid for voluntary service. Twenty-three States paid about $260,000,000, while the Federal Government paid $363,000,000 in cash, land, and other bounties, making a total of $650,000,000 paid an Army of two and one-quarter million men at a time when the wealth of our country was not more than one-tenth of what it is to-day.

It is inconceivable that anyone at all apprised of the facts or familiar with the Nation's resources could credit the statement that the Government's finances would be seriously crippled by the payment of this compensation. The war expenditures of France equaled 78.8 per cent of her total wealth; Italy, 78.5 per cent; Great Britain, 54.8 per cent. The United States expended only about 9.6 per cent of her national wealth. These other nations have already paid their soldiers adjusted compensation; and it may be worthy of note here that these nations that have paid their soldiers adjusted compensation owe this Government $10,150,401,305.49, of which even the interest is and was unpaid at the time they discharged this obligation to their soldiers. In other words, we have loaned money to these other nations to meet an obligation toward their soldiers, and we are threatened with financial disaster if we attempt to meet such a responsibility to our own men.

The record is too recent and the ending of the war too fresh in the minds of the people for us to forget that the zeal and enthusiasm and fighting spirit of our soldiers ended this war two years before it otherwise might have ended. Such a consummation represented a saving to the Nation of from fifteen to twenty billion dollars, three or four times the amount required for adjusted compensation if paid in cash. With an estimated wealth of $275,000,000,000, does anyone believe that if it had been necessary in order to defeat Germany this country would have hesitated to spend a hundred billion, or that even such an outlay would have meant repudiation?

Much has been said as to the means and methods of raising the money to meet this obligation. In this connection I insist that this Nation can discharge its every legitimate obligation by paying cash. It is easy to understand that there might be an honest difference of opinion as to whether or not the Government should undertake to pay adjusted compensation; but, if the obligation be admitted, it is inconceivable how anyone could be reconciled to a plan under which the payment could be delayed or deferred. If the obligation be admitted, it at once becomes sacred in character, and should be met with the least possible delay, and with not too much regard for our convenience in discharging it.

The plan proposed in the present bill of deferred payments of amounts in excess of $50 impresses me as being subject to more than one objection. First, it can not be satisfactory to the soldier; second, it is a most expensive form of adjustment to the Government itself. In the prosecution of the war we found no difficulty, when necessary, in borrowing an amount sufficient to meet our needs. I venture the statement that we could do the same thing without upsetting our finances if it meant the payment of every dollar in cash, but if this bill were drawn with discretion it would not impose the cash payment of even the greater part of the amount involved.

In order more fully to meet the needs of different men, no doubt the different forms of payment are very desirable, and will prove satisfactory.

The paid-up insurance plan is a highly satisfactory one, and will probably prove greatly beneficial to a large number of our soldiers; but the form of adjustment, if properly planned and prosecuted, which will prove more widely beneficial to both the soldiers and the Nation as well, is the land-settlement plan. Without intending to condemn the work of those who have given much thought to this question, I am constrained to believe that the plan as outlined by the House bill will not meet the needs of the situation. As it looks to me, this bill gives authority without direction for reclamation, and will be lacking in both immediate and permanent results. As I read the bill, no appropriations or provisions are made for raising the funds with which to finance the reclamation.

It will be unfortunate, indeed, if this law is not framed with some definite purpose of specializing in a land-settlement scheme for the soldiers, such as is provided in the Smith-McNary bill. No single act of the Government has ever contributed so much to the wealth and citizenship of the Nation as did the homestead law, and the opportunity is here presented to us to repeat in part this great success of the past. The man who takes a Government homestead and converts it into agricultural land performs a real service to the Nation. He earns a clear title to the land.

Within the past few months the urban population of the country has exceeded the rural population by several thousands, and this is a warning that the Nation might heed at this time. No legislative action by Congress would prove more popular, and in the end more widely beneficial than by writing into this bill such provisions in the way of land settlement as would guarantee the occupation of farm lands by the largest number of soldiers of the World War. The soundest and most conservative business principles should characterize the settlement of these lands. Congress would be easily justified in granting greatly increased compensation to the soldiers who would make such settlement.

Any plan that will meet the situation must be national in scope, and in order to prove at all beneficial it must provide means to initiate reclamation work immediately and on a broad scale, and guarantee a revolving fund that will make continuous reclamation both by drainage and by irrigation. At the close of the Civil War our Government was fortunate enough to hold in fee simple millions of acres of the most fertile lands of the Nation. These were given outright to the soldiers in the way of homesteads, and hundreds of thousands of veterans took advantage of the opportunity. It is unfortunate that we do not now possess such great areas of lands to give to the soldiers of the World War; but we are in possession of untold millions of acres of land that if reclaimed would serve just the same purpose as the rich farm lands of the last generation, and at the same time add to the wealth of the Nation vastly more than the cost of development.

Just as during the last generation the Government gave the soldier who was willing to undertake the conquest of the prairie 160 acres or more of rich, valuable land in fee simple, and considered itself well compensated when the soldier-settler transformed the land from buffalo pasture to productive farms and built new communities and States to enrich the Nation, so to-day it should not hesitate to give with equal generosity, if in smaller tracts, reclaimed desert and swamp lands to the veterans of the World War. They will repeat the triumphs of their fathers, and the Nation will be well repaid.

Under every plan of land settlement employed heretofore on reclamation projects, the settler, even though he be a soldier, has been required to pay the full value of the land. Such payment has been provided under an amortization plan extending over a long period of time. Any land-settlement bill intended as a substitute for soldiers' bonus must be framed so as to give the soldier an opportunity to receive an unfailing benefit to the amount of his bonus. Under the system provided in the adjusted compensation bill it would be easily possible for him to accept the land with a credit of the amount of his compensation and an obligation for the balance of the cost of the reclamation; and with such an obligation upon the entire tract, extending over a long period of time, this plan would involve the settler in too many cases beyond his ability to pay, even though he employed every diligence in his efforts to establish a home and to meet his payments according to his contract with the Government. The vicissitudes that have attended the farming interests of this Nation for the past 40 years will all attest to the unquestioned hazards of such an undertaking, and failure would result simply in the forfeiture on the part of the soldier of his bonus, in addition to the long years of effort and toil made by him in discharging the lien or obligation on his farm. In order to meet this situation, the law should include a dual plan of relief to be employed in case the soldier is unable to make full and final payment on his land. First, one by which the soldier might select from his tract such an acreage as, computed on the basis of per-acre reclamation cost, would be equivalent to the amount of his adjusted compensation plus any additional payments made on the land, the selection of such acreage to be made by the ex-service man subject to the approval of the Secretary of the Interior; or, second, he should be paid in cash, without interest, the amount of his compensation. Through failure to make such provision the soldier, if unable to make payment in full, not only loses his farm but he loses his bonus, and it will be difficult for the Government to convince him that it has failed to benefit by his misfortune.

Under the present plan the Government, which is honestly endeavoring to confer a benefit upon these men, might be placed in the position of a land agent who had made a sale conditioned upon an advance payment and the forfeiture of that advance payment when the purchaser failed to make payment in full.

The provision suggested would make certain that the plan and intention of Congress to recognize the obligation to the soldier would not miscarry or fail. Such development on the part of the Government would not constitute an expense. It would represent in the highest sense of the term a profitable investment. Millions of acres of land involved in the development are at present waste lands, entirely unproductive. Reclamation of these lands would add to the national taxable and productive wealth several times the amount expended in such reclamation. If initiated without unnecessary delay it would provide profitable employment for hundreds of thousands of men who are now idle, and the increased thousands of rural homes and producers of agricultural products would easily justify every dollar expended in such a plan of national reclamation. It would be an investment laid upon the strongest foundation in all the world—faith in the future of America and confidence in the character of her sons. That which is spent in building in America is never lost. Useful labor is always beneficial, and if for no other reason than that they would provide us useful labor for thousands of men, the sums expended in reclaiming lands for the use of the soldier would be money well spent.

Here within our grasp is a great opportunity to perform a great service for the country, while at the same time liquidating the obligation we owe to the boys who were our representatives on the battle line in the Great War. I sincerely hope it will not be allowed to pass. If by actually reclaiming the land we show our good faith and prove to the soldier that we intend to deliver it to him on reasonable terms and at the same time guarantee to him his equity in the land, I confidently venture the prediction that thousands of the veterans, instead of taking cash or insurance certificates or any of the other proposed forms of compensation, will decide to take the land. This in itself would answer the argument of those who say that the payment of a bonus will impoverish the Treasury.

It will be a pity if through lack of courage we fail to meet this situation, and yet, while failing to meet it, pass a bill which only holds out a promise to the ear, but breaks it to the hope. We have not hesitated to provide adjusted compensation for every real and imaginary loss suffered by industries that were called upon for war service. Three billions of dollars were appropriated under the Dent Act, approved March 2, 1921, for the relief of war contractors; two billions have been given to the railroads; fifty millions have been appropriated for the producers of war minerals; and millions have been appropriated to feed Europe.

Our purse has been open to every appeal to our bounty, but this demand of simple justice alone meets opposition. So it is to be said of this Congress that while rushing generously to the support of every claimant who could show the approval of the financial powers, it will decline to recognize the Nation's obligation to the men whose patriotic self-sacrifice and heroic energy saved the financial structure from a burden many times greater than it now bears by bringing the war to an end at least a year before anyone expected a cessation of hostilities?

We shall, of course, pass a bonus bill. Mr. President, let it be an honest one. Let us not approach the duty in any captious, critical, or ungenerous spirit. The same spirit which moved us in the heat of war should inspire us now. The same generous patriotism that prompted us to cheer these boys as they went away and to welcome them as they came home should prompt us now to do them justice. The question is whether we shall ask these boys to crystallize their faith, their loyalty, and their devotion to the country into deeds, and insist at the same time that they accept as convincing evidence of our gratitude for such service, simply an expression in words. It may be we can not buy patriotism with money, but it will perhaps be admitted that it is a splendid medium through which to express a nation's gratitude. It is indisputable that these men owed the Government every service they gave. It is also true they rendered this service cheerfully, even happily, and gave themselves life and limb without reservation. In so doing they made enduring everything in our national life worth while. When we entered the war the proud boast of our allies to the Central Powers was, "You are now up against an undefeated Nation." Through the valor and fighting spirit of our soldier boys we are still an undefeated Nation, and to the men who made enduring our liberty and institutions we owe something more tangible than fine phraseology.

Mr. President, with all due respect for those who entertain different views, the people of this Nation are not only conscious of this obligation but they are committed to its prompt discharge, and the time has come when the Congress should act without further delay. In its action there should be no suggestion of a gratuity or donation but a recognition of a clearly defined obligation. In its action there should be no assumption that the amount here involved is in payment for patriotic service but simply compensation for time lost in other vocations. Though such payment has been already too long delayed, it should now be undertaken and discharged in the same generous spirit in which the soldiers of the World War answered the call of their country in its time of real need.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. Will the Senator from North Dakota point out the amendment which he desires to have the Senate consider?

Mr. McCUMBER. I ask the Senate to proceed to the consideration of paragraph 383a, on page 87.

The PRESIDENT pro tempore. The Secretary will state the amendment of the committee.

The ASSISTANT SECRETARY. On page 87, after line 4, the committee propose to insert a new paragraph to read as follows:

PAR. 383a. Azides, fulminates, fulminating powder, and other like articles not specially provided for, 12½ cents per pound.

Mr. KING. Mr. President, I observe that this is an amendment offered by the committee. I presume the committee felt constrained to lay a duty upon these products because of the fact that a duty of 25 per cent had been imposed upon quicksilver.

Mr. SMOOT. I will say to my colleague that these fulminates consist of 80 per cent quicksilver. Eighty per cent of 25 cents would be 20 cents compensatory duty, but the committee took into consideration that the transportation of the items is very dangerous and very costly and, therefore, they only gave 12½ cents per pound. But the Senator will see that on account of the duty of 25 per cent on quicksilver a compensatory duty would be 20 cents, because 80 per cent of all of the products is quicksilver. The reason why 20 cents a pound was not given was, as I stated, that the transportation is costly and rather hazardous, and the committee felt that 12½ cents a pound would be sufficient.

Mr. KING. I concede that if we lay a duty upon quicksilver there would be some justification for the imposition of a duty upon azides, fulminates, and fulminating powder. However, it does not necessarily follow that having placed a duty upon quicksilver it is in the interest of the public to impose a duty upon detonating caps and those products which come within the paragraph and which are so necessary in the use of explosives. My colleague will see that this is a tax upon the miners, upon those who use explosives in road building, upon farmers in the extirpation of stumps from their lands, and upon many of our citizens and in very many industries.

It does seem to me that wherever it is possible even our friends who believe in a protective tariff ought to free from the burdens of taxes those commodities which are so indispensable to the great mass of the people.

We have placed a tax upon the primary product of explosives, and when we reach explosives that compensatory duty will be carried to all forms of explosives. I am not speaking now of gunpowder, but nitroglycerin and the forms of explosives that are used by the farmers, the miners, the road builders, the grade builders, the railroad builders, and so on. It is increasing the burdens of the farmers for clearing their lands, of the State, county, and city governments that are expending tens, if not hundreds, of millions of dollars for road building, of the mine operators who are going down into the bowels of the earth for the purpose of bringing out the precious metals and the other minerals and metals so important to our progress, industrially and otherwise.

We now come to this item and we impose a duty upon it. It is a duty that is passed to the great mass of the people, and there are no corresponding benefits. I concede there are importations, although the importations are diminishing. In 1911 there were importations of the value of $42,000. During the war the maximum value of imports under this paragraph reached the sum of $1,782,000. Of course, the high prices during the war were reflected in that very large sum. In 1919 the imports dropped to the value of $275,000, in 1920 to $479,000, and in 1921 to $107,000. It is impossible to get any statistics of the domestic

production, because these products are manufactured in the immense explosive factories and powder factories of the country. The Du Pont de Nemours Co., the Atlas, and other great corporations of the United States produce these products in very large quantities. We are giving the opportunity to them to take toll of the people.

The tax—12¼ cents per pound—is rather heavy, because the present value is $1.77 per pound. The pre-war price was very much less. Of course, measured by the average rate found in the bill, this is not an extravagant tax, but it is a tax, a tax upon industry, a tax upon the farmers, a tax upon the road builders, a tax upon the miners and upon the mine operators, a tax upon coal, because these products are made in the extraction of coal from the earth. It does seem to me that we ought, as far as possible, even if we are protectionists, to lay burdens upon those products which can bear them and where the products are not so universally used and are not so indispensable to the industrial life of the people.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. McCUMBER. I ask that we may go next to paragraph 387, on page 87.

Mr. KING. Does the Senator desire to pass over paragraph 384 for the present?

Mr. McCUMBER. Yes.

Mr. KING. Very well.

The ASSISTANT SECRETARY. In paragraph 387, bottle caps, collapsible tubes, etc., on page 87, in line 20, the committee propose to strike out "25" and insert "45," so as to read:

Bottle caps of metal, collapsible tubes, and sprinkler tops, if not decorated, colored, waxed, lacquered, enameled, lithographed, electroplated, or embossed in color, 45 per cent ad valorem.

Mr. KING. The Underwood law gives a rate on these products of 35 per cent ad valorem. I think the rate proposed is entirely too high.

Mr. SMOOT. Mr. President, before the Senator continues his remarks, will he yield to me?

Mr. KING. I am very glad to yield to my colleague.

Mr. SMOOT. In the amendment of the committee just stated, I move to strike out "45" and insert "30."

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. The Senator from Utah proposes to amend the committee amendment in line 20 by striking out "45" and inserting in lieu thereof "30."

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Utah to the amendment of the committee.

Mr. KING. Of course, that is a very great reduction. I am sure my colleague and the committee have reached the conclusion that our criticisms of some of these schedules were well founded and that a rate of 45 per cent ad valorem upon the products embraced in this paragraph was entirely too high. Before I make an observation upon that, may I ask my colleague what reduction will be made in line 22 in the same paragraph?

Mr. SMOOT. That applies to the same articles if decorated, colored, waxed, and so forth, and I shall move to strike out "55" and insert "45," so as to make the rate 45 per cent ad valorem.

Mr. McCUMBER. If the Senator will allow me, I desire to say with reference to the statement he made a moment ago, without doubt the committee would listen with great interest to any suggestion that might be made by the junior Senator from Utah, and his suggestions would undoubtedly have good influence upon the committee. It is but fair to say, however, that the committee try to consider these matters before they come up on the floor, and they do not, therefore, have the benefit of the Senator's criticisms at a time when they act upon them.

Mr. KING. I am very sure there was no hidden sarcasm in the remarks of my distinguished friend?

Mr. McCUMBER. Oh, no.

Mr. KING. Therefore I accept with graciousness his statement. I compliment the Senator and the committee upon their exhibition of good common sense in tendering some of these amendments.

Mr. SMOOT. I will say to the Senator that the last part of the paragraph applies to nothing but luxuries of the highest kind. There is a basket clause carrying 45 per cent. The committee thought it ought to be at least 45 per cent for the luxuries when the basket clause carries that rate. The existing law carries rates of 30 and 40 per cent. We simply want to make this rate conform to the rate in the basket clause.

Mr. KING. I am making no criticism of the action of the committee with respect to the second subdivision of the paragraph.

Mr. SMOOT. Thirty per cent is the rate carried in the existing law. I will say to the Senator that the items there covered are nearly all luxuries, outside of the collapsible tubes, and, as the Senator knows, they are used for toothpastes, and so forth. I need not enumerate the other articles which they are used to contain.

Mr. KING. One of the principal objections I have to the first duty laid in the paragraph is that it deals with comparatively cheap materials which are used very extensively in connection with many products very important to the people. For instance, take collapsible tubes. All the little leaden tubes used for pastes of various kinds, tooth powders, and so forth, are covered by this rather high tariff. I am not able to state just what the domestic production is, although in 1913 there were quite a number of domestic factories manufacturing these products. In 1913 there were seven large factories engaged in making collapsible tubes, two in the manufacture of sprinkler tops, and a number of others engaged in the manufacture of both collapsible tubes and sprinkler tops. The production of sprinkler tops was estimated to be about $300,000 in 1913 and several million dollars in 1920. As a matter of fact, there has been a remarkable development in the domestic production of all of the items embraced within this paragraph.

The importations in 1921 amounted to only $109,000. In 1918 they were $64,000, in 1919 only $11,000, and in 1920 they were $94,000. Our importations bear a very small ratio to the production. With the production of several million dollars' worth, our imports, as I have stated, last year were only $109,000 worth. Probably about 5 per cent of the consumption comes from imports.

I think for the good of the country and in the interest of reasonable prices—and reasonable prices mean an advantage to all the people, manufacturers as well as consumers—it is important that there should be some foreign competition. I think it would be a most disastrous thing not only for manufacturers but for consumers if there was absolutely no foreign competition, disastrous in the sense that it leaves the domestic manufacturer unlimited opportunity, except such as may be developed from domestic competition, to charge just such prices as he may see fit to charge.

Unfortunately we have embarked upon an era of combination and confederation upon the part of manufacturers. There is a tendency for the small producer to be swallowed up, and ofttimes he seeks the process of being swallowed up by the larger one. Manufacturing enterprises gravitate together and we have huge aggregations of capital devoted to the various industries of the United States. It is unfortunate, in a way, but perhaps it is in harmony with the economic advancement of our country that domestic competition should be reduced to the minimum. The best condition in the economic and industrial world results from competition. Competition is not only the life of trade but competition spurs and develops trade and makes for the general advancement of all the people. I have had occasion to say three or four times during the debate upon the pending tariff bill that nothing could be so disastrous to big business itself as for it to have no competition and to give to the public unchallenged figures and prices upon its products. Even if the prices charged were reasonable, if there is no competition and the business is a big concern, the resentments of the people are aroused and they attribute to the corporation or to the big business oppression and intolerance of which perhaps it is not guilty; but our skepticism, our suspicions, our jealousies, and our resentments are immediately aroused when a huge concern dominates any particular commodity. So our big enterprises, for their own good and for the perpetuity of a fair and proper industrial system, ought to welcome some form of competition. If we can not get it from within let us get it from the competition from abroad. A healthy, wholesome condition will more nearly be found in the industrial world when there is foreign competition. I do not mean, even from a protective standpoint, such competition, of course, as would be absolutely destructive, assuming that were possible, of the domestic industry.

Here we have in these particular items an illustration of the point for which I am contending. We are producing here millions of dollars' worth and importing $100,000 worth. It would be better for the domestic market and better in the long run for manufacturers of these articles if there were a little more competition. If producers of any product have no com-

petition, first they charge extortionate prices, or that is their disposition, and that condition leads to stagnation. The greatest development in our industry has resulted from acute and active competition. If I am engaged in business and a bright and active competitor is upon my trail, then I am reaching out for scientific men, for men of ability, of genius, and skill, and competency that they may aid me in bringing my business to a high state of efficiency, that I may meet the active and aggressive competitor who is upon my trail.

This tariff, in my opinion, is too high; we have now no competition from abroad that influences the market; the competition is negligible; and yet, in view of that, it is proposed to impose what I conceive to be too high a duty.

I move, therefore, Mr. President, to amend the committee amendment by striking out "30" and inserting "25."

The PRESIDENT pro tempore. The amendment of the junior Senator from Utah to the amendment offered by the senior Senator from Utah on behalf of the committee will be stated.

The ASSISTANT SECRETARY. On page 87, line 20, before the words "per centum," it is proposed to strike out the numeral "30" and to insert the numeral "25."

Mr. HARRISON. Mr. President——

Mr. SMOOT. Will the Senator from Mississippi not allow us to take a vote on these two items? I do not think they will lead to any further discussion.

Mr. HARRISON. Very well.

The PRESIDENT pro tempore. The question is on the amendment of the junior Senator from Utah to the amendment offered on behalf of the committee by the senior Senator from Utah.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is upon the amendment proposed by the senior Senator from Utah [Mr. SMOOT] as a modification of the committee amendment.

Mr. KING. On which amendment does my colleague now desire to vote?

Mr. SMOOT. On the amendment which I have offered to the committee amendment, striking out "45" and inserting "30."

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the Committee on Finance, as proposed to be modified, will be stated.

The ASSISTANT SECRETARY. On line 22, page 87, before the words "per centum," it is proposed to strike out the numeral "55" and to insert in lieu thereof the numeral "45."

The PRESIDENT pro tempore. The question is on the amendment of the Committee on Finance as modified.

The amendment as modified was agreed to.

NAT GOLDSTEIN.

Mr. HARRISON. Mr. President, some weeks ago there came before the Senate the nomination of Nat Goldstein for collector of internal revenue at St. Louis, Mo. The committee to which that nomination was referred considered it, but it is uncertain whether or not any report was ever made upon the nomination. At any rate, Nat Goldstein's nomination was discussed for many days in the open sessions of the Senate. The only facts that were revealed touching that nomination were those that were developed by the activities of the select committee of the Senate two years ago when investigating campaign contributions. The facts thus revealed by that investigation were so glaring and some thought disclosed such corruption that they contributed to defeat the nomination for the Presidency of one very strong candidate of the Republican Party. They did more than that, for when it was shown that Goldstein took $2,500 of the Lowden so-called "slush fund," my recollection is that it defeated Goldstein's election as a delegate to the Republican National Convention; or, at least, Mr. Lowden, a Republican candidate for President, came out and stated that, even though Goldstein was committed to his candidacy, he did not desire his vote. Goldstein was denounced throughout the country not only by the Democratic press but by the independent and Republican press; there was an odium that attached even to his name. In view of those facts it was surprising both to the other side of the Chamber as well as to this side when Nat Goldstein's name came to the Senate at the instance of President Harding.

It was natural, even in the circumstance of an overwhelming Republican Senate, when all the facts were revealed, that that name should have been withdrawn from the Senate; and it was withdrawn from the Senate. I am sure that many Senators on the other side of the aisle and Republicans and Democrats and Progressives throughout the country were more surprised this morning when they read, under a St. Louis headline, a letter, couched in most laudatory terms, written by President Harding to this same Nat Goldstein, who had been repudiated by the Senate—unanimously I might say—his nomination having been withdrawn.

So I am going to incorporate in the RECORD, or have read to the Senate the remarkable letter written by President Harding to Nat Goldstein, who has been denounced as a slush-fund taker. The facts show him to have taken $2,500 to be used in advancing Mr. Lowden's candidacy for the Republican nomination for President, but the letter written by the President of the United States to Nat Goldstein appears to be an effort to take away from him all the odium that may have attached to his name by reason of that incident which defeated Lowden's nomination. Evidently the President is not satisfied with appointing corruptionists to office, but he lauds them and says that "attacks" made upon them "are undeserved," even after the facts have come to his knowledge.

Mr. KING. Mr. President——

Mr. HARRISON. I yield to the Senator from Utah.

Mr. KING. My recollection is—I ask the question for information—that after Mr. Goldstein had taken this slush fund, so called, from the Republican candidate for the Presidency from the State of Illinois, he supported Mr. Harding, the competitor of Mr. Lowden.

Mr. HARRISON. Yes; he afterwards supported Harding. When money was first offered him by Lowden's representative he said he did not know whether he was for Harding or for Lowden. I am really sorry that the Senator has brought that out, because it might give the impression to the country that the President is still standing by Goldstein and saying that the attacks upon him were "undeserved" because of the fact that he laid down on Lowden and took up Harding, as many others did when they saw that Harding had a chance to be nominated at Chicago.

Lowden, $2,500 of whose money went to Nat Goldstein, does not speak of it the same as Harding does. I quote:

> Lowden denounces Goldstein as unfit; gave false testimony on the campaign fund, says ex-governor, nearing here on *Olympic*.
> Ex-Governor Frank O. Lowden, of Illinois, returning home from Europe on the *Olympic*—

I read an excerpt from a newspaper clipping of a few weeks ago, which was published on Mr. Lowden's return from Europe—

> Ex-Governor Frank O. Lowden, of Illinois, returning home from Europe on the *Olympic*, sent a wireless message to the St. Louis Globe-Democrat last night condemning the nomination of Nat Goldstein to be internal revenue collector of the St. Louis district, and declaring to be "absolutely false" the testimony which Goldstein gave before the Senate investigating committee in 1920 in connection with the $2,500 check given him by a Lowden agent while he was seeking to be elected a delegate to the Republican National Convention.
> The former governor and former presidential candidate says he was told at the time that Senator SPENCER of Missouri had Goldstein give his testimony before the committee.

Notwithstanding that repudiation by the man in whose interest the money was given and notwithstanding the opposition of the Senate, the President of the United States in his letter to Goldstein still holds him up as a pure man, and states that the attacks against him were undeserved. In view of that letter, I am wondering if the President wrote Ambassador George Harvey a letter commending his course. After Harvey had stated that "our boys in the late war were fighting because they were afraid not to fight" and because "they wanted to save their own skins," when the press of the country denounced that utterance and the Republicans and Progressives and Democrats alike condemned it, I am wondering, in view of this letter, if President Harding then wrote to Ambassador Harvey and said "The attacks upon you are of an undeserved character."

Here is the letter. It comes out from St. Louis. I do not know whether the President gave permission for Nat Goldstein to publish the letter or not. I presume that he did or it would not have been published; but it is carried in full by the Associated Press.

Here is what President Harding said to Nat Goldstein, following the action of the Senate in turning down his nomination:

> CRITICISM OF GOLDSTEIN UNJUST, SAYS PRESIDENT.
>
> ST. LOUIS, MO., June 12 (by the Associated Press).—President Harding has written Nat Goldstein that the criticism produced by the nomination of Goldstein for internal-revenue collector here, caused by Goldstein's acceptance of $2,500 of Lowden campaign funds, was of an "undeserving character."
> Goldstein to-day made public the letter, which was in reply to one he sent the President May 10 asking that his nomination be withdrawn as a result of the criticism.

Goldstein did not ask that his nomination be withdrawn until he knew that that nomination would be repudiated by the Senate and turned down.

The letter follows:

MY DEAR MR. GOLDSTEIN—

How affectionately does the President write—

MY DEAR MR. GOLDSTEIN: I have been intending for some days to make an acknowledgment of the very gracious and considerate letter which you addressed to me under date of May 10.

I suppose that was the letter that was handed to the President by the Senator from Missouri [Mr. SPENCER].

You very promptly—

Says the President—

recognized a difficult political situation, for which neither of us is responsible, and you took yourself out of it in a very prompt and considerate way.

Let me read that again:

You very promptly recognized a difficult political situation, for which neither of us is responsible.

If Goldstein was not responsible and President Harding was not responsible, who was responsible for that very "difficult political situation"? But, anyway, the President says to Goldstein:

You very promptly recognized a difficult political situation—

It took him a long time to recognize it, because the nomination was before the Senate for weeks—

for which neither of us is responsible, and you took yourself out of it in a very prompt and considerate way. I should like you to know of my understanding of your feelings and my appreciation of your thoughtfulness in helping to solve it—

That was one of the great and delicate problems that was pressing upon President Harding, and it took "promptness," it took considerate action, it took "thoughtfulness" upon the part of Nat Goldstein to help the President to solve it.

though you were fully conscious of the undeserving character of the attack which your nomination brought out.

Lowden says his testimony was false. Lowden repudiated Goldstein. The papers of St. Louis repudiated Goldstein. The Senate of the United States repudiated Goldstein; and yet the President does not repudiate him, but says that the attacks were of an "undeserving character."

What attacks that were made upon Goldstein were of an "undeserved character"? The only attacks that were made upon him were from the bare facts of the record as disclosed in the investigation. The only facts that the Senate had was line after line of testimony before that committee as given by Goldstein and by his friends of the Republican organization in Missouri. Goldstein did not deny taking the $2,500. Goldstein did not deny that it came out of the Lowden slush fund. Goldstein admitted that he placed it in the bank to his credit, and that he was checking on it the same as he was checking against his other funds; and the facts show that Goldstein got the $2,500 because he was a delegate to the Republican National Convention, and with the implied understanding that he was to work for Lowden's nomination. Then what does the President of the United States mean by saying that the attacks made upon Goldstein were of an "undeserving character"?

I am wondering if there is anyone else in the whole United States who believes in the purity of elections and the sanctity of the ballot box who has the same view that President Harding has, that the attacks made upon Goldstein were of an "undeserving character."

I can assure you—

Says the President in this letter—

that Senator SPENCER has said only the most pleasing things concerning you—

If the Senator from Missouri said to the President only the "most pleasing things" concerning Nat Goldstein, evidently the Senator from Missouri did not tell him everything that the record disclosed touching the $2,500 of slush fund that Nat Goldstein took in order to promote Lowden's candidacy for the Republican nomination for President; and I take that as an indictment by the President of the United States against my good friend the amiable Senator from Missouri, when he said—

I can assure you that Senator SPENCER has said only the most pleasing things concerning you, else I should not have so readily approved of your nomination.

And so in the last few words, while it seems that the President lauds Mr. Goldstein he excuses himself from the responsibility of naming Goldstein. He was named evidently upon the sole responsibility of the junior Senator from Missouri, because the junior Senator from Missouri spoke to the President only in "the most pleasing manner," telling him only the "pleasing" things about Nat Goldstein.

With very best regards, I am,
Very sincerely, WARREN G. HARDING.

Mr. SPENCER. Mr. President, I apologize to the Senate for even for a moment lending assistance to the very manifest and often repeated interferences of the Senator from Mississippi with the tariff bill which is now before the Senate for discussion. The purpose is too obvious, and the manner is manifest; and yet in a moment I do want to correct some of the many misstatements which my good friend from Mississippi has been inadvertently led into making.

The Senate never did repudiate the nomination of Mr. Goldstein.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. SPENCER. I did not interrupt the Senator from Mississippi. Perhaps he will let me finish my statement, because it will be but for a moment.

Mr. HARRISON. Very well; I will not interrupt the Senator.

Mr. SPENCER. The Senate never did repudiate the nomination of Mr. Goldstein. The Committee on Finance, to which the nomination was sent, never did adversely report that nomination. That nomination never was before the Senate for weeks of consideration, as the Senator from Mississippi has stated. The truth of the matter is, as the Senator from Mississippi knows if he will but turn his attention to it for a moment, that when that nomination was made—and I may say here that it was made upon my recommendation—I had known that man for 25 years. A more honest, clean, efficient public official and individual does not exist. I have no sympathy with those who stab in the dark, from the back, when the man who is attacked has no opportunity of answering the things that are said. It is a cowardly thing to do. On the hustings in the city of St. Louis the Senator from Mississippi would not dare to speak where the man whom he attacks has an equal right to respond to the things which were said.

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Mississippi?

Mr. SPENCER. Here in the Senate, with the privileges of the floor, a man may say what he likes.

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. Does the Senator yield?

Mr. HARRISON. I raise a point of order. I only want the Senator to be courteous.

Mr. SPENCER. I do not yield.

Mr. HARRISON. I raise a point of order.

The VICE PRESIDENT. The Senator will state his point of order.

Mr. HARRISON. I say that the Senator has violated the rules of the Senate.

The VICE PRESIDENT. In what respect?

Mr. HARRISON. I just want an explanation of whom he is referring to by "cowardly attacks." He can employ language in debate that might be interpreted as insulting to a Senator.

The VICE PRESIDENT. The Senator will state his point of order.

Mr. HARRISON. My point of order is that the Senator's language should be taken down and reported to the Senate. He may speak, of course, in generalities about "cowardly attacks," but not personally.

The VICE PRESIDENT. It has been taken down.

Mr. HARRISON. I want it to be read to the Senate to see whether or not I have the right to make a point of order. I do not know whether he was referring to me or not. I simply want to know that; that is all.

The VICE PRESIDENT. Does the Senator wish the language read?

Mr. HARRISON. Yes; I do.

Mr. SPENCER. Mr. President, if I may repeat, I first preface it by saying that an attack upon a man from a place to which the man who is attacked has no access, and in a manner so that the man has no opportunity to reply, is a cowardly attack.

Mr. HARRISON. All I want to know is, Does the Senator mean that I made a cowardly attack upon Goldstein?

Mr. SPENCER. I mean to say that the things which the Senator said—and he knows how I love him personally——

Mr. HARRISON. That may be true, but——

Mr. SPENCER. The things which the Senator has said about an absent man, in a forum where that man has not access and from which he can not speak, is a cowardly mode of attack.

Mr. HARRISON. Mr. President, I submit that the Senator has not any right to say that I have made a cowardly attack.

Mr. SPENCER. May I ask the Senator from Mississippi whether he thinks it is a brave way of attacking a man?

Mr. HARRISON. The Senator knows that I would not any more fear Nat Goldstein, or saying what I have said to his face, than I would the Senator himself, and the Senator must remember that when this nomination came in I made a motion

to have it considered in open session of the Senate. The Senator tried to cover it with darkness. He would have employed every cloak of secrecy. He wanted to shut the doors, so that what might be said would not reach the public.

Mr. SPENCER. Mr. President——

Mr. HARRISON. My whole action in this matter has been in the open, on the square, and the Senator knows it. I abhor the consideration of nominations for public office in secrecy. No nominee whose skirts are clean can fear it, and none but whose record is stained dread it.

Mr. SPENCER. I hope the Senator will not get away from the point we are now discussing. Does the Senator think it is a brave thing to attack a man on the floor of the Senate, where he has no opportunity to answer, under a privilege which does not extend to the individual attacked? It is not unusual on this floor——

Mr. HARRISON. The Senator is asking me a question——

Mr. SPENCER. But it is not a brave thing to do. It is a cowardly thing to do.

Mr. HARRISON. Of course, the Senator knows that accusations of "braver" and "cowardly" can be settled outside the Senate Chamber; but the Senator has asked me a question. When a nomination comes in, such as this, which stenches to high heaven—and the Senator has admitted recommending this nomination—the people will never know, unless it is discussed in the open, and they are informed of the manner of man being nominated. That is what I have attempted to do in the Goldstein matter. If the Senator had thought that he could possibly put over this nomination, he would to-day be fighting here for the confirmation of Nat Goldstein. It was only when he saw that there was no chance of his confirmation that he persuaded Nat Goldstein to write to the President and have the nomination withdrawn.

Mr. SPENCER. Mr. President, the statements just made by the Senator from Mississippi are as mistaken as his others. I long to hear some statement that bears the foundation of fact. I never yet thought, nor do I think now, such is my confidence in the fairness of the Senate, that if all the facts had been known there would ever have been any failure to confirm that nomination. More than that, I did not persuade or attempt to persuade the gentleman to withdraw his nomination. The fact of the matter was that when he was subjected to the public criticism, which was as unfounded as it was unjust, he took a stand precisely like that taken by the President in that manly, frank letter, of which I had not heard until the Senator just read it upon the floor of the Senate, and he said:

> My nomination seems to have produced a great deal of criticism from over the country. I would not be an embarrassing factor. I know how unjust and unfair the criticism is, but I ask that my nomination be withdrawn.

The withdrawal followed immediately when Mr. Goldstein was informed of the criticism his appointment had aroused, and before either the committee or the Senate had acted upon it.

It was infinitely a braver, more manly thing to do than, without foundation, to attack that man behind his back, with the privileges of the Senate floor protecting.

Mr. HARRISON. I have never asked any privileges of the Senate floor, and never will.

Mr. SPENCER. It was a manly thing to do. He sacrificed himself; and I want to say again to my good friend the Senator from Mississippi, as I take my seat, that from an acquaintance of 25 years, the man whom he delights to attack is as clean as a hound's tooth and as fair in battle as he is upright in life. Twice that man has been elected by the people of the city of St. Louis to the position which he now holds, viz, clerk of the circuit court of that city, with a record in office unequaled for efficiency, honesty, and courtesy. The Senator can attack him if he likes, and the Senator's words of attack, with the wings which carry evil report far more rapidly than the slower wings that carry good report, will reach 10,000 where what I say will reach only a hundred, but the fact remains that the Senator is unjustly and unfairly attacking a man who neither deserves it nor ought to receive it.

Mr. HARRISON. Of course, the Senator thinks the attacks are unjust, unfair, and undeserving, but others do not. May I ask the Senator, if he is through, whether Nat Goldstein was in the city of Washington on the day the letter was given to the President asking him to withdraw his nomination?

Mr. SPENCER. He was here on that day.

Mr. HARRISON. When was the letter written?

Mr. SPENCER. Is the Senator cross-examining me?

Mr. HARRISON. Oh, no; if the Senator does not want to be examined.

Mr. SPENCER. I see no occasion to be cross-examined on the floor of the Senate.

Mr. HARRISON. The Senator has stated that I have not been dealing with this matter in the open. He says Goldstein was here when I made an attack on him in the Senate that day.

Mr. SPENCER. When we are speaking of a Senator's cowardly attack on a man, why question as to whether he was or was not in the city of Washington on a given day? Let there be no quibble of words. Why depart from the issue? If the Senator wants any light I can give him upon the facts of the case, I will give it to him with pleasure. I am always glad to do anything I can for my distinguished friend from Mississippi.

Mr. HARRISON. I thank the Senator. My reason for asking whether Nat Goldstein was here on the 10th of May was that not only did I discuss the Nat Goldstein case on that day, the day on which the letter of withdrawal was handed to the President, but I discussed it on numerous occasions before that. I never attempted to do it behind closed doors.

If Mr. Goldstein has a personal matter with me, I am here in Washington all the time, and I assure the Senator no special privileges by me or the Senator have ever or will ever be invoked. The Senator knows I would not make a cowardly attack upon Nat Goldstein, the Senator, or anyone else, and I have only repeated from the record here the facts touching this whole matter.

The Senator seems to be offended this morning because I have read a letter from the President of the United States to Nat Goldstein. If these facts roil the Senator and cause him embarrassment as well as anxiety, or make him mad, I can not help it, but the Senator——

Mr. SPENCER. May I say to the Senator from Mississippi that I hope they do not make me mad; I know they do not cause me embarrassment. The feeling that surges in my heart is one of infinite regret, not for Mr. Goldstein, nor for the President of the United States for the manly letter which he has written, but for that in the character of the Senator from Mississippi—and he knows how I love him—which would lead him to read, as he has read, with the accent and manner and jeer of his presentation, the letter from the President of the United States in answer to a letter which was written him by a citizen of the United States. I dislike to see it in my colleague, the distinguished Senator from Mississippi; and he knows how I love him.

Mr. HARRISON. The Senator is very kind.

Mr. SPENCER. It affects my judgment of him. It makes me cringe when I hear him speak and act as he does, because he knows how I love him. [Laughter.]

Mr. HARRISON. Mr. President, I did not, however, think it would cause the Senator so much embarrassment. I think he is callous to embarrassment. If this incident of Nat Goldstein's appointment on the Senator's recommendation does not cause him political embarrassment, as well as heart hurt, in view of all the revelations, then I think he is beyond redemption. If the Senator thinks his friends are proud of his constancy and devotion to Nat Goldstein, and, in view of what has happened, persists in his defense, then they will feel the touch of humiliation, if not the Senator. I asked whether Nat Goldstein was here on the 10th of May, the day the letter was given to the President asking for the withdrawal of his nomination, because the sweet expressions of the letter of Nat Goldstein are so much the style and have to such a degree the sweet essence of the Senator from Missouri, that I feared very much Goldstein was not here. I am glad to know that Nat Goldstein was in the city on the 10th day of May, the day the letter was handed to the President, and the day on which the nomination was withdrawn from the Senate. I hope now that the Nat Goldstein nomination and withdrawal is a closed incident——

Mr. SPENCER. I am sure it is not.

Mr. HARRISON. The Senator feels that anything I have said involving the character of Goldstein has been undeserving. The President does, but the people of St. Louis do not, and I am sure the American people will not, but on the contrary indorse the action of the Senate in forcing the Senator to have the President withdraw the Nat Goldstein nomination.

Mr. SPENCER. Mr. President, I am sure the incident is not closed, unless an event should happen, which I hope will be postponed many years, and that is that the Lord in His wisdom should call the Senator from Mississippi home, for as long as the Senator from Mississippi lives and honors the Senate with his presence, as he does, I am perfectly sure that the incident, particularly if the tariff bill is up for discussion, will be repeated over and over again by the distinguished Senator who has just spoken.

Mr. HARRISON. And not very much to the delight of the Senator from Missouri.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, if Nat Goldstein has been sufficiently discussed, I shall be pleased to have the Senate return to paragraph 384, providing for a rate on "new types."

The VICE PRESIDENT. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. On page 87, line 8, the committee proposes to strike out "15" and insert "25," so that if amended it will read, "New types, 25 per cent."

Mr. KING. Mr. President, the item we are now considering is called "new types." It is not a new type in this bill. It is an old type, because it is an attempt to impose, as I conceive, a rate of taxation that is entirely too high and wholly unjustifiable.

The existing law imposes a duty of 15 per cent ad valorem. The House in its wisdom accepted the existing law, but for some reason the able members of the Finance Committee have recommmended an increase to 25 per cent. I shall ask that the Senate disagree with the recommendation of the committee and that the rate fixed by the House be agreed to in the Senate.

To show the lack of justification for this increase, and, indeed, for that matter, for any tariff at all, it is only necessary to invite attention briefly to the production of type, the uses to which it is put, and the obvious and certain fact that it is produced in such large abundance in the United States, and produced for export. This item will strike the smaller newspaper man, the country newspaper, and it will particularly be injurious to the foreign-language newspapers published in the United States.

There are some Senators and some other people who believe that we ought to forbid the publication of foreign-language newspapers in the United States. I wonder if this item is aimed at the destruction of the foreign-language press of the United States or designed to create further obstacles to the publication of foreign-language newspapers.

I believe that foreign-language newspapers serve a fairly useful purpose. I wish the day might come when all of the people within the United States would speak and read the English language. We have hundreds of thousands, if not millions, of people in the United States to-day who do not speak or read the English language. They have come from southern Europe and from other countries of the world. They want some mental pabulum. They must have some mental food, and we have in the United States a large number of foreign-language newspapers, a great many Yiddish, Polish, Slav, Spanish, and Italian newspapers, and various others. I do not think we ought to make the publication of those newspapers more difficult, particularly in the manner described in the bill.

As stated, I hope the day will come when all of our citizenship will be able to read and write the English language, but since we have now in the United States millions of people who may not, I think it would be a mistake to deny them the right to read in the language of their native countries the news and such matters of general interest as are published in the newspapers.

In 1914 there were 31 establishments engaged in the manufacture of these types. The types were slugs of metal containing on one end raised dies of letters, figures, or typographical signs. They are used for setting up type composition for printing or as a form from which a stereotype or electrotype impression is made. Of course, the great metropolitan newspapers have a higher grade of machinery, and since the development of the linotype machines they are not interested particularly in this paragraph. But the small newspapers, which use the special fonts, and particularly the foreign-language newspapers, are tremendously interested in the item now before us.

To show how little the importations were, I will state that they amounted in 1918 to 15,600 pounds, in 1919 to 17,657 pounds, in 1920 to 35,000 pounds, and in nine months of 1921 to 22,633 pounds. It can not be said that revenue is sought, because the revenue derived during the years just mentioned was $610 in 1918, $862 in 1919, and $1,604 in 1920. The cost of collecting it and of the overhead and incidental expense would almost absorb the entire amount that was collected.

As against the imports of from 15,000 to 22,000 pounds per annum, we find that we exported type amounting to 614,421 pounds in the year 1914; in 1918 we exported 256,000 pounds; in 1919, 626,000 pounds; in 1920, 646,000 pounds; and for the year 1921 we exported 514,024 pounds. The imports would be less than 1 per cent of the exports, and yet it is proposed now to penalize the country newspaper and the small newspaper by imposing a tariff of 25 per cent upon this product so important to them. For whose benefit is it?

As stated, we not only manufacture substantially all that is consumed in the United States, but we expect from 300,000 to 600,000 pounds per annum. Obviously, the purpose is to increase the price. For whose benefit? For the benefit of the 31 manufacturing plants, or, if not for their benefit, for the benefit of those who produce antimony and lead, which form the principal constituent parts of the product.

Is it because we put a duty upon lead and a duty upon antimony that the committee feel constrained to impose 25 per cent upon the finished product, which is so important to the country newspapers? Are we further to contribute to the lead interests and to the antimony interests or are we further to contribute to the prosperity and the advantages and profits of the 31 or more manufacturing plants engaged in the production of this article?

I submit that with the record which is before us there can be no justification for the imposition of this tariff rate. The Tariff Commission said in their survey:

> The domestic type-founding industry is firmly established and competent to fill the domestic demand. Extensive competition with the European article either here or abroad is prevented by the difference in type standards. The exports to the other American markets are due to the prevalence of American-made printing presses in those countries.

We are exporting, as I have said, hundreds of thousands of pounds per annum. We go into the markets of the world and compete with them. We supply substantially all of the domestic consumption, and yet, in the light of that, in the face of the fact that we have less than 1 per cent of foreign importations, it is proposed now to impose this tariff rate. If the committee can justify it, then it can justify anything, it seems to me.

As I have stated, I move to strike out the numeral "25" and insert in lieu thereof the numeral "15." I am ready for a vote.

Mr. McCUMBER. Mr. President, when the senior Senator from Mississippi [Mr. WILLIAMS] is absent from the Chamber, I must always look to the junior Senator from Utah [Mr. KING] as being the exponent of what constitutes real Democracy. But even in that case I find great difficulty at times in determining where to draw the line between that which is sacred to the Democratic mind and that which becomes profane literature in a tariff bill.

On this particular item I observe that the Democratic rate is 15 per cent ad valorem. The Republican rate is 25 per cent ad valorem. At what particular point do we leave the sacredness of the Democratic rate and enter into the realm where it at least excites the profanity of those upon the other side of the Chamber? Will a 5 per cent additional rate or a 1 per cent additional rate or a 10 per cent additional rate make all the difference in the world between whether it is fair or unfair, just or unjust? I do not know where to draw the line.

Mr. KING. Mr. President, will the Senator yield?

Mr. McCUMBER. Certainly.

Mr. KING. Does not the Senator know that in metaphysics, in philosophy, in morals, and in law it is sometimes difficult to draw the dividing line, but there is a dividing line where interest becomes usury and where it is not usury, where an act becomes a wrong and where it is justified by the public conscience. Of course, there are acts which are malum prohibitum and malum in se, where probably the view I am expressing is not quite accurate. It is difficult to see where daylight begins and darkness ends. It is hard to conceive where the tariff rate should end and where the free list should commence. Here, if I could have my way, I would put the article upon the free list.

Mr. McCUMBER. I think I understand the Senator, that 15 per cent is right in everything and 16 per cent is wrong in everything, and, of course, every per cent added but adds to the wrong. But I wish to correct the Senator from Utah on the basis of his argument. He says this is striking at the interests of the little country newspaper in the United States. I think I am correct in saying that not one line of English-language type is imported into the United States. There is a considerable quantity of Chinese characters and Japanese characters and other foreign-language type imported, but my understanding is that that is all that is imported into the United States.

I agree with the Senator from Utah that it is not an important matter. The amount of the importations is low. The tariff duty collected under the Underwood law is small; but if the Senator will look over the importations he will find that, with a 25 per cent ad valorem duty upon this foreign type, we

received in quantity just about as much as we did under the 15 per cent ad valorem duty. It is my opinion that when we return again to the 25 per cent ad valorem duty the result will be practically the same. But it is not a matter of importance. If I knew exactly where to draw a line that would satisfy everyone in the Senate, I think I would be inclined to recommend it, but I believe we will get a little more revenue out of a 25 per cent ad valorem duty than we could out of a 15 per cent ad valorem duty.

Mr. KING. Mr. President, the Senator proceeds upon the theory that a tariff is of no benefit, or rather that it is innocuous, in so far as it would affect the domestic price. Of course, the Senator does not take that position. Everybody admits that the tariff is imposed for the purpose of raising prices or permitting the domestic producer to raise prices up to the limit which the tariff wall permits.

Mr. McCUMBER. If the Senator will allow me, in this instance I do not think it is anything but a tariff for revenue only, and it will not affect the price at all of the ordinary type used in this country, but may have some slight effect upon the foreign type. Remember, we are manufacturing German type and Slavic type and every other kind of type in this country in immense quantities, and I doubt if the little importations would affect even that price. I think a closer scrutiny will satisfy the Senator that most of this type comes from countries having a type so very different from that ordinarily used in this country that it will not in any way affect the price of the type made here.

Mr. KING. Mr. President, the imports of type consist, as I have indicated, of a very few thousand pounds annually, and consist mainly of special fonts for foreign-language publications. They are derived principally from Germany and from some of the Slavic countries of Europe and from China and Japan. But the 25 per cent rate fixed by the bill is not limited to foreign-language type. It applies to all type—to English-language type. It is clear that the imposition of the tariff rate of 25 per cent ad valorem will permit the domestic manufacturer, if he wishes to do so, to raise the price not only of foreign-language type but of English-language type to the limit which the 25 per cent tariff would permit him to reach.

Why, of course, the child upon the street knows that the tariff is a tax. Everybody knows that the tariff is imposed for the purpose of permitting the domestic producer to increase the price of his products. Of course, in this instance we produce type perhaps more cheaply than almost any other country in the world, or we can do so; but because we do or may or can is no guarantee that we will, and that producers will not take advantage of the tariff and raise their prices if there is no competition from abroad.

The imports are less than 1 per cent per annum of the domestic production, but suppose there should be foreign competition because of the high prices of type in the United States. The prices in 1921 were 68 cents per pound as against approximately 19 cents per pound in pre-war times. Suppose the domestic manufacturer should continue those high prices, and foreign manufacturers of type should see that they could come into the United States and engage in competition and find a market for some of their products under the 15 per cent tariff, it is clear that the American producer, if he had a 25 per cent tariff, would undoubtedly take advantage of it and raise the domestic price to the limit to which the 25 per cent rate or tax permitted him to raise it. In other words, the tariff is a dike, and the water of the domestic producer is lifted in the reservoir to the top of the dike. The domestic producer raises his prices ordinarily to the point where he can do so under the dike or dam which the tariff exactions erect.

I agree with the Senator that many of these little items contained in the bill are not very important. A pair of shoes is not very important to a rich man, although a pair of shoes may be very important to a poor man; but taxes on thousands and tens of thousands of unimportant items, if each tax increases the price, in the end make the aggregate burden beyond computation and make it oppressive to bear.

The trouble with this tariff bill is that it reaches almost every article that enters into the lives of the people; it is a tariff bill that covers the entire people and all of their products; which rests upon the rich and the poor, upon the high and the low, upon the farmer, and upon all other classes of people; and yet many of the schedules are so drawn that the rates lie more heavily upon the poor than upon the rich, and the burdens will be felt by the masses rather than by the rich people of the United States.

The Senator from North Dakota very properly comments upon the difficulty in determining just where the rates should be raised and where the increase in the rates should be stopped. There is a practical difficulty there; I concede it very readily, Mr. President. I agree with the Senator in his rather ironical inference that there is some point where the tariff becomes a vice and ceases to be a virtue. Wherever a tariff rate becomes so oppressive as to make for the advancement of any special interest unquestionably it becomes a vice. If tariff duties are imposed for revenue purposes, it can not be said that they are a vice. They constitute a legitimate method of obtaining revenue, but it seems to me that the dullest student of political economy can appreciate the fact that there is a point at which the tariff rates ought to stop. Up to that point they may be justified, they may be legitimate, but beyond that point they are illegitimate and it becomes a moral wrong as well as an economic fallacy to impose such rates. I think in this instance there ought to be no tariff. When we are importing less than 1 per cent of the domestic production, and the revenue to be derived is merely three or four hundred or a thousand dollars a year, it seems to me that it is folly to levy a tariff for revenue purposes. If the tax is not laid for revenue purposes, then it is clear that it is laid for the purpose of permitting the domestic manufacturer to have an absolute monopoly in the market. Therefore I say it is indefensible.

Personally, I should move to put the commodity on the free list; but, in view of the fact that it has borne or bears now a rate of 15 per cent, I shall ask that the Senate disagree to the committee amendment. There is no reason suggested why the Senate should increase the rate over the amount fixed by the House. The House was satisfied with 15 per cent ad valorem, accepting the rate found in the Underwood law, but the Senate committee, without any reason, I submit, has recommended almost double the House rate. I am ready for a vote.

The PRESIDING OFFICER (Mr. PEPPER in the chair). The question is on the committee amendment.

The amendment was agreed to.

The READING CLERK. The next committee amendment is on page 87, line 9.

Mr. McCUMBER. I ask that the Senate next consider paragraph 393, on page 91.

The PRESIDING OFFICER. The Secretary will state the amendment of the Committee on Finance in paragraph 393.

The READING CLERK. On page 91, line 5, before the words "per cent," the committee propose to strike out the figures "45" and to insert "60," so as to read:

PAR. 393. Articles or wares not specially provided for, if composed wholly or in chief value of platinum, gold, or silver, and articles or wares plated with platinum, gold, or silver, or colored with gold lacquer, whether partly or wholly manufactured, 60 per cent ad valorem.

Mr. KING. Mr. President, I wish to inquire of the Senator from North Dakota as to the propriety of considering the omnibus clause, the basket clause, of this subject in advance of considering the other paragraphs which fix specific or ad valorem rates.

Mr. McCUMBER. I think we have covered about all of those, except some few which have been passed over at the special request of Senators.

Mr. KING. I beg the Senator's pardon. I understood that paragraphs 390, 391, and 392 had not been disposed of.

Mr. McCUMBER. That is true; but those contain certain specifications and I do not think they in any way affect the basket clause. The first part of paragraph 393, as the Senator will observe, refers to—

Articles or wares not specially provided for, if composed wholly or in chief value of platinum, gold, or silver, and articles or wares plated with platinum, gold, or silver, or colored with gold lacquer, whether partly or wholly manufactured.

In this case we have followed the usual rate of duty which has been placed upon luxuries or wares of gold or silver, which is 60 per cent ad valorem upon the foreign value. It is an increase of only 10 per cent compared with the present law.

Mr. KING. Did the Senator by recommending an increase over the House bill have in mind only the difference between the foreign and the American valuation?

Mr. McCUMBER. No; I can not say that that alone was controlling at all, but all these articles are considered as luxuries, and it has always been thought that they are legitimate sources of revenue and that we should derive from them the most revenue possible.

Mr. KING. I should like to ask the Senator, in view of the fact that nearly all the gold in the world—that is putting it rather too strong, perhaps, but we do have by far the greater part of the metallic gold used for monetary purposes——

Mr. McCUMBER. About two-thirds of it, I think.

Mr. KING. A little more than two-thirds now, and $34,000,000 came in yesterday. We are draining the nations of Europe and of other continents because of their necessities, and, of course, as we drain them we disturb their fiscal systems. They

can not maintain a sound fiscal policy unless they have gold reserves under the gold standard which obtains in the world. So we are contributing by this draining process to the demoralization of the fiscal systems of the nations of the world. Of course, Russia never can have a fiscal system when she has no gold; and the gold of Russia will soon be exhausted. That, however, is not important to discuss now. The question I was going to ask the Senator is, Does he feel, in the light of the great plethora of gold in the United States and the limited quantity in Europe or in other countries which possibly may produce or do produce the articles embraced in paragraph 393, that there is very much danger of any serious competition from those countries? I am willing upon these articles to obtain a very handsome revenue; I think some of them are objects that could legitimately be taxed for revenue purposes.

Mr. McCUMBER. Gold is one thing in the world that has a stable value; it costs just as much in the United States as it costs abroad. It can be purchased for the same price abroad as it can be purchased in the United States. Therefore, considering the raw material, the cost is exactly the same; but when we come to jewelry and articles of similar character, and gold and silver plated ware, the item of labor is more important than anything else. The artisan in this country is being paid from 5 to 10 times what the artisan is being paid on the other side of the water. Therefore, as the raw material can be purchased at the same price and it is a question of labor only, I am inclined to think that in the future there will be more danger of heavy imports of these articles than ever before, because the foreign manufacturers are selling not gold, but they are selling labor that costs $1 as compared to labor that costs 10 times that in the United States, and therefore are selling their commodities at ten hundred per cent profit.

Mr. KING. Mr. President, this paragraph is rather important, and, unless it is studied very carefully and with many documents before the student and investigator, it will be impossible to determine just how all-comprehensive it is. What is meant by articles that contain "silver" or "wares plated with platinum, gold, or silver, or colored with gold lacquer, whether partly or wholly manufactured"? What class of articles are embraced within that category?

Then in the next three or four lines we find articles "composed wholly or in chief value of iron, steel, lead, copper, brass, nickel, pewter, zinc, aluminum, or other metal, but not plated with platinum, gold, or silver, or colored with gold lacquer, whether partly or wholly manufactured," upon which a duty of 40 per cent is proposed to be levied.

I fancy that a stove would be composed wholly or in chief value of iron or steel. Many of the household commodities, many of the articles with which we daily come in contact in our lives, are composed wholly or in chief value of iron or steel or lead or copper or brass or nickel or pewter or zinc or aluminum. The Senator knows that there is an enormous production of aluminum products in the United States to-day. Aluminum enters into kitchen ware, it enters into the construction of automobiles, and its use is becoming greater and more pervasive in the industrial world every day. Does the Senator intend by this paragraph to embrace stoves and the multitude of articles that are composed in part of steel or brass or any of these metals?

Mr. McCUMBER. Mr. President, the Senator knows the purpose of a basket clause. We take out about everything that we can think of in the matter of manufactured articles that have designated names and we give them a duty, either specific or ad valorem; but as there might be others that would be of equal value that might escape if not specifically mentioned, we therefore include them in what we call a basket clause. All of these other matters that the Senator is speaking of are specifically mentioned, and of course would not fall under the basket clause.

Mr. KING. Are stoves and ranges specifically mentioned in some of the paragraphs?

Mr. McCUMBER. Oh, yes; all of these manufactured products. I do not know that anybody is manufacturing aluminum stoves at present.

Mr. KING. No, no; but the Tariff Summary states under paragraph 393 that it refers to stoves, ranges, gas and oil stoves, steel springs, cars, and carriages——

Mr. McCUMBER. Those are not made of precious metals.

Mr. KING. No, no; but if the Senator will answer my question I shall be very much obliged. Does the Senator mean that these articles which the Tariff Summary classifies as coming under this paragraph have been dealt with specifically in other paragraphs of the bill?

Mr. McCUMBER. Almost all have been covered specifically in other portions of the bill. I can not pick them out and enumerate them at the present time, but the basket clause is only to cover those that we have not specifically mentioned. The only difference between this paragraph and the present law, so far as the wording is concerned, is that there have been added after "gold or silver" the words "or colored with gold lacquer." The House committee thought those words should be inserted in this paragraph. In other respects, as I now recall, there is no difference whatever between this language and the present law, and the present law has been construed, and I have not heard of stoves or any of those articles being imported under it.

Mr. KING. The Senator knows that the present law might have taken stoves, oil stoves, and some of these steel products that I have read out of the omnibus or basket clause and put them in some other clause and given them a different rate, and the committee in drafting this bill may have eliminated the items that I have just referred to from those specific clauses and intended to embrace them within this basket clause.

Mr. McCUMBER. If the Senator speaks of stoves as such, ordinary iron stoves, I will say that they would come under this clause, because they are not mentioned elsewhere.

Mr. KING. That was what I understood.

Mr. McCUMBER. But there have been no importations whatever of stoves, and undoubtedly there will be none.

Mr. KING. I know that, and that is exactly the reason why I am challenging attention to the matter. There are items that the Senator now proposes to tax at 40 per cent, stoves and oil stoves and steel springs and a multitude of products used by the great mass of the poor people of the United States, of which the domestic manufacturer has had a monopoly, because we could produce them cheaper than almost any other country in the world; and yet, if we now fix this high tax of 40 per cent ad valorem, it puts it in the power of the domestic manufacturer to charge the poor people of the United States and those who buy stoves and springs and the steel products to which I referred a higher price than should be charged.

Mr. McCUMBER. Inasmuch as no stoves are being imported under the present law, and inasmuch, therefore, as the manufacturers might have raised their prices under the present law, and taking into consideration the fact that there are a great many manufacturers of stoves, I do not think the Senator can believe that this duty will affect in any way the price of stoves. I do not think they will come in.

Mr. KING. If none are coming in, if we may trust the domestic producers not to charge too much, and if we get no revenue, let me suggest in all good faith to my learned friend that we put these stoves on the free list.

Mr. McCUMBER. We are not on the free list now. If the Senator thinks they ought to be place upon the free list, when we come to the free-list section we can consider the matter. This is a mere basket clause. We can specify any particular article that we desire to put elsewhere in the bill, and, of course, it will not then fall under this particular clause. I really do not think myself that stoves should be upon the free list, but I do not think it would make much difference whether we had a 10 per cent duty or a 50 per cent duty; none would come in.

Mr. KING. Passing now from these steel and iron products which are so commonly used by the people, let me direct the Senator's attention to the aluminum products that are covered by this basket clause.

Mr. McCUMBER. The Senator will bear in mind what I stated a moment ago, that practically all aluminum manufactured articles that we could think of are taken care of by the specific provisions. It may be possible that some new thing could be manufactured in aluminum that we have not heard of before that would fall under this clause. If we have left out any, I think it was through error, not through intention; but we have not fixed the aluminum duties as yet, and therefore I do not want to discuss aluminum rates at this time. We have not passed upon that matter yet.

Mr. KING. I shall not invite the Senator's attention to it, then.

Mr. SMOOT. Mr. President, I will say to the Senator, though, that if they fell under this basket clause there would be a lower rate upon them than there would be in the paragraphs where they are provided for as the bill was reported to the Senate.

Mr. KING. That might be true as to aluminum. I am not so sure as to some of the steel products.

Mr. SMOOT. I thought the Senator had reference only to aluminum.

Mr. KING. In this last observation, yes; but I have been discussing the stoves and iron and steel products, which in some of the specific paragraphs perhaps bear in some instances

a higher and in some instances a lower rate than the basket rate.

Mr. McCUMBER. Let me say to the Senator that if he will look in paragraphs 339 and 374 and find any aluminum product that is not included within those two paragraphs and will call our attention to it, we will give it specific consideration.

Mr. KING. Mr. President, I have no doubt that the able chairman of the committee intended, and perhaps he had good reasons, to cover in the specific paragraphs of the bill all of the aluminum products; and of course there is the utmost propriety, and I find no fault with that, in attaching to a bill an omnibus clause, a basket clause, for fear that some items may escape taxation under the specific provisions of the bill.

Mr. McCUMBER. Escape revenue.

Mr. KING. Escape taxation. There is a little difference in the terminology and perhaps some difference in the meaning ascribed to the process by the Senator from North Dakota and that ascribed to it by myself; but, Mr. President, I feel that the rates fixed for aluminum products in the other paragraphs to which the Senator from North Dakota has called my attention are entirely too high in view of the fact that we have an aluminum trust in the United States; but I shall not digress for the purpose of discussing the Aluminum Trust and its great production now. When we come to a discussion of the aluminum product we will take that up. I shall pretermit any elaborate discussion now of the products embraced in paragraph 393, but I want to say that when we discuss the paragraphs dealing with aluminum and its products and stoves and other articles that might come under paragraph 393 I may revert to this paragraph again and offer further amendments, or move to reconsider. I shall content myself now with merely asking that we disagree to the committee amendment found in line 5, page 91, wherein the committee recommends striking out the numerals "45" and inserting in lieu thereof the numerals "60."

Mr. SMOOT. Mr. President, just a word. I wish to say that the existing law on those particular items is 50 per cent, and the committee proposes a rate of 60 per cent on them. I do not think it is necessary for me to repeat what the Senator from North Dakota has already stated, as I understand.

Mr. KING. Yes; he discussed that matter.

Mr. SMOOT. I simply want to add to what has already been said that the Tariff Commission goes through the tariff acts, and wherever an article has been invented and placed upon the market and the production of that article is of a quantity sufficient to justify a specific mention of it in a tariff bill, it is put specifically in the next tariff bill that is passed after the arrival of that time, if there is any likelihood of importations.

I will say frankly to my colleague that there are items included in this bill of which we export many, many times more than we import; but that happens in nearly every schedule, and this schedule is no different from the others, with the exception that the production of the goods falling in these brackets is larger than perhaps in the case of any other bracket that there is in the whole bill—even larger than the agricultural implements, and that, I think, is the next basket clause. The rest of the basket clauses, as far as the amount of dollars and cents is concerned, is very limited, indeed.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The READING CLERK. The next amendment is, on line 9, where it is proposed to strike out "35" and insert "40," so as to read:

if composed wholly or in chief value of iron, steel, lead, copper, brass, nickel, pewter, zinc, aluminum, or other metal, but not plated with platinum, gold, or silver, or colored with gold lacquer, whether partly or wholly manufactured, 40 per cent ad valorem.

Mr. KING. Mr. President, I move to amend the committee amendment by striking out the numerals "40" and inserting in lieu thereof the numerals "25."

Mr. President, of course, it is almost impossible to discuss this amendment and this part of the paragraph in a comprehensive or in an intelligent way unless you have before you the preceding schedules which deal with the multitude, perhaps thousands, of items, articles, commodities that are composed in part of iron, or steel, or lead, or copper, or brass, or nickel, or pewter, or zinc, or aluminum, or other metal.

Of course, as my colleague has said, this is the basket clause. An attempt has been made to deal in other clauses and paragraphs of the bill with substantially all of the products composed of these metals if the products are of any particular importance. However, my colleague will bear me out when I say that it has been discovered over and over and again that the basket clauses cover items the consumption of which in the United States amounts to millions and millions of dollars, and because items may be transferred to or included in the basket clause does not argue that those items are unimportant either in value or in quantity. Indeed, the basket clauses oftentimes cover some of the most important commodities and products that are consumed by the people. It is impossible, I repeat, to state just what items composed in part of iron, steel, lead, copper, or these other metals are embraced within this basket clause. It is obvious to any person who stops to think for a moment that unless the other clauses are very comprehensive, then there are transferred to this omnibus paragraph not hundreds but thousands of articles, and I have no doubt that if a catalogue of the commodities which are composed in part of the metals which I have just stated were prepared, and reference then was made to the preceding or to the following paragraphs of the bill dealing with those commodities, it would be found that there are hundreds, if not thousands, of commodities which must be found within this basket clause and covered by the rates found herein. So that this basket clause becomes an important part of the bill, and it ought to receive the utmost consideration.

I can easily conceive that some of the products which are found within this basket clause might easily bear a rate of duty of 35 or 40 per cent ad valorem, first because of the revenue, and, secondly, if you believe in protection, because they may relate possibly to some commodities being produced under very strong competitive conditions, and, indeed, may be produced by a new industry. But to say that all of the thousands of items that may come within this basket clause should bear a high rate of duty is inconceivable. When we know of the products of aluminum, of steel, of iron; when we think of stoves and all of the cast-iron products, wrought-iron products, and steel products which form such an indispensable part of the lives, of the economy, of the industry, of the work of the great mass of the people, then it becomes important for us to determine whether we shall impose burdensome taxes upon them, and I am not willing to vote for a tax of 40 per cent upon this great multitude of items which inevitably must find lodgment under the provisions of this omnibus section.

Therefore, Mr. President, without further analyzing the matter, and having given notice that upon further examination of the special schedules dealing with cognate articles I might recur to it and move to further amend, I ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah [Mr. KING] to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the committee amendment.

The amendment was agreed to.

Mr. SMOOT. I ask that we now take up Schedule 4, wood and manufactures of wood.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Glass	McLean	Sheppard
Bursum	Hale	McNary	Shortridge
Calder	Harris	Nelson	Simmons
Cameron	Harrison	Newberry	Smoot
Capper	Heflin	Nicholson	Spencer
Culberson	Jones, N. Mex.	Norris	Sterling
Cummins	Jones, Wash.	Oddie	Sutherland
Curtis	Kendrick	Overman	Swanson
Dial	King	Owen	Townsend
Dillingham	Ladd	Pepper	Underwood
Edge	La Follette	Phipps	Wadsworth
Elkins	Lenroot	Poindexter	Warren
Ernst	McCormick	Pomerene	Williams
Fernald	McCumber	Ransdell	Willis
Frelinghuysen	McKinley	Rawson	

The PRESIDENT pro tempore. Fifty-nine Senators having answered to their names, a quorum of the Senate is present. The Secretary will state the next amendment.

The next amendment was, under "Schedule 4, Wood and Manufactures of," on page 91, after line 15, to strike out:

PAR. 401. Timber, hewn, sided or squared otherwise than by sawing (not less than 8 inches square) and round timber used for spars or in building wharves, one-half of 1 cent per cubic foot.

Mr. SIMMONS. That is stricken out?

Mr. SMOOT. The committee strikes out paragraph 401, and carries it to paragraph 1683, on the free list.

Mr. SIMMONS. Is any countervailing duty proposed?

Mr. SMOOT. No; not in connection with this item.

Mr. UNDERWOOD. Mr. President, I want to say just a word in reference to the pending amendment. The bill as it came from the House to the Senate provided a tax on timber,

hewn, sided, or squared, of 1 cent per cubic foot. Under the existing law timber of this kind is on the free list. I congratulate the committee on the fact that they have returned this item to the free list, where it belongs. There is no injury done to the industry with timber of this kind on the free list, and I hope that when the bill goes to conference, the Senate conferees will be firm in maintaining their position that timber and shingles, the latter in another portion of this schedule being also taken off the tariff list and put on the free list, in conformity with existing law, shall remain on the free list.

In the debate heretofore the fact has been referred to that the Finance Committee has not taxed these necessities of home building, and that they have put this heavy class of timber and shingles on the free list, which is entirely satisfactory to me. The only thing I want to be assured of is that when the bill goes to conference the Senate conferees will not yield and bring in a conference report we can not change, in which we will find that they have yielded to the House and placed these articles on the tax list.

Of course, there can be no objection that I can see to agreeing to the committee amendment, as it is certainly a move in the right direction.

Mr. SMOOT. All I can say to the Senator from Alabama is that I do not think there is any intention on the part of any member of the committee who may happen to be on the conference committee of yielding on this item.

Mr. POMERENE. Mr. President, I wish to say just a word in confirmation of what has been said on the subject by the Senator from Alabama. One of the troubles in our section of the country is to get lumber for house building. That includes all kinds of lumber. It has been truly amazing that anyone would think of adopting a policy in this country which would encourage the destruction of our own forests when there is such a vast quantity of building lumber to be had in the great forests of Canada and elsewhere. I know that the placing on the free list of this kind of lumber, with shingles, weatherboarding, and all kinds of lumber used in the building of houses and barns, would be a great boon, not only to the farming community, but to the laboring element as well. I do indulge the hope that these items will not be restored to the dutiable list.

The PRESIDING OFFICER (Mr. LADD in the chair). The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 91, at the beginning of line 22, before the word "logs," to strike out "class of"; at the beginning of line 25, before the word "no," to strike out "has," and insert "has"; on page 92, line 1, after the word "United," to strike out "States," and insert "States,"; and in line 5, after the word "such," to strike out "class of"; so as to make the paragraph read:

PAR. 402. Logs of fir, spruce, cedar, or western hemlock, $1 per thousand feet board measure: *Provided*, That any such logs cut from any particular class of lands shall be exempt from such duty if imported from any country, dependency, province, or other subdivision of government which has at no time during the 12 months immediately preceding their importation into the United States maintained any embargo, prohibition, or other restriction (whether by law, order, regulation, contractual relation or otherwise, directly or indirectly) upon the exportation of such logs from such country, dependency, province, or other subdivision of government, if cut from such class of lands.

The amendment was agreed to.

Mr. UNDERWOOD. Mr. President, the amendment of the committee made in the paragraph just agreed to does not in any way change the rate. It merely makes a change in the wording of the section. The rate is the material thing in which we are involved, and, of course, under the rule under which we are now proceeding we can not move to change the rate in the paragraph. When the proper time comes and opportunity is given, a motion will be made to rectify the rate, but in passing I merely wish to say——

Mr. SMOOT. I wish to say in this connection that if Canada takes off her duty these items will automatically go to the free list, but the Senator, of course, desires that they shall go to the free list now.

Mr. UNDERWOOD. I want them to go back where the existing law has them. We discussed the question of these provisions against Canada some time ago. I shall not take the time of the Senate to reargue that question, because Canada has clearly indicated her desire for a reciprocal tariff arrangement, which has been denied by our Government at the present time. Of course, putting in the provision with reference to logs without going into a general reciprocal arrangement means nothing. It means that the tax will continue on logs probably during the life of the tariff law.

We have talked a good deal during the discussion of the bill about a compensatory duty, about the necessity, for instance, of taxing ferromanganese because we tax manganese ore. There may be some reason in the proposition, but here we find the committee putting timber, hewn, sided, or squared, on the free list, to which I do not object, and at the same time taxing $1 per thousand feet logs out of which hewn or sided timber is made.

Under the existing law logs of this kind are on the free list. Even under the act of 1909, known as the Payne-Aldrich law, logs were on the free list. The production of this class of logs in the United States has been very great. The importation has been very small. In addition to that there has been some exporting of logs of this kind into foreign countries. In 1920 the exports amounted to $454,000. So there is really no danger of seriously injuring the logging business by allowing logs to come in free. It is only a question of profit or holding down excessive profits in some neighborhoods.

If the committee thinks it is perfectly safe and wise to put timber, hewn, sided, or squared, on the free list and to put a tax of $1 a thousand on logs, of course, it is for the Senate to determine. As I said in the beginning, we can not make a motion to put this item on the free list until after the committee amendments are disposed of. I merely want to make this statement in passing to show that the question has not been overlooked.

Mr. SMOOT. All I wish to say is that if Canada wants the logs from Canada to come into the United States, all she has to do is to allow the same articles to go free into Canada, and then they will come in free.

Mr. UNDERWOOD. Of course, we discussed that proposition the other day. I realize that if Canada wants her logs to come in here free she can put logs of ours on the free list. I am not concerned and I do not think the Senate is concerned about what Canada wants. What the American people want is cheaper material out of which to build their homes. The people who want lumber, the people who live in the great States along the northern border, such as Minnesota and Iowa and the Dakotas, who have not much lumber of their own and are desirous of having reasonable priced timber for building their homes, are not concerned with what Canada wants. They are concerned with what they themselves want. If the committee thinks it is all right to put squared timber made out of logs on the free list, I can not see any reason whatever why they should tax the shipment of logs into the United States. I do not think, so far as the American people are concerned, that the attitude of Canada in the matter concerns them at all.

The next amendment was, on page 92, line 8, after the word "wood," to strike out the comma after the word "ivy," so as to make the paragraph read:

PAR. 403. Brier root or brier wood, ivy or laurel root, and similar wood unmanufactured, or not further advanced than cut into blocks suitable for the articles into which they are intended to be converted, 10 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 92, after line 11, to strike out:

PAR. 404. Cedar commercially known as Spanish cedar, lignum-vitæ, lancewood, ebony, box, granadilla, mahogany, rosewood, satinwood, Japanese white oak, and Japanese maple, in the log, 10 per cent ad valorem; in the form of sawed boards, planks, deals, and all other forms not further manufactured than sawed, 15 per cent ad valorem; veneers of wood and wood unmanufactured, not specially provided for, 20 per cent ad valorem.

And in lieu thereof to insert:

PAR. 404. Sawed boards, planks, deals, and all forms of sawed cedar, commercially known as Spanish cedar, lignum-vitæ, lancewood, ebony, box, granadilla, mahogany, rosewood, satinwood, Japanese white oak, Japanese maple, and all other cabinet woods not further manufactured than sawed, 15 per cent ad valorem; veneers of wood, and wood unmanufactured, not specially provided for, 20 per cent ad valorem.

Mr. UNDERWOOD. I inquire of the chairman of the committee if this is an increase over the present rate?

Mr. McCUMBER. I understand that it is an increase.

Mr. SMOOT. As I remember, it is a 5 per cent increase.

Mr. McCUMBER. In veneers it is proposed to make the rate 15 per cent, and it is 10 per cent under the present law.

Mr. UNDERWOOD. This is one of the items which the committee have reported which to a certain extent may be classed as luxuries, and although the increased rate will increase the tax on the American people, I do not think it will make a prohibitive rate, and it may increase the revenue somewhat. So I am not disposed to resist this particular amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 93, line 7, after the words "wagon blocks," to strike out "car" and insert "oar," so as to make the paragraph read:

PAR. 406. Hubs for wheels, posts, heading bolts, stave bolts, last blocks, wagon blocks, oar blocks, heading blocks, and all like blocks or sticks, roughhewn, sawed, or bored, 10 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 93, after line 11, to strike out:

PAR. 408. Shingles, 50 cents per thousand.

Mr. McCUMBER. I ask that this paragraph may go over on account of the absence of the Senator from Minnesota [Mr. KELLOGG], who desires to be present when it is considered.

Mr. UNDERWOOD. May I ask if the desire is to return shingles to the tax list?

Mr. McCUMBER. The desire of the committee is to leave them as they are and the Senator from Minnesota desires to leave them as they are, on the free list, but there are Senators who desire to put a duty of 50 cents per thousand on them. As the paragraph may later come up in the Senate for separate consideration, I have agreed with those Senators to let the paragraph be passed over until the return of the Senator from Minnesota.

Mr. UNDERWOOD. I do not object at all to the paragraph being passed over, because shingles are a necessity in home building. I am very anxious that they should be kept on the free list as they are under the present law. I do not intend to ask for a roll call now, but if we are going to have a fight over it we might as well settle it and the record vote may make the committee stronger when they go to conference in maintaining shingles on the free list, because I fear they may have some combat, and I do not see any reason why the committee should yield in conference on these two items in the bill. I have no objection to the proposal of the Senator that the paragraph go over.

The PRESIDING OFFICER. Paragraph 408 will be passed over.

The next amendment was, in paragraph 410, page 93, line 18, after the word "limes," to strike out "grape fruit" and insert "grapefruit"; and, in line 19, before the words "per cent," to strike out "20" and insert "25," so as to read:

PAR. 410. Boxes, barrels, and other articles containing oranges, lemons, limes, grapefruit, shaddocks or pomelos, 25 per cent ad valorem.

Mr. ASHURST. Mr. President, the Senate is now considering paragraph 410, which proposes an increase in the duty on boxes containing oranges, lemons, and grapefruit. I do not perceive from the very short examination which I have made any sufficient reason why the tariff should be increased on the boxes in which grapefruit, oranges, and lemons are shipped.

The orange and lemon industry, it seems to me, ought not to be burdened with an additional tariff upon the boxes in which the shipments to the consumer are made. In one part of our country the orange and citrus fruit industry has sustained a severe loss by frost and otherwise, and I see no reason why the duty should be increased. I should like to ask the Senator in charge of the item briefly—I do not want to engage his time but for a moment—to explain the proposed increased rate. I do not understand the reason for it.

Mr. SMOOT. I will say to the Senator from Arizona that, taking into consideration the rate of duty that is now placed upon citrus fruits, a little increase of 10 per cent on the boxes over existing law amounts to so small a sum that it would never be felt upon a box of oranges or a box of grapefruit or a box of lemons. I have not heard any one of the producers of citrus fruit complain of this rate at all. It is only a 25 per cent rate, I will say to the Senator from Arizona.

Mr. ASHURST. The present law imposes a 15 per cent ad valorem duty?

Mr. SMOOT. The present law imposes a 15 per cent duty and the House provided a duty of 20 per cent on the American valuation. The Senate Committee on Finance decided to place the duty at 25 per cent ad valorem on the foreign valuation.

Mr. ASHURST. I do not want to take up time merely for the purpose of delaying the bill, but I do not believe that the committee amendment, which involves a total increase of 10 per cent ad valorem, should be adopted. It seems to me that if it is necessary to increase the rate the committee ought to be content with an increase of 5 per cent. I ask for a yea-and-nay vote on the amendment, as I desire to be recorded against the increase.

Mr. SMOOT. Very well; let us have the yeas and nays.

Mr. UNDERWOOD. Mr. President, I desire to say a few words before the vote is taken.

Mr. POMERENE. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Ohio.

Mr. POMERENE. Mr. President, I shall vote against any increase in this item. I know of the great appeal that has been made on behalf of the citrus fruit industry in southern California, but there are some other interests that ought to be cared for to some extent. I want to call the attention of the Senate very briefly to the situation as I know it.

After the Spanish-American War Cuba was given her liberty and organized a new Republic. At the time of the treaty with Spain there was some uncertainty as to whether the Isle of Pines, which is a very considerable island lying south of Cuba, was territory belonging to the United States or whether it belonged to the island of Cuba. A great many Americans, and particularly many people from the State of Ohio, went to the Isle of Pines and invested in lands there, planted large orchards, and entered upon the cultivation of tropical fruits, with the belief that the island belonged to the United States. Later on the question was taken up by the State Department. Of course, Senators understand that it was a political rather than a juridical question, and the State Department held that the Isle of Pines belonged to Cuba.

Practically the only market that the people of the Isle of Pines have for their citrus and other fruits is the American market, and by increasing this tariff Congress will be placing itself in this anomalous position: It will be voting to give the market almost entirely to the California fruits, and to the Florida fruits as well, and increasing the burden of every American who is unfortunate enough to have invested a little money in the Isle of Pines. I have been told by some of those who are interested that the fruits from the Isle of Pines usually come in here at a season when they do not materially compete with the Florida fruits. That is a statement which is made to me, and I accept it until it appears to the contrary.

I remember very distinctly a discussion of this general subject some years ago when former Senator Root, of New York, was a Member of this body. At that time he made a very vigorous argument against any increase in the tariff on citrus fruits. I know of no reason why we should change our policy in that behalf. It does seem to me that with the duty as it is under the present law, the other citrus-fruit industries of this country ought to be content without adding to the burden which will devolve upon every consumer of citrus fruits by increasing this tariff at this particular time.

Of course, I understand that the tariff is probably going to be increased because an increase has been asked, and those who are interested in the different subjects which are embraced in the bill have joined hands and the one is going to get an increase on his particular product if the other gets an increase on his particular product; that is the situation. I recognize the fact, also, that the people in Ohio who were unfortunate enough to invest in the Isle of Pines are not worthy of consideration by some of those who are interested in some particular plantation to the exclusion of others.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Ohio yield to the Senator from California?

Mr. POMERENE. I yield.

Mr. SHORTRIDGE. If the rates on certain citrus fruits are increased, as we hope they will be, I assume it will not be because the increase is asked for but because it is needed.

Mr. POMERENE. Of course, I should expect the Senator from California to make that statement, but there has been no demonstration that increased rates have been needed. Of course, an increase of tariff duty is going to increase the cost of every orange and every lemon which the public consumes.

I think that is all that I care to say at the present time, because I know the increase will be granted.

Mr. ASHURST. Mr. President, I respectfully ask for the yeas and nays on the amendment on line 19.

Mr. UNDERWOOD. Mr. President, before the roll is called I desire to say a few words.

I see no reason in the world for an increase in the rate on this article. As I understand the facts in the case, the bill as originally reported to the House provided the same rate of duty on this commodity as existing law, namely, a tax of 15 per cent.

Mr. SMOOT. The House bill imposes a duty of 20 per cent.

Mr. UNDERWOOD. But I think the bill as reported to the House originally provided a rate of 15 per cent, the same as existing law. It was changed in the House, I think, to 20 per cent. Now, the committee of the Senate proposes to increase the rate to 25 per cent ad valorem, thus adding an additional tax of 10 per cent.

There is some revenue derived from this article, but very little. When the present law was written the tax in this para-

graph was very materially reduced. It could have been reduced more without seriously increasing the imports; but I wish to call the attention of the Senate to what the committee is doing in proposing this increase from 15 per cent ad valorem to 25 per cent.

We are the great producers of boxes and barrels and other articles of this kind in which fruit is packed and shipped. I think we make more than any other country in the world. The information that I have in reference to this article as shown by the report of the Tariff Commission is that—

Previous to 1909 a considerable business had developed, especially in Maine, of manufacturing wood fruit-box shooks (sides, tops, and bottoms) and exporting them in a knocked-down condition. They were assembled by foreign fruit merchants, the ends and the middle piece added, and then filled with fruit. Estimates of the manufacturers placed the business at about 3,000,000 bundles, which were valued at $150,000. This business has greatly declined in recent years.

The imports coming in of this class of article are not shown to jeopardize in any way the business in this country. As has been stated, it is proposed to increase the tax to 25 per cent, and that must necessarily increase the tax on the consumption of what has grown to be an absolute necessity of life. With the pyramiding freight rates in this country it is difficult now for the consumers of fruit of this kind in the great cities to get the desired quantity at reasonable prices. I can see no reason whatever for an increase such as is proposed by the committee; and I hope that the desire of the Senator from Arizona that we may have a roll call on this article and fix the responsibility for the increase at this time may be realized.

Mr. McCUMBER. Mr. President, I think if the Senator had read the paragraph upon imports, following what he did read upon the matter of production, he would see in the very rapid growth of the imports that there was reason for some concern on the part of the manufacturers.

Under the head of "Imports" we have the following:

Imports, "when of the growth and manufacture of the United States," in 1907 were valued at $109,088; in 1909, at $64,323; in 1913, at $15,815; in 1914, at $2,778.

Showing the rapid decrease under the old Payne-Aldrich bill. Then:

"When of foreign growth and manufacture," in 1907—

Comparing the growth even under the old bill, the Payne-Aldrich bill—

"When of foreign growth and manufacture," in 1907, $204,160; in 1909, $247,819; in 1913, $348,620; in 1914, $535,974.

Turning to the later dates, of course the war ensued; but we come to 1919, when the quantity of barrels or boxes was 1,444,217, and 1920 when it was 1,632,805. We see therefore a most rapid increase in the importations, and with that rapid increase, as I have stated, I think the manufacturers might view it with very considerable apprehension. Inasmuch as the proposed duty differs by only 10 per cent from the present law, I believe, under present conditions, that the trade will easily absorb that 10 per cent added ad valorem duty without injury and without raising the prices.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, which will be stated.

The ASSISTANT SECRETARY. On page 93, line 19, the committee proposes to strike out "20" and insert "25," so that, if amended, it will read:

Boxes, barrels, and other articles containing oranges, lemons, limes, grapefruit, shaddocks or pomelos, 25 per cent ad valorem.

The PRESIDING OFFICER. On this question the yeas and nays have been called for. Is the demand seconded?

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and will vote. I vote "yea."

Mr. SIMMONS (when his name was called). I transfer my pair with the Senator from Minnesota [Mr. KELLOGG] to the Senator from Massachusetts [Mr. WALSH] and will vote. I vote "nay."

Mr. STERLING (when his name was called). I transfer my pair with the senior Senator from South Carolina [Mr. SMITH] to the Senator from Oklahoma [Mr. HARRELD] and will vote. I vote "yea."

Mr. UNDERWOOD (when his name was called). I transfer my pair with the Senator from Massachusetts [Mr. LODGE] to the Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

The roll call was concluded.

Mr. BALL. Transferring my general pair with the Senator from Florida [Mr. FLETCHER] to my colleague [Mr. DU PONT], I vote "yea."

Mr. SUTHERLAND. I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the senior Senator from Pennsylvania [Mr. CROW] and will vote. I vote "yea."

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Vermont [Mr. PAGE] and will vote. I vote "yea."

Mr. FRELINGHUYSEN. I transfer my pair with the Senator from Montana [Mr. WALSH] to the Senator from Oregon [Mr. STANFIELD] and will vote. I vote "yea."

Mr. CURTIS. I have been requested to announce the folfowing pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 36, nays 24, as follows:

YEAS—36.

Ball	Ernst	McCumber	Poindexter
Broussard	Fernald	McLean	Shortridge
Bursum	France	McNary	Smoot
Calder	Frelinghuysen	Nelson	Spencer
Cameron	Hale	Newberry	Sterling
Capper	Johnson	Norbeck	Sutherland
Curtis	Jones, Wash.	Oddie	Townsend
Dillingham	Ladd	Pepper	Wadsworth
Edge	Lenroot	Phipps	Warren

NAYS—24.

Ashurst	Glass	Myers	Ransdell
Borah	Harris	Norris	Sheppard
Caraway	Harrison	Overman	Simmons
Culberson	Heflin	Owen	Swanson
Dial	Jones, N. Mex.	Pittman	Underwood
Gerry	King	Pomerene	Willis

NOT VOTING—36.

Brandegee	Hitchcock	Moses	Stanfield
Colt	Kellogg	New	Stanley
Crow	Kendrick	Nicholson	Trammell
Cummins	Keyes	Page	Walsh, Mass.
du Pont	La Follette	Rawson	Walsh, Mont.
Elkins	Lodge	Reed	Watson, Ga.
Fletcher	McCormick	Robinson	Watson, Ind.
Gooding	McKellar	Shields	Weller
Harreld	McKinley	Smith	Williams

So the amendment of the committee was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The next amendment was, in paragraph 410, page 93, line 20, to strike out "orange and lemon" and insert in lieu thereof "fruit"; in line 21, after the word "growth," to strike out the word "and" and insert in lieu thereof the word "or"; in line 22, to strike out "orange and lemon" and insert in lieu thereof the word "fruit"; and in line 24, to strike out the words "oranges and lemons" and insert in lieu thereof the word "fruit," so as to make the proviso read:

Provided, That the thin wood, so called, comprising the sides, tops, and bottoms of fruit boxes of the growth or manufacture of the United States, exported as fruit box shooks, may be reimported in completed form, filled with fruit, by the payment of duty at one-half the rate imposed on similar boxes of entirely foreign growth and manufacture; but proof of the identity of such shooks shall be made under regulations to be prescribed by the Secretary of the Treasury.

The amendment was agreed to.

The next amendment was, in paragraph 411, page 94, line 4, to strike out the word "rattans" and insert the word "rattan."

The amendment was agreed to.

The next amendment was, on page 94, line 8, to strike out the words "in this section, 20" and to insert in lieu thereof "15," so as to read:

Reeds wrought or manufactured from rattan or reeds, whether round, flat, split, oval, or in whatever form, cane wrought or manufactured from rattan, cane webbing, and split or partially manufactured rattan, not specially provided for, 15 per cent ad valorem.

Mr. KING. May I inquire of the Senator having it in charge as to the proportion this raw material bears to the finished product?

Mr. SMOOT. A very small proportion, indeed. This is a tariff for revenue entirely. There is none of it produced in this country. The rate in existing law is 10 per cent ad valorem. This is the raw material, and I take it for granted my colleague knows that there is only one country in the world where any real quantity of it is produced, and they could not be producing it there unless they had the kind of laborers found there.

Mr. KING. That was my understanding. Yet the Tariff Summary seems to indicate that there are certain willows and rattans either grown or, at least, if not grown, reduced to usable form, in the United States.

Mr. SMOOT. That is the willows used by the basket manufacturers and what we may term coarse goods, but it takes a rather strong reed to make a serviceable article of furniture.

The Senator knows also that the freight on the article is a great deal on account of the space occupied and the weight of the article. It has always been the policy in all tariff bills to get some revenue out of the importations of the rattan or reeds coming from foreign countries.

Mr. KING. I do not know that I should object to a reasonable duty on imported rattan and reeds. However, that import duty which is collected would be immediately carried to the finished product, and the Furniture Trust of the United States is now, as it has been for years, especially during the war, charging prices wholly indefensible because of their enormousness. The people are being robbed by the furniture producers of the United States, and if we can do anything to strike at the Furniture Trust and bring the price of furniture down we ought to do it.

Mr. SMOOT. If you want to help them, put this on the free list and it will help them that much.

Mr. KING. I am not sure about that. I am sure that if we add a duty to it that duty will be carried to the finished product.

Mr. SMOOT. But if they are selling the product for all they can get for it to-day, as the statement made by my colleague would indicate, then why not let the Government of the United States say: "These rattan and reeds which come in go into the articles for which you are charging all you can get, and why should not the Treasury of the United States receive 15 per cent?"

Mr. KING. I am not making any complaint about a reasonable tariff upon these imports, as I indicated, but I do aver again that it will be carried on to the finished product, and the people will have to pay for it. I am inclined to think we could afford to put a reasonable tariff upon these products. When we come to dealing with the finished product, however, I hope the committee will have in mind the needs of the people and not the cupidity and the greed of the furniture manufacturers of the United States.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, in paragraph 411, page 94, line 9, to strike out the words:

For the purpose of assessing duties, handmade reeds or cane shall be held to be comparable in value to machine-cut reeds or cane of corresponding size.

The amendment was agreed to.

The next amendment was, on page 94, line 12, after the word "bamboo" and the comma, to insert the words "osier or willow"; and in line 14, after the word "grass" and the comma, to insert the words "osier or willow."

The amendment was agreed to.

The next amendment was, on page 94, line 14, to strike out "50" and insert "60," so as to read:

PAR. 411. Reeds wrought or manufactured from rattan or reeds, whether round, flat, split, oval, or in whatever form, cane wrought or manufactured from rattan, cane webbing, and split or partially manufactured rattan, not specially provided for, 15 per cent ad valorem. Furniture made with frames wholly or in part of wood, rattan, reed, bamboo, osier or willow, or malacca, and covered wholly or in part with rattan, reed, grass, osier or willow, or fiber of any kind, 60 per cent ad valorem.

Mr. SIMMONS. Mr. President, I did not quite approve of the increase made in the duty on the raw material, but it was not very great, and I did not see fit to make any special contest over it. The duty now imposed upon the furniture made out of these reeds and rattan, bamboo, osier or willow is to my mind wholly unwarranted. The House fixed the rate on this class of furniture—for that is what it is—at 50 per cent, and the Senate committee proposes to increase it to 60 per cent.

Mr. SMOOT. That is a great decrease from the House rate on the American valuation.

Mr. SIMMONS. We need not discuss the American valuation or the foreign valuation in connection with it, because the Senate committee now proposes a 60 per cent rate upon the foreign valuation, and that is the valuation we have always heretofore followed in framing our tariff bills.

This class of furniture has in recent years become exceedingly popular in the United States, and that is especially true in regard to people of moderate, limited means, who are not able to buy the fine mahoganies which have become the fancy and the fashion of the day. Years ago our cheap furniture was made out of ordinary wood. Then we began to use maple for making our cheaper furniture, then we advanced from that to walnut, and now the better-to-do people of the country do not think that anything except mahogany will do.

The class of our people who like to have nice things, and who like to make a good show in their homes, unable to buy these high-priced mahoganies, have in recent years shown a disposition to content themselves, in furnishing their sitting rooms and so on, with this willow furniture, bamboo furniture, and things of that sort. I will not say it has become the furniture of the poor man, but it has become the furniture of the man of moderate means, as distinguished from mahogany, which is the furniture of the man of wealth.

It does not seem to me that we ought to be adopting duties which increase, as these do, the prices of the things used in the homes of the people all the way from 50 to 100 per cent. This is a mere illustration of what has been going on. You start in the kitchen and impose heavy duties upon kitchen ware. Then you come to the table and impose heavy duties upon tableware. Now, you come to the furniture, and it is proposed to impose a duty of 60 per cent upon furniture in common use throughout the country. You increase your duties enormously upon clothing; you add duties to nearly all the food products that are not made on the farm and many of those that are made on the farm; you increase the duties upon the material out of which the house is made; you increase the duties upon the articles with which the fire is lighted.

You can not tell me anything of consequence, inside of the household, the duty upon which has not been increased by this bill. There is nothing which enters into the building of a home the duty on which has not been increased in the bill; there is nothing which goes upon the back of the dweller in the home the duty on which has not been increased, and nothing except the common things produced on the farm that enters into the food which the householder consumes the duty on which has not been increased in the bill. I have sought to discuss the bill in the concrete, and looking at it in that way the bill seems to me to be a drive against the ability of the American people to earn a living, and when I find an item like this, while I do not want to consume time in its discussion, I feel like somewhat vigorously protesting.

Fortunately, in connection with this item we do not have to deal with Germany. It is a matter of extreme relief to me to reach one item, out of the three or four hundred we have already considered, where we are not confronted by the other side with the specter of Germany.

I do not know whether we are to be told or not to be told that when the present law was made imposing much more moderate duties upon these things wages were low in the Asiatic countries from which they came, and that though they were low then they are very much lower now. If, since the passage of the Underwood law, there has been any change in the scale of wages in the country from which the raw material comes, I have not heard of it. I think, even in Asia, as the result of conditions produced by war and otherwise, during the last 10 years there has been a substantial increase in the cost of living and in the labor charges of the toilers of those countries. So with reference to this article we are not confronted with the condition of declining labor or a condition with respect to labor substantially different from that which existed when we enacted the present law.

We have in reference to this item to deal with the labor of Asia, but with reference to the raw materials about which we are talking labor constitutes an exceedingly small part. These raw materials are in some particulars the natural growth of the country. Where they require any manipulation prior to shipment, that manipulation is very small. It is substantially a product as it comes from the hands of God, slightly changed from its natural condition, and yet we are putting 15 per cent on it, and when it is worked into furniture it is proposed to increase the duty to 60 per cent.

I do not know whether it is claimed that this duty is for revenue purposes or not. If it is for revenue purposes, I will say to my friends on the other side of the Chamber, do not go into the homes of the people and tax their necessaries in order to raise revenue through the tariff. I have no respect for a duty for revenue levied upon things of this sort if that is the sole purpose of the duty. There are a great many duties in all our tariff laws that have been levied partly for revenue and partly for other purposes. If this rate is levied for the purpose of protection, then, Mr. President, I do not see anything to justify it in the conditions of the importation of this class of furniture, for I am talking about furniture. It is not imported into this country to any considerable extent. The raw material is practically all of it imported, but the furniture itself is not.

Here we have a production in 1914 of rattan and willow furniture in 85 factories, working only 2,559 laborers, with a capital of $3,371,000, and a value of product of $5,000,000 in round numbers, with a value added by manufacture of $3,000,000, which makes $8,000,000, representing the domestic production of this character of furniture, as I read the figures.

I am confining my observations to willow furniture and rattan furniture. I find that the imports in 1918 of willow furniture were valued at $1,813; in 1919, $3,040; in 1920, $28,114; for nine months of 1921, $52,276. Rattan is not given separately. That is so far as the Tariff Commission report enlightens us about the extent of our imports of willow furniture, $52,000 in nine months of 1921. With a total output of about $8,000,000 in this country, there seem to be no exports.

Now, upon what principle a 60 per cent duty can be justified as a protective duty is beyond my comprehension. If those facts justify the protection, then there is not a single article which is produced in this country, in my judgment, without reference to whether it is imported or not or exported or not, that would not be equally entitled to a protective duty. I had understood that the Republican Party was pledged not to impose tariff taxes, for they are really taxes, either for revenue or otherwise, for the purpose of protection unless the domestic market was being overrun to a greater extent than it is thought good policy to justify, and then that the duty fixed should be a specific measurement, that it should not be the result of a guess, that it should not be because some persons wanted it imposed for their benefit so as to protect them against any possible future condition that might conceivably exist, but that it should be levied with reference to a definite and fixed rule and that the rule would have relation to the difference in the cost of production here and abroad. So far as I am informed, we have no information as to what is the cost of production of willow furniture in any other country. In fact, I do not suppose there has been any investigation, because there have been no importations of willow furniture into this country probably to justify the Tariff Commission in making an investigation.

Mr. ASHURST. Mr. President, the argument of the Senator from North Carolina who has just taken his seat has proceeded upon the theory that paragraph 411 deals with and refers wholly to willow or bamboo furniture. Am I correct about that?

Mr. SIMMONS. I was simply arguing willow furniture because we have the figures as to that item.

Mr. ASHURST. I am going to ask the attention of the Senator who has charge of the schedule——

Mr. SIMMONS. I will state to the Senator that there do not seem to be any imports of any other kind of furniture, so far as I can find, but we do have some imports of willow furniture, and, therefore, I confined my argument to that item.

Mr. ASHURST. I am not finding fault. The Senator has given me information, and I want to be sure that I am accurate and that I correctly appraise it. On page 94, in line 11, the language reads as follows:

Furniture made with frames wholly or in part of wood—

Then, of course, there is a comma, and it continues with the words "rattan, reed, bamboo, osier, or willow."

I ask for information. Is not the particular language dealing with household or cabinet furniture confined within that language? Does not that refer to the ordinary household furniture or what we call cabinet furniture?

Mr. SMOOT. Yes; I would say that it falls under this clause and the rates that we finally decide upon, but there is no importation of furniture. It would not make any difference whether the rate was 100 per cent or whether it was 10 per cent. The freight is absolutely prohibitive on wood furniture.

Mr. ASHURST. That was not my point. I ask the Senator to look now at paragraph 414. We have decided that on furniture made with frames wholly or in part of wood, rattan, or reed, the rates shall be 50 per cent or 60 per cent. Adverting to paragraph 414 on page 95 of the bill we find "house or cabinet furniture wholly or in chief value of wood," and then dropping down to line 10 we find a rate of 35 per cent ad valorem. Obviously there is a conflicting statement there which ought to be cleared up.

Mr. SMOOT. One is on frames of wood; in other words, where the rattan is used in making the chair, as the Senator has referred to it, there will be the rattan bottom and there may be the wood that is in the frame. The rattan is all around the wood frame, and that is what it means in paragraph 411.

Mr. ASHURST. The Senator may be right and I am glad he has enlightened me, but lines 11 and 12 go on to state, pretermitting the parenthetical matter, "furniture made with frames wholly or in part of wood."

Mr. SMOOT. That is the frame. Whether it is made wholly or in part of wood, it refers to the frame. The Senator knows there could be no chair made of rattan unless it had a wood frame.

Mr. ASHURST. That is true.

Mr. SMOOT. That is all it means.

Mr. ASHURST. I think it might mean that the frame would be of wood, upholstered with leather or hair. It seems to me a chair upholstered in hair or leather would fall within this paragraph.

Mr. SMOOT. No; this is the frame, wholly or in part of wood.

Mr. ASHURST. I understand.

Mr. SMOOT. And paragraph 414 is house or cabinet furniture.

Mr. ASHURST. Then paragraph 414 does go ahead and say "house or cabinet furniture, wholly or in chief value of wood." It seems to me there is a conflicting provision that ought to be cleared up.

Mr. SMOOT. It does not conflict in any way, I will say to the Senator. The wood frame in a rattan chair is not the item of chief value. It is the work that is put upon the frame and the rattan which goes around that make it a rattan chair.

Mr. ASHURST. This has just been suggested to me. I ask the Senator to look at page 582 of the Summary of Tariff Information, which reads as follows:

Conflicting provisions: The omission from H. R. 7456 of the specific provision in paragraph 173 of the act of 1913 for willow furniture—

Now—

raises a doubt whether such furniture will come within paragraph 411 as a manufacture of willow or within paragraph 414 as house or cabinet furniture.

That is the very point I was trying to make.

Mr. SMOOT. If the Senator will examine paragraph 411, line 14, he will see that one of the amendments provides for "osier or willow."

Mr. ASHURST. If the Senator from Utah feels that there is no conflict in the provision in the bill, I have nothing further to say in regard to the matter.

Mr. SMOOT. I am quite sure there is none.

Mr. ASHURST. But I wish to be heard later on paragraph 414.

Mr. SIMMONS. Mr. President, I wish to call the attention of the Senator from Utah to the fact that in paragraph 411 the provision dealing with "furniture made with frames wholly or in part," and so on, is qualified in lines 13 and 14 by adding the words "and covered," and so forth. It must not only be made of but covered wholly or in part with rattan, reed, grass, osier, or willow.

Mr. ASHURST. I accept the explanation and I am ready to vote on the question.

The PRESIDING OFFICER. The question is on the committee amendment.

Mr. SMOOT. Had the Senator from North Carolina concluded?

Mr. SIMMONS. I am through. I merely wish to offer an amendment after the Senator from Utah shall have concluded.

Mr. SMOOT. The Senator from North Carolina refers to the fact that this is one item in which we may not refer to "the cheap labor of Germany." In answer to that I desire to say that this is one of the items as to which we may refer to "the cheap labor of China and Japan."

Mr. SIMMONS. Mr. President, I said something of that kind; but I am glad to have the music changed. The other tune had become quite monotonous.

Mr. SMOOT. We could not play any music on earth that would satisfy the Senator from North Carolina, no matter what tune might be played. If we propose a rate which is lower than the existing law, it is all wrong; if the rate is higher than the rate of the existing law, it is all wrong. If the article comes from Germany, and Germany is mentioned, it is all wrong; and if it comes from Japan, and Japan is mentioned, it is all wrong.

Mr. SIMMONS. Mr. President, I know it is true that the Senator from Utah can not sing any music that is pleasing to me, because unfortunately the Senator has not any music in his soul. Although it is full of other splendid qualities that I admire very much, there is no music there.

Mr. SMOOT. If the Senator from North Carolina had referred to the lack of music in the Senator from Utah, the Senator from Utah would have immediately acknowledged his charge, but the Senator from North Carolina did not refer to the Senator from Utah, his reference was general. I know that there are some wonderful singers in this body, because I have heard the Senator from North Carolina speak in such a tone that I know he is a great singer; I know that he has a wonderful voice. Why, it is a wonder to me that he has not been in

all the countries of Europe singing Wagner and other grand-opera selections.

Mr. SIMMONS. Mr. President, if I had felt that I was possessed of such a wonderful gift of music as the Senator intimates, after I learned through the newspapers that a certain distinguished Senator had won his case before the Finance Committee when he was asking for very high rates of duty, I think I should have gone before the Finance Committee and sung a few songs in an effort to try to persuade them to cut these duties down a little bit in the interest of the people.

Mr. SMOOT. The Senator from North Carolina might have been successful; I will not say that he would not have been; but I am fearful if the same song which he sings here daily had been sung before the Finance Committee, there would have been no change made in the rates.

Now, getting back to this item, Mr. President, I desire to call attention to the report made by the Reynolds Commission concerning Chinese furniture. In the instance set forth the cost of the item was $2.92; the landing charges were $2.95. The landing charges were more than the cost of the piece of furniture in China. The selling price of the imported article was $12.25. Note the profit which was made by the importer. The selling price of a comparable domestic article was $16.41. Allowing a reasonable profit of 20 per cent—not of 76 per cent which the importer took—it would require 248 per cent to equalize the production costs.

The Committee on Finance took into consideration the fact that the selling price of the domestic article also included a high rate of profit, and we did not allow 248 per cent on that class of goods, but the committee did allow 60 per cent.

Remember that we have decided in this paragraph that we would collect some money from the importation of the reeds and rattans——

Mr. ASHURST. The wicker furniture.

Mr. SMOOT. That go into the wicker furniture. We say that on importations of those articles into this country we want 15 per cent of their value to go into the Treasury of the United States. The American manufacturer has to pay that money into the Treasury before he can get the material, because none of it is produced in the United States; it can only be produced by Chinese and Japanese labor. The 60 per cent rate covers the duty imposed upon the raw material for revenue purposes only.

Mr. ASHURST. Mr. President, let me interrupt the Senator at that point.

Mr. SMOOT. Certainly.

Mr. ASHURST. My interrogatory was simply to ascertain whether this paragraph could by any means be construed or tortured to include the ordinary household cabinet furniture. The Senator assures me that it can not be.

Mr. SMOOT. There can be no doubt as to that, I will say to the Senator.

Mr. ASHURST. I think the Senator is right; but, notwithstanding, I find in the Summary of Tariff Information, on page 582, which has been furnished to Senators, a statement which indicates that whoever wrote that summary believed there may be some doubt. I agree with the Senator; there is no doubt.

Mr. SMOOT. We have corrected that, as the Senator will notice, in paragraph 411, line 14, by adding the very words that the Tariff Commission suggested should be added, namely, the words "osier or willow." I assure the Senator from Arizona there can be no conflict.

Mr. ASHURST. That is all I desire to know about this item.

Mr. SIMMONS. Do I understand the Senator to argue that the bracket of paragraph 411 to which the 60 per cent duty applies does not apply to the furniture made of these materials?

Mr. SMOOT. I said it covered the manufactures made of them, and that the American manufacturer had to pay a duty that was imposed upon reeds and rattans.

Mr. SIMMONS. On the raw material?

Mr. SMOOT. Yes.

Mr. SIMMONS. And the duty on the raw material is 15 per cent?

Mr. SMOOT. Yes; and therefore there has got to be taken into consideration the duty placed upon the raw material in fixing the rate upon furniture.

Mr. SIMMONS. I understand the Senator now says that this is a revenue duty.

Mr. SMOOT. The duty on reeds and rattans is for revenue absolutely.

Mr. SIMMONS. That is the 15 per cent duty?

Mr. SMOOT. Yes.

Mr. SIMMONS. And as to the difference in the 15 per cent and 60 per cent, which is 45 per cent?

Mr. SMOOT. That is the protective duty for the manufacturer in America.

Mr. SIMMONS. That is the protective duty for the manufacturer in America. The manufacturer in America is making about $8,000,000 worth of this furniture, and only about $52,000 worth of it came in from China in nine months of 1921.

Mr. SMOOT. I presume in 1921 the furniture stores in the United States from one end to the other were not buying willow furniture or any other furniture; they were trying to sell what they had on hand. That was the trouble. Mr. President, while the duty of 60 per cent seems high, and, perhaps, under conditions to-day it could be fixed at not more than 50 per cent, yet it is one commodity, I will say to the Senate, in the production of which the American laboring man is right up against the labor of the Chinaman, the laboring man in America working 8 hours and the Chinaman working 16.

Mr. SIMMONS. The Chinaman, however, does not seem to have been sending many of his goods over here.

Mr. SMOOT. That is not saying that he can not send them over here.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Utah yield to the Senator from Michigan?

Mr. SMOOT. I yield the floor.

Mr. TOWNSEND. Mr. President, I merely wish to make a brief statement. There is no question about the difference in the cost of production here and abroad in the case of the commodity now under consideration. It has been shown very clearly that a gentleman purchased from three to four thousand pieces of this character of furniture in China and shipped it to Grand Rapids, Mich. He found that he could multiply his cost price by three. For instance, a chair for which he paid $3 he could sell for $9, and even that price would be less than it cost him to make a similar grade chair in the United States.

There has been a great deal of this kind of furniture shipped into the United States. I heard a Senator on the other side a few moments ago make a suggestion as to there being a furniture trust in the United States. Of course, that is a common phrase, and it is used so frequently that I pay no attention to it. I know of no such trust, but I do know that there is strong competition. China is our competitor; China is where these reed chairs are made; and I know that the 60 per cent rate proposed does not measure the difference in the cost of production of these chairs in China and the United States, to say nothing about profit or selling prices. This is one item where it is clear that the duty is a protective one, and I am in favor of protection. I can not see how there can be any possible complaint as to the rate of duty on this particular class of goods.

Mr. McCUMBER. Mr. President, I think it proper to enter into the RECORD at this point a paragraph from the Summary of Tariff Information, under the head of "Production in 1914—Rattan and willow furniture":

Factories, 85—

Quite a number to constitute a trust—

Production in 1914—Rattan and willow furniture: Factories, 85; persons engaged in industry, 2,559 (2,262 laborers); capital $3,371,218; wages, $1,281,141 ($566 average per capita); value of products, $5,022,089; value added by manufacture, $3,008,310. Baskets and rattan and willow ware: Factories, 419; persons engaged in industry, 5,302 (4,574 laborers); capital, $4,590,515; wages, $1,922,965 ($421 average per capita); value of products, $6,578,468; value added by manufacture, $3,579,183.

Now, I want to call attention to the imports in the last few years. Remember, this was back in 1914.

The imports for the fiscal year 1914 were $1,210,390.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from North Carolina?

Mr. McCUMBER. I do.

Mr. SIMMONS. The Senator left out a very important word—"rattan and reeds (unmanufactured)."

Mr. McCUMBER. Yes; but I am reading the unmanufactured statistics. I do not think I would intentionally leave out anything.

Mr. SMOOT. But the Senator did not read the word "unmanufactured," and it makes all the difference in the world. The Senator from Utah admits that the duty levied upon unmanufactured reeds is a purely revenue duty.

Mr. McCUMBER. I am intending to give the whole. I am taking first the unmanufactured material.

In the case of rattan and reeds, unmanufactured, in 1914 the imports were $1,210,390; in 1918, $1,781,239.

The imports of chair canes or reeds wrought from rattan or reeds, without giving the figures, I think amounted to about $200,000 in 1918.

The imports of rattan and reeds, unmanufactured, for the calendar year 1918 were $1,308,465; for the calendar year 1920, $2,466,617; for the first nine months of 1921, $887,647.

Now, take chair cane or reed, wrought or manufactured from rattan or reeds: In 1918 the imports were $244,268; in 1919, $269,265; in 1920, $1,166,538; and in nine months of 1921, $431,021.

Mr. SIMMONS. Mr. President, will the Senator please tell me where he has been reading from recently?

Mr. McCUMBER. I am reading on page 581 of the Summary of Tariff Information. If you will read for the same calendar years the statistics on osier and willow prepared for basket-makers' use, willow furniture, and manufactures of osier and willow, except willow furniture, you will find that, taking them all, there was a very big importation. We have already considered the difference in the cost of labor in Japan and China and the United States, and, as stated by the Senator from Michigan, we have shown that even a duty of 60 per cent will nowhere near measure the difference in the cost of placing the foreign article in the principal markets of the United States as compared with the cost of placing the American article in the same markets.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On line 15, it is proposed to strike out "2 cents" and insert "1 cent," so as to read:

Split bamboo, 1 cent per pound.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 17, it is proposed to strike out "maker's" and insert "makers'."

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 17, it is proposed to strike out "25" and insert "35," so as to read:

Osier or willow, including chip of and split willow, prepared for basket makers' use, 35 per cent ad valorem.

Mr. SIMMONS. Mr. President, I have in large measure discussed that matter already, but I am going to read the figures of imports as they appear to me in the book from which the Senator from North Dakota was reading a few minutes ago.

This last duty applies to furniture of osier or willow. The book that I have before me, at page 581, deals first with imports of rattan and reeds, unmanufactured. There is quite a heavy import of those, because we do not produce them in this country to any extent, and the Senator from Utah admits that and says that the duty of 15 per cent which this paragraph levies on the unmanufactured product is for revenue.

Mr. SMOOT. No; those are the wrought and manufactured materials.

Mr. SIMMONS. These are the unmanufactured materials that I am reading from now.

Mr. SMOOT. Then I want to say to the Senator that when we reach the free list I expect to offer an amendment to the free list taking care of the unmanufactured materials. They are not taken care of in this paragraph at all, and if it is left the way it is now they would fall in the basket clause, which would be a higher rate than even here with the wrought and manufactured cane or reed.

Mr. SIMMONS. But the Senator admits that he is not undertaking to put a protective duty on the unmanufactured materials.

Mr. SMOOT. Yes; although they are not mentioned in this paragraph; but when we reach the free list I shall want to offer an amendment to that.

Mr. SIMMONS. But the Senator did not do it in this paragraph.

Mr. SMOOT. No.

Mr. SIMMONS. The only two things that are involved in this paragraph are osier and willow furniture.

In 1919, according to the book that I have before me, the imports of willow furniture amounted to only $26,000, and in 1918 they amounted to only $2,844. The imports of osier and willow prepared for basket makers' use were $95,000 in 1914, and $144,000 in 1918. Manufactures of osier or willow, except furniture, amounted to $25,000 in 1914, and $10,000 in 1918, so that in 1914 and 1918 the imports of willow furniture and osier furniture were nominal.

Mr. SMOOT. There is not so much of the willow furniture manufactured as there is of the rattan furniture, either in this country or anywhere else in the world. The willow furniture is somewhat cheaper than the rattan.

Mr. SIMMONS. The importations of chair canes or reeds, wrought or manufactured from rattan or reeds, in 1921 were less than half a million dollars.

Mr. SMOOT. In 1914 they were $450,000.

Mr. SIMMONS. The imports of osier and willow prepared for basket makers' use were only about $105,000 in nine months of 1921.

The willow furniture, I think, is the furniture that is used especially by the poorer class of people. I think it is willow furniture that they buy, and a good many well-to-do people also buy it for summer use. It was as to rattan and willow furniture that the Senator was reading these statistics showing the value of the domestic product as being about $11,000,000—rattan and willow furniture; not baskets, but furniture—and the best I can make out of these figures is that, in round numbers, there was only $1,800 worth of willow furniture imported into this country in 1918; in 1919, $3,000 worth, in round numbers; in 1920, $2,800 worth, in round numbers; and in nine months of 1921, $52,000 worth.

I do not know—no mortal man can tell—how much will be imported into this country in the next year, or any one of the next 10 years; but these figures show that there has been no special increase in the importations of this furniture into this country for many, many years past, and I know of no change of conditions in this country or in China that would justify the belief that these importations, now negligible, are so threatening that it becomes necessary in advance to impose these high duties of 35 and 60 per cent.

Mr. President, I intended to move to amend by inserting "30 per cent" instead of "60 per cent" in the other part of the bill that was just voted upon, but the Secretary went so fast that I could not quite keep up with him. I now move, in place of the 35 per cent proposed by the committee, to insert "15 per cent."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On line 17, page 94, in lieu of "35," the amount proposed to be inserted by the committee, it is proposed to insert "15."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Carolina to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On line 19 it is proposed to strike out the word "osier" with a comma and to insert the same word without a comma.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 20 the committee proposes to strike out "40" and to insert "45," so as to read:

All articles not specially provided for, wholly or partly manufactured of rattan, bamboo, osier, or willow, 45 per cent ad valorem.

Mr. SIMMONS. Mr. President, that amendment has been discussed already in connection with the other two. I move to strike out "45" and insert "20."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. In lieu of the sum "45," proposed to be inserted by the committee, it is proposed to insert "20."

Mr. KING. Mr. President, may I make an inquiry of the Senator from North Carolina?

Mr. SIMMONS. Yes.

Mr. KING. The paragraph now under consideration, and particularly the last lines, which are now being considered, relate to various kinds of furniture in common use by what might be called people not of large means.

Mr. SIMMONS. I have discussed osier and willow furniture.

Mr. KING. For my own information, I want to ask the Senator a question. The facts are that this furniture is used very extensively in the United States?

Mr. SIMMONS. Oh, yes; by people of very moderate means and poor people.

Mr. KING. And there are a number of very large manufacturing establishments engaged in its production, which have made and are making very large profits, and it will force the prices up?

Mr. SIMMONS. In the case of that and willow furniture it seems that the annual output in this country is something around $11,000,000, with the insignificant importations that I have just stated to the Senate.

Mr. KING. I regret that I was called from the Chamber. I should like to ask either the Senator from North Carolina or any member of the majority what justification there is for the

imposition of these high rates—or, for that matter, any rates, unless it be for revenue—upon furniture, when, as we know, there is a shortage of houses, a shortage of homes, a shortage of home furniture, and if we have a building boom—as we ought to have—there must be the furnishing of the homes, and therefore there is bound to be a tremendous increase in the quantity of furniture purchased in the United States. It seems to me that in the interest of the people we ought to encourage home building and the purchasing of furniture for home. We ought not to cast impediments, as this provision will, in the way of the accomplishment of an end so worthy and so deserving. I ask the committee why they do not revise the rates upon furniture that is in such common use?

Mr. SMOOT. Mr. President, I do not want to take the time of the Senate now in giving the reasons. We went into the details while the Senator was out of the Chamber. In substance, I will say that the American manufacturer is compelled to pay the duty imposed upon his raw material, as we do not impose it as a protective tariff whatever, but as a revenue measure. That rate is 15 per cent. Then, as a compensatory duty, we impose this 60 per cent on the furniture, but not the items under consideration at this time.

The Senator must know that China is the great manufacturing country of the world for this article. The Chinese have the raw material at hand. Chinamen work 16 hours a day. They are paid about one-fifteenth or one-sixteenth what laboring men in the United States are paid. If it were not for the rate of freight upon those articles into the United States, this would not be protection enough. I showed also by the Reynolds report that to equalize conditions existing on the 1st day of August of last year would take a rate of 248 per cent.

Mr. KING. The Reynolds report has been adverted to repeatedly during the discussion of the bill; if not as the basis for some of these rates, at least it has been used as a basis for comparison, and to support many of the high rates which have been levied. I believe that the use of that report is improper to the extent to which it has been employed and any argument flowing from its use is fallacious.

In the first place, it is known that the American workingman does more than any workingman in any other country in the world. I think a study of the facts discloses that in many of our manufacturing plants the product of the American workingman is greater than that of two, three, four, and five in other countries.

With respect to the making of this furniture, our machines and our plants are very much superior to those of any other country, and of course, in efficiency of plants, China could not begin to compare with the United States. In my opinion, we can produce furniture as cheaply as it can be produced in almost any country in the world.

The dividends which have been paid by the furniture manufacturers, the enormous profits which have been made, testify to the fact that we do not need to tax the American people in order to make legitimate and reasonable profits. I am against a system which taxes the people upon the necessities of living unless it be purely for revenue purposes. It does seem to me that we are piling the taxes upon the necessities rather than upon the luxuries. The articles embraced within this paragraph are not necessities as much as are food and clothing, but they are necessities if we are to have homes, and if we are to have all the concomitants of an enlightened and a civilized people.

It seems to me that the amendment offered by the Senator from North Carolina to the amendment ought to be unanimously agreed to.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. SIMMONS] to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

The amendment was agreed to.

The next amendment was, in paragraph 413, page 94, line 25, to strike out the word "screens" and to insert in lieu thereof "screens, any of the foregoing wholly or in chief value."

The amendment was agreed to.

The next amendment was, on page 95, line 1, after the word "straw" and the comma, to insert the words "papier-mâché, palm leaf."

The amendment was agreed to.

The next amendment was, on page 95, line 2, to strike out "25" and insert in lieu thereof "45," so as to read:

Porch and window blinds, baskets, curtains, shades, or screens, any of the foregoing wholly or in chief value of bamboo, wood, straw, papier-mâché, palm leaf, or compositions of wood, not specifically provided for, 45 per cent ad valorem.

Mr. SMOOT. I move to substitute "40" for "45" in line 2.

The amendment to the amendment was agreed to.

Mr. SIMMONS. Mr. President, this is another article of constant use in every home in the land. There is not a man who is able to afford these shades and screens who does not use them. Of course, in the wealthier homes they use fancy shades, made of textiles, but in the humbler homes, on account of the cost of cloth at this time, it has become the fashion to use these screens.

Mr. SMOOT. It is just the reverse.

Mr. SIMMONS. No; I do not think so.

Mr. SMOOT. The fancy homes use these screens painted and decorated.

Mr. SIMMONS. Yes; they use them painted, generally, when they can, because they do not look well unless they are painted, but they are used chiefly by people of small means. They are not expensive, compared with the textile shades.

Mr. SMOOT. It is just the reverse.

Mr. SIMMONS. I use them myself, and I use them as a matter of economy, which I have to practice.

Under the present law these shades are taxed at 20 per cent ad valorem. That tax has been extremely protective in operation, whatever may have been the intent when it was imposed. It has been a failure as a revenue duty. The revenue under it in 1918 amounted to only $1,146, and in 1920 to only $4,655.

It has been a failure as a revenue duty, I say, but it seems to have been extremely effective for the purpose of excluding the foreign product. Let us look at this item. It is one of the most enlightening little items we have had as indicating the recklessness with which our friends on the other side have lavished their duties.

The Tariff Commission did not take the trouble to find the production in this country. They said it was a little too difficult to find out, and contented themselves with saying that "Observation, however, indicates that the annual production is very large and an element of much importance in the woodworking industry."

It does give us the figures as to the imports, however. It says:

Imports of porch and window blinds, curtains, shades, or screens of bamboo, wood, straw, or compositions of wood in 1914 were valued at $543,500, and in 1918, $29,320.

What I read just a while ago related both to the painted and the unpainted. I repeat that in 1914 the imports amounted to $543,000 worth, and in 1918 to $29,000 worth, of both kinds, painted and unpainted. Now I shall deal with the plain or unpainted screen. In 1918 the imports were only $5,747. In 1919 they were $10,000, in 1920 they were $23,000, in the nine months of 1921 they were $10,000.

Now we come to the stained, dyed, painted, printed, polished, grained, or creosoted. We have not reached that yet, but under the bill it is taxed at 60 per cent; the unpainted, the figures of which I have just read, is taxed 45 per cent. I am going to read the figures as to the 60 per cent duty on imports. In 1918 the imports amounted to $7,930. In 1919 they amounted to $21,000. In 1920 they amounted to $46,800. In the nine months of 1921 they amounted to $22,667, making of both the painted and the unpainted about $33,000 in 1921 as the total imports of both kinds, as compared with $543,000 in 1914. They are disappearing instead of increasing, and that happened under a 20 per cent rate on the plain and a 25 per cent rate on the painted, stained, and polished. We are making them in great quantities here and can furnish them to the people at moderate prices. Perhaps the German makes it, although I do not know.

Mr. SMOOT. Yes; they are made in Germany.

Mr. SIMMONS. Even the German has not since 1914 been sending it into this country in any quantity at all. It is a perfectly negligible quantity. The present importations are not one-tenth as much as they were in 1914. They are growing less every year and will soon reach the vanishing point. Yet the proposition is to grant double the duties, to raise one from 20 to 45 per cent and the other from 25 to 60 per cent. I can not understand why it is done.

The trouble is that Senators will not stay in the Chamber and hear these questions debated. They will not stay here in order that they may ascertain the facts, and I know enough about those on this side of the Chamber to speak with reference to those on the other side of the Chamber. Senators who are not participating in the debate have not examined the books in order to ascertain the facts, and they will not stay here when we are discussing the matter.

I have enough confidence in the sense and fairness and judgment and patriotism of Members of the Senate to believe that they would not sustain the committee in these high rates if they would stay in their seats and hear an item like this

discussed and ascertain the facts as they appear in the case and as I have presented them; and I believe I have presented them correctly. I do not see how I could miss presenting them correctly when I have taken the statistics from that impartial body, the Tariff Commission. I do not believe we would find vote after vote sustaining the high duties imposed by the committee if Senators would listen to the discussion. I think instead of overruling the committee now and then, as has occurred as we have gone on with the schedules, they would have been overruled many, many more times; and before this time the committee, instead of bringing in amendments cutting the rates down slightly, would have brought in amendments cutting them down radically.

But there is no necessity in this case to do more than state the facts plainly and directly that they may go into the RECORD. Nothing else is accomplished in cases of this sort. It could not be accomplished. How can we convince the Senate when the Senate is not in the Chamber? If Senators will not stay here and listen to the discussion, I want the facts to go into the RECORD. That has been one of my chief objects and aims in asking for a discussion of the items. I believe enough public interest has been aroused in the question to start the people of the country to studying and trying to ascertain for themselves the facts upon which to base an independent judgment. We are going to put the facts in the RECORD so that they will be open to the newspapers of the country, and the students of the country, and to everybody who wants to know the facts about the rates and the taxes that are being imposed upon the people through the bill.

Mr. LENROOT. Mr. President, it so happens that a majority of the factories producing this kind of window shades are in Wisconsin, and I have therefore given some special attention to the subject. I want to read a paragraph of a letter from the president of the Hough Shade Corporation, of Janesville, Wis. In his letter, dated January 12, 1922, he said:

> We surely hope that our letter has reached you before this time, as this tariff matter as presented in the Senate brief, copy inclosed, is a matter of life and death with us. We have to-day just had a report from one of our salesmen, who called upon a very big dealer whom we have sold for years, and was informed by this dealer that his buyer was now in Germany and he expected to buy German wood slat porch shades, and we find through a letter received a short time ago from a German exporter, Hugo Klemm, Heidelberg, Germany, that this buyer can get German shades laid down at New York, with American duty paid and all duties paid and freight paid, for only $2.77, the very same shade that we have to get $4.10 for. As you will see from this comparison it means closing our factory if we do not get protection against the labor of men in Germany, which, according to the Government's own report (we have confirmed this through one of our employees who has relatives in Germany) is 52 cents per day, for labor which costs us from $2.70 to $4 per day, and the labor of women in Germany, which is 25 cents per day, and for which we are compelled to pay (Wisconsin minimum wage law) $2.25 for nine hours.

Mr. President, I have declined to be persuaded to any course of action simply upon statements of differences in wage cost. I believe the test generally as to whether a duty is too high or not, is, first, are importations large; and, second, are exportations of the domestic product large? If the importations be nominal and our exportations large, the conclusion follows that an increase, or at least a large increase, in duty is not justified. But in this particular case we find, first, that we have practically no exportations of this product.

While it is true, as the Senator from North Carolina [Mr. SIMMONS] has stated, that importations since the war have been nominal, it is also true that prior to the war importations from Germany were very large, so large as to be a menace to the industry here. In 1913, just before the war, the imports of the two classes of shades described in the paragraph amounted to over $1,000,000, and that was upon a rate of duty of 35 per cent for the uncolored or unpainted shades and 40 per cent for the painted shades; that is to say, under the rates of the Payne-Aldrich law the imports then were over a million dollars a year.

I do not believe it can be successfully contended by anyone upon the floor of the Senate that what Germany could do before the war in the way of exports and competing with American manufacturers she can not do much better since the war. I think the answer to the fact that up to this time the importations have not been large is that Germany has not happened yet to renew that particular line of production. But it is a fair assumption that when she was able before the war to export over a million dollars a year to us—and, remember, the total volume is not very large in dollars in this country of this particular item—she is able to do very much better now.

In this item I believe the original recommendation of the committee would have been fully justified, but realizing as I do that the imports up to this time have been only nominal and that the justification must be based upon what Germany did before the war and what Germany can do again, I insist that the rate imposed by the committee is fully justified by the facts.

The VICE PRESIDENT. The question is on the committee amendment as modified.

Mr. SIMMONS. I desire to offer an amendment to the committee amendment. I move to amend, in line 2, by striking out the numeral "40" and inserting "20."

The amendment to the amendment was rejected.

The committee amendment as modified was agreed to.

The ASSISTANT SECRETARY. The next amendment of the committee is, on page 95, line 4, where the committee proposes to strike out "30" and insert "60."

Mr. SMOOT. I move to amend that by striking out "60" and inserting "50."

The amendment to the amendment was agreed to.

Mr. SIMMONS. I move to amend by striking out "50" and inserting in lieu thereof "25."

The amendment to the amendment was rejected.

The amendment as amended was agreed to.

The next amendment of the Committee on Finance was, in line 5, page 95, to strike out "House" and insert "Spring clothespins, 15 cents per gross; house," so as to read:

> PAR. 414. Spring clothespins, 15 cents per gross; house or cabinet furniture wholly or in chief value of wood, etc.

Mr. SIMMONS. Mr. President, that is a new insertion. It does not appear in the House text. I would be very glad to have some Senator explain to the Senate why it was necessary to put 15 cents per gross on spring clothespins.

Mr. DILLINGHAM. Mr. President, it will be observed that paragraph 414 is a basket clause which takes care of "manufactures of wood or bark, or of which wood or bark is the component material of chief value, not otherwise specially provided for." The value of the spring clothespin is in the wood at the present time rather than in the steel which constitutes the spring used in the manufacture of the article as coming under this paragraph. It was the view of the committee that a 25 per cent ad valorem rate would not properly protect the industry in this country.

I will say to the Senator from North Carolina that these clothespins are an American invention and until recently have been an American production. They were patented in the beginning, but the patents expired, and now they are manufactured in various States of the Union and in many places are a sort of by-product of manufactures of larger types of woodenware, because the pieces of wood required in the clothespins are so small that they can be taken from what would otherwise be waste. But it appears that in 1912 and 1914 the American manufacturers began to have a very sharp competition from Norway and Sweden.

The cost in this country of producing these spring clothespins is, upon an average, about 40 cents per gross. They have been sold in this market from about 48 cents to 52 cents a gross, according to the size of the order; those in carloads being sold for 48 cents and those in smaller quantities for 52 cents per gross.

In 1912 the industry in this country had to meet foreign competition for the first time, the imported pins coming from the Scandinavian countries, Norway and Sweden. They were placed upon the market here at from 18 to 23 cents per gross, just about one-half of the present cost of manufacturing them in this country. The war coming on, of course, created an embargo.

Mr. SIMMONS. If the Senator will pardon me, do I understand him to say that the spring clothespins which came in here were manufactured in Norway and Sweden?

Mr. DILLINGHAM. Yes; in Norway and Sweden.

Mr. SIMMONS. At what percentage of the American cost?

Mr. DILLINGHAM. They were sold here as low as 18 cents per gross; from that up to 22 cents per gross.

Mr. SIMMONS. As against what American price?

Mr. DILLINGHAM. The American cost of manufacture is about 40 cents; and the American selling price is about 48 cents per gross in carload lots.

Mr. SIMMONS. The Senator from Vermont has named two countries in Europe where I have been under the general impression that labor is pretty well paid. Certainly labor is not low priced in those countries.

Mr. DILLINGHAM. I will say in reply to the Senator that my attention was called to the matter at that time by the Vermont manufacturers, there being three extensive establishments manufacturing these pins in the county in which I live. They wrote to me, and I took the matter up with the Department of State. The American consuls in those countries

were requested to make an examination, which they did, and they reported—I have not the figures before me—in substance, that the production was increasing there and that the cost of labor and material was such that the manufacturers were able to sell the goods in this country at the prices quoted.

Mr. SIMMONS. What is the material out of which these clothespins are made?

Mr. DILLINGHAM. The pin consists of a steel spring connecting the two wooden clips. This one [exhibiting] happens to be a cheap one; it is made of beech wood.

Mr. SIMMONS. I hardly see how there could be very much difference in the material cost.

Mr. DILLINGHAM. I think it is a question whether the article should fall under the wood schedule or under the steel schedule. The duty carried in the basket clause of the wood schedule is 35 per cent, and in the basket clause of the steel schedule it is 40 per cent.

Mr. SIMMONS. The process of manufacture must be so simple that, unless there is some peculiar differentiation in material costs, I could hardly account for the great difference in price upon the theory of a difference in the labor cost.

Mr. DILLINGHAM. There is a very marked difference in the labor cost. In my section we pay about $3 a day for mill labor, which is not a high price as prices go in the United States, and yet to produce that article by the gross costs, according to the best computation which can be made, 40 cents.

Mr. SIMMONS. I should not imagine there was any very great labor cost in the manufacture of this article. It looks like it would be largely a matter of machine work.

Mr. DILLINGHAM. The spring is made by machinery; the wood is cut and polished by machinery.

Mr. SIMMONS. The spring is made by machinery.

Mr. DILLINGHAM. Exactly; it is made by machinery; but the pins, then, have to be assembled, which can not be done by machinery. Assembling them is handwork. The manufacturers have a small hand machine in which they put the wood and the steel, and the combination is made in that way, which materially increases the cost.

Mr. SIMMONS. I believe the Senator stated that these pins were made in Norway and Sweden?

Mr. DILLINGHAM. Yes.

Mr. SIMMONS. I have been under the impression that the wages paid in Norway and Sweden were very good as compared with those paid in other European countries. I have been under the impression that they were better than those paid in France or even in Great Britain.

Mr. DILLINGHAM. I can only tell the Senator that the reports we received from our consuls were of the character that I have already indicated.

The World War operated as an embargo; but immediately after the war it was found that the Germans had gone into this business and were beginning to ship this class of goods into this country. The manufacturers in this country sent an agent to Germany in order to ascertain what the prospects were, and he found that Germany was selling these pins at 8 marks per gross. That was in 1921. So the Senator can see what the cost of the manufacture in Germany is.

Germany has come in and claims this market and is advertising some of these goods in the United States for 30 cents a gross, free on board the cars in New York. The German producers, after manufacturing the clothespin, paying the cost of transportation, of insurance, the landing charges, and the duty which is now imposed by law, and also after paying the commission of their agents in New York, and, adding their profit, are selling these clothespins at 30 cents a gross in this country.

Mr. SIMMONS. Do I understand the Senator from Vermont to say that they were selling, in 1921, in Germany at 8 marks?

Mr. DILLINGHAM. They were selling at 8 marks.

Mr. SIMMONS. What was the measure at that time of the German mark in American money?

Mr. SMOOT. Eight marks would be a little over 12 cents.

Mr. DILLINGHAM. The Senator from Utah [Mr. SMOOT] states that it was a little over 12 cents.

Mr. SMOOT. The mark was worth 1.52 cents at that time.

Mr. SIMMONS. There are no recent statistics in reference to the matter which seem to be available. It is a new item, and I suppose what statistics we have were published long before the item was put in the bill by the Senate committee. Can the Senator from Vermont tell us anything about what the production here is and what the imports of the particular commodity are?

Mr. DILLINGHAM. I am not able to give those statistics. I know there are manufacturers of these pins in five or six of the States of the Union. The importations only began last year, and I do not know how considerable they were, although I know that the foreign producers are competing very actively with the American manufacturers, and the American manufacturers have put down their price to cost to themselves. They have been doing that for the last six months, because they wanted to retain their old customers until the pending bill should be considered, when they could ascertain whether they were to have anything like adequate protection against the foreign manufacturer.

Now, I desire to call attention to the effect of this amendment. If spring clothespins are included in the basket clause of the wood schedule which we are now considering, and which carries a rate of 35 per cent ad valorem, they could be delivered on this side, with landing charges of 10 per cent, but without profit added, at 22 cents per gross, provided the cost price of manufacture in Europe is 15 cents.

I may say that an estimated cost price of 15 cents is larger than the facts will warrant. It is undoubtedly true, however, that the pins can be produced in Norway, in Sweden, and in Germany at 15 cents, and, under this clause, they could be imported here at 22 cents a gross, which is substantially one-half of the cost of production in this country. But, taking the specific rate of 15 cents per gross, which is asked for by the committee, that rate will make it possible for the European made pins to be delivered on this side at 31½ cents a gross, provided the cost of manufacture is 15 cents, and less than that sum if the cost of manufacture is smaller than that. So it looks to us that the contention is entirely reasonable that the duty proposed is hardly fair to the manufacturer in this country. They are satisfied, however, to take that, because they say they have the market now, and, if they are accorded anything like reasonable protection, they can carry on their business successfully. I trust that the amendment may be adopted.

Mr. SIMMONS. Mr. President, I know nothing about this article, but, when the committee made up its mind to put a tax of 15 per cent upon these little pins, which are used by every washerwoman in the land with which to hang out clothes to dry, I think they ought to have taken the trouble to ascertain the facts for the enlightenment of the Senate and Congress as to the production in this country and the imports. I strongly suspect from what the Senator from Vermont has said with reference to the failure to get these data, that at this time the imports are probably negligible and that the rate proposed is based not upon actual importations but rather upon apprehended importations, which is a very doubtful basis for legislation of this character.

I think, Mr. President, that we are going very far in taxing the homes of the people of the country when we begin to tax the little things such as we have been dealing with here to-day, comprising small articles of household necessity and imposing rates upon them which in many instances nearly equal the value of the product.

In this particular instance the product that is exhibited to us upon which this duty is asked in the name of labor looks very much like it could be standardized so that one man, with proper machinery, could probably produce in a day a sufficient quantity to supply the demand of a State.

I took occasion some time ago in talking about stockings, I think it was, or, perhaps, shoes, to state that certain machinery had been invented by which one man could make 150 pairs of shoes—if it were shoes—in an incredibly short time, a mere fraction of a day. That man might be paid a pretty large wage, and yet the labor cost entering into the production of those shoes be nominal. American inventive genius is such that when an article of this kind is to be made a machine invariably is invented by which it can be made almost entirely, with merely the direction of the human hand, and I imagine that there is mighty little labor in the little article which the Senator from Vermont has exhibited to the Senate.

The item is so small that I do not want to consume any time about it. I am perfectly willing that we shall vote.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The READING CLERK. On page 95, line 7, after the word "finished" and the comma, it is proposed to insert "wood flour."

Mr. SMOOT. I will say that this would fall under this paragraph, but it was desired to have it specifically mentioned.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 95, line 10, it is proposed to strike out "in this section, 25" and insert "35," so as to read:

house or cabinet furniture wholly or in chief value of wood, wholly or partly finished, wood flour, and manufactures of wood or bark, or of which wood or bark is the component material of chief value, not specially provided for, 35 per cent ad valorem.

Mr. SIMMONS. Mr. President, as I understand this section now, it covers house or cabinet furniture wholly or in chief value of wood, wholly or partly manufactured, wood flour, and manufactures of wood or bark, or of which wood or bark is the component material of chief value, not specially provided for, and a duty of 35 per cent is proposed. That is a clause that would catch all furniture that is not taxed in some other paragraph; so that as a result we will have in this country, when this bill passes, a tariff tax upon all kinds of furniture ranging from 35 to 60 per cent. To my mind it is a frightful picture, that of taxing everything that goes into the furnishing of the mansion and the palace and the cottage.

The Tariff Commission says:

The furniture industry takes high rank among domestic manufactures. The following table, giving figures for 1914, segregates material and certain kinds of articles, such as metal, rattan, and willow, to show the relative importance of these "substitutes." Store and office fixtures and refrigerators are included, though not always classified as furniture.

Bearing out what I have just said, that all furniture of every kind or description, wherever used, in the office as well as in the mansion and the cottage, is included in this paragraph.

The establishments are given, and the value. The totals are very high. The value of the product, including everything, is $280,000,000.

Imports fell in value from $1,017,201 in 1914 to $333,358 in 1918 (fiscal year). The chief sources are France, Italy, the United Kingdom, Canada, Hongkong, and Japan. Formerly Austria-Hungary and Germany exported largely the cheapest grades, France and Italy the finest grades.

In 1918 the imports were $219,000, in round figures; in 1919, $469,000, in round figures; in 1920, $1,866,000, in round figures; in nine months of 1921, $1,395,000, in round figures.

Exports of nonmetal furniture in 1914 were valued at $6,529,249; in 1915, at $2,923,203; in 1918 (fiscal year), at $3,938,778. Exports fell off greatly during the war, reaching low ebb in 1915.

Later statistics for the calendar years show that the exports of chairs amounted in 1918 to $1,201,000, in 1919 to $1,503,000, in 1920 to $2,400,000, and in nine months of 1921 to $935,000. Exports of office and store furniture amounted in 1920 to $1,744,000, and in nine months of 1921 to $899,000, in round figures.

Exports of all other nonmetal furniture amounted in 1920 to $4,416,000, and in nine months of 1921 to $1,909,000.

It will be seen—

Says the Tariff Commission—

that imports are considerably smaller than exports, indicating—

I want to call this to the attention of Senators on the other side—

indicating ability of American manufacturers to compete, but that imports are increasing relatively to exports—about 6 per cent in 1918 to about 37 per cent in 1921 (nine months). This gain in imports may be due in part to the rapid depletion of our hardwood forests and consequent increase in price of domestic hardwoods.

If the latter is the cause of the increase, then, Mr. President, the diminishing quantity of our basic supply would seem to indicate that we ought to get some assistance in supplying the demand from abroad instead of cutting it off altogether.

It will also be noted—

Says the Tariff Commission—

that exports and imports, while considerable in the aggregate, are both small as compared with domestic production. In 1919 exports are less than 1 per cent of production.

Foreign trade in furniture is small compared with the domestic trade, because (1) furniture is bulky and, rates being charged by space, expensive to transport.

They have another table here of manufactures of wood or bark. The imports are very small. I shall not stop to read them. The exports are very much larger than the imports in the case of manufactures of wood or bark, just as in the case that I have been reading about, and it would therefore merely multiply the facts to read the figures.

Upon the showing of the Tariff Commission as to imports and exports and domestic production, there would seem to be no justification for this duty; and the Tariff Commission, deviating from its usual course in these summaries, stresses the fact—because, I suppose, it was so forcibly borne in upon it by these conditions—that the American producer of the furniture embraced within this paragraph seemed to be amply able to protect himself against foreign competition.

I wish very much the Senator from Wisconsin [Mr. LENROOT] were in the Chamber. If he were, and if he applied the rule which he said to-day and said a few days ago also would govern him in voting on these duties, he would undoubtedly vote either against this duty or for its material reduction.

The duty in the present law is 15 per cent, and that 15 per cent has kept out imports to the point where the Tariff Commission itself—and I do not think anybody would say that the commission as now constituted is a free-trade body; I think everybody will admit that its membership is composed largely of advocates of protection, and I do not mean by that to say that its reports are colored by partisan considerations—the commission itself tells us that the American producer can take care of himself with the present rate of duty, 15 per cent. Then why, Mr. President, multiply that more than twice?

I do not wish to take the time of the Senate in further discussion. I merely want to get the facts in the record.

Mr. SMOOT. Mr. President, just a word for the record.

Every schedule in a tariff bill has a basket clause. Those items that are not specifically mentioned and provided for, falling within the class of the schedule, fall in the basket clause. So it is in this case; and the only goods that will be imported under this paragraph will be novelties. The high-priced goods will come from France if they are in the shape of furniture, and I do not care whether they pay 35 or 50 per cent on that kind of goods. If American manufacturers can not manufacture furniture in the United States that is good enough for American citizens, and they have to go over and get furniture that has a foreign brand upon it, I do not care whether they pay 25 or 35 per cent; as long as we can get that money into the Treasury of the United States, so much the better. Let them pay a part of the expenses of our Government if nothing on earth will suit them besides a foreign brand of furniture.

As far as household furniture is concerned, and as far as the production of the items following in this basket clause is concerned, there are millions of dollars' worth produced, and if the rate were 10 per cent there would be no more importations than there are now; if it were 25 per cent there would be no more than there are to-day, and if it were 35 per cent there would be no more importations than there are to-day. It is only a question of getting something in this basket clause which we know not of, an invention of some kind which may be taken out or be put into commerce, which would fall under the basket clause. I am not speaking particularly of this schedule, but of all the schedules in the bill.

Mr. NORRIS. Mr. President, I may be mistaken, but my understanding is that the Senator is discussing paragraph 414.

Mr. SMOOT. That is correct.

Mr. NORRIS. Does not ordinary household furniture, such as chairs and that kind of furniture, fall under this paragraph, and is not that covered by this rate?

Mr. SMOOT. It would not come in if the rate were 10 per cent. The freight itself is such that the manufacturers can not ship that sort of furniture into this country.

Mr. NORRIS. What I am trying to get at is whether this is not the provision which would cover ordinary furniture, such as kitchen chairs?

Mr. SMOOT. Yes; if any of it came in. The only thing that will come in under this bracket is some specially made furniture, or some style of furniture manufactured in some foreign country, and if it comes in, then why not make the importers of it pay a duty?

Mr. NORRIS. I would not have any objection to any tariff on that kind of furniture, but I asked the question because the statement of the Senator rather indicated to me that there is probably some provision in the bill which would cover household furniture.

Mr. SMOOT. My statement was that there were millions of dollars' worth of furniture made that would fall under this paragraph which, even if it bore a rate of 10 per cent, would not come into this country, and then I went on to state what kind of furniture does come in and will come in under it. They are novelties, pure and simple, and we can get 35 per cent out of them just as well as we can get 15 per cent. Anybody who goes to France or any other country in the world to get furniture of some special design ought to pay a fair duty upon it.

Mr. NORRIS. I have no objection to that. At the same time I would like to leave the way open to impose a good deal lower rate on the ordinary, common furniture.

Mr. SMOOT. It is just the same as with stoves, and articles falling under the basket clause in the iron and steel schedule, and machinery falling in the basket clause.

Mr. NORRIS. There is a good deal of difference in the freight. Suppose an ordinary kitchen table, or kitchen chair,

were shipped in here knocked down. I suppose it would probably come in that form, although I do not know. Under this provision it would have to pay a tariff of 35 per cent.

Mr. SMOOT. That is true; but it would not come in.

Mr. NORRIS. I think that rate is too high.

Mr. SMOOT. It does not come in, and it would not come in if the rate were only 10 per cent.

Mr. NORRIS. It probably will not come if you make it so high.

Mr. SMOOT. It has not come in heretofore.

Mr. NORRIS. That would enable the furniture manufacturers of our country to put the prices up too high on the kind of furniture the Senator is speaking of. I would not have any objection to almost any kind of a tariff on the novelty furniture or mahogany furniture, or something of that kind; but this covers both kinds, and it should not be drawn so as to cover both.

Mr. SMOOT. It has been that way in all tariff laws, and it covers them both in the existing law. If there were any chance at all of importing the class of furniture to which the Senator refers, I would try in some way or other to divide it.

Mr. NORRIS. We can not get any chance unless we put the rates down.

Mr. SMOOT. If we did that, we would lose the revenue altogether.

Mr. NORRIS. I should think it could be easily separated by a description. For instance, if you were providing for a rate on upholstered furniture, or furniture made of a certain kind of wood, mahogany, or something like that, you could put it in a different classification from the ordinary household furniture, such articles as people in ordinary circumstances have to buy and pay fabulous prices for.

Mr. SMOOT. I have thought of it many times, and tried to devise some language which would take care of novelty furniture, household furniture—because it is household furniture—and get it separated from household furniture, and I can not think of any words which will do it. I do not know how it can be done. The chief value of the most costly furniture is wood. It is not upholstered furniture; it is carved furniture. I do not know that I can say anything more. I want to get 35 per cent out of this class of articles, which have been coming into this country ever since the furniture industry was established in the United States.

Mr. SIMMONS. I move to strike out "35," in line 10, and insert "15."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Carolina to the committee amendment.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, in schedule 5, on page 95, line 11, before the word "molasses," to strike out "Sugar" and insert "Sugar," so as to read: "Schedule 5.—Sugar, molasses, and manufactures of."

The amendment was agreed to.

The next amendment was, on page 95, after line 22, to strike out:

PAR. 502. Any person manufacturing or refining in the United States sugar, testing by the polariscope over 99 degrees, produced from beet or cane grown in the continental United States, shall for each pound so manufactured or refined during any month in any State, Territory, or the District of Columbia, be permitted to import, at any time before the expiration of nine months after the last day of such month (for the sole purpose of being manufactured or refined by him in such State, Territory, or District), 2 pounds of sugar testing by the polariscope not above 96 degrees at three-fourths of the rate of duty to which such sugar would otherwise be subject. The Secretary of the Treasury shall make all regulations necessary for the enforcement of this paragraph, including the taking of bonds to secure compliance with its provisions.

The amendment was agreed to.

The next amendment was, on page 96, line 13, after the word "and," to strike out "sirups" and insert "sugar sirups, not specially provided for," so as to make the paragraph read:

PAR. 503. Molasses and sugar sirups, not specially provided for, testing not above 48 per cent total sugars, twenty-five one-hundredths of 1 cent per gallon; testing above 48 per cent total sugars, two hundred and seventy-five one-thousandths of 1 cent additional for each per cent of total sugars and fractions of a per cent in proportion.

Mr. BROUSSARD. Mr. President, I wish to call the attention of the Senate to the reading of paragraph 503 as it passed the House. It provided:

Molasses and sirups, testing not above 48 per cent total sugars, twenty-five one-hundredths of 1 cent per gallon; testing above 48 per cent total sugars, two hundred and seventy-five one-thousandths of 1 cent additional for each per cent of total sugars and fractions of a per cent in proportion.

To which the committee proposes an amendment, so as to make it read:

Molasses and sugar sirups, not specially provided for.

The amendment proposed by the Finance Committee has reference to a paragraph under the free list, paragraph 1615a, which reads as follows:

PAR. 1615a. Molasses testing not above 56 per cent total sugars not imported to be commercially used for the extraction of sugar or for human consumption.

There was long consideration of this paragraph before the Finance Committee. Before entering into the merits I wish to say that I have here letters and circulars which were issued by Penick & Ford (Ltd.), manufacturers of molasses and sirup, of New Orleans, La., and circulars issued by the soap manufacturers of this country, all of them directing the attention of dairymen and stock feeders to the importance of having free blackstrap molasses, so as to cheapen the cost per ton of feed.

The Soap Trust use large quantities of cotton seed, which they crush and from which they extract the oil, and there is left with them the residue, composed of the cottonseed meal and cakes. They have made the same propaganda here they made against the vegetable oils of the cotton growers and against the peanut and other vegetable oils produced in this country. Apparently at one time they demonstrated to the satisfaction of the people who feed stock that any duty imposed upon blackstrap molasses would increase the cost of the feed. I believe the argument is absurd and ridiculous. I am glad to see the Senator from Illinois [Mr. MCCORMICK] on the floor at this time, because the grain growers of his State were the first to realize how the feeders, the cattle people, and the dairy people of this country had been imposed upon.

Mr. MCCORMICK. Mr. President, I think it fair to say in this connection that, as far as I know, there is rather a sharp division of opinion in my State on the subject. The dairy people and the feeders, so far as my correspondence indicates, hold to one view.

Mr. BROUSSARD. I shall demonstrate to the Senator, I think, if he has any doubt as to the merits of this, that the people who grow grain which enters into competition with the compounds of feeds put up by the manufacturers of feedstuffs have a perfect right to ask that a duty be imposed on this blackstrap.

I wish to remind the committee of this fact: We must take into consideration that we are now passing a tariff bill in which all the rates as carried under the existing law have rightly been increased. This bill is being framed upon the theory of a protective tariff, whereas the Underwood-Simmons bill was framed merely as a revenue producer. I wish to call attention to the fact that in the act of 1913, known as the Underwood-Simmons law, a duty of 15 per cent ad valorem was imposed on blackstrap molasses up to 40 degrees, and above 40 degrees there was a duty of 2½ cents per gallon.

Under the Payne-Aldrich law of 1909 there was a 20 per cent ad valorem duty on blackstrap molasses up to 40 degrees, and above 40 degrees there was 6 cents per gallon duty imposed. It was perfectly natural that when the House passed the present paragraph, 503, it imposed a duty upon blackstrap molasses; that is, it made no distinction between the blackstrap molasses imported for feedstuffs, or for use in the manufacture of industrial alcohol, or for use in human consumption. I find it very singular that the committee took the view that there should be made exceptions of the imports of molasses from Cuba.

In view of the fact that the committee agrees with the rate adopted by the House on sugar, the only justification the committee can have for standing by the duty there imposed by the House is the disparity between the cost of production of the Cuban producer and the American producer of sugar. If blackstrap molasses is a by-product of the Cuban manufacturer of sugar in Cuba, and the sugar in Cuba must pay a duty to this Government in order to compete with the American sugar, there is no reason at all for not imposing a similar duty on a by-product of sugar, blackstrap, which would be compensatory, or one which would enable us to meet the blackstrap producer in Cuba on an equal basis of justice and equity, in order to equalize the cost of production here and in Cuba.

Mr. NORRIS. Mr. President——

Mr. BROUSSARD. I yield to the Senator from Nebraska.

Mr. NORRIS. I would like to ask the Senator to state where the dividing line is between molasses used for human consumption and the other kind to which he referred.

Mr. BROUSSARD. I shall come to that in a moment if the Senator will permit me to continue now. I may take more

time than is necessary to discuss this matter, but I was unable to get the committee to agree with me. I feel thoroughly convinced I am correct on the proposition. There is to my mind no justification for the action of the committee in making a difference between the blackstrap produced in Cuba and the sugar produced in Cuba, but I shall cover the subject thoroughly, and I think I may satisfy the Senator on every point about the question. I wish to take it up in the order I have it in my mind, if that will answer the purpose of the Senator from Nebraska.

I may read into the RECORD at this point the definition of what blackstrap molasses is, because I think that in a measure it will answer the question propounded by the Senator from Nebraska. I have here the report of the committee on cane sirup and molasses to the Food Administrator during the war. The men who comprised that committee were experts in this line. The chairman was Mr. R. E. Milling, of New Orleans, La.; Mr. N. W. Taussig, of the Tariff Commission, and I think he was chairman of the commission at that time; Mr. G. R. Bunker, of New York; Mr. C. D. Kemper, of New Orleans, La.; and Mr. W. L. Petrikin, of Denver, Colo.

By the way, I wish to call attention to the fact that the greatest propaganda against the small duty, which I shall demonstrate is what it amounts to, on blackstrap molasses imported from Cuba was conducted by the Penick & Ford Co., which is really a part of the Sugar Trust. It was one of the independent refineries years ago when the American Sugar Refining Co. began to organize in order to control sugar prices in this country, came down to New Orleans and took it over. It was so small and the needs of their operations there so large that they decided to build the Chalmette refinery, and they converted this small refinery into the Penick & Ford (Ltd.). We had been working for 100 years to establish the reputation of Louisiana molasses. Louisiana molasses was known throughout the United States. Those people came there and did not use the Louisiana molasses, but they used our blackstrap and they imported blackstrap from Cuba at 3 cents a gallon and filtered it, mixed it with other sirups and molasses, and put it on the market and sold it throughout the United States as Louisiana molasses at from 95 cents to $1.25 a gallon. Those people have been interested in bringing sugar and molasses into this country free of duty.

Mr. WILLIS. Mr. President——

Mr. BROUSSARD. I yield to the Senator from Ohio.

Mr. WILLIS. I simply want to get some information. I was looking at the Summary of Tariff Information, which indicates that blackstrap molasses is not at all suitable for human food. I understand the Senator is saying now that it is so used.

Mr. BROUSSARD. I desire to say that if the people who advocate free molasses conceded that it was not fit for human consumption, they would not ask that any clause be put in here providing that if sugar is extracted from the molasses it shall pay a duty. There would not have been any demand for the clause to be inserted if they held that view. The Penick & Ford people did not want any such clause inserted. But after the fight started and we made our case, the committee had some consideration for the cattle breeders and cattle feeders and dairy people, and they put the provision in so as to exclude from the provisions molasses used for human consumption and molasses from which, not that sugar may be excluded, but from which sugar is actually extracted.

I want to revert back to the report of the committee on cane sirup and molasses which was appointed by the Food Administrator for the purpose of fixing a maximum price on blackstrap molasses. As Mr. Taussig's report shows, some of this stuff was being sold at 95 cents a gallon at that time and the Food Administrator found the case so serious that he appointed this committee in order to establish a maximum price for blackstrap molasses, and here is what the committee did. It will be found on page 10 of their report that the committee recommended that the pre-war value be first taken, to which was added 50 per cent, because of increases in all products at that time, and they fixed the maximum price of blackstrap molasses at 18 cents per gallon and they stopped the imposition by which some people were fleecing the American people and foreigners.

But now I wish to come back to the proposition as to what blackstrap molasses is. Here is their definition, as given at page 13 of their report. This is the definition which this board of experts has given of blackstrap molasses:

> Whereas final molasses, which is above standard blackstrap—say, 55 per cent combined sugars—while frequently sold as blackstrap, is of superior quality and should be classed as Louisiana third molasses. Blackstrap is used generally for animal feed and for distilling purposes.

So that under the definition which they adopted in order to fix the regulations which were to apply for the fixing of the price and the importations, and the manner in which it should be put upon the market, this committee reported that—

> Whereas final molasses, which is above standard blackstrap—say, 55 per cent combined sugars.

When they referred to the final molasses they referred to molasses which is of a superior quality to the blackstrap, and they state the final molasses begins at 55 per cent of combined sugars. But final molasses is a higher grade than blackstrap.

Now, what has the Finance Committee done here? The committee proposes to let in all blackstrap molasses which contains total sugars of 56 per cent, so that under this definition as applied to the Senate amendment, the amendment proposed by the Finance Committee, all of the blackstrap and final molasses of one degree above blackstrap will be admitted into this country without duty. I do not think anybody can dispute that proposition.

This report goes thoroughly into the question of the blackstrap molasses as it confronted the Food Administration at that time.

Mr. WILLIS. Mr. President, does the Senator have before him the Summary of Tariff Information?

Mr. BROUSSARD. Yes; I have it.

Mr. WILLIS. At page 602—I am asking this because the Senator has special technical detailed information about it—is this language, which to me is not at all clear:

> Paragraph 503 is faulty as it stands, as the dividing line—48 per cent—cuts into the blackstrap instead of separating all blackstrap from the next general commercial grade, edible molasses and sirups.

It says it "cuts into it." What is the proper dividing line? How should it be stated not to do that? There is no suggestion made in the Summary of Tariff Information.

Mr. BROUSSARD. I will say to the Senator that he can take the lowest grade of Cuban blackstrap molasses and filter it and convert it into an article that can be used for human consumption. That is being done, and that product is being sold in competition with all of the sirups and molasses manufactured in this country.

Mr. WILLIS. Then, I understand the Senator's contention to be that really there is no dividing line, that it can be filtered and used as a molasses product?

Mr. BROUSSARD. Yes; filtered and used with other molasses sirups. As a raw product as it is imported, I would accept the definition which the committee gave, and to which I have referred, the definition given by the committee appointed for that purpose, that the final molasses, which is a grade above blackstrap, begins at 55, but blackstrap cuts down as low as 40, and it all depends on the quantity of sugar left there. If we had only one refinery in the world, we might establish the percentage of the sugars which would determine what was molasses and what was blackstrap, but the by-product depends upon the efficiency of the equipment and the machinery and the sugar house. It also depends upon the quality of the sucrose which is converted into sugar.

Mr. WILLIS. Then, does the Senator from Louisiana contend that the test ought to be 55 per cent instead of 48 per cent?

Mr. BROUSSARD. No; I think it ought to start at 48 per cent, because I shall show the Senator after awhile that 98 per cent of all the Cuban blackstrap molasses which was imported into this country in the year 1920 was below 40 degrees. I am coming to that, if the Senator will only have a little patience until I get to that part of it. It will be found on page 600 of the Summary of Tariff Information that the importations of molasses testing not above 40 degrees were 139,289,062 gallons, valued at $5,670,762; of blackstrap molasses, testing above 40 degrees and not above 56 degrees, there were imported 1,555,771 gallons; and above 56 degrees there were imported only 10,642 gallons of molasses, valued at $5,268.

So I submit to the Senate that the action of the Finance Committee has simply been to throw into the free list nearly 99 per cent of the molasses imported into this country if used for the making of feeds and the manufacture of alcohol and not for human food. I have here some data which, Mr. President, I should like to insert in the RECORD without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

> Added cost per ton of feed if entire amount tariff, as in Fordney rate, on blackstrap molasses be reflected.
>
> In mixed feed containing 20 per cent molasses (the amount used in actual practice) 2,000 pounds. Feed, 20 per cent molasses, contains 400 pounds molasses. Weight of molasses 11.7 pounds per gallon (171 gallons molasses=1 ton).
>
> Twenty per cent of 171=34.2, which represents the number of gallons of molasses contained in 1 ton of mixed feed.

Fordney rate 0.25 of 1 cent per gallon for molasses testing 48 degrees total sugars plus 0.275 of 1 cent per gallon for each additional degree of total sugar, less 20 per cent Cuban preferential.

Test.	Rate on Cuban molasses per gallon.	Number gallons in 20 per cent feed.	Duty cost per ton of feed 20 per cent molasses.
48 per cent.....	0.20 of 1 cent.	34.2	0.0684 (6.8 cents per ton of feed).
49 per cent.....	0.42 of 1 cent.	34.2	0.14364 (14.36 cents per ton of feed).
50 per cent.....	0.64 of 1 cent.	34.2	0.21888 (21.89 cents per ton of feed).
51 per cent.....	0.86 of 1 cent.	34.2	0.29412 (29.41 cents per ton of feed).
52 per cent.....	1.08 of 1 cent.	34.2	0.36936 (36.94 cents per ton of feed).

Hay sells at $28 per ton, equal 1.4 cents per pound.

Under present duty he buys molasses at less than 3 cents per gallon. Therefore he buys 11.7 pounds of molasses for less than 3 cents. He sells the 11.7 pounds at 1.4 cents per pound=16.38 cents. Subtract cost per gallon 3 cents, profit 13.38 cents per gallon.

Twenty per cent of 2,000 pounds=400 pounds=34.2 gallons at profit of 13.38 cents per gallon=a net profit of $4.57½ on blackstrap alone on each ton of feed sold by the feed manufacturer.

Mr. SHEPPARD. May I ask the Senator from Louisiana a question at that point?

Mr. BROUSSARD. Yes.

Mr. SHEPPARD. What is the duty on the molasses that is not used as an element of human food?

Mr. BROUSSARD. On molasses used for human consumption, or the manufacture of sugar, the duty would be one-quarter of a cent per gallon up to 48 per cent of total sugars, and above 48 per cent of total sugars it would be two hundred and seventy-five one-thousandths of 1 cent for each additional degree. That was the duty which the House adopted in connection with this bill as to all molasses and which the Committee on Finance still wishes to have apply to blackstrap molasses which is imported for human consumption, but they have placed on the free list the blackstrap which is used for feeding stock or the manufacture of alcohol testing not above 56 per cent, which, to my mind, does not permit of any duty at all on blackstrap, because 56 per cent is above the total sugar content of any Cuban blackstrap molasses.

Reverting to paragraph 501, the Senator from Texas will find that the committee there impose a duty on "all mixtures containing sugar and water testing by the polariscope above 50 sugar degrees," and so forth. Blackstrap contains sugar and water. The two provisions overlap.

Mr. SHEPPARD. If I understand the Senator correctly, the form of blackstrap which the Senate committee has put on the free list is only that form which is used for feeding animals?

Mr. BROUSSARD. It is the same molasses as that used for the manufacture of industrial alcohol and for stock feeding and also for human consumption after being filtered; but the provision proposed by the committee does not put on the free list the molasses which is used for human consumption or for the extraction of sugar, while it does put on the free list that which is used for the feeding of cattle and the manufacture of alcohol. In other words, to illustrate it to the Senator, there is more consideration given to cattle in this paragraph than there is to human beings, because the blackstrap molasses imported to feed cattle is to be imported free, but on that which the Senator and I buy in the shape of molasses we are forced to pay a duty.

Mr. SHEPPARD. Is it the same article?

Mr. BROUSSARD. It is the same article except that we do not eat it in that form, but it is used as an adulterant, as a compound in the manufacture of molasses and sirups. The manufacturers use corn sirup, they use sugar-cane sirup, they use other forms of sirups. I notice the Department of Agriculture is now making a sweet-potato sirup, which is flavored to some extent with cane juice. So the manufacturers of molasses if they use this blackstrap molasses will be able to filter it and use it with sweet-potato sirup and put it on the market.

Mr. SHEPPARD. How can it be told at the customhouse whether the imported blackstrap is to be used for human food or for animal food or for the manufacture of industrial alcohol?

Mr. BROUSSARD. I am very thankful to the Senator for that question, because I desire to say that the amount of duty to be collected on blackstrap will not be an enormous sum, for the duty proposed is only a quarter of a cent per gallon, and under the provision presented to the Senate by the committee the cost of administration will, in my opinion, be so great as to more than absorb the amount of duty collected, if any effort is made to enforce its collection with any degree of justice and fairness. In other words, if the Government is simply going to take the word of the importer as to what he expects to do with the commodity, then the Government will get a certain small revenue; but if the Government expects to see that every man is made to pay the duty so as to protect every other man who does pay the duty, then the administrative features in the law, in order to determine that and to have it effectually enforced, will cost more than the duty which will be paid on this article.

Mr. SHEPPARD. How is it proposed to determine the use to which the imported article is to be put—by the word of the importer only?

Mr. BROUSSARD. I do not know; there are no administrative provisions presented to the Senate in connection with this matter; but, as I understand—and I will ask the Senator from Utah [Mr. SMOOT] to verify my opinion about it—the collector will have to decide as to how that question shall be determined.

Mr. SMOOT. Of course, it is not known whether or not the imported molasses is for human consumption. There is only one way in the world to find that out, and that is to trace it to the place where it is made into food for consumption. When the molasses arrives, of course it will be taxed according to the rules and regulations prescribed by the Secretary of the Treasury, and I presume there will be some declaration made and some affidavits executed stating to what use the importations are to be put, but it will not be known whether the molasses will be used for that purpose unless it is followed to the place where it is manufactured, and then traced virtually to the person who consumes it.

Mr. SHEPPARD. Is the article in practically the same form for every purpose?

Mr. SMOOT. No; but it all comes in as molasses and none of it is fit for human consumption. Then it is refined; but if it contains less than 40 per cent saccharine content it does not pay to refine it.

Mr. BROUSSARD. That is true.

Mr. SMOOT. But if the saccharine content runs up to 56 per cent there is no doubt that the molasses can be refined and made into a sirup that is fit for consumption and millions of gallons of it will be used for that purpose.

Mr. SHEPPARD. Is there not some way to test the saccharine content at the customhouse?

Mr. SMOOT. Yes; that may be done in a few moments. I referred to the 56 per cent of saccharine content because the test has been raised from the present percentage of 40 to 56 per cent. If the saccharine content were only 40 per cent the molasses could not be refined successfully; that is, it could not be refined cheaply enough to make it into a sirup fit for human consumption.

Mr. SHEPPARD. That is the article which is put on the free list?

Mr. SMOOT. It is on the free list if it tests up to 56 per cent, provided it is unfit for human consumption.

Mr. GERRY. Mr. President, I should like to ask the Senator from Utah a question if the Senator from Louisiana will permit me.

Mr. BROUSSARD. I should like to proceed for a moment. I think I have found an answer supported by an authority. I will again read from the report which the committee on cane sirup and molasses made to the Food Administration.

Mr. GERRY. I merely wanted to ask a question for information, if the Senator will yield to me.

Mr. BROUSSARD. Very well; I yield.

Mr. GERRY. I should like to know if the 40 per cent molasses to which the Senator from Utah referred is not tested by another method rather than by the polariscope method?

Mr. BROUSSARD. An altogether different test is employed.

Mr. GERRY. So that the 40 per cent grade as provided by the Underwood law represented a different degree of saccharine content than 40 per cent under this test.

Mr. SMOOT. That is true, but it does not amount to 56 per cent.

Mr. GERRY. I am not stating that it does; but apparently, from the statement of the Senator from Utah, it would appear that the degree of saccharine content has been increased from 40 per cent to 56 per cent. The difference, however, is by no means so great as that.

Mr. BROUSSARD. Mr. President, I think the two Senators to whom I yielded have digressed from the question asked by the Senator from Texas. I wish to revert to the question of how the difference can be told between the molasses imported for human consumption and molasses imported for the purpose of manufacturing industrial alcohol or for feeding purposes.

I quote from the report of the committee of experts on molasses to the Food Administration, to which I have referred:

Refiners' sirup is produced from the refining of raw sugar. Such raw sugar, of a standard polarization of 96°, usually produces about 93 pounds of granulated sugar and 5 pounds of refined sirup, or if blackstrap is produced instead of refined sirup, somewhat more than 5

pounds. These refined sirups are sold on sample and their value depends so entirely on their color and flavor that it is not practicable to establish standard grades. When sold for export they are graded as filtered or unfiltered, according to whether they have or have not received a final filtration. The proportion of final filtered sirups and blackstrap produced by the refinery depends upon—

First, whether or not the refinery is equipped to produce filtered sirups; and

Second, the relative price of each.

Refineries that are equipped for making the highest quality of refined sirup may produce blackstrap by simply failure to filter the sirups. Of course, it costs more to produce the filtered sirup than the blackstrap, and this added cost may or may not be proportional to the extra value added to the sirup by the filtration process; this is difficult to determine. But the essential fact is that the refiner produces by this extra refining a very high grade of table sirup, whereas if he produces blackstrap it is used only as animal food or for distilling.

So here is what happens in Louisiana, say: We improve our blackstrap, and it is a very much higher grade article than that produced by the Cuban factories, and the Senator will readily understand that. Our sugars are not refined, but we can put them on the market and obtain a sale for them. They are in usable shape. During the war the food administrator of my State accommodated people in various parts of the United States where our Louisiana plantation sugars were sold to the public and used the same as the refined sugar; so that when you go to clarify that, to bring the sugar to that state, you are making a higher degree of article than the Cuban raw sugar which comes here, and which most of you would not recognize to be sugar if you saw it. Then when the molasses people who prepare this molasses for human consumption here get it they filter it, and when they have done that they have simply added that much labor which the Cuban producers fail to do, and then instead of having blackstrap molasses fit for animal consumption they sell it for human consumption. That is the difference.

Mr. President, I wish to call attention to the source from which we imported all this blackstrap molasses in 1920. On page 600 of the Summary of Tariff Information we find this, about the middle of the page:

A comparatively small quantity, 20,792 gallons in 1920, is imported free of duty—all from the Virgin Islands. Of the dutiable imports by far the greater part is from Cuba—148,084,934 gallons out of the total of 161,156,639 gallons in 1920. The imports from Cuba, however, are a low-grade molasses, blackstrap, used largely in the manufacture of industrial alcohol and as an ingredient of cattle feed.

So that when you consider, Mr. President, that this blackstrap molasses imported from Cuba—this large quantity, nearly 98 per cent of it imported into this country—is to come in free of duty unless it has a total sugar content of over 56 per cent, my contention is that you are landing all of this molasses free, and the only excuse that you can have for doing that is that you are doing some good somewhere. That is from the Democratic viewpoint of it; but it is absolutely indefensible from the Republican viewpoint to deny a duty upon the blackstrap molasses produced by Cubans, and at the same time to grant $1.60 per hundred pounds on the sugar, which is the primary article, produced both in Cuba and in the United States. There is no logic and no sequence of reasoning in the action of the committee, and the committee certainly should change this committee report.

Mr. President, I wish to refer to the Monthly Crop Reporter of December, 1921, page 146. After that I shall take up the objections which the grain growers of this country have to permitting this molasses to come in free of duty. I wish to say—and I think that concerns a number of Senators here on the floor—that this blackstrap molasses is refined by a molasses factory in New Orleans, which is owned by the American Sugar Trust and by others, is filtered, and then it is mixed with other sirups and molasses made in this country, and then sold as a Louisiana molasses. That article, which they produce in that way, they sell at a considerably higher price than it costs them, in view of the fact that they buy this blackstrap, which forms a large portion of their sirups and molasses, at 3 cents a gallon, and they are objecting to a duty of one-quarter of a cent a gallon, but they sell that molasses in competition with the pure molasses and sirup produced in South Carolina, for instance, or in Georgia, or in Florida, Alabama, Mississippi, Texas, or Arkansas. For instance, it is astonishing to most of you to know that Georgia in 1920 made 9,697,000 gallons of molasses and sirup. It was the leading State, and after that came Louisiana and Alabama and Mississippi; but these refined blackstrap products are then put on the market and sold in competition with the real, genuine article that we think we are buying when we buy the other. So I can see no reason, from that standpoint, to exempt them from the payment of a much larger duty than a quarter of a cent per gallon.

To show exactly what the propaganda was that brought about this condition, I wish to say that the industrial alcohol people, who use most of this blackstrap, have never raised their voice against the imposition of this duty. There were converted into industrial alcohol in Louisiana for the year ended June 30, 1919, of this blackstrap molasses, 27,073,185 gallons. These people are not asking that the blackstrap be put on the free list. I do not think that the Senator from Alabama [Mr. UNDERWOOD], when he was writing his bill, was ever asked to put blackstrap upon the free list. It never was on the free list before in any bill that I know of. This propaganda was started by the soap manufacturers, who are interested in buying cheap molasses, to dispose of their cotton-seed hulls and cotton-seed meal in competition with good, sound grain that your own farmers are producing everywhere throughout the United States, and pressed here by the sweet-feed manufacturers, and by Penick & Ford, who are interested in crushing the American sugar industry, and they do not want us to get this little protection.

I should like to state to the chairman of the committee that I do not care how much the difference may be between what you need actually to permit you to market your article and a less duty or no duty at all. It may be one-tenth of 1 cent, but if it is one-tenth of 1 cent it prevents you from putting it on the market.

Here is the situation that faces the farmers in my State: Here is a by-product. We were not able to sell it on an average for 3 cents per gallon last year. It cost us something to get it to market. It cost us something to put it on the cars to take it to market. We need as a minimum the House rate in order to permit us to put it on the market without loss; but if we are denied this protection, what is the result? We can not economically take money out of our pockets to market this stuff in order to rid the plantation of it, and unless you do that here is the condition, which most of you do not appreciate: It must remain on the plantation. It ferments. The United States Government will not permit us to throw it into the streams, because it sours the water, kills the fish, and makes it almost dangerous to live on any stream in which there is this decaying fish and fermenting molasses. So that we are up against the proposition that unless we are allowed sufficient duty to permit us to put it on the market without loss we must keep it on the plantation, and then we are again put to a cost in order to prevent injuring our neighbors' property, because this molasses will ferment, and if you permit it to go into the drains it gets out into your neighbors' farms and it sours the soil and makes it unfit for cultivation until you have limed it. Before we began the use of this blackstrap molasses in the manufacture of industrial alcohol and in the feeding of cattle, it is a matter within my own knowledge that some of the plantations had as much as 30 acres of land which was absolutely set aside for the purpose of receiving this fermenting molasses. In order to save the rest of the plantation that amount of property had to be sacrificed, because every time it broke through the levee or got into a drain or got into the stream the United States marshal came around and arrested the proprietor of the plantation for having polluted the stream.

That is the situation which confronts us. We need this duty; and I shall demonstrate in a few moments that the excuse which Penick & Ford and the other people put over the feeders and the dairy people of this country was absolutely a purely selfish instrument, which they used to serve their own purposes and at the same time to destroy us; and I will show that these dairymen will not have the price of the feedstuff which they buy for their dairies or that the rancher will not have the price of the feedstuff which he buys increased by more than 6 cents per ton, and yet that is the excuse which was submitted to the committee in order to deny us a duty on this blackstrap imported from Cuba.

I do not think anybody will deny the fact—and I have the figures here, which I could insert in the RECORD—that last year we were unable to get as much as an average of 3 cents per gallon for our entire output of molasses.

Now, I want to get to the practical side of this matter, to discuss with the committee and the Senators here the effect which they claim this duty would have upon the price of feedstuffs. I have here a statement, which I ask to insert without reading, but I wish to comment upon it, which figures out absolutely the additional cost which a duty proposed as the House paragraph went through the House would add to the cost per ton of feedstuff.

Added cost per ton of feed if entire amount of tariff, as in Fordney rate, on blackstrap molasses be reflected.

I wish to state, too, before proceeding with that, that I am absolutely disregarding the fact that there is at present a duty of 15 per cent ad valorem on importations into this country of blackstrap up to 40°, and that above 40° and up to 56° there is a

duty of 2½ cents, so that the figures I am about to submit should be reduced still further. In other words, to illustrate, I am now assuming that blackstrap is on the free list, and I want to demonstrate how much will be added if this provision which passed the House should be agreed to in the Senate.

In mixed feed containing 20 per cent molasses, which is the average amount feedstuffs have, the 20 per cent of molasses would be 400 pounds of molasses. The weight of the molasses is 11.7 pounds per gallon, so that 20 per cent of 171 gallons of molasses, which you will find to be contained in a ton, would be about 400 pounds.

The Fordney rate is one-fourth of 1 cent per gallon for molasses testing 48 per cent total sugars plus two hundred and seventy-five thousandths of 1 cent per gallon for each additional degree of total sugar.

Then we find that fully 95 per cent of this blackstrap molasses is imported from Cuba, so that when you add the additional cost due to the Fordney rate you must also deduct the 20 per cent preferential which under the treaty is allowed to Cuba, and on that basis you will find this difference. So with molasses testing 48 per cent the rate of Cuban molasses per gallon will be twenty-five one hundredths of a cent, less 20 per cent, which would be twenty one hundredths of 1 cent against Cuba. The number of gallons in 20 per cent feed would be 34.2. The duty cost per ton of feed for 48 per cent molasses would be 6.84 cents.

That is what would be added to the cost of a ton of feed due to the rate of duty under the Fordney rate, as compared with free blackstrap molasses. This table demonstrates the increase which will occur if stock feeders use 49 per cent stuff. The increase will be 14 cents per ton. With 50 per cent total sugars, the increase would be 34 cents per ton. So on up to 52 per cent, where the increase would be 34.2 cents per ton, as against Cuba, after making allowance for the preferential in its favor.

What does the manufacturer of feedstuffs do with this blackstrap? He buys it at 3 cents per gallon. There is an average of 20 per cent of blackstrap molasses in a ton of feed. He buys this molasses at 3 cents per gallon. He sells his feedstuff at $28 per ton, which is 1.4 cents per pound. He uses 34.2 gallons in a ton of feed, and on each gallon he makes a profit, out of this very blackstrap, of 13.38 cents; so that instead of claiming to the cattle feeders and the dairy people that one-fourth of 1 cent per gallon on this blackstrap would force him to increase the price, he should admit that he buys 11⅛ pounds of blackstrap molasses for 3 cents a gallon, but after he mixes it up with other feedstuffs that he draws down 16.38 cents, making a clear profit on every gallon of blackstrap which he uses in the manufacture of this mixed feed of 13.38 cents net.

As I stated before, he uses 34.2 gallons per ton, so that on the quantity of blackstrap which he mixes to make a ton of feed, on the blackstrap molasses alone, he makes a profit of $4.57½. This is his profit when he uses 20 per cent, but he frequently uses 40 per cent, which doubles his profit.

It is a very simple problem. He can buy all the blackstrap molasses he wants at 3 cents a gallon. He puts 20 per cent of molasses in every ton of feed, and he sells that at 1.4 cents per pound, making a net profit of 13.38 cents for every gallon of blackstrap he uses, and he now objects to our having one-fourth of 1 cent per gallon on this blackstrap.

I wish to say this, in addition—and this is where it concerns the people who grow grain: These feed manufacturers will take a grain that is unfit for consumption. They will take the sweepings out of their barns and out of the warehouses. They will take mildewed grain. They will take a food that is not fit for consumption in its natural state. They will take cobs and shucks. They will take straw, and they will mix that with a smaller percentage of grain, and without the blackstrap molasses the stock would not touch it, but when they put 20 per cent of this blackstrap molasses with it, they can even put shavings in it, and the stock will eat it; and by the use of blackstrap molasses they are converting foodstuffs that animals will not consume into a product with which they are competing and underselling the man who is selling straight corn or straight oats, and they are driving those people out of the market, as the farmers of Illinois have discovered, as I shall show presently.

I wish to read a letter I have received from the Peoria County Farm Bureau, of Peoria, Ill. When the committee made its report I had occasion to talk with gentlemen who knew some of these agriculture associations and farm bureaus, and I imparted to them the facts which I have just stated, and told them that the use of this blackstrap molasses was a great drawback to them. They immediately wrote for information, and after having corresponded with me I referred them to Mr. Rodgers, who is an expert on this subject. They have written me several letters, the last of which is, in part, as follows:

We wish you would do us the honor to read the inclosed brief prepared by the American Farm Bureau Federation and presented to Senator MCKINLEY and Senator MCCORMICK to be substituted for the brief presented to the Senate Finance Committee during the last week in March, as published in Schedule 5, proposed tariff act of 1921, H. R. 7456, and urge you to support a duty on blackstrap molasses as shown therein, equal to the import duty of not less than 15 cents per bushel on corn.

It is within the power of Congress and the Senate to create an additional demand for from 34,000,000 to 40,000,000 bushels of corn and several hundred thousand bushels of barley, and create a supply of concentrated protein, and when mixed with other rations equals 3,000,000 to 4,000,000 tons of protein dairy feed annually, and raise a revenue for the Government of from $5,000,000 to $6,000,000 per annum, by placing an import duty on blackstrap molasses at least equal to the proposed import duty on corn.

Here is shown the value of the blackstrap molasses:

For distilling purposes, 6 gallons of molasses equals in production 1 bushel of corn.

For feeding purposes, 4⅘ gallons of blackstrap molasses displace 1 bushel of corn.

So that the argument is made that there should be a duty placed on blackstrap molasses because it displaces grain, both in the production of industrial alcohol and in the feeding of live stock, and, as it displaces, by underselling, perfectly sound and perfectly assimilable grain which the stock would relish, because they are getting this blackstrap molasses so cheap, the farmers are beginning to realize that unless they accept this blackstrap molasses on its scientific basis, its caloric value for feedstuffs, that it will displace, as they claim here, between thirty and forty million bushels of corn. I am presenting that merely for the purpose of showing their viewpoint, and I ask unanimous consent that the rest of this letter be inserted in the RECORD without reading it all.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

PEORIA COUNTY FARM BUREAU,
Peoria, Ill., May 25, 1922.

Hon. EDWIN S. BROUSSARD,
United States Senate, Washington, D. C.

DEAR SIR: We wish you would do us the honor to read the inclosed brief prepared by the American Farm Bureau Federation and presented to Senator MCKINLEY and Senator MCCORMICK, to be substituted for the brief presented to the Senate Finance Committee during the last week in March, as published in Schedule 5, proposed tariff act of 1921, H. R. 7456, and urge you to support a duty on blackstrap molasses as shown therein, equal to the import duty of not less than 15 cents per bushel on corn.

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For distilling purposes 6 gallons of molasses equals in production 1 bushel of corn.

For feeding purposes 4⅘ gallons of blackstrap molasses displaces 1 bushel of corn.

As shown by the brief presented by the feed manufacturers they use 95,000,000 gallons of blackstrap molasses, and that 4⅘ gallons of blackstrap molasses displaces 1 bushel of corn for feeding purposes. The Internal Revenue Department shows a production of 82,331,687 gallons of alcohol during 1920, and as 1 bushel of corn produces 2½ wine gallons of alcohol, blackstrap is to-day displacing for feed and alcohol purposes from 34,000,000 bushels to 40,000,000 bushels of corn annually. From 1916 to 1919 the feed manufacturers paid from 9½ cents to 15 cents per gallon for blackstrap molasses free on board New Orleans (see Schedule 5, p. 2368, Exhibit B, of the hearing before Committee on Finance, H. R. 7456), and their testimony shows they would have used double the amount had they been able to obtain it.

In their brief they claim if a duty in excess of one-half cent per gallon is assessed on blackstrap molasses it can not be used for feed purposes. During the past year or more blackstrap molasses sold from 2½ cents to 3 cents per gallon, f. o. b. New Orleans, equal to a reduction since the peak of from 500 to 600 per cent. Mixed feed for dairy purposes have not declined 500 to 600 per cent. Blackstrap molasses is only a carbohydrate, and not a concentrated protein. It is being used for the masking and sweetening of ingredients in the manufacture of mixed feed to enable the manufacturer to use a wide range of by-products that the live stock would otherwise not relish. For milk production blackstrap molasses has very little, if any, value. The corn-belt farmers and the dairy farmers are producers of large quantities of carbohydrates on the farm, and in order to balance their rations they are in need of a cheap protein instead of blackstrap, a carbohydrate.

The corn-belt farmer knows only too well to fatten steers for quick turnover, corn is the main cereal ration used, combined with high protein feed such as cottonseed and linseed meals, and by permitting hogs to run with the steers the hogs are fattened at a very little additional expense, and blackstrap molasses, a carbohydrate, would not improve the ration, as there is already a sufficient quantity of carbohydrates in corn and other roughage.

Before blackstrap molasses was substituted for corn in the distillation of alcohol, there was produced a sufficient amount of distillers' dried grains, consisting of 32 to 36 per cent protein, that would produce over 4,000,000 tons of a balanced dairy ration for milk production.

The brief of the American Farm Bureau Federation, asking for a duty on blackstrap molasses equal to the import duty on corn, is for the protection of the American farmer, who produced last year

3,281,000,000 bushels of corn, with a value of approximately $1,968,600,000. This corn must find an outlet outside of the corn belt, either through feeding or export. History shows that practically 85 per cent of the corn raised in the United States must be fed on the farm. The competition of blackstrap molasses in displacing corn for feeding and distilling purposes is greatly increasing our surplus and has a very depressing effect on our market. The import duty will have a very beneficial effect of restoring the value of our product.

When this amendment comes up on the floor of the Senate, we urge you to support it, thereby protecting the products of the American farmer instead of permitting the waste products from foreign countries to enter this country free of duty and depress the market of our farmers' main crop—corn.

Respectfully submitted.

Peoria County Farm Bureau, per Zealy M. Holmes, president; The American Distilling Co., Pekin, Ill., per E. M. Wilson, president, per J. Young, traffic manager; McLean County Farm Bureau, per Harrison Fahrnkopf, farm adviser; Tazewell County Farm Bureau, per Chester G. Starr, farm adviser; Association of Commerce, Pekin, Ill., per W. J. Reardon, president, per J. H. Brancht, secretary; Champaign County (Ill.) Farm Bureau, per Kathryn B. Kennedy, assistant secretary; Sangamon County Farm Bureau, per I. A. Madden, farm adviser; Vermilion County Farm Bureau, per Arthur Lumbrick, farm adviser; Woodford County Farm Bureau, per J. Frank Felter, president; Stark County Farm Bureau, per E. E. Brown, farm adviser; Mason County Farm Bureau, per T. A. Isaacs, farm adviser; Marshall-Putnam Farm Bureau, per F. E. Fuller, farm adviser.

[At this point Mr. BROUSSARD yielded the floor for the day.]

Mr. McCUMBER. Mr. President, I ask unanimous consent that when the Senate closes its session on this calendar day it shall recess until to-morrow at 11 o'clock.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Is there objection? The Chair hears none, and it is so ordered.

RULES AND REGULATIONS, STEAMBOAT INSPECTION SERVICE.

The VICE PRESIDENT laid before the Senate a communication from the Acting Secretary of Commerce, transmitting, pursuant to law, the general rules and regulations prescribed by the Board of Supervising Inspectors, Steamboat Inspection Service, at its meeting of January, 1922, and approved by the Secretary of Commerce, which was referred to the Committee on Commerce.

MISSOURI RIVER BRIDGE.

Mr. CALDER. I report back favorably without amendment from the Committee on Commerce the bill (H. R. 8785) granting the consent of Congress to the Mobridge Bridge Co., of Mobridge, S. Dak., to construct a pontoon bridge across the Missouri River, and I submit a report (No. 767) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Mobridge Bridge Co., of Mobridge, S. Dak., and its successors and assigns, to construct, maintain, and operate a pontoon bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation, at or near Mobridge, in the county of Walworth, in the State of South Dakota, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

LAKE ST. CROIX BRIDGE.

Mr. CALDER. I report back favorably without amendment from the Committee on Commerce the bill (H. R. 10330) to extend the time for the construction of a bridge across Lake St. Croix at or near the city of Prescott, in the State of Wisconsin, and I submit a report (No. 768) thereon. I ask unanimous consent for its present consideration.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge and approaches thereto authorized by an act of Congress approved February 15, 1921, to be built by the Prescott Bridge Co., across Lake St. Croix at or near the city of Prescott, in the county of Pierce and State of Wisconsin, are hereby extended one and three years, respectively, from the date of approval hereof.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ALLEGHENY RIVER BRIDGE.

Mr. CALDER. I report back favorably without amendment from the Committee on Commerce the bill (H. R. 11345) authorizing the construction of a bridge across the Allegheny River at or near Freeport, Pa., and I submit a report (No. 769) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the State of Pennsylvania be, and it is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Allegheny River at a point suitable to the interests of navigation at or near Freeport, in the State of Pennsylvania, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. JONES of Washington. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened; and (at 6 o'clock and 5 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Wednesday, June 14, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 13 (legislative day of April 20), 1922.

MEMBERS OF UNITED STATES SHIPPING BOARD.

Admiral William S. Benson to be a member of the United States Shipping Board for a term of six years.

Meyer Lissner to be a member of the United States Shipping Board for a term of six years.

UNITED STATES ATTORNEY.

Henry M. Holden to be United States attorney, southern district of Texas.

UNITED STATES MARSHAL.

James E. McClure to be United States marshal, southern district of Illinois.

POSTMASTERS.

COLORADO.

Susan L. Clark, Blanca.
Richard H. Brown, Silverton.

ILLINOIS.

William A. Kelley, Jonesboro.
Daisy F. Lynk, Mokena.
Luella H. McCoid, Venice.

MISSISSIPPI.

Henry C. Majure, Newton.

OHIO.

Arthur L. Behymer, Cincinnati.
Sage P. Deming, Rocky River.

SOUTH DAKOTA.

Frank C. Clegg, St. Lawrence.

TEXAS.

James F. Painter, Wolfe City.

HOUSE OF REPRESENTATIVES.

TUESDAY, *June 13, 1922.*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. WALSH].

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we are grateful that we are not lost and far away, and that the tabernacle of the Lord is with men. As the heavens are high above the earth, so are Thy ways higher than our ways. We bless Thee that in death there is life, in sacrifice there is forgiveness, and out of evil Thou canst bring good. With resolute courage and faith we would in a common vow pledge anew our devotion to the Christian institutions of our land. O hear the voices that are broken by the sobs of sorrow and comfort them with fatherly tenderness. In Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

REERECTION OF STATUE OF ABRAHAM LINCOLN.

Mr. KING. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from Illinois rise?

Mr. KING. I ask unanimous consent to take from the Speaker's table House Joint Resolution 127 and agree to the Senate amendments.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent to take House Joint Resolution 127 from the Speaker's table and agree to the Senate amendments. The Clerk will report the resolution and Senate amendments.

The Clerk read as follows:

H. J. Res. 127. Joint resolution to reerect the statue of Abraham Lincoln upon its original site.

The Senate amendments were read.

The SPEAKER pro tempore. Is there objection?

Mr. GARNER. Mr. Speaker, reserving the right to object, may I make inquiry of the gentleman whether any members of the Committee on Appropriations or anyone else who has knowledge of the subject has made inquiry as to the $5,000 being necessary to replace the monument?

Mr. KING. I will say to the gentleman from Texas that the Senate committee investigated the matter and received a letter from Colonel Sherrill stating that said sum would be necessary, and the Architect of the Capitol, Mr. Elliott Woods, has informed the gentleman from Wyoming [Mr. MONDELL] of the probable cost by letter, which is in harmony with the opinion of Colonel Sherrill. I have also had this matter up with the gentleman from Georgia [Mr. CRISP], on the Democratic side, and one or two others who have been interested in the matter, and also with the chairman of the Committee on Appropriations [Mr. MADDEN], and there is no objection to concurring to the Senate amendments.

Mr. GARNER. It looks like that is sufficient.

Mr. KING. I thank the gentleman.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

EXTENSION OF REMARKS.

Mr. WINGO. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from Arkansas rise?

Mr. WINGO. To submit a unanimous-consent request.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WINGO. I ask unanimous consent to print in the RECORD in 8-point type Bulletin No. 1521, Treasury Department, issued from the office of the Comptroller of the Currency on Monday, June 12.

The SPEAKER pro tempore. The gentleman from Arkansas asks unanimous consent to print in 8-point type in the RECORD Bulletin No. 1521 of the Treasury Department, issued on June 12. Is there objection? [After a pause.] The Chair hears none.

The bulletin is as follows:

[Bulletin No. 1521.]

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY,
Monday, June 12, 1922.

APPLICATION TO ORGANIZE RECEIVED.

June 8.	Capital.
The Vale National Bank, Vale, Oreg. (correspondent, Ralph A. Holte, Vale, Oreg.)	$50,000

APPLICATIONS TO ORGANIZE APPROVED.

June 5.	
The Planters National Bank, Clarksdale, Miss. (correspondent, Oscar Johnston, Clarksdale, Miss.)	600,000
June 7.	
The West Side National Bank, Yakima, Wash. (correspondent, F. A. Duncan, Yakima, Wash.)	100,000
June 8.	
National Bank of Marietta, Marietta, Ga. (correspondent, James T. Anderson, Marietta, Ga.)	100,000

APPLICATIONS TO CONVERT RECEIVED.

June 8.	
The First National Bank, Kenbridge, Va. (conversion of the State Bank, Kenbridge, Va.; correspondent, State Bank of Kenbridge, Kenbridge, Va.)	45,800
The Farmers National Bank, Independence, Oreg. (conversion of the Farmers State Bank, Independence, Oreg.; correspondent, C. W. Irvine, president Farmers State Bank, Independence, Oreg.)	25,000

APPLICATION TO CONVERT APPROVED.

June 7.	
The American National Bank, Bellingham, Wash. (conversion of the Northwestern State Bank, Bellingham, Wash.; correspondent, I. J. Adair, president, South Bellingham, Wash.)	100,000

CHARTERS ISSUED.

June 5.	Capital.
12213. The Capitol National Bank, New York, N. Y. (president, Max Radt; cashier, W. L. Clow)	$2,000,000
June 6.	
12214. The Lebanon National Bank, New York, N. Y. (president, J. A. Mandour; cashier, H. T. Dyerberg)	250,000
June 7.	
12215. The Exchange National Bank, Pauls Valley, Okla. (president, Edwin B. Cox; cashier, Fred H. Ward)	50,000
June 10.	
12216. St. Louis National Bank, St. Louis, Mo. (president, Thomas N. Karraker; cashier, R. R. Karraker)	200,000

CORPORATE EXISTENCE EXTENDED.

6321. The First National Bank, Dawson, Minn. Until close of business June 5, 1942.

6330. The Citizens National Bank, Springville, N. Y. Until close of business June 5, 1942.

6314. The First National Bank, Elmwood Place, Ohio. Until close of business June 6, 1942.

6320. The First National Bank, Floresville, Tex. Until close of business June 6, 1942.

6369. The First National Bank of Jasper, Mo. Until close of business June 6, 1942.

6384. The First National Bank of Falls Creek, Pa. Until close of business June 6, 1942.

6312. The First National Bank of Leeds, N. Dak. Until close of business June 8, 1942.

6322. The First National Bank of Norwood, Ohio. Until close of business June 8, 1942.

6329. The First National Bank of Groveton, Tex. Until close of business June 8, 1942.

6342. The Taylor National Bank of Campbellsville, Ky. Until close of business June 9, 1942.

6308. The Marion National Bank, Marion, Ohio. Until close of business June 11, 1942.

6356. The First National Bank of Madisonville, Tex. Until close of business June 11, 1942.

CORPORATE EXISTENCE REEXTENDED.

66. The First National Bank of Lyons, Iowa. Until close of business June 6, 1942.

1. The First National Bank of Philadelphia, Pa. Until close of business June 9, 1942.

18. The First National Bank of Iowa City, Iowa. Until close of business June 11, 1942.

2752. The First National Bank of Miles City, Mont. Until close of business June 11, 1942.

CHANGE OF TITLE.

June 6.

66. The First National Bank of Lyons, Clinton, Iowa, to "First National Bank of Lyons at Clinton," to conform to change in the name of place in which bank is located.

VOLUNTARY LIQUIDATIONS.

June 5.	Capital.
5483. The First National Bank of Wylie, Tex. Effective May 31, 1922. Liquidating agent, V. G. Gallagher, Wylie, Tex. Absorbed by the First State Bank of Wylie, Tex	$25,000
10969. The First National Bank of Kimberly, Idaho. Effective May 31, 1922. Liquidating agent, John W. Hardin, Kimberly, Idaho. Absorbed by the Bank of Kimberly, Kimberly, Idaho	25,000

CONSOLIDATION.

June 10.	
5046. The Riggs National Bank of Washington, D. C.	1,000,000
12194. The Hamilton National Bank of Washington, D. C. Consolidated under the act of Nov. 7, 1918, and under the charter and corporate title of "The Riggs National Bank of Washington, D. C." (No. 5046), with capital stock of $1,000,000. The consolidated bank has three branch banks at the following locations: Seventh and Eye Streets NW.; 734 Fifteenth Street NW.; and Twentieth and P Streets NW. The main office is located at 1503 Pennsylvania Avenue	200,000

Mr. WILLIAMSON. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from South Dakota rise?

Mr. WILLIAMSON. To prefer a unanimous-consent request.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WILLIAMSON. I ask unanimous consent to extend my remarks upon agricultural legislation.

The SPEAKER pro tempore. The gentleman from South Dakota asks unanimous consent to extend his remarks in the RECORD upon agricultural legislation. Is there objection? [After a pause.] The Chair hears none.

THE PRESENT CONGRESS AND THE FARMERS.

Mr. WILLIAMSON. Mr. Speaker, no Congress in a generation, if indeed in the entire history of our country, has been in so complete accord or in such sympathetic touch with the aspirations of the farmers of America as the present Congress. The farm problem has been studied in minute detail in all its aspects. Nothing has been too trivial or too difficult of solution to receive the attention of our ablest statesmen. A sincere effort has been made to get to the bottom of the causes that have all but brought disaster to the agricultural industry of the Nation. Systems and practical means of establishing adequate agricultural credits, the marketing of farm products, and the relation of agriculture to other industries have been studied as never before. Members of Congress representing agricultural sections have with compelling force and irrefutable logic pressed their measures of relief with unflagging energy. They have convinced their colleagues that without a reasonable return to the tillers of the soil, who are our Nation's largest purchasers of manufactured goods, there can be no general prosperity for others, and that when agriculture is strangled all other lines must necessarily languish.

The result has been the enactment of a series of laws whose beneficial influence will become increasingly apparent. Already agriculture has been lifted to its feet. Despair and pessimism are giving away to hope, and the farmers are again on the highway to better times and solid prosperity, not an ephemeric, speculative hysteria that leads only to disaster, but a prosperity that shall bring substantial and adequate returns upon capital invested and labor expended.

THE EMERGENCY TARIFF.

Before the Republican Party came into power on March 4, 1921, millions of pounds of wool and mutton from Australia, great quantities of corn from South America, and wheat from Canada had been dumped upon our market. A Republican Congress had attempted to stem the deluge of imports by passing an emergency tariff bill, but this was vetoed by President Wilson. Had an adequate tariff been imposed upon these importations shortly after the signing of the armistice agriculture would never have suffered the terrible slump that overtook it. Wool became so cheap that it was largely substituted for cotton. Cotton in turn slid to the bottom of the toboggan.

One of the first acts of the new administration was to reenact the emergency tariff law. This was approved on May 27, 1921. The good effects of the law soon became apparent in the advancing price of both wool and cotton. It also put a stop to the importation of other staple farm products, and as the surplus, largely created by heavy importations, was gradually worked off, prices commenced to improve all along the line. The Russian relief measure added further stimulus to the upward trend of corn and grain prices by still further reducing our domestic surplus and has helped bring on an era which promises better things for our farmers.

FARM CREDITS.

Other laws of special importance to our rural population may be briefly summarized, as follows:

A law reviving the War Finance Corporation and so amending it as to enable it to extend credits for not to exceed three years to any person, firm, or corporation in the United States dealing in or marketing farm products, or to any association composed of persons engaged in producing such products, including live stock, and to any bank, banker, or trust company which makes or has made advances to persons engaged in the production of agricultural products, or in the breeding, raising, fattening, or marketing of live stock. But for the credits extended under this law tens of thousands of farmers would have been involved in irretrievable ruin, as it would have been impossible for the local banks to have extended their agricultural paper. The huge advances made to marketing and exporting agencies have had their reflex in better prices for farm products and have been a large factor in bringing about better conditions generally.

A law increasing the interest rate on farm loan bank bonds to 5½ per cent, so as to make the sale of the bonds possible, but without advancing the rate to the farm borrower.

A law diverting $25,000,000 from the Federal Treasury for additional working capital for the farm loan banks.

A law amending the Federal reserve act so as to make provision for placing a "dirt" farmer on the Federal Reserve Board. Had agriculture had representation in that body in 1920 it is unlikely that the price of farm products would have suffered the tragic collapse that resulted from the drastic deflation policy of the board. It is the first time that agriculture has been given definite recognition on such a board and marks a new era in its development that promises much for the future.

THE PACKERS AND FUTURE TRADING ACTS.

The packers and stockyards act prohibits packers from engaging in any unfair or deceptive practices, or giving any preference or advantage to any person or locality, or engaging in any act in restraint of trade or such as would tend to control prices or create a monopoly. This act also requires stockyards to render the same service to all comers for the same charge and to file a schedule of such charges, which must be kept open for public inspection.

The future trading act abolishes all trading in "privileges," "bids," "officers," "puts and calls," "indemnities," and "ups and downs" in grain exchanges, and making such exchanges freely accessible to farmers' cooperative organizations, and generally subjecting them to publicity and Federal control. A portion of this act has recently been held unconstitutional. A new bill, drawn with a view to meeting the constitutional objections, has been introduced, which it is expected will be passed at this session of the Congress.

The regulation and enforcement of the two acts last mentioned are left with the Secretary of Agriculture, who is also required to investigate marketing conditions of grain and grain products, including supply and demand, cost to the consumer, and handling and transportation charges, and to make such information public for the benefit of producers and consumers alike.

"FILLED MILK," GOOD ROADS, AND COOPERATIVE MARKETING BILLS.

The "filled milk" act, making it unlawful for any person, partnership, corporation, or association to ship or deliver for shipment in interstate or foreign commerce any filled milk. The sale of milk substitutes was rapidly reaching such proportions as to seriously threaten the market for the genuine article. What was even worse was that there was being foisted upon the public at practically the price of condensed milk a substitute that had very little of nutritive value and that was positively dangerous as a diet for children. This traffic has now been effectively stopped.

The good roads bill, making $75,000,000 available for road construction work in the several States, with special provision for farm-to-market highways.

And last, but very important from the standpoint of the future development of agriculture, a law taking farmers' cooperative marketing organizations out from under the antitrust provisions of the Sherman-Clayton Acts. This bill will enable the farmers through their own organizations to market their produce in an orderly manner, thereby stabilizing the market and making more certain a fair price for what they have to sell. To enable the producers to fully avail themselves of this measure an adequate system of credits should be worked out. A number of bills are now pending with this object in view, and it is confidently hoped some plan will be worked out that shall prove fully adequate to meet every situation. With ample credits and the sales agencies in their own hands, the farmers are in a fair way to work out their own salvation.

AMBITIOUS AND PROGRESSIVE PROGRAM NOT YET COMPLETED.

The above constitute only a part of the ambitious program outlined by those upon the Republican side who are seeking to help agriculture rise to the same plane as that enjoyed by other business enterprises.

There remains of this program still to be enacted a number of bills, including the following:

A bill regulating cold storage in such a manner that none but producers of certain agricultural products may keep them in cold storage beyond a specified period.

A bill to increase the maximum of individual Federal farm loan bank loans from $10,000 to $20,000.

A bill to authorize farm loan banks to extend medium time commodity credits to farmers on the security of their products and live stock.

Relief measures.—While not distinctly a part of the above program, it is worthy of note that the present Congress has done much in the way of extending relief to settlers upon Government irrigation projects and in extending the time for payment of moneys due upon homestead entries and Government-land purchases upon Indian reservations.

In addition to these measures of relief Congress provided a fund of $1,500,000 from which the Secretary of Agriculture might make seed grain loans to farmers in the crop-failure areas of the United States. Without this aid thousands of farmers would not have been able to crop their lands this year. It has also voted $350,000 with a view to stamping out the black rust by the eradication of the barberry bush, which harbors the spores and disseminates them in the spring and summer, causing millions of damage to growing small grains.

Other accomplishments.—It is also reasonably to be expected that much good will develop as a result of the labors of the Joint Commission of Agricultural Inquiry, headed by Representative SIDNEY ANDERSON (Republican), of Minnesota. The Great Lakes-St. Lawrence deep-waterway project is also in a fair way to be put into concrete form for definite action by the Congress. Should this project materialize it will rest as an achievement second only to the construction of the Panama Canal. It will not only virtually make ocean ports of our Great Lakes cities, but will result in greatly reduced transportation rates on export grains and other farm products from all that great region which constitutes the main food-producing section of the United States.

While it is not within the purview of these remarks to review the achievements of the present Congress outside of the subjects treated above it is only fair to state that in spite of a critical and obstructive Democratic minority it has enacted into law more measures of solid merit than any Congress in a generation. Time fails us to analyze the immense constructive worth and the strides forward represented by such measures as the budget and accounting act, the restriction of immigration act, the bill consolidating the various bureaus dealing with ex-service men into the United States Veterans' Bureau, the revenue act, the hygiene and maternity and infancy act, and the foreign debts funding bill.

Vast economies have been effected in every department of the Government, efficiency has been restored, taxes have been materially reduced, and a great international conference has been held which for the standard and quality of statesmanship exhibited and the magnitude of its accomplishments will not only endure as the outstanding achievement of the Harding administration, but as one of the most notable of all history.

The immediate effects of its deliberations, so far as the United States is concerned, will be the saving of hundreds of millions of dollars annually in the reduction of armaments and preparation for war and the assurance it brings of permanent peace on the Pacific.

CALL OF THE HOUSE.

Mr. DOWELL. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER pro tempore. It is clear there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Drane	Kendall	Perkins
Andrew, Mass.	Drewry	Kennedy	Perlman
Ansorge	Driver	Kiess	Petersen
Appleby	Dunn	Kindred	Pringey
Arentz	Dyer	Kinkaid	Rainey, Ala.
Barkley	Edmonds	Kirkpatrick	Rayburn
Beck	Evans	Kitchin	Reber
Bell	Fess	Knight	Reed, N. Y.
Bixler	Fields	Kreider	Reed, W. Va.
Black	Focht	Kunz	Riordan
Bland, Ind.	Fordney	Langley	Robertson
Bland, Va.	Foster	Larson, Minn.	Robsion
Blanton	Frear	Lee, N. Y.	Rossdale
Boies	Freeman	Lehlbach	Rouse
Bond	Fuller	Linthicum	Rucker
Brennan	Gahn	Luce	Ryan
Britten	Garrett, Tex.	McClintic	Sabath
Brooks, Pa.	Gilbert	McCormick	Sanders, Ind.
Brown, Tenn.	Glynn	McFadden	Scott, Mich.
Buchanan	Goldsborough	McLaughlin, Nebr.	Sears
Burke	Goodykoontz	McLaughlin, Pa.	Shaw
Burtness	Gorman	Maloney	Shreve
Burton	Gould	Mann	Siegel
Cantrill	Greene, Mass.	Mansfield	Sinclair
Carter	Griffin	Mead	Smith, Mich.
Clark, Fla.	Hayden	Merritt	Snell
Classon	Hersey	Michaelson	Snyder
Cockran	Hicks	Mills	Stevenson
Codd	Himes	Morgan	Stiness
Connell	Hogan	Mott	Stoll
Cooper, Ohio	Hooker	Mudd	Strong, Pa.
Cooper, Wis.	Humphreys	Nelson, J. M.	Sullivan
Copley	Husted	Newton, Mo.	Sumners, Tex.
Crago	Hutchinson	O'Brien	Swank
Crowther	Ireland	O'Connor	Sweet
Curry	Jacoway	Olpp	Tague
Darrow	Jefferis, Nebr.	Osborne	Taylor, Ark.
Davis, Minn.	Johnson, S. Dak.	Padgett	Taylor, Tenn.
Deal	Johnson, Wash.	Paige	Temple
Dempsey	Jones, Pa.	Park, Ga.	Ten Eyck
Dickinson	Kahn	Parks, Ark.	Thomas
Tilson	Walters	White, Me.	Wright
Treadway	Ward, N. Y.	Winslow	Wurzbach
Tyson	Ward, N. C.	Wood, Ind.	Zihlman
Vare	Wason	Woods, Va.	
Volk	Watson	Woodyard	

The SPEAKER pro tempore. On this call 247 Members have answered to their names, a quorum.

Mr. MONDELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will open the doors.

Mr. HERRICK. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from Oklahoma rise?

Mr. HERRICK. To ask unanimous consent to speak out of order for five minutes.

The SPEAKER pro tempore. The gentleman from Oklahoma asks unanimous consent to proceed out of order for five minutes. Is there objection?

Mr. MONDELL. Mr. Speaker, the gentleman from Kansas has a rule to present to the House——

The SPEAKER pro tempore. Is there objection?

Mr. BEEDY. Mr. Speaker, I object.

The SPEAKER pro tempore. The gentleman from Maine objects.

EXTENSION OF REMARKS.

Mr. HAWES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of a duty on hides.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD on the subject of a duty on hides. Is there objection?

Mr. WINGO. Mr. Speaker, reserving the right to object, what gentleman from Missouri?

The SPEAKER pro tempore. The gentleman from Missouri, Mr. HAWES.

Mr. WINGO. On hides. I have no objection.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

The extension of remarks referred to are here printed in full as follows:

Mr. HAWES. Mr. Speaker, a duty of 2 cents a pound on green hides and 4 cents a pound on dressed hides, such as is proposed in the tariff bill now pending in the Senate, is the equivalent of more than 15 per cent ad valorem and would produce an estimated revenue of $16,000,000; but would cost the citizens of our country, in an increased shoe bill upon 330,000,000 pairs of shoes and an additional 40 cents upon each pair, a total of $132,000,000 annually.

The estimated revenue is undoubtedly high, as it does not allow for a drawback on hides made into leather for export, but, at the most, the Government would receive $16,000,000 and the people would pay an additional $132,000,000—a net loss to the people of the United States on the one item of shoes of $116,000,000.

Every one of our 110,000,000 people wear shoes. They are essential to health, comfort, and are of first necessity for human locomotion and transportation.

A man may move without a hat and with only a primitive body covering but he must protect his feet. Even the Indians did this.

It is conservatively estimated that each person uses three pairs of shoes a year, so that to move in the ordinary activities of life Americans must purchase 330,000,000 pairs of shoes each year.

There are 21,472,772 horses in the United States. Each horse has a bridle and either a saddle or a harness.

It has been stated that the Commercial Travelers' Association alone numbers 600,000 men. Each has a satchel, trunk, and strap. Each uses, at a minimum, at least three articles made in whole or in part of leather, or a total of 1,800,000 pieces.

If only one person out of each 200 travels during the year, it would mean carrying 550,000 trunks or traveling accessories made wholly or in part of leather.

Nearly every man's hat has a leather hatband, which would mean approximately 5,000,000 leather hatbands.

In the summer both men and women wear belts. This would make an additional 5,000,000.

Women carry purses, and nearly every man owns a razor strop.

Ten million automobiles use leather, and practically all machinery, both for manufacture and farm use, is driven by a leather belt.

The horse is controlled and directed by leather; the cow must have her halter; and man's best friend and companion, the dog, is entitled to his collar—all made of leather.

This duty will tax a man's shoes, his belt, his hatband, his razor strop, his trunk, his horse, his cow, his dog, his automobile, the belt that moves his machinery, his pocketbook, and, most of all, his patience!

There is not a single citizen of the whole 110,000,000 who does not use leather in two or more forms, so we find that it would be a direct tax upon every human being in the United States—not only on one article but on many articles.

The advocate of the duty on hides may advise shooting the dog, wearing wooden shoes, or going barefooted. He could not escape from the other things.

The population of Missouri is 3,404,055. Each person using three pairs of shoes at an increased cost of 40 cents a pair would put a total shoe tax on Missouri of $4,084,866. It would put a shoe tax on the city of St. Louis of $1,027,576.40; would put a total shoe tax upon the citizens of my congressional district of $268,926 and upon the United States of $132,000,000.

It must be remembered that in addition to this shoe tax would be the tax on the other articles I have enumerated, especially upon harness, saddles, automobiles, and trunks—all necessities.

In addition to the cost to the citizens in a leather tax and the unprofitable business undertaking it would be for the Nation, we find it would affect a business of first magnitude.

There is invested in shoe factories in the United States $612,625,075.

There were employed in these factories 236,244 working men and women in 1920.

We have discussed the manufacturer and the consumer, but in between these two there are tens of thousands of retail dealers in shoes who must be considered; the numerous retail agencies of automobiles, saddles, belt and leather goods. The duty will mean a disarrangement of the business of each of these retailers, and so far no satisfactory reason has been assigned for changing a Government policy of free hides which has existed from its infancy, with the single interruption of a 12-year experiment which proved a failure.

FOOLING THE FARMER.

The proponents of this tax on shoes and leather goods very loudly assert that it is to be done for the benefit of the farmer.

It will be noted in this connection that the American Farm Bureau Federation—one of the most powerful of the farm organizations—filed with the Senate Finance Committee a brief containing its opposition to a duty on hides. It had this to say:

> Cattle hides are a by-product of the production of animals for meat or dairy purposes in the United States. Animals are not produced for their hides alone, and the variation in the price of the hide has little influence on the rate of cattle production.
>
> * * * * * * *
>
> Most of the hides produced in the United States are sold by the producer on the animal, and not as hides but as part af an animal, the price being largely determined by the value of the meat on the animal. The hides taken off by packers comprise, roughly, two-thirds of the domestic supply, and hides sold by cattle producers amount to a very small part of the total.
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> * * * * * * *
>
> Since two-thirds of the domestic hides are taken off by packers, and they also control about one-third of the tanning business, they are in a position to be a dominant factor in the hide and leather market. At any given time they have a large part of the stock of hides under their control and are in a position to sell or withhold them from the markets as they choose.
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>
> Cattle production needs stimulation, but the increased return from 15 per cent on 6½ per cent of the weight of the animal is so small as to be of no importance as a means of increasing cattle production.
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> * * * * * * *
>
> Therefore, we believe that hides, leather, and leather products should remain on the free list.

These are some extracts from a comprehensive statement by a scientific organization devoted to the upbuilding of the farm and for the benefit of the farmer.

The value of a hide is approximately one-fifteenth part of the value of a steer.

Let some expert figure what 15 per cent of one-fifteenth would mean in real money.

Farmers do not sell hides; they sell beef. This is indicated by the fact that branded cattle bring the same prices as those without brands, although branded hides bring less.

The average farmer does not take three hides a year to market.

Proponents of the leather tax claim the farmer would receive a benefit of $34,000,000 per annum. It is contended that, even if this is true, it would be the packer, not the farmer, who would receive this amount.

It is estimated that there are 6,800,000 farm operatives in the United States, with an average of 4.5 persons, each of whom uses two and one-half pairs of shoes a year, at an increased cost of 40 cents a pair. This would cost the farmer $30,600,000, taking into consideration bridle, harness, saddle, automobile, and various other essentials for farm industry, estimated at $8,000,000. In shoes, the farmer would lose $4,000,000 a year. This considers the farmer alone.

When we add our other citizens, who do business with the farmer and are his friends and customers, the amount would reach $132,000,000 a year, or an annual tax of more than $1 a year upon each person.

And this tax would fall as heavily upon the poor as upon the rich.

The only way the farmer could defeat this tax would be to go barefooted or wear wooden shoes.

A curtailment in demand for hides does not stop the production or continuation of supplies. This runs with the slaughter of cattle for food, and unlike other productions it can neither be increased nor checked. The only manipulation that can be done is holding in the cellar of the packer for a rising market. The farmer can not hold them.

Hides represent only 5 per cent of the value of a steer.

The average citizen certainly does not gain by a tax upon leather.

It has been shown that the farmer as a class will not profit by it.

So the only certain beneficiary would be the packer, and he, of all people in America, does not at this time need either protection or a bounty.

The farmer knows that if we place a duty on hides we raise the cost of shoes, which will mean foreign competition, then followed logically by a demand for another tariff on shoes or an additional tax on both leather and shoes, all of which will go out of the pockets of the farmers.

HIDES A WORLD PRODUCT.

McKinley said, "We can not sell if we do not buy," and no one will accuse McKinley of not being a protectionist.

We know that cattle are decreasing and our population is increasing, so we have gone to those countries which have a surplus production of hides—such as the Argentine, Uruguay, Brazil, Mexico, South Africa, India, and countries of large areas of undeveloped land—to buy that proportion of hides necessary for our domestic use which is not produced by our cattle raisers.

Hides are a world product free from duty in every country, and now our people are asked to place a duty equivalent to more than 15 per cent on hides, which will of necessity be offensive to some of our best customers, and will be a flat denial of reciprocity in trade just at a time when the energies of our entire country are engaged in promoting friendly relations with the Latin-American countries.

The importation of hides from foreign countries from 1911 to 1920 averaged 39.20 per cent. The indications are that it will increase rather than diminish, as the production of cattle is decreasing not only in this country but throughout the world.

We buy from foreign countries nearly $70,000,000 in hides, but we sell to foreign countries foodstuffs in crude condition and animal food amounting to $979,443,058, and foodstuffs partly or wholly manufactured $779,194,765.

To hold trade we must buy where we sell.

Of this total export it has been estimated that 80 per cent of two and one-half billion dollars represents the work of labor.

To lose our markets is a blow to our merchant ships. It is an assault upon labor, because one out of every ten men employed on the farm or in manufactures is engaged in producing export.

Not only will we offend some of our best customers for our manufactured products but we will at the same time check the manufacture of shoes and leather goods, thus decreasing the use of capital and the employment of labor.

Our chief competitor, England, would gain both in volume of business and profits from the business.

It looks like a bid for the farmer's vote more than a congressional vote for his benefit.

I doubt whether the farmer can be deceived, but I am sure the housewife, who knows how many shoes the youngsters wear in a year and who knows the amount of the shoe bill, can not be fooled—and we must remember that this year she votes.

WHO WILL BENEFIT BY THE TAX?

The object of a tariff on hides is to advance the price of hides.

The only possible purpose for putting a duty on hides is that it may advance the price of hides, for if it does not do this, then it is useless.

An advance in the price of hides means an advance in the price of leather of all kinds.

An advance in the price of leather means an advance in the price of shoes, harness, automobiles, furniture—if upholstered in leather—trunks, bags, straps, and many other articles.

An advance in the price of hides has not in the past and will not in the future advance the price of cattle sold on the hoof. The advance or decline in the price of cattle is caused by supply and demand for food purposes.

An advance in the price of leather means an advance in the cost of living to all of the 110,000,000 of people in the United States.

No part of the advance in hides resulting from a duty on hides will be received by the farmer, except by the relatively few farmers who slaughter one animal a year for home consumption.

The few dollars which farmers may receive for the one hide they sell, due to the duty on hides, will be many times offset by the increased cost of their shoes, harness, and so forth.

The only people to be benefited by a duty on hides are a few packers and hide dealers, and these will be unduly enriched and the 110,000,000 will suffer loss due to the increased cost of living.

If a duty is placed on hides, hides will in time advance much more than the amount of the duty placed on hides, as this duty is a protection to the packers and hide dealers who control the market, and this will enable them to create a monopoly and manipulate the market.

Stability in the price of hides, leather, and the finished products, made in whole or in part from leather, is to be desired. Such stability leads to a constant and low price to the ultimate consumer.

CREATES UNCERTAINTY AND A HIGH PRICE.

Under a duty on hides the packers and hide dealers will be enabled to manipulate the market and make prices uncertain and fluctuating, and such conditions make for higher prices of shoes and other articles made from leather much higher than the mere duty on hides, because the manufacturers of such articles must protect themselves against a constantly threatened advance in the cost of their materials. They operate with uncertainty and under the fear of advance, not justified by conditions, but made possible due to manipulation, and this fear of loss and this lack of stability in prices will be and must be provided for, and this makes for higher costs.

STABILITY NECESSARY.

Some of the objections stated are apparent, but they do not cover those intangible influences which bear directly upon the question of cost to both the manufacturer of shoes and the public.

Stability and confidence in industry, with the ability to anticipate fairly accurately from season to season uniform prices, based on supply and demand, are very necessary factors in commerce. If influences over which manufacturers and merchants can have no control are injected into a given situation, a speculative uncertainty follows. Each man has to figure safely for the simple reason that he does not know what may happen.

Unsafe estimates of cost mean increased cost. Where the element of risk enters into the situation, the cost will be figured high enough to give full protection against the risk.

Confronted with a tariff duty upon hides with a confined and limited market for raw materials, the manufacturer and merchant both suffer because of an uncertainty created by the tariff limitation.

Advance information of prices for fall and spring delivery can not be made by the manufacturer without charging a rate which secures him against loss by market manipulation of price.

THE INDEPENDENT TANNER RUINED.

The United States does not supply enough hides for American consumption—a protective tariff will enable a few packers and hide brokers to control the markets of the world and subject the market to manipulation which no man can anticipate, all of which will have a material effect in raising the price.

Foreign markets get cables daily about the hide market of the United States, and the prices in foreign markets respond to our domestic prices.

This tariff on hides can not be supported by sound reason, and the very people whom it is intended to protect must carry the load. The manufacturer does not pay the tariff; there is but one man who can pay it, and he is the consumer.

To-day the tanning industry is already largely dominated by the packers, who of late years have engaged most extensively in that business.

If a duty is placed on hides, it will in a few years enable the packers to drive the independent tanners out of business and leave the packer in almost absolute control of both hides and leather. Under free hides the independent tanners may secure their supply of hides from South America and other markets, and are not forced to buy from the packers, who are their competitors in tanning.

A CONFERENCE REPORT.

In reporting the tariff bill to the House it was brought in with a rule which permitted amendment only upon five articles. The rest of the bill, containing hundreds of paragraphs, was voted upon "yes" or "no," with no opportunity of amendment.

It is a notable fact that of these five items all were eliminated by the House when permitted to vote.

If an opportunity had been afforded, many hundreds of other items would have been eliminated.

Among the items defeated was the duty of 15 per cent on hides. The vote was 174 for the duty and 240 against.

The Fordney tariff bill has been sent to the Senate, where it is now being debated, and an active effort is again being made to place upon hides a duty even greater than the House defeated.

If a majority in the Senate supports this proposed duty, the bill will be returned to the House and a conference committee of 5 members will be instructed to represent the 435 Members of the House. Who will represent the House on this conference committee is uncertain, and when the final report is made to the House, as usual, debate will be either limited or eliminated.

As the subject is of great importance to the citizens of my district and my State, I have availed myself of the privilege of making this statement, hoping to forestall the eleventh-hour adoption of a duty which can not be successfully defended either upon the principle of protection or for the purpose of raising revenue.

PANAMA CANAL.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER pro tempore. The Clerk will report it.

The Clerk read as follows:

House Resolution 365 (Report No. 1091).

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11872, a bill amending the Panama Canal act. That there shall be not to exceed four hours of general debate on said bill, one-half to be controlled by the gentleman from Illinois, Mr. DENISON, and one-half by the gentleman from Alabama, Mr. HUDDLESTON, whereupon the bill shall be read for amendments under the five-minute rule. At the conclusion of the consideration of the bill for amendments it shall be reported back to the House, whereupon the previous question shall be considered as ordered upon the bill and all amendments, if any, to final passage without intervening motion except one motion to recommit.

Mr. CAMPBELL of Kansas. Mr. Speaker, the Committee on Interstate and Foreign Commerce had before them a great many bills relating to Panama. These were all consolidated and reported in the bill that is made in order by this resolution. They relate largely to the government of the Canal Zone.

I yield 10 minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. I would like to have 15 minutes, if the gentleman will yield them to me, with the right to yield part of the time.

Mr. CAMPBELL of Kansas. I yield 15 minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Speaker, I have no objection to the adoption of this rule, and I hope that in a few days we may be able to adopt another rule of considerably more importance, but whether we can or not I am unable to say, because in the morning paper I note an item by the Associated Press which reads as follows:

HARDING OPPOSES HASTY ACTION NOW ON MUSCLE SHOALS.

[By the Associated Press.]

President Harding is understood to have taken a determined stand yesterday against the action by Congress at this time on pending bills for disposal of the Government's nitrate plant at Muscle Shoals, Ala.

The views of the President, as outlined, it was stated, to Representative MONDELL, Wyoming, the Republican leader, at the White House, were conveyed to the Republican steering committee, charged with the task of framing the legislative program of the House. Members of the committee declined to indicate whether they would recommend action on the bills or let the whole question go over until the December session.

There was no intimation as to how the President regarded the proposal of Henry Ford for lease of the property beyond the statement that he felt the matter was too big to be considered hurriedly, and in what Members regard as the closing period of the present Congress.

Mr. MONDELL. Will the gentleman from Tennessee yield to me to make a brief statement in regard to that matter right at this point?

Mr. GARRETT of Tennessee. I think I should yield to the gentleman, and I will.

Mr. MONDELL. I can not understand how the Associated Press, which is generally accurate, could have sent out that report. I do not like to criticize a press report. I am sure gentlemen who occupy responsible positions in the matter of sending out news try to be accurate, but the statements made in the dispatch that the gentleman has just read are wholly apart from the facts as I know them and understand them.

I talked with the President yesterday morning, and very briefly discussed and very briefly referred to the Muscle Shoals matter. I expressed no opinion with regard to when or how the measure would be taken up. The President expressed no opinion on the subject whatever to me. Up to this time the President has not at any time expressed to me any opinion whatever on the Muscle Shoals matter. Neither have I said anything to anyone at any time or anywhere suggesting that I had had any talk with the President in regard to the matter nor that he had expressed any opinion on the question of whether we should take up the Muscle Shoals legislation. The article is surprising to me, because, first, there was no expression whatever on the part of the President in my presence, one way or the other. Further, I have not suggested to anybody, I could not have suggested to anyone, that the President had expressed any opinion to me on the subject.

There was a meeting of the steering committee yesterday morning. I certainly said nothing at that meeting to the effect that the President had expressed an opinion on Muscle Shoals. I could not have said anything to that effect, because the President had not expressed an opinion on the subject.

Mr. GARRETT of Tennessee. Well, Mr. Speaker, of course that which caused me to give the matter immediate attention was the fact that it bore the imprint of the Associated Press, and the Associated Press very seldom makes a mistake. If it has made a mistake at this time in quoting the President of the United States or the attitude of the President of the United States, I am going to venture to say that it is the first time it has done so in quoting any President of the United States. Of course, I know nothing about the facts.

Mr. MONDELL. Will the gentleman yield just a moment?

Mr. GARRETT of Tennessee. I do.

Mr. MONDELL. The gentleman has read that article carefully?

Mr. GARRETT of Tennessee. Yes.

Mr. MONDELL. The gentleman will notice the item did not quote the President but did quote me. That is why I feel responsibility in regard to it. If the gentleman from Tennessee had not called the attention of the House to this Post article I intended to do so when we got into the debate, because I am quoted as quoting the President. I never thought of such a thing. In the first place, the President expressed no opinion on the subject. I do not recall having referred to having spoken with the President even incidentally about it.

Mr. GARRETT of Tennessee. Of course, I was not present. It is probably a pity I was not. [Laughter.]

But here is another article that I will read.

By the way, I might say that the substance of that Associated Press article which I have just read is also in a special article in this morning's New York Times. I do not believe the gentleman from Wyoming is quoted in connection with the Times article.

Here is another article, and this is not by the Associated Press, but it is in the Washington Post. It says:

SPEED SHIP SUBSIDY BILL TO MEET HARDING'S VIEW—HOUSE LEADERS WILL SUBMIT BILL TO-DAY—HOPE FOR PASSAGE BEFORE END OF SESSION.

President Harding's demand for speed in the framing of the administration ship subsidy bill resulted last night in announcement by the Merchant Marine Committee that the measure would be submitted to the House to-day.

Meanwhile the Republican steering committee was considering the President's urgent request that the bill be put to a vote as a party measure, if necessary, prior to any adjournment of Congress. At a conference yesterday with Representative MONDELL, of Wyoming, the Republican leader, the President reiterated belief that the measure was of vital interest to the business welfare of the country, and that it should not go over until the short session, beginning in December.

Reports were current at the Capitol that the President had informed members of the Merchant Marine Committee that Congress would be called in special session solely to consider the shipping bill if it failed to reach the voting stage before adjournment.

The steering committee, it was said, reached no conclusion as to its program, although leaders, after telling the President of some opposition in the party to the subsidy bill, assured him that efforts would be made to comply with his suggestion.

I do not hear any denial of the accuracy of this last article that I have read.

I will, therefore, venture to say this, that it is going to be a very interesting time for those gentlemen from certain sections of the country who see fit to permit the bringing of a ship subsidy bill before this House at the behest of the President and then, whether at the behest of the President or upon their own initiative, refuse to permit the consideration of a measure to dispose of this Muscle Shoals nitrate plant, which has the greatest fertilizer possibilities of any plant in the world and in which such a very large number of people, not confined by any means to a single section of the country, are interested. [Applause on the Democratic side.]

I yield five minutes to the gentleman from Texas [Mr. GARNER].

Mr. GARNER. Mr. Speaker, when I asked the gentleman from Tennessee [Mr. GARRETT] to yield me 5 or 10 minutes' time on this rule, I had in my mind the same thought he had—to ascertain the facts with reference to what occurred at the White House, as I had heard two stories about it. One thing is certain, Mr. Speaker, that there are three outstanding measures before this House demanding consideration from a very respectable element of this House and the country at large. One of them the President is pressing; the other two he is either holding back or taking no interest in, apparently. One of them refers to a special interest that is putting its hand in the Treasury at the expense of all the people. The other two are for the building up of the country and making it more prosperous and desirable to live in. One of them is the ship subsidy, of which he says it is very important that it should be considered before the next session of Congress. Then we have the Muscles Shoals proposition, and we have the Western States demanding a reclamation bill. Those are the three outstanding measures before this House at the present time awaiting consideration.

Now, which one is our President interested in mostly? It is the ship subsidy bill. What is the effect of the ship subsidy bill? It is to take from $75,000,000 to $100,000,000 each year from the taxpayers and place it in the hands of a special interest engaged in a certain business; whereas the Muscle Shoals proposition involves less than $100,000,000, and has for its purpose the cheapening of the production of farm products of this country, and your reclamation project has for its purpose putting into employment thousands of people in this country and reclaiming millions of acres of arid and overflowed land.

Now, what is the position of the Republican Party? So far as we can ascertain, the President is in favor of one and indifferent as to the other two. If your organization had any courage, if this majority had any courage, it would go out and bring in a rule for the purpose of securing the consideration of the Smith-McNary bill. You have not the courage. Your control bureau, your steering committee, is opposed to that kind of legislation, and you are afraid to run over them.

How is the Congress made up? I see the gentleman from Iowa [Mr. GREEN] and others from the West over there, and I remember when they used to speak about the South being in the saddle. Oh, you went back to Ohio and Massachusetts and Indiana and shouted "The South is in the saddle." I want some of you western gentlemen to say in the next campaign who is in the saddle now. Massachusetts is in the saddle. Massachusetts presides over this House; Massachusetts presides over the body at the other end of the Capitol; Massachusetts controls the business in the Senate; and Massachusetts has a member on the steering committee in the House. But you are not satisfied with that.

When the Speaker has occasion to leave, he substitutes in his place the gentleman from Massachusetts [Mr. WALSH], a very good man. [Applause, the Republican Members rising.]

Why, one would conceive from this performance just now that you would rather substitute the "Little Giant" from Massachusetts than take the one you put in the chair by your votes. [Laughter.] I think the gentleman from Massachusetts who now occupies the chair occupies it with great credit to himself. [Applause.]

But I mention that merely to illustrate to you that you have not sufficient capacity on your side of the House outside of Massachusetts to preside over the House. [Laughter.] Why, we recall, and it will be recalled a number of times between now and the ides of November, the famous remark of the

gentleman from Illinois [Mr. MADDEN] when he described who was in charge of the Congress and who was going to make its laws—a body of gentlemen from east of the Mississippi and north of the Ohio, numbering 247, a famous number. He said you were going to run this Government, and you are. But you centralize it in Massachusetts. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield 10 minutes to the gentleman from Wyoming [Mr. MONDELL]. [Applause.]

The SPEAKER pro tempore. The gentleman from Wyoming is recognized for 10 minutes.

Mr. MONDELL. Mr. Speaker, I agree with the gentleman from Texas [Mr. GARNER] that Massachusetts is a great State. If all of the States of the Union had always been as true to the fundamental principles upon which the fathers founded the Republic as Massachusetts has been, we would have had a happier time during some of our history, and we would be better off as a people than we are. [Applause.]

The gentleman from Texas is not very well informed about the steering committee. Massachusetts does not happen to have a member on the steering committee.

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. GARNER. Is not the Speaker an ex officio member of the steering committee?

Mr. MONDELL. The Speaker attends the meetings of the steering committee.

The Speaker, by invitation of the steering committee—a rule established at the beginning of the last Congress—attends the meetings of the steering committee and gives us the benefit of his very excellent judgment. It is a very proper arrangement.

The Lord only knows when we shall be rid of, when we shall get out from under the shadow of the awful problems laid upon us during the war and under the administration of Woodrow Wilson. I do not say that it was not important that we should bend the energies of the Nation toward building that bridge of ships that we at one time thought might be essential to carry our boys across the seas to save civilization.

I do know that we spent $3,500,000,000 of the people's good money in the building of the fleet, and I do know—and I say it with regret—that it was spent in the most wasteful way that public money ever was spent. Under your administration you laid that awful burden of cost on the people, and we had our responsibility in it, because we went along and agreed to the building of a great fleet. In my opinion under another management than that of the Democratic Party as then constituted and officered we would have spent very much less money in the building. We would have checked that building sooner than was done. But the Nation spent the $3,500,000,000. We have the fleet, and what are we going to do with it?

The gentleman from Texas [Mr. GARNER] says that the ship subsidy bill is a proposition to subsidize private interests. The gentleman knows that it is not an accurate or fair statement. The question before the American people is, "What are we going to do with this great fleet that cost us $3,500,000,000? Shall we sell it to foreigners, taking what price we can get, to be sailed under foreign flags?"

Are you ready to do that? We could try to sell it to Americans to sail under our flag, with all the handicaps that our laws and wage rates place on shipping, and we would not get far, because no one can afford to organize fleets unless we make it possible to operate them.

In trying to work out the problem of what shall be done to preserve and enlarge the American merchant marine, instead of getting any assistance from the representatives of the party who are responsible for the problem, the gentleman from Texas [Mr. GARNER] characterizes the effort as a purpose to give great privileges to private individuals. We propose to work out the problem that was bequeathed to us, and to work it out to the best of our ability; and if you gentlemen had any sense of responsibility touching the problem your party has placed upon the American people you would try to assist in the working out of that problem. [Applause.]

Now, in regard to Muscle Shoals——

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. Yes; I yield briefly.

Mr. GARRETT of Tennessee. Do I understand the gentleman, then, to take the position that the shipping bill proposed by the President is only necessary because of the fact that during the war we built ships?

Mr. MONDELL. That is what makes it necessary at this time; we have a great fleet which cost a vast sum of money, and something must be done with it. That is the real problem before us. What are we going to do about it? Are we to allow the fleet to rot, to have American shipping driven from the seas? Shall the entire $3,500,000,000 be a total loss and we receive no permanent benefit from it?

Mr. GARRETT of Tennessee. Will the gentleman yield now as to Muscle Shoals?

Mr. MONDELL. If the gentleman will be brief, because my time is short, unless the gentleman from Kansas [Mr. CAMPBELL] will give me more time.

Mr. GARRETT of Tennessee. Then, if we did not have the ships the gentleman's position would be different?

Mr. MONDELL. At least a very different situation would be presented to us. We have the ships. It is a condition, not a theory, that confronts us. What are we going to do with them?

Mr. GARRETT of Tennessee. Then the gentleman does not favor a ship subsidy?

Mr. MONDELL. That question is not now before either the House or the country. The question that will be before the House and is now before the country is what are we to do with the great fleet we have builded with the people's money? Are we going to keep the flag on the seas, or are we going to allow those ships to rot and rust out the enormous investment—a total loss? Are we to realize no benefit to the shippers of the country from the great war investment? Are we to abandon our hope of a merchant marine? Now so much for that.

I was quoted in the paper that the gentleman from Tennessee quoted as having made some statement touching the view of the President with regard to Muscle Shoals. As I have said to the House, the President expressd no opinion to me with regard to that legislation one way or the other.

In due time and in the comparatively near future the majority, after those consultations which the majority are accustomed to have touching matters of this sort, will decide what is to be done with regard to the Muscle Shoals proposition.

Mr. POU. Will the gentleman yield?

Mr. MONDELL. I yield to the gentleman from North Carolina.

Mr. POU. I just want to ask the gentleman if he favors giving the House an opportunity to vote on that proposition?

Mr. MONDELL. It is not a question as to what I may favor. I am going to try and discover the opinion of the responsible majority and follow that opinion. That is what I try to do with regard to all legislation that is reported. That is what I shall try to do in this case.

Now, with regard to reclamation legislation. Of course, the gentleman from Texas [Mr. GARNER], knowing my interest in reclamation, remembering, perhaps, that I had charge of the original reclamation bill on the floor of this House many years ago and that I have always been for reclamation, imagines he can embarrass me as the floor leader by asking why we have not brought up a reclamation measure. We have brought up a reclamation measure.

Mr. GARNER. Will the gentleman yield?

Mr. MONDELL. Yes; briefly.

Mr. GARNER. The gentleman from Texas did not refer to the gentleman from Wyoming. He merely referred to the President of the United States and his position on these matters.

Mr. MONDELL. Oh, no; the gentleman from Texas did not refer to the gentleman from Wyoming, but the gentleman from Texas had the gentleman from Wyoming in his mind all the time. [Laughter.] We have passed a reclamation bill. The soldier bonus bill contains a reclamation measure of the broadest character, under which reclamation development could and would be carried on in practically every State in the Union. It is the broadest and most comprehensive reclamation measure that has ever been presented to this House, and it has passed the House twice on the bonus bill. It is now before the Senate.

Mr. LONGWORTH. Will the gentleman from Wyoming yield?

Mr. MONDELL. I yield to the gentleman from Ohio.

Mr. LONGWORTH. Does the gentleman recall how the gentleman from Texas [Mr. GARNER] voted on that measure?

Mr. CAMPBELL of Kansas. He voted against it.

Mr. MONDELL. On the bonus? I do not want to embarrass the gentleman——

Mr. GARRETT of Tennessee. No; on the reclamation measure. The gentleman from Texas [Mr. GARNER] voted like the gentleman from Ohio [Mr. LONGWORTH] wanted to but would not. [Laughter.]

Mr. MONDELL. Of course I would not want to embarrass the gentleman from Texas after he has gotten up here and made a speech in favor of reclamation by saying that he voted against the broadest and most comprehensive reclamation measure that has ever been presented to any Congress. I would

not want to embarrass the gentleman from Texas in that way. [Laughter.]

Mr. GARNER. Will the gentleman yield?

Mr. MONDELL. Briefly.

Mr. GARNER. The gentleman is well aware that the reclamation project embraced in the so-called soldiers' bonus bill has no more relation to the Smith-McNary bill that the western people have said will solve their problem than night has to day. One of them will cost the Government nothing. The other will cost something like $20,000,000,000.

Mr. MONDELL. Which will cost the Government nothing?

Mr. GARNER. The Smith-McNary bill will cost the ultimate taxpayer nothing for its administration, whereas under the scheme you propose in the bonus bill it would cost the people, if every soldier took advantage of it, over $18,000,000,000.

Mr. MONDELL. All of which proves that the gentleman from Texas has evidently read neither bill. [Laughter.] The Smith-McNary bill carries with it an authorization of $350,000,000. Of course that may be nothing in the opinion of the gentleman from Texas.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. MONDELL. I can not yield right now.

Mr. GARNER. Every dollar of which is to be returned to the Treasury without one dollar of expense to the taxpayers of this country. Is not that true?

Mr. MONDELL. Under both bills—and I want to say again that the gentleman has evidently read neither one of them—under both bills the sums expended for reclamation are to be returned, and the bills are practically identical in that regard. The Smith-McNary bill authorizes a total ultimate expenditure of $350,000,000; the soldier settlement provision on the bonus bill does not fix a limit. Under both bills the sum spent would be the amount the Congress saw fit to appropriate.

Mr. GARNER. Will not the gentleman yield for one more question?

Mr. MONDELL. I do not care to carry on a primary or kindergarten class in reclamation. I think the gentleman ought to read the bills before he makes a speech.

Mr. GARNER. Will the gentleman yield?

Mr. MONDELL. If the gentleman will be very brief.

Mr. GARNER. Does the gentleman intend to give us a chance to vote on the Smith-McNary bill?

Mr. MONDELL. The House has passed a reclamation bill and it is now in the Senate. A Senator has proposed the Smith-McNary bill as an amendment. Some Senator ought to have appeared before the Senate committee and offered the Smith-McNary bill as a substitute if they prefer that bill.

Mr. GARNER. Now will the gentleman answer my question—does he intend to give the House a chance to vote on the Smith-McNary bill at this session?

Mr. MONDELL. I think it is quite enough for the House of Representatives to pass one reclamation bill at a time. I do not think the House ought to be asked to pass a second reclamation bill until the Senate has acted one way or another on the bill that we sent over to the Senate.

It is entirely within the power of the Senate and those Senators who are favorable to reclamation to put any kind of a reclamation measure they seek to pass on the bonus bill. The Smith-McNary measure would not in all respects provide for the soldiers, and the soldier is the man we must provide for in the bonus bill. But that measure could be amended by adding to it the provisions now on the bonus bill, so that the general plan of reclamation could be carried out for the soldier and broadened sufficiently to take in any project anywhere. But let me repeat that the reclamation measure on the bonus bill is a broad and comprehensive measure and could be utilized in every State in the Union. It is legislation halfway through Congress, and the Senate has not as yet passed on it one way or the other.

In conclusion, let me say to the gentleman from Texas and his colleagues not to get worried or disturbed, but if he will possess his soul in patience in due time we will endeavor to solve all of these problems to the satisfaction of the American people. We do think that the Democratic side that was responsible for placing most of these problems on our doorstep ought to be a little more generous in helping solve them. [Applause.] However, we do not expect much help from the Democratic side. We realize we must solve most of the problems without their help and in spite of their opposition.

The SPEAKER pro tempore. The time of the gentleman from Wyoming has expired.

Mr. GARRETT of Tennessee. Will the gentleman yield me one minute?

Mr. CAMPBELL of Kansas. I yield to the gentleman from Tennessee one minute.

Mr. GARRETT of Tennessee. The gentleman from Wyoming refers to this side's responsibility for opposing certain matters and says that we ought to take some part in solving the problems. We are ready to vote on Muscle Shoals now; are you? [Applause on the Democratic side.]

Mr. MONDELL. We generally do those things after we have consulted in regard to them and are prepared to vote intelligently.

Mr. GARRETT of Tennessee. We have consulted and we are prepared. [Applause on the Democratic side.]

Mr. MONDELL. Oh, no; you have not consulted and you are not prepared. [Applause on the Republican side.]

Mr. CAMPBELL of Kansas. Mr. Speaker, the merits of this rule having been thoroughly discussed and I hope generally understood by Members of the House, I move the previous question.

The question was taken, and the previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

THE PANAMA CANAL ZONE.

Mr. DENISON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11872.

The motion was agreed to; accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. LONGWORTH in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11872, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 11872) to amend sections 7, 8, and 9 of the Panama Canal act; to amend sections 288, 289, 342, 343, 368, and 461 of the Penal Code of the Canal Zone; and section 2 of the Executive order of July 9, 1914, establishing rules and regulations for the opening and navigation of the Panama Canal and approaches thereto, including all water under its jurisdiction; to amend section 6 of an act entitled "An act extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting health, sanitation, quarantine, taxation, public roads, self-propelled vehicles, and police powers on the Canal Zone, and for other purposes, including provision as to certain fees, money orders, and interest deposits," approved August 21, 1916; and to regulate divorces in the Canal Zone, and for other purposes.

Mr. DENISON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Illinois asks that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. DENISON. Mr. Chairman, there has been pending on the calendar for some months four separate bills for legislation touching the Panama Canal and the Panama Canal Zone. These bills are numbered H. R. 9202, H. R. 9101, H. R. 9051, H. R. 9201. In order to expedite their consideration at the same time, it was thought advisable that all four bills be consolidated and reported as one bill, and that has been done, and it is now before the House under the rule as H. R. 11872. It is my purpose, when this bill shall have been passed, to table all the other bills now on the calendar that I have mentioned. At first sight this bill seems rather formidable because of its length, but as a matter of fact there is very little new legislation in it. The legislation consists principally of certain amendments to existing laws that have been heretofore in force in the Canal Zone. In making these amendments the provisions of the present law as thus amended have been repeated in the bill, and it is because of the fact that these provisions are repeated that the bill appears to be rather long. However, as I stated, as a matter of fact, the amendments which are embodied in the bill are very short, and there is very little new legislation. The new legislation consists principally in the provision for divorces in the Canal Zone. I shall try to explain to the House briefly what the changes in the law are that are proposed in this legislation, and in doing that I would be grateful if I can proceed without interruption until I have completed my statement.

In the beginning, let me say that the laws that now govern in the Panama Canal Zone have been enacted from time to time since the year 1904.

In 1904, when we took over the Canal Zone by treaty with the Republic of Panama, President Roosevelt issued a proclamation in which he put into effect the laws of the land to which the inhabitants thereof were accustomed, except in so far as those laws were inconsistent with the fundamental principles of our Constitution. Thereby the civil code and the criminal code of Pamana that existed at that time were by the President's proclamation made the law of the Canal Zone. Afterwards the

Isthmian Canal Commission was appointed by authority of Congress and given legislative authority. From time to time that commission made laws, and those laws or orders of the commission were ratified by the Panama Canal act, and since 1912, when the Panama Canal act was passed, Congress has passed a few laws. The President has also at various times issued Executive orders which before 1912 had the effect of law. So that we have a body of laws for the Canal Zone consisting of these various orders of the President, the acts of the Isthmian Canal Commission, and the executive order of President Roosevelt when the Canal Zone was taken over, and in addition thereto a few acts of Congress. In these various orders and acts are found the laws now in force on the Canal Zone. Some day it is going to be necessary to revise, rewrite, and simplify these laws.

This legislation simply provides a few amendments which have been found by experience in the course of recent years to be necessary and important in connection with the government of the Panama Canal. They are not of any importance particularly to you and to me or to the people of the United States here at home, but they are of very great importance to the people on the Canal Zone. This legislation was recommended during the former administration by the Secretary of War, through whom the President governs the Canal Zone. Bills were introduced for this purpose by the various Members, particularly by Mr. ESCH, the chairman of the committee which has reported this bill, and by other members of that committee; but no action was taken by the House, although the committee reported favorably upon nearly all of the bills. During this Congress these bills to which I refer were reintroduced.

This legislation is also recommended by the present Secretary of War and by the present Governor of the Canal Zone. I may say that it has been carefully considered and was reported by the committee without any minority report.

Some of these amendments are to correct what have been found to be oversights and errors in the original laws. For instance, the first change is in section 7 of the Panama Canal act. The Panama Canal act was enacted in 1912 about the time of the completion of the Canal, and is the main act of Congress which provides the law for the government of the Canal Zone. Section 7 of the Panama Canal act has reference, among other things, to the jurisdiction of the magistrates on the Canal Zone. It provides for the creation of the office of police magistrate, as we would call it in this country, defines the jurisdiction of the court, and, among other things, the magistrates were given jurisdiction in all criminal cases wherein the punishment that may be imposed should not exceed a fine of $100, or imprisonment not exceeding 30 days, or both. Then the magistrates were given the additional jurisdiction of holding preliminary trials in cases of felony and committing those charged with the felony to the circuit courts. It happens that there are a number of offenses under the laws there which are misdemeanors but for which the fine may be assessed as high as $500, and the result is that in that kind of a case the magistrate can not try the case nor can he commit the defendants to the circuit court, because they are not charged with felony. In that class of offenses there is no court to either hold a preliminary trial or to try the case, unless the circuit court happens to be in session. That results in hardship, so that the law ought to be amended so as to give the magistrates jurisdiction to hold preliminary trials in those cases of misdemeanors in which fines may be in excess of the jurisdiction of the magistrates. That is accomplished by the first amendment of section 7 of the Panama Canal act, and it is found in lines 5 to 8 on page 3 of the bill. We add the following language to the law as it is now:

And charges of misdemeanor in which the punishment that may be imposed is beyond the jurisdiction herein granted to the magistrate court.

So that that part of the section as amended will read as follows:

Such magistrates shall also hold preliminary investigations in charges of felony and offenses under section 10 of this act and charges of misdemeanor in which the punishment that may be imposed is beyond the jurisdiction herein granted to the magistrate courts and commit or bail, in bailable cases, to the district court.

The second amendment is on page 4 of the bill. The present law allows appeals in civil and criminal cases from judgments and rulings of the magistrates' courts to the district court in all cases. In other words, the law as originally drafted gives the right of appeal in all civil and criminal cases to the district court. There are a great many West Indians on the Canal Zone. They like to go into court, because it gives them a certain distinction and attention; they commit some minor offense and are brought into the magistrate's court and fined from one to five or ten dollars. They invariably take an appeal to the circuit court, because they want to get into the circuit court, and very often they do it so as to gain delay until the circuit court meets, with the hope that the witnesses in the meantime will have disappeared and they can not be convicted. It has been thought advisable to limit this right of appeal to cases where the fine exceeds $25. We have therefore added to the law the following proviso:

Provided, however, That there shall be no right of appeal in criminal cases, except in those cases wherein the defendant has been sentenced to jail or has been fined in amount exceeding $25.

Section 8 of the Panama Canal act defines the jurisdiction of the district courts of the Canal Zone. There is one district court on the Canal Zone and there are two divisions of the district. However, no provision is made wherein the district court is given jurisdiction in cases of divorce. In other words, we have a district court in the Canal Zone, and it has practically the same jurisdiction that the district courts of the United States have by virtue of the Panama Canal act, but in granting jurisdiction Congress did not grant to the court jurisdiction to try cases of divorce.

Now, it has been found desirable that the district court of the Canal Zone be given jurisdiction over cases of divorce.

Mr. HILL. Will the gentleman yield?

Mr. DENISON. I will.

Mr. HILL. I would like to ask the gentleman in charge of the bill if the situation is that there is no possible way for residents of the Canal Zone to obtain a divorce at the present time?

Mr. DENISON. That is the case.

Mr. HILL. And this bill corrects that condition?

Mr. DENISON. Yes. When we took over the Canal Zone, as I stated some time ago, the President by proclamation put into force the law of the land. Now, there was no provision for obtaining a divorce under the Colombian law. There is no such thing known under the Colombian law, and that law was put into effect on the Canal Zone and has remained from that time until this. So, under the existing law there is no right of divorce. The Panama act did not confer that jurisdiction on the district court. What has been the result? The necessity for divorces has arisen frequently on the Panama Canal Zone. We have had many thousands of American citizens living there and working on the Canal Zone during construction days and also since then in the operation of the canal. Causes of divorce have arisen there the same as elsewhere. A former judge of the district court has heard quite a number of divorce cases and assumed jurisdiction, without having any justification for it in the law, and has granted a number of divorces, and it has resulted in complications. [Laughter.] Now, there was a new judge appointed down there at the beginning of the present administration—Judge Kerr, of Kentucky. Some divorce cases came up before him as they had heretofore done, and he entered into a study of the subject and delivered a very learned opinion in which he held that the court was absolutely without jurisdiction to grant divorces because Congress had never conferred that jurisdiction upon it, and therefore he dismissed the case pending before him.

The governor has recommended that such jurisdiction be conferred upon the court and the Secretary of War has recommended it, and this bill, on page 4, line 24, simply adds to section 8 of the Panama Canal act, where the other jurisdiction is conferred upon the district court, language appropriate to confer jurisdiction in divorce cases.

Mr. OGDEN. Will the gentleman yield?

Mr. DENISON. I will.

Mr. OGDEN. Was not the question of the jurisdiction raised until recently in these divorce cases before Judge Kerr?

Mr. DENISON. I am not able to answer that question. I do not know whether the former judge expressed an opinion on that subject or not. I think the former judge seemed to take the view that under the general equity jurisdiction of the court he had the right to hear and administer justice in cases of divorce. I do not know whether the question of jurisdiction was considered or not, but it was never tested by any appellate proceedings.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. DENISON. I will.

Mr. WILLIAMSON. What about the question of guardianship and settlement of estates, and the like? Are those matters taken care of down there under the present law?

Mr. DENISON. Yes, sir; they are provided for in existing law.

Now, the next amendment will be found on page 6 of the bill. It is a minor matter, but it is thought worthy of the recommendation to the Congress for a change. That is the question of fixing the compensation of jurors in the trial of

cases. Under the present law the judge fixes the compensation of jurors. I do not know, of course, why the provision was originally put in the law, but it had no place there. It is no part of the functions of the court to fix the compensation of jurors. That ought to be provided for by the legislative authority, and the bill is amended on page 6 by inserting the following language to the language of section 8 of the Panama Canal act:

The compensation of jurors shall be prescribed by order of the President.

That allows the President to fix the compensation by authority of this act.

Now, the next amendment to which I wish to call attention is this, and it is an important one. The present Panama Canal act——

Mr. WILLIAMSON. May we have the reference?

Mr. DENISON. It is at the bottom of page 6 and on the top of page 7. The present Panama Canal act contains the following provision, speaking of the district judge:

During his absence or during any period of disability or disqualification from sickness or otherwise to discharge the duties the same shall be temporarily performed by any circuit or district judge of the United States who may be designated by the President, and who during such service shall receive the additional mileage and per diem allowed by law to district judges of the United States when holding court away from their homes.

This original provision was enacted in 1912. Now, it has been found that you can not get a United States district judge to go down to Panama and hold court during the vacation or the temporary absence of the district judge. It is a long journey down there, and the average district judge is a busy man and he has enough to look after at home.

It is a long trip to the Canal Zone, and it has been found impracticable to secure a judge to go down and hold court. It has never been done but once, and that was when the district judge was disqualified by the fact that he was an interested party in the lawsuit then pending, and Judge Clayton, I believe, of Alabama, was sent down there. The result is that when the judge has to leave there and take his vacation for 30 or 60 days or more they have no court, the jail becomes clogged with offenders who can not get trials, and it is an expense and a wrong condition that ought to be remedied. Now, that is taken care of by the following provision in this bill. The provision I have just read is stricken out and this is inserted in its place:

During the absence of the district judge or during any period of disability or disqualification from sickness or otherwise to discharge his duties, the same shall be temporarily performed by a special judge, to be designated by the President, which designation may be made by cablegram or otherwise, and who shall be an attorney at law qualified to practice before the courts of the Canal Zone or any of the United States district courts or any of the superior courts of any State, Territory, or possession of the United States, and who during such service shall be paid at the same rate of compensation and the same mileage and per diem as that paid the district judge of the Canal Zone.

In other words, this amendment to the Panama Canal act authorizes the President, during the absence or disability of the district judge of the Canal Zone, to appoint a special judge, by cablegram or otherwise, from among the members of the bar of the Canal Zone or from among the members of the bar of the United States, if necessary, to act as district judge. That is the rule that is found in the laws of a number of the States. And it is an amendment that has been recommended by the district attorney and by the Governor of the Canal Zone, and by the Secretary of War.

Mr. ROACH. Will the gentleman yield?

Mr. DENISON. I yield.

Mr. ROACH. I did not hear the statement as to what the amendment contained. Will it be mandatory on the President to so designate or may he still designate some of the acting judges in the United States?

Mr. DENISON. The language reads:

During the absence of the district judge his duty shall be temporarily performed by a special judge to be designated by the President.

Mr. ROACH. He can designate anyone, either here or down there?

Mr. DENISON. Yes. Now, the district attorney for the Canal Zone came before the committee and testified in the hearings, and after full hearings and careful investigation the committee has concluded that that would be a wise provision. The district judge down there is living in the Tropics. A man can not live there very long without a change in climate now and then and taking a vacation, and he is allowed one under the law, anyhow. The court ought not to stop, and the defendants ought not to be compelled to remain in jail on account of the absence of the judge from the Canal Zone. And so it was thought wise that this provision should be added to the canal act.

Then there is another amendment to the Panama Canal act. The Panama Canal act, in section 8 as originally drafted, provides for a district judge, for a district attorney, and for a marshal, and the marshal and the district attorney and the judge each receive $5,000 a year. Now, there may have been some justification for the office of marshal in former years. But conditions have changed on the Canal Zone. Things have become more settled there now as the population is gradually decreasing, because they are from time to time reducing the number of employees. The canal has been completed, and there are only sufficient men there now on the Canal Zone to operate the canal. I think there are some 12,000 employees on the canal at this time—11,000 or 12,000. It has been found that the office of marshal is entirely useless. He draws a salary of $5,000 for doing practically nothing except living there in comfort. The President this last year appointed a special commission to go down to the Canal Zone and make an investigation of conditions there. The commission made an investigation, and among other things they recommended that the office of marshal be abolished.

The governor has made the same recommendation in a communication to the Secretary of War, and the Secretary of War has made a special recommendation to our committee that this provision be embodied in this legislation. And so we have amended section 8 of the Panama Canal act so as to abolish the office of marshal entirely after 60 days from the passage of this act. The amendment will be found on page 7 of the bill, and is as follows:

Effective 60 days from the passage of this act the position of marshal is hereby discontinued, and the duties of marshal of said court shall be performed by the chief of police of the Canal Zone and such members of his force as he may deputize for that purpose, with the approval of the court.

That amendment carries out the purpose of doing away with the office of marshal.

Now, another amendment to the Panama Canal act—that is, section 9 of the act—is found on page 9 of the bill. I think I can explain it very briefly. It is very short, but it is of great importance. Section 9 of the Panama Canal act provides as follows:

The Circuit Court of Appeals of the Fifth Circuit of the United States shall have jurisdiction to review, revise, modify, reverse, or affirm the final judgments and decrees of the District Court of the Canal Zone and to render such judgments as in the opinion of the said appellate court should have been rendered by the trial court in all actions and proceedings in which the Constitution, or any statute, treaty, title, right, or privilege of the United States, is involved and a right thereunder denied, and in cases in which the value in controversy exceeds $1,000, to be ascertained by the oath of either party, or by other competent evidence, and also in criminal causes wherein the offense charged is punishable as a felony. And such appellate jurisdiction, subject to the right of review by or appeal to the Supreme Court of the United States as in other cases authorized by law, may be exercised by said circuit court of appeals in the same manner, under the same regulations, and by the same procedure as nearly as practicable as is done in reviewing the final judgments and decrees of the district courts of the United States.

Now, it was not the intention of the Congress in the enactment of the original law to limit the right of appeal to one side in the controversy, namely, those whose rights were denied under the Constitution, treaties, and so forth. But the language has been so construed, and under that construction the right of appeal in those cases was only given to one person, and that is the person whose rights are alleged to have been denied. Now, important litigation has arisen in the Canal Zone in which that question was involved, and it is to remove that ambiguity that we strike out that phrase "a right thereunder denied." So it is made clear and plain that in all actions and proceedings in which the Constitution or any statute, treaty, title, right, or privilege thereunder is involved, and in cases in which the amount in controversy exceeds $1,000, and so forth, the right of appeal to the United States circuit court is given to both sides of the controversy. That removes an ambiguity and corrects what was apparently an error in phraseology in drafting the original bill.

Then there is this additional amendment to section 9 of the Panama Canal act. The right of appeal exists where the amount in controversy exceeds $1,000, and it sometimes happens that a case may arise in which the jurisdiction of the district court itself is challenged, and under existing law that question of jurisdiction can not be tested unless the amount in controversy exceeds $1,000. Now, it is apparent that that is not the way it should be. Wherever the district court, the trial court, assumes jurisdiction and a party desires to question the jurisdiction entirely of the court, there ought to be a right to test that question in the appellate court without regard to the amount in controversy, because the question of jurisdiction of the court ought always to be open to review.

So section 9 of the Panama Canal act is amended by adding the words at the bottom of page 9 of the bill, as follows:

But whenever any such case is not otherwise reviewable in said appellate court the question of jurisdiction alone shall be reviewable by said appellate court.

That corrects that error in the law.

Now, I call the attention of the committee to the next amendment of the existing law, which appears on page 10 of the bill. That is paragraph (c), which is as follows:

(c) That it shall not be necessary in the district court of the Canal Zone to exercise separately the law and equity jurisdiction vested in said court; and the code of civil procedure of the Canal Zone and the rules of practice adopted in said zone, in so far as they authorize a blending of said jurisdictions in cases at law and in equity, are hereby confirmed.

That amendment has been suggested because of the fact that there is some uncertainty among members of the bar in the Canal Zone as to whether or not the court has the right to exercise what is called a blended jurisdiction of law and equity. Prior to the passage of the Panama Canal act the court exercised law and equity jurisdictions separately, as is done in many of the States. That is done particularly in my own State of Illinois now. But after the passage of the Panama Canal act, from that time until this, the court has been exercising equity and law jurisdiction blended, following the rules now practiced in a number of the States. That right of the court has been questioned by some of the members of the bar, and it leaves it uncertain; and so, in order to remove that uncertainty and if possible avoid the litigation growing out of it, it has been thought wise to make the provision clear in the law, and so we have provided for what is called blended jurisdiction in the Canal Zone.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. WILLIAMSON. I notice in section 9 of the bill that you provide—

Whereupon all the existing courts, except the Supreme Court of the Canal Zone, shall cease to exist. The President may continue the Supreme Court of the Canal Zone and retain the judges thereof in office for such time as to him may seem necessary to determine finally any causes and proceedings which may be pending therein.

Is not the supreme court discontinued now?

Mr. DENISON. Yes; certainly. That is simply repeating the existing law.

Mr. WILLIAMSON. The supreme court, as a matter of fact, does not exist now?

Mr. DENISON. No. That is abolished. We are amending that section of the Panama Canal act in another particular, and in order to do that we repeat the present law with the amendment. We are not undertaking to make any change in that particular part of the law now.

The next amendment embodied in this bill is an amendment to section 288 of the Penal Code. That section forbids all kinds of prize fights or exhibitions of all kinds.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. LONDON. Are they prevalent, these prize fights, on the Canal Zone?

Mr. DENISON. No. I was going to say that when the Penal Code was enacted there was, of course, in that country a tendency to gambling and having fights of all kinds, and particularly there was a tendency to have prize fights down there; it was in order to stop prize fighting or anything resembling prize fighting that this section 288 was originally drafted. It was very stringent. It provided that—

A person who engages in, instigates, aids, encourages, or does any act to further a fight commonly called a ring or prize fight, or who engages in a public or private sparring exhibition, with or without gloves, within the Canal Zone, who sends or publishes a challenge or acceptance of a challenge for such an exhibition or fight, or trains or assists any person in training or preparing for such an exhibition or fight, shall be guilty of a felony, and upon conviction shall be fined not more than $5,000, or be imprisoned in the penitentiary not more than three years, or both.

We now have on the Canal Zone Army camps and naval stations, and the fleets go down there for maneuvers, and a part of the physical training of the men in the Army camps and in the naval stations is training in boxing. They teach boxing and have wrestling contests, and particularly boxing contests. It is part of the recreation and training, the physical training in the Army camps; and under the present law that is not permitted. We thought that this law ought to be amended. The Government has recommended that the law be amended so as to permit these friendly boxing contests among the men, which is a part of their physical training. So we have added to that provision this language:

Provided, however, That the provisions of this section shall not apply to voluntary boxing or sparring exhibitions conducted under rules and regulations to be promulgated by the President of the United States, or by the Governor of the Panama Canal Zone by authority of the President of the United States.

The committee saw no objection to permitting such friendly sport and recreation in the Army camps, and therefore we put this provision in the law, leaving it entirely under the control of the President, under such regulations as he may prescribe.

Mr. LONDON. In other words, boxing will be permitted?

Mr. DENISON. Yes; under regulations prescribed by the President.

Mr. RAMSEYER. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. RAMSEYER. That does not limit it to the Army and Navy?

Mr. DENISON. No. It does not limit it to those, but that is the reason why the law is being amended.

Mr. RAMSEYER. What is the population of the Canal Zone, if the gentleman has the figures at hand?

Mr. DENISON. About a year ago there were some 20,000 or 21,000 employees on the Canal Zone. That number has been reduced now to about 12,000.

Mr. RAMSEYER. Are they Americans?

Mr. DENISON. No. A great many of them are West Indian colored people, who do the common labor. I do not know how many of them have families there, but the gentleman can make an estimate based on the general average. But there are about 12,000 employees on the Canal Zone at the present time, with such families as they have.

Mr. RAMSEYER. Can the gentleman state what native population there is there that were there when we took over the Canal Zone?

Mr. DENISON. There are none there now except those who are working on the canal or the Panama Railroad.

Mr. CHALMERS. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. CHALMERS. In removing to the Canal Zone an American does not lose his citizenship in the State from which he comes, does he? Our official connection with the Canal Zone, as I understand it, differs materially from our connection with the Territories?

Mr. DENISON. I would say to the gentleman from Ohio that that is a question of law and a question of fact. It is largely a matter of intention. Some of the employees have gone down there with the intention of staying there, and if they remove their families and stay there it is often with the intention of becoming residents there. If they go down there temporarily and do not cut loose from their connection here they are not understood to be residents there.

Mr. LONDON. I understood the question of the gentleman from Ohio to be whether a citizen of the United States would lose his citizenship by residing there.

Mr. DENISON. No. He would not lose his citizenship. I thought the gentleman from Ohio meant his residence.

Now, another amendment of importance is found on page 11 of the bill, and that has reference to another section of the Penal Code, defining grand larceny.

The original Penal Code defined grand larceny, among other things, as the stealing of anything with a value in excess of $25; in other words, the limitation on grand larceny under the original Penal Code was $25. Anything below that was petit larceny. Afterwards that was amended so as to reduce the limit to $10, so that the present law provides that the stealing of any property of a value in excess of $10 is grand larceny; and the present law also provides that if the thing stolen is the property of the Government or of the Panama Canal or of any of the municipalities on the Canal Zone, without regard to its value, it is grand larceny; a very unreasonable and harsh law. While there may have been some justification for it in the construction days when the Government had so much property there, certainly there is no justification for continuing such a harsh provision of law now. For instance, the district attorney testified that colored men would sometimes be caught stealing a cement sack that belonged to the Government, and under the present law that is a felony, and the man can be sent to the penitentiary for it, and he loses his rights as a citizen.

Mr. ROACH. Does not the gentleman believe that when property is taken from a dwelling, regardless of its value, the punishment should be more serious? Property taken from a dwelling may have a particular value and yet its cash value may be very small.

Mr. DENISON. I do not know that that distinction is made when it is taken from a dwelling.

Mr. ROACH. I know it is when taken from the person, and also certain live stock, but it occurs to me also that it should be made grand larceny where the property is taken from a dwelling house.

Mr. DENISON. Where a person is robbed and his property taken from his person in that way, that makes it a more serious offense. But, however, the only amendment which this bill makes is to increase the value limit of the property to $50, so that if this bill passes, the value of the property taken must be as much as $50 in order to constitute grand larceny. If it is below $50 it will be petit larceny.

Mr. NEWTON of Minnesota. As I recall the definition and penalty of larceny, there is no change, except what the gentleman has stated, as to the limitation in the amount. Of course it is grand larceny if it is taken from the person without regard to the amount taken.

Mr. DENISON. The gentleman is correct.

Mr. BEEDY. Doubtless when property is stolen from a dwelling there must be some other provision that would bring it within the offense of breaking and entering.

Mr. DENISON. Yes; that is taken care of in another provision of the Penal Code. When they break into a house, that constitutes burglary.

Now, the next amendment is found on page 11 of the bill, and that is the new provision in regard to embezzlement. The present law in regard to embezzlement on the Canal Zone provides that if the property embezzled is the property of the Government or of the Panama Canal, or of any of the municipalities there, it is embezzlement without regard to the amount of money involved. We have stricken out that distinction entirely, and we make no distinction between property belonging to the Government and property belonging to private individuals. The committee could not see any reason for carrying that distinction in the law, and therefore we have stricken it from the law.

Section 343 of the Penal Code is amended in this particular with regard to petit larceny: Having raised the limit of the amount necessary to constitute grand larceny, having made it $50 instead of $10, thereby making the stealing of property of less than $50 in value petit larceny, we had to increase the penalty in cases of petit larceny. Under the existing law the highest penalty for petit larceny is a fine of $25. Of course it would not be consistent to fine a man only $25 for stealing as much as $50. So we have amended the law with reference to petit larceny by increasing the maximum penalty to $100 instead of $25.

On page 13 of the bill will be found an amendment to paragraph 2 of the Executive order of the President of July 9, 1914, establishing rules and regulations for the operation of the canal. Section 2 of that order originally read as follows:

> Any person violating any of the provisions of the rules and regulations established hereunder shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $500 or by imprisonment in jail not exceeding 30 days, or by both such fine and imprisonment.

In other words, under existing law a person who violates any of the regulations governing the operation of the canal may be fined in any amount not exceeding $500. Now, it has been found in actual practice that most of the offenses that come within the provisions of this law are petty offenses. For instance, the natives will come into the entrance to the canal from up the coast of Panama, bringing their produce to market, and they may sometimes fail to have a light on their canoe, or something of that kind, which is a violation of these regulations governing the operation of the canal, and they may be fined as much as $500. The result of it is that all offenses of that kind are taken out of the jurisdiction of the magistrates, because the magistrates are given jurisdiction of those offenses only in which the offenders may be fined not exceeding $100.

It is in order to relieve that condition and let the magistrates go ahead and dispose of these petty offenses and in order to prevent the clogging of the district court's docket that the committee has thought it wise to make the maximum penalty $100 instead of $500.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. DENISON. Yes.

Mr. WILLIAMSON. This may not have any direct bearing upon the bill, but I desire some information relating to the procedure in the Canal Zone. Do the magistrates, who correspond to justices of the peace in this country, have the right to hold preliminary hearings and bind the defendant over directly to the United States district court, or simply to hold such person for action by a grand jury?

Mr. DENISON. There is no provision in the Canal Zone for a grand jury. These magistrates under the law have jurisdiction to hold preliminary trials in all cases of felony and commit the offenders to the circuit court. By one of the amendments I referred to awhile ago we are providing that the magistrates may hold preliminary trials in those cases of misdemeanor in which the maximum penalty exceeds the jurisdiction of the magistrates' court. For instance, take one of the provisions of the Volstead Act as an illustration to show how we legislate unwisely for distant places like the Canal Zone.

Under the Volstead Act if a man is caught with whisky or liquor in his possession in the Canal Zone he may be fined not exceeding $500. Sailors come ashore, go over to Panama and have a good time, and in order to get back to their vessels have to come back through the Canal Zone, and they go back frequently with a bottle in their hip pocket. They are arrested and searched, and perhaps found with half a pint of liquor in their pockets. They are thereby subject to a fine not exceeding $500, which takes it out of the jurisdiction of the magistrate, who only has jurisdiction in cases where the maximum fine is $100, and so his case has to go to the district court; and under existing law the magistrate can not even hold a preliminary trial and allow bail. The man has to go to jail and stay there until the district court meets and can hear his case. These things ought to be remedied, and that is the purpose of this legislation, to remedy such mistakes in existing law and provide a remedy where there is none provided by existing law.

Now, I call attention to another change we are making in existing law. On August 21 Congress passed an act to extend certain privileges of the Canal Zone to other officials in the Canal Zone, and certain privileges to the canal employees.

Mr. RAMSEYER. Will the gentleman yield before he goes to that question?

Mr. DENISON. I will yield to the gentleman from Iowa.

Mr. RAMSEYER. The gentleman stated that there is no grand jury in the Panama Canal Zone. There is a provision in the Constitution of the United States that no person shall be held to answer for a capital or otherwise infamous crime unless on the presentment or indictment by a grand jury except cases arising in the land or naval forces or in the militia when in actual service in time of war or public danger. This Canal Zone is governed by the War Department, but there are civilian employees there; suppose one of them commits an offense, how do you get around that provision in reference to a grand jury in the Constitution of the United States?

Mr. DENISON. The courts there are not United States courts; they are what we used to call Territorial courts. The Constitution does not apply there in that sense. We have never had provision for a grand jury in the law of the Canal Zone.

Mr. RAMSEYER. Who presents the indictment there?

Mr. DENISON. The Supreme Court has held that that provision of the Constitution does not apply to State courts but only to United States courts. There are a number of States that have no provision for a grand jury. The question has been tested out in a case that went up from the consular courts in China, where a man was tried for a capital offense and there was no indictment by a grand jury. The Supreme Court held that that provision of the Constitution was not applicable to those courts, as I recall it.

Mr. RAMSEYER. What officer is authorized to file what amounts to an indictment against a defendant who is supposed to have committed an offense in order to get the case properly tried before the district court?

Mr. DENISON. It is done in the Canal Zone as it is done in South Dakota and in those States that have no grand-jury system; the district attorney prepares an indictment and files it in the court. In my State he files what is called an information.

Mr. WILLIAMSON. In South Dakota there is a preliminary information filed before the justice of the peace and the party is bound over to the circuit court when the State attorney files an information which in legal effect is the same as an indictment by a grand jury.

Mr. RAMSEYER. Have you no grand jury?

Mr. WILLIAMSON. Provision is made for a grand jury in South Dakota, but it is very seldom used in practice.

Mr. DENISON. Now, I call attention to another change in existing law. It has been found that vessels frequently call at canal ports with men on board who have committed crimes on the high seas. Members of the crew or others on board the vessel have perhaps broken into parts of the vessel and stolen property, or have attempted to commit murder, or actually committed murder on the high seas. The question has arisen as to what they should do with this class of offenders. Under the present law all such offenders who commit offenses on

vessels of the United States on the high seas may be tried in any district court of the United States in which the offender may be found, or in which he was first brought to port; that is the present law.

So that when a man commits an offense upon a United States vessel on the high seas he is immediately brought into one of the ports of the United States, and the district court has jurisdiction to try him, and that is the only court that does have such jurisdiction. The district court in the Canal Zone is not a United States district court, however; it is a Territorial court, and that court at present has no jurisdiction to try offenses committed on the high seas upon vessels of the United States entering those ports. There is urgent need there for a court having that jurisdiction, because Panama is one of the great gateways of the world. American vessels are calling there continually from day to day, and they very often have men on board who have committed offenses on the high seas. They want to land them and try them or dispose of them in some way. It is important that the district court should have that jurisdiction, and by this bill we are conferring that jurisdiction upon the court.

I started to discuss another subject when I was interrupted, and that was one of the provisions of the act of August 21, 1916. By that act authority was given in the Canal Zone to the employees to deposit their money in the post office. It is called a post-office deposit and deposit money orders are issued. That provision was carried in order to encourage thrift and saving on the part of the canal employees. They are down there, over 2,000 miles from home, and are making very good wages. The Government wanted them to save and accumulate. So provision was made that the employees might deposit their money in the post office and take a certificate for it. The law provided that they should receive 2 per cent interest on the money deposited. The governor recommends that that rate of interest be raised; the committee thought that it ought to be raised, and this bill on page 14 amends the law by providing that the Government shall pay the employees who make these deposits in the post office 3 per cent interest.

The Government will not lose any money by it, because the canal government deposits that money in the banks of this country while they have it in their possession, and collects from the banks from 3 to 3½ per cent interest.

Mr. KING. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. KING. Would it not be advisable to make it 4 per cent. That is the rate that one-half of the savings banks in the country now pay the depositors.

Mr. DENISON. That would mean that the Government would lose money on the deposits. We do not want the Government to make any profit and we do not want the Government to lose by this system of accepting deposits. This amendment is suggested in order to give the employees a little higher rate of interest on their deposits.

This concludes my discussion of all of the amendments to existing laws that are made by this bill, unless I have inadvertently overlooked some of them.

Mr. CHALMERS. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes; I yield to the gentleman from Ohio.

Mr. CHALMERS. In opening the discussion of the matter of divorce, the gentleman spoke of the practice followed by a former court, and that the following judge ruled that he had no such right. What about the standing of the decisions of the former court as to children, and so forth?

Mr. DENISON. That is a very pertinent question. Section 22 of the bill provides as follows:

SEC. 22. That all proceedings in the district court of the Canal Zone, wherein and whereby a decree of divorce has heretofore been granted upon legal service, and wherein other orders have been made affecting the status of the parties or their children, are hereby legalized.

Mr. CHALMERS. Yes; but there is the question of legal service.

Mr. DENISON. That means legal service under the practice of the courts. They had proper service. The defendants were properly served and brought before the court. That is a question of law. Personally I consulted some very good lawyers, and it is the view of many of the best lawyers that Congress can by this act legalize divorces that have been granted by a court which had no jurisdiction to grant them, if there was proper service and the parties were properly before the court.

Mr. CHALMERS. If this act does not do that, it seems to me that it ought to be amended so that there would be no question about it.

Mr. DENISON. That is the view of the committee, and we undertake to do that. When you undertake to deal with questions of property, a different question is involved; a great many good lawyers think that Congress could not pass an act that would be retroactive with reference to the status of property. However, divorce is a proceeding in the nature of a proceeding in rem; it pertains to the status of persons and Congress has the power to pass a law legalizing invalid divorces where the parties were properly before the court.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. LONDON. I notice that section 12, on page 14, enumerates nine causes for divorce.

Mr. DENISON. Yes.

Mr. LONDON. Is not the language rather peculiar? Would it not be better to begin the section by saying:

It shall be lawful for the injured party to obtain a divorce and dissolution of a marriage contract in the district court of the Canal Zone in every case where—

And so forth.

In other words, the way the sentence reads now it is very cumbersome and language is used that is almost incomprehensible. Here is a section that begins with—

That in every case in which a marriage has been or hereafter may be contracted—

and then follow 22 lines.

Mr. DENISON. I think that is very clear. I shall read it for the benefit of the gentleman.

Mr. LONDON. Oh, I have read it, but I think it would be so much more clearly stated if you were to say—

It shall be lawful for the injured party to obtain a divorce and dissolution of a marriage contract in every case in which—

And so forth.

Mr. DENISON. Oh, that is only a difference of phraseology.

Mr. LONDON. I do not see why lawyers and legislators insist on framing laws in language that is not understandable; language that makes very disagreeable reading. I know that it is not the fault of the gentleman from Illinois, because I am sure that he has followed the precedents, but that is one of the dangerous habits of a lawyer.

Mr. DENISON. I think it is very plain as it is. It enumerates the various causes for divorce.

Mr. LONDON. There is one other thing that I want to ask the gentleman, and it is in reference to the illegitimacy of children. Section 18, on page 20, provides that no divorce shall in anywise affect the legitimacy of children of the marriage except in cases where the marriage shall be declared void on the grounds of a prior marriage. Why should the child be penalized in any case?

Mr. DENISON. Oh, that is a question which the gentleman will have to put to the parents. We do not penalize the child.

Mr. LONDON. Oh, yes, you do. You stamp the child as illegitimate where there has been a prior marriage.

Mr. DENISON. We do not do it; the parents do it. Where a man has a wife living and he marries a second woman, this bill will grant the second woman a divorce.

Mr. LONDON. I understand that, but assume a case where a woman innocently marries a man who is proven to have been married at the time to somebody else and the marriage is declared void. Why should the child of that woman be stamped as an illegitimate child?

Mr. DENISON. Is not that done everywhere?

Mr. LONDON. Well, no. I am under the impression where a divorce is given on account of a prior marriage that the child does not suffer in most of the States. In any event, it ought not to suffer.

Mr. DENISON. The gentleman will find, I think, that a man can not have a legitimate child by one woman when he has another living wife and when there has been no divorce.

Mr. LONDON. Well, assume that one or both parties are innocent. I take a case where one married under the belief that the former spouse is dead?

Mr. DENISON. Let me say this in regard to the provision with reference to divorces. As I said awhile ago in the beginning of my remarks there is no law in the Panama Canal Zone for granting a divorce on any ground. It has led to certain conditions of immorality there. The authorities down there—the people, the governor, the law officers, the judge—all feel that there ought to be some provision of law for granting divorces—a divorce code. The Secretary of War has recommended it. We are enacting this provision here for the Panama Canal Zone. I do not suppose there are any two Members of the House who exactly agree upon what a divorce code ought to be, but we are not enacting this law for our own States. We are enacting this for the people down there, and this bill has been presented to them, and it meets with the approval of the officials of the Canal Zone, who know the conditions down there; it has the approval of the district attorney,

who is familiar with those conditions, and it has the approval of the governor.

Mr. KING. How about the people?

Mr. DENISON. Without regard to whether it might meet the approval of all people up here, the committee presents it as the best judgment of the committee upon the subject of providing for divorces for the Panama Canal Zone. Each of us are more or less inclined to take a provincial view of this subject. We are inclined or prejudiced in favor of the divorce laws of our own respective States. It would be almost impossible for us to agree on a divorce code for this country. But here we are legislating for the limited number who are compelled to live on that little zone of land 10 miles wide running across the Isthmus of Panama. Those who are familiar with the conditions down there and who are responsible for the administration of the laws there approve the pending bill. I think, therefore, we will make no mistake in accepting it as it is presented.

Mr. RAMSEYER. Will the gentleman yield?

Mr. DENISON. I will.

Mr. RAMSEYER. Now, the committee is composed of good lawyers, and I am not going to discuss the various grounds for divorces enumerated in this bill but the reason for arranging it the way it is. All writers on domestic relations make a distinction between annulment of marriages and divorces. There is a very clear line of distinction between the two. Annulments are based on causes which exist at the time the marriage contract is entered into. Divorces are granted for causes which arise after the marriage contract is entered into, and there is quite a difference as to the property rights under the two statutes, as well as the legitimacy of children. The codes of the various States differ; I know my State has a section on divorces and giving grounds for divorce, and it has a different section for annulment of marriages and the grounds for such annulments.

Now, here the committee reports in a bill all under the head of divorces. For instance, the first two grounds are discussed by writers on domestic relations and by the code of my State as grounds for annulment—first, if impotent; second, if he or she had a wife or husband living at the time of such marriage. Undoubtedly the committee had some reason or reasons which were forcible enough to cause them to arrange it in this way, and I should like to know why you did not make the distinction between annulment of marriage and divorce that the law writers universally do; and so far as I know the codes of most of the States make such distinctions.

Mr. DENISON. Well, of course, the gentleman from Iowa has in mind the law of his own State. The gentleman's statement of the codes of the different States is not exactly correct, because a great many of the States contain this provision as we have it here. For instance, take the law of the State of Illinois, with which I am more familiar, as the gentleman is more familiar with the law of his State, and you will find this provision is identical with the law of Illinois, and with the laws of some of the other States. In the preparation of this bill we endeavored to be as brief as possible. We consulted—I did, rather—in drafting the bill Judge Frank Feuille, who was the special attorney for the Panama Canal for some 12 or 14 years, I think. I think he understands the situation down there better than any other man on the Canal Zone. I think he understands the law in force down there better than any other man I know. He is a student of the Spanish language and Spanish laws, and his experience as special attorney for the canal government for a number of years brought him in contact with the people and gave him a splendid opportunity to become familiar with the needs of the people better than any man I know of. This bill was prepared and submitted to Judge Feuille and it meets with his approval; it follows the laws of a number of States, and I do not think it is subject to the objection which the gentleman makes.

Mr. RAMSEYER. Is it not true that writers always make that distinction between annulment of marriage and divorce, and the property rights of the parties are different? Now, Congress is supposed to be composed of leading legal lights of the country, and would it not furnish a better model—probably as this is the first divorce law Congress ever passed—I am not sure about that statement, but would it not be more logical to have written in here—it would not take any more space—that the grounds for divorce are so and so, and that the grounds for annulment of illegal marriages are so and so?

Mr. DENISON. There is some ground for difference of opinion on that question. I am perfectly familiar with the distinction the gentleman refers to, as I have noticed it in the textbooks.

Mr. RAMSEYER. I asked why you did not follow the logical course of text writers and most of the State codes?

Mr. DENISON. We were not attempting to draft this bill as a model divorce code, but as a brief, concise divorce code for the Canal Zone; it meets with the approval of those who are familiar with conditions there, and for that reason we thought it ought to meet with the approval of Congress.

Mr. RAMSEYER. The grounds here for divorce I know are more liberal than the grounds for divorce in my own State. The gentleman is doubtless familiar in a way with the divorce laws of the various States. Are not the grounds for divorce in this bill more liberal than the average of the States of the Union? What does the gentleman know about that?

Mr. DENISON. My investigation shows it is more liberal than some of the States and less liberal than others.

Mr. RAMSEYER. In the opinion of the gentleman it will not create a Reno down there or an Alexandria?

Mr. DENISON. I am very glad the gentleman mentioned that. We have put in this bill ample safeguards to prevent the Canal Zone from being used as a place to which to go to get a quick divorce. They can not do it under this bill. The courts will not be open to anybody except those who have official residence there or who are employed there. We have considered that question with great care in drafting this bill.

Mr. KLINE of Pennsylvania. I want to state that in Pennsylvania there is no distinction between annulment and divorce. It is all divorce. And that is true in many of the Eastern States, if not in most of them.

Mr. RAMSEYER. In case the divorce is granted on the ground of impotency at the time of marriage, does that dissolve the union as of date of marriage or of date of decree—that is, is it retroactive?

Mr. KLINE of Pennsylvania. No.

Mr. RAMSEYER. An annulment decree, in fact, decrees that marriage never existed.

Mr. KLINE of Pennsylvania. Pennsylvania has never made any such distinction between annulment and divorce.

Mr. BANKHEAD. The gentleman states that this creates a divorce code only for Government employees and officers?

Mr. DENISON. Yes.

Mr. BANKHEAD. Does this mean that the wife of one of those would not have jurisdiction?

Mr. DENISON. Oh, no.

Mr. KING. If the gentleman please, are there no other people down there that live in the zone that ought to have this privilege extended to them?

Mr. DENISON. I will state to my friend from Illinois that no one is permitted to live on the Canal Zone except officers and employees, and of course their families. There are one or two exceptions. For instance, there is an oil company that sells gasoline, I think, that has an employee or a few employees there, but otherwise there is no one living on the Canal Zone except employees and officials. The Government owns all the property there. No one can acquire a home there except from the Government, and the purpose of the Government is to limit the Canal Zone to those who have business there for the Government. We have depopulated the Canal Zone entirely for that reason.

Mr. WILLIAMSON. I assume that the courts in the Canal Zone have the correlative power of adjusting the property rights between husband and wife at the time of the divorce?

Mr. DENISON. Have the power?

Mr. WILLIAMSON. I assume they have the right to settle their property rights?

Mr. DENISON. Yes; certainly.

Mr. WILLIAMSON. If that is true, it may be that the distinction the gentleman from Iowa made is important. If a woman marries a man who is already married, she can acquire no property interest in what he possesses, while she would acquire a property interest if he was lawfully married.

Mr. DENISON. That is all within the control of the court when the decree is entered.

Mr. RAMSEYER. The court would have the right to make the distinction?

Mr. DENISON. Yes; the court would have that right.

Mr. Chairman, if there are no other questions now, I will make any further explanations of the bill that may be necessary when we read the bill under the five-minute rule. [Applause.]

Mr. HUDDLESTON. Mr. Chairman, if I were authorized by the Committee on Interstate and Foreign Commerce to make a report on its proceedings of this day, I should, after addressing the Chair, say, "The committee, having had under consideration the Hoch bill and the Sweet bill, intended to give the people some relief from certain oppressive provisions of the transportation act, 1920, have instructed me to report that we have given about six weeks' consideration to those measures

and have come to no resolution thereon." The people of the country who have been suffering so much because of the transportation act of 1920, and particularly because of sections 13 and 15a, which were intended to be amended by the bills to which I have referred, are entitled now to know that this Congress will take no action for their relief.

The transportation act of 1920 has now been a law for over two years. For the first six months of that time the Treasury of the United States bore the burden of the mismanagement and inefficiency and the wickedness of railroad management. At the end of the six months that burden was passed to the people by an increase in railroad rates averaging about 33⅓ per cent. Under that burden, intended to yield to the railroads from fifteen to eighteen hundred millions of dollars, the people have reeled until this time. Their complaints have been met by the majority in control of Congress by the promise of the passage of bills designed to remedy the wrong that was done them. The irritation of the people has been quieted by the statement that these bills are under consideration. They have looked forward to the time when relief should come to them.

Now they find that after all their forbearance and suffering the committee has declared itself incapable of dealing with the subject. It has deferred consideration of these measures until such time—mark you the gentle sarcasm—"until such time after the beginning of the session of Congress in December next as the committee may see proper to bring the subject forward."

We know what that means. All of us know that there will be no time at the next session of Congress to consider these matters. All of us know that by taking that action the committee has interposed a plea of bankruptcy to the claim for relief that the people have upon them.

"Oh," they say, "the law has not been thoroughly tried. We have not tested out the transportation act of 1920. We do not know how it is going to work. Let us give it a little more time for operation."

The same gentlemen are saying that now who said, when the Esch-Cummins bill was being considered in the House, "It is a great constructive measure." It comes from the same source. Not time enough! Oh, for those who have not yet been able to see the wrong that was done to the American people by that act there will never be time enough for them to see, because they are blind. The act has not only grievously oppressed the people, but I call your attention to the fact that this enormous increase in the cost of transportation was imposed upon the country at the very time when it was most oppressive to us. It had its inception when the business conditions of this country were on a sharp decline. But the railroads needed the increases; they wanted the money and so, of course, they got it. Now the committee and this Congress and this administration lack courage and intelligence enough to be able to produce the remedy.

Mr. ANDREWS of Nebraska. How much money has been paid out of the National Treasury, if anything, under section 15a of the transportation act of 1920 to the railroads?

Mr. HUDDLESTON. Under the transportation act of 1920 we guaranteed that the earnings should be equal to the standard return for a period of six months. I presume that is what the gentleman refers to.

Mr. ANDREWS of Nebraska. No.

Mr. HUDDLESTON. What does the gentleman refer to?

Mr. ANDREWS of Nebraska. Under section 15a has the Government paid a single dollar to a railroad?

Mr. HUDDLESTON. What particular clause of section 15a?

Mr. ANDREWS of Nebraska. Either one. Or take the whole of it.

We have incurred a liability to the railroads under the guaranty clause for the six months' period after the transportation act was enacted of an amount variously estimated at from $600,000,000 to $900,000,000. The exact amount which has been paid I am not able to say at this time. The last time I had the figures it was between $300,000,000 and $400,000,000.

Mr. GRAHAM of Illinois. It is about $700,000,000.

Mr. HUDDLESTON. You gentlemen may remember the harrangue I indulged the House with when the Winslow bill was passed. I then said that that act would cost the Treasury some $300,000,000. I then insisted that the railroads should be required to bring in their claims then and have a settlement. The answer was made that the total aggregate amount could not be over $635,000,000. Yet we have already paid, so the gentleman from Illinois [Mr. GRAHAM] informs me, about $700,000,000, and there are yet perhaps hundreds of millions that remain to be paid.

Let me say this: Our committee does not know what the trouble is. Our committee has not yet found out that the transportation act of 1920 needs to be remedied. Our committee has not found out the iniquities of the way in which rates are made, of the grouping system or of the incomes allowed to the railroads under section 15a. But the people of this country have found out. They know what was done to them.

As we came from the committee this morning one of the ablest members remarked to another as they walked out, referring to those members who had voted to postpone further consideration of the remedial measure, "Well, they will take more interest in these bills after the 1st of next November." He referred to the November elections which are coming along. The other member made a reply to him, "Oh, I don't know; when Members lose their seats in Congress they usually take very little interest in things afterwards. It is very likely that we can not get a quorum of this committee next December." The people know, if the committee and Congress do not know.

I listened with emotion to the piteous plea made by the gentleman from Wyoming [Mr. MONDELL] this morning, when he complained of the burdens which have been imposed upon this Congress. I suppose he meant upon the Republican administration and the Republican majority in both Houses of Congress; he spoke of the grievous burdens that have been imposed on Congress by the administration of the previous Democratic President.

Mr. KING. What hope or expectation is there in the Democratic Party to remedy the railroad situation?

Mr. HUDDLESTON. The gentleman has asked me to enter upon a subject that in the minutes remaining of the time that I have allotted to myself I can not hope to take up. But I will say a little something to the gentleman along that line if he will just listen now for a moment. The gentleman from Wyoming did not say so, but it is a fact just the same, that every one of those measures that has imposed a burden upon the American people was supported by a practically unanimous vote of the Republicans who were Members of Congress. Every error that the Democrats committed, if they committed errors, the Republicans are equally guilty of. I guarantee, gentlemen, that if you examine the records of the votes, you will find that every vote that was passed during the war that tended to impose a burden upon the people of the United States was supported with greater unanimity upon that side of the House than upon this. And if men are ever estopped from criticism, if they are ever bound to stand by their guns, if they are ever expected to stand by the burdens which they themselves have created, then the Republican majority are bound to meet without complaint the burdens and duties of solving the problems arising out of the war. It was as much your war as ours.

But I want to offer you Republicans a little ray of hope. Only a little while longer, gentlemen. Be patient; bear the burden the best you can. The people will relieve you of it the very first chance they get. [Applause on the Democratic side.]

Mr. Chairman, I reserve the balance of my time. I yield one hour to the gentleman from Tennessee [Mr. DAVIS.]

The CHAIRMAN. The gentleman from Tennessee is recognized for one hour.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Tennessee [Mr. DAVIS] is recognized for one hour.

Mr. BANKHEAD. Mr. Chairman, I understand the gentleman from Tennessee is going to discuss a very important question now pending before Congress and the country, to wit, the ship subsidy bill. I think that on that subject, to which he has given great attention, he is entitled to a hearing by more gentleman than are here, and I make the point of no quorum present.

The CHAIRMAN. The gentleman from Alabama makes the point of no quorum present. The Chair will count. [After counting.] Sixty Members present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, when the following Members failed to answer to their names:

Almon	Barkley	Bland, Va.	Britten
Anderson	Beck	Blanton	Brooks, Pa.
Andrew, Mass.	Bell	Boies	Buchanan
Ansorge	Bixler	Bond	Burke
Appleby	Black	Brand	Burtness
Arentz	Blakeney	Brennan	Burton

Cannon	Harrison	Mansfield	Shreve
Cantrill	Hawes	Martin	Siegel
Carter	Hayden	Mead	Sinclair
Chandler, Okla.	Hersey	Merritt	Slemp
Clark, Fla.	Hicks	Michaelson	Smith, Mich.
Clarke, N. Y.	Himes	Mills	Snell
Classon	Hogan	Morgan	Snyder
Cockran	Hooker	Mott	Sproul
Codd	Hull	Mudd	Stevenson
Connell	Husted	Nelson, J. M.	Stiness
Cooper, Ohio	Hutchinson	Nolan	Stoll
Cooper, Wis.	Ireland	O'Brien	Strong, Pa.
Copley	James	O'Connor	Sullivan
Crago	Jefferis, Nebr.	Olpp	Swank
Cramton	Johnson, S. Dak.	Osborne	Sweet
Crowther	Johnson, Wash.	Padgett	Swing
Dale	Jones, Pa.	Paige	Tague
Dallinger	Kahn	Park, Ga.	Taylor, Ark.
Darrow	Kelly, Pa.	Parker, N. Y.	Taylor, Colo.
Davis, Minn.	Kendall	Parks, Ark.	Taylor, Tenn.
Deal	Kennedy	Patterson, N. J.	Temple
Dempsey	Kiess	Perkins	Ten Eyck
Dickinson	Kindred	Perlman	Thomas
Drane	Kinkaid	Petersen	Tilson
Drewry	Kirkpatrick	Porter	Timberlake
Driver	Kitchin	Pou	Towner
Dunn	Kleczka	Pringey	Treadway
Dyer	Knight	Purnell	Tyson
Edmonds	Knutson	Rainey, Ala.	Underhill
Evans	Kreider	Ransley	Upshaw
Fess	Kunz	Rayburn	Vare
Fields	Lampert	Reber	Voigt
Fish	Langley	Reed, N. Y.	Volk
Fordney	Larson, Minn.	Reed, W. Va.	Walters
Foster	Lazaro	Riddick	Ward, N. Y.
Frear	Leatherwood	Riordan	Wason
Freeman	Lee, N. Y.	Robertson	Watson
Frothingham	Lehlbach	Robsion	Williams, Ill.
Fuller	Linthicum	Rodenberg	Wilson
Gahn	Luce	Rosenbloom	Wise
Garrett, Tex.	McClintic	Rossdale	Woods, Va.
Gilbert	McFadden	Rouse	Woodyard
Glynn	McKenzie	Rucker	Wyant
Goldsborough	McLaughlin, Pa.	Ryan	Yates
Goodykoontz	MacGregor	Sabath	Zihlman
Gorman	Madden	Sanders, Ind.	
Gould	Maloney	Schall	
Graham, Pa.	Mann	Sears	

The committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. LONGWORTH reported that the Committee of the Whole House on the state of the Union finding itself without a quorum, he directed the roll to be called, when 216 Members, a quorum of the committee, answered to their names.

The SPEAKER pro tempore. The committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. LONGWORTH in the chair.

Mr. DAVIS of Tennessee. Mr. Chairman and gentlemen, an article in the New York Evening Post, by Harold Phelps Stokes, stated in part:

> On no subject now before Congress has there been more consistent and sustained propaganda than on the administration's ship subsidy bill. * * *
>
> In the case of the ship subsidy bill newspaper bureaus at the Capital have been fairly swamped with such publicity material, Chairman Lasker's opening speech of 59 pages being supplemented by frequent "hand outs" from the National Merchant Marine Association. Over and above that, Mr. Lasker and President Harding have made special efforts in a personal way to explain the features of the legislation to the correspondents and to bring home to them the urgency for its passage.
>
> As a result, the prosubsidy side of the controversy has been placed before the public effectively. The other side has been virtually ignored.

There has perhaps never at any time been as much propaganda, certainly not as much false and misleading propaganda, in favor of any bill as that in favor of the pending ship subsidy bill. Consequently, it is about time for the presentation of some facts to show the defects and iniquities of this bill, so that I shall devote the time allotted to me to-day to a discussion of this subject.

I am heartily in favor of a real constructive solution of this merchant marine problem. Whatever I say upon the subject will be sincerely with that end in view. In order to do that, it will be necessary to candidly deal with some aspects of the situation and to brush away some of the débris of misinformation with which the Congress and the people have been flooded. This is a large, intricate problem possessing innumerable angles. It can not be intelligently discussed in a brief period. To-day I shall only be able to discuss some features of the question, largely along the line of clearing away débris. However, if granted the opportunity, I shall present an array of cold facts which can not be controverted, and which will prove that this bill not only does not present a correct solution of this problem, although it would impose upon the people tremendous additional burdens, but also that it is the most extraordinary and most vicious bill ever presented for your consideration. This bill is an expression of the demands of the selfish interests which alone will benefit from its passage.

In opposing the pending bill, I shall accept the challenge of its proponents and in due time present what I conceive to be a correct analysis of the difficulties and a real solution in lieu of the pending bill.

Lasker and his cohorts and the private shipping interests have persistently tried to make it appear that the issue involved is whether we shall have permanent Government ownership of merchant vessels, or as to whether they shall be gotten into the hands of private owners. They have set up a "man of straw," because this is not the issue. I do not believe that there is a member of either the Merchant Marine and Fisheries Committee of the House or the Senate Committee on Commerce who favors permanent Government ownership of the Shipping Board vessels. Those of us opposed to the pending ship subsidy bill are in favor of the Shipping Board vessels being sold as soon as possible, consistent with the proper protection of the public interests and the preservation of a real American merchant marine. I believe that what is true with respect to the membership of said committees is likewise true with regard to the membership of Congress in general.

Furthermore, the propaganda in favor of this bill disseminated all over the country by the Shipping Board and shipping interests insists that the pending bill presents the only solution; that this bill, and it alone, will enable the Government to dispose of its ships and insure the establishment and maintenance of a privately owned American merchant marine. I emphatically deny this contention. The controversy is not as to whether we shall have Government ownership or private ownership; nor as to whether we want or do not want an adequate American merchant marine. My discussion of this question shall be based upon my own position, which I believe is in accord with the views of this House—that is, that we favor an adequate privately owned American merchant marine. However, this bill is predicated upon an incorrect diagnosis of the case and it prescribes an improper and futile remedy.

In addition to the false issues raised, as just explained, the chief arguments advanced in favor of the passage of this bill may be summarized as follows:

1. In order to stop the $50,000,000 annual expense of the Shipping Board.

2. In order to get the Government out of the shipping business.

3. In order to make possible the sale of our Government-owned ships.

4. In order to make it possible for ships under the American flag to compete with those under foreign flags.

It is insisted by the proponents of this bill that American-flag ships can not now successfully and profitably compete with foreign-flag ships for the following reasons:

(a) Because of differential in capital cost in favor of the foreign shipowner.

(b) Because of differential against American operators in the wage and subsistence cost of manning the ships.

5. That it is necessary to pass this bill in order to have an adequate naval auxiliary in case of future war.

All of these arguments are utterly fallacious, as an examination of the facts will disclose. I shall later discuss these arguments in detail, if given the opportunity.

However, in this connection I do wish to call attention to a statement made by the distinguished majority leader [Mr. MONDELL] to-day which indicated that he had fallen a victim to some of the propaganda that has been put forth by the friends of the ship subsidy bill. He gave as a reason why it is probably necessary to pass a bill of this kind the fact that we now have a very large American fleet of merchant vessels. We have. That is one reason why subsidies are unnecessary. Heretofore one of the chief arguments, and in fact, with the exception of the complaint about the seamen's act, about the only argument in favor of a subsidy was that American ships cost more to construct than foreign ships. But now we have an immense fleet, which the Shipping Board are proposing to sell to private interests at the present world-market price, even at a time when there is the worst depression in the history of shipping, and at a price that is about a third of what those ships could have been constructed for before the war, and perhaps at a less than one-third of what they can ever be constructed for again. Consequently that has removed the chief argument that has been made heretofore in favor of ship-subsidy legislation, as the shipping companies can buy the ships at such a price that the differential on capital investment will be in their favor as compared with the foreign shipowners, and the value of them will greatly advance as soon as world conditions improve and commerce increases.

The proponents of this bill having seen that such is necessary, a tremendous drive is now being made to get this bill

reported out and passed through the House during the present session.

An article in a recent issue of the Washington Star by Will P. Kennedy stated in part:

> The only new legislation that has any chance of passing the House is the ship subsidy bill, and that only because of the insistence of President Harding.
>
> This disposition on the part of the House is based on two considerations: First, the House has already sent to the Senate more measures of prime importance than the Senate can pass at this session. Second, with a threatened deficit of $250,000,000 to $400,000,000, the House Members do not want to take the responsibility for initiating legislation that would call for vast expenditures, such as the Smith-McNary reclamation bill, the Towner-Sterling bill for a department of education, and the ship subsidy bill. If any big appropriation was possible, the one most needed, and for which there is the greatest pressure is for an omnibus public building bill. Since they can not have that, the House Members are set against any of the new measures calling for appropriations. * * *
>
> House Leader MONDELL admits that there is some disposition on the Republican side not to take the matter up, at least until after the House membership is here in larger numbers, for consideration of conference reports on the tariff and soldiers' bonus measures and until they have had an opportunity of studying the bill as it is reported to the House from the Merchant Marine Committee. This feeling does not relate entirely to the ship subsidy measure itself, but is in accordance with the general sentiment that the House has already passed more legislation than the Senate can possibly take care of, and, therefore, there is no special rush. * * *

In this connection I wish to state that it would be manifestly unfair at this time to take the bill up in the House, when there is an attendance of but little more than half of the House membership. The absent Members in near-by States, including all of those on the Atlantic seaboard, could be gotten here on short notice, whereas those in the Middle West, the Northwest, and the Southwest, as well as those in the extreme West, are so far away that they would probably not be able to return, even if they should in time receive notice as to when the bill would be considered, which is unlikely.

I also indorse the suggestion that Members should be given an opportunity to study the bill as it may finally be reported to the House. They should also be given an opportunity to read the hearings upon this important bill. Such hearings have not been available except to a very limited extent, I think only a hundred copies being distributed through the House committee, and they were quickly exhausted without copies being furnished to many people who desired them. I know that numerous Members of the House and others have been wanting to procure copies of the hearings. It is understood that the hearings are to be indexed and reprinted. If so, I certainly hope that the Members of this House will read those hearings, and particularly the cross-examinations, in order that you may not only know the important facts there developed but may see the efforts of the Shipping Board representatives and the shipping interests to evade, to conceal important facts, and their absolute refusal to disclose important facts within their knowledge reflecting upon this problem. I certainly trust that you will not reach a conclusion in this matter upon the strength of the false propaganda with which you have been flooded and with which you are being daily regaled in the press.

The article referred to concluded with the following:

> And it is only the persistent insistence of President Harding that can force the West to allow the ship subsidy bill to pass at this session.

Another article in a recent issue of the Washington Star contained the following:

> At a White House conference with House leaders the President was informed that the bill probably would be ready for submission to Republican members of the Merchant Marine Committee the latter part of this week, but that many Republicans were not disposed to take up new legislation toward the fag end of the session.
>
> The leaders, it was understood, frankly told the President there was opposition to subsidy legislation among Republicans from Middle Western States, and that there was the certainty of almost solid Democratic opposition. * * *
>
> One of the members with whom the President talked—a strong advocate of the bill—is said to have told Mr. Harding that once the bill is reported it will be necessary for him to get behind the leadership and demand its prompt passage as a party measure.

On June 5 the Washington Post had one of its double-column editorials in behalf of this ship subsidy bill, which stated, in part:

> The New York Times, Democratic, but reputed accurate in its news reports, publishes a dispatch from Washington stating that President Harding has bluntly and emphatically informed the leaders of the House that he expects the ship subsidy bill to be taken up and passed at this session. The report adds that the leaders intimated that they were opposed to acting upon the bill before election, whereupon the President became "very emphatic" and made it clear that he desired ship subsidy legislation above anything else; that it was an administration measure, promised by him and the party platform, and must be enacted before election. The dispatch states that the leaders changed their views after the conference and promised their support. The bill is now to be reported to the House within 10 days.
>
> There is no reason to doubt the substantial accuracy of this report.

As a matter of fact, neither the Republican platform nor that of any other party has ever declared in favor of this or any other ship subsidy legislation. On the contrary, the Republican national platform of 1920 declared as follows:

> MERCHANT MARINE.
>
> The national defense and our foreign commerce require a merchant marine of the best type of modern ship flying the American flag, manned by American seamen, owned by private capital, and operated by private energy.
>
> We indorse the sound legislation recently enacted by the Republican Congress that will insure the promotion and maintenance of the American merchant marine.
>
> We favor the application of the workmen's compensation acts to the merchant marine.

Your attention is called to the fact that the Republican national platform indorsed and stood upon the merchant marine act of 1920, known as the Jones Act, and not only did not make any intimation as to subsidies, but did not even suggest the necessity of any additional legislation except the application of the workmen's compensation act to the merchant marine, which is intended to be for the benefit of the seamen and not the shipowners.

The question of ship subsidies was not an issue and was not even discussed during the last campaign, and the people had no opportunity to express their views relative thereto.

In the beginning of his prepared statement read at the hearings on this bill, Chairman Lasker said:

> The question of subsidy to American ships has hardly ever been treated as a partisan one, in spite of the fact that we hear favorable consideration has been a Republican policy and opposition a Democratic one. The fact is that for practically half a century neither party has given life to a policy of direct aid to American ships. The Republican Central West has ever joined with the Democratic South in distaste and revulsion to subsidizing our shipping.

There is really no good reason for treating this bill as a partisan or party measure at this time; it should be fully and carefully considered and settled upon its merits. The extracts I read and other quotations from proponents of the bill make it quite clear that the only reason that they favor making the bill a party measure is because they realize that it is impossible for it to win upon its merits, and that the only chance to put it through is by wielding the party whip.

Having the welfare of the whole country at heart, as I view it, and disregarding the question of political advantage or disadvantage, I very much hope that this infamous bill will never be enacted. However, if it is to be passed, I hope that it will be put through as a party measure, feeling confident that the party responsible for such action will be rebuked by the American people. Furthermore, if the bill is to be passed during this Congress, I hope that it will be passed during the present session, in order that the people will have an opportunity in the coming election to return a Congress that will repeal it before the Shipping Board has had time to carry out their design of lending the $125,000,000 loan fund, and making so many 10-year subsidy contracts that the bill could not be repealed.

So far as I have been able to find, President Harding is the only President who has ever declared in favor of ship subsidy legislation. In the very nature of things it was impossible for him to make an independent investigation of this complicated problem, and, consequently, it was necessary for him to rely upon the information and advices of others upon the subject. Apparently having the President's full confidence, Lasker has misinformed and misled him. According to newspaper reports from time to time Lasker made repeated visits and appeals to the President to come out in favor of this legislation. Lasker stated at the hearings and otherwise that he submitted to the President for his information and as the recommendations of the Shipping Board this elaborate study entitled "Government aid to merchant shipping—a study prepared under direction of the United States Shipping Board." It was stated that the President's message to Congress on the ship subsidy bill was based in large measure upon the contents of said study. That being true, his support of the bill was induced by the grossest sort of misinformation, because this study is full of misstatements and misleading and deceptive statements. I wish I had time to discuss some of the various and devious methods employed by Lasker in his efforts to further this bill.

The President is said to have told Members of the House that this was his pet bill and he wanted it put right through. It is even reported in this morning's Washington Post, which is recognized as the official organ of the administration, that on yesterday the President demanded of Republican Leader MONDELL and the Republican steering committee that the ship subsidy bill be speedily reported out and brought to a vote, and that he had threatened to call an extra session solely to consider this bill if it did not come to the voting stage before adjournment. He is perhaps taking a more active interest in

behalf of it than any measure since he has been in the White House.

According to all reports he impatiently spurned the counsel and advice of the leaders of his party in the House, clinging alone to the advice of Lasker—of a man who a few months ago knew absolutely nothing of the subject and who now knows even less, because the most that he has since acquired has been misinformation instead of information, having acquired same from those bent upon bleeding the Government and not aiding it.

I can well understand that these reports of the President's activity and intended activity to whip the Members of the House into line in support of this bill may be very disconcerting to those Members of the House who are against the bill and who know that their constituencies are against it. Consequently, I wish to relieve them of any embarrassment incident to such reports by calling attention to the fact that there appeared in the Washington Evening Star on a date later than any of the articles from which I have quoted an article by N. O. Messenger under the heading, "President may veto bonus bill." After discussing the status of the soldier bonus bill and the President's reputed opposition to it and the prospect of him vetoing it, the article continues:

If it is asked why the President does not then use his presumed influence to head off the legislation, the President's friends reply that he declared at the outset of his administration he would not seek to dictate to Congress. There is a difference, it is contended, between coercion of Congress during the pendency of legislation and its subsequent veto. The latter is a power vested in the Chief Executive by the Constitution of the United States, and can not be classed as dictation.

The President's position, as analyzed by his friends in Congress, is dignified and consistent. He will not seek to sway Congress in the exercise of the constitutional functions of the legislative branch, not even to the extent of indicating intention to use the veto, and in an entirely legitimate way has allowed his views upon the subject to be known.

According to this article, apparently inspired from the White House, the President having expressed his views on the ship subsidy bill in a message to Congress, the manner prescribed by the Constitution, surely "he would not seek to dictate to Congress" or to "seek to sway Congress in the exercise of the constitutional functions of the legislative branch."

Although this bill is presented as the only solution, yet it is by the merest accident that it is presented at all, at least with the indorsement of the Shipping Board and the President. It is a matter of common knowledge that the President first tendered to James A. Farrell the chairmanship of the Shipping Board and held up the appointment several weeks in an effort to persuade Mr. Farrell to accept. Lasker himself said at the hearings:

Well, the President wanted Farrell ahead of me for chairman of the Shipping Board, and was very much disappointed when he had to take me and did not get Farrell. He [Farrell] is one of those factors that makes for the ships being operated under the American flag.

The assumption is that the President desired to appoint Mr. Farrell, not only because of his great business and administrative ability but also because of his experience with and knowledge of ship construction and ship operation.

Had Mr. Farrell accepted the appointment, it is natural to presume that the President would have been guided by his counsel and advice as to our shipping problem; and it is safe to say that this bill and this program would not have been presented at all. When I take up the discussion of the difficulties and remedies, I shall present Mr. Farrell's analysis and recommendations.

It may be argued that while the 1920 Republican national platform indorsed the merchant marine act of 1920 as "sound legislation recently enacted by the Republican Congress that will insure the promotion and maintenance of the American merchant marine," and without the recommendation of further legislation except a merchant marine workmen's compensation act, yet that the situation was changed because of the failure to enforce section 34 of the said act. However, the pending bill by no means stops with presenting a substitute for said section 34 of the Jones Act.

The substitute for said section 34 is embodied in section 301 of the pending bill authorizing a deduction from net Federal income taxes of 5 per cent of the freight paid on goods imported or exported in American-flag vessels. In discussing this provision of the bill and comparing it with section 34 of the Jones Act, Chairman Lasker declared in his prepared statement read at the hearings:

It is the belief of the Shipping Board that the proposed deduction from net Federal income tax of 5 per cent of the freight paid on goods imported or exported in American-flag vessels may do more to aid in the upbuilding of the American merchant marine than any proposal which is herein submitted to the Congress.

Section 34 provided preferential tariffs for American-flag ships, but this could only be applicable to dutiable imports. The operation of section 34 gave no preference to American ships on exports and no preference to American ships on nondutiable imports. The proposed 5 per cent deduction from taxes of the freights paid on goods imported or exported in American-flag vessels now made should insure a preference to American shippers on every ton of goods sold abroad or bought for consumption at home. This 5 per cent deduction is made in substitution of section 34, but we of the Shipping Board believe it is possible that this section will accomplish at less cost to the Treasury much more than might have been accomplished by section 34. * * *

Nothing that can be devised, the Shipping Board feels, will so greatly insure volume to American ships as the 5 per cent tax deduction here proposed.

And on cross-examination the following occurred:

Mr. LAZARO. Mr. Lasker, you stated if the Jones law could have been carried out as a whole it would have given us an American merchant marine without asking for further legislation.

Mr. LASKER. In my belief.

Likewise, Winthrop L. Marvin, in an article entitled "The merchant marine bill of 1922 analyzed—One of the experts who assisted the Shipping Board in framing the bill outlines its merits," appearing in the April issue of Marine Engineering declared:

A wholly new feature of American maritime law is that provided for in section 301 of the new shipping bill for a deduction from the amount which would otherwise constitute the income tax of a sum equivalent to 5 per cent of ocean freight money paid for transportation of merchandise in American ships in the foreign trade. This is an ingenious new departure intended to serve the purpose of a part of the preferential duty of the original Jones Act, but, as a matter of fact, it is far more valuable and effective, for it would apply to all merchandise, dutiable or free, inward or outward.

This is treaty-proof. It is not a subsidy, but an indirect aid. Its potential importance is incalculable. It will appeal to all shippers, small and large, and will have the effect of making all American vessels first-preferred bottoms.

He confirmed this at the hearings, and stated specifically that he had reference to section 34 of the Jones Act and "would very greatly prefer" this substitute provision to section 34 of the Jones Act.

Mr. Marvin is the vice president and general manager of the American Steamship Owners' Association, which embraces practically all of the American shipowners. He is paid a large salary by said organization, and devotes all of his time to promoting the interests of the members of said association, especially with respect to legislative matters. He has played a large part in the preparation of this bill and the propaganda in its behalf. If any one man could be singled out as the father of this bill, he is that man.

The said study prepared under the direction of the Shipping Board states:

The policy of Congress with regard to the national merchant marine has been positively and definitely determined in the shipping act of 1916 and the merchant marine act of 1920. * * *

The act of 1916 created the Shipping Board and the Emergency Fleet Corporation and provided for the construction and operation of Government-owned ships. It was passed under the stress of the extraordinary conditions produced by the war in Europe, and so far as its provisions for the construction and operation of ships by the Government are concerned, it was intended to give only emergency relief.

The merchant marine act (of 1920), on the other hand, was passed about 18 months after the close of the war, and in the light not only of the results of the policy established by the earlier act but also of the changed economic conditions produced by the war. The latter act may therefore be considered as the expression of the permanent policy of Congress.

The act of 1920 is an excellent, well-considered, and comprehensive piece of legislation, which was designed not only to foster the development of a large and well-balanced merchant marine but also to insure the operation of that marine under private ownership. Accordingly, the act provided for a number of indirect aids which it was thought should prove ample to develop American shipping on a sound and permanent basis and should restore the American merchant marine to the proud position it enjoyed in the first half of the nineteenth century.

Then the said study refers to the fact that section 34 of the Jones Act had not been put into effect, and states that supplementary legislation was necessary.

Yet the pending bill not only provides a substitute which both Lasker and Marvin stated will be much more valuable and effective than section 34 of the Jones Act, but the pending bill also amends the Jones Act in several vital respects, and in addition provides innumerable other direct and indirect aids. In addition to the costly direct aids provided in the bill, Lasker himself stated that they embodied "every practical indirect aid possible to give." They incorporated about every character of aid that had ever been granted in any other country and devised some additional schemes to favor the shipping interests at the expense of the people.

This bill is not constructed along scientific lines, but is simply a hotchpotch of every conceivable method by which it was thought the shipping interests could be favored.

The direct charges upon the Public Treasury carried in this bill, even if they amount to no more than the figures conceded by Chairman Lasker at the hearings, will amount to more annually than the combined subsidies, subventions, and State aid of every character and description paid by all of the nations on earth combined.

Some years ago the Commissioner of Navigation collected and collated the amounts of every character of aid granted to shipping interests by all the foreign maritime nations, which he set forth in his report and which he summarized as follows:

The aggregate amount paid by foreign nations in the form of subsidies, ocean mail pay, navigation and construction bounties, admiralty subventions, naval reserve appropriations, fisheries bounties, refund of Suez Canal tolls, and other forms of contributions which directly or indirectly add to the volume of business under their respective national flags, is upward of $46,000,000 a year.

During the hearings Chairman Lasker conceded that the pending bill included direct charges on the Public Treasury of $52,125,000, not taking into consideration the exemptions from Federal taxes allowed shipowners and other indirect aids, the amounts of which Chairman Lasker declined to estimate. The pending bill would cost the American people at least $75,000,000 per year.

Winthrop L. Marvin, previously mentioned, during his statement at the hearing referred to this bill as "a shipping bill such as has never been dreamed of before." In this he is undoubtedly correct. This bill stands in a class by itself, not only as to substance but as to form.

Chairman Lasker stated at the hearings that he had given instructions to those drafting the bill that it should be so drafted as to give the Shipping Board "very wide latitude; in fact, almost absolute discretion in determining to whom they shall sell ships and also to whom they may see proper to grant the various forms of subsidy." He further stated that "if it doesn't contain it that way, I hope to have it changed so that it will." They certainly carried out his instructions, because the pending bill confers the most autocratic power and the widest discretion, perhaps, ever conferred upon any board. It affords boundless opportunities for favoritism, graft, and corruption. Under its provisions the Shipping Board is authorized to usurp powers properly belonging to and now exercised by the President, the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Secretary of Labor, the Secretary of Commerce, the Postmaster General, and the Congress. The bill authorizes the Shipping Board to declare valid or invalid existing agreements between common carriers by water and common carriers by land, although some such contracts have been sustained by the courts and others have been declared invalid; so that the Shipping Board is authorized to usurp the power of the judiciary, including the United States Supreme Court, if it so wills.

The pending bill proposes to so amend the present law as to eliminate competitive biddings, and also to authorize the sale of ships without advertisement if authorized by five members of the board.

Such sale shall be made at such prices and on such terms and conditions as the board may prescribe, but the completion of the payment of the purchase price and interest shall not be deferred more than 15 years after the making of the contract of sale, nor shall the interest be at less than 2 per cent per annum.

This bill provides for a revolving fund of $125,000,000, to be known as the construction loan fund, and the Shipping Board is authorized to lend this fund at 2 per cent interest, without any limit as to time, and without any restriction as to the amount to be loaned any person or corporation, except that no loan shall be made upon any one ship "for a greater sum than two-thirds of the cost of the vessel to be constructed or of the value of the vessel thus reequipped."

The bill provides for the payment of certain basic voyage subsidies, and authorizes the board to increase such subsidies up to the extent of doubling them, or to decrease the amount below the basic subsidies to whatever extent they see proper. The board is authorized to make contracts for the payment of subsidies "for a period not exceeding 10 years from the date when contract is made"; it will be noted that such period does not date from the passage of the bill, so that it would be practically impossible for a future Congress to repeal the law, for the reason that there would always be numerous such contracts outstanding. The Shipping Board is given absolute discretion to grant such subsidies or to withhold them. Under such extraordinary discretionary powers it was admitted at the hearings by a representative of the Shipping Board that it was within the power of the board to grant the owner of the *Leviathan* an annual subsidy of $1,800,000 or to refuse to grant such owner any subsidy, or to grant a subsidy in any amount between nothing and said maximum figure.

Can it be that the unprecedented power and discretion given the Shipping Board under the provisions of this bill account for the feverish, unseemly activity in behalf of the bill by some members of the Shipping Board?

This bill creates a "merchant-marine fund" for the payment of the voyage subsidies, "which shall be subject to withdrawal by the United States Shipping Board on requisition approved by the chairman of the board." This fund is to be derived from 10 per cent of our customs receipts, which Chairman Lasker estimated will amount to about $30,000,000 per annum; by tonnage taxes, which he estimated will amount to about $4,000,000 per annum, and by the amounts which would otherwise be paid for carrying the mails, which he estimated at $5,000,000, making a total of $39,000,000; and all of which amounts the Secretary of the Treasury is directed to pay into said merchant-marine fund without any appropriation by Congress.

Chairman Lasker considers the indirect aids provided in the bill to be of much greater value than the direct aids, as evidenced by his statement at the hearings on the ship subsidy bill, as follows:

Happily the Shipping Board, after long and careful study, came to the conclusion that a proper measure of Government aid to accomplish the purposes in mind could only come through the use of both direct and indirect aids, throwing the burden onto the indirect aids. * * * Thus the burden of the aid is thrown on the indirect. Thus the proponent of indirect aid can have no occasion to quarrel with the proposals; for the Shipping Board recommends every practical indirect aid possible to give. * * * Because of the great value it places on the indirect aid, the Shipping Board figured a very modest sum of direct aid.

It will be noted that Chairman Lasker figures $39,000,000 per annum as "a very modest sum." As a matter of fact, the amounts will be considerably larger than he concedes. Mr. Lasker stated that he was unable to give any estimate as to the amounts that would be received by the ship operators under the various indirect aids.

Another direct charge on the Public Treasury is involved in the provision authorizing deductions from net Federal income taxes of 5 per cent of the freight paid on goods imported or exported in American-flag vessels, which Chairman Lasker and the Shipping Board report estimate would amount to about $10,000,000 per annum when the program gets into operation; as a matter of fact, it would amount to much more than that.

Mr. Lasker also conceded that in lending the $125,000,000 at 2 per cent interest the Government would be losing at least 2½ per cent, which would amount to $3,125,000 per annum. Furthermore, the 2 per cent interest, amounting to $2,000,000 annually, if collected, will go into this loan fund and not the General Treasury.

It will be noted that these different items involving a direct charge on the Treasury aggregate $52,125,000, according to Mr. Lasker's admissions and figures, and not including the $2,000,000 annual interest, which should also be counted.

Furthermore, this bill exempts the operators of vessels from the payment of "war profits and excess profits taxes imposed by Title III of the revenue act of 1918 or any and all taxes on income, corporate or individual, imposed by the revenue act of 1921, or by any subsequent revenue act, an amount equivalent to the net earnings of such vessel during such taxable year," provided the owner "invests or sets aside in a trust fund for investment" for the construction of new vessels.

The bill further provides for the exemption from taxation of the profits made upon the sale of vessels built prior to January 1, 1914, provided such owner "invests or sets aside in a trust fund for investment for the building of new vessels." I do not know why this advantage is accorded to privately owned vessels but not to those built by the Shipping Board.

Of course, it is impossible to state the extent of the charge upon the Public Treasury of these tax exemptions and none of the representatives of the Shipping Board would give any estimate thereon. However, it is certain that the amount would be very large. In speaking of these provisions Marvin said:

Thus these features of the Jones Act are made distinctly more valuable.

The bill further provides for the elimination of the Army and Navy transports so as to require our troops, munitions, and supplies to be carried in privately owned vessels without any distinction in time of war. Chairman Lasker and the Shipping Board report estimated that the income to privately owned ships from this source would amount to $7,500,000 per annum in the Pacific alone, of which amount they state that approximately $5,000,000 would be net profit to the ship operators. It will be noted that this amount does not include the Army and Navy transport service to the Canal Zone, Porto Rico, the Virgin Islands, Haiti, and so forth.

One of the provisions of the bill provides that 50 per cent of the immigrants to this country shall be transported in American vessels. Mr. Thomas H. Rossbottom, a representative of the Shipping Board, who testified at the hearings, estimated that under the present 3 per cent quota law "this traffic would

give the transporting companies a gross income of $17,600,000 per year, of which one-half, or $8,800,000, should come to American owners." He further stated that one-half of this sum would be net profit.

There are various other indirect aids carried in the bill, which I shall not now discuss.

Mr. NOLAN. Will the gentleman yield?

Mr. DAVIS of Tennessee. I will yield to the gentleman for a brief question.

Mr. NOLAN. I should like to inquire in reference to our Army Transport Service. Is it proposed in this bill that we dispose of the ships that are now being used by the Army Transport Service?

Mr. DAVIS of Tennessee. Yes.

Mr. NOLAN. At the same price they are putting on the others; of about $20 a ton?

Mr. DAVIS of Tennessee. The fact of the business is that the Shipping Board is authorized to sell ships without any limit as to price, but this bill authorizes the doing away with the Army Transport Service for the purpose of giving business to private ships.

Mr. NOLAN. In other words, it is proposed by the Shipping Board to dispose of vessels which cost $240 a ton, which are now used by the Army Transport Service, on which they expect to realize about the same amount that they realize on their other ships. Is that a fact?

Mr. DAVIS of Tennessee. Of course, if they sell them, they will have to sell them at the current prices, and everybody knows that there is the worst depression in the history of shipping, and that ships at this particular time can not be sold for scarcely anything.

Mr. NOLAN. Is your committee in a position at this time to give any information as to what the Shipping Board have accomplished in disposing of ships? I note that the newspapers have carried expensive advertisements about the sale of the whole fleet, and what response have they got for that?

Mr. DAVIS of Tennessee. On February 21 the Shipping Board did advertise the entire fleet and received some bids, and Mr. Lasker said at the hearings, and also stated in the press, that the bids received were jokes; that they were facetious. And yet Commissioner Lissner admitted at the hearings that they had made that advertisement of sale for two reasons; one was that the Jones Act compelled them to advertise for sale, and they advertised the entire fleet in compliance with the law, so that after that they could sell any of the ships at private sale without further advertisement. He further admitted that another reason they had in mind was that they might treat the bids, which Lasker designated as jokes, as a criterion, and that they would be justified in selling at such prices without further advertisement and at private sale.

I wish the membership of the House knew all that is at the bottom of this proposition. If you would investigate the movements and actions of the Shipping Board, you would deprive them of what power they now have instead of giving them any more extraordinary power.

Mr. MOORE of Virginia. Will the gentleman state whether Mr. Lasker was a shipping expert before he came into this business?

Mr. DAVIS of Tennessee. He said before the Appropriations Committee last July that he was not an expert on shipping, but that he did take a pride in being an expert in publicity. That was the reason he was appointed chairman of the Shipping Board. He was recommended, according to charges made in the press, by certain big shipping interests. He could not have been recommended because he knew anything about shipping, but they thought that they could supply the misinformation and that he was the proper man to put over the ship subsidy bill by his publicity methods—intensive propaganda.

Chairman Lasker stated that when he came to the Shipping Board he held the idea that the chief trouble with the American merchant marine was the seamen's act, and that the remedy lay in either the repeal or modification of that act, but that he had found upon investigation that the seamen's act had been very much misrepresented in that regard. The shipping interests had been misrepresenting the seamen's act ever since its passage, just as many of them are now misrepresenting the other phases of the question. They jump from pillar to post in an effort to present excuses for subsidies.

A bold and unusual feature of the bill is that all of the direct and indirect aids are so cunningly devised as to avoid the necessity of any congressional appropriations. This was done deliberately.

Members of the Appropriation Committees are frequently of an inquisitive mind and sometimes ask embarrasing questions as to the expenditures of past appropriations and the intended expenditures of future appropriations; and then when the bills are under consideration in the Congress there is more inquiry and discussion. Consequently, the Shipping Board is anxious to avoid all such embarrassment, and is unwilling to come to Congress annually for necessary appropriations as all other departments are required to do. However, entertaining the opinion he does of Members of Congress, perhaps Chairman Lasker is fully justified in endeavoring to avoid the necessity of having to be worried with mere Members of Congress.

The gentleman from Texas [Mr. HARDY] has been intelligently studying shipping matters for about 12 years, and has more real sound knowledge of such matters than Chairman Lasker and all the members of the Shipping Board combined [applause]; and yet during the time Judge HARDY was questioning Chairman Lasker at the hearings in regard to the proposed legislation the following was said:

Mr. LASKER. May I say this, Mr. Congressman: The Members of Congress are not expected to understand it, and that is why I welcome your questions, because we want to give illumination.

Mr. HARDY. We are expected to understand it.

Mr. LASKER. You may be expected to, but I am afraid you do not; that is why I wanted to give this information.

The avoidance of appropriations is not only deliberate but in accordance with the instructions of the shipping interests.

There was published as an appendix to a study prepared and distributed by the Shipping Board, which was inserted in the hearings, a statement of recommendations by the Council of American Ship Builders (Inc.), New York, which had been filed with the Shipping Board, and the seventh recommendation of said organization was, in part, as follows:

This council believes that any subsidy measure passed at this time should either avoid appropriations, or, if this is necessary, promise continuance.

This bill not only avoids appropriations but also insures continuance, because an extraordinary feature of the bill is that if it is enacted it can not be repealed or be materially changed by a subsequent Congress, because of the various contract periods authorized in the bill.

The large study compiled by the Shipping Board and before referred to contains the following statement:

To provide an assurance that the policy of direct aid to shipping will be continued for a reasonable length of time, it should be provided in the proposed legislation that the Shipping Board may enter into contracts with private shipping companies for periods up to 10 years, the rate of payment to be in accordance with the plan proposed above.

Winthrop L. Marvin, in an article in the April Marine Engineering, entitled "Merchant marine bill of 1922 analyzed; one of the experts who assisted the Shipping Board in framing the bill outlines its merits," declares:

A very important clause is section 702 authorizing the Shipping Board to conclude a 10-year contract with shipowners on behalf of the United States. Therefore, the bill if fully enacted can not be easily set aside.

In this connection it is important to note that this bill does not require the Shipping Board to make any report or accounting at any time to either the President, to the Congress, or to anybody else. Neither does it provide any appeal from any decision or action of the Shipping Board to any other tribunal. Proponents of the bill also concede that there would not be any recourse in the courts.

In other words, the Shipping Board is all powerful and all supreme under the provisions of this most extraordinary bill, "such as has never been dreamed of before."

It would be the height of folly for the elected Representatives of the people to thus strip themselves and their successors of the power of legislation and appropriations which will aggregate three-quarters of a billion dollars in 10 years and confer such extraordinary power upon a board which owes no responsibility to the people or to Congress. By reason of the grasping ambition and demands of departments and the influence of the selfish interests who can more easily obtain special favors from departmental officials than from Congress, one of the most dangerous tendencies in our Government is the evil growth of bureaucracy and officialism, and this ship subsidy bill presents the most flagrant and arrogant instance of it ever devised. They say they want to get the Government out of the shipping business. I, too, am anxious to get the Government out of the shipping business as soon as possible, but when it does get out I want it to get out entirely. This is a splendid time to apply the slogan "less Government in business and more business in Government," as well as more business in private shipping circles.

In accordance with the Constitution all the Members of the House of Representatives and one-third of the Senators are elected every two years, in order that the sovereign will of the people may be expressed and executed. Under the letter and spirit of our Constitution and institutions each Congress is in-

tended to be supreme in itself, but it is not intended for it to tie the hands of the people in the future or encroach upon the authority of any succeeding Congress.

To enact this bill as it stands would be nothing short of a betrayal of the rights of the people and an usurpation of the authority and responsibility of future Congresses.

The Members of the House have wisely and repeatedly shown by overwhelming votes that they were unwilling to trust the Shipping Board to the extent of permitting them to pay employees such salaries as they desire, and the House has properly restricted them to certain specified employees at specified maximum salaries, much below the number of such employees and the amounts of the salaries desired to be paid by the Shipping Board.

The privilege of expending money received by it from sales, and so forth, without specific congressional appropriation had been so abused by the Shipping Board that the merchant-marine act of 1920 provided that all net proceeds derived by the board from sales or any activities, with certain specified exceptions, "shall be covered into the Treasury of the United States as miscellaneous receipts." In spite of this specific statutory provision and expression of the will of Congress Lasker has persistently endeavored to have inserted in the independent offices appropriation bill a provision authorizing the Shipping Board to spend $55,000,000 out of proceeds of sales, and so forth. The House only recently emphatically refused to adopt such a provision.

However, the authority thus refused the Shipping Board was a mere bagatelle as compared with the unprecedented power and authority sought in this bill.

This extraordinary bill confers more power on the Shipping Board than good men ought to want and more power than bad men ought to be given. [Applause.] It confers infinitely more power than any kind of men ought to be given. There is all the more reason for refusing to grant such power to men who are employing every conceivable method to promote a bill which confers upon them such unprecedented powers and opportunities. Chairman Lasker and the other representatives of the Shipping Board had a perfect right to fully present their views at the hearings on this bill, and I do not question their right to make personal appeals to Members of Congress. However, I do emphatically deny that any bureau of this Government has any right to carry on an extravagant propaganda program at Government expense in an effort to create a sentiment with regard to pending legislation and to have pressure brought to bear upon Members of Congress. Chairman Lasker is an expert professional advertiser and publicity man, and in his efforts to further this bill he has played with consummate skill the game he knows so well. The $1,715,000 advertising fund being spent during the current year by the Shipping Board is not being spent in vain. During the hearings repeated requests were made of the Shipping Board officials to file an itemized statement of disbursements from this advertising fund, and, although this information was promised, it was never filed. The propaganda in the press is only a part of the program. Every conceivable method is being employed to promote the passage of this bill. The social lobby has been worked overtime. A large part of the Shipping Board organization has practically abandoned its regular duties so as to work for this bill under the direction of Commander in Chief Lasker.

I hold in my hand a document entitled "Government aid to merchant shipping—A study prepared under direction United States Shipping Board" which contains fallacious arguments in favor of this bill. It contains 306 sheets of expensive paper, the contents being in duplicating print on one side of the sheets; it is expensively bound. I am reliably informed that Chairman Lasker had an enormous number of these very expensive documents made by Shipping Board employees, and at Government expense, and sent them throughout the United States to newspapers, business organizations, individuals, and others; that a very large number of the employees of the Shipping Board were engaged in this work for weeks, during which time they were compelled to neglect their regular duties, Chairman Lasker having given orders that this work should take precedence over everything else. Of course, it would have been much less expensive to have had these documents printed in regular form, but I presume that it was thought they would not be so effective.

Just one more example: I hold in my hand an—

Address of Albert D. Lasker, chairman of the United States Shipping Board, before the tenth annual meeting of the United States Chamber of Commerce, Washington, D. C., May 18, 1922.

This address of 12 pages is mimeographed on Shipping Board stationery with these words printed in large red type:

Caution! Advance release.

There is also printed at the head of said paper the following:

United States Shipping Board, Washington. Division of information.

And so forth. The heading is followed by—

For release on and after 1 p. m. Thursday, May 18, 1922.

Although this address in advocacy of the ship subsidy bill was not delivered before any official gathering, yet the addresses were copied and sent out at Government expense. That sort of business has been going on for months. In other words, a board in the executive department of the Government is engaged in a propaganda program in favor of legislation, same being done by Government employees and at public expense. Such efforts on the part of the Shipping Board to have pressure brought to bear upon Congress are unseemly, reprehensible, and should be severely rebuked by Congress.

The worst feature about it all is that the propaganda being sent out in behalf of this bill is full of false and deceptive statements.

Other members of the Shipping Board are traveling around at Government expense and making speeches in behalf of this bill. It was shown at the hearings that speakers in behalf of this bill had been sent out through the Middle West in the name of the Merchant Marine Association, which has been conducting an active lobby in behalf of this bill.

Aside from the indorsements of the bill that have been given by the organizations and individuals engaged in shipping and who expect to profit by receipt of a part of the bounties provided in the bill, practically all of the other indorsements have been procured by and predicated upon misrepresentations of the facts.

However, it is doubtless true that the Shipping Board has not overestimated the importance of extensively propagandizing not only Congress but also the country in order to allay opposition to this bill sufficiently to be able to carry out their purpose of putting same through Congress. The first report compiled by the Shipping Board on the subject, filed as Exhibit A to the testimony of Chairman Lasker, contains the following significant statement:

It is not unreasonable to suppose that effective publicity might easily persuade the American people to tolerate a subsidy of, say, $20,000,000 annually instead of losses of much greater amount.

As the pending bill requires the people to pay and tolerate subsidies of several times the amount mentioned, the Shipping Board seems to have concluded that very "effective publicity" was necessary.

If the pending bill becomes a law and the different provisions are put into effect, it is a conservative estimate to state that it will cost the American people $75,000,000 per year, not taking into consideration the indirect aids to the shipping interests, which are not susceptible of calculation. And yet the shipping interests are not satisfied and say that these subsidies are not large enough and will have to be either increased now or later in order for them to be able to successfully compete with foreign ships. Some of them say the subsidies should be doubled, and one leading ship operator stated that they should be at least trebled. Some of them stated that the contract periods should be increased to 15 years and some to 20 years. One ship operator stated that it would probably take 50 years to establish an American merchant marine. Another proponent of the bill testified that he thinks the chances are that "this will be a subsidy in perpetuity."

Consequently no Member should support this bill under the delusion that we are entering upon a temporary program or one of decreasing cost. The very opposite is true.

Judging from the history of such legislation in other countries where it has been enacted, if this vicious policy is once grafted into our institutions it will not only be perpetual but the drain on the Public Treasury will increase from time to time, because the powerful and influential shipping interests will be continually returning to Congress with the claim that the bounties paid them are insufficient and must be increased. In fact, as has been shown, we have already had a concrete example of such a result right here. Two years ago we were told that the merchant marine bill of 1920, since known as the Jones Act, would insure the successful establishment and maintenance of a privately owned American merchant marine, and yet the shipping interests, with the active cooperation of the Shipping Board, boldly come forward with the most elaborate and expensive ship subsidy bill ever devised by man, and at the same time the president and the general manager of the American Steamship Owners' Association and other shipowners tell us that even this bill is not sufficient.

What does all of this mean?

Our Government-owned merchant tonnage cost the people about $3,000,000,000. It is estimated that we will probably sell the ships for $200,000,000. Consequently the people will stand a loss by deflation of $2,800,000,000. Furthermore, it is contemplated that either existing shipping companies or companies to be organized, who buy the ships, will capitalize the ships largely in excess of their cost to them, and sell the stock and bonds to the American people—so that the people will be standing the war inflation, the post-war deflation, and then the promotion inflation.

The people, through their Government, will sell the ships for approximately $200,000,000, lend $125,000,000 to recondition those ships or build others, and then pay the owners approximately $750,000,000 in subsidies and aids within the next 10 years. In other words, we will be giving the ships away and paying the recipients over half a billion dollars to operate them for the next 10 years, not to speak of the fact that they will probably be coming back at each succeeding Congress asking for more.

As the American people revolted to such an extent as to prevent the passage of the Hanna ship subsidy bill, which carried an estimated annual expenditure of only $3,222,268, and later the Gallinger bill, which carried an estimated annual expenditure of $5,109,355, which the report on the bill stated would be covered by ocean postage collected and the increased tonnage taxes provided in the bill, it is hardly conceivable that they will tolerate this proposed monstrous raid on the Treasury.

Certainly no reasonable expectation that this bill will do what its proponents claim for it can be predicated upon the experience of other maritime countries. I shall not at this time enter into any extended discussion of the experience of other countries, but I shall quote briefly from the first report prepared at the instance of the present Shipping Board entitled "Report on the history of shipping discrimination and on various forms of Government aid to shipping, compiled by the United States Shipping Board," and which was inserted in the record of the hearings as Appendix A. This report states, in part, as follows:

GREAT BRITAIN.

Great Britain has never granted general navigation bounties nor construction bounties, with the exception of the early Elizabethan subsidies above mentioned in 1662–1694.

Which said report states—

had no noticeable effect on ship construction. Practically the only money aid given by Britain to its marine is in the form of postal subventions. * * *

The net postal subvention, after deductions, paid by England to its various services amounts to about two and a half million dollars.

All the writers seem to agree that the growth of the British merchant marine is in no sense due to the small subsidy paid, admitting that the payments are in excess of the postal service rendered. The growth of the British marine was probably due to the early development of British industry, the acquisition of extensive colonial possessions, and the monopolistic or preferred position in colonial trade. The cheapness of construction and the concentration on the business account for most of its success.

In this connection it is interesting to note that last year the United States paid over $6,085,000 as compensation for the carriage of its ocean mails to foreign countries.

NORWAY.

Norway ranks third among the merchant shipping of the world, being exceeded now only by Britain and the United States. It rose from 1,022,000 tons in 1870, almost exclusively sail, to 1,717,000 tons in 1912, two-thirds of which was steam.

The small shipping subsidies which Norway has granted to its merchant marine can not have had a material effect on this growth, which is due to other circumstances, namely, geography, seafaring ability, liberal navigational laws, and low costs of production.

SWEDEN.

Sweden's merchant marine is about half that of Norway and ranks ninth among the merchant navies of the world. It rose from about 350,000 tons in 1870, almost all sail, to about 900,000 tons in 1914, of which one-sixth only was sail. This growth is not due, probably, to Government aid but to the growth of the industries of the country.

DENMARK.

The Danish merchant marine has risen from about 178,000 tons in 1870 to about 560,000 tons in 1914. The almost exclusive sail tonnage in 1870 had dropped to 20 per cent of the total tonnage in 1914.

Denmark has not given much State aid, but no particular conclusions can be drawn from Danish experience.

THE NETHERLANDS.

Government aid is largely confined to postal and colonial subventions for the maintenance of regular communication between the home country and the Dutch colonies in the Far East and the West Indies.

After describing the comparatively small mail subventions paid certain lines, the report on the Netherlands concludes:

The very successful Royal Dutch Steamship Co., operating between ports in Europe, receives no postal subvention or other State aid. Its profits have increased greatly from 1890 to 1913.

The same is true of the Holland-American Line, which ranks second in the Dutch merchant marine.

GERMANY.

The merchant marine of this country has, of course, been almost annihilated by the treaty of Versailles. Prior to the war, however, Germany had reached perhaps the greatest growth in her merchant marine. This was not due to subsidies or to any other form of Government aid that can be established. The greatest line in the world, the Hamburg-American, is said never to have received a cent of Government subsidy.

From 1870 to 1912 Germany's shipping rose from about 1,000,000 tons in 1870, of which 90 per cent was sail, to over 3,000,000 tons in 1912, of which one-sixth only was sail.

FRANCE.

France appears to be the country of subventions par excellence, although in 1910 its merchant marine was outranked by Great Britain, the United States, Germany, Norway, and Japan. * * *

There seems to be a general agreement that the French subsidy system, which has been more or less the model for Italy, Spain, and Japan, has been a failure.

ITALY.

The results of a subsidy in Italy have not been any more successful than in France, although Italy has a long seacoast, a dense population, efficient marine workers, and low wages. She is handicapped, however, by a lack of coal and a highly developed iron and steel industry.

In 1870 Italy had a tonnage, mostly sail, of about 1,000,000 tons. In 1911 they had 1,100,000 tons, an increase of only 100,000 tons, although the proportions between sail and steam were over 700,000 for steam and 400,000 for sail.

JAPAN.

Japan aids shipping somewhat on the system of France, but being more industrially favored than France the system has been far more successful in Japan. * * *

It thus appears that the subsidy system has been of great aid in the development of Japanese shipping. The success of Japan as against the failure of France under somewhat the same system may therefore be attributed to the greater efficiency of the Japanese or, what is somewhat more correct, to the difference in the industrial development of Japan.

The said report in its final conclusion states in part:

A study of the authorities on subsidies, taking into account the policies adopted by various countries, would seem to indicate that with the exception of Japan the policy has not been important in the building up of a merchant marine.

The quotations which I have given from this Shipping Board report are in accordance with the standard authorities on the subject, except that many of them are even more positive that subsidies have not materially aided in building up a merchant marine anywhere.

In view of the fact that Japan is the only nation in which the Shipping Board report makes any claim that subsidies have been beneficial in building up a merchant marine, I wish to call to witness two authorities who are highly recommended by the Shipping Board.

This Shipping Board report states that—

It may be said that the best discussion of the subject is to be found in Dr. Royal Meeker's History of Shipping Subsidies, printed in the third series, volume 6, No. 3, of the publications of the American Economic Association.

The said work, after reciting the growth of the Japanese merchant marine, continues:

Those who possess a deep and abiding faith in the efficacy of subsidies and who use statistics merely as food to nourish this faith derive much strength and comfort from the above figures. To attempt overthrowing this faith is useless. A closer scrutiny of the history, however, compels an impartial mind to recognize that the testimony of the facts is not at all in favor of the subsidies.

Shipping grew as rapidly before the law of 1896 as after, in spite of the monopolistic power of the Nippon Yusen Kaisha. Since 1868 Japan has experienced an economic revolution even more astounding than its political revolution. The methods and machinery of production were changed with incredible rapidity. In a few years the nation rushed from barbarism into civilization through the power of its imitative genius. But the progress was not swift enough to satisfy the leaders, and they imitated the protective methods used in western lands to stimulate progress. The first experiment with State-aided steamship navigation created a monopoly that exploited both Government and people. The attempt to fight the devil with fire by creating another State-supported steamship company to compete with the first led to a community of interests arrangement that must excite the admiration of the king of Wall Street promoters. * * *

Shipping would have developed anyhow; in fact, was developing with great rapidity. The Government merely gave form to the maritime undertakings of the capitalists. It will always be a question if the Government gave the best direction, whether the development would not have been sounder, though less rapid, had the capitalists been left to decide for themselves what lines to establish.

The following extracts are taken from a publication by the Department of Commerce, published in 1916, and entitled "Government aid to merchant shipping—Study of subsidies, subventions, and other forms of State aid in principal countries of the world," by Grosvenor M. Jones, commercial agent. Mr. Jones is now with the Department of Commerce, and was appointed by the Shipping Board on the committee that prepared the data for this bill and the studies thereon.

The industrial development of Japan since that country adopted European methods of manufacture and commerce has been truly remarkable and accounts in a large measure for the development of the merchant marine. * * *

The expenditures of Japan for mail subventions and subsidies have been very liberal. The fact that the merchant marine of Japan has developed very rapidly since the institution of the subsidy policy has been attributed by many to the liberal State aid which it has received, but account should be taken of the fact that Japan has had a remarkable industrial and commercial development during this period. Although the principal Japanese steamship companies have been in receipt of Government aid since 1888 and have developed rapidly, their

financial statements for recent years show that they have not got beyond the need for financial assistance from the State. In other words, the "infant industry" has never grown up.

Attention is called to the fact that in spite of long and liberal subsidies the subsidized lines are not yet on a sound and permanent basis. As further evidence of this, and also of my insistence that one subsidy law calls for another and another and more liberal subsidies, I call attention to the following extract from the New York Tribune of May 8, 1922, inserted in the hearings at the instance of Commissioner Lissner:

The Japanese Government plans to use the money saved as a result of the action of the Conference on Limitation of Armament to provide greater subsidies for her merchant marine, according to a dispatch published by the Japan Advertiser. It is estimated that about $125,000,000 will be made available for the use of the steamship companies. * * *

Among the reasons given for this action are the enforced idleness of many shipyard workers, and also the fact that many of the Japanese ships now in operation are inferior to those owned by foreign lines. No reference is made directly to United States competition.

This article is also significant in that the proposal made is identical in amount with the $125,000,000 loan fund provided in the pending bill. An amusing thing about ship subsidies is that the shipping interests in each nation argue that they must have a subsidy because other nations pay subsidies. Japan, with the cheapest labor of any maritime nation, pays large ship subsidies, and it is insisted that subsidies must be paid to the United States shipowners because of the high American wages.

Another important feature of the Japanese merchant marine situation is given in the following additional extract from the said book by Grosvenor M. Jones:

Although the overseas trade of Japan has increased rapidly, the merchant shipping flying the Japanese flag is occupied chiefly in trade between points in the Far East. In this connection the following extract from the article by Dr. W. Muller will be of interest:

The growth of Japanese shipping, both absolute and relative, is certainly striking, but nevertheless the importance of Japanese shipping in the world's traffic should not be placed too high. It must even be said that Japanese shipping, for the present, exhibits a local character, inasmuch as the principal field of its activity lies in the Far East. Let us consider, e. g., a circle described with a radius of about 1,180 miles, reaching as far as Hongkong, around Kobe, the largest and most centrally located port of Japan. It will be found that hardly one-sixth of the total Japanese steamer traffic lies outside such circle. To be sure, Japan sends its own ships even to Europe, North and South America, and Australia, but still the share of Japan's flag in the traffic of the greatest ports of the world, such as New York, Antwerp, Hamburg, Rotterdam, London, as well as the important Suez Canal, is negligible.

A typical example of the false and deceptive propaganda that has gone forth through the country and the concealment from the public of the real facts is shown in the reports that have been published widespread that the farmers are for the present ship subsidy bill and had indorsed the bill; this was predicated upon the claim that J. R. Howard, president of the American Farm Bureau, had pledged farmers' support for the bill. Doubtless but few of you know, as practically no mention of same was made in the daily press, that T. C. Atkeson, representative of the National Grange, with over 800,000 bona fide members, and B. C. Marsh, managing director of the Farmers' National Council, with about 600,000 members, appeared at the hearings against the bill, stated that Howard did not represent the views of the American farmers, and gave irrefutable evidence to the effect that the American farmers are unalterably opposed to the pending ship subsidy bill, just as they have been opposed to all ship subsidy bills in the past. Neither did the press say anything of the fact that Howard appeared in person at the hearings in behalf of the bill and on cross-examination admitted that the American Farm Bureau in national convention had adopted resolutions declaring against any subsidies and had never taken any contrary action. Instead of representing their views, Howard misrepresented the views of the members of the American Farm Bureau.

In discussing this matter an editorial in the May 12, 1922, issue of Wallace's Farmer, owned and published by Secretary of Agriculture Wallace, stated:

We wonder if the members of the American Farm Bureau Federation are really as much in favor of ship subsidy as President Howard thinks. As a result of Howard's letter in support of ship subsidy, the newspapers of the East now seem to think that the farmers are now lined up solidly behind the subsidy. This is not true.

Then the editorial continued with arguments against the ship subsidy bill.

It is proper to explain that while his name appears at the masthead as one of the editors, yet it is followed with a note that while Mr. Henry C. Wallace is Secretary of Agriculture he is relieved from responsibility for what appears in the paper. His son is one of the editors and is understood to be in charge, and I suppose he wrote the editorial.

Likewise the Iowa Homestead contained the following editorial:

A dispatch states that Chairman Lasker, of the United States Shipping Board, has announced the receipt in Washington of a telegram from President J. R. Howard, of the American Farm Bureau Federation, in which approval is given to the Federal-aid plan for the upbuilding and development of the American merchant marine through Government aid. The telegram from President Howard, as quoted, is as follows:

"While the American Farm Bureau Federation is opposed to any subsidy on principle we realize the necessity for developing the American merchant marine as a naval auxiliary and as an agent in the development of foreign trade. We approve aid temporarily until our flag can be established on the high seas, but no longer. Subsidies, like tariffs, should be flexible and not continue after industry becomes self-supporting. If subsidy be supported on naval grounds, it is essential that merchant ships be available and used for training of naval reserves."

Commenting upon the Howard telegram, Chairman Lasker said:

"It marks the end of half a century of opposition by the American farmer, and to me there is great encouragement to be found in the fact that this telegram indorses what President Harding has repeatedly said to the effect that no one interest in the country is more interested in the development of an established merchant marine than the great American farmer."

Notwithstanding what Mr. Howard is said to have set forth in his telegram, I do not believe that one farmer in ten or one farm bureau member in ten is in favor of a subsidy for wealthy shipowners. Mr. Lasker is wrong when he imagines that the Howard telegram marks the end of half a century of opposition to a ship subsidy on the part of the American farmer. No such optimism is justified. My guess is that before the question is finally settled it will be found that the American farmer, if once he gets at the facts, has only started to fight. This same American farmer, who for the last year or more has passed through an experience which he hopes never to see repeated, is in no mood and in no financial condition to sanction subsidies, whether they be to railroad owners or to shipowners. What would Chairman Lasker, of the Shipping Board, say to a proposition to subsidize the American farmer to relieve him of taxes to make available appropriations so that he—this man who feeds all—might prosper?

I hope that every farmer will at once acquaint himself with the terms of the proposed ship subsidy, and if he does not favor this form of gift to the rich, this gross favoritism for the few, this expenditure of public funds for private gain, that he will communicate with his Congressman. Let the farmer speak for himself. He is entitled to speak for himself. Until he has delegated this authority to others no one can properly speak for him. I can not believe that the farmers are for a subsidy. I will never believe it until they themselves say so.

Mr. T. C. Atkeson inserted these editorials in the record and stated:

Wallace's Farmer and the Iowa Homestead represent a very decidedly different state of mind out there in Iowa, but as far as I can discover both represent a Republican state of mind, and both these papers seem to have a common state of mind on the question of ship subsidy.

J. R. Howard, president of the American Farm Bureau, appeared at the hearings and read a prepared statement, "which," he said, "I claim no credit for having prepared, except having made a few suggestions." It was not necessary for him to explain that he had not prepared the statement, because it became very apparent upon cross-examination that he knew nothing about the bill and nothing about most of the things contained in his statement.

Howard said that he sent that telegram to the President "at the request of the Shipping Board."

He stated that Chairman Lasker delivered to him "some data and studies, and so forth, in favor of the bill," and asked him for an opinion on the bill.

In that connection attention is called to the following testimoney from the hearings:

Mr. DAVIS. I know, but I am asking you whether Chairman Lasker furnished you, yourself, at the time he furnished the other studies, with a copy of this report which had been prepared at the instance of the Shipping Board giving a history of ship subsidies and subventions in the various other countries?

Mr. HOWARD. I think I never have seen that. I don't recall ever seeing it. Mr. Lasker gave me a copy of his own address before this committee and a digest of material which must have consisted of three or four hundred pages prepared by the Shipping Board on the general subject, which I did not read but turned over to this committee who did the work for me. He might have sent that bulletin to the committee.

Mr. DAVIS. You don't know, then, that this report not only shows, but states, that ship subsidies and Government aid has not resulted in materially aiding in the upbuilding or maintenance of a merchant marine in any country on earth, with the possible exception of Japan, do you?

Mr. HOWARD. Well, I don't know that that book stated it. I heard Professor Hall make a similar statement. I don't know where he got his material.

Mr. DAVIS. He was one of the gentlemen you had make that study, and he made that statement in the light of his studies on the subject?

Mr. HOWARD. I understand so. I don't know where he got his information.

Howard said that Professor Hall, of Northwestern University, was "an expert on shipping," but it will be noted that he did not follow Professor Hall's advice.

Howard stated that he referred the question of this ship subsidy bill to their research and transportation department and to a committee of manufacturers, of which he mentions the vice president of the John Deere Plow Co. and the president of the Advance Rumley Co., and the president of the Avery Manufacturing Co. He explained that the head of the research

and transportation department was a lawyer, and he had selected his assistants. In other words, he seems to have referred it to most everybody except farmers. As to why he should call upon the International Harvester Trust to make up his mind for him I do not know, but it seems that he acted upon their advice instead of that of the shipping expert who was called into conference.

However, it is only fair to Mr. Howard to state that he did recognize his obligations to the bureau which he was pretending to represent to the extent of making the following statements:

Let me say right here that the American Farm Bureau Federation is opposed to a subsidy as a matter of principle. We believe that in the end the economic interests of the country will be best served by the minimum of interference on the part of the Government, regardless of whether that interference is expressed in the form of repression, regulatory legislation, or direct aid. Government assistance is an artificial aid taken out of the pockets of all of us to assist the business of a few of us.

I have already said that we object to a subsidy in principle. The American Farm Bureau Federation has also gone definitely on record in its opposition to tax exemption, including tax exemption on Federal farm loan bonds. We stand foursquare to the world, asking no exemption in cases where it would be to our advantage to have that exemption, because the whole principle is unsound. We can not conceive that the American exporter or importer is entitled to deduct freight money from his income tax because he ships on an American vessel rather than a British. His act is no more meritorious than that of the shipper by land who sends his goods from Chicago to Buffalo over the New York Central instead of the Grand Trunk, or who ships from the Twin Cities to Vancouver by way of the Great Northern instead of the Soo line and Canadian Pacific. We can not do other than oppose the tax-exemption provisions of the present bill.

The following occurred on cross-examination:

Mr. DAVIS. Now, Mr. Howard, you spoke of the fact that you were opposed to the tax-exemption provision of the bill, and said that under the resolutions that had been adopted by your bureau and the instructions given you you could not do otherwise than go on record in opposition to it. Now, do you mean resolutions adopted by the bureau in national convention?

Mr. HOWARD. Yes.

Mr. DAVIS. When was that done?

Mr. HOWARD. Well, now, I couldn't give you the exact date and the exact wording, but we have gone definitely on record with regard to tax-exempt securities.

Mr. DAVIS. That has been your uniform policy?

Mr. HOWARD. Yes. Yes, sir; and it didn't seem consistent to advocate a tax exemption in one specific case, such as this would be, when we were on record against other—possibly more important—tax exemptions. We are simply trying to take a consistent attitude.

Mr. DAVIS. I think you are quite correct. I did not mean to criticize your position. I am in accord with it. Now, when did you hold your last national convention?

Mr. HOWARD. Last November.

Mr. DAVIS. At that time, of course, no action was taken upon this bill, which had not been introduced?

Mr. HOWARD. No.

Mr. DAVIS. Now, you also stated in your testimony and in the telegram to the President which you read "that the American Farm Bureau is opposed to any subsidy on principle." Now, is it not also true that the farm bureau in national convention has gone on record against subsidy?

Mr. HOWARD. I don't know whether there was specific mention at the last meeting of subsidy or not.

Mr. DAVIS. Well, at some previous meeting?

Mr. HOWARD. Yes; we have always taken that stand. It has been our general attitude as a rule—as a general proposition.

Upon having his attention called to the different provisions of the bill, Howard repeatedly either expressed disapproval of same or withheld his approval, using such expressions as:

That must be safeguarded, Mr. Congressman, in some way, and it is up to you to devise the way.

Upon being questioned about a certain proposed amendment to safeguard the public interest, he said:

Why, I should think you ought to convince the committee of the reasonableness of that.

Upon being questioned about another proposed safeguarding amendment, the following was said:

Mr. HOWARD. Why do you not include those in the bill, Judge?

Mr. DAVIS. I do not know whether I will be permitted to include anything or not. [Laughter.] I am speaking about the bill as it is.

Mr. HOWARD. Well, we have not indorsed the bill as it is; we are just simply indorsing the general principles.

So that Mr. Howard places himself in the inconsistent attitude of excusing himself for having indorsed this proposed legislation on the ground that the American Farm Bureau in national convention had only declared against subsidies "on general principles," and yet he winds up by saying that—

We have not indorsed the bill as it is; we are just simply indorsing the general principles.

Mr. Thomas C. Atkeson, who, by the way, is a brother of the gentleman from Missouri by that name, appeared at the hearings as a representative of the National Grange against this ship subsidy bill. Mr. Atkeson stated that his organization had an—

actual bona fide, paid-up membership of about 800,000, more than 100,000 more membership than any other farm organization in the United States.

He stated that they had granges in all the States in the Union except a few of the Southern States, having a membership of 134,000 in the State of New York, 108,000 in Ohio, and so forth.

Mr. Atkeson stated that the National Grange in national convention had gone on record against ship subsidies in nearly every session from 1899 to 1914; that they had had as many as 20,000 farmers in their annual meetings; and that the action against subsidies was always unanimous. He inserted in the record abstracts of the reports, resolutions, and so forth, adopted by the National Grange in the different years, and they constitute an exceedingly strong indictment against ship subsidies.

The report of the legislative committee on the subject in the 1906 convention, which was unanimously approved, contained the following:

The committee met in Washington, April 3, to represent the grange before the Committee on Merchant Marine and Fisheries against the ship subsidy bill.

Senate bill 529, commonly known as the ship subsidy bill, had been passed by the Senate and was then pending in the House. This measure is the same old scheme of taking money from the people by taxation and bestowing it upon a small number of shipbuilders, which the efforts of the National Grange had defeated at a previous session of Congress. The present bill differs from its predecessors in that its authors have tried to cover up the ugly words "subsidy" and "bounty" by the use of the term "subvention." That is, instead of providing for the payment of bounties to shipbuilders or owners of steam or sailing vessels, the bill provides for the payment of "subventions" in amounts proportionate to the size of the vessels, the nature of the trade in which they are engaged, etc. But a subsidy by any other name is as objectionable, and your legislative committee protested as earnestly against the use of public revenues for subventions to a few persons as against bounties or subsidies to the same class of citizens.

I also wish to call attention to the following extract from Mr. Atkeson's statement:

At the forty-first annual meeting of the National Grange, held in Hartford, Conn., in 1907, the master, N. J. Batchelder, made the following reference to ship subsidy legislation in his address:

"The power of organized selfish interests working to secure appropriations by Congress of public funds for private purposes was shown again by the action of the House of Representatives in passing the notorious ship subsidy bill. Notwithstanding the fact that it was made clear to the Members of Congress that the farmers of the country are strongly opposed to legislation granting subsidies or bounties for private ends, the bill was passed by the House, though in a form unsatisfactory to its originators and with many of its worst features eliminated. It failed of ratification in the Senate.

"The action of many Members of Congress in defying the wishes of their constituents in this matter is evidence of the urgent necessity for the members of the grange keeping a vigilant watch over their Representatives, and for advising them in no uncertain manner that they are uncompromisingly opposed to subsidy or bounty legislation in any form.

"I am advised that the ship subsidy advocates are planning to begin another campaign of misrepresentation in favor of their scheme, and as their project for securing millions of public funds is evidently well financed, they will doubtless be able to get a certain following in Congress. To keep the hands of the subsidy hunters out of the United States Treasury it is necessary that the members of this order take immediate action by writing to their Senators and Representatives that a vote for subsidy legislation is a vote against the public interests."

Apparently referring to a statement that had been made by J. R. Howard, Mr. Atkeson said:

It has been said before this committee that the farmers did not know anything about a subsidy or shipping, but I will guarantee that you can go out at random, outside of Congress, of course—but you can go out anywhere in this country and take the first 100 men you meet in the country and compare them with the first hundred men you meet on the streets of Washington, and the men from the country will know more about this question than the hundred men you will find in Washington at random.

Two weeks ago the first notice I saw in an agricultural newspaper discussing this matter appeared. Within a week I have seen three or four hundred farm papers, agricultural newspapers, scattered from Maine to Oregon. A great many of them have discussed this subsidy within the last week, and I have seen but one paper that favored it.

The June, 1922, issue of the National Grange Monthly contains the following significant statement:

At the request of Worthy Master Lowell copies of this ship subsidy bill have been sent to the masters of all of the State granges and the State masters have been asked to express their opinion as to the advisability of Congress voting ship subsidy at this time. The replies as reported to the Washington office by National Master Lowell are almost unanimously in opposition to the subsidy, only one reply thus far reported being favorable and one noncommittal.

Mr. Benjamin C. Marsh, managing director of the Farmers' National Council, appeared at the hearings against the ship subsidy bill. Mr. Marsh analyzed the bill by sections from the farmers' standpoint, displaying a surprising mastery of the subject. His arraignment of the bill was intelligent and terrific. He riddled the claim that the farmers are for this bill.

I shall now take up the specific discussion of the arguments in favor of this bill. As stated in the outset, one of the chief arguments in favor of the passage of this bill and one which seems to be quite effective is that the passage of this bill will

stop the present Shipping Board expense of about $50,000,000 per annum. Another argument which I shall discuss in connection with the one just mentioned is that it is necessary to pass this bill in order to get the Government out of the shipping business. There never were more fallacious arguments than these. Not to speak of the fact that this bill would involve a much heavier burden upon the public Treasury than the said expense, as well as many additional burdens upon the masses of the people through the indirect aids in favor of shipping interests; as a matter of fact, the passage of this bill would not result in any saving of said annual $50,000,000 expense any time soon, and perhaps but little saving of same in the future unless the shameful extravagance of the Shipping Board is curtailed, and that can and should be done whether this bill passes or not.

In the first place, only a small portion of this $50,000,000 annual expense of the Shipping Board represents the loss on voyage operations.

The net profits from the operations of the Shipping Board vessels from the beginning to June 30, 1919, was $166,493,994.85 and the net revenue from the beginning of operations to March 31, 1920, was $132,783,781.29, as reported by the Shipping Board and as incorporated in the report on the merchant marine bill of 1920 filed by Chairman JONES for the Senate Committee on Commerce.

According to the report of the Shipping Board the excess of cash outgo, Division of Operations, for May, 1921, was $6,500,000 and for June $1,714,000. The present Shipping Board took charge as of July 1, 1921, and according to their reports the net operating losses and expenses, including voyage losses, administrative expenses, repairs and betterment, insurance, and the lay-up expenses of vessels not in operation, for the first three months of the present year averaged $3,413,021.19 per month; however, the net voyage losses for those months averaged only $792,178.91 per month.

On April 30, 1922, there were 1,582 employees in the operating department of the Shipping Board Emergency Fleet Corporation—that many employed and paid by the Government. And yet the Shipping Board Emergency Fleet Corporation is only actually operating 13 ships—those of the United States lines managed by Thomas H. Rossbottom. Of the remainder of the Shipping Board vessels in operation a small number are operated under bare-boat charters, under which the charterers have absolute control and sustain any losses incurred; the charter-hire receipts paid the Shipping Board for February were $65,411 and for March were $88,139; the remainder are operated under managing-agent agreements, by which the managing agents operate the vessels on a commission of the gross revenues. They have their own organizations. There are only about 46 companies and individuals operating Shipping Board vessels. However, this very large number of employees is retained by the Shipping Board to supervise these lessees of Shipping Board vessels.

This is a considerably larger number than was so employed last June, although there are less than 60 per cent as many vessels in operation in April of this year as there were in operation in June of last year and only 36 per cent as many vessels in operation this year as there were in January of last year. It must be borne in mind that those employees in the operating department constitute less than a fifth of the total number of employees of the Shipping Board and Shipping Board Emergency Fleet Corporation. The total number of employees as reported by the Shipping Board as of July 15, 1921, at the hearings before the Appropriations Committee was 8,280, with annual salaries aggregating $15,755,799. While I do not know the exact number of the present employees, I think I am safe in saying that there has been no material reduction in the aggregate number nor in the total amount of salaries paid; while there has been a reduction in the salaries of some of the clerical and subordinate employees, yet there has been an increase in the salaries of many of the higher officials.

The chairman and other representatives of the Shipping Board in testifying at the hearings on the appropriation bill for the coming year, when they asked for the $50,000,000 appropriation for expenses and losses, estimated that same would be made up as follows:

Net voyage losses	$5,497,561
Other expenses:	
Repairs and betterment, insurance, expenses during permanent lay up, advertising	29,502,439
Administrative expenses	15,000,000
Total	50,000,000

Martin Green, staff correspondent of the New York Evening World, summed up the situation as follows:

It costs 43 cents to spend a dollar in administration of the affairs of the Shipping Board Emergency Fleet Corporation, according to figures submitted to Congress in connection with the request for an appropriation of $50,000,000 for vessel losses and administration expenses for the fiscal year ending June 30, 1923.

They are going to lose $5,497,561 in vessel operations, lay out $29,502,439 in accumulating the loss, and sink $15,000,000 in supervising the operation.

Comparison with the operations of another department of the Government should be in order here. The department selected is that which takes care of the internal revenue of the country.

The total internal-revenue receipts for the fiscal year ending June 30, 1921, amounted to $5,408,075,468. The net expense of collecting this money was $27,043,000. It costs the Government 50 cents to collect each $100 of the money resulting from internal revenue and 43 cents to spend $1 disbursed by the Emergency Fleet Corporation in handling the people's ships.

Mr. Lasker was questioned as to why it was that there was not a reduction in the Shipping Board expenses in view of the fact that there had been such a large reduction in the number of ships in operation, in connection with which attention is called to the following testimony at the hearings:

Mr. DAVIS. Well, you are only operating less than one-third of the vessels now.

Mr. LASKER. Well, as a business man, you know this: That whether we are operating 400 ships or 1,200 ships, there isn't much difference in your overhead.

I emphatically insist that the overhead expense connected with the operation of 400 ships should be decidedly less than the overhead expense connected with the operation of 1,200 ships, especially when the larger number were operated by a much larger number of operating companies.

Chairman Lasker further testified as follows:

Mr. DAVIS. Even under the operation of this law, and at least until the ships that are sold on time are paid for, will it not be necessary to continue a very substantial Shipping Board force?

Mr. LASKER. Do I understand you to ask "until the ships are paid for will it be necessary"?

Mr. DAVIS. Yes.

Mr. LASKER. The answer to that is no; but if your question means as long as we have to operate ships, where we have to keep substantially the same organization as now, the answer is yes.

It being conceded that the present expenses of the Shipping Board will continue until our ships are disposed of and the Shipping Board ceases to have same operated, the query naturally arises as to when that time will arrive. Chairman Lasker's zealous and questionable activity in behalf of this bill is such that it may be reasonably inferred that he will give as strong assurances as possible as to any good results that might accrue therefrom. During the course of cross-examination he made the following statement:

It will be a good many years before we do not have any stuff left, with most favorable legislation. I want to make it plain here that I do not think the proposed legislation is going to, by the wave of a magic wand, give us a merchant marine.

In his direct statement at the hearings Chairman Lasker said:

The Shipping Board wishes to emphasize to your committee and to Congress that world shipping is now more depressed than it ever has been in proportion to world tonnage.

We believe that of the 700 good freight ships we have, the Shipping Board would feel very happy if, within 30 months from the time of the passage of this bill, it could dispose of sufficient ships to take care of the routes it is now operating and put the Emergency Fleet Corporation out of business as an operating company.

He makes no prediction as to the disposition of the remainder of the 1,700 vessels owned by the Shipping Board.

This was said on cross-examination:

Mr. DAVIS. Now, you stated yesterday that if this bill should pass you estimated it would take 30 months within which to dispose of the 400 vessels owned by the Shipping Board now in operation. I want to ask you how long it would take you to dispose of the balance of the Government fleet and other shipping property?

Mr. LASKER. That is a very difficult thing to answer. First, we would have to solve what is to be done with the figures 5,000,000 dead weight of questionable ships, because as long as they are in existence it hangs as a pall over the whole market for the good ships, and whether or no the last 300 would sell very fast would be determined by world conditions, on the one hand, and how successful we were in building up an American merchant marine, on the other hand.

Mr. Lasker later admitted there are a number of expenses of the Shipping Board that have no connection whatever with the operation of ships, and would not be affected by the fact as to whether this bill passes or does not pass, as will be seen from the following testimony:

Mr. DAVIS. Mr. Lasker, right on the question of the muddled accounts and the claims and the pending suits and things of that kind, of course it is going to be necessary to maintain a sufficient force to dispose of and wind up all those matters, whether this bill passes or not.

Mr. LASKER. Let us put it the other way; whether this bill passes or not won't affect how long we have to keep the force for that purpose. I hope to have that straightened out within a year.

Mr. DAVIS. That is the point I want to get at exactly. There are various activities now, including those dealing with the claims and accounts and suits and those dealing with the uncompleted construction and those dealing with other features of your work that are temporary.

Mr. LASKER. Yes, sir.

Mr. DAVIS. And will sooner or later be wound up?

Mr. LASKER. Yes, sir.

Mr. DAVIS. Whether this bill passes or doesn't pass?

Mr. LASKER. Absolutely. It has nothing to do with it.

On the question of the expense after all the ships have been disposed of, Chairman Lasker testified as follows:

After we quit operating we would then only have to keep a ships' disposal department. Our vast accounting would end, and I would say after we disposed of the ships by that time a few hundred people would be all the employees the Shipping Board would need.

However, according to Lasker's own fondest dream, that is many years off. The functions of the Shipping Board at that time should require the services of a less number of employees than he estimated; that is, if the pending bill should not pass. However, if this bill passes and the extravagance of the Shipping Board is continued you may rest assured that there will be no substantial reduction in the number of employees and the expense of the Shipping Board. I say that because the pending bill provides numerous activities, the execution of which would require a large organization.

As before stated, the passage of the pending bill will not avoid the present expenses of said board, but it will place upon the American people additional heavy burdens for the sole benefit of a few men engaged in the shipping industry.

As before shown, the Shipping Board has laid up a large number of Shipping Board vessels formerly in operation. They took off all the Shipping Board vessels that were in competition with privately owned American vessels. Although this reduction did not result in any saving of expense or reduction in appropriations, yet it did have another decided effect. During the year of 1921 the average amount of our imports and exports carried in American vessels was 51.6 per cent. The percentage was larger than this during the first half of the year, but less during the last half of the year on account of the reduction of the number of vessels in operation. The result of such laying up of the Shipping Board vessels is explained as follows:

The Department of Commerce recently made the rather depressing announcement that American ships are carrying a decreasing percentage of our export and import trade, the Shipping Board vessels making the worse showing.

The reports of the Department of Commerce give the exact figures by months which show the decided decrease in the amount carried in Shipping Board vessels and an increase in the amount carried by privately owned American vessels and an increase in the amount carried by foreign-owned vessels, as the American privately owned vessels did not get all the business that had formerly been carried by Shipping Board vessels.

The situation is briefly summarized in an article in the Annalist, as follows:

Foreign ships are rapidly regaining control of our import trade. In July, 1920, they carried only 36 per cent of the total, while in July, 1921, they carried 54 per cent. During the same period American independent vessels increased their tonnage from 32 to 36 per cent, while the Shipping Board lost 22 per cent. The Shipping Board vessels handled only 10 per cent of the total in July, 1921, a record low figure, and only one-sixth of the total carried in July, 1920.

The present showing is even worse. Chairman Lasker was asked what he had to say with respect to that situation; that is, that the Shipping Board vessels have very materially lost their proportionate percentage of business since he took charge, and the foreign vessels are carrying a large percentage of our imports and exports, and at the same time the private American vessels were increasing their percentage of our imports and exports carried. He very candidly replied that there was not enough business, he did not think, to make it profitable for both the private American vessels and the Shipping Board vessels, so they pulled off the Shipping Board vessels in order to give the business to the private vessels. It seems that they got some of it and the foreign vessels get a good deal of it. In other words—and that is the chief trouble about the whole situation, and has been from the beginning—that those in charge of our Shipping Board affairs have never at any time regarded the American taxpayer; they are not regarding him now. They are regarding the American taxpayer less than ever before; they are very much concerned about the private shipping interests, but whenever there is a choice between the shipping interests and the public interests they resolve it in favor of the private interests and boldly announce it as their policy. We can not get this thing properly solved as long as that situation obtains. The so-called experts, those controlling the affairs and operations of this board, are men taken from the competitive interests. Now, to whom do they owe allegiance? All we can judge of is by the way they act and by the way they talk.

Not only have Chairman Lasker and other members and officials of the Shipping Board made every effort to show that the Shipping Board vessels are not being operated successfully and can not be, but there are many things to indicate that they are making no sincere efforts to have them operated successfully and profitably.

Chairman Lasker himself stated at the hearings that—

The Shipping Board is not trying to establish trade. * * * We are only taking such trade as is offered, and you can not build up an American trade that way. We get only the plusage of the trade, as is proved by the fact that now we have tied up much more than Great Britain has.

Although it has taken off a large number, the present Shipping Board has not established a single new line.

Any proof or suggestions of ships making profits invariably caused a commotion among the representatives of the Shipping Board. They seem to absolutely resent any such proof. As before stated, the Shipping Board is only actually operating 13 vessels—those of the United States Lines, of which Thomas H. Rossbottom is general manager, on a salary paid by the Shipping Board. Mr. Rossbottom was called as a witness at the hearings by the Shipping Board. On cross-examination he was asked about the success of the operations of the United States Lines, and testified in part as follows:

Mr. ROSSBOTTOM. The United States Lines is the creature of the Shipping Board. The Shipping Board owns the steamers. They were the steamers that had been chartered and sold on partial-time payments, I believe, to the United States Mail Steamship Co. to be operated between New York and European ports. Then when the United States Mail went into the hands of a receiver these steamers were thrown back on the Shipping Board, and the Shipping Board requested the Secretary of War to transfer me from the Panama Line to the United States Lines to manage the United States Lines until such time as the lines could be sold.

Mr. Rossbottom further testified that the vessels he was operating might be called—

a horse and a mule and a jackass team.

Two of them, the *George Washington* and the *America*, being real steamers, some of the others being only fairly suited to the trade, but expensive of operation, as they were originally—

cargo steamers, and then the passenger accommodations were installed as a sort of an afterthought—

With the result that the operating expense was as much as a first-class passenger steamer, but the operating revenue was greatly reduced because of the lack of adequate accommodations for passengers. Four of the vessels, which he classed as—

full-fledged jackasses—

were old German tubs about 21 years old. In further describing them he said:

Their operating expenses are enormous, and I can not get any operating revenue out of them, because people will not travel in them. The third-class accommodations are not fit for pigs to be stowed in, the ships are old, the steel is crystallizing, and I have all kinds of expenses for repairs on them.

Mr. Rossbottom testified that during the last four months of 1921 they operated the *George Washington*, the *America*, and three of the old German vessels in the New York-Bremen service, and operated three of the said converted cargo vessels in the New York-London service. He furnished full figures showing that the net operating revenue on those ships during the said four months was $535,259.43; he explained that this did not include any deductions for insurance, interest, and depreciation, nor repairs which had been made by the Shipping Board, but that it did include all expenses incurred by the United States Lines; also coal, oil, and advertising paid by the Shipping Board, as well as office rent and wharfage bills paid by the Shipping Board. Mr. Rossbottom further showed that the good vessels made very large profits, which were partially offset by the losses on the old and unsuitable vessels. Mr. Rossbottom stated:

There are three steamers that I have in mind that if I had them in the United States Lines with the *America* and *George Washington* I would not take off my hat to anybody.

It must be borne in mind that this profit was made during what is generally conceded to be the worst depression in the history of shipping. Furthermore, the four months for which the figures were given were about the worst part of the year. In speaking of this North Atlantic service, W. J. Love, vice president of the Emergency Fleet Corporation, in charge of traffic, said:

This is the time of the year when they are making money. Well, I mean to say May, June, and July eastbound; July, August, and September, and the early part of October westbound. That is their harvest. * * * All of the larger ships are booked full eastbound, I am informed, well into July, and the passengers are now turning their attention to the smaller ships and to the ships of lesser grade.

He further stated that our ships are running full ladened eastbound on the Atlantic and are booked very well coming home, too, in the same months above referred to.

It is a recognized fact that the lines being operated by Mr. Rossbottom encounter as strong foreign competition as any lines in the world.

During the examination of a witness on a subsequent day of the hearings I referred to the above testimony of Mr. Ross-

bottom as to operating said lines at a profit, and Meyer Lissner, a member of the Shipping Board, interjected the following statement:

Mr. Chairman, in that regard, I do not think it is just to the Shipping Board to allow the statement that was made and the question that Judge Davis asked the witness in regard to the lines managed by Mr. Rossbottom to stand without explanation. Mr. Rossbottom, it is true, did testify that there was a net of something like $500,000 out of the operation of the fleet under his management but he also distinctly stated that that did not include any allowance for insurance, interest, and depreciation.

Lissner not only resented the suggestion that the Shipping Board was profitably operating some of its vessels, but stated that he did not think it was "just to the Shipping Board" to allow a statement to stand to the effect that the Shipping Board has successfully performed its duty.

This incident is typical of the spirit manifested by him all during the hearings.

It is a fact that some of the shipowners are operating their own vessels at a profit but are operating at a loss Shipping Board vessels, which they are operating under managing agent contracts. Reference was made to this matter and to the fact that one steamship company was operating its own vessels at a profit and operating Shipping Board vessels at a profit which it had under bare-boat charter, but was operating at a loss Shipping Board vessels which it had under a managing agent contract; and the inquiry was made as to why that was. Lissner interjected the explanation that the Shipping Board exercised a certain control and direction over vessels operated under managing agent contracts, but did not as to those under bare-boat charters. And thereby hangs an interesting tale.

During the hearings Lissner was the master of ceremonies on the part of the Shipping Board, his chief function being to muddy the waters and prevent the development of important facts.

Members of the committee insisted upon the Shipping Board inserting in the hearings a statement of the operating losses and profits of each of the concerns operating Shipping Board vessels, but the Shipping Board refused to furnish this information. In fact, they refused to furnish a great deal of important information which was asked for at the hearings.

In this connection I wish to call attention to an article that appeared in the March 22, 1922, issue of the Nautical Gazette, America's oldest shipping weekly, with the following title and opening paragraph:

Is Shipping Board really trying to further an American merchant marine? Question raised by its course in refusing to allocate additional tonnage in Levant trade and forcing millers to patronize foreign ships.

Is the Shipping Board sincere in its efforts to establish an American merchant marine? To the man on the street the question may seem superfluous, for, he argues, what other intent could actuate a band of patriotic citizens to give up their personal business and expend their time and services in handling of Government tonnage at salaries ranging from $12,000 to $35,000 per year. But to the genuine shipping man the query has become so pertinent that mere generalities will not suffice as an answer. It has become especially timely by reason of certain recent acts of officials of the board. An analysis of their attitude toward certain of our shipping problems leads to some very disquieting conclusions.

Then the article discusses at length the question thus raised.

The Nautical Gazette, in its issue of May 13, 1922, contains a most illuminative article entitled:

Board's red-tape methods preclude development of American shipping; managing operators of Fleet Corporation's ships are hampered by all sorts of official regulations and can not act on their own initiative.

I wish I had time to read this very instructive article, in order that you might fully understand why it is that ship operators can operate their own vessels successsfully and profitably, but at the same time can not do so with Shipping Board vessels. A reading of the article fully discloses what Lissner had in mind when he interjected the explanation referred to a few moments ago.

Of course, Albert D. Lasker was not chosen as chairman of the Shipping Board because of any knowledge of the shipping business, for he knew absolutely nothing about it. At the Appropriations Committee hearings last July Lasker himself said:

I am not an expert in shipping, but I take a little pride in being an expert in publicity.

It has been charged in the press that his appointment was suggested by certain large private shipping interests. They doubtless desired his appointment because, in view of his success as an advertiser and publicity man, they thought he was the proper man to carry out an elaborate propaganda program in favor of a ship subsidy bill. Soon after his appointment Chairman Lasker requested the American Steamship Owners' Association, embracing practically all of the American private shipowners, to suggest the names of experts to assist him in his work. As admitted by the general manager of that association at the hearings, they recommended W. J. Love, E. J. Frey, and J. B. Smull, who were promptly appointed, Smull and Love at salaries of $35,000 each per annum and Frey at a salary of $25,000 per annum. Love was made vice president of the Emergency Fleet Corporation, in charge of traffic; Frey was made vice president of the Emergency Fleet Corporation, in charge of operations; and Smull was made vice president of the Emergency Fleet Corporation, in charge of chartering, allocations, and contract department. At the time of his appointment Love was assistant manager of the American offices of Furness, Wythe & Co., the largest British shipping concern in the world, and not having a single ship under American registry. Mr. Love came direct from this British concern to the Shipping Board. Frey was chief assistant to the president of the Pacific Mail Steamship Co. at the time of his appointment to the position with the Shipping Board. Smull is a member and half owner of Winchester & Co., one of the largest, if not the largest, American shipping brokerage firms. Of course, all of these men know that their employment with the Shipping Board is only temporary, after which they will return to their former employers or other private shipping concerns. Besides, they naturally came saturated with the views of the private shipping interests with which they had grown up and been associated. One of the chief troubles of the Shipping Board affairs from the beginning has been that its policies have been largely determined and managed by representatives from private shipping interests. But few of the members of the Shipping Board have had practical knowledge of shipping affairs, and they have permitted the representatives from the private interests to direct and manage the affairs of the Shipping Board.

Private shipowners fought the enactment of the 1916 shipping act providing for the establishment of the United States Shipping Board and a merchant marine. Ever since they seem to have been obsessed with the idea that if the Shipping Board vessels should be operated successfully there was a likelihood of permanent Government ownership and operation. Consequently they have been very hostile to Government-owned vessels and the operation thereof, and have continuously advocated a policy of the Government getting rid of its fleet at once in whatever manner was necessary to do so; most of them advocate scrapping a large part of the Government fleet. They soon converted Chairman Lasker to their views. Consequently from the time he was appointed chairman of the Shipping Board he has been persistently denouncing the character and quality of the Shipping Board vessels, and proclaiming the failure of their operation and the impossibility of them being successfully operated.

The general attitude of the shipowners was expressed at the hearings by H. H. Raymond, president of the American Steamship Owners' Association, who expressed himself in part, as follows:

Mr. BLAND. Can you give us the benefit of your reason for that opposition?

Mr. RAYMOND. I feel that if the Government is to rid itself of ships, or, in other words, if we are to get rid of Government owned and operated vessels, the sooner they are sold the better. * * *

Mr. DAVIS. And you think the vessels ought to be sold at once to whoever is able to buy them?

Mr. RAYMOND. That is my personal opinion. I am not speaking for the association in opposition to that amendment. I am opposed to it as an owner and operator.

Later in his testimony Mr. Raymond said, in speaking of the Shipping Board vessels:

What I would like to see done, personally, is to see every one of them tied up and not taken out until they are sold. * * * I would sooner see them absolutely and entirely out of operation under Government ownership.

The attitude of Chairman Lasker and Mr. J. B. Smull, vice president Emergency Fleet Corporation and Director of Operations, one of the $35,000-a-year experts, was expressed at the hearings before the subcommittee of House Committee on Appropriations last July as follows:

Mr. LASKER. If we find—and I am also asking this for the enlightenment of the board—that we can not get enough operators to share with us the risk of operating, do you think that the operating vice presidents would recommend to the board that, rather than keep on with the present system, we should tie the boats up until such time as we could allocate them upon a proper profit-sharing and loss-sharing basis, even though it might increase the immediate loss to the Government to tie the boats up?

Mr. SMULL. I would tie them up.

Mr. LASKER. Therefore, in order to make the thing helpful to this final ultimate situation, we might have to perforce increase the loss, knowing that we were doing it by tying the boats up, in order to end this vicious system?

Mr. SMULL. Yes, sir.

The Shipping Board started tying up the boats to such an extent that the shippers in the Middle West called a meeting that was held in Cincinnati on October 7, 1921, and there

adopted the platform and sent Mr. Malcolm Stewart, manager of the foreign trade department of the Cincinnati Chamber of Commerce and chairman of the Middle West merchant marine committee, to Washington to enter with the Shipping Board a protest against destroying the trade routes which had been established from the Gulf and South Atlantic ports, upon which the shippers of the Middle West were dependent.

Mr. Stewart stated at the hearings that—

It looked like the only business they had in hand was destroying the trade routes.

He further stated:

The new Shipping Board was just getting its bearings, of course. Those are past things now, but it did frighten us considerably as to the future of our American merchant marine. Of course, we were not prepared to know all these emergency fleet men knew about ship operations; but when we heard they were going to tie up the ships as fast as they could, that that was their policy, and when we read Mr. Lasker came down here and told you he had on his hands the most colossal wreck in the world's history and he did not know what he was going to do with it and, in fact, did not believe anything could be done with it, why we began to worry about the thing to see if we could not give some help in this situation.

This protest had the desired effect, for the time being at least.

However, Mr. Stewart, upon behalf of the Midwest Merchant Marine Committee and the Mississippi Valley Association, as well as others, advocated an important amendment designed to protect their interests in the future. Furthermore, I note in the press that Mr. Stewart and other shippers in the Middle West are saying some pretty salty things about the North Atlantic Conference of Steamship Lines having induced the Shipping Board to approve its action, resulting in discrimination against the shippers of the Middle West by making it impossible for them to ship through Gulf and South Atlantic ports.

The Cincinnati Inquirer of May 4, 1922, in discussing the subject, stated:

New York influences got busy, it is said, and put the 7½ to 15 per cent handicap on the rates, and the Shipping Board completed the destruction until now neither Cincinnati nor any of the other cities of the midwest territory can do otherwise than route their business through North Atlantic ports. Chairman Stewart said that he was unable to tell how much the action of the Shipping Board in upholding the North Atlantic conference was costing the midwest shippers. * * * He was satisfied that the saving in ocean freights would be great if the South Atlantic and Gulf ports were allowed to handle their own rates.

"The trouble with the whole situation is that we are crippling ourselves and destroying our own merchant marine," said Mr. Stewart last night. As soon as business commences to move we will be bringing on untold trouble by congesting exports in New York and North Atlantic ports. In addition to the saving that we are entitled to, we ought as freight originators to be allowed to route our exports in the way that will give us the best, quickest movements. We must have the South Atlantic and Gulf ports open to our business. If we are barred from exporting through New Orleans it makes the Ohio River useless as an outlet and destroys the possibility of developing cheap water transportation by the Ohio and Mississippi Rivers. Our exporters will never stand for that.

At a meeting of the Foreign Trade Department of the Cincinnati Chamber of Commerce, on May 2, 1922, Malcolm Stewart was given carte blanche to investigate the situation and register a protest against the continuance of the Shipping Board in its affiliation with the North Atlantic conference, and it was suggested that a congressional investigation might be instituted. During the discussion Mr. Robert S. Alter, former president of the department, said:

I have returned recently from 30 days spent in New York in an investigation of this very matter, and I want to say that this action is timely. The Shipping Board is allowing itself to be dominated by the same interests which formerly controlled the old Foreign Steamship Line conference, and the North Atlantic conference is merely a continuation of the old domination of Liverpool-Hamburg interests.

At the same meeting Mr. Stewart read a statement showing the higher freight rates the South Atlantic and Gulf ports were compelled to charge because of the said action of the Shipping Board, and his statement showed that—

the effect of these rates made a discrimination against Cincinnati and midwest producers of 11.75 per cent on cardboard, 17.27 per cent on tanning extracts, 11.75 per cent on fiber boards and phosphate of lime, 16.58 per cent on condensed milk, 11.61 per cent on automobile parts, and 11.75 per cent on packing-house products.

We are cutting our own throats—

Said Mr. Stewart—

by permitting this domination to continue. The railroads have been compelled to give the lines to the Gulf and South Atlantic ports a parity in rates with those to the North Atlantic ports, but the Shipping Board killed the effect of this by allowing a condition to exist which forced the freight originators of the midwest States to send their business to New York.

If we do not remedy this condition our business will be congested in New York when freight activities resume, and we will be unable to have the advantage of trade outlets which are our normal export gateways.

It is further explained that the lines from the Gulf and South Atlantic ports were willing to make as low rates as the North Atlantic lines, and explained that they could do so as they have no berthage charges to pay in comparison with the tremendous charges that are made at the New York and eastern port wharves. [Applause.]

Mr. DENISON. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GALLIVAN].

Mr. HUDDLESTON. Mr. Chairman, I also yield 10 minutes to the gentleman from Massachusetts [Mr. GALLIVAN].

The CHAIRMAN. The gentleman from Massachusetts is recognized for 20 minutes.

Mr. GALLIVAN. Mr. Chairman, everyone within the sound of my voice has at one time or another heard of the Rev. Dr. Charles H. Parkhurst, one of the most eminent divines in America.

Expressing his belief that the eighteenth amendment is in the Constitution to stay, and declaring that he would be "exceedingly disappointed" to see it eliminated, Doctor Parkhurst, in a recent public utterance, used some very plain language in describing the injury done by the Volstead Act. He says that he has taken especial pains to consult men especially qualified to have an opinion upon such matters, men who are not drunkards or drinkers, or personally affected by the act, and that these men agree with him almost unanimously.

The good doctor emphasizes his belief that the Volstead Act goes far beyond the eighteenth amendment, that it meddles with matters that should be left to individual determination, that it renders criminal that which is not criminal, and substitutes a "superimposed national conscience" for "personal conscience," causing unnecessary hardship to working people who "are temperate in the honest sense of the term"; the doctor repeats that the act has a tendency to impair respect for law, and that it is "distinctly and definitely un-American."

I agree with Doctor Parkhurst that the Volstead law is a piece of legislation superimposed upon the prohibition constitutional amendment; it has opened up a new chapter of American history; it has demonstrated the futility of constitutions, political principles, and judicial decisions. In my judgment, these things necessarily happen when the Government of a people passes out of their hands and into the keeping and administration of a body of determined and unscrupulous fanatics, aided and abetted by a panic-stricken and terrorized Congress.

There is another thing that occurs to me right here. One of the supposedly unchanging principles of the United States Constitution is the absolute separation of church and state. And yet the prohibition amendment and its monstrous offspring, the Volstead Act, are the handiwork of certain sectaries who have eliminated true Christianity from their pulpits and have made the use and disuse of wines and liquors the test of conduct and the standard of religious faith, and every effort made to prevent the use and stop the persecution of the users of wine in those churches which regard wine as a vital element in the most sacred sacraments of their faith is hailed with acclaim by these fanatics.

As far as possible the administrators of the law are selected from these fanatical sects who have set up the odious and anti-American doctrine that criticism of the law is sedition and a refusal to obey it treason.

Its most prominent advocates, its most active lobbyists, and its most aggressive terrorists are selected from the ranks of these sectaries, which in their meetings, sessions, and conferences demand that no official shall be nominated and no judges appointed to administer the law that are not indorsed by them. In other words, the reign of American law has been displaced by a reign of sectarian terror and violence, and the principle that animated George Washington and the fathers and founders of this Republic have been supplanted by the preachments of Titus Oates, of infamous memory, and the practices of the dancing dervishes of Islam.

Life, liberty, and the pursuit of happiness, guaranteed to the free citizens of America, have passed out, and a program of political lies, sectarian license, and the pursuit of persecution by fanatical harpies of free American principles has been substituted. The enemies of political, social, and religious liberty through the scandalous maladministration of this monstrous law have assumed the functions of the judge and jury, have invaded the sanctity of the home, attacked the personal liberty of the citizen, abridged the functions and perverted the profession and practice of medicine, and have assailed the rights and insulted the faith of every church not in communion with them.

They have succeeded in placing in the hands of their partisans and parasites the sale and distribution of wines and liquors that medical advice and the necessities of sickness deem needful and which are grudgingly permitted by the law, to the end that the American public is victimized and plundered by the conscienceless dealers now purveying a quality and character of liquor dangerous to the health and disgraceful to the char-

acter of a civilized people; they have enormously increased the death rate; they have multiplied crime and insanity, and have made the Government a partner in these odious offenses against humanity.

Their blind fanaticism has given birth to an atrocious traffic in the manufacture and sale of the deadliest form of alcoholic compounds, so that even the legalized Volstead dealer in spurious and low-grade liquors and the illegitimate dealer in every form of liquid abominations—the bootlegger, so called—are growing rich upon the necessities and disabilities of the citizens of this fantastically termed "free America."

Every American citizen who has in mind the dangers that are inherent in this law to American liberty and the integrity of the Republic and dares to protest against it is assailed in the bitterest forms of vilification and vituperation by the paid agents of professional prohibition and their press, and the self-respecting dignitaries of the churches which still cling to the ancient principles and teachings of Christianity are not free from the shameless attacks of the ministers and the minions of the Volstead "Camorra" if they plead for a return to the standards and ethics of Christianity and the ideals of human freedom.

The toiling millions are ruthlessly deprived of the comforts of life, the solaces of their domestic living, and the safeguards of health by sectarian fanaticism, while the wealthy still laugh at the obstacles the law sets up; and the rich and leisurely tourist finds the law a negation and a farce on the ships that sail the sea under the American flag.

Its open violation on the ships of the United States Shipping Board makes one laugh when he reads so much about law and order now that the eighteenth amendment has been adopted. Here and now I desire to call attention to and emphasize the barefaced hypocrisy of a government appropriating money to enforce this bastard child of prohibition and at the same time appropriating more money to advertise the violation of its own laws on its own ships the minute they get outside the 3-mile limit.

We have the lovely Volstead idea as interpreted by VOLSTEAD'S friend Lasker, which is a paradox—we may not get drunk on land but we can get drunk on water. [Laughter.] Do you know what I mean?

I hold in my hand the wine list of one of Mr. Lasker's sailing delights. It was formerly known as the steamship *Peninsula State*, and now bears the name of one of our former Presidents—*President Pierce*. It is one of the most prominent trans-Atlantic ships of the United States lines. When I read its reminiscent and at times exasperating details it is not with any intention of giving pain or sorrow to those Members of Congress who voted for the Volstead law. Rather is it to let Congress and the country know how on American territory, under Federal appropriations, the law is violated daily. Listen to the list, men of intelligence, and those men who were frightened when the Volstead finger was pointed at them and were driven to vote for this law:

United States Lines, S. S. "Peninsular State."

WINE LIST.

CLARETS AND BURGUNDIES.	Per bottle.
Barsac	$2.00
Haute sauternes	3.00
Moulin au Vent	2.50
Pommard	2.75
St. Emilion	2.00
Pontet Canet	1.50
CHAMPAGNES.	
Cordon Rouge, 1911, quarts	7.00
Cordon Rouge, 1911, pints	3.75
Moet & Chandon, Imported, quarts	7.00
Moet & Chandon, Imported, pints	3.75
Mercier, quarts	5.00
Heidsick, quarts	6.00
Heidsick, pints	3.25
VERMOUTH, PORT, AND SHERRY.	Per glass.
Vermouth, Italian	.20
Vermouth, French	.25
Port wine, old	.25
Sherry	.25
SPIRITS.	
Whisky—Black and White, Johnny Walker, Haig & Haig, Jameson	.25
Whisky—American rye	.30
London Dry Gin	.25
Bonehamp	.25
Steinhagsr	.25
Jamaica rum	.25
Cognac (Martell Three Star)—per pony	.30
LIQUEURS.	Per pony.
Chartreuse, green	.30
Chartreuse, yellow	.30
Creme de Menthe, white	.30
Creme de Menthe, green	.30
Benedictine	.30

BEERS, MINERAL WATERS, ETC.	Per bottle.
D. Ressler's extra light	$0.40
D. Ressler's extra light (small)	.25
Bass Ale, pints	.25
Stout, Guiness	.25
French vichy	.60
Sarsaparilla, lemon, ginger ale	.25
Apollinaris, pints	.35
Club Soda, splits	.15
Red Raven, Pluto Water	.25
CIGARS, CIGARETTES, AND TOBACCOS.	
Corona Corona—each	.50
Corona Perfectoes—do	.30
Graham Courtney, Inv—do	.20
Centrilla, Brevas—do	.15
Sweet Caporal—per pkt	.20
Murad, large—do	.40
Murad, small—do	.20
Camel—do	.20
Lucky Strike—do	.20
Fatima—do	.25
Melachrino 9—do	.30
Melachrino 4—do	.40
Pall Mall—do	.30
Tuxedo, Lucky Strike, Velvet, and Prince Albert tobaccos—per tin	.20

How do you like that, men of America, men who preach law and order, men who say that there is no favoritism anywhere that the flag flies?

The morals of the American people have been lowered by the law, and it is time for the people of this great country to wake up to the true character and purposes of the pseudo-religionists who have, by a vindictive and un-American propaganda, inaugurated a reign of terror in and out of Congress. They are a body whose ideal is a practical union of church and state—their church and a state run by them according to their peculiar ideas—so that the American Republic of free men and sane laws may be supplanted by a quasi religious autocracy superior to the Constitution and administered directly and indirectly by them, their parsons, partisans, parasites, plunderers, and press.

It is time for Americans to rouse themselves before their rights and liberties are stolen and destroyed by a body of men and women whose perverted morals and distorted religions have almost wrecked these United States.

To your tents, O Israel!

[Applause.]

Mr. DENISON. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. HERRICK].

Mr. HERRICK. Mr. Chairman and gentlemen of the committee, we have up here this bill which is supposed to be discussed, but which nobody has discussed, and in view of that fact I may be pardoned perhaps for digressing upon another matter instead of speaking upon the bill. I am sorry to say that the rules of the House compel me to refer to the Member who objected earlier in the day when I wanted to get this matter into the RECORD as a gentleman, and I am frank to say that I could not call him that outside. The matter he objected to was matter pertaining to the compensation, the hospitalization, the vocational training, and war-risk insurance adjustments that I have been able to procure adjudication upon for numerous crippled soldiers and dependents of soldiers of the late World War.

I want to say further, I will not say that I am, but I will say that perhaps I am the only Member of Congress that pays an extra clerk out of his own pocket for this kind of work in order that it may be properly attended to with dispatch. I am paying an extra clerk $100 a month out of my own pocket. Some people may have the notion that the Congressman has nothing to do except to take part in the consideration of legislation on the floor of the House, and that he can spend the rest of his time in having a good time and enjoying the emoluments of his position. They do not seem to realize that he is a sort of glorified errand boy and general all-around trouble shooter. Therefore the value of a Member of Congress to his constituents is not to be measured entirely by his record of voting and speech making. It is important that he should vote, of course, and still more important that he should vote right. It may even serve a good purpose for him to make an occasional speech on the floor of the House; but there are other times and places where a Representative may be of value besides roll calls and filling the pages of the CONGRESSIONAL RECORD. He must be the servant of those who have business with the departments and the bureaus of the Federal Government. The makers of the Constitution may not have contemplated that he should render such service, but, just the same, it has developed into one of the most valuable functions of a Congressman and one that occupies much of his time. It means hard work, and lots of it, and it is not nearly so spectacular as the big stuff on the floor of the House, but it is real service. I have found much satis-

faction in the fact that I have been able to render some service of this kind.

Most prominent among the opportunities to give assistance have been the cases of ex-service men in need of compensation and hospitalization and vocational training. Theoretically, it should not be necessary for Congressmen to interest themselves in compensation claims, since we have enacted a law creating the Veterans' Bureau and clothing it with full authority and ample personnel for this work. But the many complaints of delay and injustice have made it plain that some one must look into these cases, and, as usual, the Congressman is the "trouble shooter." I have handled more than 600 such claims since the beginning of this Congress. I must say frankly that I have found that the greatest difficulty has been to get proper cooperation from the claimants and their friends in the way of promptly securing and submitting the necessary evidence. However, the bureau has not been free from blame. I have great respect for the director of the bureau, but he seems to be handicapped by having a lot of employees who lack the energy or the sympathy or the intelligence to render the service for which the bureau was created. I deem it quite proper that the bureau should help the disabled soldier in the establishing of his claim, but I have found it too often the rule that claims are rejected without any intelligent explanation, and when I write for detailed information my requests are sometimes ignored and at other times are replied to in stereotyped phrases that leaves one none the wiser. I find that the decentralization plan has not resulted in the advantages that had been claimed for it. Since the folders of the Oklahoma claimants have been sent to the Dallas office the delays are apparently increased and the results less satisfactory. There is delay because of information that must be had from the War Department or from the central office of the bureau; some matters have to be referred to Washington for adjudication, which consumes further time; and district officers seem prone to approve former findings with little regard for new evidence that may have been submitted. The increasing number of requests for congressional aid is a very poor tribute to the efficiency of the district office.

With the consent of the House, I wish to place in the RECORD a list of some of the claims with which I have been privileged to assist and with reference to which final and satisfactory action has been had. In the handling of the matters in the following list I have had to write an average of 10 letters to the case. I have 262 cases pending, and I have been working upon some of these for more than a year.

WORLD WAR VETERANS AND THEIR DEPENDENTS.

Harry Adkins, Oklahoma City, $95 per month compensation.
John Allen, Wichita, Kans., total permanent disability award and payment of life insurance at $57.50 per month.
Granville B. Allen, Oklahoma City, compensation $90 per month.
John G. Allen, Oklahoma City, compensation $100 per month.
Dewey G. Arnold, Chandler, Okla., award of $9 per month reinstated.
Joe P. Babek, Oklahoma City, award increased to $22.50 per month.
Adlai S. Baker, Oklahoma City, compensation $80 per month.
Lloyd C. Ball, Oklahoma City, compensation $90 per month.
King B. Benson, Madill, Okla., compensation $100 per month.
Lillian B. Bickers, Oklahoma City, adjustment of claim for $329.75 due on allotment.
Burney P. Bodard, Carnegie, Okla., compensation $80 per month.
Raymond P. Bollinger (deceased), Oklahoma City, accrued compensation due soldier in amount of $213.88 paid to mother.
Ira E. Bonnell, Goltry, Okla., compensation $80 per month.
Donald R. Bonfoey, Oklahoma City, award of compensation at $10 per month reopened.
Alger R. Bradley, Chickasha, Okla., total permanent disability rating $100 per month.
Leo J. Brand, Oklahoma City, compensation $100 per month.
James M. Brewer, Oklahoma City, compensation $10 per month.
Howard A. Bryce (deceased), Oklahoma City, award of compensation from date of discharge till death and payment of accrued compensation to parents.
Leonard P. Brown, Ardmore, Okla., compensation $60 per month.
Ralph E. Brown, Oklahoma City, award of compensation reinstated at $30 per month.
Orville Bryan, Oklahoma City, compensation $22.50 per month.
Edward L. Buddy, North Enid, Okla., compensation $8 per month.
Joseph S. Burgess, Oklahoma City, compensation $80 per month.
Stephen Carney, Oklahoma City, permanent total disability at $100 per month.
Willie H. Carroll, Oklahoma City, award of compensation reinstated at $61.75 per month.
Thomas H. Carter (deceased), Oklahoma City, insurance claim for $10,000 reconsidered and approved in favor of brother.
James H. Cary, Oklahoma City, award of compensation at $9 per month reopened.
Elmer J. Caywood, Oklahoma City, rating of permanent total disability $100 per month.
Bill Emery Chaffee, Oklahoma City, award of compensation at $8 per month reinstated.
Oscar Chambers, Oklahoma City, award of compensation $90 per month.
Valda DeHaven Chase, Alva, Okla., compensation $8 per month.
Cyrill Chrastek, Oklahoma City, compensation $80 per month.
Otis L. Clark (deceased), Eufaula, Okla., settlement of insurance claim effected in favor of widow for $10,000.
Ralph H. Clark, Oklahoma City, compensation $90 per month.
Cecil C. Colbert, Guthrie, Okla., compensation $8.75 per month.
Wiley Cook, Stroud, Okla., compensation at $72 per month during hospitalization.
George E. Colley, Oklahoma City, award of compensation reinstated at $47.50 per month.
Percy Lee Critchfield, Oklahoma City, compensation $71.25 per month.
David B. Crowley, Fairview, Okla., compensation $18.40 per month.
Earl Cunningham, Oklahoma City, compensation $20 per month and section 2 vocational training.
Ollie H. Cuthbert, Kingfisher, Okla., award of compensation reinstated at $9 per month.
Carles Dalbey, Oklahoma City, compensation $100 per month.
Lorenzo D. Darnell, Oklahoma City, compensation $60 per month.
Vivian K. De Bord, Perry, Okla., adjustment of claim for Army pay and recovery of Victory bond.
W. R. Deese, Duncan, Okla., payment of discharge bonus effected.
Walter Delaney (deceased), Oklahoma City, compensation $35 per month for widow.
George O. Demke, Oklahoma City, compensation $80 per month.
Washington W. Dennard, Oklahoma City, compensation $80 per month.
Charles F. Dickens, Durant, Okla., refund of deduction for allotment covering 10 months.
Ralph Dooley, Guthrie, Okla., compensation $9 per month.
Vernie G. Dowell, Stroud, Okla., compensation $80 per month.
Louis W. Dollarhide, Wright City, Okla., compensation $12 per month.
Miss Darthulia Duel, Fairview, Okla., compensation $80 per month.
Dow Dunaway, Drumright, Okla., payment of discharge bonus effected.
Don Dunn, Chickasha, Okla., compensation $8 per month.
Ewing W. Early, Atoka, Okla., award of compensation at $95 reinstated.
Charlie C. Ebbs (deceased), Oklahoma City, award of compensation $15 per month for each of parents.
Carl Edmonds, Antlers, Okla., section 2 vocational training secured.
George B. Edwards, Madill, Okla., compensation $8 per month.
John R. Ellis, Oklahoma City, total disability award of $100 per month.
John E. Falkenberg, Medford, Okla., compensation $19 per month.
Marvin Farr, Oklahoma City, compensation $9.50 per month.
Miss Ida Ferguson, El Reno, Okla., award of compensation increased from $40 to $60.
Joseph O. Fielder, Guthrie, Okla., compensation $100 per month.
William F. Finn, El Reno, Okla., compensation increased from $23.75 to $31.35.
Charles D. Folke, Oklahoma City, reimbursement for lost check, $134.84.
Lorentz H. Foremmling, Oklahoma City, compensation $80 per month.
Andrew J. Forester, Payson, Okla., compensation $8 per month.
Clancy Ford, Kingfisher, Okla., compensation $8 per month.
Paul J. Fournier, Quinlan, Okla., compensation $80 per month.
Odus C. Francis, Oklahoma City, total permanent rating $100 per month.
Clarence O. Gillespie, Oklahoma City, compensation $100 per month.
Herbert B. Ginn, Oklahoma City, insurance settlement $109.32.
Forrest B. Gore, Carlinville, Ill., compensation $100 per month.
Foy H. Graves (deceased), Okarche, Okla., rejection of claim for $10,000 life insurance reconsidered and claim approved.
Bonner Green, Wagoner, Okla., compensation $100 per month.
Speed Gregory, Watts, Okla., compensation award of $10 per month reinstated.
Marvin L. Grimes, Kingfisher, Okla., compensation $90 per month.
Joseph T. Grimsley, Pawnee, Okla., compensation award at $8 per month reinstated and section 2 training authorized.
Joel Grissom, Oklahoma City, compensation reinstated at $8 per month.
Claude D. Hadden, Oklahoma City, compensation $80 per month.
Harry G. Hale, Oklahoma City, compensation $16 per month.
Andrew Hamlin, Oklahoma City, compensation at $23.75 per month.
James B. Harley, Enid, Okla., section 2 training authorized.
Wm. J. Hayes, Oklahoma City, compensation, $12 per month.
Fay O. Heminger, Oklahoma City, refund of deductions for allotment, $195.64.
John C. Hill, jr., Kingfisher, Okla., adjustment of pay account, $13.
Curtis K. Hillbrant, Lamont, Okla., compensation $8 per month.
James J. Hobbs, Chandler, Okla., compensation increased to $24 per month.
Roy Hoffman, Oklahoma City, payment for medical attendance allowed.
Ace Hogland, Geary, award amended to include allowance for dependent father.
Oliver R. Holbrook, Ardmore, Okla., transfer from Houston Hospital to Oklahoma City authorized.
Austin W. Hoover, Oklahoma City, award of compensation reopened at $16 per month.
Otto A. Howard, Nash, Okla., compensation $15.75 per month.
Wm. R. Howe, Oklahoma City, payment for medical treatment authorized.
Wm. D. Howl, Chandler, Okla., compensation at $100 per month.
James Hudspeth, Mulhall, Okla., compensation at $95 per month.
Geo. R. Hughes, Elk City, Okla., compensation $15.20 per month.
Martin G. Hundorf, Woodward, Okla., compensation $20 per month.
Benj. Jones, Fairland, Okla., compensation increased to $20 per month.
Ezekiel Jones, Oklahoma City, award of compensation reopened at $52 per month.
Birtrus Kemmerer, Oklahoma City, compensation $80 per month.
Thomas J. Kern, Sallisaw, Okla., compensation $90 per month.
Albert Keuhne, Oklahoma City, compensation $80 per month.
Lee Ucal Kincannon, Oklahoma City, refund from allotment of $40.82.
Samuel Q. Kinyon, Seminole, Okla., compensation $90 per month.
Joseph E. Kirchner, Perry, Okla., compensation $80 per month.
John Kirk, Holdenville, Okla., compensation $80 per month.
Thomas S. Kizer, Cache, Okla., compensation $80 per month.
Herman M. Kroeger, Ponca City, Okla., compensation and hospitalization.
Harold B. LaBree, Ames, Iowa, compensation and section 2 vocational training.
Grady M. Lassetter, Oklahoma City, compensation $90 per month.
Walter Leach, Wagoner, Okla., award of $9 per month reinstated.
Mrs. Josephine LeBron, Oklahoma City, claim for $523.26 approved.

Robert E. Lee, Oklahoma City, compensation $22.50, section 2 vocational training
James L. LeGate, Oklahoma City, compensation $90 per month.
Carl Claude Leseney (deceased), Temple, Okla., adjustment of awards of compensation and insurance in favor of widow effected.
John W. Livingston, Wynnewood, Okla., compensation $9 per month.
Charles A. Lowe, Enid, Okla., compensation $22.50 per month.
James Henry Lyons, Oklahoma City, compensation $47.50 per month.
Hugh H. McBride, Oklahoma City, refund of deduction for allotment, $178.50.
Preston H. McCormick, Shamrock, Okla., compensation $8 per month.
Robert J. McDill, Oklahoma City, compensation $9 per month.
J. S. McKay (deceased), Okeene, Okla., accrued insurance paid to widow.
Milton H. McLiman, Guthrie, Okla., award of total temporary disability during hospitalization.
Oscar McNabb, Davis, Okla., compensation $80 per month.
Sam. Makler, Oklahoma City, payment of $331.50 due on allotment and allowance.
Arley V. Malone, Oklahoma City, correction of payments under amended rating.
V. Rue Marichal, Whitesboro, Tex., compensation $80 per month.
John Marston, Wetumka, Okla., compensation $40 per month and section 2 vocational training.
David J. Meade, Kingfisher, Okla., award of compensation at $18 per month.
Ernest L. Meador, Covington, Okla., compensation $90 per month.
Anton Mentag, Oklahoma City, award of compensation at $80 reinstated.
Joe E. Meese, Beaver, Okla., compensation $9 per month.
Ed. A. Mercer, Oklahoma City, compensation $8 per month.
William C. Miller, Oklahoma City, compensation $60 per month.
Martin L. Mills, Ardmore, Okla., compensation $80 per month.
Fred. Misak, Oklahoma City, reimbursement $30 allotment money.
Kenneth D. Mitchell, Oklahoma City, vocational training, section 2, authorized.
Otto W. Moore (deceased), Duncan, Okla., rejection of claim for $10,000 life insurance reconsidered and claim approved.
Ray Morgan (deceased), Oklahoma City, award of compensation $35 per month in favor of widow.
Clyde W. Morrisette, Oklahoma City, compensation $18 per month.
Benj. F. Mullins, Stratford, Okla., compensation $90 per month.
Howard A. Murphy, Oklahoma City, compensation increased from $20 to $25 per month.
Hiram E. Myers, Chandler, Okla., compensation $8 per month and section 2 vocational training.
Roy L. Myers, Hayward, Okla., compensation increased to $10 per month.
Fred E. Neese, Carmen, Okla., compensation $14.25 per month.
Edward C. Newer, Kingfisher, Okla., award of compensation reinstated at $14.25 per month.
Elias G. Nicholson, Oklahoma City, award of total temporary disability reinstated
Oscar Noak, Atoka, Okla., award of permanent total disability of $100 per month.
William W. Norman, Wynnewood, Okla., readjustment of awards at $8 per month.
Oscar Oakley, Ardmore, Okla., compensation $46.80 per month.
Clarence J. Oliver (deceased), Oklahoma City, compensation $25 per month for widow and $15 per month each for parents.
Arthur T. Page, Oklahoma City, award reinstated at $24 per month.
George Parish, Oklahoma City, request for special hospitalization approved.
Kline Patterson, Oklahoma City, total permanent disability $100 per month.
John F. Peaslee, Oklahoma City, compensation $100 per month.
Don L. Phelps, Wetumka, Okla., compensation $45 per month.
Virgil Guy Presson, Norman, Okla., award of compensation increased to $80 per month.
Gilbert Purvis, Albany, Okla., compensation $9 per month.
William V. Ray, Durant, Okla., adjustment of allotment effected, $118.17.
Vernor R. Ramsey, Ada, Okla., compensation increased from $44 to $70.40 per month.
Jiles C. Raymer, Texhoma, Okla., settlement of $111.67 due on allotment and allowance effected.
William L. Rellihen, Chandler, Okla., award of $90 per month during hospitalization.
Clarence R. Renfro, Oklahoma City, compensation $90 per month.
Harry E. Reynolds, Duncan, Okla., compensation $40 per month.
Roy B. Rice, Kingfisher, Okla., allowance for dental treatment approved.
Ed. P. Richardson, Madill, Okla., award of compensation reinstated at $13.50 per month.
Frank J. Riner, Chandler, Okla., compensation $20 per month.
Clay Rizenhoover, Seminole, Okla., compensation $95 per month.
J. Cooper Robertson (deceased), Ada, Okla., compensation award of $25 per month in favor of widow.
John M. Roebuck, Kingfisher, Okla., compensation $9 per month.
Reginald R. Rogers, Oklahoma City, securing of $100 Liberty bond paid for while in the service.
Alman Russell, Geary, Okla., compensation $80 per month.
Don H. Sackrider, Enid, Okla., compensation $90 per month.
John M. Salvini, Oklahoma City, compensation award reopened, $6.30 per month.
Jesse G. Sartin, Cherokee, Okla., compensation $20 per month.
Leo J. Schoenfelder, Durant, Okla., compensation $22.50 per month.
Mrs. Floe E. Simmerman, Riverside, Okla., settlement of allotment claim, $218.33 effected.
William F. Simpson, Broken Bow, Okla., section 2, vocational training.
Elonzo Sinclair, Oklahoma City, Okla., compensation $95 per month.
Arval Sissons, Sparks, Okla., compensation $80 during hospitalization.
Theodore F. Sitton, Oklahoma City, section 2 training granted.
Eden Slaughter (deceased), Durant, Okla., award of $35 to widow.
Stacy Sloss, Drumright, Okla., settlement of claim on account of allotment effected $49.
Claude Smith, Durant, Okla., compensation $80 per month.
Ronald Reed Smith, Oklahoma City, compensation $12 per month.
Shirley Steele Smith, Oklahoma City, compensation $80 per month.
Nathan O. Smith, Oklahoma City, allowance for dental treatment approved.
Lester W. Stanley (deceased), Duncan, Okla., adjustment of life insurance, $1,685.15, paid to mother and monthly awards.
Frank Sternberg, Fairview, Okla., compensation $80 per month.
George C. Spain, Fay, Okla., compensation $80 per month.
Vernon K. Stafford, Oklahoma City, compensation $80 per month.
Edward Stetler, Kingfisher, Okla., award amended to include allowance for wife.
Charles C. Stevens, Oklahoma City, payment of $146.20 to soldier on account of deductions for Liberty bonds.
James H. Stewart, Akins, Okla., compensation $8 per month.
Turner M. Sumter, Atoka, Okla., compensation $90 per month.
Harry C. Sweat, Fort Gibson, Okla., compensation $9 per month.
Emmette R. Talley, Hobart, Okla., compensation $80 per month.
Brough N. Tanner, Alva, Okla., compensation $9 per month.
James W. Teague, Marble City, Okla., compensation $80 per month.
Charnold D. Terrell (deceased), Prague, Okla., adjustment of soldier's insurance among his heirs effected.
Frederick Thompson, Oklahoma City, compensation increased from $9 to $22.50 per month.
Roland A. Thompson, McAlester, Okla., compensation $80 per month.
Thomas R. Thompson, Ardmore, Okla., total permanent rating at $100 per month.
Ralph B. Thornton, Blackwell, Okla., compensation $80 per month.
Martin L. Tomlinson, Oklahoma City, compensation $9 per month.
John H. Trotman, Phoenix, Ariz., total permanent rating at $100 per month.
John P. Tyson, Davidson, Okla., payment of $90 reenlistment bonus effected.
James L. Turner (deceased), Oklahoma City, payment of accrued compensation, $228, to father of deceased soldier.
Charles F. Valentine, Fort Gibson, Okla., compensation $60 per month; section 2, vocational training.
George Van, Picher, Okla., section 2, vocational training.
Virgil Van Arsdale, Oklahoma City, Okla., compensation $90 per month.
John E. Wade, Kingfisher, Okla., claim for Army pay due allowed, $118.80.
Jacob Walls, Chandler, Okla., compensation $13.68 per month.
Charles O. Whitaker, Tulsa, Okla., total disability rating at $100 per month.
Ernest Wilcher, Caddo, Okla., section 2, vocational training, granted.
Lester W. Williams, Stroud, Okla., award increased from $51 to $56.10.
William Leonard Wilson, Oklahoma City, Okla., payment of discharge bonus effected.
Montie D. Wilson, Depew, Okla., compensation reinstated at $13.50 per month.
Robert W. Wood, Oklahoma City, Okla., readjusted award of compensation.
William H. Wood, Oklahoma City, Okla., compensation $16 per month.
Elmer Woodruff, Stillwater, Okla., compensation $95 per month; section 2, vocational training.
Robert E. Woods, Guthrie, Okla., adjustment of claim for $34.53 effected.
James B. Young, Kingfisher, Okla., compensation $8 per month.
Arthur Zimmerman, Billings, Okla., compensation $8 per month.
John B. Zuck, Stillwater, Okla., compensation $80 per month.

It has also been my pleasure to assist a considerable number of veterans of the Civil and Spanish-American Wars and their widows. I have handled in all 154 such claims, of which 88 have been closed and 66 are now pending. In all, 59 pensions have been granted in the cases in which I have been interested. The service of the Bureau of Pensions has been very satisfactory, aside from some difficulty in getting reports as to evidence that was required in support of claims.

I am appending a list of the pensions that have been granted in the cases to which I have given my attention:

TOTAL DISABILITY PENSIONS FOR CIVIL WAR VETERANS.

George Blanchard, Enid, Okla., $72 per month.
Nathan M. Brewer, Enid, Okla., $72 per month.
William P. Brunner, Enid, Okla., $72 per month.
William H. Burchfield, Enid, Okla., $72 per month.
Jonathan W. Covey, Enid, Okla., $72 per month.
Henry C. Davis, Enid, Okla., $72 per month.
Pleasant Foster, Enid, Okla., $72 per month.
David Giltner, Enid, Okla., $72 per month.
Allen Hensley, Pond Creek, Okla., $72 per month.
Thomas J. Hughes, Newkirk, Okla., $72 per month.
Charles H. McDermond, Enid, Okla., $72 per month.
Jacob P. Martin, Ponca City, Okla., $72 per month.
Samuel L. Patrick, Chandler, Okla., $72 per month.
Josiah W. Reeser, Cheyenne, Okla., $72 per month.
James Reppeto, Ponca City, Okla., $72 per month.
Samuel Sproat, Enid, Okla., $72 per month.
Henry H. Swim, Enid, Okla., $72 per month.
Le Roy T. True, Liberal, Kans., $72 per month.
John L. Walton, Enid, Okla., $72 per month.
William B. Williamson, Ames, Okla., $72 per month.
John Wortmann, Enid, Okla., $72 per month.

PENSIONS FOR SPANISH-AMERICAN WAR VETERANS.

Fred. L. Berry, Laverne, Okla., $18 per month.
William T. Bogert, National Military Home, Kans., $30 per month.
Fred Brabson, Enid, Okla., $15 per month.
Charles P. Gilbert, Laverne, Okla., $15 per month.
Ernest E. Hanks, Enid, Okla., $12 per month.
Fred. Hornbeck, Charleston, Okla., $12 per month.
James A. Howell, Ponca City, Okla., $18 per month.
Fred T. Kirby, Ponca City, Okla., $12 per month.
Lawrence McCabe, Beaver, Okla., $30 per month.
Martin W. Marcoot, Enid, Okla., $12 per month.
William H. Quick, Perry, Okla., $18 per month.
Benjamin F. Rector, Enid, Okla., $15 per month.
Bert K. Smith, Oklahoma City, $8 per month.
Wilber A. Tharp, Enid, Okla., $12 per month.
William P. Wofford, Laverne, Okla., $18 per month.

PENSIONS FOR SOLDIERS' WIDOWS.

Amanda E. Burlison, Billings, Okla., $30 per month.
Rose M. Butcher, Blackwell, Okla., $30 per month.
E. Ellen Carpenter, Cherokee, Okla., $30 per month.
Mary E. Casteel, Perry, Okla., $30 per month.
Ada E. Cole, Billings, Okla., $12 per month.
Margaret Cook, Billings, Okla., $30 per month.
Fannie C. Crane, Orienta, Okla., $12 per month.
Mathilda J. Dagne, Perry, Okla., $30 per month.
Mary L. L. Emerson, Perry, Okla., $30 per month.
Sarah Ann Major Foster, Fairview, Okla., $30 per month.
Martha E. Hughes, Ames, Okla., $30 per month.
Adelia A. Hyle, Morrison, Okla., $30 per month.
Hester A. Jack, Byron, Okla., $30 per month.
Elizabeth Kennel, Riverside, Okla., $30 per month.
Abbeline Mathis, Enid, Okla., $30 per month.
Nancy U. Musser, Cherokee, Okla., $30 per month.
Ida M. Ruby, Ponca City, Okla., $30 per month.
Pamelia A. Sherwood, Supply, Okla., $30 per month.
Lizzie J. Thomson, Enid, Okla., $30 per month.
Ora S. Walsh, Fairview, Okla., $12 per month.
Mary A. Weeden, Elmwood, Okla., $30 per month.
Maggie Wells, Kiowa, Kans., $30 per month.
Mary E. Wey, Fairview, Okla., apportionment of one-half her husband's pension, $25.

Mr. HUDDLESTON. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. CRAMTON. Mr. Chairman, pending that I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Michigan makes the point of order that there is no quorum present. The Chair will count. [After counting.] Fifty-five Members present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Echols	Kunz	Rossdale
Andrew, Mass.	Edmonds	Lampert	Rouse
Ansorge	Evans	Langley	Rucker
Anthony	Fairchild	Larson, Minn.	Ryan
Appleby	Fields	Lee, N. Y.	Sabath
Arentz	Fish	Lehlbach	Sanders, Ind.
Aswell	Fitzgerald	Linthicum	Schall, Minn.
Barkley	Focht	Little	Sears
Beck	Fordney	Luce	Shreve
Bell	Foster	Lyon	Siegel
Bixler	Frear	McArthur	Sinclair
Black	Free	McClintic	Sinnott
Blakeney	Freeman	McFadden	Sisson
Bland, Va.	Frothingham	McKenzie	Slemp
Blanton	Fuller	McLaughlin, Nebr.	Smith, Mich.
Boies	Gahn	McLaughlin, Pa.	Snell
Bond	Garrett, Tex.	Maloney	Snyder
Brennan	Gilbert	Mann	Stafford
Britten	Glynn	Mansfield	Stedman
Brooks, Pa.	Goldsborough	Mead	Steenerson
Buchanan	Goodykoontz	Merritt	Stevenson
Burke	Gorman	Michaelson	Stiness
Burroughs	Gould	Mills	Stoll
Burtness	Graham, Pa.	Montague	Strong, Pa.
Burton	Green, Iowa	Montoya	Sullivan
Butler	Greene, Mass.	Moore, Ohio	Swank
Campbell, Kans.	Griffin	Morgan	Sweet
Cantrill	Hawes	Mott	Tague
Carter	Hawley	Mudd	Taylor, Ark.
Chandler, N. Y.	Hays	Nelson, J. M.	Taylor, Colo.
Chandler, Okla.	Hersey	O'Brien	Taylor, Tenn.
Chindblom	Hicks	O'Connor	Temple
Clague	Himes	Oliver	Thomas
Clark, Fla.	Hogan	Olpp	Tilson
Clarke, N. Y.	Hooker	Osborne	Towner
Classon	Hukriede	Padgett	Treadway
Cockran	Hull	Paige	Tyson
Codd	Humphreys	Park, Ga.	Underhill
Cole, Iowa	Husted	Parker, N. Y.	Vare
Connell	Hutchinson	Parks, Ark.	Vestal
Cooper, Ohio	Ireland	Perkins	Voigt
Cooper, Wis.	Jefferis, Nebr.	Perlman	Volk
Copley	Johnson, S. Dak.	Petersen	Walters
Crago	Johnson, Wash.	Porter	Ward, N. Y.
Crowther	Jones, Pa.	Pou	Wason
Dale	Kahn	Pringey	Watson
Darrow	Kelly, Pa.	Rainey, Ala.	Wheeler
Davis, Minn.	Kendall	Ransley	White, Me.
Deal	Kennedy	Rayburn	Williams, Ill.
Dempsey	Kiess	Reber	Wood, Ind.
Dickinson	Kindred	Reed, N. Y.	Woods, Va.
Drane	Kinkaid	Reed, W. Va.	Woodyard
Drewry	Kitchin	Riordan	Wyant
Driver	Kleczka	Robertson	Zihlman
Dunn	Knight	Robsion	
Dyer	Kreider	Rodenberg	

The committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. LONGWORTH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 11872 and, finding itself without a quorum, he had caused the roll to be called, whereupon 207 Members answered to their names, and he handed in the list of the absentees.

The committee resumed its sitting.

The CHAIRMAN. The gentleman from Alabama [Mr. BANKHEAD] is recognized for 10 minutes.

Mr. BANKHEAD. Mr. Chairman and gentlemen of the committee, I desire to call to the attention of this House and the country some features of the legislative situation affecting the disposition of the Government property at Muscle Shoals, Ala. I was very glad, indeed, to hear the distinguished majority leader this morning disclaim on his own account and on the part of the President of the United States the alleged statement given out in the press this morning that it was not the purpose of the administration or of the Republican Party leaders in Congress to undertake to take up for final disposition at this session of Congress the matter of the offer of Henry Ford for the purchase and lease of the Government properties at Muscle Shoals. I was glad to hear it, because, as I know it to be, this is the greatest public question now undetermined by the action of this session of Congress; and in my judgment is of greater importance to the people of America than any matter that has been acted upon by this session of Congress.

This body has disposed of much important legislation of national concern, but in the taking up and disposition of this problem there is involved a larger measure of real national concern than in any other question now upon the calendar of the House for action, and it is upon that phase of the case that I am undertaking in this speech to make an appeal, not by way of threat, not in criticism of what has transpired in the past in connection with this matter—although, God knows, there has been too much delay already—but to make an earnest appeal on the part of those who are so gravely interested in the problem, to the Republican organization in this House, to the Republican Rules Committee of the House which alone can give us an opportunity to have the membership of the House pass upon this question, to take it up for immediate action, and to give the Congress a speedy opportunity to pass upon the merits of the Ford proposal.

Agriculture, as has been demonstrated in the hearings before the Military Committee, as represented by the National Grange, the American Farm Bureau Federation, and the Farmers' Union and every other great agricultural organization in the United States, is tremendously and zealously interested in this Ford proposition. Not only that but the great business organizations of the Mississippi Valley are tremendously interested in it. I received a day or so ago, as did every other Member of the House, a letter from the president of the great Mississippi Valley Association, representing States, agricultural and industrial, constituting 55 per cent of the population of the American Union. The executive of that great industrial and commercial organization appeals to the Congress of the United States not for further delay but for immediate action upon the Ford offer.

I shall quote only one or two sentences from the letter of Mr. James E. Smith, president of the Mississippi Valley Association. The letter is dated June 9, 1922. In that letter Mr. Smith says, referring to the completion of the Wilson Dam:

> We believe its completion and operation, under the plans submitted by Mr. Ford, will do more to assist in the development of our valley resources and bring greater and more beneficial results to our valley territory than any one thing that can possibly be done at this time.
>
> We believe that it is a great national proposition and that the accomplishment of Mr. Ford's plans will benefit every portion of the United States.

Mr. Chairman, the great Military Committee of this House for three months has had under consideration, most careful and conscientious consideration, every possible phase involved in connection with the disposition of these great properties.

They have considered, upon the suggestion of the Secretary of War, all of the plans proposed for the lease or purchase of these properties. That committee, practically by unanimous action, has submitted their report and say to the Congress of the United States that after consideration of every possible element of public policy, public safety, and public prosperity involved in these propositions, that they regard the offer of Henry Ford as the only one worthy of consideration and urge immediate action upon their favorable recommendation to the House of Representatives. Hear the concluding request of the majority report upon this proposition:

> We respectfully recommend favorable action on the bill at the earliest date possible.

The minority report concludes—and the minority report is really in substance the same as the majority report with the exception of one detail involved in the offer of Mr. Ford—

> In conclusion we feel justified in urging upon the membership the desirability of early action upon the Ford offer which if accepted would render possible the utilization of the vast properties involved and stop the present enormous expense and waste to the Government.

I am making this appeal not to the general membership of this House because I believe you are ready to take action upon this proposition, but the only way we can register action upon it is through the machinery of the organization of the House of Representatives which is controlled by the majority steering committee and by majority control of the Committee on Rules, and it is to them we are making this appeal upon the part of

those who are interested in this problem from the standpoint of national defense, from the standpoint of the production of fertilizer that will be sold to the farmers of America everywhere at probably 50 per cent of its present price, that will make possible the development for navigation of the wonderful Tennessee River from Chattanooga to its mouth, and that will bring about these results without any further ultimate expense to the Government of the United States more than that already expended in the construction of the plant and that portion of the dam now built. This House has practically concluded with the serious business program before it. We hear nearly every day of an early agreement for three-day recesses so that Members may disperse and go home and attend to their campaigns throughout the United States. The House under the leadership of the distinguished gentleman from Wyoming has brought its business to a conclusion, with this exception as to the major matters as far as the calendar of the House now stands.

And so we urge and appeal to them, not as an argument upon the merits of the proposition here now, but merely to give this House an opportunity under the rules and regulations that govern it for the representatives of the American people to express their opinion upon this great question of national concern. This appeal is not made myself individually, but is voiced as being the expression, yea, almost the prayer, of a great many millions of American people, especially all the farmers of the country. Will you heed their demand? The responsibility for action is yours.

A SHORT HISTORY OF THE MUSCLE SHOALS DEVELOPMENT.

Under the provisions of section 124 of the national defense act of 1916, Congress appropriated $20,000,000 to be used in the construction of a water-power plant at a site selected by the President for the production of explosives in time of war and fertilizer in time of peace for the benefit of farmers of America. When we got into the World War in 1917 President Wilson ordered such a plant constructed at Muscle Shoals, Ala. The Government proceeded to construct nitrate plant No. 1 at Sheffield, plant No. 2 at Muscle Shoals, a power plant at Gorgas, Ala., and transmission line thereto, and to acquire the limestone quarry at Waco, Ala., near Russellville. Plant No. 1 proved to be an experimental failure. It cost nearly $13,000,000. Plant No. 2, for the making of nitrogen from the air by the cyanamid process, is a proven and established success in every particular. It cost $67,000,000.

The steam plant at Gorgas, on the Warrior River, built for the Government by the engineers of the Alabama Power Co., with Government money, cost $5,000,000. To secure the necessary water power for the economical operation of plant No. 2 work was commenced on the great Wilson Dam across the Tennessee River, and work progressed rapidly on same until a year ago, when by the failure of a Republican Congress to make further appropriations, the work was stopped on the dam, and it now stands in that condition—one-third completed—the Government having expended $17,000,000 already on its partial construction. The nitrogen plant is also standing in an idle and useless condition, costing $300,000 a year for maintenance and protection.

THE OFFERS MADE FOR THE PLANTS.

On February 1, 1922, Secretary of War Weeks sent to the Speaker of the House a letter in which he stated that the properties of the Government at Muscle Shoals should be disposed of either by lease, sale, or otherwise, and submitted to Congress proposal of Henry Ford, which had been made by Ford at the invitation of the War Department in June, 1921, and amended by him on January 25, 1922. The whole offer was referred to the House Committee on Military Affairs for investigation and report. There is such deep interest in the Ford offer that I here incorporate a synopsis of it as shown in the report of the Military Committee:

THE HENRY FORD PROPOSAL.

Mr. Ford asks the Government, acting through Congress, to advance the money to complete Dam No. 2, on which there has been expended, approximately, $17,000,000, and also to advance the money for the construction of Dam No. 3, the cost of which completion and construction, according to the estimates of the Chief of Engineers of the United States Army, would be in round figures $50,000,000. but which according to the estimates made by Mr. Ford's engineers would be, approximately, $42,000,000.

He further asks that the Government shall purchase the necessary flowage rights at both the dams, the cost of which is estimated at $1,500,000; also that the Government convey to him by deed nitrate plant No. 1, which cost $12,887,941.31, and nitrate plant No. 2, including the Waco quarry, which cost $67,555,355.09; also all the land connected with these plants, being 4,666 acres; also all the interest of the United States Government in the Gorgas Warrior steam plant, situated on the Warrior River, 88 miles distant from Muscle Shoals, on which the Government expended $4,979,782.33.

Mr. Ford further proposes that the Government, through the Secretary of War, lease to him Dams No. 2 and No. 3, together with all their appurtenances, for a lease period of 100 years. He also proposes that at the end of the lease period the company shall have the preferred right to negotiate with the United States Government for such lease or purchase of the property and upon such terms as may be then prescribed by Congress.

In consideration of the foregoing, Mr. Ford agrees:

First. That he is to form a corporation with capital stock of $10,000,000 or more, of which at least $10,000,000 shall be paid in in cash.

Second. The company shall complete for the United States, subject to the approval of the Chief of Engineers of the United States Army, Dam No. 2, its locks, power house, and all necessary equipment, all in accordance with the plans and specifications prepared or to be prepared or approved by the Chief of Engineers of the United States Army, and progressively install hydroelectric equipment in said power house adequate for generating approximately 600,000 horsepower, all work aforesaid to be performed as speedily as possible at actual cost, without profit to the company.

Third. He further proposes that as soon as the release of suitable construction equipment and labor forces at Dam No. 2 will permit, or at an earlier date, if desired by the company, the company shall construct and complete, subject to the approval of the Chief of Engineers of the United States Army, for the United States, Dam No. 3, its lock, power house, and all necessary equipment, all in accordance with the plans and specifications prepared and to be prepared by the Chief of Engineers of the United States Army, or by the company, at its option, and approved by the Chief of Engineers of the United States Army, and progressively install the hydroelectric equipment in said power house adequate for generating approximately 250,000 horsepower, all the work aforesaid to be performed as speedily as possible at actual cost and without profit to the company.

He further proposes that the company will lease from the United States Dam No. 2, its power house, and all the hydroelectric and operating appurtenances, except the locks, together with all lands and buildings owned or to be acquired by the United States connected with or adjacent to either end of said dam, for a period of 100 years from the date when structures and equipment of a capacity of 100,000 horsepower are constructed and installed and ready for service; and will pay to the United States as annual rental therefor 4 per cent of the actual cost of acquiring lands and flowage rights and of building the locks, dam, and power-house facilities, payable annually at the end of each lease year, except that during and for the first six years of the lease period the rental shall be in the following amounts and payable at the following times: $200,000 one year from the date when 100,000 horsepower is installed ready for service, and thereafter $200,000 at the end of each year for five years.

Fourth. Also, the company will lease from the United States Dam No. 3, its power houses, and all of the hydroelectric and operating appurtenances, except the lock, together with all lands and buildings owned or to be acquired by the United States connected with or adjacent to the end of the said dam, for a period equal to the lease term of Dam No. 2 and its hydroelectric power equipment thereat, and that the said lease terms of the two dams and the hydroelectric thereat shall expire at the same time, the said period to begin at the date when said structures and equipment of a capacity of 80,000 horsepower are constructed and installed and ready for service, and will pay to the United States as annual rental therefor 4 per cent of the actual cost of acquiring the lands and flowage rights and of constructing the lock, dam, and power-house facilities, payable annually at the end of each lease year, except that during and for the first three years of the lease period the rentals shall be for the following amounts and payable at the following times, to wit: $160,000 one year from the date when 80,000 horsepower is installed and ready for service, and thereafter $160,000 annually at the end of each year for two years.

Fifth. He further agrees that the company will pay to the United States during the period of the lease of Dams No. 2 and No. 3, $20,000 annually in installments quarterly in advance for repairs, maintenance, and operation of Dam No. 3, its gates and lock, and $35,000 annually in installments quarterly in advance for repairs, maintenance, and operation of Dam No. 2, its gates and locks, it being understood that all necessary repairs, maintenance, and operation thereof shall be under the

direction, care, and responsibility of the United States during the said 100 years lease period. The company, at its own expense, will make all necessary renewals and repairs incident to the efficient maintenance of the power houses, substructures, superstructures, machinery, and appliances appurtenant to said power houses, and will maintain the same in efficient operating condition.

Sixth. He further proposes that at all times during the period of the lease of Dam No. 2 the company will furnish to the United States free of charge, to be delivered at any point on the lock grounds indicated by the Chief of Engineers of the United States Army, electrical power to an amount necessary for the operation of the locks, but not in excess of 200 horsepower, and shall also furnish power for the same purpose at Dam No. 3, but not in excess of 100 horsepower.

Seventh. He further proposes to provide a sinking fund covering the lease period, which at the end of the same will amortize the cost to the Government of the cost of completing Dam No. 2, the construction of Dam No. 3, and the cost of the flowage rights in connection therewith.

Eighth. He further proposes to pay to the Government for the conveyance to him or the company of all the property constituting nitrate plant No. 2, including lands, power plant, buildings, materials, machinery, fixtures, equipment, apparatus, appurtenances, tools, and supplies, and the right, license, and privilege to use any and all of the patent processes, methods, and designs which have been acquired and may be transferred or assigned to a purchaser of nitrate plant No. 2 by the United States, together with the sulphuric-acid units now in storage on the premises; also all of the property constituting nitrate plant No. 1, including power plant, buildings, materials, machinery, fixtures, equipment, apparatus, appurtenances, tools, and supplies, and the right, license, and privilege to use any and all of the patent processes, methods, and designs which have been acquired and may be transferred to a purchaser of nitrate plant No. 1 by the United States; also all of the property constituting the Waco quarry, including the rights of way and buildings, material, quarry tract, machinery, railroad tracks, appurtenances, tools, and supplies; also all of the property constituting the steam power plant built and now owned by the Government at Gorgas, Ala., on the Warrior River, including lands, rights of way, buildings, machinery, material, apparatus, appurtenances, tools, and supplies, and the transmission line from the Gorgas steam plant to nitrate plant No. 2 at Muscle Shoals, and all other transmission lines belonging to the United States and connected with any of the aforesaid Government properties, the sum of $5,000,000 in five installments, as follows: $1,000,000 upon the acceptance of this offer, and $1,000,000 annually thereafter until the purchase is fully paid, with interest at the rate of 5 per cent per annum on deferred payments, with the privilege of anticipating any or all of the payments, possession to be delivered upon the payment of the first of said installments and deeds of conveyance to be delivered when full payment for such property has been made.

It is further provided that each of said deeds shall refer to or contain the provisions of the offer, and said deeds shall be so drawn as to make these provisions covenants running with the land.

Ninth. The proposal further provides that the company shall maintain nitrate plant No. 2 in its present state of readiness or its equivalent, for immediate operation in the manufacture of materials necessary in time of war for the production of explosives, during the entire lease period, and it is further provided that whenever, in the national defense, the United States shall require all or any part of the operating facilities of nitrate plant No. 2 for the production of any material necessary in the manufacture of explosives or other war materials, then the United States shall have the immediate right upon five days' notice to the company, to take over and operate the same, and the company will supply the United States with the hydroelectric power necessary for such operation, together with such complete patented processes which the company owns or has the right to use; and, further, when required for national defense, any of the company's personnel and operating organization necessary for operating any part of nitrate plant No. 2 in the manufacture of materials for explosives or other war materials shall be at the disposal of the United States, to be reasonably compensated for such use by the Government.

Tenth. It is also proposed that the company shall be obligated during the lease period to manufacture nitrogen and other commercial fertilizers, mixed or unmixed, with or without filler, according to demand, at nitrate plant No. 2 or its equivalent, or at such other plant or plants adjacent or near thereto as it may construct, using the most economical source of power available. The annual production of these fertilizers shall have the nitrogen content of at least 40,000 tons of fixed nitrogen, which is the present annual production of nitrate plant No. 2, and, further, that if said plant is destroyed during the lease period to restore the plant within a reasonable time to its former capacity. Guaranties are included in the proposal for carrying out this important provision, and a limitation of 8 per cent profit is fixed on the production of said fertilizer.

Eleventh. It is further provided in the proposal that the Government of the United States shall have the right to enforce all of the provisions of the contract to be entered into between the Government and the company by the exercise of all usual legal remedies, and in addition thereto the company will agree that the Attorney General of the United States may, upon the request of the Secretary of War, institute proceedings in equity in the District Court of the United States for the Northern District of Alabama for the purpose of canceling and terminating the lease of Dam No. 2 or Dam No. 3, or both of them, because of such violation, or for the purpose of remedying or correcting by injunction, mandamus, or other process any act of commission or omission in violation of the terms of this proposal or any contract made in furtherance thereof.

The Alabama Power Co. also, but long after the Ford offer was made, made an offer for the plants and the power plant at Gorgas. They only wanted to get the power from Wilson Dam; they made no proposal to make fertilizer. Their claim to an option to buy the steam plant at Gorgas has been denied by a recent opinion rendered by the Attorney General of the United States, who held that they had no legal rights to it under their contract with the Government. The Alabama Power Co. has already received a fee of $285,000 for building the Gorgas steam plant.

I have from the beginning been in favor of the Ford offer and against all other offers. I favor it for the following reasons:

1. It is fair to the taxpayers and the Government.

2. It relieves the Government of any further ultimate expense in completing the Dams 2 and 3 and installing the electrical energy to be generated by over a million horsepower of water. Ford will repay all that expense.

3. It keeps the nitrate plant in going condition, subject to the use of the Government for 100 years in case of war to make explosives.

4. It will open up the Tennessee River to navigation from Chattanooga to its mouth, thereby giving competition to oppressive railroad rates now charged.

5. It will give employment at high wages to tens of thousands of laboring men who are now out of work and whose families are suffering.

6. It will build up a great industrial center in Alabama, to increase the State and national wealth, and add taxes for the public benefit.

7. Over and above all else, and upon this is founded my greatest interest in this whole business, it will cut the fertilizer bills of the farmers of Alabama and of the Nation half in two. The Fertilizer Trust is fighting Ford's offer to the last ditch, but we who are fighting for the interests of agriculture see in this Ford offer the only chance we have ever had to break forever the oppressive strangle hold that this trust now has upon the necks of the farmers of America.

I have personal confidence in Henry Ford. I believe he will do for the farmers what he has promised to do. In their behalf it has given me pleasure to have advocated at all times and to advocate now the offer of Henry Ford. Give us a vote and we will do the rest. [Applause.]

Mr. DENISON. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. BLAND].

Mr. BLAND of Indiana. Mr. Chairman, I am told by those most familiar with the original Panama Canal act that there was no governing body in the world given such autocratic power as was given to the Governor of the Canal Zone, and that power maintains until this day. I have studied conditions down in the zone considerably, and I find a very unusual condition prevails there. We had had civilian Governors of the Panama Canal Zone. Even under a civilian governor the extraordinary autocratic power given by the act occasioned much complaint as to the manner in which they governed the zone. Now, imagine the conditions down there now when the Secretary of War has appointed a military man as governor of the zone, when he is attempting to apply military rules to a civil administration. The people down there who work on the Panama Canal are good American citizens, and they want to exercise the rights and privileges of American citizens. The original Panama Canal act gave the governor the right, if a man opened his mouth about the administration, to deport him.

This bill being considered to-day gives him more power than he ever had before. It is brought in here for the purpose of

giving the governor more power over his subjects than any executive ever had in any government in the history of free people. Let me show you what they are doing down there. Here is a manifesto—a ukase, if you please—issued by the acting governor reprimanding an American citizen not subject to military rule. These fellows are put to the goose step down there. Here is what they posted on the walls and trees and billboards of the zone against a person that has been there for 20 years, and a mighty good citizen he is. This fellow who was reprimanded was over at Colon, outside of the zone. As I remember it, he is superintendent of construction. He was not satisfied with the present administration of the Canal Zone, and one of the things that he made complaint of down there was that Secretary Weeks sent a commission there to make an investigation, and one of the recommendations of the commission was to stop the fight against mosquitoes which had made the zone habitable for white men. They recommended that these activities of the health department should cease until the death rate equaled certain other cities in the United States. The governor was in sympathy with this military commission who had displeased the zone people. The people generally complained about that report, and Mr. Boyd, over in a restaurant in Colon, said that the present governor would be fired in 48 hours, and ought to be. The governor came to the United States, and while he was gone the acting governor issued this manifesto, and I want to read it to you. It is as follows:

THE PANAMA CANAL ZONE EXECUTIVE DEPARTMENT,
Balboa Heights, February 1, 1922.

All concerned:

The following letter of this date is published for the information of all concerned:

Mr. A. S. BOYD,
Pedro Miguel, Canal Zone.

SIR: Some days ago it was brought to my attention that on January 7, 1922, you announced to a group of gentlemen in the Strangers' Club in Colon that you personally had received authentic information that the present Governor of the Canal Zone would be removed and his successor announced within 48 hours.

From your own statement in regard to this matter it is apparent to a person of any judgment that your source of information was anything but authentic, and it is hard to conceive your attaching any importance to a rumor emanating from such a source.

After carefully reviewing your statement and the statements of others who are conversant with this matter—incidentally the statements of all others agree in differing widely from your version—I am inclined to believe that your action in this matter was brought about, not by intentional disloyalty but by your inability to resist the temptation to attain notoriety by posing as the exclusive possessor of the information which you gave out.

In view of your long and satisfactory service with the canal and your personal circumstances as explained to me, I have decided not to insist upon your resignation, but continue you with the organization with this letter of reprimand, which will, of course, be placed upon your personal file.

Respectfully,
M. L. WALKER,
Acting Governor.

Gentlemen, I want to know what you think about such a manifesto, of such a reprimand of a civil employee under a civil government; a public reprimand upon an American citizen made in true military style? I wrote to Secretary Weeks and asked him what he thought about it, and asked him if he approved of putting the goose-step on American citizens and permitting a military autocracy there to hold an American citizen up to scorn and shame because he manifested a spirit of American independence. For fear I may neglect it, I ask unanimous consent to put a portion of the correspondence between the Secretary and myself into the RECORD. Here is my letter to him:

FEBRUARY 15, 1922.

Hon. JOHN W. WEEKS,
Secretary of War, War Department, Washington, D. C.

DEAR MR. SECRETARY: I am inclosing copy of an order or notice published broadcast in Panama by the acting governor concerning the conduct of Mr. A. S. Boyd.

It will be noted that Mr. Boyd was charged with having said that the present governor of the Canal Zone would be removed and that his successor named within 48 hours. It seems that Mr. Boyd has been published and reprimanded and that he is now on "good behavior."

I have been to Panama twice in the last two years, and I do not think any too much of the military control of that place. It seems to reach the limit of military autocracy. Suppose Mr. Boyd had said the words charged. What right has any official to punish him or investigate his statement or publish him to the community? This letter only indicates the extent to which an Army officer will go in connection with administration of civil affairs.

I know Mr. Boyd very well, but I hold no brief for him. He is regarded as one of the most intelligent and efficient servants in the zone. He has spent the best part of his life there and he is well thought of by all. He has not communicated with me directly or indirectly in connection with this matter, but has come to me through nonmilitary friends. I would like to have you tell me if this order, ukase, manifesto, edict, or military order is with your knowledge and consent. Do you view it in harmony with the spirit of American independence in thought and speech? I am deeply interested in this matter and will expect a personal answer giving me some notion as to whether or not the officer issuing the order has exceeded his authority under his authorization and the law.

Yours very truly,

———.

FEBRUARY 24, 1922.

Hon. J. W. WEEKS,
Secretary of War, Washington, D. C.

DEAR MR. SECRETARY: On February 15 I wrote you a letter inclosing a copy of some kind of a reprimand letter by the Governor of the Canal Zone, directed toward A. S. Boyd. I addressed the letter to you personally and inquired only for your personal attitude, and I would naturally suppose that it would not call for reference to the zone.

Might I have an answer to this letter within some reasonable length of time?

Very sincerely yours,

———.

On the 24th of February, 1922, the Secretary of War replied as follows:

WAR DEPARTMENT,
Washington, February 24, 1922.

Hon. OSCAR E. BLAND,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I am in receipt of your letter of February 15 in reference to the action of the Acting Governor of the Panama Canal in making public a letter addressed to Mr. A. S. Boyd, Pedro Miguel, Canal Zone, reprimanding him for having announced in the Strangers' Club, in Colon, on January 7, 1922, that he had received authentic information that the present Governor of the Canal Zone would be removed and that his successor would be announced within 48 hours.

I have no information regarding the incident referred to by you, except what is contained in your letter under acknowledgment. It is believed the action taken by the acting governor is not inconsistent with the broad powers conferred upon the Governor of the Panama Canal under the Panama Canal act and by the President. I have no particular comment to make regarding the matter, except to say that at the present time conditions on the Isthmus are rather unusual, causing considerable unrest there, due to the reductions in force and the reductions in wages from the excessive rates paid during the war period and the two years following the armistice. Another contributing influence to this unrest in the Canal Zone is an active propaganda on the part of the employees to retain certain privileges heretofore unwisely allowed them, but which they are now being properly deprived of. Under these conditions loyal employees of the canal should not aid in spreading idle rumors regarding changes in canal officials when there is no foundation for them and the spreading of which would only cause continued unrest.

Sincerely yours,
JOHN W. WEEKS,
Secretary of War.

On March 2 I addressed him as follows:

MARCH 2, 1922.

Hon. JOHN W. WEEKS,
Secretary of War, War Department, Washington, D. C.

DEAR MR. SECRETARY: Your letter of February 24 in answer to my two letters of previous date is at hand.

I asked you specific questions as to how you viewed the conduct of the Governor of the Canal Zone in publishing a letter of reprimand sent to an employee of the Government. You evaded the question by saying you had no particular comment to make regarding the matter. You also said that you believed the action taken by the acting governor is not inconsistent with the broad powers conferred upon the Governor of the Zone under the Panama Canal act and by the President.

Admitting the powers granted by Congress are broad on account of it being necessary in times of great danger to exercise unusual power, will you contend that there is such an emergency at this time as to warrant putting into effect the strict military regulations as applicable to civil employees of the Zone? The situation is, Mr. Secretary, that you have appointed a military officer as Governor of the Canal Zone. I am not denying your right to do so, nor am I denying the technical authority of the acting governor to put into force the goose step if he so desires, but I am questioning the policy of the Secretary of War or the President or the Congress that permits these things to continue.

You have not indicated to me as to whether this was done with your authority or consent or whether you approve of it or not. This matter is a matter of administration and you are the administrator. If you favor a military, autocratic government of this Canal Zone, Congress should take steps, if it deems it advisable, to prevent you from so governing the zone.

I may not have the correct view of this matter. I am certainly anxious to have information, and if I am convinced that I am wrong about the matter I certainly am not inclined to want agitation for its own sake.

Do you think the act of the acting governor is justified in peace times? Do you approve of this military kind of government by an Army officer appointed to a civil position as affecting civilian employees?

Trusting I may have an early reply, I remain,
Sincerely yours,

———.

The Secretary on March 24 wrote me as follows:

WAR DEPARTMENT,
Washington, March 24, 1922.

Hon. OSCAR E. BLAND,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Your letter of March 2, referring to my letter of February 24 in answer to your previous letter of February 15, relative to the reprimand addressed to Mr. A. S. Boyd, an employee of the Panama Canal, by the Acting Governor of the Panama Canal Zone and published in a memorandum to "All concerned" by the acting governor, was received during my absence from the city, and I understand my secretary telephoned you that a reply would necessarily be delayed until my return.

My previous letter was written as I was about to leave the city and perhaps was not phrased entirely to meet your criticism. However, whether that is correct or not, I do approve of the action taken by the acting governor. The facts seem to demonstrate that Mr. Boyd publicly made a statement relative to the imminent removal of the Governor of the Panama Canal Zone and stated that he had it from authentic authority. This, if true, would have implied that the governor had given some cause for such action, such as incompetency, negligence, or possibly some other more serious offense, for such removal, and any such statement or rumor quite naturally produces an impression in the minds of those who hear it, even if untrue, which would be harmful

to the governor in the performance of his duty. There was never any basis whatever for any such statement. The information imparted by Mr. Boyd was not authentic, and there is every reason for the reprimand administered. It was not military or autocratic and would apply with equal force if such a rumor had been started by a civilian employee in any department of the Government.

Sincerely yours,

JOHN W. WEEKS,
Secretary of War.

Suppose I make a statement against President Harding to-day that gravely reflects upon his administration of affairs or even questions his ability or honesty. Do you think he would have the right to hold me up to ridicule and scorn by reprimanding me publicly and posting it on the trees? Does he have the right to put military shackles on me? I do not believe that anybody would attempt to do it but a governor who could not forget that he was an Army officer.

Mr. NEWTON of Minnesota. Will the gentleman yield there?

Mr. BLAND of Indiana. Yes.

Mr. NEWTON of Minnesota. But the gentleman is not an employee of the Government. As I understand it, the man reprimanded was an employee of the Government in the Canal Zone.

Mr. BLAND of Indiana. Who is not an employee of the Government?

Mr. NEWTON of Minnesota. You are not.

Mr. BLAND of Indiana. No; I am not, in the sense he was.

Mr. NEWTON of Minnesota. Then, is your illustration in point?

Mr. BLAND of Indiana. However, I do think I am an employee of the Government at this time.

Mr. NEWTON of Minnesota. I can not look at it in the same light.

Mr. BLAND of Indiana. I draw a salary from the same source that he does or any other citizen in the employ of the Government, and we are not going to subscribe to the doctrine that a man who comes to a civil life from a military life is going to put military shackles upon American citizens. Mr. Boyd had a right to free speech; he had a right to criticize the governor, as every American citizen has the right to criticize Congress, which they do freely. If we fellows tried to put military shackles on the fellows who criticize us, we would have the whole country in shackles all the time.

Mr. DENISON. Will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. DENISON. I know the gentleman wants to be fair. The governor has a responsible position down there, and this man was employed in work for the Government. What do you think ought to be done?

Mr. BLAND of Indiana. The Governor of Indiana has a responsible position, sir, and men every day go on the platform and criticize what he is not doing, and severely criticize him. Do you think he has the right to publicly reprimand him and say, "I will let you go this time; I will reprimand you publicly and give you the military goose step, but I will not let you go free again"? This bill proposes to give them more power. If you listen to the military oligarchy, my friend, in amending the law for the Panama Canal Zone, you will have it so that the liberty of no man there will be safe, before you get through, and this is only a cry for more power, and God knows they have got more than any men who govern should have. In the first place, I do not believe a military man ought to be appointed as a civilian executive. I would not want to detract from the military record of any good military man——

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. BLAND of Indiana. I would like to have three minutes more.

Mr. DENISON. Mr. Chairman, how much time have I?

The CHAIRMAN. The gentleman has 13 minutes.

Mr. DENISON. I yield to the gentleman from Indiana three minutes more.

The CHAIRMAN. The gentleman from Indiana is recognized for three minutes more.

Mr. BLAND of Indiana. I would not want to detract from the reputation of any good military man, but I say it is a mistaken policy to appoint a military man to control civilian employees, especially under such a law as grants abnormal powers, as this bill grants. I have not had the time to analyze this bill very carefully, and I have not the time to discuss it if I had examined it, but if you will look it over you will see that the purpose of this bill is to put more power in the hands of men who are now seeking to stifle liberty and free speech on the Canal Zone.

They want to take from the Department of Justice the power to appoint United States marshals. They want the governor to be intrusted with power to appoint United States marshals down there. Some one has said it will save expense. My God! They will have a deputy to do it. They will appoint more officers down there than they have already. The governor will appoint a man of his own ilk, of his own kind, to do it. They want to take the power away from the civilians.

I was down there when the present military governor treated the present United States marshal with scant courtesy. Military trained men are enraged at civilian interference. That is military autocracy. Why not let the Army do everything else in the way of administering justice down there? Let us do away with our courts there and have military tribunals instead to try American citizens. Why do you want to deprive American citizens of their rights? Because the War Department asks for it?

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. NEWTON of Minnesota. Who is the gentleman who is marshal, and where is he from?

Mr. BLAND of Indiana. The marshal is a mighty fine fellow, and he comes from Indiana, and I know him. I know he is a fine fellow, and he is not getting too much money for it. It is a very poor job, and he says he is going to get out of there. He is at present living in an atmosphere of hostility to his office.

But that is not what is worrying me. I say the principle involved is wrong. You should not give more power to these military men than they already have. You will regret it if you do it. [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. CRAMTON. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Michigan makes the point of order that there is no quorum present.

Mr. DENISON. Will not the gentleman wait for five minutes?

Mr. CRAMTON. Yes. I will withdraw the point.

The CHAIRMAN. The point of order is withdrawn.

Mr. DENISON. Mr. Chairman, of course I do not blame the gentleman from Indiana [Mr. BLAND] for manifesting some feeling because one of the provisions of this bill abolishes the office of marshal of the Canal Zone, which, he says, is now held by one of his personal friends; but I do not think the gentleman's remarks are justified. I do not think he is going to frighten anybody by raising the bugaboo of "militarism" on the Canal Zone. We have a governor there, appointed not by the Secretary of War but by the President himself, and the Secretary of War has nothing to do with it. The President appointed Colonel Morrow, who was a very distinguished Army engineer and who served throughout the late war in France and rendered faithful and distinguished services to his country. He is an able military engineer, he has worked on the Canal Zone for a number of years, and he knows as much about the Canal as any man living. He is wonderfully well equipped for the position, and he is managing the Canal Zone with efficiency and with great credit to himself.

We have an officer down there known as the chief of police of the Canal Zone. He has subordinate officers who can easily serve writs, and so forth, like any other officers serving under a superior officer. We also have the useless position of marshal, whose duties can be performed by a deputy just as well.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield there for a question?

Mr. DENISON. Yes.

Mr. CRAMTON. Does the gentleman understand that the Committee on Rules really understood that this bill would abolish a useless officer?

Mr. DENISON. I do not know about that. I do not know that they went into the merits of the bill.

Mr. CRAMTON. Some of us get the impression that the Committee on Rules opposes the abolition of useless offices. [Laughter.]

Mr. DENISON. But, Mr. Chairman, this bill does abolish an office that has been found to be useless.

Mr. RAKER. Will the gentleman yield for a question right there?

Mr. DENISON. I will yield in a moment. It provides that the duties that have been performed heretofore by the marshal shall be performed by the present chief of police and such deputies as he may assign to that work with the approval of the court. Now, that provision in this bill has aroused the ire of my good friend from Indiana [Mr. BLAND], and I will say that

when that provision was put in the bill I did not know that it was a friend of his whose job was being abolished. I have no doubt the marshal is a good man, but I am thinking first of the interests of the country; the Secretary of War, who administers the affairs of the Canal Zone for the President, not as Secretary of War but as the representative of the President, has recommended that this office be abolished. The governor has recommended it and the special commission which the President appointed and sent to the Canal Zone to investigate the situation down there have investigated the subject and have recommended that this position be abolished. Now I yield to the gentleman from California.

Mr. RAKER. In reading the bill and report I notice that it is proposed to abolish the office of marshal and to have the chief of police take charge of the marshal's work. Does not the marshal have to serve all of the writs and summonses out of the Federal court there?

Mr. DENISON. In the first place, there is no Federal court. There is a district court.

Mr. RAKER. The district court of the Canal Zone.

Mr. DENISON. It is the district court of the Canal Zone. The marshal theoretically serves the papers, but he does not as a matter of fact do it in person. He has deputies under him to do that work.

Mr. RAKER. Somebody has to do that work, and I understand there is a great deal of litigation, and that a good many arrests are made and that a good many writs must be served. Now, why transfer those duties from the marshal to the chief of police?

Mr. DENISON. Perhaps the gentleman from California did not understand what I was trying to say.

Mr. RAKER. I heard it clearly.

Mr. DENISON. The purpose of it is to abolish a useless position and in the interest of economy save the Treasury $5,000 a year and the other emoluments that go with the job.

Mr. RAKER. Under your report it appears that there is a great deal of litigation, and that there are many arrests which are attended to by the marshal. Now, if it requires a marshal, and as you say police deputies will be required to do it, how do you save anything?

Mr. DENISON. If the gentleman can not understand what I have been saying to him, I do not know how I can make it any plainer. There is a chief of police there now, and he has his deputies; he can just as well perform all these duties that are now performed by the marshal. At present there are two officers—a chief of police, whose duties are principally to preserve peace and order, and a marshal, whose duties are to serve the processes of the court. The chief of police could just as well perform all the duties of the office of marshal.

Mr. RAKER. But if additional deputies are required, who will have to be paid an additional amount of money to do the work that the marshal is now doing, why take the work away from a high-class officer, recognized all over the United States as a proper officer to enforce the law in the Federal courts, and give those duties to a policeman?

Mr. DENISON. The error of the gentleman from California is in assuming that additional deputies will be required. I have been telling the gentleman, or trying to tell him, that the duties of this office can be performed by the present chief of police and his present deputies, so that the office of marshal is wholly unnecessary, and we can abolish it and save that much money. I do not know whether the gentleman from California believes in doing away with useless offices and saving the Government that much money, but it seems to me to be a very wise policy in view of the present cost of government.

Mr. RAKER. Surely.

Mr. BLAND of Indiana. Will the gentleman yield for a question?

Mr. DENISON. Yes.

Mr. BLAND of Indiana. Who appoints the chief of police?

Mr. DENISON. The Governor of the Canal Zone, Governor Morrow.

Mr. BLAND of Indiana. Who was at the head of the commission that went down there and recommended that this thing be done?

Mr. DENISON. I do not know; but I think it was a Mr. Fry.

Mr. BLAND of Indiana. General Conner. It was a military commission, and General Conner made a military recommendation. Is not he the same fellow who recommended that we abolish the health regulations down there?

Mr. DENISON. The men to whom the gentleman refers are capable men who have been serving their country very well; they are all men of high character and high standing. I do not assume that the gentleman from Indiana will dispute that at all.

Mr. BLAND of Indiana. No, sir; not at all.

Mr. DENISON. Now, I am not going to take any time of the House in replying to this big talk about military rule. There is no such thing on the Canal Zone. While Governor Morrow was an officer in the Army when he was appointed governor, he is not governing the Canal Zone as a military man any more than Gen. Leonard Wood is now governing the Philippines as a military governor. He is performing the duties of governor just as any civilian would. And all I have to say about the action of Acting Governor Walker, in connection with the incident referred to by the gentleman from Indiana, is that I think the acting governor acted with more grace, more leniency, and more consideration toward the party referred to than any military governor would have done, and perhaps than was justified under the circumstances related.

Governor Morrow was appointed by the President. His appointment was confirmed by the Senate. The fact that he has been a colonel in the Army ought not to discredit him.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. DENISON. Yes.

Mr. NEWTON of Minnesota. I take it the situation is this: The marshal himself serves no papers to speak of.

Mr. DENISON. Not at all.

Mr. NEWTON of Minnesota. You abolish that office involving a charge on the Treasury of $5,000 where the work is ordinarily done through the deputies and which will be done hereafter by the police officers.

Mr. DENISON. This is correct.

Mr. RAKER. Where does the gentleman get the idea that the marshal does not personally serve the papers?

Mr. BLAND of Indiana. He does serve the papers; I have been there and seen him.

Mr. RAKER. You will find that the important work, notwithstanding he has deputies, is done by the marshal himself.

Mr. DENISON. The Secretary of War gives us the information. The Governor of the Canal Zone and various individuals on the Canal Zone have given me the information that the marshal does not himself serve the papers. He may do so in certain instances, in some important cases, but as a rule he performs no official duties whatever.

Mr. RAKER. The gentleman gives the impression abroad that the marshal does not do the work. I know by personal observation that the important work is done by the marshal personally in other courts, and I am asking the gentleman if it is not so in the Canal Zone?

Mr. DENISON. That is not the case in that court.

Mr. BLAND of Indiana. If you are going to do away with the United States marshals and leave it to the military governor——

Mr. DENISON. We are not doing that.

Mr. BLAND of Indiana. If you are going to leave it to the military governor, why not do away with the Federal court and let the drumhead court take care of the litigation?

Mr. DENISON. That question answers itself. I am sure that when the gentleman reads over his remarks he will correct them and not let them stand in that way in the RECORD.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DENISON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH, Speaker pro tempore, having resumed the chair, Mr. LONGWORTH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 11872 and had come to no resolution thereon.

LEAVE OF ABSENCE.

Mr. SANDLIN. Mr. Speaker, I ask unanimous consent for leave of absence of my colleague Mr. DUPRÉ, for the balance of the week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

EXTENSION OF REMARKS.

Mr. LONDON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the workmen's compensation act for the District of Columbia.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

ADJOURNMENT.

Mr. DENISON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p. m.) the House adjourned until to-morrow, Wednesday, June 14, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

635. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental and deficiency estimate for the Post Office Department for the fiscal year 1922 and prior fiscal years amounting to $1,167,000 (H. Doc. No. 339); to the Committee on Appropriations and ordered to be printed.

636. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate for the Department of Agriculture for the fiscal year ending June 30, 1923, amounting to $50,000, to enable the Secretary of Agriculture to collect moneys due the United States on account of loans made to farmers under the seed grain loan acts of March 3, 1921, and March 20, 1922 (H. Doc. No. 340); to the Committee on Appropriations and ordered to be printed.

637. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Treasury Department for the fiscal year ending June 30, 1923, for the Public Health Service, National Home for Lepers, in the sum of $650,000 (H. Doc. No. 341); to the Committee on Appropriations and ordered to be printed.

638. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Treasury Department for the fiscal year ending June 30, 1923, amounting to $24,700, for salaries of employees in the Washington office of the director special agent service, United States customs (H. Doc. No. 342); to the Committee on Appropriations and ordered to be printed.

639. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the War Department for the fiscal year ending June 30, 1922, amounting to $698,031.56, for completion of acquisition of land for military purposes at Camp Bragg, N. C. (H. Doc. No. 343); to the Committee on Appropriations and ordered to be printed.

640. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Department of Commerce for the fiscal year ending June 30, 1922, for Colorado River Commission, $10,000 (H. Doc. No. 344); to the Committee on Appropriations and ordered to be printed.

641. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Treasury Department for the fiscal year ending June 30, 1923, amounting to $26,500, for salaries and expenses, Dye and Chemical Section, Division of Customs (H. Doc. No. 345); to the Committee on Appropriations and ordered to be printed.

642. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Treasury Department for the fiscal year ending June 30, 1923, for pay of personnel and maintenance of hospitals, Public Health Service, $500,000 (H. Doc. No. 346); to the Committee on Appropriations and ordered to be printed.

643. A letter from the Acting Secretary of War, transmitting a letter from the Acting Chief of Engineers, United States Army, together with a compilation of river and harbor laws, covering the period from June 23, 1913, to March 4, 1921, made under the direction of the Secretary of War, in compliance with section 6 of the river and harbor act approved June 5, 1920 (H. Doc. No. 347); to the Committee on Rivers and Harbors and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. PARKER of New York: Committee on Interstate and Foreign Commerce. S. 3458. An act to authorize the Niagara River Bridge Co. to reconstruct its present bridge across the Niagara River between the State of New York and the Dominion of Canada, or to remove its present bridge and construct, maintain, and operate a new bridge across the said river; with amendments (Rept. No. 1092). Referred to the House Calendar.

Mr. HAWES: Committee on Interstate and Foreign Commerce. H. R. 11827. A bill granting the consent of Congress to the county courts of Howard and Saline Counties, in the State of Missouri, to construct a bridge across the Missouri River; with an amendment (Rept. No. 1093). Referred to the House Calendar.

Mr. MILLER: Committee on Military Affairs. H. R. 10913. A bill to amend sections 4826 and 4827 of the Revised Statutes of the United States relating to Board of Managers of National Home for Disabled Volunteer Soldiers; without amendment (Rept. No. 1094). Referred to the Committee of the Whole House on the state of the Union.

Mr. TINCHER: Committee on Agriculture. H. R. 11843. A bill for the prevention and removal of obstructions and burdens upon interstate commerce in grain, by regulating transactions on grain future exchanges, and for other purposes; with amendments (Rept. No. 1095). Referred to the Committee of the Whole House on the state of the Union.

Mr. WINSLOW: Committee on Interstate and Foreign Commerce. S. 848. An act to amend section 22 of the act entitled "An act to regulate commerce," approved February 4, 1887, as amended; with amendments (Rept. No. 1096). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 11525) granting a pension to Emma W. Mitchell, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SMITH of Idaho: A bill (H. R. 12007) providing for the conveyance of certain land to the city of Boise, Idaho, and from the city of Boise, Idaho, to the United States; to the Committee on Public Buildings and Grounds.

By Mr. WILSON: Joint resolution (H. J. Res. 348) to establish a national hydraulic laboratory; to the Committee on Flood Control.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON: A bill (H. R. 12008) granting a pension to John Gilroy; to the Committee on Pensions.

By Mr. FISH: A bill (H. R. 12009) granting an increase of pension to Annie M. Owen; to the Committee on Invalid Pensions.

By Mr. HAYDEN: A bill (H. R. 12010) granting an increase of pension to Sarah A. Radell; to the Committee on Invalid Pensions.

By Mr. KUNZ: A bill (H. R. 12011) for the relief of Dennis Sweeny; to the Committee on Claims.

By Mr. McPHERSON: A bill (H. R. 12012) granting an increase of pension to Willis P. McCampbell; to the Committee on Pensions.

Also, a bill (H. R. 12013) granting a pension to James Patterson; to the Committee on Invalid Pensions.

By Mr. MUDD: A bill (H. R. 12014) granting a pension to James F. Davis; to the Committee on Pensions.

By Mr. TAGUE: A bill (H. R. 12015) for the relief of John E. Anderson; to the Committee on Claims.

By Mr. TAYLOR of New Jersey: A bill (H. R. 12016) for the relief of Augusta Sulzer; to the Committee on Claims.

By Mr. TINKHAM: A bill (H. R. 12017) granting an increase of pension to Chester A. Waite; to the Committee on Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 12018) for the relief of Ben M. Ellis; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5987. By Mr. CHALMERS: Petition of Volunteer Relief Corps, No. 89, Mrs. Isaelle French, secretary, in re Morgan pension bill; to the Committee on Pensions.

5988. By Mr. CONNOLLY of Pennsylvania: Resolutions from the following organizations, all of Philadelphia, Pa., favoring the enactment of an adequate tariff law based on the American valuation plan: Philadelphia Hat Makers' Association; Labor Lyceum Association; Beer Drivers' Union No. 132; Brewery Firemen, Oilers and Helpers' Union, Local No. 285; International Union of United Brewery, Flour, Cereal, and Soft Drink Workers of America, Local No. 5; and Journeymen Barbers' International Union of America, Local No. 104; to the Committee on Ways and Means.

5989. Also, evidence in support of House bill 11993, granting an increase of pension to Eloise Wilkinson; to the Committee on Pensions.

5990. Also, evidence in support of House bill 11992, granting a pension to James Donnelly; to the Committee on Pensions.

5991. By Mr. FAIRFIELD: Petition of M. F. Kann and others, of Fort Wayne and Kendallville, Ind., protesting against the passage of House bills 9753 and 4388, and Senate bill 1948; to the Committee on the District of Columbia.

5992. By Mr. KISSEL: Petition of the George M. Jones Co., Toledo, Ohio, urging the bringing about of State conferences between mine operators and the United Mine Workers; to the Committee on Labor.

5993. Also, petition of the Order of the Holy Cross, West Park, N. Y., urging action be taken to help the cause of the Armenians; to the Committee on Foreign Affairs.

5994. By Mr. MAPES: Petition of members of the Brotherhood Bible Class of South Congregational Church, members of South Congregational Church, and members of the faculty of Central High School and Junior College, of Grand Rapids, Mich., protesting against the return of Armenia to Turkish sovereignty; to the Committee on Foreign Affairs.

5995. By Mr. SPEAKS: Papers to accompany House bill 11982, granting an increase of pension to S. Harriett Morris; to the Committee on Invalid Pensions.

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